

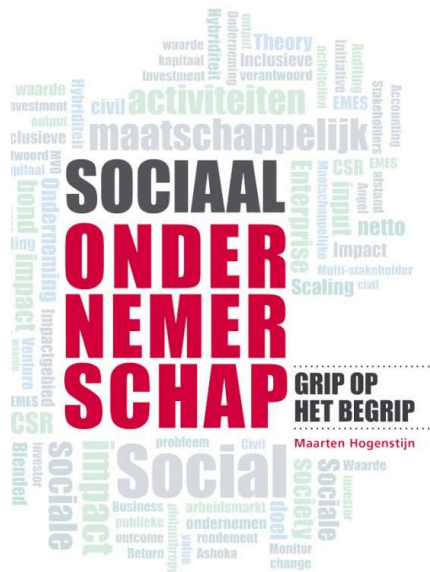
Social entrepreneurship in the Netherlands: types of organizational structures

Explore Social Entrepreneurship
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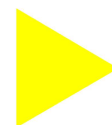
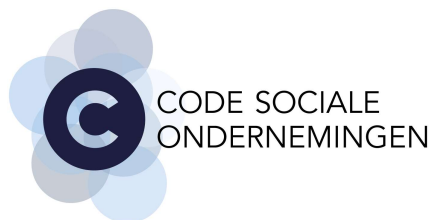
About me



Kennisnetwerk
Sociaal
Ondernemerschap
Nederland



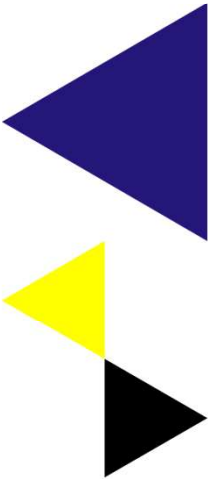
MINOR
ENTREPRENEURSHIP
FOR SOCIETY



Creating Tomorrow

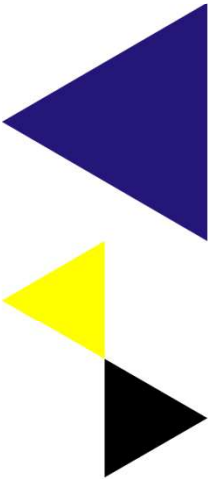
Agenda

- What is a social enterprise (SE)?
- What types of organizational structures are available for SE in the Netherlands?
- What are pros and cons of each type?



Definition (1) – simple work definition

Social enterprises are **independent companies** that provide a product or service and primarily and explicitly pursue a **social goal**, i.e. want to solve a social problem.



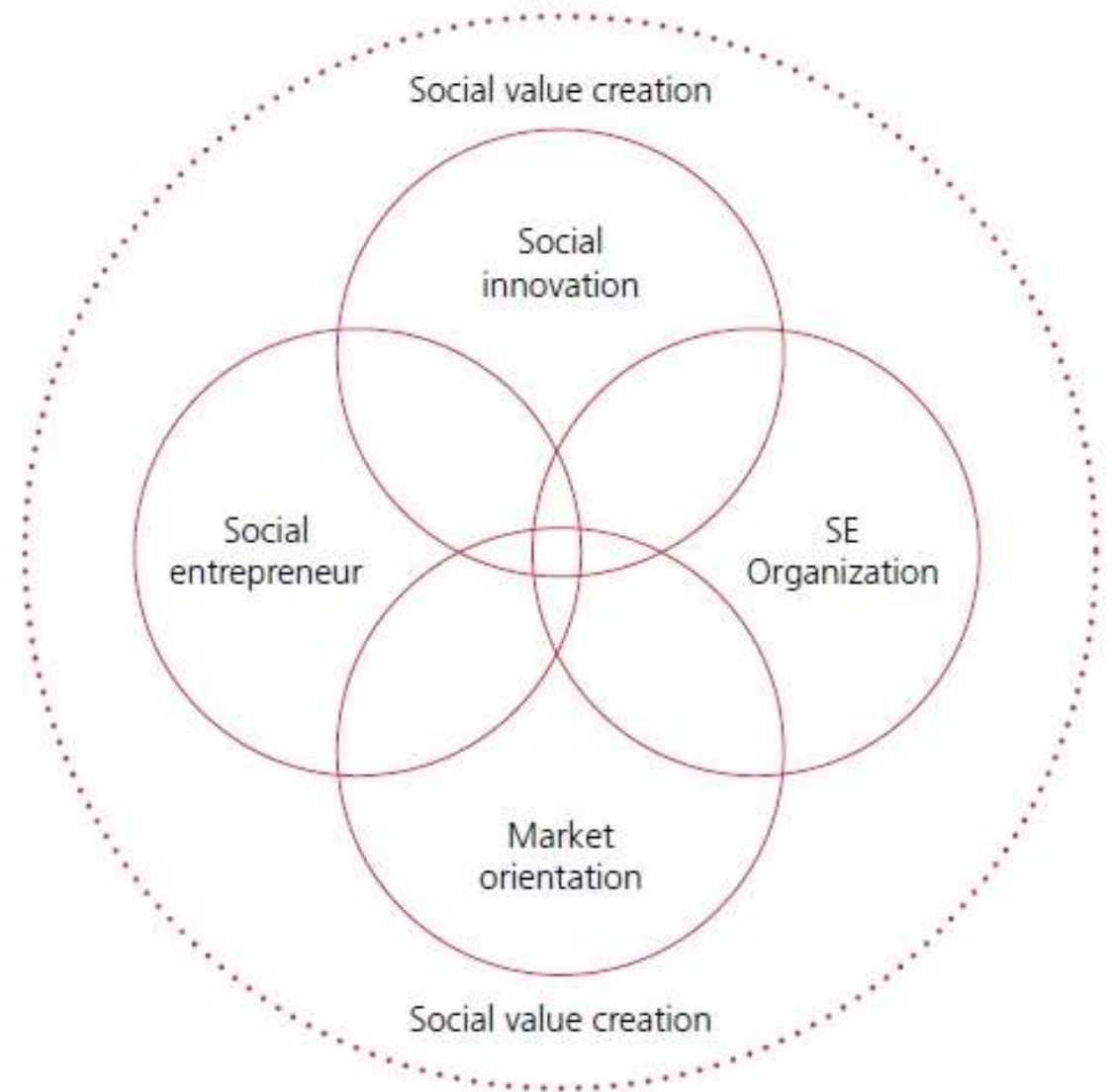
Definition (2) – adopted by Cabinet (2020)

