

**Developing a Better Policy Context for Social Enterprise in Asia and Europe**

**15-16 July 2013 | Berlin, Germany**

**Event Report and Highlights**

Asia-Europe Foundation (ASEF) and British Council brought together policy-makers and social enterprise experts from 24 countries across Asia and Europe in Berlin to explore how to create a better policy environment for social enterprises in the two regions. Comprising of senior civil servants, chief executives, and high level representatives of Social Enterprise umbrella organisations, the event was lively and productive.

The policy dialogue was facilitated by Peter Holbrook the Chair of the Social Enterprise World Forum and CEO at Social Enterprise UK. Summarising the feedback from delegates he reported that the event created “A unique space that allowed cross-border exchange & learning”. The event demonstrated how social enterprises across the two continents are pioneering a new approach to difficult social and environmental challenges, using social enterprise. Policy-makers are increasingly recognising the opportunity to create a new economy, one which creates not just economic growth but also inclusive and sustainable growth. It also demonstrated the value in inter-regional learning, to exchange the results between countries which already support social enterprises as well as to support countries with less developed social enterprise eco-systems to gain confidence and legitimacy in their efforts to grow the sector.

**Key Highlights and Insights from the Policy Dialogue**

A traditional ‘north-south’ distinction does not apply when it comes to social enterprise. Innovative social enterprises are operating in developed and developing world countries and learning between them is a mutually beneficial process. Social enterprise represents a new mode for engagement between countries in Asia and Europe embodying a shared vision of a global economy with the creation of social value at its core. How that is achieved varies hugely across Asia and Europe and cuts across a number of different areas; whether it is in the reform of the welfare state, new ways of doing development or in how social investment can play an increased role in creating inclusive economic growth.

- Some policies support evidenced social impact rather than explicitly favouring social enterprise. For example regarding the procurement of public services, in many instances the Government cannot give preferential treatment. However through policies which insist on the consideration of social/environmental value, social enterprises are of course well placed to benefit here. Examples in Europe include UK’s Social Value Act whilst in Asia a similar trend exists in development practice which is increasingly focusing on providing support for inclusive businesses.

- Other policies need to be more explicitly focused on social enterprises. For example it was felt overall that a legal form is an important part of the social enterprise eco-system. Existing legal systems were built around the traditional economic model and do not provide clear routes for hybrid social enterprises. This is not to say that it is always necessary for social enterprises to use a particular legal form –often, social enterprises can effectively leverage existing legal forms - but a legal form can be conducive to the development of social enterprise sector.
- Regulatory and tax incentives are very important and necessary for growth of any sectors (e.g., renewable energies in Germany). As such, tax breaks for social enterprises should also be considered and there was broad support for examples discussed (e.g., China, Korea, Malaysia, the Philippines, Romania, and UK). Both regions recognised that they should be time bound and sector specific, and that here there is a need for definition.
- The emergence of new investment finance to support social impact is notable (e.g., crowd funding, UK- Big Society Capital, Thailand – village fund programme, Japan – Benesse Social Innovation Facility). Government should play the role of a steward in the development of social capital markets, incentivising this new supply and enabling effective take-up by social enterprises.
- Local government was recognised as a key player that should not be overlooked when trying to grow the social enterprise sector. Local authorities are innovating in this space: for example in the UK, Liverpool City Council is pioneering approaches to ensuring fairness in public policy. It was widely recognised between both regions that local government is an important stakeholder in attempting to grow the Social Enterprise sector and that civil servants need to be encouraged/enabled to take risks to do things in a different way. At the same time, the role of social enterprise in providing leadership to local government was also acknowledged. BRAC, for instance, runs “multiple, local level community services” working in partnership with local government to provide services that help the local economy.
- Policy needs to be adaptive and iterative in its development, governments need to be prepared to be bold and take risks and be prepared to prototype and adapt policy. Here it is key that learning from countries that have taken risks and experimented with new policy is shared at a global level.
- Social Enterprises need to be more transparent if governments are to play a bigger role in providing a supportive framework for social enterprises: i.e., if governments are to provide specific advantages for social enterprises (tax relief, start-up capital etc.).
- Social enterprises in Asia and Europe often struggle to demonstrate the social value they are creating. This is compounded for small social enterprises for whom the costs of some social impact assessments may be prohibitive. Social enterprise as a sector and as a social movement

will gain strength from greater collaboration between Asia and Europe in order to better communicate and reinforce the breadth and depth of impact that Social Enterprises are having.

**With thanks to all our speakers at the event:**

| Country    | Title | Name                      | Designation  | Organisation  |
|------------|-------|---------------------------|--|---|
| Bangladesh | Mr    | Muhammad A.(Rume) Ali     | Managing Director,<br>Enterprises & Investments  | BRAC  |
| Japan      | Mr    | Takaho Miki               | General Manager,<br>Global Social Innovation Department                                  | Benesse Holdings  |
| Korea      | Mr    | Chong Soo Lee             | Founder and Chairman   | Korea Social Investment Foundation                              |
| Thailand   | Mr    | Nuttaphong Jaruwannaphong | Director   | Thai Social Enterprise Office                                   |
| EU         | Ms    | Kristin Schreiber         | Head of the Office of European<br>Commissioner Barnier<br>(Internal Market and Services) | European Commission   |
| Italy      | Prof  | Mario Calderini           | Professor of Strategy and Innovation<br>Management                                       | Politecnico di Torino<br>Italian National Agency for Innovation |
| France     | Mr    | Nicolas Hazard            | Chairman   | Le Comptoir de l'Innovation                                     |
| Germany    | Dr    | Volker Then               | Managing Director  | Centre for Social Investment                                    |
| Hungary    | Ms    | Éva Varga                 | Director of Portfolio Performance  | NESsT Europe  |
| Europe     | Mr    | Fillippo Addarii          | CEO  | Euclid Network  |
| Poland     | Mrs   | Izabela Przybysz          | Head of the Social Policy Programme  | The Institute of Public Affairs                                 |
| UK         | Dr    | Helen Stephenson          | Director Programmes and Performance  | UK Cabinet Office   |
| UK         | Mr    | Peter Holbrook            | Chief Executive  | Social Enterprise UK  |
| UK         | Ms    | Penny Newman              | CEO  | Funktional Group/Plant for Peace                                |
| UK         | Ms    | Claire Dove               | Chief Executive<br>Chair   | Blackburne House<br>Social Enterprise UK                        |
| Germany    | Mr    | Karsten Warnecke          | Deputy Executive Director  | Asia-Europe Foundation (ASEF)                                   |
| UK         | Mrs   | Paula Woodman             | Advisor, Enterprise and Society  | British Council UK  |

Full list of participants and presentation slides available [here](#)

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