



PANEL DATA ON  
SOCIAL VENTURES IN  
EUROPE  
[ES, HU, **RO**, SE, UK]

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# MOTIVATION

- **OBSERVATION:** Lack of systematic, rigorous and reliable evidence on social enterprises (in Europe)
  - Excitement to fill in this niche
  - Excitement around the possibilities that true interdisciplinary work in this realm would create

# RESEARCH CONSORTIUM



INTERDISCIPLINARITY,  
ACADEMIC EXCELLENCE,  
OPENNESS TO EXPERIMENT



INTERNATIONAL  
OUTLOOK



ACCESS TO SES &  
PRACTITIONERS'  
EXPERIENCE

ACCESS TO CASES  
FOR ACTION-  
RESEARCH &  
PRACTITIONER'S  
EXPERIENCE



EUROPEAN COMMISSION  
European Research Area



Funded under Socio-economic Sciences & Humanities

COLLABORATIVE PROJECT  
[JUNE 2008-SEPT 2011]

# PANEL IN NUMBERS

- UNIQUE LONGITUDINAL AND CONSISTENTLY COLLECTED DATA ON OVER 600 SES IN HUNGARY, ROMANIA, SPAIN, SWEDEN AND THE UK.
- 2 ROUNDS OF DATA:
  - 2009/2010 Sample: 581 SE (5 countries)
  - 2010/2011 Sample: 406 SE (4 countries), of which 90% were repeat and 10% new

# Part A

## INTRODUCTION TO THE PANEL DATABASE

- WHO DO WE INTERVIEW?
- HOW DO WE FIND THESE SUBJECTS?

# WHO DID WE INTERVIEW: FOCUS



Relies on charitable donations and/or public monies versus SE's designed to be(come) self-sustainable.

- VENTURES THAT ARE PRIMARILY IN THE BUSINESS OF CREATING SIGNIFICANT SOCIAL VALUE, AND
- DO SO IN AN ENTREPRENEURIAL, MARKET-ORIENTED WAY, THAT IS THROUGH GENERATING OWN REVENUES TO SUSTAIN THEMSELVES.

Designed to pursue profit first and then add social features – provided the social features don't interfere with maximizing profit.

# IMPLEMENTING THIS FOCUS: SELECTION CRITERIA

- **DIRECTOR:** Are you the director of the organization?
- **JOB CREATION:** Do you have at least 1 FTE working for your organization? This is not counting the owners, guarantors, trustees, volunteers. By FTE, we mean 35 working hours per week.
- **MARKET-ORIENTED:** As of today, are at least 5% of your revenues self-generated – i.e., through selling products or services in the market? In other words, revenues stemming from fees for services or sales of products.
- **SOCIAL MISSION:** How would you summarize the rationale or purpose of your organization, i.e, its mission?
  - We record the answer verbatim, and score the mission content along 5 dimensions and its formal characteristics along 2 dimensions.

# WHERE DO WE FIND THESE SORTS OF VENTURES?

- **THERE EXISTS NO SAMPLING FRAME:** e.g. telephone directory or administrative database on which we could readily draw to identify our sample.
- **THERE EXISTS NO COMMON SHARED UNDERSTANDING OF WHAT A SOCIAL ENTERPRISE IS:** public acknowledgement of the social enterprise phenomenon is erratic and subjective.

