

The state of
social enterprise

*in Bangladesh, Ghana,
India and Pakistan*

***Study overview
and methodology***



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Study overview and methodology

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Acronyms

ANDE	Aspen Network of Development Entrepreneurs
ASSB	Annual Survey of Small Businesses
BIS	Business, Innovation and Skills
CSO	Civil society organisation
DTI	Department of Trade and Industry
EVPA	European Venture Philanthropy Association
GEM	Global Entrepreneurship Monitor
GIIN	Global Investing Impact Network
MSME	Micro, small and medium sized enterprises
NGO	Non-governmental organisation
ODI	Overseas Development Institute
SEUK	Social Enterprise UK
SME	Small and medium sized enterprises

The study was commissioned by British Council's Global Social Enterprise programme which promotes the growth of social enterprise around the world. It seeks to build capacity in the sector, forge international networks, and support policy leaders to create ecosystems in which social enterprise and social investment can thrive. Currently running in 28 countries and on four continents, the programme provides aspiring and existing social enterprises with skills training, consultancy, mentoring and access to funding; disseminates best UK and global practice to support policy leaders to create enabling ecosystems for social enterprise and investment; supports education institutions to embed social enterprise, exchange best practice, and deliver joint research on social enterprise; facilitates the use of social enterprise approaches in international development programmes; commissions research and organises high profile events that foster social enterprise and social investment, and; builds international networks linking social entrepreneurs, intermediary organisations and social investors.

This study was led by Emily Darko (initially at ODI then UnLtd) with support from Shelagh Whitley and Richard Hughes (ODI), and conducted and written up in partnership with Social Enterprise UK (SEUK – team led by Nick Temple, with Dan Gregory, Martin Cooper and Charlotte de Ruyver), Betterstories (team led by Minhaz Anwar, with Anhar Athoi, Farhana Islam and Muhaimin Khan), Social Innovation Lab at Lahore University of Management Sciences (team led by Maryam Mohiuddin Ahmed, with Saad Idress and Arslan Khalid) and Songhai Advisory (team led by Kissy Agyeman-Togobo, with Lord-Gustav Togobo, Courage Kweson and Emmanuel Amoah-Darkwah).

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All errors are the responsibility of the partners and research teams. Feedback on the research is welcome, please contact Emily Darko: emilydarko@unltd.org.uk or Tristan Ace: Tristan.Ace@britishcouncil.org.hk.

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Introduction

Social enterprise is increasingly capturing the imagination across Africa and Asia. This has been observed through anecdotal evidence around increasing activity in the form of social start-ups, incubators and accelerators and social finance. Also, non-governmental organisations (NGOs) and civil society organisations seem to be looking increasingly at social enterprise as a model to ensure the longer-term sustainability of their operations. However, there is little quantitative evidence to date of how many social enterprises there are in those regions and little detail about their operations and impact. This study seeks to present initial quantitative information from Bangladesh, Ghana, India and Pakistan¹ to serve as a baseline for measuring the growth of social enterprise activity in a subset of Asian and African countries, and to help understand the profile of current activity.

Developing a better understanding of social enterprise is important for a number of reasons. Knowing the scale of social enterprise activity can help policy makers engage, track impact and make appropriately targeted interventions (Lyon et al., 2010). Data about the sector is useful to many other actors: for social enterprises themselves to understand more about their competitors and peers and build stronger supply chains, for instance; for support providers to know where social enterprises are and what they are doing; and for investors to understand current patterns in terms of levels and types of finance and funding provision, as well as gaps. Combined with illustrative examples, data about social enterprise activity can also be useful for informing new audiences about what social enterprises are and how they operate in a given context, raising awareness among the public and across the mainstream business community.

This report presents findings of surveys of social enterprise activity, the largest such study to have taken place in the selected countries. A total of 1,026 questionnaires were completed, of which 633 (60%) were completed by entities which met the definition of social enterprise used for the study (see below). The research team acknowledges that the nascent state of social enterprise activity in most countries makes data collection challenging. It is not claimed that the surveys accurately describe the full scope of social enterprises in each country. Nonetheless, this work is a first step towards an improved understanding of social enterprise activity in these countries. We hope others can build upon it in future.

‘This report presents findings of surveys of social enterprise activity, the largest such study to have taken place in the selected countries.’

1. Country selection due to funder priorities.

Study aims

The main aim of the study was to better understand the profile of social enterprises in Bangladesh, Ghana, India and Pakistan, including through providing an estimate of the current size and scale of the social enterprise sector in each country. In addition, this research aims to support the British Council's Global Social Enterprise in evaluating impact and tracking how the sector develops in the coming years.

In support of British Council activities, the study also briefly assesses whether there are existing policies to support social enterprise in these countries, creating a baseline of potentially relevant policies. These can be mapped over time to assess if engagement with policy-makers results in explicit reference to social enterprise. Similarly, the study explores the extent to which higher education institutions in the country currently provide social-enterprise-specific educational options, as a baseline to observe how this changes over time (with interventions from the British Council).

Although we know there are limitations to our work, we hope it will allow other actors to judge progress and identify possible intervention points for growing the sector. As such, the authors welcome feedback on the results presented and information about similar studies taking place in these four countries, and across Africa and Asia.

Global social enterprise data collection

While there are some examples of social enterprise data collection from around the world, one country with significant experience of collecting this type of information over more than a decade is the UK. This section briefly provides an overview of global social enterprise data collection processes (detail on attempts to estimate total numbers of social enterprise in the UK is provided later in the chapter). The UK experience, as elsewhere, has limitations. Nonetheless, we can learn from this experience in order to improve the accuracy of research in other countries.

