SOCIAL ENTREPRENEURSHIP IN APICULTURE

A Practical Guide to Starting a Social Business in Rural Communities



Georgios Afxentiou

Zuzana Bohátová

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1. Introduction

European rural communities face significant challenges, including unemployment, social exclusion, population decline, and limited economic opportunities. These challenges particularly affect women, young people, people with disabilities, migrants, and individuals who face barriers in accessing the labour market. At the same time, rural areas possess valuable natural resources and traditions that can support sustainable economic development. One sector with great potential is apiculture, commonly known as beekeeping.

Apiculture is much more than the production of honey. Bees play a critical role in pollination, contributing to biodiversity, food production, and ecosystem health. As environmental concerns continue to grow across Europe, the protection of pollinators has become increasingly important for sustainable agriculture and rural development. Beekeeping therefore represents an opportunity to combine environmental protection with economic and social benefits.

Social entrepreneurship offers an innovative approach to addressing social and environmental challenges through business activities. According to Audretsch et al. (2022), these social and environmental challenges for society are seeking solutions to improve the social conditions in communities (Colquitt & George, 2011). Unlike traditional businesses, social enterprises seek to generate both financial sustainability and positive social impact (Ghosh et al., 2024). They reinvest a significant part of their profits into achieving social objectives such as job creation, community development, social inclusion, and environmental protection.

This manual has been developed within the framework of a European project aimed at promoting social entrepreneurship and microfinancing opportunities in the apiculture sector. It is designed to support individuals and organisations interested in creating social businesses that contribute to sustainable rural development. Special attention is given to women, young people, unemployed persons, people with disabilities, migrants, and former prisoners who wish to establish or participate in social enterprises related to beekeeping.

The manual combines practical guidance, research findings, and case studies of businesses in apiculture. It also incorporates insights from interviews conducted with practitioners and stakeholders as part of this project. The aim is to provide readers with the knowledge, tools, and inspiration needed to transform an idea into

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a sustainable social enterprise. By supporting social entrepreneurship in apiculture, local communities can create employment opportunities, strengthen social cohesion, protect biodiversity, and contribute to a more inclusive and sustainable future.

2. Social Entrepreneurship and Apiculture

2.1 Understanding Social Entrepreneurship

Social entrepreneurship is an approach to business that aims to create positive social and environmental change while maintaining economic sustainability. Unlike traditional businesses, which primarily focus on maximizing profits for owners or shareholders, social enterprises use business activities as a tool to address social challenges and improve community well-being. Social enterprises aim to solve societal problems and maintain their financial sustainability, while connecting the entrepreneurial world and society (Harangozo et al., 2026).

A social enterprise generates income through the sale of products or services, but its primary objective is to create value for society. Profits are often reinvested to support the organization's social mission, expand its impact, or improve services for beneficiaries. Social enterprises operate across many sectors, including education, health, environmental protection, agriculture, and community development.

2.2 Why Social Entrepreneurship Matters in Rural Communities

Many rural areas across Europe face common challenges, including unemployment, limited access to services, ageing populations, and the migration of young people to urban centres. These challenges can weaken local economies and reduce opportunities for social inclusion.

Social enterprises can contribute to addressing these issues by:

1. Creating local employment opportunities.
2. Supporting vulnerable and underrepresented groups.
3. Encouraging innovation and community participation.
4. Strengthening local economies.
5. Promoting environmental stewardship and sustainable development.

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Because social enterprises are often deeply connected to local needs, they can develop solutions that are both effective and sustainable. They bring together businesses, citizens, public institutions, and non-governmental organizations to create shared value and strengthen community resilience.

Even though, social enterprises are valuable entities generating income that affect local communities, there are very few people interested or understand about this type of businesses.

An interview with a woman entrepreneur stated that:

> "Most women do not fully understand the value and operation of social enterprises in the communities. Thus, they have not thought of creating a business for a specific social cause".

We have discussed the reasons why women are not involved in the development of social enterprises and how we can support the association of women entrepreneurs to engage in these activities for the good of the society.

2.3 Social Entrepreneurship in Apiculture

Apiculture offers a unique opportunity to combine economic activity with social and environmental impact. Beekeeping requires relatively low start-up costs compared to many other agricultural activities and can be adapted to different scales, making it accessible to individuals with limited financial resources.

In addition, apiculture can provide opportunities for:

- Women seeking flexible employment or self-employment,
- Young people interested in green entrepreneurship,
- Unemployed individuals looking to develop new skills,
- Migrants seeking economic integration,
- People with disabilities who can participate in selected beekeeping and processing activities,
- Former prisoners seeking pathways to social and economic reintegration.

Beyond employment creation, beekeeping contributes significantly to the environmental sustainability. Bees play a vital role in pollinating crops and wild plants, supporting biodiversity and ecosystem health. Healthy pollinator populations contribute to food security, agricultural productivity, and the conservation of natural habitats.

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2.3.1 Key Characteristics of a Social Enterprise in Apiculture

A social enterprise in apiculture typically combines commercial activities with a clearly defined social mission. Examples may include:

1. Employment Oriented Enterprises: Providing training and employment opportunities for vulnerable groups through beekeeping activities.
2. Community Based Cooperatives: Supporting local producers by sharing resources, equipment, and marketing channels.
3. Environmental Enterprises: Promoting pollinator protection, biodiversity conservation, and sustainable agricultural practices.
4. Educational Enterprises: Offering educational programmes on beekeeping, environmental conservation, and social entrepreneurship.

Social innovation refers to the development of new ideas, services, products, or approaches that address social challenges more effectively than existing solutions (Biehle & Wilpert, 2023; Moulaert & Mac-Callum 2019). In the context of apiculture, social innovation may involve creating new training programmes, introducing cooperative business models, developing community-managed apiaries, or using digital technologies to support beekeeping operations.

Innovation does not always require advanced technology. Often, it involves finding practical and inclusive ways to meet community needs while creating social value. By combining traditional beekeeping knowledge with modern entrepreneurial approaches, social enterprises can develop innovative solutions that support both people and the environment.

2.4 Developing a Social Business Model in Apiculture

Having a social mission and a passion for beekeeping is an excellent starting point, but long-term success requires a clear business model. A business model explains how an organization creates value, delivers products or services, generates income, and achieves its social objectives. For social enterprises, the challenge is to balance financial sustainability with social and environmental impact. A well-designed business model helps entrepreneurs understand who they serve, what they offer, how they operate, and how they will sustain their activities over time.