**HIDDEN POPULATION = POPULATION OF SOCIAL ENTERPRISES**

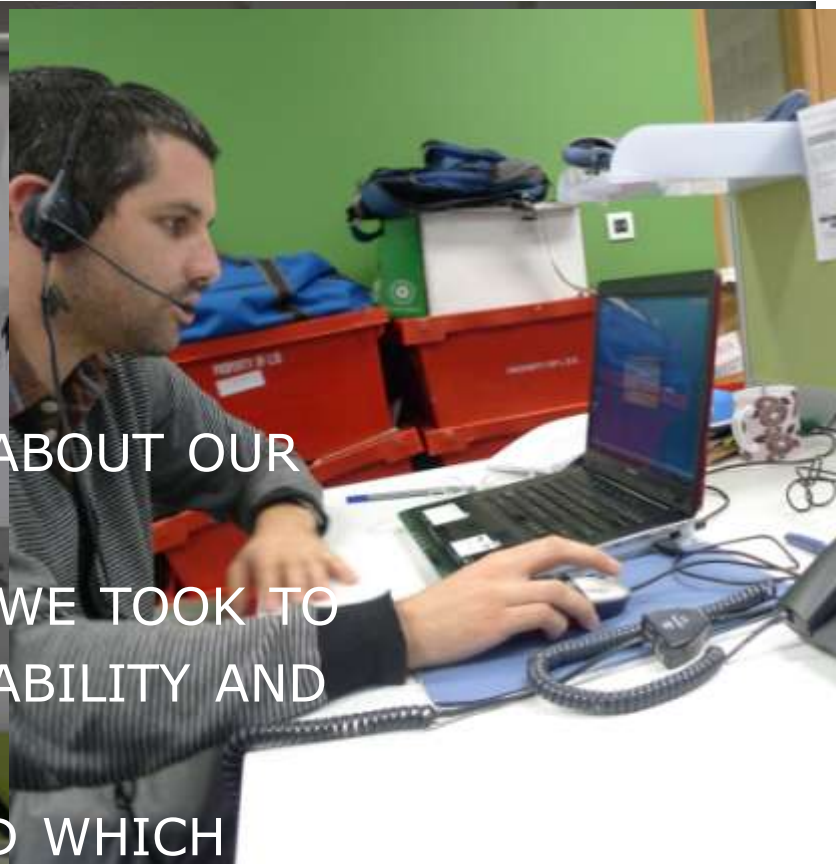
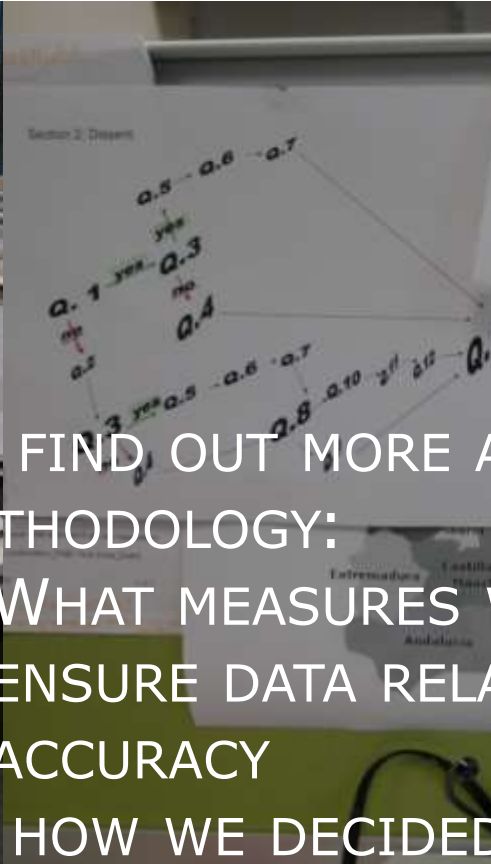
Much like drug addicts, sex workers, illegal immigrants...