“Social enterprises are companies that:

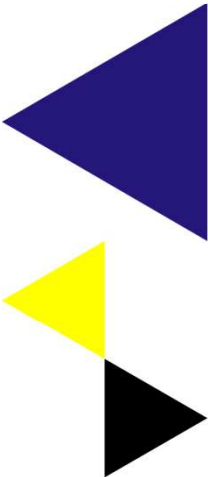
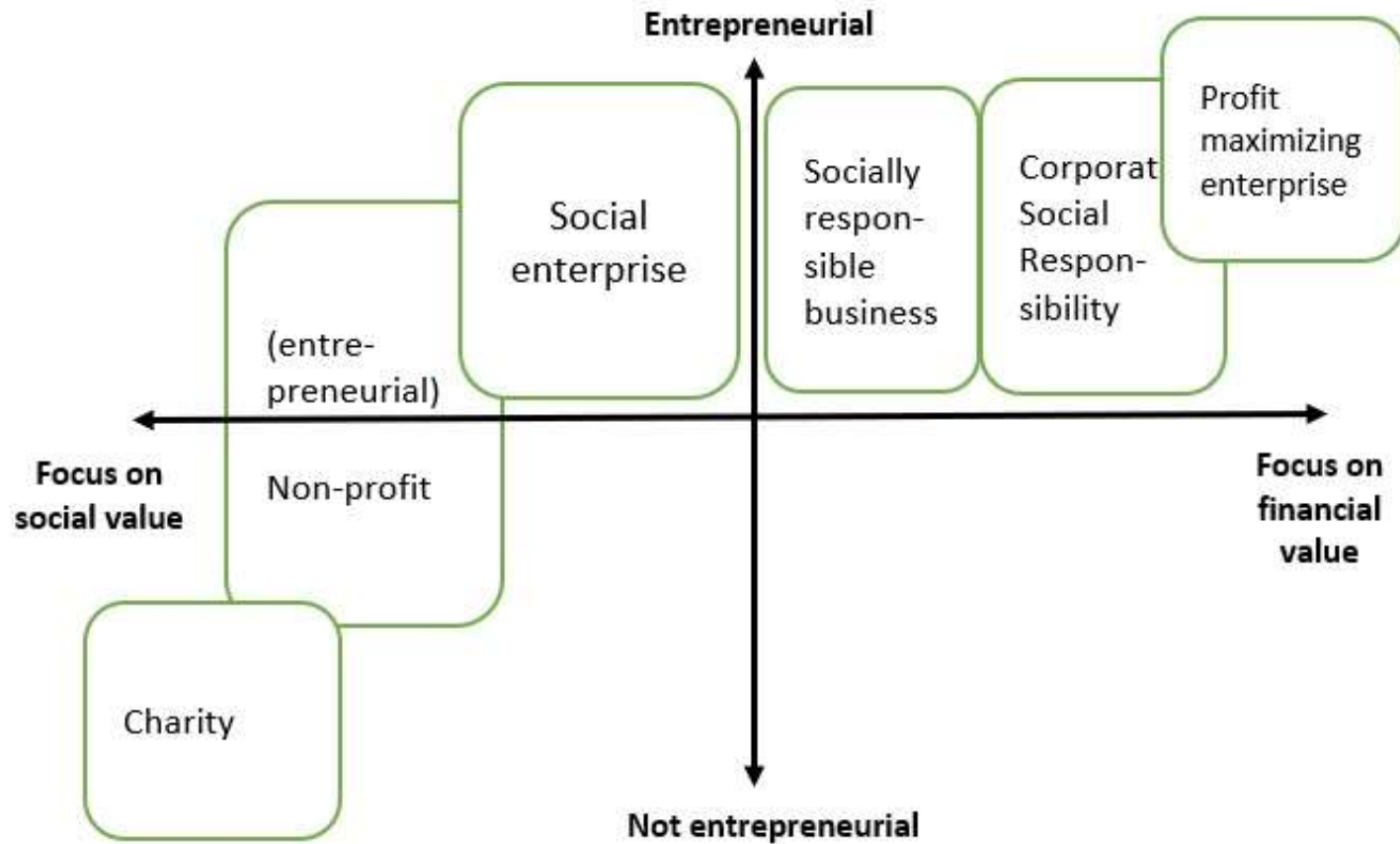
- (a) provide a **product or service**;
- (b) instead of with a profit objective, do so primarily and explicitly to contribute to a **social goal** that is laid down in its articles of association;
- (c) (re)invest part of the turnover in achieving the social goal and/or be limited in the distribution of profit and assets, all this to ensure that the **social goal takes precedence**;
- (d) identify their relevant **stakeholders** and enter into dialogue with them at least annually;
- (e) are **transparent** on their website (or otherwise if publicly accessible - such as in their annual report) about the most material social value created; and
- (f) are able to pursue its own strategy **independently** of the government and/or other entities”.