A business model describes the way an organisation creates, delivers, and captures value. In a social enterprise, value goes beyond financial profit. It also includes social benefits such as employment, inclusion, education, and environmental protection. For example, a traditional beekeeping business may focus primarily on producing and selling honey. In contrast, a social enterprise may produce and sell

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honey while simultaneously providing employment opportunities for unemployed youth or offering training programmes for women in rural communities.

A social business model has two interconnected goals:

- Creating social and environmental impact,
- Generating sufficient revenue to sustain operations.

Both goals are equally important. Without income, the social mission cannot be sustained. Without social impact, the organisation loses its purpose as a social enterprise.

2.4.1 Characteristics of a social business model

Social Mission

The social mission represents the reason the enterprise exists. The following are examples of social mission:

- Creating jobs for vulnerable groups,
- Supporting women's economic empowerment,
- Providing opportunities for young entrepreneurs,
- Promoting environmental conservation through pollinator protection,
- Strengthening community development in rural areas.

A clear mission helps attract beneficiaries, partners, volunteers, customers, and funders.

2.4.2 Social Business Models in Apiculture

Model 1: Employment and Training Enterprise

This type of enterprise focuses on training and employing disadvantaged groups in beekeeping and honey production.

Example of activities:

1. Beekeeping workshops.
2. Practical hive management.
3. Honey harvesting and packaging.
4. Business skills training.

Social Impact:

1. Skills development.
2. Job creation.
3. Increased employability.

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Model 2: Cooperative model

A cooperative model allows several members to share resources, equipment, knowledge, and marketing activities.

Advantages:

1. Reduced costs.
2. Shared decision-making.
3. Stronger bargaining power.
4. Community ownership.

Social Impact:

1. Increased local participation.
2. Improved income opportunities.
3. Stronger social cohesion.

Model 3: Environmental and Educational Enterprise

This model focuses on educating citizens about pollinators, biodiversity, and sustainable agriculture.

Activities:

1. School visits.
2. Environmental awareness campaigns.
3. Demonstration apiaries.
4. Educational events.

Social Impact:

1. Increased environmental awareness.
2. Community engagement.
3. Protection of biodiversity.
4. Building Partnerships.

Successful social enterprises rarely work alone. Partnerships can provide expertise, funding opportunities, market access, and community support.

Potential partners include:

1. Local authorities
2. Agricultural cooperatives
3. Universities and research centres
4. Non-governmental organisations
5. Beekeeping associations
6. Schools and training institutions

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7. Financial institutions
8. Rural development agencies

Strong partnerships increase credibility and improve long-term sustainability.

Customers

Customers are not always the same as beneficiaries.

For example:

- Beneficiaries,
- Customers,
- Unemployed youth receiving training,
- Consumers purchasing honey,
- Women participating in a community cooperative,
- Local shops and supermarkets,
- Migrants receiving employment support,
- Restaurants and hotels.

Understanding who buys the products or services is critical for generating revenue.

As consumers become increasingly interested in local, organic, and sustainable products, apiculture also offers opportunities to develop value-added products and services, including:

1. Honey production and sales.
2. Beeswax candles and cosmetics.
3. Propolis and other bee-related products.
4. Educational workshops and training programmes.
5. Pollination services for agricultural producers.
6. Environmental awareness campaigns.

Products and Services

A social enterprise in apiculture can generate income through a variety of products and services:

Products

- Honey, beeswax, candles, pollen, propolis, royal jelly, cosmetic products.

Services

- Beekeeping training, environmental education programmes, apiary visits and tourism activities, pollination services, consultancy services, community workshops.

Diversifying income sources can reduce financial risks and improve sustainability.

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2.5 Managing Social Impact

Unlike conventional businesses, social enterprises must measure not only financial performance but also the impact they create. In apiculture, social entrepreneurs can combine beekeeping activities with social inclusion, environmental conservation, and rural development objectives. By clearly defining their mission, beneficiaries, customers, revenue streams, and impact goals, entrepreneurs can create sustainable enterprises that generate lasting benefits for both people and communities.

Examples of social impact indicators include:

- Number of people employed,
- Number of beneficiaries trained,
- Number of women participating,
- Number of young people engaged,
- Revenue generated,
- New products developed,
- Local market expansion,
- Number of beehives established,
- Environmental education activities delivered,
- Biodiversity initiatives implemented.

Regular monitoring helps demonstrate results to funders, partners, customers, suppliers and policy makers.

2.6 Case study: Social Enterprise in Rovňany, Slovakia

BBSGR was formed as a social enterprise in Rovňany, Slovakia. The SE was financed by its founder with the amount of 74,000 euros. The financial resources were initially provided by the BBSGR and it was expected that the social enterprise will be financially and economically self-sufficient (Chreneková, Bumbalová & Jarábková, 2022).

The economic activities of the entity include agriculture, forestry and the provision of services in agriculture, horticulture and forestry, wood processing and production of wood components and products, and education. The core idea of production concentrates on cultivating field crops with the planting of fruit and ornamental trees in the agrotree ecosystem without the use of synthetic chemical products. Garlic as one of the main products was planted on an area of 0.8 hectares in 2021. The company also grows raspberries, tomatoes, peppers and lavender. The portfolio of products includes apples, pears, black walnut and white acacia while orchard is used extensively and intensively. Additionally, a beekeeping production is focused on the reproduction of bee families. Joinery production is also associated

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with beekeeping (wooden hives, frames, insect houses, etc.), which, among other things, provides work in the winter, when no agricultural activities are carried out.

The main actor of the social enterprise BBSGR is the Office of the Banská Bystrica Self-Governing Region through its Development Agency, non-for-profit organisation. The strategic goals of the development agency in the field of social economy are:

- To create social enterprises,
- To provide professional advice and assistance to all types of entities (NGOs, municipalities, private companies, agricultural entities) in the establishment and management of social enterprises,
- To support the development of project proposals,
- To raise awareness in the field of social economy.

The SE founded two enterprises: 1. The social enterprise Development services of the BBSGR, Ltd. with its registered office in Brezno and 2. The agrotree social enterprise, Agrotree ecosystem of the BBSGR, Ltd. based in Rovňany. The Office and its organizations act as customers for products and services produced and provided by the social economy entities.

The social enterprise in Rovňany is categorized as a social agricultural enterprise fulfilling the definition of multifunctional agriculture. The entire profit of the company is reinvested in its social goals. Although its registered measurable social impact is employment and work integration, the company creates a number of other forms and types of societal value.

