

# Backing Social Enterprise

**Social**

**Traders**

Unlocking business for good

**A Review of Social Enterprise Strategies around the World**

**December 2023**



## Executive Summary

Social Traders has undertaken a review of social enterprise strategies from five different jurisdictions around the world to understand the key themes, motivations, formats, investments and actions to identify and understand what best practice in social enterprise strategies (and their development) looks like. This review covers jurisdictions within Canada, Scotland, New Zealand and Australia and were selected for review due to their comparable economic, social and political contexts. The review also takes into account international research and OECD Recommendations which provides additional evidence for the role of social enterprise strategies in driving a social economy (which includes social enterprise) to thrive at international, national and local levels.

### Key Findings

- ***Social enterprise strategies vary significantly in scope, structure, length and form across jurisdictions around the World.***

For example, Scotland has a 10-year [Social Enterprise Strategy \(2016-2026\)](#) with 3-year action plans which underpin the execution of the strategy, and localised strategies for place-based adaptation such as the [Glasgow Strategy 2018-2028](#). Canada has implemented social enterprise strategies (or frameworks) by jurisdiction in provinces such as Ontario ([Strategy 2016-2021](#)), Manitoba ([Strategy 2015](#)) and Nova Scotia ([Framework - 2017](#)); some of which are open-ended. The New Zealand Government invested in a 3-year 'pre-strategy' [programme initiative \(2018-2021\)](#) to inform their understanding of the current and future needs, conditions and opportunities for social enterprise to thrive. Here in Australia social enterprise strategies have been developed as state-based initiatives in [Victoria](#) (who are on their second time-defined strategy) and [Queensland](#) (who has an open-ended strategy which is currently under review).

- ***Social enterprise strategies and their key priorities are underpinned by the motivations and objectives of the government at the time of development.***

The majority of social enterprise strategies reviewed are motivated by job creation, while some (e.g., Scotland and New Zealand) are underpinned by a broader wellbeing economy agenda.

- ***While social enterprise strategies differ in their form, structure, motivations and language, they share the same universal themes of what a social enterprise sector needs to thrive and generate positive impact.***

These can be grouped into the following four universal themes:

1. **Growing the sector** – *increasing awareness and visibility of, and connections with, social enterprise through local networks and intermediaries.*

Some examples from social enterprise strategies that align with this theme:

- Increasing visibility of the sector and social entrepreneurs (New Zealand).

- Increase the public profile of social enterprise (Manitoba, Canada).
- Promote the social and economic value of social enterprises to raise awareness of customers, businesses, investors and government (Queensland).
- A strong sector hub to convene and connect social enterprise development (Manitoba, Canada).
- Encourage and support more people from all walks of life with the potential to create, lead and grow social enterprises (Scotland).
- Foster the state-wide network and leadership across the sector (Victoria).

2. **Building sector capability** – *enabling access for social enterprises to tools, programs and resources for commercial success and social impact.*

Some examples from social enterprise strategies that align with this theme:

- Offering relevant and meaningful business support tools and programmes (New Zealand).
- Fully realise the personal and organisational potential within social enterprises through leadership development (Scotland).
- Deliver social enterprise grant programs to support business capability development and sustainability (Queensland).
- Support business skills across the social enterprise development lifecycle (Victoria).

3. **Unlocking capital** – *designing and enabling access to innovative funding instruments which align with the particular and unique needs of social enterprises.*

Some examples from social enterprise strategies that align with this theme:

- Developing intelligent grant-making and responsive forms of finance (Scotland).
- Building the investment readiness of social enterprises and impact investors (New Zealand).
- Access to capital, including start-up grants, ongoing grants, loan financing, and equity investments, with better terms and conditions for loan finance (Manitoba, Canada).
- Assist social enterprises to scale through innovative financing (Victoria).