Definition (3) - scientific

Cluster concept with
social value creation
as its core

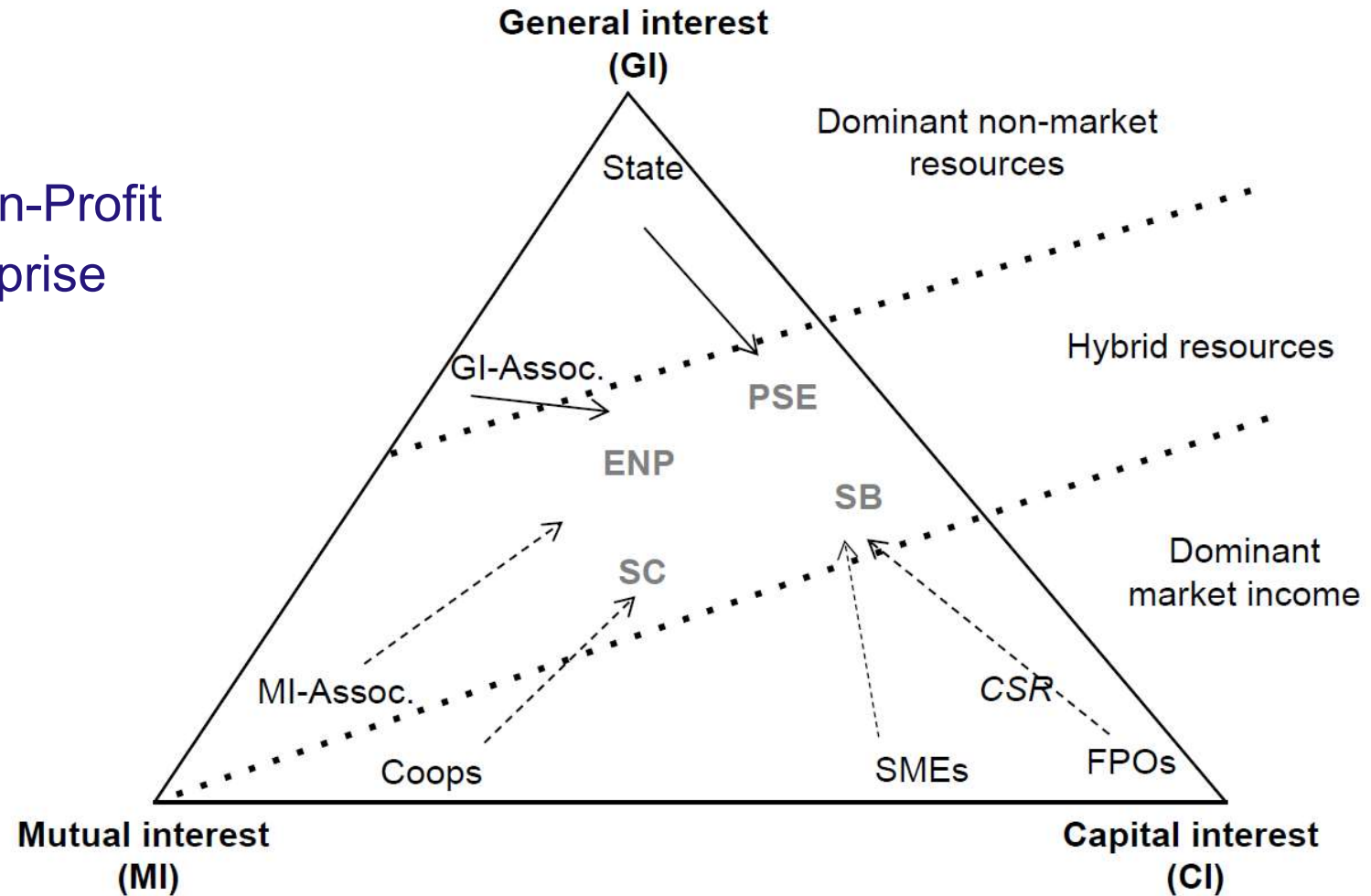


Positioning matrix



Types of social enterprises

ENP = Entrepreneurial Non-Profit
 PSE = Public Social Enterprise
 SC = Social Cooperative
SB = Social Business



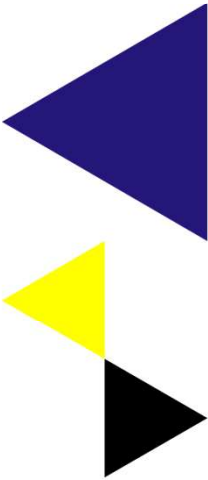
Source: Defourmy, Nyssens & Adam (2021),
SE in Western Europe

Organizational structures available

There is no specific legal form for SE (yet) in the Netherlands

Four main types can be distinguished:

1. BV (private limited company)
2. Stichting (foundation)
3. Combination BV – stichting
4. Coöperatie (cooperative)



Example BV



- Ethically produced smartphones
- Management Board
- Supervisory Board (Raad van Toezicht), including founder
- Turnover € 59 million in 2022