There are a number of social enterprise mapping studies, the most substantive being an exercise funded by the European Commission to look at social enterprise activity across the European Union.² This is one of many studies that does not survey social enterprises but rather builds on existing data. According to Hanley et al. (2015), existing studies on social enterprise often rely either on anecdotal evidence (e.g. case studies) or explore existing datasets, such as national non-profit directories, data on small and medium sized enterprises (SMEs), and impact investor portfolios (e.g. GIIN and JP Morgan, 2015).

While most social enterprise studies to date have focused on developed countries, Table 3 sets out data collected in previous surveys of social enterprise in South Asia and Sub-Saharan Africa. It demonstrates that no data exists that is equivalent to what has been collected for this study, but that there are complementary datasets to be found, particularly in Sub-Saharan Africa.

2. See <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2149>

Table 1: Existing data

	GEM 2009 Social Entrepreneurship Survey (Terjesen et al 2009)	GEM 2015 Social Entrepreneurship Survey (Bosma et al 2015)	Rivera-Santos et al. (2015)	Hanley et al. (2015)	GIIN Impact Investing research in South Asia and Africa (2015)	GIIN/JP Morgan Impact Investing survey
Countries	49 countries (none in South Asia; only Uganda and South Africa in Sub-Saharan Africa)	58 countries (India is the only South Asian country; Senegal, Burkina Faso and Cameroon in West Africa)	19 countries in Sub-Saharan Africa (not Ghana)	Colombia, Kenya, Mexico and South Africa	Ghana, Bangladesh, India and Pakistan (as well as other countries)	Global, findings aggregated by region
Sample size	150,000 interviews, 49 countries	167,793 interviews	384 social enterprises (3,900 identified)	258 respondents from a 1124 sample	Ghana – 40 investors, Bangladesh - 34, India – 27, Pakistan - 19	146 surveys with impact investors
Research process	Structured interviews	Structured interviews			Interviews and surveys	Survey
Social enterprise criteria/ definition	Explicit mention of social mission and reliance on market-based revenues	Focus on social entrepreneurship rather than social enterprises	No specific definition used	Organisations receiving support from social investors, seeking to address societal problems in a market-oriented or entrepreneurial way	Core objective of generating positive social/ environmental impact and aim to grow financial sustainability and viability. The research also includes investment in SMEs	No specific definition used
Analysis of social enterprise activity	Perceptions, failure, attitudes and aspirations, finance, characteristics		Review of the influence of the environment on self-perception and choice of activities	Sector and impact focus and impact measurement, government support received, public sector partnerships, legal status, start year, funding, revenue, social entrepreneur profile	Impact investment mapping	Impact investment survey
Estimate of total number of social enterprises	Prevalence rates – estimated 4.1% of the Ugandan working population are social entrepreneurs	Prevalence rates estimate 6% of the Indian adult population is involved in post start-up social entrepreneurial activity. Data on age, gender and education level of leaders is aggregated by region – African social entrepreneurs are particularly young and less educated	NA	NA	NA	NA
Analysis of policy/higher education activity	NA	NA	NA	Policy - government support to social enterprise	Review of policy relevant to impact investing	Data on policy relevant to impact investing and investor feedback

Study methodology

Overview

The study was conducted by a consortium of partners. For the Bangladesh, Ghana and Pakistan research, the team was led by the Overseas Development Institute (ODI) with cross-country support from Social Enterprise UK (SEUK). Data collection and preliminary analysis and reporting was conducted by Betterstories in Bangladesh, Songhai Advisory in Ghana and the Social Innovation Lab in Pakistan. For India, Ennovent led the study with support from the Aspen Network of Development Entrepreneurs (ANDE) and with ODI ensuring consistency with the other three countries.

A survey of social enterprises sought the following information:

- Year of registration and legal registration form
- Turnover and profit generation and use
- Employees, by gender and in comparison to the previous year
- Number of beneficiaries reached, type of beneficiary
- Gender and age of leadership
- Social enterprise sector and focus/core objectives
- Location and sphere of operation (regional, national, international)
- Profit/impact focus
- Growth expectations and barriers faced
- Sources of finance and funding, including proportion of income from grants/donations
- Top three constraints to financing
- Whether respondent would describe their organisation as a social enterprise.

The study also sought to generate an estimate of the total number of social enterprises operating in each country and to establish what policy activity relevant to social enterprise currently exists.

In order to collect this data, the primary component of the study was a survey of social enterprises. In parallel to this, a brief sampling process was conducted to estimate the total number of social enterprises operating in each country (in Pakistan, this was done as part of the social enterprise survey). A brief review of policy activity relevant to social enterprise was also conducted.

There were five main phases to the research:

- Methodology design, validation and development
- Social enterprise database and survey sample
- Social enterprise survey data collection and analysis
- Desk-based research and interviews on policy
- Data collection to inform the total number of social enterprises.

Potential data sources for estimating social enterprise numbers

In order to build a picture of social enterprise numbers in a country, there are a range of sources that this study used as a starting point to develop a working methodology, which was then refined according to what was possible and available in the countries reviewed.

Source	Process
SME datasets	Extrapolate information about mission and use of profits, SMEs surveys with explicit questions about social enterprise criteria, or use datasets for sampling
NGO datasets	Extrapolate information about NGO income sources and business models, or use datasets for sampling
Registered social enterprises	Where there is a particular legal form, this is the most straightforward data – although not all social enterprises may be registered in this form
Counting social enterprises	Physical or online review organisation by organisation – only viable in a small geographical area
Support organisations – mainstream and social enterprise/ impact focused	Such organisations may have membership data and information about the organisations they fund or support that indicates whether their memberships, portfolios and applicants are social enterprises. Most are unwilling to share such data.