# RESPONDENT-DRIVEN SAMPLING METHOD: BUILDING A POPULATION REPRESENTATIVE SAMPLE

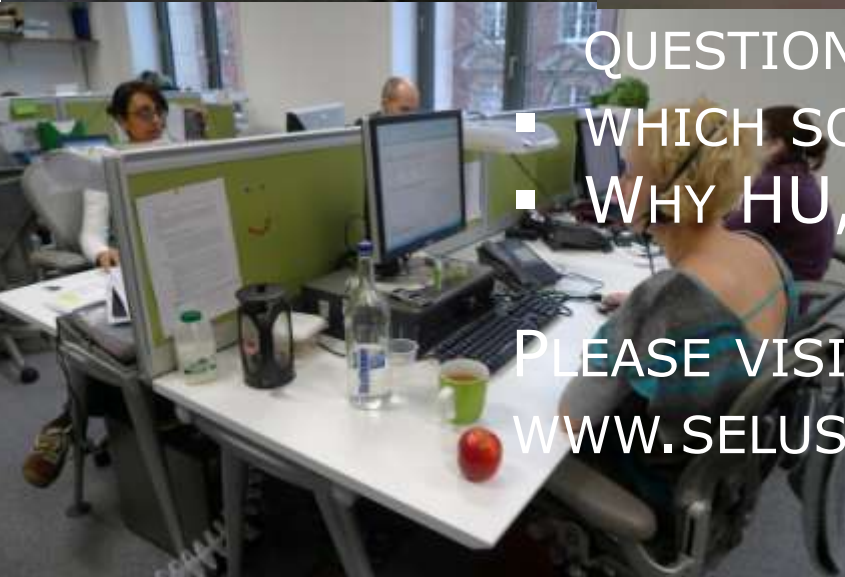
- **TARGETED SAMPLING:** We begin with seeds chosen according to the following criteria: industry sector, geographic representation, age and size, and source of information
  - Theory predicts that once average chain has 3-4 waves, choice of seed becomes irrelevant.
- **WAVES IN THE REFERRAL CHAINS:** The more waves, the deeper you penetrate a population.
  - We use information about people's network size to parcel out selection biases.

RDS was pioneered by a group of sociologists at Cornell and Columbia University (e.g. Heckathorn, 1997 and 2002; Salganik and Heckathorn, 2004)



TO FIND OUT MORE ABOUT OUR METHODOLOGY:

- WHAT MEASURES WE TOOK TO ENSURE DATA RELIABILITY AND ACCURACY
- HOW WE DECIDED WHICH QUESTIONS TO ASK
- WHICH SOFTWARE WE USED
- WHY HU, ES, RO, SE, UK



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[WWW.SELUSI.EU](http://WWW.SELUSI.EU)

# Part B

## EVIDENCE ON ROMANIA

# 1

## SOURCE OF FINANCING:

### HOW MARKET-ORIENTED ARE THEY REALLY?

- R1: Overall on average **55%** of finances in the past 12 months came from sales of products or fees for services.
  - SE at the top of the league: 73%
  - Followed by UK and ES: both 62%
  - HU and RO at the bottom: 37% and **28%**
- R2: This share was **57%**. We have sought to unpack this a bit further? Parceling out the share that comes from fees/sales to government.

	Fees/sales to government	Fees/sales to others
UK	26%	45%
ES	18%	48%
HU	1%	32%
RO	<b>0%</b>	<b>32%</b>