4. **Access to markets** – *enabling social procurement in public and business markets through policy and increasing visibility in consumer markets, underpinned by certification.*

Some examples from social enterprise strategies that align with this theme:

- Enable more consumers, public authorities and businesses to understand and purchase from social enterprises (Scotland).
- Be more visible to consumers and for more social enterprises to tap into the growing desire from consumers to buy ethically (Scotland).
- Encourage and support the introduction of an internationally recognised certification programme to label social enterprise products and services (Scotland).
- Growing the diversity of products and services available on the social procurement marketplace (New Zealand).
- Supporting Government to understand the opportunities in social procurement (New Zealand).
- Strong legislation to strengthen government's support of social enterprise (Manitoba, Canada).
- Embedding social procurement practices across government and improving data collection on government procurement spend with social enterprises (Queensland).
- Work with key stakeholders to identify and link social enterprises to procurement training and supply chain opportunities (Queensland).
- Activate partnerships with local government (Victoria).
- Leverage opportunities through the Social Procurement Framework (Victoria).
- Increase recognition of Work Integration Social Enterprises (WISEs) across Government's service system and streamline referral pathways (Victoria).

In addition to these four universal themes, the review of social enterprise strategies revealed a mixed approach towards impact measurement to track success in delivering impact as well as economic outputs. While most of the strategies reviewed referenced impact measurement, the references are often broad, open to interpretation, buried within other themes (often capacity building), and without a clear framework to support a shared language and common understanding to enable benchmarking and measures of success. The reasons for this may be contextual, political and/or also possibly intentionally left broad for individual social enterprises to interpret and use the impact measurement frameworks that best work for them; however, this is a theme worth prioritising and considering as a core practice and it is therefore recommended to add impact measurement a fifth key theme for any future strategies:



**5. Impact Measurement Framework** – *demonstrating the impact in terms of social and economic value delivered by the social enterprise sector.*

Some examples from social enterprise strategies that align with this theme:

- Demonstrate impact and social value (Victoria)
- All social enterprises to be able to demonstrate social value in a holistic, transparent and compelling way (Scotland)
- Programme of social enterprise research including a biennial Social Enterprise Census, and strategy review at mid-point and conclusion (Scotland)
- Supporting social enterprises to understand, measure, manage, communicate and increase their impact (New Zealand)
- Mapping the impact social enterprises are having to demonstrate how they are contributing to the Government's goals (New Zealand)

There is also a notable distinction that not all social enterprise strategies identified, that an impact measurement framework for sector outcomes is *in addition* to a monitoring and evaluation (M&E) framework for the strategy itself. An Impact measurement framework can assess whether social enterprises and the sector as a whole are achieving impact towards the shared objectives as part of their ongoing activity, while an M&E frameworks assess the success of the strategy itself (see the Manitoba [2018 Report](#) against their 2015-2018 Social Enterprise Strategy). A robust impact measurement framework will, however, provide data to inform the M&E framework and reporting in terms of success against objectives (and KPIs where provided).

- ***There are some similarities between the types of funding instruments that social enterprise strategies endorse or engage to help drive outcomes towards the key themes and priorities***, including:
  - Capability voucher schemes – funding to build the business capability and skills of social enterprises to support their viability, sustainability, growth and impact.
  - Grants for business support, mentoring, technical and professional support (often with matched funding requirements).
  - Wage Subsidy programs to offset the cost for social enterprise to hire and train eligible long-term unemployed people to gain employment and/or education.
  - Expanding criteria and/or objectives on new and existing grants to include social enterprise including using certification as a qualifying tool rather than legal structure.
  - Loan financing options that include longer repayment timelines and lower interest rates for social enterprise.

- Tax credit programs for individuals and corporations to earn 30-45% tax credit on investments in community over a certain threshold.
  - Payment by Outcomes initiatives.
  - Impact Funds – private, philanthropic and public sector initiatives.
  - Social Impact Bonds.
- ***Social enterprises strategies can lead to the development of innovative funding instruments to support and enable social enterprises to do their best work***, as seen in the examples below from Canada:
    - The Neighbourhoods Alive! Tax Credit (or Manitoba Social Enterprise Tax Credit) provides a 30% tax credit to Manitoba corporations when they make a minimum \$50,000 donation to an organisation with charitable status for the purpose of starting a new revenue-generating enterprise or employment-focused social enterprise.
    - The Canadian Assiniboine Credit Union (ACU) partners with the Jubilee Fund to provide access to credit for business, community and housing projects that do not qualify for traditional financing, including social enterprises. The Jubilee Fund provides the loan guarantee and ACU provides the credit.
    - The Fiducie du Chantier de l'économie sociale in Quebec, Canada offers social enterprises loans without any repayment of capital for 15 years, enabling capital to support business operations and real estate investments for the development of new activities. As of November 2023, the organisation has authorised over \$140million in loans for 336 social enterprises.
  - ***The key themes found within social enterprises across all jurisdictions align with OECD international recommendations.***