Methodology design

In order to build upon existing best practice in collecting data on social enterprise, a desk-based literature review was conducted. References were identified through bibliographies of existing research conducted by the study team (e.g. Whitley et al., 2013; Darko and Koranteng, 2015; Darko and Quijano, 2015; Ali and Darko, 2015), through Google searches of key terms, and searches of websites with social enterprise resources (ANDE, GIIN, EVPA). Evidence comes predominantly from data collection in the UK (see below). We also conducted informal consultations with a small number key informants involved in social enterprise data collection to inform the methodology and to seek to complement existing work.

The initial research methodology, drafted by Emily Darko, was refined with inputs from the British Council, SEUK and ODI. Subsequently, workshops were held in each of the four countries to bring together key stakeholders and sense-check the approach from a country-specific practitioner perspective. While the overall methodology is consistent across all four countries, each country has adapted the approach in each context, reflecting the need to accommodate country specificities.

Social enterprise classification

A crucial part of the survey design was establishing how to define social enterprises. The definition of social enterprise, while relatively consistent and well established in some parts of the world, such as the UK, can still be contentious. Given the lack of a globally agreed definition, the research team sought not to impose one but to identify a clear process of identifying social enterprise, which can be replicated or revised in different countries and contexts, as deemed appropriate.

It was decided, instead, to ask survey respondents questions that could be used as inclusion or exclusion criteria without informing them of a specific definition, allowing instead for a definition to be applied afterwards based on these criteria (see Table 2).

For the purposes of this report, the research team have settled on a combination of criteria which had to be met for a respondent to be considered a social enterprise. It is not suggested that these criteria together form a watertight or universal definition of social enterprise, nor that others should adopt it. It is simply the combination of criteria that the research team found most appropriate for the purposes of this study, based on lessons from a wide range of contexts, other research around the world and feedback from key national stakeholders in the four countries. There are obvious gaps for understanding generated by the inclusion criteria – for example, it is possible that early-stage social enterprises are initially 100% reliant on grants, so will not have been captured in the survey.



Table 2: Social enterprise inclusion criteria

Criteria	Question detail	Approach Social Enterprise classification
PRIMARY CRITERIA: Impact – core mission of the organisation	Does your organisation place emphasis on: profit first, social/ environmental mission first or both jointly? Profit first Social/environmental mission first Both jointly (one answer)	Organisations reporting that their core mission put 'profit first' were eliminated ³
PRIMARY CRITERIA: Income source	What proportion of your income comes from grants? 0-24% 25-49% 50-74% 75-100% (one answer)	Organisations reporting '75-100%' from grants were eliminated ⁴
SECONDARY CRITERIA: Profit/surplus use	If you do make a profit/surplus, how is it used? Growth and development activities Rewards to staff and beneficiaries Profit sharing with owners and shareholders Cross subsidising Reserves Funding third party social/environmental activities Other (multiple answers possible)	Organisations selecting 'Profit sharing with owners and shareholders' only were eliminated IF they had also selected that they were 'profit first'. Bangladesh and Pakistan collected this data as a percentage of profit sharing (0-24%, 25-49%, 50-74%, 75-100%) – organisations sharing 75%+ with owners and shareholders were eliminated if they had also selected that they were 'profit first'

Note: In India the term 'earned income' was used, rather than grants, so the percentages were reversed (organisations reporting 25% or less of their income from 'earned income' were eliminated).

Social enterprise database and sampling

Database

A social enterprise database was created in each country using online research, existing information that the partners already had, and through support from stakeholders (such as access to their databases, networks and portfolios). Once compiled, the database was added to throughout the project using information from events and stakeholder consultations.

Sample size and selection

Identifying entities to survey was a significant challenge for the project team, mainly due to a lack of information or the absence of any directories of social enterprises. Of course, this is not a challenge specific to these countries and comprehensive directories of social enterprise do not yet exist anywhere.

Existing databases of social enterprises, micro, small and medium sized enterprises (MSMEs) and NGOs were used as one starting point, where they were available, followed by engagement with key stakeholders to access their networks and portfolios.

The survey sample was non-randomised and non-scientific. The approach taken was to reach as many organisations that were reasonably likely to meet the social enterprise criteria used for the study (see Table 2). The databases were not sufficiently large to be divided into sub-national or other sub-sets for more systematic sampling, and using stakeholder portfolios, memberships and networks for outreach also meant that a formal sampling process was not possible. As such, the surveys are an indication of social enterprise activity, not a representative sample of such activity. In the absence of social enterprise databases, however, the study provides an important first sample pool which can form an initial database to facilitate more scientific sample selection in the future.

Survey responses (using a similar but non-identical survey tool in each country – see below) were secured through three main sources:

- Outreach events – inviting a range of organisations and individuals (selected both through stakeholder recommendations and online research, plus walk-in from event advertising) to social enterprise-relevant events and asking them to complete the survey there or subsequently.

3. The study opted not to attempt more complex filters around inclusion by sector, objective or target beneficiary although this would have given more nuanced confirmation of the nature of organisations surveyed.

4. It should be noted that this is a crude means of eliminating 'pure' charities and potentially excludes early-stage social enterprises.

- Emails to organisations considered likely to be social enterprises as identified through online research for the compilation of the social enterprise database, through contacts established through outreach events, and through contacts reached through stakeholders (e.g. their networks and portfolios).
- Telephone calls to the same categories of potential respondents identified through desk-based research, event attendance and stakeholders.

