EVALUATING THE LEGAL ENVIRONMENT FOR SOCIAL ENTREPRENEURSHIP IN AMERICA AND EUROPE
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ABSTRACT
Social entrepreneurship is a movement that began in North America during the eighties of the past century, while in Europe the origin is parallel to the birth of the so-called social economy. The social entrepreneur is a type of entrepreneur who identifies a business opportunity that is based on solving a social problem through an innovative and creative solution, based on a good idea and developing a business project. It is not charity or philanthropy, and is not necessarily non-profit activities, but may be any kind of business model motivated by the need to help others and carry out social change. That is, the key to social entrepreneurs focus, as noted, in the creation of sustainable social value.

The development of social entrepreneurship requires the creation of a favorable legal framework for promoting this special economic activity. In response to the needs of social entrepreneurs, some countries have developed legal structures able to combine for profit oriented business with the pursuit of a social objective. This paper analyzes the current legal context governing the performance of social enterprise in different countries in America and Europe, describing the main legal forms that meet the needs of the new social entrepreneurs.

KEYWORDS
Social entrepreneurship, legal framework, legal forms, Europe, America.

1. INTRODUCTION

As a first approach, the social entrepreneur is a type of entrepreneur that identifies a business opportunity that is based on solving a social problem (as can be, for example, illiteracy or unemployment) through an innovative and creative solution, based on a good idea and in the development of a business project. It is not simply charity or altruism, but the creation of a business model driven by the desire to help others and to bring about a change in society. The social enterprise, therefore, aims to provide effective and efficient responses to social and environmental problems, as a starting point for the creation and strengthening of a social and economic order more consolidated and balanced. Thus, the key to social entrepreneurs is focused on creating sustainable social value (Priede et al., 2014).

In recent years the interest in social entrepreneurship has greatly increased, as a reflection of the important development that such initiatives are experiencing in different countries throughout the world (Short et al., 2009; Santos, 2012). Consequently, academic papers on the topic, except in particular cases, began to appear since the beginning of the XXI century, and since then academic interest in this field has grown substantially (Noruzi et al., 2010; Huybrechts and Nicholls, 2012; Monzón, 2013; Santos, 2013); for example, Short et al. (2009) found that the interest in the literature on social entrepreneurship increased at a rate of 750 percent during the 18-year time span of their own research sample. Some studies have focused on studying the difference between social entrepreneurship and commercial entrepreneurship (Roberts and Woods, 2005; Austin et al., 2006); others analyze the characteristics of social entrepreneurs (Peredo and Chrismas, 2006; Melián et al., 2011; Mueller et al., 2013), while others develop a typology of social entrepreneurship models (i.e., Peredo and McLean, 2006; Zahra et al., 2009; Mair et al., 2012).

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Nevertheless, papers addressing legal issues currently available for social entrepreneurs are more scarce, and the need of a legal system capable of responding to their specific needs to facilitate the development of their economic activities, has aroused our interest and is the main objective of this work, in line with Santos (2012) who establishes, among other ideas, the need to create the legal infrastructure for the system and enforce it.

In this same line, based on a study conducted in France, Ducci et al. (2002) confirm the increase of social enterprises in that country, but note that they face several problems among which the lack of an adequate legal framework is highlighted. As well, Pärenson (2011) states that due to their hybrid structures and differences from other forms, social companies face many legal problems. In short, we can find in many countries around the world social enterprises, and this number is steadily growing every year, because young people find in this form of entrepreneurship a way to accommodate their social concerns and, at the same time, make it a way of life. Despite its importance, the legal definition and a wide recognition by the legal systems are still inadequate in most countries and there is a lot of work to be developed in this field (Priede et al., 2014).

Thus, this paper then aims to deepen the legal framework that currently governs the actions of social entrepreneurs in different countries, describing the main legal forms that meet their needs. The paper is structured as follows: the next section analyzes the concept of social entrepreneurship, in section three the situation in Europe, North America and Latin America is discussed, finishing section four with the main conclusions obtained.