In June 2022 the OECD Council adopted a [Recommendation on the Social and Solidarity Economy and Social Innovation](#) as the first international standard and internationally agreed policy framework to foster social economy and social innovation development and expansion. This Recommendation includes the following nine 'building blocks' which are considered necessary to provide the conditions for a social economy (which includes social enterprise) to thrive at international, national and local levels:

1. Foster a social economy culture (Theme 1)
2. Create supportive institutional frameworks (Themes 1 and 4)
3. Design enabling legal and regulatory frameworks (Themes 1 and 4)
4. Support access to finance (Theme 3)

5. Enable access to public and private markets (Theme 4)
6. Strengthen skills and business development support (Theme 2)
7. Encourage impact measurement and monitoring (Theme 5)
8. Support the production of data (Theme 5)
9. Encourage social innovation (Theme 1 and 2)

These internationally recognised and endorsed building blocks map to the five key themes identified earlier in this review (see numbers in brackets as to how they relate to the five key themes).



Image Source: [Recommendation of the Council on the Social and Solidarity Economy and Social Innovation](#)

### What does this review of social enterprise strategies tell us about best practice?

What has emerged from the review is that what constitutes best practice may differ based on the jurisdictional context – the size and geography of the jurisdiction, the politics, the motivations, and the maturity of the sector are all factors which influence what a good social enterprise strategy will look like and how successful it will be. Therefore, rather than offering a best practice model, this review provides a guide as to what a best practice social enterprise strategy should consider in the design and development, and where future strategies can improve on existing strategies to optimise their effectiveness and outcomes for their respective social enterprise sector and key stakeholders.

While the concept of best practice in a social enterprise strategy will be heavily guided by contextual factors of that particular jurisdiction, the review revealed some key principles and practices which in addition to the universal themes can apply to all social enterprise strategies and how they are designed, developed and implemented:

- *The key actions or priority areas are all interconnected and are of equal importance* - each priority and action within the strategy supports and enables other priorities within the strategy to support a whole ecosystem development approach.
- *They have committed government funding attached, ideally from multiple departments or divisions to ensure whole of government buy-in* – without investment, a strategy is just a piece of paper.
- *They take a partnership approach in the strategy development and implementation* - they are co-created by the sector, for the sector, in partnership with government and other key stakeholders.
- *They recognise and embed intermediaries and local networks* as crucial drivers, providers and connectors for strategy implementation.
- *They break down siloes between government, the sector and other ecosystem stakeholders including the private sector* – a successful strategy takes a whole of ecosystem approach where everyone has a clearly defined role to play.
- *They consider the role of local government* in delivering on strategy objectives and outcomes.
- *They consider the unique needs of regional and rural social enterprise and communities.*
- *They include both impact measurement for sector development and a monitoring and evaluation framework* that assess the success of the strategy itself including baseline and progress measures – generally beginning with a *mapping activity* to assist in developing and monitoring realistic and meaningful outcomes and KPIs.
- *They recognise the importance of evidence and research in underpinning and capturing evidence-based approaches for sector development.*
- *They allow for flexibility and adaptation in terms of how they operationalise the priorities and actions.*
- *They embrace and allow for continuity and growth* – the sector needs won't end when the intended strategy time period ends, they continue to adapt and evolve with the sector as it matures through refreshed strategies, reviews and continued investment appropriate to the evolving needs of the sector.