Events and outreach activities were held in each country's capital city and in three other cities in each country, with the exception of Bangladesh, where events were held in five cities, and India, where events were held in a wider range of locations. They varied in their size and nature depending on location and as teams experimented with formats that attracted most participants (see Table 3). As a result of outreach work being focused on events in major cities and online research, the data is likely to be biased towards social enterprises based in larger urban centres in general, and the event cities in particular.

Table 3: Locations of stakeholder events for survey data collection

Bangladesh	Ghana	India	Pakistan
Dhaka (capital), Khulna, Sylhet, Chittagong and Rajshahi	Accra (capital), Kumasi (Ashanti region), Tamale (Northern region) and Takoradi (Western region)	New Delhi, with additional workshops in Bengaluru (South India), Mumbai (West India), and Kolkata (East India). A field visit to Guwahati (North-East India) was made to meet social enterprise leaders in the region. Nine sector-specific focus group discussions were held in the form of teleconferences	Islamabad (capital), Lahore (Punjab), Karachi (Sindh) and Peshawar (Khyber Pakhtunkhwa)

The sampling process was neither systematic nor representative as the study aimed to maximise the number of responses by including all possible contacts. Although outreach sought to be as inclusive as possible, the channels used mean a probable bias in the findings towards urban social enterprises with access to support networks and the internet, and with fluency in written English.

We acknowledge these here and hope that future research and surveys can find ways to overcome this potential bias.

Survey tool and analysis

An online survey tool was developed in each country to compile the survey data.⁵ The survey questions are detailed in Annex 1. In India, a pilot survey was conducted.⁶

Data analysis

A purposive sampling target number of responses was set in each country: 500 in India, 200 in both Bangladesh and Pakistan and 100 Ghana. The target number did not aim to generate a dataset large enough to allow for results to be representative but rather to offer a sizable initial picture of social enterprise in each country. All countries exceeded their targets. Once the target number of responses had been achieved in each country, data was downloaded from the online survey tool into Excel and analysed using descriptive statistical techniques. Primary data analysis was supplemented by secondary analysis to explore patterns across geographical areas, age of ventures, female-led social enterprises and social enterprises by size and by sector.

Confidentiality and subsequent use of data

All survey data is treated as confidential, other than where explicit permission has been given to share information (basic demographic and contact details).

Data collection on policies relevant to social enterprise

In order to establish what policies each country has put in place to support social enterprise, desk-based research was conducted, supplemented by a small number of key informant interviews in each country (see country chapters for detail). For the policy work, research teams built on existing information from previous studies (Darko and Koranteng, 2015; Darko and Sultana, (forthcoming); Darko et al, 2015; Ali and Darko, 2015) by looking for online information about relevant government policies, and speaking to government stakeholders to ascertain if further progress had been made. Where no policy made explicit reference to social enterprise, a summary of existing policies relevant to social enterprise – and which have the potential to be reformed to include specific reference to social enterprise – are provided (see country chapters for detail).

Data to estimate total number of social enterprises

Methodology

One component of the study was designed to estimate the total number of social enterprises operating in each country. This calculation was challenging and it is important to note that figures provided can only be viewed as rough estimates (see below on estimates in the UK). In order to make these estimates, the research teams used three sources of information:

- A brief survey of a small sample of MSMEs to ascertain the proportion of these organisations that meet the study's social enterprise criteria, as it was expected that a proportion of social enterprises would fall in this category (as is the case in the UK, where multiple comprehensive surveys have been conducted). The total number of MSMEs operating in each country was also collected, and the percentage of the sample meeting the social enterprise criteria was used to estimate how many MSMEs might be social enterprises.
- An identical process was conducted for NGOs, using the total number, a small sample survey of NGOs and the ensuing percentage to estimate how many NGOs might be social enterprises.

In addition to this basic data collection, the methodology and results were validated with key stakeholders, and further qualitative information was sought from key informants and through online research to verify findings. For example, this includes information on the proportion of NGOs that are trading (selling goods or services, as opposed to relying on donations and grant income). Sources of such financial information proved extremely limited. This, combined with the sampling process being small and complicated by limited data and contacts, has meant that this report gives less prominence to findings on total social enterprise numbers than was originally envisaged. It is believed that the country chapter findings offer a first attempt at this calculation for the countries, but that the methodology, resource allocation and available data needs to improve before more accurate estimates of social enterprise numbers are achievable.

5. Ghana and Bangladesh used Survey Gizmo, India and Pakistan used Typeform.

6. A pilot survey was conducted with 100 NGOs. These NGOs were contacted and surveyed separately to confirm whether or not they fit the study's definition of a social enterprise (primarily, whether they are trading) and to test out the survey tool for any language difficulties or technical glitches.

Country-specific calculation processes

Details of the data used for the calculation process in each country are provided in a table in each of the country chapters. Ghana and Bangladesh followed the above methodology.

In Pakistan, sampling was conducted through the social enterprise survey tool inclusion criteria, rather than in a separate sampling exercise to estimate the total number of social enterprises. The team used a database of NGOs from the Pakistan Centre for Philanthropy, with survey responses indicating the proportion that met the social enterprise criteria, and for MSMEs this figure was extrapolated from the survey data with MSME respondents sourced through a range of organisations.⁷

In India, the team also used the social enterprise survey tool inclusion criteria to sample NGOs, and reviewed Section 8 companies, cooperative societies, and producer companies. Further detail of these findings can be found in a more detailed report on India's study results (Natu et al., 2016).

Lessons from social enterprise data collection in the UK

The UK collects some of the most detailed official statistics on social enterprise in the world (Teasdale et al., 2013). However, estimates of the overall size of the sector are often contested. This box sets out the history of social enterprise data collection, with the aim of explaining the challenges faced and to explore what can be considered as good practice.