2. SOCIAL ENTREPRENEURSHIP
Dees (1998) was the first to define social entrepreneurship, proposing a complex definition based on the role of the entrepreneur as an agent of change in the social sector, highlighting three main aspects: innovation, commitment and a high responsibility with the project.

Based on this first approach, many authors have made contributions about the definition, for example Bolton and Thompson (2003) propose the acronym FACETS in order to explain the main characteristics of the social entrepreneurs: F is for focus, A is for advantage, C is for creativity, E is for ego, T is for team, and S is id for social. Meanwhile, Mort et al. (2003) define social entrepreneurship based in four key ideas: the value of their social mission, result oriented to deal with complexity, the ability to recognize an opportunity to create social and economic value, and their ability for innovative and risk taking decision-making.

Borstein (2004) defines a social entrepreneur as a pioneer with a powerful idea, capable of combining vision and creativity to problem solving, which has a strong ethical character, is fully committed to an attitude of change, identifying its profile with the hero of modern times. For Mair and Marti (2004), the social entrepreneur is the creator of an innovative business model, able to offer goods and services oriented to the effective and efficient solutions to social and environmental problems. In turn, Light (2006) shows that it is a popular term but often confusing, which is used to describe different concepts, proposing that it is any individual, group, network, organization or alliance, seeking for a sustainable and large-scale change, developed through innovative ideas on how to deal with social problems, highlighting the possibility of being a collective rather than a single individual. Meanwhile, Zahra et al. (2009) consider that social entrepreneurship develops activities to discover and exploit opportunities in order to create social value, by starting up new ventures or managing existing organizations, in a new way of doing business.

Therefore, although so far there is no legal definition, either globally accepted, for social entrepreneur (Noruzi et al., 2010; Dacin et al., 2011), the literature shows some consensus on the concept and most of the definitions are based on the pursuit of a social objective above the personal or shareholder’s wealth, as well as the adoption of new, innovative and creative ways to address the problems, instead of repeating practices or experiences already known.

However, at this point it is necessary to clarify that social entrepreneurship is not the same as philanthropy or charity, and although it is not their main goal they are profit seeking companies, hence they have a place in any business, either the for profit sector, or in the voluntary sector (Roberts and Wood, 2005; Mair and Marti, 2006). Thus, using a first approach by Zahra et al. (2009) to refer to various combinations of both, social and economic wealth, it can be understood as the pursuit of a social mission or the so-called creation of a
“total wealth”, being necessary obtaining profits to sustain the activity. Therefore, linked to the two main aspects of social entrepreneurship just commented -the primacy of social and environmental outcomes above profit maximization and innovative and creative to arrive at new solutions to social problems-, a new element to define the concept is added, which is market orientation (Huybrechts and Nicholls, 2012).

In this same line, following a report by the OECD (Noya, 2010) the main ideas considered in the concept of social entrepreneurship are: it can be both individuals and groups; its activity, combines economic and social values; they may belong to the public, private or social sector; and finally, in relation to the scope, the social needs can be local or global.

In short, this is a business model motivated not by profit but by the intention to solve an unattended social problem, therefore, the objective pursued by social entrepreneurs is to create social value. Under this premise, and facing nowadays worsening of these social problems around the world, cooperation between different actors (public, private, social sector and citizens in general) is essential to create synergies and facilitate and encourage social innovation (Fernández et al., 2012; Schwartz, 2012; Priede et al., 2014).

2.1. ANALYSIS OF THE SITUATION IN EUROPE

During the past decade there have been greatly increased the interest and research on social enterprises, launching research projects as the one developed by the European Research Network (EMES) in order to develop a general framework to identify social enterprises in Europe. EMES is a network composed of university research centers and individual researchers, since 1996. Nowadays is constructed by fifteen institutional members, located in 11 different European countries although, since 2013, EMES has decided to open its membership to researchers from around the world.