## Conclusion



In summary, social enterprise strategies offer a mutual strategic pathway to direct resources between government and the social enterprise, with support from key stakeholders across the ecosystem, to enable social enterprises to drive positive impact that aligns with government objectives in their given jurisdiction. However, a strategy alone does not drive success – strategies require investment, support, accountability and measurement from all stakeholders to achieve their objectives. They require flexibility and room for growth and adaptation. They provide a dynamic blueprint for sector development growth rather than a static plan. When it comes to best practice in social enterprise strategies, there is no single solution but an adaptation of the best practice principles and practices that best align with each jurisdiction. Victoria and Scotland are the two standout jurisdictions leading the way in social enterprise strategy in this regard.

This review offers insights into the universal themes that should be addressed in any social enterprise strategy to support a thriving social enterprise sector. A good strategy should stimulate new policy frameworks, new investments (financial and non-financial), new markets, new suppliers and innovations that enable a thriving economy, a healthy inclusive community and a more sustainable environment for future generations.

## Acknowledgements

*This review was undertaken and written by Amy Orange, Social Procurement Lead SA at Social Traders.*

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## References and Links

### Scotland

- [Scotland Social Enterprise Strategy 2016-26](#)
- [Glasgow Strategy 2018-2028](#)

### Canada

- [Ontario Social Enterprise Strategy 2016-2021](#)
- [Manitoba Social Enterprise Strategy 2015](#)
- [Manitoba Social Enterprise Strategy Review 2018](#)
- [Nova Scotia Social Enterprise Framework - 2017](#)
- [Jubilee Fund](#)
- [Fiducie du Chantier de l'économie sociale](#)

### New Zealand

- [New Zealand Social Enterprise Programme - Impact Initiative 2018-2021](#)

#### Australia

- [Victorian Social Enterprise Strategy 2021-25](#)
- [Queensland Social Enterprise Strategy 2019](#)
- [Working Future: The Australian Government's White Paper on Jobs and Opportunities 2023](#)
- [Australian Government Budget 2023-24: Broadening Opportunities](#)
- [Rebuilding Employment Services Inquiry Final Report 2023](#)

#### Other Links:

- [OECD Recommendation on the Social and Solidarity Economy and Social Innovation 2022](#)

See APPENDIX 1 below for a summary table of social enterprise strategies by jurisdiction.

**APPENDIX 1 – SOCIAL ENTERPRISES STRATEGIES ACROSS JURISDICTIONS**

	<b>Scotland 10yrs</b>	<b>Canada 5 yrs</b>	<b>New Zealand 3yrs</b>	<b>Australia - Victoria 4 yrs</b>	<b>Australia - Queensland 1 yrs</b>
<b>Jurisdiction</b>	National	By Province  Ontario, Nova Scotia, Manitoba, Newfoundland, Quebec	National	State	State
<b>Sponsored by</b>	Scottish Government	Governing Province	Dept of Internal Affairs	Dept of Jobs, Precincts & Regions	Dept of Employment, Small Business & Training
<b>Format</b>	Strategy + Action Plans	Strategy/Framework	Pre-Strategy initiative	Strategy	Strategy
<b>Year</b>	2016-2026	2015-2018 Manitoba Strategy  2016-2021 Ontario Strategy  2017 Nova Scotia Framework	2018-2021	2016-2020 (1)  2021-2025 (2)	2019-
<b>\$ investment by Govt</b>		\$6m Ontario Year 1  \$0.68m Manitoba 3-years	\$5.5m	\$10.8m (1)	\$0.95m
<b>Key driver/s</b>	Inclusive Growth, Fair Work, Wellbeing economy	Jobs	Wellbeing economy	Jobs	Jobs