Estimating the size of the sector

The UK is seen to have the most developed domestic institutional support for social enterprise in the world (Nicholls, 2010). The British Government has, in the past, invested significant resources in social enterprise infrastructure, in part to increase the capacity of social enterprise to take on public service delivery (Teasdale et al., 2013). However, the way in which the total number of social enterprises is calculated in the UK has changed in recent years, leading to an increase in the figures which has been criticised by some and misinterpreted by others (Floyd, 2013).

The first government-sponsored estimate of the number of social enterprises in the UK, published in 2003, suggested that there were 5,300 social enterprises operating in the UK (ECOTEC, 2003). In 2004, the Department of Trade and Industry (DTI)⁸ commissioned a survey of social enterprises in the UK. The survey involved 8,401 telephone interviews, using similar criteria to define a social enterprise as those used in this study,⁹ estimated a total of 15,000 social enterprises (IFF Research Ltd, 2005; Teasdale et al., 2013). Then, in 2005, the Annual Survey of Small Businesses (ASSB) added a question about social enterprises to their own data collection processes and as a result estimated that there were 'at least 55,000 social enterprises in the UK (Teasdale et al., 2013). Based on the 2007 ASSB survey, the estimate increased to 62,000 (Teasdale et al., 2013).

Both of these sets of parallel statistics (2005 and 2007 ASSB) have been used to demonstrate the large number of social enterprises in the UK and also to indicate that the number is growing. However, a BIS survey was conducted in 2010, using a tighter definition of social enterprise, indicating that only 8,507 met their criteria (Teasdale et al., 2013). Teasdale et al. (2013) suggest that a major factor in the change in numbers is how social enterprises are defined and how information is collected. Others, however, take issue with Teasdale's approach.

Loosening the criteria for identifying social enterprise (such as requiring lower levels of income derived from trading, or lower proportions of surpluses used for social/environmental aims) unsurprisingly yields higher numbers. The classification process too seems to have a significant impact: the ABSS surveys used a self-classification system, which in 2006/07 included criteria on whether organisations themselves thought they were social enterprises. This question was modified in the 2008 research to ask if they thought they were a 'very good fit' with the DTI definition and sampled all registered businesses, as opposed to organisations with explicit social ownership as had been the case previously (Teasdale et al., 2013).

7. Acumen, Agha Khan Rural Support Program, Invest to Innovate, Lahore University of Management Sciences Centre for Entrepreneurship, State Bank, Securities and Exchange Commission Pakistan.

8. Later renamed Business, Innovation and Skills (BIS) and now Business, Energy and Industrial Strategy.

9. The criteria were that: Their regular, everyday activities involve providing products or services in return for payment; at least 25% of their funding is generated from trading, ie. in direct exchange of goods and services; they have a primary purpose to pursue a social or environmental goal (as opposed to being purely or mainly profit driven); they principally re-invest any profit or surplus that is made in the organisation or community to further the social or environmental goal (IFF Research Ltd, 2005).

In 2012, BMG Research conducted the BIS Annual Small Business Survey and included a section of questions specifically on social enterprise. SMEs were asked to classify themselves as social enterprises if they met the BIS definition of social enterprise: i.e. they do not pay more than 50% of profit or surplus to owners or shareholders, and they do not generate more than 75% of income from grants and donations and therefore not less 25% from trading (BMG Research, 2013). Organisations were then classified as being a 'good fit' if they met four criteria and a 'very good fit' if they met all five. The 'very good fit' figure closely reflects an estimate of social enterprise numbers; the 'good fit' figure is by nature less accurate.

The most recent estimate of social enterprise numbers in the UK puts the figure at around 67,000 with an estimated turnover of £16 billion (James et al., 2016). This figure was built from the 'ground up', rather than extrapolated from business survey data, so could be considered particularly accurate. It is also more similar to the approach used in this study.

Estimates of around 60,000 UK social enterprises have been consistently used for around a decade, with methodologies aligning to the interpretation of social enterprise used in this study. Also important to note is that the number is vastly skewed depending on whether sole traders are included: the latest UK government figures claim there are 741,000 social enterprises on this basis – a figure which seems high (Cabinet Office, 2016).

Surveys of social enterprise activity

Social Enterprise UK's [State of Social Enterprise Report](#), supported by Santander in 2015 (Villeneuve-Smith and Temple 2015), is the largest, most rigorous and most representative survey of social enterprises in the UK. Its results are taken from 1,159 telephone and online interviews with senior figures in social enterprises. The sample frame in 2015 consisted of SEUK members and databases, and members of related social enterprise networks and organisations: specifically, Co-operatives UK, Locality, the National Housing Federation, Social Firms UK and UnLtd. The sample frame was further enhanced by other relevant organisations contacting their membership and encouraging them to participate in the survey. The most recent sample was also supplemented by contacts from the two most recent Small Business Surveys who had identified their organisation as a social enterprise.

In 2015, this data collection exercise provided a total potential dataset of 15,198 social enterprises (as compared with 9,024 in 2013, and 8,111 in 2011. The survey is biennial). The survey team then applied a three-step approach:

- telephone interviews of a random sample of potential research targets (802 completed)
- online version of the survey accessed via unique links sent to all remaining contacts with email addresses (196 completed)
- open online version of the survey, promoted and circulated by SEUK and networks (161 completed).

As the vast majority of social enterprises are small businesses, the SEUK survey has been developed over the years with a view to mirroring the government's Small Business Survey, thereby allowing comparisons to be drawn between social enterprises and businesses more widely. This is particularly helpful in supporting the usefulness of the survey as a policy or awareness-raising tool: highlighting, for example, the growth and confidence of social enterprises, the barriers they face to growth, and the prevalence of start-ups in the movement.