- Large group of investors
- Elaborate impact reports

<https://www.fairphone.com/wp-content/uploads/2023/06/Fairphone-BV-Annual-Report-2022.pdf>

Example stichting



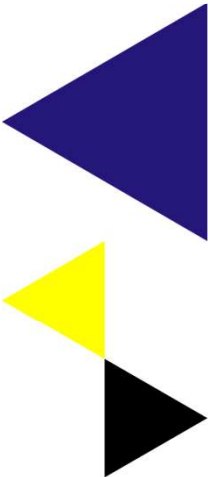
- Chain of 34 thrift stores (largest in NL)
- Focus on recycling
- Over 1200 employees
- ANBI status
- Board (manager) and Supervisory Board
- Impact reports focused on 'mass balance'

<https://rataplan.nl/en/over-kringloopbedrijf-rataplan/>

Example BV + stichting

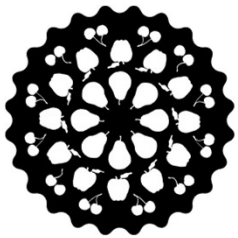


- Selling fresh soups ('grandma's recipe') in BV
- Battling loneliness among elderly in stichting
- At least 50% of profit in BV goes to stichting
- Local stichtingen work with student associations, running activities and bringing soup



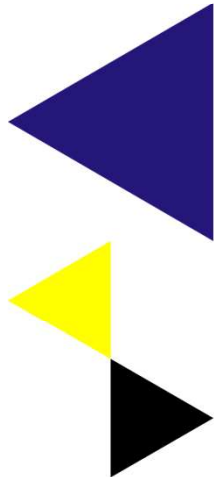
<https://omassoep.nl/en/de-organisatie/>