2.7 Case study: Pancyprian Association, of Beekeepers, Cyprus

The Pancyprian Association of Beekeepers (PASYME) is the representative organization of professional and amateur beekeepers in Cyprus. It supports the development and modernization of the Cypriot beekeeping sector through training, technical assistance, promotion of Cypriot honey and hive products, environmental awareness, and support for new and existing beekeepers.

One of the PAB's key priorities is the promotion and support of Cypriot honey and other hive products, as well as the provision of scientific support to the beekeeping community. Since 2008, the PAB has been the implementing organization responsible for the Beekeeping Centre, which plays an important role in achieving the above objectives and has evolved into a vital source of support for the sustainability of the beekeeping sector in Cyprus. The staff of the Beekeeping Centre maintain daily communication and contact with Cypriot beekeepers and the relevant authorities.

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They provide assistance, share knowledge, and offer advice according to the needs of beekeepers and other stakeholders.

The PAB is also a member of the European Professional Beekeepers Association (EPBA) and Apimondia, the International Federation of Beekeepers' Associations. Through these organizations, the PAB represents Cyprus at international conferences and meetings, raises awareness of the challenges facing beekeepers in Cyprus, and transfers new technologies and developments to its members. Since 2009, the PAB has established and continues to operate the Beekeeping School, the only specialized educational institution of its kind in Cyprus. To date, the school has successfully supported the entry of more than 150 new beekeepers into the profession.

At present, the PAB is working to establish a Certification Council for Cypriot Honey, with the aim of protecting Cypriot honey and addressing the challenges associated with imports and consumer misinformation. Work is also underway to establish a Producer Group and a Beekeeping Council. The latter is intended to regulate various issues affecting beekeepers, institutionalize relevant practices, and promote beekeeping awareness through the development and implementation of appropriate regulations.

In addition to these activities, the PAB organizes high-level conferences on specialized beekeeping topics. It also delivers presentations and educational activities in schools, kindergartens, and higher education institutions throughout Cyprus.

Members of the Pancyprian Association of Beekeepers attended the training and dissemination activities of the European funded project "Microfinancing social businesses in apiculture for sustainability in rural communities (SBEES)". There were several sessions focused on the strategy, operations, financing and promoting their businesses in the market. The development of social enterprises was discussed during the sessions and consultation had been provided by the trainers. A follow up meeting will assess the development of social enterprises to meet societal needs.

3. Funding and Microfinancing for Social Enterprises in Apiculture

3.1 Turning Ideas into Sustainable Businesses

Sound financial management is central to the sustainability of any social business. Unlike purely commercial enterprises, social businesses must balance financial viability with the achievement of social impact. Effective financial practices ensure

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that resources are used efficiently, risks are managed, and the enterprise remains sustainable in the long term while advancing its mission.

A social business is financed through self-generated income and should not accept donations or grants. Access to finance is one of the most important challenges faced by aspiring social entrepreneurs. This challenge is often greater for women, young people, unemployed individuals, migrants, people with disabilities, and former prisoners, who may have limited savings, insufficient collateral, or restricted access to traditional bank loans. According to Yunus and Weber (2010) and Yunus (2007), social entrepreneurship should generate income to sustain its operations. All other ventures that fulfil a social mission, but they are not relied entirely on market income and also, use non-market financial inputs (donations) do not qualify as social businesses.

Microfinancing and other forms of social finance can help overcome these barriers by providing the resources needed to start, develop, and expand social enterprises. For social businesses in apiculture, access to funding can support the purchase of beehives, equipment, protective clothing, packaging materials, training, marketing activities, and product development. Financial support should not be viewed as an objective in itself, but as a tool that enables social entrepreneurs to create sustainable social and environmental impact.

3.2 Microfinance

Microfinance refers to a range of financial services designed to support individuals and small enterprises that may have difficulty accessing conventional banking products. These services typically include:

1. Small loans (microcredit).
2. Savings products.
3. Business development services.
4. Financial education and mentoring.
5. Start-up support programmes.

Microfinance was originally developed to support entrepreneurship among disadvantaged populations and remains an important mechanism for promoting financial inclusion and local economic development. For social enterprises, microfinance can provide the initial capital required to transform an idea into a viable business.

A recent interview with a committee member of the Cyprus Federation of Business and Professional Women, revealed that financing of social enterprises faces several challenges due to the processes in banking institutions.

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"We are facing many challenges to apply and receive approval for financing a new social business due to the procedures in our banking institutions".

During the interview, the participant explained that this is a new business model that will take time to gain acceptance as a legitimate form of economic activity within local communities.

3.3 Funding Needs in Apiculture

The amount of funding required depends on the scale and objectives of the enterprise. Fortunately, beekeeping can often be started with relatively modest investments compared to many other agricultural sectors.

Start-up costs may include:

Equipment	Production and Processing	Training	Marketing
Beehives	Packaging materials	Training and Capacity Building	Website development
Protective suits and gloves	Labels and branding	Beekeeping courses	Promotion and communication activities
Smokers and hive tools	Product testing and certification	Business development training	
Honey extractors	Processing equipment	Marketing training	
Storage containers	Operational Costs	Health and safety training	
	Transportation		

Careful financial planning helps entrepreneurs estimate their funding needs and avoid unnecessary expenses during the start-up phase.

3.4 Sources of Funding for Social Enterprises

Successful social enterprises often combine several financing sources rather than relying on a single funding mechanism.

3.4.1 Personal Contributions

Many social enterprises begin with small contributions from founders or community members.

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Advantages include:

1. Greater independence.
2. Immediate access to funds.
3. Demonstration of commitment to potential funders.

Although personal contributions are often limited, they can help cover initial planning and registration costs.

3.4.2 Microcredit

Microcredit provides relatively small loans to entrepreneurs who may not qualify for traditional bank financing. Microfinance provides a financial foundation for inclusion and economic development in developed and developing economies (Cavallo & Torluccio, 2025; Demirgüç-Kunt & Singer, 2017; Cull & Morduch, 2018).

Advantages include:

1. Easier access than conventional loans.
2. Flexible lending conditions.
3. Suitable for start-up enterprises.
4. Encourages financial inclusion.

Microcredit may be particularly useful for purchasing beehives, equipment, and processing tools.

3.4.3 Grants and Public Funding

Governments, development agencies, and European programmes frequently offer grants to support entrepreneurship, social innovation, and rural development.

Unlike loans, grants generally do not need to be repaid.

Potential areas of support include:

1. Social entrepreneurship.
2. Rural development.
3. Youth employment.
4. Women's entrepreneurship.
5. Environmental protection.
6. Agricultural innovation.