Structure of subsequent chapters

The report proceeds as follows: present a summary of country-specific methodology alterations and an overview of the data findings and analysis, in addition to brief background information about the social enterprise operating context in each country. Chapter 6 explores cross-country (and region) comparisons from the data findings and provides an overall summary and conclusions from the research.



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Annex 1 Survey questions

Questionnaire

1. What is the name of your organisation?
2. In what year did you register your organisation, or formally begin operating?
3. Where in [country] is your organisation based?

Alternates:

Bangladesh: What is the location of your organisation?

4. Is your organisation regional, national or international? Is it a subsidiary?

Alternates:

Bangladesh: a. Is your organisation a subsidiary? b. At what scale does your organisation operate in?

5. What is the job title of the person currently in charge of your organisation (running day-to-day operations)?

Alternates:

Pakistan: What is the job title of the person currently in charge of your organisation? (running day-to-day operations). If run jointly by more than one person, please provide full details

6. Is the person currently in charge of the organisation male or female?

7. What is the age range of the person in charge of the organisation?

Alternates:

Pakistan: What is the age range of the person in charge of the organisation? (Under 18, 18-24, 25-34, 35-44, 45+64, 65+)

India: What is the age of the person currently in-charge of your organisation? (18-24, 25-34, 35-44, 45-54, 55-60, 60 and above)

8. In what legal form(s) is your organisation registered?

- Sole proprietorship
- Partnership
- Limited Liability Company
- Limited by Guarantee
- Other - Write In (Required)

Alternates:

Pakistan: a. In what legal form is your organisation registered? (Not Registered, Registered) b. In what legal form is your organisation registered? (FOR PROFIT: Sole proprietorship, Partnership/association of persons, Private limited company, Public limited company, Other; NOT FOR PROFIT: Society, trust, section 42 company, other)

Bangladesh: a. Are you a registered entity? b. Is your organisation a For - Profit or Not for Profit? c. In what legal form(s) is your organisation registered under?

India: Options for legal forms: Sole Proprietorship; Partnership; Public Limited Company; Private Limited Company; Section 8/Section 25 Company; Institution or University; NGO/Trust/Society; Public or Government Organisation; Other (please specify)

9. What are your organisation's overall objectives?

- Selling a good
- Providing a service
- Improving a particular community
- Creating employment opportunities
- Supporting vulnerable people
- Improving health and well-being
- Promoting education and literacy
- Addressing social exclusion
- Protecting the environment
- Addressing financial exclusion
- Supporting vulnerable children and young people
- Supporting other social enterprises/organisations
- Other (please specify)

Alternates:

Pakistan: also included: Providing affordable housing

Bangladesh: also included: Providing affordable housing

India: Did not include: Selling a good, providing a service; Also included: Supporting agriculture and allied activities, providing affordable housing, Empowering and uplifting women

10. Does your organisation place emphasis on: profit first, social/ environmental mission first or both jointly?

- Profit first
- Social/environmental mission first
- Both jointly

Alternates:

India: Which of the following does your organisation place the most emphasis on? (Profit First – we prioritise maximising profits and strive to make a social impact only when it enhances profitability; Social/ Environmental Mission First – we prioritise maximisation of impact over profit, we may not (always) be commercially viable; Both Jointly – we pursue both financial and social/environmental objectives equally

11. What proportion of your income comes from grants?

- 0-24%
- 25-49%
- 50-74%
- 75-100%

12. What was your organisation's annual turnover last financial year (please select ONE appropriate currency below)? Please note that your answer will be treated in strict confidence. It will only be viewed by the data analysis team, and it will be aggregated with other organisations' responses in the presentation of findings.

- Taka/Cedis/Rupee
- Dollars
- Sterling (Pounds)

Alternates:

Pakistan: What was your organisation's annual turnover last financial year? Turnover is gross income over the last financial year (income from grants, loans, equity, sales etc.)

Bangladesh: What was your organisation's annual turnover(BDT) in the last financial year?

India: What was your organisation's turnover last year? (1 April 2014 – 31 March 2015)

13. What do you expect to happen to your organisation's turnover next financial year?

- Increase substantially
- Increase a little
- Stay the same
- Decrease

Alternates:

Bangladesh: What is your expected turnover in the next financial year?

14. Do you currently make a profit or surplus?

- Yes
- No

Alternates:

India: Currently, your organisation is: making a profit, incurring a loss, breaking even

15. If you do make a profit/surplus, how is it used?

- Growth and development activities
- Rewards to staff and beneficiaries
- Profit sharing with owners and shareholders
- Cross subsidising
- Reserves
- Funding third party social/environmental activities
- Other - Please enter an 'other' value for this selection.

Alternates:

Bangladesh: Rewards to staff and beneficiaries, Profit Sharing with owners and shareholders, Cross-subsidising, Funding third party social/environmental activities

16. How many people do you currently employ (pay a salary to) who are male, in a full-time capacity? If uncertain, please provide your best estimate.

Alternates:

Pakistan: a. How many people do you currently employ (pay a salary to)? If uncertain, please provide your best estimate. Full time (35+ hours a week): (M/F), Part time (34 or fewer hours a week) (M/F) b. How many people did you employ (pay a salary to) this time last year? If uncertain, please provide your best estimate. Full time (35+ hours a week) (M/F), Part time (34 or fewer hours a week) (M/F)

India: Number of full time employees (as on 31 March 2015), Number of full-time female employees (as on 31 March 2015), Number of full-time employees in the last year (as on 31 March 2014), Number of full-time female employees in the previous year (as on 31 March 2014),

Number of part-time employees in the current year (as on 31 March 2015), Number of female part-time employees in the current year (as on 31 March 2015), Number of part-time employees in the previous year (as on 31 March 2015), Number of part-time female employees in the previous year (as on 31 March 2014)

17. How many people do you currently employ (pay a salary to) who are female, in a full-time capacity? If uncertain, please provide your best estimate.