- Sharp increase compared to R1*
- UK: 71%
  - ES: 68%

# 2

## SOURCE OF FINANCING: WHAT ABOUT THE MIX?

SOURCES OF FINANCING - ROMANIA



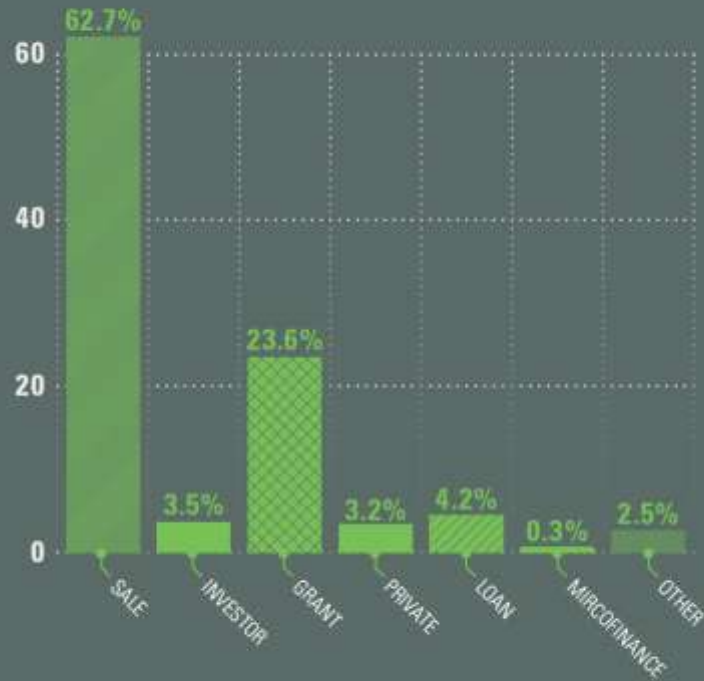
SOURCES OF FINANCING - HUNGARY