However, grant programmes are often competitive and require detailed applications and reporting.

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3.4.4 Crowdfunding

Crowdfunding aims to finance a project, social cause, or venture through an online platform, supported by financial contributions from individuals (Escudero et al., 2026). Crowdfunding enables entrepreneurs to raise small amounts of money from large numbers of individuals through online platforms. Furthermore, crowdfunding campaigns can be particularly effective when the enterprise has a strong social or environmental mission.

For example, a social beekeeping project focused on protecting pollinators and creating employment opportunities may attract support from environmentally conscious citizens and local communities.

3.5 Social Investors and Impact Finance

Some investors seek both financial returns and positive social impact.

These investors may support:

- Social enterprises,
- Green businesses,
- Community projects,
- Environmental initiatives.

Social investors often provide more than funding. They may also offer mentoring, networking opportunities, and strategic guidance.

3.6 Developing a Funding Strategy

Obtaining funding is often easier when entrepreneurs have a clear and realistic business plan. A strong funding strategy should describe the nature of the social business, social causes, sustainability and financial plans, marketing reach and future collaboration with stakeholders.

Furthermore, funders may know the social causes to decide the level of financial commitment that can support the launch of a new social business.

Some examples of social causes include:

- Rural unemployment,
- Social exclusion,
- Lack of economic opportunities for women,
- Environmental degradation.

Clearly identifying beneficiaries demonstrates the relevance and potential impact of the enterprise.

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3.6.1 Revenue Sources

Funders need evidence that the enterprise can become financially sustainable.

Potential revenue sources may include:

1. Honey sales.
2. Beeswax products.
3. Educational activities.
4. Pollination services.
5. Agricultural partnerships.
6. What Social Impact Will Be Created?

Social enterprises should describe how success will be measured. The social impact and impact measurement should demonstrate accountability to funders, investors, and stakeholders through transparent impact and financial reporting.

Examples of impact measurement indicators include:

1. Number of jobs created.
2. Number of beneficiaries trained.
3. New businesses established.
4. Environmental awareness activities delivered.
5. Financial Management and Sustainability.

Case study of applying social measurement on an actual business:

A food redistribution initiative reports that it has redirected 10 tons of surplus food from supermarkets to 1,000 low-income families in a year. Alongside financial statements, this shows value for money and builds trust.

3.6.2 Financial Management

Securing funding is only the first step. Long-term success depends on sound financial management.

Social entrepreneurs should:

1. Keep accurate financial records.
2. Develop annual budgets.
3. Monitor income and expenses.
4. Build emergency reserves.
5. Diversify income sources.
6. Regularly review business performance.

Poor financial management is one of the most common reasons why new enterprises fail. Therefore, financial literacy and planning should be considered essential entrepreneurial skills.

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Conclusion

Financial practices in social business development are not only about balancing books but also about ensuring that every euro, pound, or dollar invested creates both financial stability and meaningful social change. By applying financial planning, diversifying funding sources, adopting sustainable practices, and managing risks effectively, social enterprises can remain resilient, scalable, and impactful in addressing societal challenges.

4. Social Impact and Measures

Measuring impact is essential for every social enterprise. It helps entrepreneurs understand whether their activities are achieving their social, economic, and environmental objectives. Impact measurement also demonstrates accountability to beneficiaries, partners, investors, funding organisations, and public authorities. By collecting and analysing relevant information, social enterprises can identify areas for improvement, strengthen their operations, and communicate their achievements more effectively.

Social enterprises operating in apiculture should establish a simple monitoring system using clear and measurable indicators. These indicators can be assessed annually or at regular intervals throughout the project lifecycle.

Social Indicators

1. Number of beneficiaries participating in activities.
2. Number of women supported.
3. Number of young people trained or employed.
4. Number of migrants, people with disabilities, or other vulnerable individuals engaged.
5. Number of training sessions delivered.

Economic Indicators

1. Number of jobs created.
2. Income generated from honey and bee-related products.
3. Number of new customers reached.
4. Growth in sales and market presence.

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Production Indicators

1. Number of beehives established.
2. Quantity of honey produced.
3. Quantity of beeswax or other bee products produced.
4. Number of educational or commercial services delivered.

Environmental Indicators

1. Pollinator-friendly areas supported.
2. Biodiversity awareness activities conducted.
3. Number of environmental workshops organised.
4. Sustainable beekeeping practices adopted.

Practical Tool: One-Page Social Business Canvas

Component	Key Question
Social Mission	What social challenge are we addressing?
Beneficiaries	Who benefits from our activities?
Products and Services	What are we offering?
Customers	Who will buy our products or services?
Revenue Streams	How will we generate income?
Key Partners	Who can support our activities?
Resources	What equipment, skills, and funding do we need?
Social Impact	How will success be measured?
Environmental Impact	How do we contribute to sustainability?

A well-defined impact measurement framework helps social enterprises demonstrate their value and ensures that economic activities remain aligned with their social mission and environmental objectives. In apiculture, success should be measured not only by honey production and revenue generation but also by the positive changes created for people, communities, and the environment.

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5. Risk Management in Social Enterprises

Risk management is a critical component of developing and sustaining a social enterprise. While social businesses are guided by a mission to create social and environmental impact, they operate within the same dynamic and uncertain environments as traditional enterprises. Market changes, funding uncertainties, policy reforms, and stakeholder expectations can all create risks that affect the sustainability and success of a social venture.

5.1 Understanding Risk in Social Enterprises

Risk in social enterprises can be defined as any internal or external factor that may threaten the achievement of organizational goals, whether financial (Zhang et al., 2026), operational (Harangozo, Ngo, & Asvanyi, 2025), or mission-related. Unlike conventional businesses that primarily focus on financial performance, social enterprises must manage a dual bottom line: achieving financial sustainability while creating measurable social impact. This dual purpose exposes them to a broader and more complex set of risks, including:

1. Financial Risks – limited access to capital, overdependence on grants, unstable revenue streams, or poor financial management.
2. Operational Risks – inefficiencies in processes, inadequate skills among staff, or supply chain disruptions.
3. Strategic Risks – unclear vision, mission drift, or failure to adapt to changing environments.
4. Reputational Risks – negative public perception, stakeholder dissatisfaction, or failure to deliver promised social outcomes.
5. Legal and Compliance Risks – non-compliance with local regulations, employment laws, or social enterprise certifications.
6. External Risks – economic downturns, political instability, pandemics, or environmental challenges.