18. How many people do you currently employ (pay a salary to) who are male, in a part-time capacity? If uncertain, please provide your best estimate.

19. How many people do you currently employ (pay a salary to) who are female, in a part-time capacity? If uncertain, please provide your best estimate.

20. How many people did you employ (pay a salary to) who are male, in a full-time capacity last year? If uncertain, please provide your best estimate.

21. How many people did you employ (pay a salary to) who are female, in a full-time capacity last year? If uncertain, please provide your best estimate.

22. How many people did you employ (pay a salary to) who are male, in a part-time capacity last year? If uncertain, please provide your best estimate.

23. How many people did you employ (pay a salary to) who are female, in a part-time capacity last year? If uncertain, please provide your best estimate.

24. Do you expect the number of people you employ to have changed by this time next year? Please provide your best estimate.

- Increase substantially
- Increase a little
- Stay the same
- Decrease

25. Do you consider any of the following groups to be your beneficiaries?

- Local community
- Particular groups of people
- Organisations
- Employees
- Other (please specify) Please enter an 'other' value for this selection.
- None of the above

26. If your answer to the above was yes, how many people in each of these groups do you estimate that you have supported in the last 12 months?

- Local community
- Particular groups of people
- Organisations
- Employees
- Other

Alternates:

Pakistan: Do you consider any of the following groups to be your beneficiaries? If yes, how many of each group do you estimate have benefitted from your work in the last 12 months? (Y/N) Local community, Particular groups of people, Organisations, Employees, Other

India: a. What is the total number of beneficiaries impacted by your organisation? b. Do you consider any of the following groups to be your beneficiaries? (If yes, please indicate the approximate number of beneficiaries in each group): Children (14 years and below), Youth (15 to 30 years of age), Women, Disabled or differently abled individuals, Individuals from backward communities, Individuals from underserved regions, Organisations (NGOs, micro and small businesses, social enterprises, self-help groups, community, and religious groups), Employees (Number of people from disadvantaged backgrounds (for example, disabled employees, employees for poor socioeconomic backgrounds etc.)), Other (Please specify type of beneficiary and number)

27. Which sector(s) do you operate in?

- Agriculture and fisheries
- Business development services & entrepreneurship support (including to charities and NGOs)
- Education
- Energy & Clean Technology
- Financial services
- Food & Nutrition
- Forestry
- Health & social care
- Housing
- Infrastructure development & maintenance
- Justice & rehabilitation
- Livelihoods & employment creation
- Manufacturing
- Mobility & transport
- Retail
- Services (e.g. ICT, tourism)
- Other (please specify) Please enter an 'other' value for this selection.

Alternates:

Pakistan: Included: Water and Sanitation, Mobility & Transport was written as "Transport"

Bangladesh: Mobility & Transport was written as "Transport"

India: Agriculture and fisheries was written as "Agriculture, fisheries, dairy", housing was written as "Affordable housing", Justice & rehabilitation was written as "Justice, rehabilitation, human rights"; Also included: Skill development, Non-farm livelihood, Water and sanitation

28. How does your organisation plan on achieving growth over the next year?

- We have no growth expectations
- Increase sales with existing customers
- Expand into new geographic areas
- Develop & launch new products & services
- Attract new customers or clients
- Replicate or franchising
- Attract investment to expand
- Merge with another organisation
- Acquire another organisation
- Win business as part of a consortium
- Other (please specify)

Alternates:

Pakistan: Also included: Investing in our team and capacity

Bangladesh: Also included: Investing in our team and capacity

29. What are the major barriers which your organisation faces?

- Capital (debt/equity)
- Obtaining grant funding
- Cash flow
- Recruiting other staff
- Shortage of managerial skills
- Shortage of technical skills
- Lack of access to support and advisory services
- Understanding/awareness of social enterprise among banks and support organisations
- Understanding/awareness of social enterprise among general public/customers
- Lack of demand for product or service
- Economic climate (fiscal regulations, prohibitive commissioning, exchange rate losses)
- Access to public services (transport, energy, water and sanitation)
- Taxation, VAT, business rates
- Availability/cost of suitable premises
- Late payment
- Regulations/red tape
- Other (please specify) Please enter an 'other' value for this selection.

Alternates:

Pakistan: Included: Recruiting non-executive directors or trustees, Amended: Taxation, VAT, business rates to "Taxation"

Bangladesh: Did not include: Understanding/awareness of social enterprise among general public/customers, included: Recruiting non-executive directors or trustees, Amended: Taxation, VAT, business rates to "Taxation"

India: Included: Recruiting non-executive directors or trustees

30. What are your organisation's top 3 constraints to financing?

- Revenue for equity investors
- Business model is not refined
- Access to investors is low due to limited network
- Limited track/performance record
- Revenue and profitability requirement for bank loans
- Limited supply of capital
- Regulatory constraints when securing capital from international sources
- Securing capital and financing is not one of our major constraints
- Other (please specify)

Alternates:

Pakistan: Amended: Revenue for equity investors to "Profitability for equity investors"

Bangladesh: Amended: Revenue for equity investors to "Profitability for equity investors"