The research model developed by EMES has been the basis for the definition given by the European Union, which pretends to be a description of the common features of social entrepreneurship existing in most Member States. It is therefore considered that social enterprises are those for which the social objective of common interest is the reason for the trade action, which often results in a high level of social innovation whose profits are primarily reinvested in conducting this social objective and whose mode of organization or ownership are based on democratic or participatory oriented or social justice principles (COM, 2011).

However, although this definition dates from 2011, the social enterprise concept appeared in Europe in the early nineties. In particular, the first impulse is produced in Italy, where, in 1991, approved Law No. 381, of November 8, which establishes the Cooperative sociali (social cooperatives), intended to ensure the general interest of the community, promotion of people and the social integration of citizens. A distinction was made between cooperatives engaged in providing health, and social services and education (cooperative social di tipo a) and the ones created to help facilitate the employment of disadvantaged people, regardless of the activity (cooperative social di tipo b). Two new hybrid legal forms created to adapt to the needs of social enterprises. Italy is one of the countries in the world where there are a greater number of these organizations with an important development of the social sector.

Following the Italian example, other European countries also began to establish new legal forms to attend the social needs. Thus, in 1997, in Portugal was created the Cooperativa de solidariedade social (social solidarity cooperative), nonprofit organizations in order to provide social services and/or promote socio-labor integration of the most vulnerable groups of society (children, people with disabilities, etc.). In 1999, appear in Greece the Koinonikos Syneterismos Periorismenis Eufthinis (social cooperative limited liability); and in Spain, the cooperativas de iniciativa social (Social initiative cooperatives) are created as nonprofit organizations engaged in welfare, educational, work integration and medical services. Two years later, appear in France Société Coopérative d’interêt Collectif (cooperative of common interest), to produce social goods or services, for the general community or a particular social group. In France there is strong development of the social economy, but is most often associated with the idea of charity than with much broader concept of social innovation (Defourny and Nyssens, 2008; Galera and Borzaga, 2009; Ruiz de Munain and Martin, 2012; Fernández et al., 2012).
At the same time, in 1997, arises in Belgium the Société à finalité sociale (social purpose company); in this case, it is not a new legal form, but Belgian law introduces the possibility for companies to achieve the grade of “company with a social purpose”, becoming this way the first European country introducing this new trend. This tag could be acquired not only by cooperatives, but also any other type of business, such as limited liability companies or public limited companies, meeting certain requirements (basically not profit seeking partners, social objectives, and presentation of an annual social report to prove the achievement of the social aim). In short, these are companies developing commercial activities, but mainly nonprofit seeking (Galera and Borzaga, 2009).

Along the same line, and mainly because of the great development experienced by cooperatives, in Italy it was approved Act No. 118 of June 13, 2005, and Legislative Decree No. 155 of March 24, 2006, on social enterprises. This new law was a major change in the Italian legislative framework for social enterprises, adopting a more open system based on the cooperatives. Thus under this law, any private organization, including trading companies, could acquire the qualification of social enterprises provided its engagement with a social aim (i.e., must generate at least 70% of the profits). Therefore, companies will be created according to the traditional laws for incorporation but should explicitly mention its social character, including in the company name the title “impreesa sociale” (social company) (Defourny and Nyssens, 2008, 2012; Monzón et al., 2009).

In Finland came into force the Social Enterprises Act No. 1351/2003 in the year 2004, whereby a social enterprise provides employment opportunities particularly for the disabled and the long-term unemployed. In the same line a trading company, a foundation or another registered company may acquire the social enterprises status provided that they meet certain requirements of the Act 1351/2003; finally, employment authorities or some other corporation or foundation may provide support for its establishment and consolidation. In the same way, Lithuania has a social business law since 2004; Slovenia entered into force the Law on social entrepreneurship in 2011, and Romania and Netherlands approved a draft law on social enterprises in 2012 (Asián et al., 2013; Chaves et al., 2013).