For example, a social enterprise that provides affordable solar lighting in rural communities may face risks such as fluctuating import costs, changes in government subsidies, or community scepticism about new technology. Another example, (Török et al. 2022) described social enterprises that recruited disable people and promoted local producers making a positive social impact, however, the associated risks to the

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SEs' operations was high due to insufficient delivery of the quantity of ingredients, or limited training sessions to disable people who are capable of the respective work (Harangozo, Ngo, & Asvanyi, 2025).

5.2 The Risk Management Process

Risk management is not a one-time exercise but an ongoing cycle of anticipation, planning, and adaptation. A structured approach ensures that risks are systematically addressed rather than managed reactively. The key stages are:

1. Risk Identification.
2. Risk Assessment.
3. Risk Mitigation and Control.
4. Monitoring and Review.

5.2.1 Risk Identification

Social entrepreneurs must proactively identify potential risks by analyzing both internal and external environments.

Tools such as PESTLE analysis (Political, Economic, Social, Technological, Legal, Environmental) and SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) are especially useful for mapping out risks at the startup stage.

Example: A vocational training social enterprise might identify risks such as reduced government funding (political), competition from private providers (economic), or changing youth preferences (social).

5.2.2 Risk Assessment

Once risks are identified, they must be evaluated in terms of likelihood (probability of occurring) and impact (consequences if they occur). A risk matrix helps entrepreneurs prioritize risks by categorizing them into high, medium, or low significance.

Example: For a food-based social enterprise, food safety violations would rank high in both likelihood and impact, requiring immediate preventive measures.

5.2.3 Risk Mitigation and Control

Strategies should be developed to reduce or control risks.

These include:

1. Avoidance: eliminating activities that expose the enterprise to unnecessary risks.
2. Reduction: putting controls in place to minimize risk likelihood or impact.

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3. Sharing/Transfer: using partnerships, contracts, or insurance to transfer part of the risk.
4. Acceptance: tolerating minor risks that are manageable or cost-effective to bear.

Example: A microfinance social enterprise may mitigate financial risk by diversifying its loan portfolio and establishing clear repayment policies.

5.2.4 Monitoring and Review

Risk management must be continuously monitored, as both internal operations and external environments evolve. Regular risk reviews, annual audits, and stakeholder feedback sessions ensure that mitigation strategies remain relevant.

5.3 Financial Risk Management

Sound financial practices are essential for social enterprises. Risk management in this area involves:

1. Developing detailed financial plans that balance social and commercial goals.
2. Diversifying income sources beyond donations and grants to include earned revenue, social investment, and partnerships.
3. Establishing reserves or contingency funds.
4. Implementing robust financial monitoring systems to detect issues early.

For instance, a social enterprise running a fair-trade shop might mitigate risks by expanding both online and physical sales channels, ensuring resilience if one stream is disrupted.

5.4 Operational Risk Management

Managing day-to-day risks ensures smooth service delivery. This includes:

1. Training staff to meet both technical and social impact standards.
2. Establishing clear operational procedures and quality control systems.
3. Ensuring supply chain reliability, particularly in case of working with vulnerable communities.

Example: A healthcare social enterprise must establish strict medical protocols, staff training, and contingency plans for supply shortages.

5.5 Legal and Compliance Risks

Operating within legal frameworks is essential. Risk management practices include:

- Understanding the legal structures available for social enterprises (cooperative, nonprofit, hybrid models).

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Beckmann et al. (2014) provides an example of a social hybrid model which was formed as a newly instated US legal form L3C (low-profit Limited Liability Company). L3C organizations are for-profit companies that meet a social cause while maximizing profits within certain constraints (Battilana et al. 2012). This legal form is designed to respond to the increasing demands of organizations that are social hybrids to be able to access both nonprofit and for-profit forms of funding:

- Ensuring compliance with labor laws, tax regulations, and sector-specific requirements,
- Seeking professional legal advice during expansion or international operations.

Conclusion

Risk management in social enterprises is not about eliminating risks altogether but about anticipating challenges and preparing strategies to minimize their negative impact. By adopting a structured process of identification, assessment, mitigation, and review, social entrepreneurs can safeguard both financial stability and social impact.

6. Legal Structures for Social Enterprises in Apiculture

6.1 Types of Legal Structures

Choosing an appropriate legal structure is an important step when establishing a social enterprise in apiculture. The legal form determines how the organisation is governed, how profits are managed, and the responsibilities of its members.

Several legal structures can support social entrepreneurship activities. A cooperative is often a suitable option for community-based beekeeping initiatives because it allows members to share resources, participate in decision-making, and benefit collectively from business activities. Cooperatives are particularly effective in rural areas where collaboration can reduce costs and increase market access.

A cooperative is particularly relevant to the social-enterprise model because it is based on collective ownership and member participation. Rather than concentrating ownership in the hands of a small number of shareholders, a cooperative is generally organized around its members, who participate in the activities and governance of the organization. This structure may be appropriate where the objective is to empower

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a group of individuals, producers or members of a local community. Cooperatives can therefore support principles such as democratic participation, collective decision-making and the sharing of economic and social benefits.

An association or non-profit organisation may be appropriate when the primary objective is social or environmental impact rather than profit generation. These organisations can provide training, awareness campaigns, and community projects related to beekeeping and biodiversity protection. However, their ability to undertake commercial activities may be limited by national regulations.

A social enterprise company or limited liability company with a social mission combines commercial activities with social objectives. This model allows organisations to generate income while reinvesting a significant portion of profits into their social mission.

A private limited company is one of the most common legal structures for conducting business activities. The company has a separate legal personality, meaning that it exists independently from its shareholders. One of its principal advantages is limited liability, as the financial responsibility of shareholders is generally limited to their investment in the company. This structure can be suitable for a social enterprise that intends to operate commercially, generate income through the sale of products or services, employ staff and potentially expand its activities. The social and environmental objectives of the enterprise can be incorporated into its mission, governance arrangements and operational strategy. A private limited company may therefore be particularly suitable when the social enterprise requires a commercially oriented structure with the capacity for growth.

A partnership involves two or more individuals who agree to conduct business activities together. Partners may contribute financial resources, knowledge, skills or other assets and may share responsibilities and profits according to their agreement. A partnership can provide a relatively simple structure for individuals who wish to establish a small enterprise together. However, depending on the form of partnership, the issue of personal liability should be carefully considered. For this reason, a partnership may be more appropriate for a small initiative involving a limited number of founders, whereas a limited company or cooperative may provide a more suitable structure for a larger social enterprise involving multiple stakeholders and greater financial or operational risks.