<b>Publication</b>	<a href="#"><u>Scotland's Social Enterprise Strategy 2016-26</u></a>	<a href="#"><u>Ontario's Social Enterprise Strategy 2016-2021</u></a> <a href="#"><u>Manitoba Social Enterprise Strategy 2015</u></a>	<a href="#"><u>Social Enterprise Sector Development Programme</u></a>	<a href="#"><u>Victorian Social Enterprise Strategy 2021-2025</u></a>	<a href="#"><u>Queensland Social Enterprise Strategy</u></a>
<b>Number of priorities</b>	3	3-6	4	3	3
<b>Key Priorities</b>	<ol style="list-style-type: none"> <li>1. Stimulating social enterprise</li> <li>2. Developing stronger organisations</li> <li>3. Realising market opportunity</li> </ol>	<ol style="list-style-type: none"> <li>1.Enhance social enterprise skills</li> <li>2.Ensure access to capital and investment</li> <li>3.Expand market opportunities</li> <li>4.Promote and demonstrate the value of social enterprise</li> <li>5.Regulatory framework</li> <li>6.Networks and community engagement</li> </ol> <p>(Manitoba; note these are based on the six pillars of social enterprise development created by SE Council of Canada, adopted by most provinces)</p>	<ol style="list-style-type: none"> <li>1. Capability building</li> <li>2. Impact</li> <li>3. Finance and Legal</li> <li>4. Social Procurement</li> </ol>	<p>Strategy 2- 2021-2025</p> <ol style="list-style-type: none"> <li>1. Building business skills and capability and capturing impact</li> <li>2. Enhancing recognition and access to innovative financing to scale impact</li> <li>3. Fostering a connected and innovative social enterprise ecosystem across Victoria</li> <li>4. Opening doors for social enterprises across government.</li> </ol>	<ol style="list-style-type: none"> <li>1. Building capability and capacity</li> <li>2. Making connections</li> <li>3. Improving market access.</li> </ol>



Key Actions	<b><i>Stimulating Social Enterprise</i></b>	<b><i>Enhance social enterprise skills</i></b>	<b><i>Capability building</i></b>	<b><i>Building business skills and capability and capturing impact</i></b>	<b><i>Building capability and capacity</i></b>
<p>1.1 Local development</p> <p>1.2 Social Entrepreneurship and Innovation</p> <p>1.3 Social Enterprise in Education</p> <p>1.4 National Recognition</p> <p><b><i>Developing stronger organisations</i></b></p> <p>2.1 Social finance</p> <p>2.2 Business support</p> <p>2.3 Collaboration</p> <p>2.4 Leadership development</p> <p>2.5 Workforce development</p> <p>2.6 Demonstrating social value</p>	<p>1.1 Local development</p> <p>1.2 Social Entrepreneurship and Innovation</p> <p>1.3 Social Enterprise in Education</p> <p>1.4 National Recognition</p> <p><b><i>Developing stronger organisations</i></b></p> <p>2.1 Social finance</p> <p>2.2 Business support</p> <p>2.3 Collaboration</p> <p>2.4 Leadership development</p> <p>2.5 Workforce development</p> <p>2.6 Demonstrating social value</p>	<p>1.1 Ongoing learning opportunities to build the specific management skills needed to blend financial and social goals</p> <p><b><i>Ensure access to capital and investment</i></b></p> <p>2.1 Access to capital, including Start-Up Grants, Ongoing Grants, Loan Financing, and Equity Investments.</p> <p>2b Better terms and conditions for loan financing.</p> <p><b><i>Expand market opportunities</i></b></p> <p>3.1 Government Purchasing Opportunities</p> <p>3.2 Private Market Opportunities</p>	<p>1.1 Increasing visibility and accessibility of support for social entrepreneurs across NZ</p> <p>1.2 Offering relevant and meaningful business support tools and programmes</p> <p>1.3 Building the networks needed for a stronger, more connected ecosystem.</p> <p><b><i>Impact</i></b></p> <p>2.1 Supporting social enterprises to understand, measure, manage, communicate and increase their impact.</p> <p>2.2 Gathering insights on the impact social enterprises are working towards.</p> <p>2.3 Mapping the impact social enterprises are having in three priority areas to demonstrate how</p>	<p>1.1 Support business skills across the social enterprise development lifecycle</p> <p>1.2 Demonstrate impact and social value.</p> <p>1.3 Support research to grow the evidence base.</p> <p><b><i>Enhancing recognition and access to innovative financing to scale impact</i></b></p> <p>2.1 Support social enterprise certification.</p> <p>2.2 Assist social enterprises to scale through innovative financing.</p> <p><b><i>Fostering a connected and innovative social enterprise ecosystem across Victoria</i></b></p> <p>3.1 Foster the state-wide network and leadership across the sector.</p>	<p>1.1 Explore innovative funding models for social enterprise</p> <p>1.2 Explore opportunities for strategic partnership pilots</p> <p>1.3 Deliver social enterprise grant programs to support business capability development and sustainability.</p> <p><b><i>Making Connections</i></b></p> <p>2.1 Facilitate networking opportunities to create a more connected social enterprise sector.</p> <p>2.2 Collaborate with the sector to investigate the creation of regional hubs for social enterprise to foster a culture of social enterprise innovation.</p> <p>2.3 Promote the social and economic value of</p>