However, the European country with a further development on the legislation of these types of social initiatives is United Kingdom (Nicholls, 2009). In 2002, the British government intended to encourage social enterprises and established the "Social Enterprise Unit" (SEU) to coordinate England and Wales actions. Four years later a plan of action was adopted to promote and support the development of social enterprises throughout the British economy (Spear et al., 2009). Nowadays it is estimated that the social enterprise sector in this country generates around 24,000 million pounds, and in the last 15 years, in order to finance entrepreneurial activity it has been provided more than 350 million pounds of public money, as well as private funding through tax incentives (Fernández et al., 2012). The British Government, in its efforts to support the creation and development of the social enterprises, has tried to improve the fiscal and regulatory surrounding environment.

However, one of the most significant events that characterize the English legal system is the introduction in the year 2005 of a new legal form for social enterprises, combining the flexibility of the limited liability company with a social purpose, the Community Interest Companies (CIC). It is a type of limited company designed specifically for those wishing to operate for the benefit of the community, instead of personal profits. Thus, the social entrepreneur can attract investment by issuing shares, while the profits are to be reinvested in the organization or in the community.

On the other hand, the United Kingdom is also promoting the development of business incubators for supporting the creation of new social enterprises. These social incubators provide entrepreneur’s advice and access to the necessary resources to correctly develop the business idea. In this sense, last April 2013, the British Government announced the destination of 10 million pounds to support two new incubators: Launchpad Hub and Social Incubator North.

Finally, it is interesting to highlight the creation The Big Society Capital, to offer support and facilitate the access to capital and funds necessary for the social entrepreneurs to develop their business idea, grow and expand their business in the market. This society is an independent financial institution, with 600 million pounds budget for financing social projects in the period 2012-2017. Among these non-profit organizations that can be included
in the project there are: charities, social enterprises, voluntary and community organizations, cooperatives and mutual funds.

As has been shown, Europe has a long tradition in the progress of social economy based on the cooperative as the main agent of development and facilitator of it consolidation. Belgium and Italy show signs of differentiation though the improvement in their legislations; however, the Community Interest Companies (CICs) in the United Kingdom are the new legal forms that truly meet the needs of social entrepreneurs. It would be advisable that in the medium term other European countries adopt the English model in order to promote an alternative social economy based on cooperation and profit sharing among the stakeholders involved in the business, as a way of creating a more fair economy.

2.2. ANALYSIS OF THE SITUATION IN NORTH AMERICA
During the 80s, Bill Drayton founded in the United States Ashoka, the most important association of social entrepreneurs in the world, starting this way with one of the two schools thought in America, the so called the social innovation school of thought (Young, 1986; Dees and Anderson, 2006). This school focuses mainly on the social entrepreneurial figure and its characteristics as a creator of change and social value generator.

Later, the second school known as the earned income school of thought was created; starting with the researches in the year 2000, focusing mainly on the efficient administration of social enterprises. This line of thought proposed that nonprofit organizations should operate as businesses that could generate income and be self-sufficient, thereby avoiding to rely on public funds or grants. In short, the use of commercial activities by non-profit organizations in support of their mission (Young and Salamon, 2002; Thompson, 2010; Defourny and Nyssen, 2012). Over the last ten years, there has been considerable research along this line, which has expanded to a fuller version that incorporates not only non-profit organizations, but any organization, which pursues a social purpose.

In this context, the creation of new specific legal forms to meet the needs of social entrepreneurs is developed, as it is considered that this movement has grown very fast in recent years, and has been constrained by the limitations of a legal system that turns obsolete when satisfying the social entrepreneur’s needs. In fact, they often have to adopt a nonprofit legal form or a hybrid structure, mixing sometimes nonprofit and for-profit elements. Indeed, in most countries the laws for nonprofit organizations are designed for charities mainly focus on alleviating suffering and not increating problem-solving business ventures (Dees, 2012).