Before selecting a legal structure, entrepreneurs should consult national legislation and seek professional advice. The most suitable option will depend on the organisation's objectives, funding strategy, governance model, and long-term vision. A clear legal framework helps ensure transparency, sustainability, and credibility among beneficiaries, customers, partners, and investors.

6

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6.2 Registration of Social Enterprises: Cyprus Registrar's Office

6.2.1 Choosing a Legal Structure for a Social Enterprise in Cyprus

Department of Registrar of Companies and Intellectual Property
https://www.companies.gov.cy/en/company-lifecycle/starting-a-business-entity

The establishment of a social enterprise requires entrepreneurs to make an important decision concerning its legal structure. The legal structure determines how the enterprise is owned and governed, the extent of liability of its founders or members, how decisions are made, how profits or surpluses are managed, and the procedures that must be followed for registration and operation.

In Cyprus, a social enterprise should not necessarily be understood as a completely separate legal form, comparable to a private limited company or a cooperative. Instead, an organization may adopt an appropriate legal structure and, where it fulfils the relevant legal requirements, seek recognition and registration as a social enterprise under the national framework for social enterprises.

The choice of legal structure should therefore reflect both the economic activities of the organization and its social mission. A social enterprise involved in the production and sale of honey, for example, may require a different structure from an organization primarily focused on providing social services, training unemployed people, or supporting vulnerable groups. The main legal structures that may be relevant to social enterprises in Cyprus include private limited companies, cooperatives, companies limited by guarantee, associations, foundations and partnerships.

6.3 Social Enterprise Legislation in Cyprus

Cyprus has established a specific legal framework for social enterprises through the Social Enterprises Law of 2020 (N. 207(I)/2020). The Law was subsequently amended by the Social Enterprises (Amending) Law of 2023 (N. 126(I)/2023) (Cyprus Bar Association, n.d.). The legislation establishes the conditions under which an enterprise may be registered as a social enterprise and creates a Register of Social Enterprises.

1. Purpose of the legislation

The principal purpose of the legislation is to enable eligible enterprises registered in the Republic of Cyprus to be entered in the Register of Social Enterprises. State-owned enterprises are excluded from this framework.

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Importantly, the legislation does not create one new corporate form called a "social enterprise." Instead, it identifies which existing types of legal entities may qualify for registration as social enterprises.

Under Article 2, an eligible "enterprise" may be:

1. A private company limited by shares.
2. A private company limited by guarantee.
3. A cooperative society.
4. A general partnership.
5. A limited partnership.

This distinction is important when teaching prospective entrepreneurs. A social enterprise therefore has two dimensions:

2. Two categories of social enterprise

The Cyprus legislation distinguishes between two categories:

A. General-Purpose Social Enterprise

A general-purpose social enterprise must have, as its principal operational purpose, a social mission pursued through social, cultural and/or environmental activities for the benefit of society. The 2023 amendment also provides greater specification concerning the purposes and activities of general-purpose social enterprises. Other business or economic activities may be permitted subject to approval, but income from such additional activities cannot exceed one-third of total income. A particularly important requirement is that a general-purpose social enterprise must transfer at least 80% of its after-tax profits to non-distributable reserves for achieving its principal purpose.

B. Social Enterprise for Integration

An integration social enterprise focuses on social inclusion through employment.The legislation establishes minimum employment requirements involving people with disabilities and people belonging to vulnerable groups. Under the general provision, the enterprise must employ at least:

- 10% of its workforce as persons with disabilities, and
- 30% as persons belonging to vulnerable groups specified in the legislation.

There is a special provision for enterprises employing up to 10 people, or where suitably qualified candidates with disabilities do not apply. In such circumstances, an integration social enterprise may qualify by employing at least 40% of its workforce

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from the specified vulnerable groups. This distinction is particularly useful for SBEES because it demonstrates how social entrepreneurship can address employment and social inclusion, rather than simply environmental or community objectives.

3. The 70% trading-income requirement

One of the most important requirements for registration is that the enterprise must operate according to a business model in which more than 70% of its income comes from business activity. This provision reinforces the distinction between a social enterprise and an organization that depends predominantly on grants or donations.

For example: A social beekeeping enterprise generates €70,000 annually. At least €49,000 should come from entrepreneurial/business activity if it is to satisfy the 70% threshold.

4. Profit distribution

The legislation also requires social enterprises to establish predetermined procedures and rules concerning the distribution of profits in order to safeguard their economic sustainability. For a general-purpose social enterprise, the legislation is particularly restrictive: at least 80% of after-tax profits must be transferred to non-distributable reserves for the achievement of the enterprise's principal social purpose. This creates an important distinction between a conventional business and a social enterprise.

5. Registration in the Register of Social Enterprises

The legislation establishes a Register of Social Enterprises, maintained by the competent authority. Enterprises that satisfy the requirements of Article 6 may be registered as either general-purpose or integration social enterprises. The legislation also establishes requirements concerning information recorded in the Register, including the enterprise's name and registered office, members of its governing body, number of members, and registration information.

6.4 Social Enterprise Legislation in Slovakia

Slovakia has a comprehensive legal framework for the social economy and social entrepreneurship established by Act No. 112/2018 Coll. on the Social Economy and Social Enterprises and on Amendments to Certain Acts, as amended (hereinafter "Act No. 112/2018 Coll."). The Act defines social economy entities and social enterprises and sets out the rules for obtaining the status of a Registered Social Enterprise, as well as the main requirements concerning governance, support and supervision.

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An important feature of the Slovak system is that a social enterprise is not a separate legal form. Instead, existing entities can operate as social enterprises and, if they meet the statutory requirements, obtain the status of a Registered Social Enterprise (registrovaný sociálny podnik – RSP).

Under Section 4 of Act No. 112/2018 Coll., social economy entities may include, subject to the statutory conditions:

- civic associations,
- foundations,
- non-investment funds,
- non-profit organisations providing public-benefit services,
- eligible church and religious organisations,
- commercial companies,
- cooperatives, and
- natural persons – entrepreneurs who are employers.

The legislation also includes requirements intended to ensure that social economy entities remain independent from state authorities, particularly in relation to ownership, financing, voting rights and the appointment or election of governing or supervisory bodies.