SOURCES OF FINANCING - BRAZIL

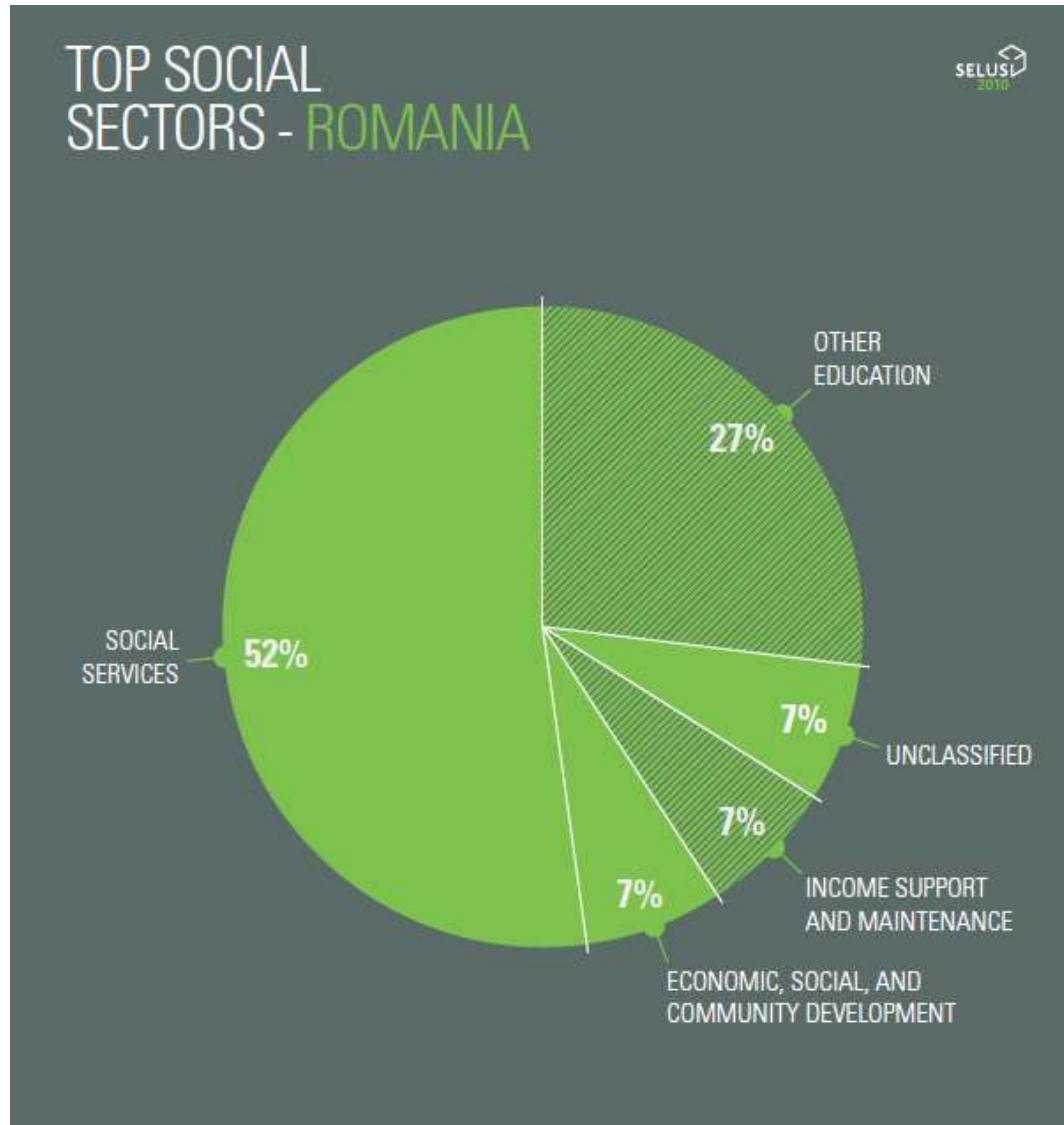


SOURCES OF FINANCING - UK



# 3

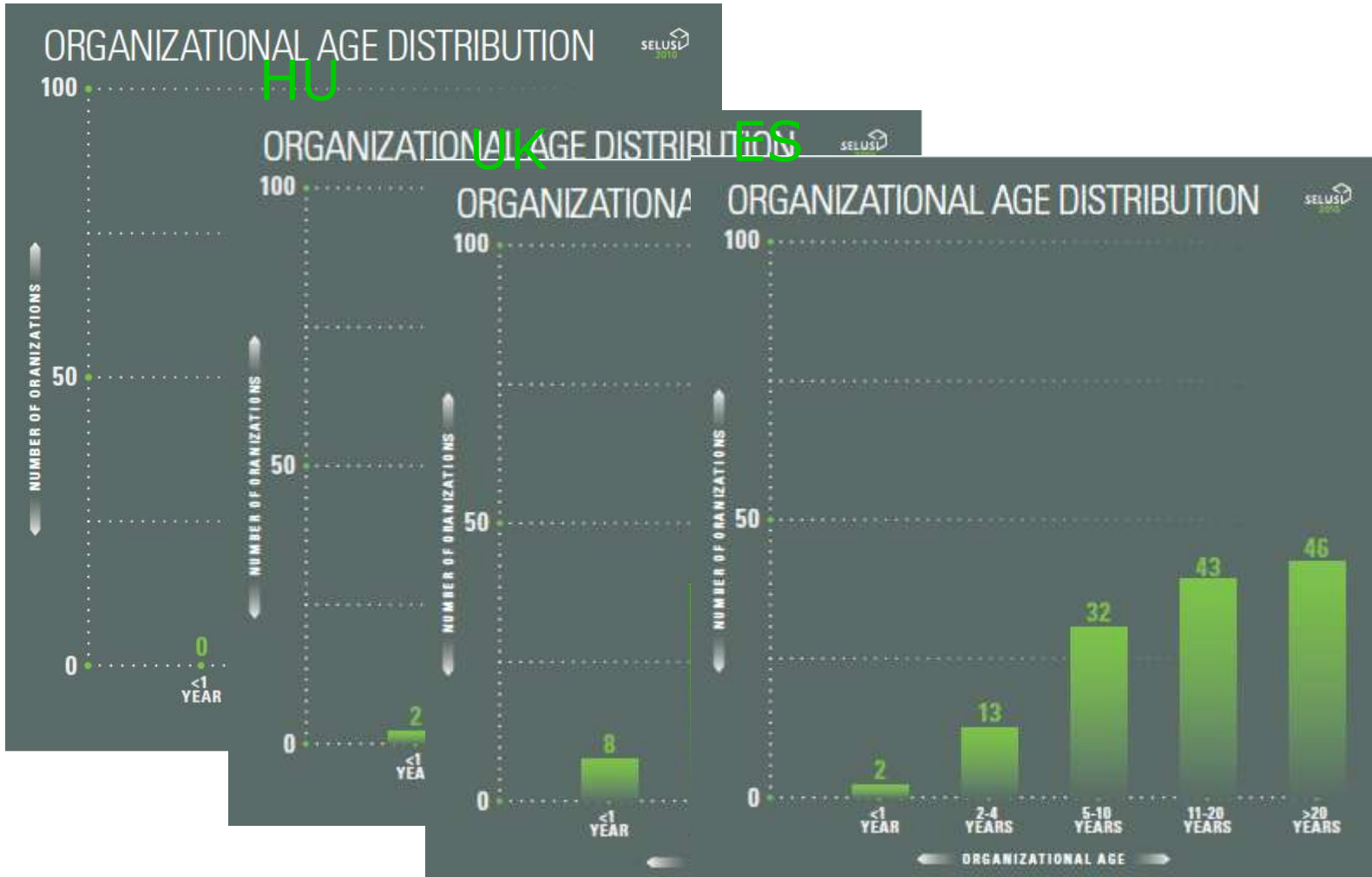
## WHICH AREAS ARE THEY ACTIVE IN?



# 4

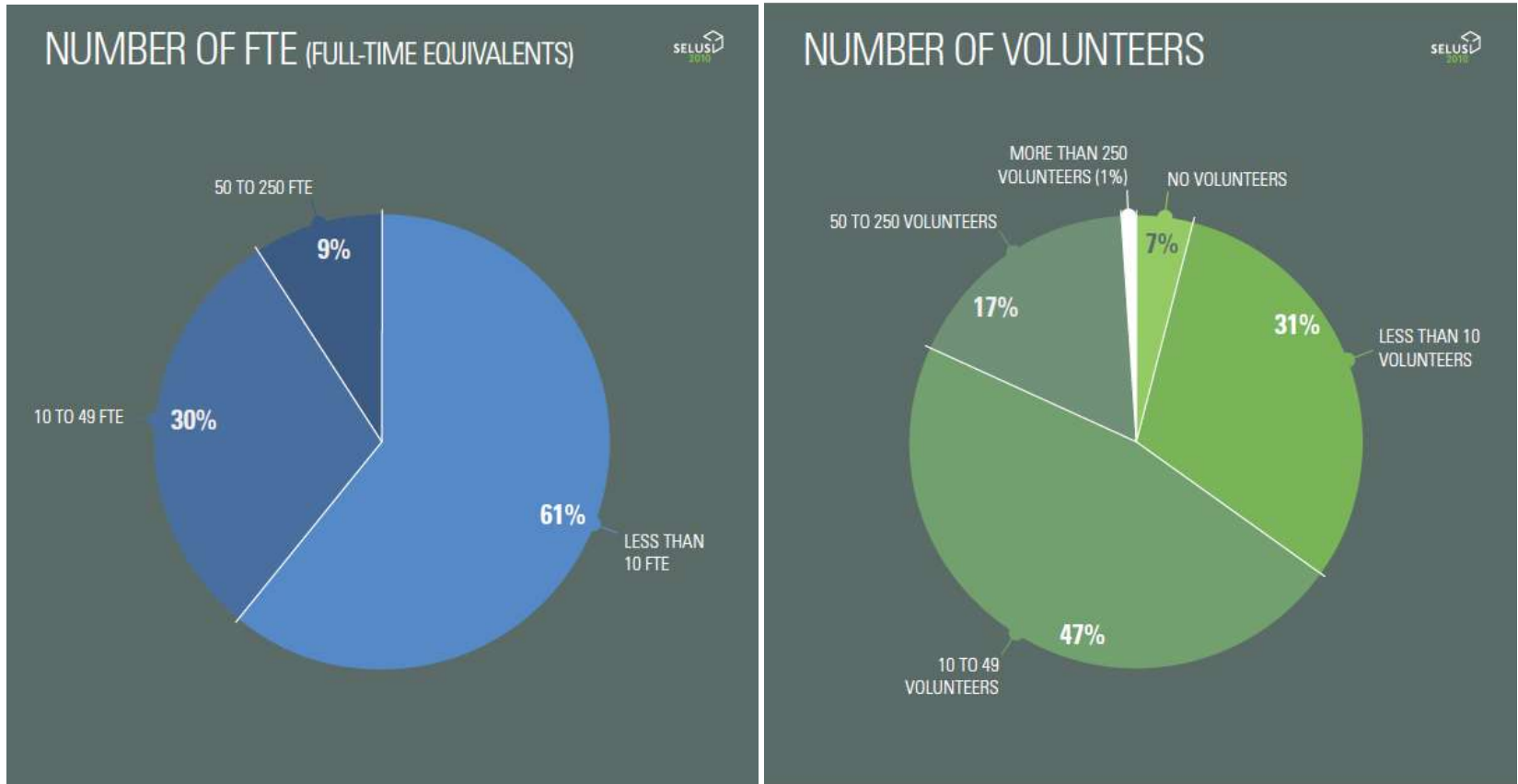
## HOW OLD ARE THEY?