In this context at the beginning of 2013 a new legal form called Benefit Corporation was created in the United States, which has spread rapidly through the country, in fact the legislation has passed in nineteen states and is moving forward in several others. According to the White paper on the need and rationale for the Benefit Corporation (Clark and Vranka, 2013), this is the most innovative, comprehensive and flexible legal form to meet the needs of entrepreneurs, investors and the general public, as it offers a clear differentiation in the marketplace and a comprehensive legal protection for entrepreneurs and investors expand thereby funding opportunities.

The Benefit Corporations are companies that are subject to the same legal standards that govern traditional companies except in three specific issues: the corporate purpose, responsibility for accountability and transparency. As to social purpose, these companies must specifically create a material positive impact on society and the environment. Regarding the second point, the decisions made within the company should meet the needs of all stakeholders, both internal and external, and consider the impact on these groups, the general public and the environment. Finally, in terms of transparency, benefit corporations are required to publicly report on their social and environmental performance, using an independent third party standard, reliable and complete.

In this latter point of the definition, it should be clarified that the legislation establishes specific requirements for defining these third party reviewers, as considered a relevant concern in the design of such legal form, however, it leaves much freedom in this respect, not forcing the Benefit Corporation to adopt a particular type of standard, but choosing freely between existing evaluators, such as the B Impact Assessment, the Global Reporting Initiative, ISO 2600, the Green American Business Network, etc. Moreover, the
State is not responsible for assessing whether the standard is acceptable or if the Benefit Corporation has fulfilled its social commitment.

It is important to clarify that sometimes the Benefit Corporations are confused with Certified B Corporations by the similarity in the names. The B Impact Assessment is one of the agencies through which the Benefit Corporations can certify that is really meeting their social and environmental objectives. As it is clear from the information contained in its website, the B Corp certification is to sustainable enterprises, as the Fair Trade certification is, for example, for coffee producers. This certification can be obtained by any business, regardless of its legal form, that meets the rigorous standards of measurement, whether social businesses or not. Today there are B certified more than 600 companies in different sectors from 15 countries around the world.

Another legal possibility for social entrepreneurs in the United States is the so called Low-profit Limited Liability Company (L3C). It is a variety of the Limited Liability Company (LLC) and a mixture between for profits and nonprofits organizations. The first State to legalize this legal form was Vermont in 2008 and is not yet present in all other as with the Benefit Corporation, however, is still working on its development and implementation in all states (Ruiz de Munain and Martin, 2012).

It can be considered a hybrid structure that combines the advantages of a non-profit, such as ease of organization and start-up, possible tax advantages and flexibility; together with the advantages of a for profit structure, such as limited liability, fundraising and the ability to freely transfer ownership (Battilana et al, 2012). It is therefore a limited liability legal form whose main goal in achieving a social outcome rather than profit maximization. In short, the L3C must meet look for a social purpose, cannot be created for profit-making but is allowed to make profits- and cannot be formed for political purposes (Cooney, 2012).

This legal form was really designed to facilitate the Program Related Investments (PRI), made by private foundations in for profits companies, in order to make profitable investments over a period of time and then be able to allocate the funds obtained for philanthropic actions. Tax exemptions for foundations are subject to the allocation of 5% of its annual results either to distribute as grants / subsidies, or to invest in the cited PRI for religious, scientific, literary, or educational and charitable, but never to finance political activities. Private foundations that do not meet these requirements may be subject to tax penalties and may be at risk of losing its tax exemption (Galpin and Bell, 2010; Artz et al., 2012). Thus, the L3C, does not limit the profitability of their investors and dividend payments, and aims to attract these low cost investments from the foundations (PRI), thus offering the opportunity to other investors, which may or may not be motivated by social engagement, to invest in these companies (Cooney, 2012).