	<p><b>Realising market opportunity</b></p> <p>3.1 Public markets</p> <p>3.2 Consumer markets</p> <p>3.3 Business markets</p>	<p><b>Promote and demonstrate the value of social enterprise</b></p> <p>4.1 An increased public profile for social enterprise.</p> <p><b>Regulatory framework</b></p> <p>5.1 Strong legislation to strengthen government's support of social enterprise.</p> <p><b>Networks and community</b></p> <p>6.1 A strong sector hub to convene and connect social enterprise development.</p> <p>6.2 Wrap around supports for social enterprise employees.</p>	<p>they are contributing to the Government's goals</p> <p><b>Finance and Legal</b></p> <p>3.1 Building the investment readiness of social enterprises and impact investors.</p> <p>3.2 Creating a more enabling legislative environment for social enterprise.</p> <p>3.3 Increasing the amount of impact funds available in New Zealand.</p> <p><b>Social Procurement</b></p> <p>4.1 Growing the diversity of products and services available on the social procurement marketplace.</p> <p>4.2 Recruiting more buyers from across the public and private sectors.</p> <p>4.3 Supporting Government to understand</p>	<p>3.2 Support strong social enterprise networks across regional and rural Victoria.</p> <p>3.3 Activate partnerships with local government.</p> <p>3.4 Drive innovation and collaboration.</p> <p><b>Opening doors for social enterprises across government</b></p> <p>4.1 Leverage opportunities through the Social Procurement Framework.</p> <p>4.2 Increase recognition of Work Integrated social enterprises (WISEs) across government's service system and streamline referral pathways.</p> <p>4.3 Foster social entrepreneurship across the education system.</p> <p>4.4 Establish governance mechanisms and networks.</p>	<p>social enterprises to raise awareness of customers, businesses, investors and govt to grow the sector further in Queensland.</p> <p><b>Improving market access</b></p> <p>3.3 Continue to deliver the Queensland social procurement commitment by embedding social procurement practices across government and improving data collection on government procurement spend with social enterprises.</p> <p>3.4 Work with key stakeholders to identify and link social enterprises to procurement training and</p>
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			the opportunities in social procurement.	4.5 Strengthen national collaboration efforts to support social enterprises.	supply chain opportunities.
<b>Strategy Development</b>	<p>Consultation in partnership with sector:</p> <p>10x thematic roundtables</p> <p>205 written submissions</p> <p>Online consultation voting</p> <p>Internal government consultation</p>	<p>Manitoba strategy - joint community-government steering committee co-developed the strategy with 2x consultation sessions and feedback on draft strategy.</p>	<p>The NZ Government funded the Akina Foundation to implement the 3-year programme with a final report with recommendations on what the NZ Govt needs to do to support social enterprise moving forward.</p>	<p>Review of the achievements and challenges from first Victorian strategy. Minister convened a Victorian Social Enterprise Strategy Reference Group for consultation throughout the process. Sector consultation through written submissions, interviews and online sessions.</p>	<p>Outsourced sector research and consultation design/delivery to KPMG – survey, 3x regional forums, 2x focus groups, 18x 1-1 interviews, case studies and roundtables.</p> <p>Qld Govt convened an advisory group of key SE stakeholders.</p>