Interregional analysis on the social enterprise ecosystems in six European regions
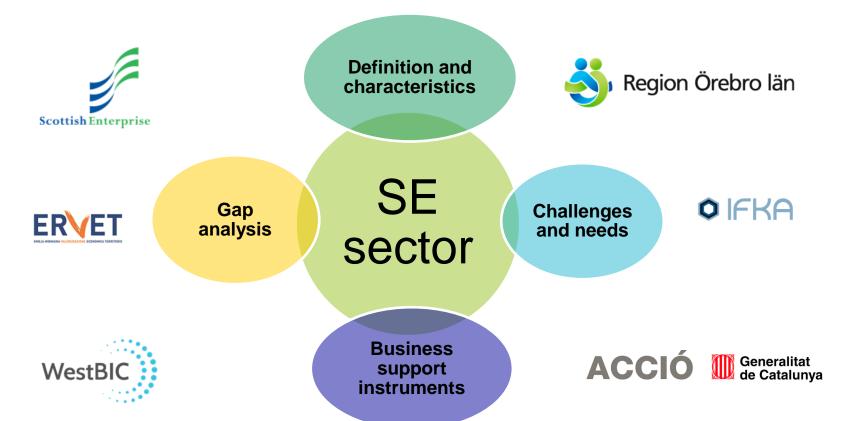
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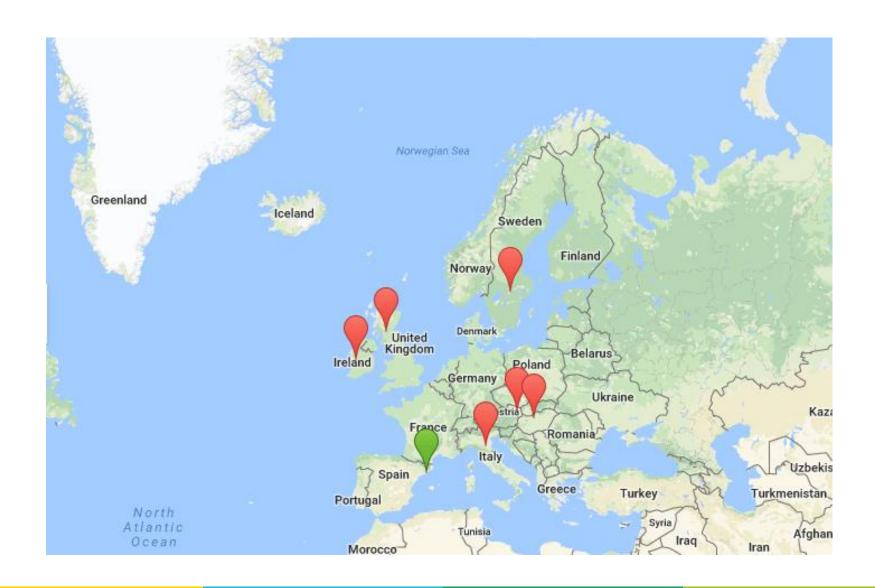
Content overview

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Context and characteristics

What is the context?

Looking at the regions

Emilia-Romagna	Scotland	Western Ireland	Örebro County	Catalonia	Hungary
Italy faced ongoing economic crisis affecting also SE	Developed country, but new economical paths for the future must be found	Country with growing economy, attractiveness for international business	Innovation leader country with strong welfare system	Spain among the countries which have been hit hard by the crisis	Hungary former transition country, gained economic pace
SE sector is well established	Government commits to SE sector for creating a sustainable economic growth	Long-established sector (57% before 2000)	Small sector, due to strong welfare state. SE mainly defined as „work-integrated"	Main working field of SE sector is „labour insertion"	SE sector is rather new but lacks a common definition, data available is insufficient
27 SE & 875 Cooperatives	5,600 SE in Scotland	1,400 SE in Ireland	16 SE in the county	519 potential SE	50 SE

Definition and characteristics

ERVET

Businesses with a social responsibility who reinvest profits into their community, locally or across the world

Social impact rather than profits, reaching social objectives, managed in an accountable, democratic and participatory way

WestBIC

IFKA

Have a legal structure, have a stated social mission, run by a voluntary board of directors, community owned, have a traded income

Social impact rather than generating profits

Scottish Enterprise

Region Örebro län

Work-integrated, profits are re-invested, employees are participating in the business

100% of profits must be re-invested, more than 50% of income must come from sales

ACCIÓ

Generalitat de Catalunya

Characteristics

RaiSE
Interreg Europe

• In general rather old and **established sector** (many enterprises older than 10 years) with the exception of Hungary

• Legally, most SE are **social cooperatives,** in some regions charities or non-profit organisations are important forms

• Financial data is not sufficiently available, but the available data suggests annual **income** mostly below 500,000 €

• Common is the rather small number of **employees**, between 0-10 is the most often mentioned number

• SE are tending to operate in the **urban areas** (exception Hungary)

Characteristics

- SE work for the **benefit of local and disadvantaged communities** (including a variety of aspects: elderly, socially isolated, excluded, unemployed, disabled etc.)

- flexibility of the SE sector compared to the public sector allows to work more **efficiently on small-scale problems** and with specific groups

- SE work in the **service-delivery sector**, most often mentioned services are: educational, health and social, work-integrating

- The majority runs their business only on the **local/community-related level** (other examples in Catalonia and Italy)

- Generally, the SE sector is **profitable** (exception Hungary)

Main challenges and needs

Main challenges and needs

• The **general economic trend** (ever since the financial crisis in 2008) also affects the SE sector

• A lack of **volunteerism** can be observed (especially regarding young people)

• This enforces the lack of **time and capacity** for running the SE

• Common to all is the lack of publicly available **funding**, which often leads to an insecure financial situation

• Increasing **bureaucratic demands**

• All regions report needs in **human resources**, more concretely in hiring people with management skills, and business experience

Main challenges and needs

- Different **priority needs** are reported: from
  - governance assistance,
  - marketing assistance,
  - networking assistance to
  - business planning assistance

- It is commonly reported, that the needs in **organisation and business development** are strong

- Training in **financial management** and in **accessing** public and private **funds** is highly demanded

- The need for better **evaluation and monitoring** of activities against the background of assessing the **impact**

Support and gaps

Support and gaps

- The **support system** is mapped in 4/6 regions (ES and IT only providing hints)
    - In general the business support sector is **well developed** in all regions
    - A broad set of **financial and non-financial** instruments are in place
    - SE can **access all business support** instruments in place and
    - Additionally, **specific** instrument targeting SE exist
- **The broader SE support environment** also includes:
    - Corporate Social Responsibility Programmes,
    - European Funding,
    - Networks and
    - Mutual support mechanisms

Support and gaps

- (When reported,) the share of SE that already have been **supported** by one of the schemes is around **50%**

- SE tend to use support **specifically targeting SE** more often than general business support schemes

- Nevertheless, there is a **tendency not to use them**, and when they do, they usually prefer to use private resources rather than public resources (ES)

- