

British Council

The British Council is the UK's international organisation for educational opportunities and cultural relations. We are on the ground in six continents and over 100 countries, bringing international opportunity to life.

Through our **Global Social Enterprise programme**, we promote the development of social enterprise and social investment to help address entrenched social and environmental problems and deliver positive change in our communities and societies.

Our work draws on UK experience and expertise and is delivered across 28 countries with local and international partners.

Together, we provide social entrepreneurs with access to training, mentoring and funding opportunities and promote social enterprise education in schools and universities. We convene policy dialogues, organise study tours and conduct research to share knowledge and best practice in scaling social enterprise and social investment. We also deliver international development projects that promote the growth of social enterprise.

It is a systemic approach designed to help foster a more sustainable, inclusive and prosperous future and build collaboration, opportunities and trust between the UK and other countries.

Find out more at: www.britishcouncil.org/ society/social-enterprise





Cross-country comparisons and conclusions

Emily Darko

Acknowledgements

This study would not have been possible without the hard work of teams at Betterstories, Songhai Advisory, Social Impact Lab Lahore, Ennovent, the Overseas Development Institute (ODI) and Social Enterprise UK. Thanks are also due to all those who advised the study team and participated in events, consultations and the survey. Finally, many thanks to the peer reviewers who took time to read and comment on drafts of the paper: Shelagh Whitley at ODI, Dan Gregory and Nick Temple at Social Enterprise UK, Tristan Ace, Paula Woodman and Juliet Cornford at the British Council, Saurabh Lall (Assistant Professor of Social Enterprise and Nonprofit Management at the University of Oregon, formerly Research Director at ANDE), Min Pease (Director of Impact Investing at Echoing Green), Usha Ganesh (Manager of the Knowledge and Insights Group at Intellecap) and Dr Vaqar Ahmed (Deputy Executive Director at Sustainable Development Policy Institute, Islamabad).

Acronyms

MSME Micro, small and medium sized

enterprise

SEUK Social Enterprise UK

The country-level findings set out in this report indicate that social enterprise activity is expanding in all four of the countries reviewed (Bangladesh, Ghana, India and Pakistan). The study captured data on social enterprise activity, forming the first comprehensive baseline study of social enterprise in each country. The data collected in each country has allowed increased understanding of how social enterprises operate, in what sectors, with what objectives, what sources of finance, and what leadership demographics; what social enterprises contribute in terms of job creation, their beneficiaries and turnover; and what social enterprises need to continue to grow. The study also provides a basis for further ecosystem development and highlights areas for financial and political investment and support.

While the survey data is not sufficiently comprehensive to accurately describe the total population of social enterprises in each country, it offers a first attempt at quantifying the social enterprise sectors in all four countries, which it is hoped will serve as a basis for future research. The report is primarily a presentation of data findings, but there is a lot that further research could do to help understand the results, and some examples are proposed below.

This final chapter seeks to briefly explore comparisons and contrasts between findings from the four countries and to draw overall conclusions about the state of social enterprise development in the four countries, alongside suggestions for future research, policy and practice in this area.

Contents

Headlines	4
Findings across countries	4
Country contexts	4
Social enterprise activity is vibrant and growing	5
Social enterprises need increased access to finance	7
Overall barriers to growth	8
Lack of knowledge of social enterprise as a barrier	g
Increasing skills and support	g
Opportunities for providing support	10
Women and social enterprise	10
Social enterprise and sectors: education and beyond	11
Social enterprises and capital cities	12
Estimates of numbers are high	12
Recommendations and future studies	13
Bibliography	16

Headlines

- Social enterprises are growing generating jobs and increasing turnover, and are set to continue to do so in all four countries.
 Respondents anticipate rising turnovers and job creation within their ventures, as well as having growth plans to expand into new geographies and create new products and services. There is also a trend in terms of recent start-ups; many of the social enterprises in the four countries began operating within the last three years. Future tracking of social enterprise activity will confirm if these suggested trends hold true.
- Women play a significant role in social enterprises, which are more
 likely to be led by women than mainstream businesses are. Female-led
 social enterprises are also more likely to employ other women.
 Overall, social enterprises are likely to have proportionately more
 female staff than mainstream businesses. Social enterprise may be
 more accessible to women or, by being more socially focused, better
 able to help women to overcome barriers and biases they face in
 general. Social enterprise could provide insight for solutions to some
 entrenched issues faced by women.
- The education sector seems dominant for social enterprise activity across all four countries, with other sectors relatively underrepresented in the survey. In terms of objectives and sector of operation, social enterprises are very interested in employment creation as an impact area, and this is linked to training and skills development. More research is needed to understand why social enterprises are succeeding in education, and how social enterprises might be encouraged to expand and innovate in areas of need where they are currently less likely to operate, such as housing and justice.
- Finance is seen as a major constraint to growth, but non-financial support and increased awareness is also required to sustain and scale social enterprise activity – definitions and language poses difficult issues for social enterprise activity in all parts of the world, and can be seen as a significant barrier to growth. There is a consistent lack of social-enterprise-specific policy support across the four countries, although this looks likely to start changing.

Findings across countries

That social enterprise in all four countries is young and is growing indicates that is has significant potential to expand its impact and attract further attention from government and from providers of finance, as well as from other organisations interested in promoting sustainable social change. While these findings do not offer robust total numbers of social enterprises for each country, they do demonstrate areas of potential policy interest and future research.

Country contexts

Before comparing data across the four countries it is worth briefly noting that they are distinct contexts for social enterprise operation. India is one of the world's largest economies and has a huge population. Ghana has a far smaller population and although its economy is growing, this too is tiny in comparison to India's. Bangladesh and Pakistan are the most similar pair among the four countries. India, in spite of its strong economy, also a high poverty rate, meaning vast numbers of people live below the poverty line.

Located in South Asia, Bangladesh, India and Pakistan share borders and access to wider Asian trade, and have English as a widely spoken language. Ghana, on the other hand, is surrounded by francophone countries and in a region (West Africa) with much less developed international routes to market and inter-continental trade. Nonetheless, all four countries face similar social. economic and political challenges in that large proportions of their populations are poor, and the poorest segments of their populations often lack access to basic public services such as decent healthcare and education, have limited economic potential due to inequitable wealth distribution and lack of jobs, and face varying degrees of political and social instability. As such, the potential for social enterprise to improve development outcomes could be significant in all four countries as the 'market' for social service provision in the absence of comprehensive state provision is extensive.

Although legislation specific to social enterprise is limited or non-existent in most countries, it is being discussed in each of the four countries. In India and Pakistan, legal registration forms that are more closely aligned to the needs of a social enterprise business model exist but, as with the Community Interest Company model in the UK, are by no means universally used by social enterprises. Similarly, a wide range of general small enterprise and entrepreneur support programmes exist in all four countries, as well as income generation programmes targeting disadvantaged groups (rural poor, youth), that offer potential (if not explicit) support to social enterprise. These could be made more relevant and useful through wider awareness and increased understanding of social enterprise.

Social enterprise activity is vibrant and growing

This study has directly surveyed 648 social enterprises in four countries across two regions, West Africa and South Asia. Given the lack of existing social enterprise databases or equivalent quantitative research in any of the four countries, it was anticipated that sample would be difficult to obtain. However, all four countries met or exceeded survey targets. In Ghana, where social enterprise is seen to be nascent, nearly 100 social enterprises were identified and surveyed, which indicates that social enterprise is more widespread than previously thought.

Moreover, the social enterprise community is relatively young in terms of when ventures started operating, and seems to be growing, based on data and expectations for staff numbers and financial turnover (see Table 3). In all four countries, most social enterprises began operating in 2010 or later. Leadership of social enterprises is also young in all but India. Perhaps most significantly, jobs within social enterprises have increased over the last year in all four countries (see Table 3). Ghana has seen particularly significant proportional increases, whereas job creation is slower in Bangladesh. Job creation is anticipated to continue growing over the coming year in the vast majority of social enterprises in each country, as is financial turnover.

The survey results show that overall, most individual social enterprises are micro or small sized ventures, with mean average staff of between 10 and 47 (full-time equivalent) and average turnover per organisation of between £15,000 and £106,000, although median average figures for Pakistan are significantly lower (£22,848 turnover and 8 staff).

Table 1: Quick economic and social facts

	Bangladesh	Ghana	India	Pakistan
Population	166 million	25 million	1.2 billion	199 million
Poverty rate	32%	24.2%	30%	29.5%
Literacy rate	61.5%			
GDP per capita (current USD, 2015)	\$1,211.7	\$1,381.4	\$1,581.6	\$1,429.0
Population aged under 35	106.7 million	20.2 million	836.0 million	134.4 million

Table 2: Average staff numbers and turnover

	Bangladesh	Ghana	India	Pakistan
Average staff numbers per social enterprise (last year)	22 (21)	10 (7)	27 (19)	59 (47)
Average turnover per social enterprise (mean)	£21,000	£15,301	approx. £2m	£106,883

Job creation is anticipated to grow next year in at least 71% of social enterprises in all four countries. However, the proportion of part-time staff in Ghana, and in Bangladesh in particular, indicates that job creation from social enterprise may be on an upward trajectory but does not necessarily comprise steady, permanent employment opportunities (in most cases, such employment opportunities are not available beyond the social enterprise sector in these countries). Intellecap research in India (2012) indicated that social enterprises faced enormous challenges in access to talent, which they addressed by hiring highpriced and high quality skill sets on a part-time basis. This offers potential for social enterprises to bridge the talent gap, to attract for educated young workers to learn about the social and development sector and work in different places, and in the longer term, hopefully enable social enterprises to create more permanent jobs.

Although many social enterprises are small in terms of turnover and staff numbers, a significant proportion are seeking to grow and expand internationally.¹ Intellecap witnessed a similar pattern as part of research in 2014, which showed that the global social enterprise ecosystem has been able to encourage replication into new locations by facilitating networks, information, knowledge and capital flows. Impact investors and non-financial support providers work across different geographies, and hence are able to spot gaps and opportunities and to encourage enterprises to expand and replicate early in their life cycle (Intellecap, 2014).

Although some disaggregation about job creation by location, venture age and sector is provided in the country chapters, the survey does not explore in detail what factors explain strong and growing staff numbers. In terms of expanding markets for social enterprise products and services and facilitating social enterprises to contribute to social and economic development, better understanding of this success will be important to see how progress can be facilitated and sustained, and to explore whether there are lessons for mainstream entrepreneurship support activities.

Financial turnover and growth plans

At least 74% of social enterprises in all countries expect their financial turnover to increase within the next year. This is a positive outlook, indicating that social enterprise is set to increase in strength, particularly given that higher financial turnover generally seems to correlate with higher staff numbers and higher numbers of beneficiaries. While funding and finance are significant barriers, overcoming other constraints – technical skills, support, and awareness and understanding – will be important if these projections are to be realised. Further research in the coming years will be crucial to assess the validity of these indicative trends and to explore what changes to the ecosystem, if any, may have influenced them.

Over two-thirds of social enterprises in all four countries intend to grow their ventures over the coming year, and all but one of the respondents in both Ghana and India expect to grow. Geographic expansion dominates growth plans in Ghana and India, where only 14% and 21% of social enterprises, respectively, operate internationally; 60-80% plan to expand into new geographical areas.

In Pakistan and Bangladesh, increasing team capacity was the top priority in terms of growth plans, while in Ghana and India, expanding the research of venture activities is cited highest. Overall, these findings give clear indications of potential support areas for social enterprises in terms of routes to market (expanding into new geographic areas) and access to skills, training and strong recruitment practices.

A larger sample size would allow assessment of nationwide disparities in terms of growth plans and the associated support required, which could then be mapped against existing support provision in more detail than has been possible for this study. Such research could inform those interested in providing financial or general support to social enterprise of where need is greatest, and in what form.

Table 3: Top three growth plans

	Bangladesh	Ghana	India	Pakistan
Top growth plan	Investing in our team and capacity	Expand into new geographic areas	Expand into new geographical areas in the future	Investing in our team and capacity
Second most cited growth plan	Expand into new geographic areas	Attract new customers or clients	Attract new customers or clients	Develop and launch new products & services
Third most cited growth plan	Attract investment to expand	Attract investment to expand	Develop and launch new products and services	Attract new customers or clients

Social enterprises need increased access to finance

Social enterprises are generating increasing employment and growing, in spite of facing financing constraints. With greater access to finance there is a possibly large growth potential.

The vast majority of social enterprises in all countries reported that they receive most funding or finance in the form of non-returnable forms of capital, in particular donations (cash and in-kind) and, to a lesser extent, grants. Grants are much more prevalent in India than elsewhere, indicating a much more significant flow of funding to social enterprise which correlates to the more established and larger scale of the social enterprise ecosystem in the country compared to the other three countries in the study.

Other research has shown that grant funding is particularly important at early stages: analysis of Echoing Green's 2015 fellowship of social entrepreneurs showed that grants and similar types of flexible, risk-tolerant finance are key at the seed stage for social enterprises (Echoing Green, 2015). However, whereas Echoing Green findings show that social enterprises graduate from the need for grant finance, this is not clearly evidenced from the survey findings, which shows that grant income is cited as an income source for larger and longer established social enterprises.

Limited supply of capital is consistently seen as a problem (see Table 6), particularly in Bangladesh and Pakistan, but understanding the capital that is required is more difficult. Pakistani social enterprises seem to have better access to equity investment than elsewhere, and the majority of equity funding went to social enterprises with younger leaders. This is in contrast to Ghana, where younger social enterprise leaders in particular feel unable to access debt or equity capital to finance their ventures. Poor access to investors owing to limited networks (personal and organisational contacts with potential investors) is seen as the major constraint in Ghana and India.

Across the four countries, concessional loans are the least likely source of finance for social enterprises, indicating potential financing roles for impact investors, but also for local banks, particularly where they are already formally obliged to support micro, small and medium sized enterprises (MSMEs), as they are in Pakistan.

In Bangladesh, nearly half of respondents did not receive any financing. This may indicate that there are social enterprises able to rely on trading income: such information was not explicitly sought in the survey but would be valuable additional research to help understand whether the current trend in social enterprises start-ups is sustainable even if access to finance is slow to improve.

Table 4: Top sources of funding and finance

	Bangladesh	Ghana	India	Pakistan
Top source	No financing	Donations- cash in kind	Grants from foundations	Donations – cash and in-kind
Second most cited	Donations-cash and in-kind	Grants from foundations	Donations- cash in kind	Grants from foundations
Third most cited	Grants from foundations	None	Grants from governments	Grants from governments

Table 5: Top financing constraints

	Bangladesh	Ghana	India	Pakistan
Top growth barrier	Limited supply of capital	Access to investors is low due to limited network	Access to investors is low due to limited network	Limited supply of capital
Second most cited growth barrier	Access to investors is low due to limited network	Limited supply of capital	Limited supply of capital	Access to investors is low due to limited network
Third most cited growth barrier	Limited track/ performance record	Revenue and profitability requirement for bank loans	Revenue for equity investors	Business model is not refined

Findings on finance require more detailed exploration in each country to understand exactly what would unlock the constraints identified, and to learn from the social enterprises that seem to be overcoming these challenges already.

The Echoing Green research (2015) found that social entrepreneurs need more education on impact investment and that the supply of capital is issue: this is evidenced in the survey findings here by frequent mentions in all four countries of lack of access to investors.

Overall barriers to growth

Social enterprises are restricted by skills shortages, financing constraints and a range of other issues. Finance is a barrier – but it is not the only one. Indeed, the considerable focus by research and practitioners on improving access to impact investment and concessional finance is not strongly reflected in terms of demand from social enterprise by respondents to this survey. This may be due to a lack of awareness but also to the importance of grant funding and non-financial support. Better understanding of these constraints can support better policy and practical responses.

Three of the four countries reported that the most significant barrier to growth was related to access to finance: obtaining grant funding in Ghana, and access to capital in the form of debt and equity in India and Pakistan (see Table 6). For Bangladesh, shortage of technical skills was the most cited barrier to growth, correlating to the finding above about team capacity and indicating this is perceived to be a particularly significant problem in Bangladesh.

Barriers are diverse and the sample sizes in this study do not illuminate many clear patterns by regions or by sector. Overall, however, the results indicate that as well as addressing finance constraints priority should be given to raising awareness and ensuring technical skills and more general support to help social enterprises to sustain and grow. For example, cash flow and accounting systems are arguably as important as obtaining different forms of finance. Demand for products and services was not commonly reported as a barrier, further indicating potential for growth.

Table 6: Top three barriers to growth

	Bangladesh	Ghana	India	Pakistan
Top growth barrier	Shortage of technical skills	Obtaining grant funding	Capital (debt/equity)	Obtaining grant funding
Second most cited growth barrier	Capital (debt/equity)	Capital (debt/equity)	Grant funding	Capital (debt/equity)
Third most cited growth barrier	Understanding/ awareness of social enterprise among general public/ customers	Lack of access to support and advisory services	Maintaining cash flow	Cash flow

Lack of knowledge of social enterprise as a barrier

Lack of awareness and understanding of social enterprise is seen as a barrier to finance, where investors and funders don't know what social enterprise is, and to wider sustainability, because policy-makers and potential customer and beneficiary bases in the general public are unaware of the concept. In the UK, organisations such as UnLtd and SEUK are working to increase awareness of social enterprise to ensure that it is understood beyond the social enterprise sector. UnLtd is developing a strategy to 'mainstream' social entrepreneurship but finds that definitional and language issues can still be sources of confusion.² SEUK has established a campaign to encourage the British public to 'Buy Social', creating a logo and conducting policy and private sector outreach activities.3

Survey results show that a lack of understanding of social enterprise is seen as a significant barrier to growth for social enterprises in Bangladesh in particular, but also in India and Ghana – particularly in terms of the awareness from within financial institutions.

In most countries there was a mismatch between the number of organisations that met the study's criteria for classification as social enterprises and how many responding organisations perceived themselves to be such (including a significant proportion of responding organisations that didn't see themselves as social enterprises even though they met the study criteria). Ghana reported the highest numbers of survey respondents who considered themselves to be social enterprises but didn't meet the study criteria.

This reinforces what is already well-known across the international social enterprise scene: that definitions are neither consistent nor well-understood.

Related to this, Ghanaian and Bangladeshi social enterprises in particular indicated that a lack of awareness of social enterprise is a barrier to their growth. While awareness is not synonymous with consistent understanding, it does limit the development of consistent understanding.

Understanding and knowledge of social enterprise seems to be more prevalent among younger social enterprise leaders and in capital cities, and correlated with higher numbers of support organisations and greater interest in non-returnable forms of capital for sustaining and growing ventures. The clustering of activity and support offers potential opportunities to use existing foundations to expand the reach of social enterprise outside of these locations, and groups of actors, to new regions, and to policy-makers, customers, the private sector and the general public.

Increasing skills and support

In terms of skills and wider support, there are a number of bespoke social enterprise support organisations in all four countries, but they are typically fairly newly established, located in capital cities or urban centres and are yet to embed national reach and wide scope in terms of the portfolios of social enterprises that they are able to support. Research by the Global Accelerator Learning Initiative (2016) indicates that the calibre of support organisations (in this instance, accelerators) is key, as is a programme that focuses on time for entrepreneurs to work on their own (as opposed to receiving generic training), and support to appropriate ventures – i.e. those at a sufficiently developed stage in the case of acceleration programmes.

Many of the surveyed social enterprises may not be ready for acceleration programmes but might benefit from improved access to bespoke support relevant to their stage of development. Government and donor-sponsored programmes may be part of the solution, but as there are a number of start-up support organisations, facilitating their sustainability and growth may help to ensure support is agile in terms of content and reach.

- 2. See https://unltd.org.uk/2016/03/22/going-mainstream-mean-anyway
- 3. See www.socialenterprise.org.uk/policy-campaigns/latest-campaigns/buy-social

Opportunities for providing support

Respondents in all countries identified gaps in terms of the skills and technical knowledge required to sustain and grow social enterprises. Ghanaian social enterprises identified lack of access to support and advisory services as a key barrier, but in all countries there was reference to issues around knowledge of how to access different forms of capital and in terms of having relevant contact networks for finance.

In several of the outreach locations, survey respondents needed help in understanding questions and inputting data. In some instances, it was the first time that the ventures had considered thinking about such data and how to calculate it, this was particularly the case in Ghana, according to the research team there.

There has been a recognised gap in terms of mainstream enterprise support, widely being addressed by governments (see policy tables) and donors. In addressing this gap, it would be a 'double win' if interventions could understand and provide support to social enterprise either alongside or, where relevant, as part of generic support to MSMEs, while recognising that social enterprises might require different outreach and inputs at different stages of their growth, and might achieve different outcomes than mainstream enterprises (for example, in targeting social impact they may at a certain stage want to sustain but not grow). With further data would come greater insight into how support could be targeted and tailored to particular stages, locations or types of social enterprise in these different countries.

Women and social enterprise

Social enterprises seem to offer women opportunities that aren't available through mainstream business. In all four countries, the survey revealed interesting and encouraging patterns in terms of the involvement of women in social enterprise.

In all four countries, women are more likely to lead a social enterprise than a mainstream business (more than four times more likely in Pakistan, for instance), and as leaders, women are more likely to hire female staff. In Bangladesh, women make up two-fifths of the social enterprise workforce, far more than the national female workplace participation rate.

Female-run social enterprises tend to be smaller in terms of staff numbers and financial turnover than the those run by men. They also tend to have been established more recently, and trends on age and size indicate that this may account for their smaller size and scale of impact (beneficiary numbers), although these may also be indicative of choosing to focus on making a deeper impact rather than on growth or reach.

Overall, there are no strong trends in terms of which sectors and objectives female-led social enterprises are likely to focus on across the countries. They are, however, slightly more likely to identify barriers, and slightly more likely to be more concerned with access to finance, appropriate support and skills.

The potential role for women in social enterprise is exciting, particularly in countries where women are often marginalised and financially dependent. There is potential to link social enterprise support activity to activities around female empowerment and anti-gender discrimination activities, potentially through using social enterprise as case studies and role models of achievement and best practice.

Table 7: Women in social enterprise compared to mainstream business

	Bangladesh	Ghana	India	Pakistan
Female-led social enterprises as % of total surveyed	20%	34%	24%	21%
Mainstream firms with female participation in ownership	12.7%	31.6%	10.7%	11.8%

Source: Study survey responses and World Bank Enterprises Surveys

Social enterprise and sectors: education and beyond

In Bangladesh, Ghana and Pakistan, education is the most commonly cited sector in which social enterprises are operating, and is second most cited in India, indicating that it is a very important sector for social enterprise activity. Promoting education and literacy is also a commonly cited objective in all countries, indicating that the focus is on training and skills, not just on formal education, and it is not just targeted at young people.

Education seems to be a particularly dominant focus in capital cities and areas with high population density, as is the case for Accra in Ghana, Dhaka in Bangladesh and the Sindh province of Pakistan. Outreach, however, does not necessarily occur in the same location as organisation headquarters. The survey did not collect detail on this, but education sector social enterprises supported by Echoing Green, for example, operate mobile and cloud-based platforms based in cities but serve students wherever they are, including in rural areas.

This indicates a potential correlation between focus on education and population density, or possibly the reverse – that it is more challenging to set up education-focused ventures in more remote areas.⁴

In Bangladesh, education sector social enterprises are the domain of male-led ventures. There appears to be a lack of women-led social enterprises in this sector in this country, which does not seem to exist elsewhere, potentially indicating a barrier to the sector for women that would need to be explored in future research.

Beyond the education sector, there is reasonable consistency across the four countries in terms of a widespread focus on agriculture and business development services and entrepreneurship support. It is also interesting to note that energy, transport, housing and justice sectors were infrequently cited by social enterprises in all four countries. Given that all four are major social issues in each of the countries, this is a potentially significant gap in terms of the reach of social enterprise. Given the prevalence of 'clean tech' (particularly solar energy) ventures in these four countries, the energy gap is particularly notable. It is an area for potential expansion and innovation. Barriers for social enterprise solutions could exist in these sectors, which would need to be explored in further research.

There is also a possible conclusion to be drawn from sector analysis that social enterprises seem to cluster in particular sectors and particular regions. In Ghana, for instance, most social enterprises in the north of the country focus on agriculture. The data is too thin to make a firm assessment, however, and it would be beneficial if future research sought a more detailed understanding at sectoral level of social enterprise needs, as support requirements are likely to be quite distinct across sectors and locations, as previous research in Kenya and Vietnam indicates (Smith and Darko, 2015).

Table 8: Top three social enterprise sectors

	Bangladesh	Ghana	India	Pakistan
Top sector	Education	Education	Skills development ⁵	Education
Second most cited sector	Services	Agriculture and fisheries	Education	Health and social care
Third most cited sector	Business development services and entrepreneurship support	Heath and social care	Agriculture	Business development services and entrepreneurship support

- 4. For example, Eneza Education http://enezaeducation.com and Zaya http://enezaeducation.com and Zaya http://enezaeducation.com and Zaya http://zaya.in/about
- 5. Skills Development was only a sector option in the India survey (see Chapter 1 Annex)

Social enterprises and capital cities

In all four countries, research was biased towards urban areas due to the nature of the study's outreach activities. In three of the four countries, the research team was based in the capital city and therefore able to conduct more extensive outreach and access more networks in the capital. As such, it was unsurprising that survey responses were tilted towards the regions in which the capital city is located.

In spite of this bias, there are some interesting points to note about capital city areas' social enterprise activity compared to the rest of the country. Firstly, the vast majority of social enterprise support organisations operate mainly from the capital in Ghana, Bangladesh and, to a lesser extent, Pakistan (where the research team was based in Lahore, not Islamabad). In India, support is more dispersed, which is partly due to the size and importance of other large Indian cities, but is also a potential indicator of a more developed social enterprise ecosystem. In Ghana, in particular, non-Accra-based support organisations were hard to come across.

While social enterprises may commonly be located in cities – and definitely much easier to reach for survey purposes if this is the case - their impact extends outside cities. The high proportion of Accra-based social enterprises working in the agriculture sector is an example of this. It is unclear from the survey findings the extent to which city-based social enterprises are able to achieve impact in peri-urban or rural areas, or whether a city base is necessary due to the lack of available support and infrastructure closer to the target populations. Looking at how social enterprise support and infrastructure could grow in each country and cover larger geographies could make an important contribution to influencing the movement's growth.

Estimates of numbers are high

The study sought to estimate the total number of social enterprises operating in each country. However, as the methodology was challenging to implement, the results have generated high estimates for the numbers of social enterprises in terms of the proportion of SMEs compared to those found in other countries, such as the UK (see Chapter 1), where more robust research has been conducted. It is very much hoped, however, that by providing the figures themselves – and detail of the methodology used to create them – offers a starting point for further research to explore the scale of social enterprise activity in each of these countries.

Based on comparison with population (because consistent data on registered organisations, MSMEs and non-governmental organisations wasn't available), Pakistan has the largest proportional estimate, Bangladesh the smallest. In comparison with the UK where the proportion of social enterprises per person in the population is about 0.1%, all estimates are reasonably similar. As such, these figures contribute an initial baseline for further research and evidence into the scale of social enterprise activity in each country.

Table 9: Estimates of total numbers of social enterprises

	Bangladesh	Ghana	India	Pakistan
Estimated total number of social enterprises	150,358	26,275	2,070,231	448,203
Social enterprises per person in the population	0.09%	0.11%	0.17%	0.23%

Recommendations and future studies

Methodology

The study methodology was developed iteratively and with inputs from a significant number of national and international stakeholders to improve its validity and viability in each country. Overall, the process has been successful, but as the country chapters set out in more detail, there are a number of lessons for future research to be drawn. The report includes detail of methodological process and issues in the hope that it can inform (and improve) future national and international research on quantifying and understanding social enterprise activity.

The survey tool has been imperfect in terms of the wording of questions to allow consistent answers that lend themselves to effective and interesting analysis, the use of the survey tool by potential respondents related to its delivery mainly online and in English, and how the use of different survey tools in different countries has made consistent analysis across the countries challenging. There were also a number of nuances in the survey question which were either not universally understood or limited disaggregated understanding of findings. For example, in terms of objectives, 'providing a service' could cover a range of the other options given. And 'crosssubsidisation' is most commonly understood as an integral part of a business model rather than a use of profit or surplus, which could explain why so few social enterprises cited this when it is known anecdotally that many do in fact operate crosssubsidising models. The questions themselves, however, appear to have been largely wellinterpreted by respondents and have provided useful data. Some areas of data seem to have issues with validity, in particular in Pakistan, and with beneficiary numbers and profit/turnover across all four countries.

The survey findings have been biased, most notably perhaps towards urban centres and against rural social enterprises and towards areas where outreach was conducted. Nor was the sampling process representative or random due to the lack of a comprehensive social enterprise database (or other equivalent databases to sample, e.g. for MSMEs). Ideally, future surveys need to be at larger scale and affiliated to wider quantitative analysis of registered organisations, MSMEs in particular. Improved data sharing and compilation of social enterprise databases will also be of significant value to future research and understanding of the sector.

Expanding quantitative research on social enterprises

From the challenges of conducting national level surveys indicated above, it is clear that social enterprise in all four countries would benefit from more robust and consistent data collection. In the UK, social enterprise data is collected in various forms, including by government through its regular survey of small and medium sized enterprises and by the bespoke social enterprise support organisation, Social Enterprise UK. SEUK has been collecting data for over 12 years and continues to refine and develop its collection and analysis processes; thus long-term investment has been needed to achieve the level of detailed information on social enterprises that is now available in the UK. The lack of equivalent investment in data in all four countries is likely to be a major barrier to both understanding and developing social enterprise. Building an evidence base through robust and rigorous research has been crucial to advocating a strong social enterprise ecosystem and governmental support in the UK, and this is likely to be the case elsewhere.