Finally it is noteworthy that, unlike the Benefits Corporations, the L3C are not subject to the evaluation of their social impact by a third party, they are free to self-regulate their social activities and their degree of dissemination and communication (Clark and Vranka, 2013).

On the other hand, Canada, shares with Europe a long cooperative tradition, in fact, social enterprises are rooted in a wide history of cooperatives and community initiatives. Canadian social enterprise characteristics vary by region and province, in fact, there is significant regional differences in legislation, financing, support agencies and corporate structures as result of different historical development in the social economy.

During the 80s in Quebec were born the Community Economic Development Corporations (CEDs) in order to combat social exclusion, which represent a good example of the cooperative tradition in this country. These corporations created a new model to improve local development by the cooperation in between different private and public parties. With the base of the Italian social cooperative model, in 1997 the legislation on solidarity cooperatives was approved (Mendell, 2010; Defourny and Nyssens, 2012).

At the same time, Enterprising Non-Profits (ENP) was created as is a unique collaborative program across Canada to promote and support social enterprise development and growth of this sector, based on 15 years of research, experience, and practical development in the field. The program developed recently the Canadian Social Enterprise Guide (published in 2006 and revised in 2010) very useful for new social entrepreneurs interested in learning about the positive social impact that they create.
2.3. ANALYSIS OF THE SITUATION IN LATIN AMERICA

In recent years there have been numerous initiatives in Latin America in order to alleviate the economic and social problems. The lack of public policies and the poor support from the State, encourages the development of social enterprises (Borzaga and Fazzi, 2011), in order to create wealth and employment, as fundamental needs in most countries beat by very high unemployment rates and structural poverty (Giovannini, 2012). Therefore, there is a wide field of opportunities for social entrepreneurs in Latin America, fighting against poverty and social exclusion or addressing environmental problems that abound throughout the continent (Monforte, 2013).

The activity developed by social entrepreneurs adopted different names in different countries. For example, in Costa Rica and Peru is called sector de economía social (social economy sector); in Mexico, sector social de la economía (social sector of the economy); in Colombia, economía solidaria (solidarity economy); and in Venezuela, economía social y participativa or economía asociativa (social and participative economy or associative economy). In brief, using expressions such as economía popular (popular economy) or economía social y solidaria (social and solidarity economy), to refer to this activity (Osta et al., 2005; Giovannini, 2012). Meanwhile, the development of the law has been more recent, in fact, Colombia has a Solidarity Economy Act since 1998, and most recently, in 2011 Ecuador approved a law of popular and solidarity economy, and Mexico and in 2012 a law on social and solidarity economy (Chaves et al., 2013).

The Social Enterprise Knowledge Network (SEKN) was born in 2001 due to the alliance between Harvard Business School and six business schools in different Latin American countries: Costa Rica, Mexico, Chile, Colombia, Brazil and Argentina, with the aim of to promoting the study and dissemination of knowledge about social entrepreneurship. Two years later institutions of Spain, Venezuela and Peru are also incorporated. This network defines a social enterprise as any organization -regardless of the legal structure adopted- developing significant social value activities, in line with other organizations and the definitions presented earlier in this paper (Leguizamón, 2003).

In this context, in 2011, emerges in Chile the organization System B with the intention of promoting a new Latin America sector of social enterprises combining profit and social objectives, as well as satisfying all stakeholders’ interests (Ruiz de Munain and Martín, 2012). In 2012 System B formalizes an agreement with the movement of the American Certified B Corporation, promoting the creation of such companies in Chile, Brazil, Colombia and Argentina. In February of 2015, System B has registered 157 companies as certified B corporations in Latin America, showing the development of this sector a very close relation with the certified B corporation system in North America, described before.