RO



# 5

## HOW MANY PEOPLE DO THEY EMPLOY?





# 6

## WHAT ABOUT REVENUES?

- R1: Nov 2008-Nov 2009

GDP per capita  
ES: 24,500 EUR  
UK: 27,500 EUR  
HU: 14,900 EUR  
RO: 10,400 EUR  
(EUROSTAT 2009)

TOTAL REVENUE - ROMANIA



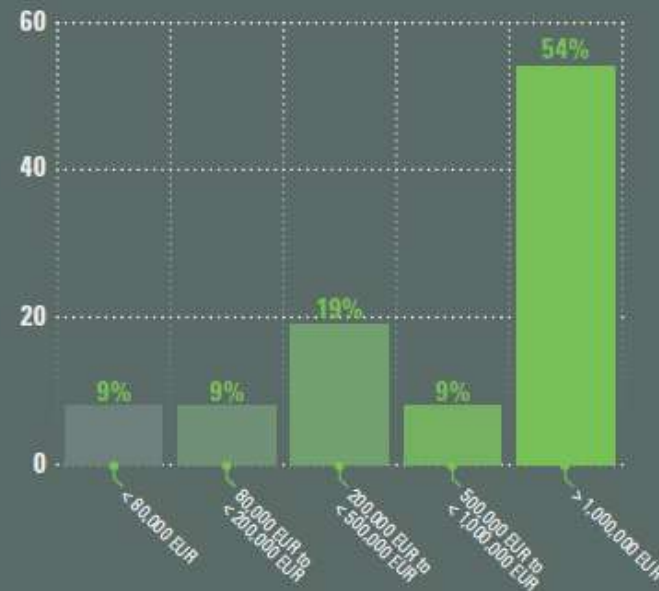
TOTAL REVENUE - HUNGARY



TOTAL REVENUE - UK



TOTAL REVENUE - SPAIN



# 7

## AND REVENUE DEVELOPMENT?

- R1: Nov 2008-Nov 2009 relative to Nov 2007-Nov 2008

REVENUE DEVELOPMENT- ROMANIA

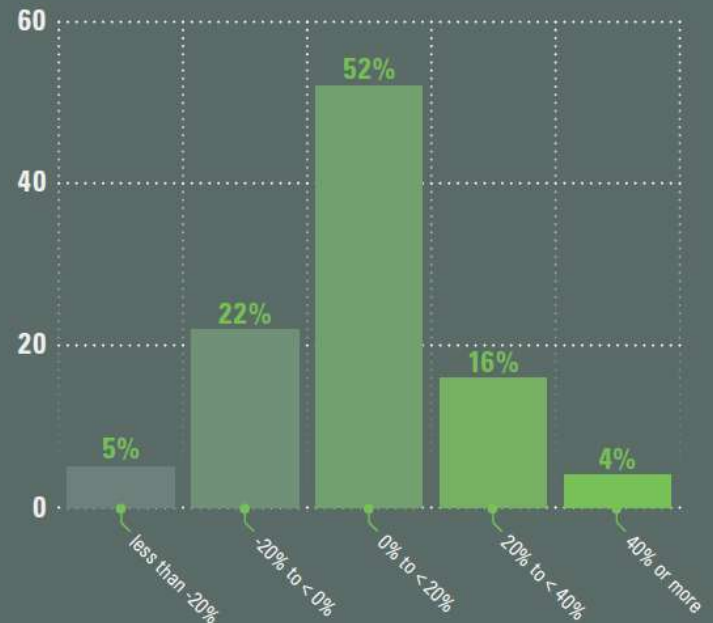


REVENUE DEVELOPMENT

REVENUE DEVELOPMENT- UK



REVENUE DEVELOPMENT- SPAIN



# 8

## ARE THEY INNOVATIVE?



# 9

## EU POLICY SUGGESTIONS?

R1:



# 10

## POLICY SUGGESTIONS TO RO GOVERNMENT?

### R2: TOP 3 GENERAL POLICY AREAS

- Market efficiency
- Social rights
- Welfare state

### TOP 3 POLICY AREAS SPECIFIC TO SOCIAL ENTERPRISES

- Tax breaks
- Government promotion and support
- Legal status

# FYI

## WHERE ARE THEY LOCATED?