Under Section 5 of Act No. 112/2018 Coll., a social enterprise is a social economy entity that carries out economic activity continuously and independently, in its own name and on its own responsibility (Financial Directorate of the Slovak Republic, 2026). Its principal objective must be the achievement of measurable positive social impact. The enterprise must achieve or contribute to this impact through the goods or services it produces, supplies, provides or distributes, or through the way in which those goods or services are produced or provided. Where it generates profit, it must use more than 50% of its after-tax profit to achieve its principal objective within the period prescribed by law. Interested stakeholders must also be involved in the management of its economic activity.

The Slovak model therefore combines three basic elements: economic activity, measurable positive social impact and safeguards ensuring that the social objective remains at the centre of the enterprise. Registered Social Enterprise status is granted by the Ministry of Labour, Social Affairs and Family of the Slovak Republic. The applicant must meet the general requirements applicable to social enterprises as well as the specific statutory conditions relevant to the particular type of Registered Social Enterprise. Its basic or founding document must specify, among other things, the principal objective of the enterprise, the method used to measure positive social impact, its economic activities, the way in which those activities contribute to

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positive social impact, and the percentage of after-tax profit to be used to achieve its principal objective. It must also address the involvement of interested stakeholders through an Advisory Committee or democratic governance.

The applicant must prepare a project describing the activities through which measurable positive social impact will be achieved. Other statutory requirements, including those relating to reliability and integrity, must also be met.

The Ministry maintains the official public Register of Social Enterprises, which contains information on entities holding Registered Social Enterprise status.

Slovak legislation classifies Registered Social Enterprises according to two different criteria. According to the nature of the interest pursued, Section 11 distinguishes between:

- a public-benefit enterprise, which pursues the public interest, and
- a community-benefit enterprise, which pursues the interest of a particular community,

According to the focus of their activities, Registered Social Enterprises may operate as:

- integration enterprises,
- social housing enterprises,
- general Registered Social Enterprises.

These two classifications describe different aspects of a social enterprise. The first concerns the interest that the enterprise serves, while the second reflects the main focus of its activities and social impact.

An integration enterprise is a public-benefit enterprise whose positive social impact is achieved through the employment of disadvantaged or vulnerable persons. Under the legislation effective from 1 January 2026, the required positive social impact is achieved where at least 30% of employees are disadvantaged persons, at least 30% are vulnerable persons, or at least 30% are disadvantaged and vulnerable persons combined, subject to the detailed conditions laid down in the Act.

A social housing enterprise is a public-benefit enterprise whose positive social impact consists in providing socially beneficial rental housing. This may include the construction, reconstruction or acquisition of housing intended for eligible tenants, as well as the management, maintenance and renovation of such housing.

The recognition of different types of Registered Social Enterprises allows the Slovak framework to address a wider range of social needs, from labour-market inclusion to access to housing and other forms of measurable positive social impact. Stakeholder participation is an important part of the Slovak social-enterprise model.

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Act No. 112/2018 Coll. distinguishes between directly and indirectly interested stakeholders. Directly interested persons may include employees, consumers of the enterprise's goods or services, residents of the municipality in which the enterprise operates and qualifying volunteers.

Registered Social Enterprises are generally required to involve interested stakeholders through an Advisory Committee under Section 9 or through democratic governance under Section 10. An Advisory Committee must have at least three members. Its members must be interested stakeholders, with directly interested persons forming the majority. Where the enterprise has employees, employee representation must be ensured in accordance with the Act. Specific representation requirements apply to integration enterprises. The purpose of these arrangements is to give people directly affected by the activities of the enterprise a genuine role in its functioning and in assessing whether it is achieving its intended social impact.

Slovak legislation allows social enterprises to generate profit. However, profit-making cannot override their principal social objective. Where a social enterprise generates profit, more than 50% of its after-tax profit must be used to achieve its principal objective. Under the legislation effective from 1 January 2026, this must be done within one year from the approval of the ordinary financial statements showing a positive economic result for the relevant accounting period. The founding document must state the percentage of after-tax profit that will be used to achieve the principal objective and set out the rules for any remaining profit. Additional restrictions may apply depending on the legal form of the enterprise or the type of public support it receives. The rules on profit distribution should therefore be considered together with the legislation governing the particular legal form of the organisation.

Registered Social Enterprise status can provide access to a range of support measures, although registration does not automatically create an entitlement to every form of public support. Depending on the type of enterprise, its activities and the conditions of individual schemes, support may include financial instruments, investment-related assistance and employment-related measures. Integration enterprises may also benefit from specific measures linked to the employment of disadvantaged and vulnerable persons.

Slovak VAT legislation provides a specific reduced VAT rate for qualifying supplies by certain Registered Social Enterprises. Under Section 27(3)(c) of Act No. 222/2004 Coll. on Value Added Tax, as amended, a 5% VAT rate applies to qualifying goods and services supplied within social-economy activities by a Registered Social Enterprise that uses 100% of its after-tax profit to achieve its principal objective, provided that the other statutory conditions are met. The reduced

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VAT rate is therefore not an automatic tax advantage available to every Registered Social Enterprise. Its application depends on compliance with the conditions laid down in VAT legislation.

Slovak public procurement legislation also provides mechanisms that may create opportunities for social enterprises. Under Section 36a of Act No. 343/2015 Coll. on Public Procurement, as amended, contracting authorities and contracting entities may, subject to the statutory conditions, reserve the right to participate in a public procurement procedure for Registered Integration Social Enterprises and other entities specified by law.

The relevant reserved-procurement mechanism includes employment-related conditions concerning the proportion of persons with disabilities or otherwise disadvantaged persons employed by the eligible entity. Reserved procurement is therefore an available instrument of socially responsible public procurement, rather than a general obligation to award public contracts to Registered Social Enterprises. Similarly, holding Registered Social Enterprise status does not automatically guarantee access to a reserved contract.

The Ministry of Labour, Social Affairs and Family of the Slovak Republic plays the central role in administering the Registered Social Enterprise framework. Practical assistance is also available through Regional Centres for the Social Economy, which provide information and advisory support to prospective and existing social entrepreneurs on the establishment, registration and operation of social enterprises and on the wider social economy framework.

As of September 2026, seven Regional Centres for the Social Economy operate in Slovakia, providing regional advisory support to prospective and existing social entrepreneurs. Together, the legal framework, registration system, support instruments and advisory infrastructure provide the institutional basis for the development of social entrepreneurship in Slovakia.

6.5 Comparative Analysis: Social Enterprise Legislation in Cyprus and Slovakia

Cyprus and Slovakia share a fundamental regulatory characteristic: neither jurisdiction requires social enterprises to adopt a single, dedicated corporate form. Instead, both systems allow eligible entities operating under recognised legal forms to obtain a specific social-enterprise status where the statutory requirements are fulfilled. Beyond this common starting point, however, the two legal frameworks differ significantly in their treatment of market income, profit allocation, labour-market integration, stakeholder participation and the classification of social enterprises.