Regarding alternatives to fund these activities and increase the development of the sector, highlights the Opportunities for the Majority conducted by the Banco Interamericano de Desarrollo (Inter-American Development Bank) for Latin America and the Caribbean, offering medium and long term loans in favorable conditions. This program promotes, specifically, the development of businesses that offer innovative and creative solutions to meet human needs, and thereby improve living conditions to contribute to social and economic progress of people with very low incomes (less than 300$ per month).

On the other hand, there are other initiatives focused on improving the training and the development of managerial skills of social entrepreneurs. Ashoka or Skoll Foundation stands out by acting worldwide, as well as the Fundacao Dom Cabral or Servicio Social da Industria that created the program SESI-PR Empreendedorismo Social in Brasil (Fisac-García et al., 2012)

Chile, Brazil and Colombia are the three countries that lead the development of the social entrepreneurship in Latin America promoting government policies and programs to support social entrepreneurship. In Colombia, the government opened a Center for Social Innovation (Centro de Innovación Social, CIS) contributing with the government’s commitment to eradicate extreme poverty. In the same line, the Chilean government has organized social enterprise competitions and placed funds for social entrepreneurs through its national development corporation (Corporacion de Fomento - CORFO), and it is studying the possibility to draft legislation recognizing social enterprises as new forms of business. Brazil has one of the most advanced solidarity economies in the world mainly developed when the country was strongly hit by a recession. In the year 2003, the movement was
formalized by the Brazilian Forum on the Solidarity Economy. That same year, the Network of Government Policymakers on Solidarity Economy first met and the National Secretary of Solidarity Economy in the Ministry of Labor and Employment was created to coordinate and support a wide range of policies favoring the development of the social entrepreneurship (Monforte, 2013).

In short, the system B model has spread rapidly in the last two years through Latin American countries as the main formula to develop social entrepreneurship. Meanwhile, regardless of the country, business schools and other institutions are developing training programs that emphasize social entrepreneurs’ figure as the soul and engine of this new way of doing business.

3. CONCLUSIONS
In recent years there has significantly increased interest in social entrepreneurship globally, reflecting the appreciable development of this type of initiatives that are being experienced in many European and American countries. The goal of this article was to deepen the legal framework that currently governs the actions of social entrepreneurs in different countries. More specifically, in Europe, social enterprises began adopting the structure of cooperatives, but later, in different countries, in particular UK, have created specific legal forms in order to respond more effectively to the needs of these businesses. Likewise, in North America there has been developed an important movement towards the progress of the social economy. Especially in the United States that recently developed legal forms for social entrepreneurs needs.

In Latin America there has been a significant movement towards the social sector, led by Brazil, Chile and Colombia, at the beginning of XXI century. This is important because of the widespread belief that it is route out of the social and economic situation in most Latin American countries, and a way of solving the major problems that devastate the population, such as extreme poverty, social exclusion, illiteracy, etc. The development of the social enterprises in Latin-American is parallel to the advance in the U.S., mainly based on the certified B corporations, nevertheless there is no specific legislation yet for the creation of new legal forms, as the ones presented by U.S. and U.K.

Therefore, broadly, social entrepreneurship has been based on the idea of collective entrepreneurship, democracy and cooperative tradition; but recently other approaches have been developed focusing on the creation of new legal forms adapted to the needs of a new entrepreneur who seeks to solve social problems through business initiatives, such as the Benefit Corporations and Community Interest Companies.

In short, social entrepreneurship condenses increasingly intense energy in the European and American context, and there is, gradually, more and more interest in this area by the institutional, professional, business and educational sectors. Thus, the public administrations of different countries should respond to this new reality, offering legal, financial and fiscal frameworks to facilitate the implementation, dissemination and subsequently spreading this specific type of venture, as a way of creating a more equitable and fair world. We hope to have shown with this paper a global view about the current situation of the legal frameworks for social entrepreneurs developed in the analyzed economies, with the aim of awakening further scholar research and attract the attention of those in charge of developing new public policies.

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110