India: Could choose as many as needed

31. What forms of finance and investment have you received (in the last year or since you started operating)?

- Grants from governments
- Grants from foundations
- Donations- cash in kind (e.g. equipment, volunteer time)
- Concessional loans (loans with below-market interest rates)
- Commercial loans (market interest rate loans)
- Equity or equity-like investments
- Other Please enter an 'other' value for this selection.
- None

Alternates:

India: a. What forms of funding has your organisation received in the past? (Choose as many as you like) (Grants from Government, Grants from foundations, Contracts from Governments, In-kind cash and donations (e.g. equipment, volunteer time), None, Other (please specify)). b. What forms of finance/investment has your organisation received in the past? (Choose as many as you like) (Capital grant, Concession loans (loans with below market interest rates), Commercial loans (market interest rate loans), Equity or equity-like investments, None, Other (please specify))

32. Would you describe your organisation as a social enterprise?

- Yes
- No

Alternates:

Pakistan: Also included "Don't know"

33. Which, if any, of the following information are you willing to be shared publicly? The following information will be shared in a public database available to investors and support organisations. Only this information will be shared, the rest of your responses will be kept confidential. However, if you do not wish for any of the following information to be public, please indicate below.

- Your organisation name
- Your country
- Your location in the country
- Your sector(s) of operation
- Your sector(s) of specialisation
- Your contact details
- None

Alternates:

Pakistan and Bangladesh: Did not include “Sector of specialisation” in list

34. Contact Details

- Name
- Email
- Phone number

Alternates:

Pakistan: Did not include this question

Bangladesh: In addition requested: Respondent’s designation, Phone number of key individual in organisation, Email address of key individual in organisation

India: Only email requested

Additional Questions in other surveys:

1. Bangladesh

- What is the purpose of your organisation?

2. India

- How does your organisation conduct operations in selected sectors?
 - Manufacturing
 - Sales
 - Business Development and Entrepreneurship Support
 - Other (please specify)
- What market does your organisation cater to?
 - Rural markets
 - Urban markets
 - Both
- Did you face issues while completing this survey? If yes, please feel free to elaborate.

Annex 2 Reporting and caveats

Questionnaire

Data from the survey was subjected to second-level analysis, by region, age of organisation, gender of leader, size (by turnover and jobs) and sector. Findings have only been presented where there are significant or interesting distinctions to be drawn through disaggregation.

For the purposes of the study, the term 'funding' is used to mean grants, revenue and income and the term 'finance' is used to mean debt, equity, investment and capital.

Survey results have been rounded off to zero decimal places, meaning some figures might not add up to 100%. Some survey questions have multiple answers (such as organisations operating in more than one sector, facing multiple barriers); responses in these cases will add up to more than 100%.

The survey responses are self-declared by social enterprises. Data was not systematically verified with respondents except in India,¹⁰ but outlying results and gaps were verified with respondents over the phone. Data on beneficiaries is self-reported and has not been verified: note that the questions asked how many of different categories of beneficiary the social enterprise supported, but no further definition of beneficiary was provided.

It is likely that the survey results contain biases due to the nature of outreach and sampling. It is expected that the results contain a higher proportion of social enterprises located in metropolitan cities with access to networks and a stable internet connection than is truly representative. It is also expected that responses from areas where events and outreach activities were conducted are far higher, so again regional spread is not representative.

In some instances, the survey tool was not set up to adequately filter responses and as such made analysis of very diverse answers challenging.¹¹ Data cleaning has attempted to address this as far as possible, but in some instances (such as location data in Pakistan,¹² or the omission of the cooperative option from legal forms in Ghana) it has limited the data available to be presented in findings. The question on financial turnover was particularly problematic, as it was frequently left blank or given a zero answer. It was unclear in most instances whether this meant turnover was zero or if the respondent was just declining to answer. Analysis interpreted a blank as declining and a zero as an answer to include in findings – however, this may be inaccurate.

In Ghana and Bangladesh, in particular, three large and well-known social enterprise organisations (Kuapa Kokoo, BRAC and Grameen) did not complete the survey. As such, it is possible that results in both countries are significantly affected by their absence.

In Bangladesh, the survey tool was translated into Bangla; the Ghana team also found it necessary to verbally translate it into local languages for respondents during outreach events. In Ghana in particular, social enterprises seemed to lack an online presence which limited not only their identification for the sample but also their capacity to complete the survey except during outreach events. Ghana also had particularly high numbers of partially completed surveys, often stopping at the question on financial turnover – indicating that they were either unwilling to respond or lacked this information (as some indicated to the team).

The estimates of total social enterprise numbers were challenging to compile – accessing SME and NGO databases did not yield comprehensive results: the absence of harmonised terminology to define SMEs was problematic, the samples were very small and neither random nor representative, and also relied on self-reporting.

10. In India, 10% of the survey responses were randomly cross-checked through phone calls.

11. In Pakistan, for the question on growth expectations (we have no growth expectations, agree/disagree), if the respondent wrote 'no', it was assumed that they do have growth expectations. The response 'NA' was changed to agree. For other categories, 'n/a' was changed to not applicable. Several organisations list their registration types but also list themselves as not registered – in these instances it has been assumed that they do not have a legal form yet. Some organisations list both for-profit and non-profit legal registration forms, in which case both have been reported. It was assumed that all turnover was in rupees unless the user wrote another currency, in which case it was converted into rupees. After all data was cleaned, rupees was changed to pounds sterling using exchange rate 1 PKR to 0.0068 GBP. When appropriate, 'other' answers were recoded into the available categories. During sub-group analysis, where dividing responses created categories with less than five responses, percentages were not reported from that category.

12. 45 social enterprises did not provide data on the province they are located in, although five of these have been identified using other information provided.



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