Example coöperatie



DE FRUITMOTOR

- Saving fruit in Betuwe region
- Offering farmers better prices
- ‘Chain cooperative’ – run by Board
- Regenerating land



<https://www.defruitmotor.nl/onze-organisatie>

Pros and cons of the four main forms

In small groups:

You are thinking of starting a social enterprise

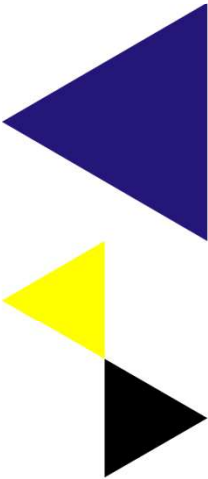
- Formulate (at least) two pros and two cons for the specific legal form assigned
- Share in the group

Possible source: <https://www.kvk.nl/en/starting/legal-forms-of-business/>

Legal context: BVm in development

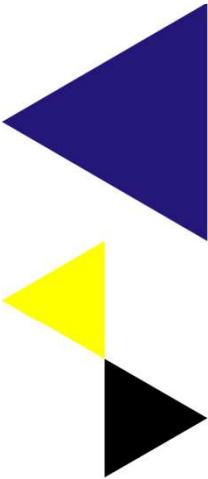
December 2021 Coalition Agreement:

‘With a view to maintaining a level playing field, social entrepreneurship is facilitated by the introduction of the ‘social limited company’ [maatschappelijke BV; BVm]. There will also be a single clear framework with reporting requirements for ‘social entrepreneurship’ [maatschappelijk ondernemen], and the cabinet will allow an exception to the Competition Act [Mededingingswet] with an amended proposal for sustainability initiatives.’

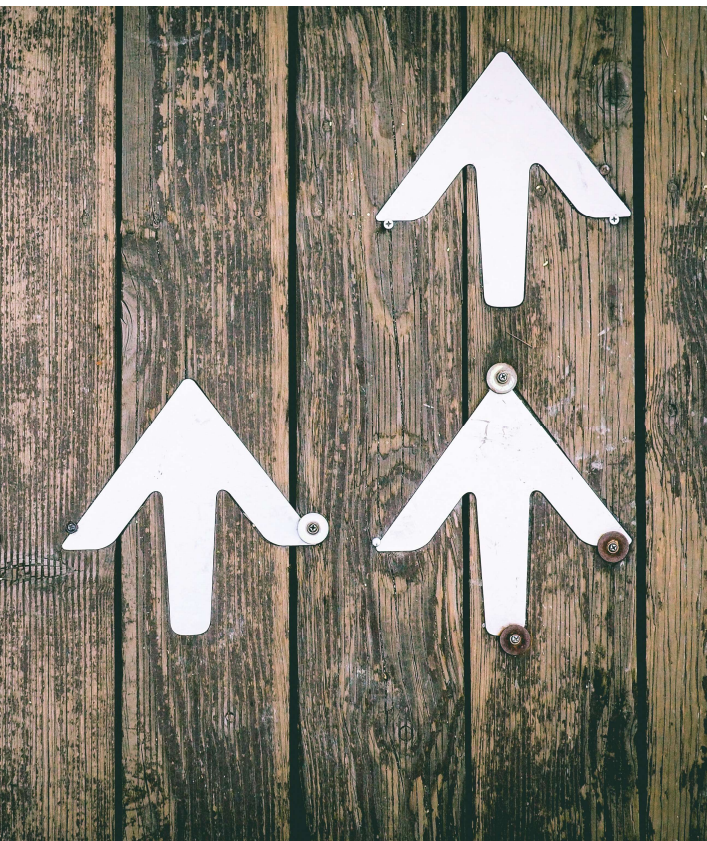


BVm so far

- The BVm is not a new legal form, but a kind of ‘label’ exclusively connected to the private limited company (BV).
- A private limited company (BV) can freely choose to become a BVm (role of Notary)
- A BVm is obligated to name a specific social mission in the company statutes, and to prioritize this mission when it distributes profits or capital.
- A BVm is obliged to publish a ‘social report’, including report on **outputs / outcomes / impact**; and distribution of profit and other financial distributions.
- Specific regulations are developed on how to ‘shed’ the status of BVm, and how to handle mergers and divisions. A procedure is foreseen in which stakeholders can oppose a decision.



More info



- Tool: wegwijzer rechtsvorm (in Dutch):
<https://www.social-enterprise.nl/advies-voor-ondernemers/lid-worden/wegwijzer-rechtsvorm>
- Chamber of Commerce;
<https://www.kvk.nl/en/starting/legal-forms-of-business/>

Questions / remarks?

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