This report has begun triangulating findings with more qualitative evidence about social enterprise in the four countries. It is hoped that the findings themselves might trigger further quantitative and qualitative work in each country to better understand what the data patterns show and whether indications and current reports are in fact consistent trends in terms of activity.

Suggestions for policy and practice

All actors can help raise awareness of social enterprise – addressing a recognised barrier to growth. Part of the problem is around consistent understanding, although the lack of clear consensus on this does not limit the potential to spread awareness of the power of enterprises set up with primarily social goals. Policy makers can create institutions to further the development of social enterprise, as has happened in Pakistan, and can facilitate awareness through the public sector by drafting social-enterprise-specific legislation, as is the case in India. Social enterprises and their support organisations can help raise awareness among the general public by ensuring that social enterprise is regularly discussed in mainstream entrepreneurial forums.

Access to finance is a recognised constraint to social enterprise development (and to economic development in general in all four countries), although there is evidence that lack of capital is not necessarily the only problem. Restrictions on foreign investment seem to be a particular issue in the South Asian countries. In all countries, social enterprises need to be able to access early-stage grant support and concessional finance, which is something impact investors in particular could address if they were able to adapt to provide support at earlier stages, or were open to exploring supporting enterprises' ambitions to replicate or franchise, as was mentioned in Bangladesh particularly.

Technical and practical skills limit social enterprise development, and in some countries the lack of social-enterprise-specific support is seen to be particularly limiting. Learning can be facilitated through peer-to-peer events and through mentoring activities, including online mentoring opportunities, competitions with support prizes rather than just cash, and by support organisations collaborating to cross-refer social enterprises so they receive support appropriate to their needs – for example depending on their stage of development, location or sectoral focus.

International impact investors (e.g. Acumen, Ludin Foundation, AgDevCo, Grameen) and support organisations (British Council, BRAC, Global Social Entrepreneurship Network, Echoing Green) can play an important role in bringing capital and know-how to these four countries. There is a growing number of local support organisations in each country, but they are often limited in scope and reach, while early-stage social enterprises often lack the resources or ability to pay for support. There is a clear role for facilitating organisations, such as Global Social Entrepreneurship Network, Asian Venture Philanthropy Network, European Venture Philanthropy Association and the Social Enterprise World Forum, to bring local support organisations together, assist with capacity building and share best practice. Impact investors need to continue cross-referring and helping providers of earlierstage grant funding to develop their future portfolios.

This report, it is hoped, provides a strong positive message about the potential impact of social enterprise in each of the four countries. Social enterprises generate jobs and contribute to economic growth, but also address social and environmental challenges, support disadvantaged groups and offer insights into how a more inclusive and sustainable path to economic development could be achieved.



Bibliography

Echoing Green (2015) <u>Deviation</u> from the Standard: Funding and Supporting Emerging Social Entrepreneurs. www. echoinggreen.org/pubs/
Deviation-Standard-Impact-Investing.html

Global Accelerator Learning
Initiative (2016) What's Working
in Startup Acceleration: Insights
from Fifteen Village Capital
Programs. www.andeglobal.
org/blogpost/737893/242298/
What-s-Working-in-StartupAcceleration-Insights-fromFifteen-Village-CapitalPrograms

Intellecap (2014) South-South collaboration: Corridors for shared prosperity. Hyderabad and Mumbai: Intellecap. http://intellecap.com/publications/south-south-collaboration-corridors-shared-prosperity

Intellecap (2012) On the Path to Sustainability and Scale: A Study of India's Social Enterprise Landscape. Hyderabad and Mumbai: Intellecap. http://intellecap.com/sites/default/files/publications/intellecap landscape report web.pdf

Smith, W. and Darko, E. (2015)
Social enterprise: constraints
and opportunities – evidence
from Vietnam and Kenya.
London: Overseas Development
Institute. www.odi.org/sites/odi.
org.uk/files/odi-assets/
publications-opinion-files/8877.
pdf











Cover photo: © Trashy Bags Project