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6.5.1 Regulatory Structure

In Cyprus, the Social Enterprises Law 207(I)/2020, as amended, establishes two principal categories:

- general-purpose social enterprises; and
- integration social enterprises.

In Slovakia, Act No. 112/2018 Coll. applies two complementary classifications.

1. According to the interest pursued, a Registered Social Enterprise may be a public-benefit enterprise or a community-benefit enterprise.
2. According to the focus of its activities, it may be an integration enterprise, a social housing enterprise or a general Registered Social Enterprise.

The Slovak classification is therefore structurally broader, particularly because social housing is expressly recognised as a specific area of Registered Social Enterprise activity.

6.5.2 Economic Activity and Market-Income Requirements

Both jurisdictions require genuine economic activity. They differ, however, in how the economic dimension is quantified. Under the Cypriot framework, more than 70% of the enterprise's revenue must derive from business activity whereas, Slovak legislation does not establish an equivalent fixed percentage of revenue that must originate from market activity. Instead, it requires a social enterprise to conduct economic activity continuously and independently while pursuing measurable positive social impact.

The absence of a fixed market-income percentage in Slovakia does not remove the requirement to conduct genuine economic activity; rather, it reflects a different legislative technique for defining the economic dimension of social entrepreneurship.

6.5.3 Profit Allocation

The two systems also differ substantially in their treatment of profit.

In Cyprus, a general-purpose social enterprise must transfer at least 80% of its after-tax profit to non-distributable reserves for the achievement of its principal purpose. For an integration social enterprise, the corresponding statutory minimum is 40% of after-tax profit.

In Slovakia, a social enterprise that generates profit must use more than 50% of its after-tax profit to achieve its principal objective, subject to the detailed requirements of Act No. 112/2018 Coll.

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Accordingly, a simple statement that "Cyprus requires 80% while Slovakia requires 50%" would be misleading. The Cypriot percentage depends on the category of social enterprise, whereas Slovakia applies its own general statutory mechanism centred on the principal social objective.

6.5.4 Labour-Market Integration

Both countries recognise social enterprises whose principal social impact is achieved through labour-market integration, but their statutory models differ.

Under the Cypriot framework, an integration social enterprise generally employs:

- at least 10% persons with disabilities, and
- at least 30% persons belonging to vulnerable groups.

The legislation in Cyprus also provides an alternative rule under specified circumstances, including a threshold of at least 40% persons belonging to vulnerable groups.

In Slovakia, under the legislation effective from 1 January 2026, an integration enterprise achieves the required positive social impact where it employs:

- at least 30% disadvantaged persons,
- at least 30% vulnerable persons, or
- at least 30% disadvantaged and vulnerable persons combined, subject to the detailed statutory rules governing the calculation of these proportions.

The two systems therefore use different statutory categories and different methods for determining whether the employment-related social objective has been achieved.

6.5.5 Stakeholder Participation and Governance

Stakeholder involvement is another area in which the regulatory approaches differ.

The Cypriot framework contains governance, transparency and accountability requirements applicable to registered social enterprises.

The Slovak legislation goes further in expressly incorporating stakeholder participation into the statutory definition and governance architecture of the social enterprise. Registered Social Enterprises are generally required to involve interested stakeholders through an Advisory Committee under Section 9 of Act No. 112/2018 Coll. or through democratic governance under Section 10. Stakeholder participation is therefore a particularly explicit structural feature of the Slovak model.

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6.5.6 Institutional Support

Both countries maintain public systems for registration and supervision of social enterprises. In Slovakia, the regulatory framework is complemented by a network of Regional Centres for the Social Economy, which provides specialised information and advisory assistance to prospective and existing social entrepreneurs. The existence of this regional advisory infrastructure is a notable practical feature of the Slovak social-economy ecosystem.

6.5.7 Summary of the Main Differences

Dimension	Cyprus	Slovakia
Regulatory approach	Registration/status model	Registration/status model
Principal statutory categories	General-purpose and integration social enterprises	Public-benefit/community-benefit enterprises; integration, social housing and general RSPs
Market-income requirement	More than 70% of revenue from business activity	No equivalent fixed market-income percentage
Profit allocation – general model	General-purpose SE: at least 80% of after-tax profit to non-distributable reserves	More than 50% of after-tax profit used to achieve the principal objective
Profit allocation – integration model	Integration SE: at least 40% of after-tax profit to non-distributable reserves	General Slovak profit-use rule applies, subject to statutory conditions
Integration thresholds	Generally, 10% persons with disabilities + 30% vulnerable groups; alternative 40% vulnerable-group rule in specified circumstances	30% disadvantaged persons, 30% vulnerable persons, or 30% of both groups combined
Stakeholder participation	Governance, transparency and accountability requirements	Advisory Committee, or democratic governance expressly regulated by law
Social housing	Not a separate principal statutory category	Expressly recognised as a specific focus of RSP activity
Regional advisory infrastructure	National registration and support framework	National framework complemented by Regional Centres for the Social Economy

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6.5.8 Comparative Conclusions

The comparison demonstrates that Cyprus and Slovakia pursue the same broad objective – combining genuine economic activity with a legally protected social purpose – through different regulatory techniques.

The Cypriot framework places a stronger explicit quantitative emphasis on market-generated revenue, requiring more than 70% of revenue to derive from business activity. It also differentiates profit-allocation requirements between general-purpose and integration social enterprises.

The Slovak framework places particular emphasis on measurable positive social impact, majority use of profit for the principal objective and formal stakeholder participation, while allowing a broad range of organisational forms and recognising several distinct areas of social-enterprise activity, including labour-market integration and social housing.

These differences should not be interpreted as evidence that one national system is inherently stronger or more favourable than the other. Rather, they demonstrate different legislative approaches to balancing entrepreneurial activity, social impact, profit allocation, stakeholder participation and public policy objectives.

For social entrepreneurs, public authorities and organisations working across borders, the comparison highlights an important practical conclusion: "social enterprise" is not a uniform legal status across the European Union. An organisation that qualifies as a social enterprise in one Member State cannot automatically be assumed to satisfy the registration, economic-activity, profit-allocation, employment or governance requirements applicable in another Member State. National legislation must therefore be assessed whenever a social-enterprise model is established, transferred or replicated across borders.

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