

## The Scale of Social Enterprise

Some critics – and even some advocates of social enterprise – dismiss its potential contribution to sustainable economic development on the basis that it is too small or too niche. Yet this perception ignores a rich vein of evidence.

The G8 Social Impact Investment Taskforce, for example, report that “Social sector organisations already account for more than 5% of GDP in several countries, including Canada, Germany, the UK and the US. In some countries, they employ more than 10% of the workforce.” Indeed, social enterprise, co-operatives and other social sector organisations account for very significant sectors of the economy across many countries of the world.

In some parts of the world, critics have suggested that social enterprise is often an elitist endeavour, pursued by those lucky enough to have the financial wherewithal to experiment with such models. Again, on the contrary evidence collected in Social Enterprise UK’s State of Social Enterprise Report 2013 shows that in the UK:

- Social enterprises are very heavily concentrated in the UK’s most deprived communities. 38% of all social enterprises work in the most deprived 20% of communities in the UK, compared to 12% of traditional SMEs.

- Social enterprises are far more likely to be led by women than mainstream businesses. 38% of social enterprises have a female leader, compared with 19% of SMEs and 3% of FTSE 100 companies.
- 28% of social enterprise leadership teams have BAME directors. Only 11% of SMEs report having directors from a BAME background.

In the **Netherlands and Belgium**, ‘nonprofits’ account for 15.9% and 13.1% of employment respectively, higher than the café and restaurant sectors.<sup>72</sup>

In **France**, the social economy represents 10% of GDP or more than the entire agriculture industry and in Germany around the same size as the automobile industry<sup>74</sup>.

In **Spain**, the social economy accounts for over 20% of employment and the Mondragon co-operative alone turns over upwards of €10 billion, more than the entire fishing industry<sup>70</sup>.

In **Italy**, the social sector accounts for 15% of national GDP and 10% of the total workforce more than the wine industry<sup>73</sup>.

In the **United States**, social enterprises are estimated to represent 3.5% of GDP, more than the contribution of Silicon Valley<sup>71</sup>.

In **South Korea**, the size of the social economy, including both newer and older types of social economy organisations, co-operatives and social enterprises, is estimated to be worth 3% of GDP, larger than the car industry<sup>75</sup>.

In **Kenya**, co-operatives account for 45% of Kenya’s GDP larger than either the public or private sectors<sup>76</sup>.

<sup>70</sup> HYPERLINK “<http://www.mondragon-corporation.com>” [www.mondragon-corporation.com](http://www.mondragon-corporation.com) and <http://www.eurofish.dk>

<sup>71</sup> [http://www.huffingtonpost.com/ben-thornley/social-enterprise\\_b\\_2090144.html](http://www.huffingtonpost.com/ben-thornley/social-enterprise_b_2090144.html)

<sup>72</sup> HYPERLINK “<http://www.thezeromarginalcostsociety.com>” [www.thezeromarginalcostsociety.com](http://www.thezeromarginalcostsociety.com)

<sup>73</sup> <http://www.socialimpactinvestment.org/reports/Impact%20>

[Investment%20Report%20FINAL\[3\].pdf](http://ec.europa.eu/internal_market/conferences/2014/0116-social-entrepreneurs/docs/140210-europolitics_en.pdf)

<sup>74</sup> [http://ec.europa.eu/internal\\_market/conferences/2014/0116-social-entrepreneurs/docs/140210-europolitics\\_en.pdf](http://ec.europa.eu/internal_market/conferences/2014/0116-social-entrepreneurs/docs/140210-europolitics_en.pdf)

<sup>75</sup> [http://www.reliess.org/centredoc/upload/SocialEconomy\\_KoreanCaseStudy\\_FinalRevision\\_201309\\_.pdf](http://www.reliess.org/centredoc/upload/SocialEconomy_KoreanCaseStudy_FinalRevision_201309_.pdf)

<sup>76</sup> [ica.coop/en/co-op-facts-and-stats](http://ica.coop/en/co-op-facts-and-stats)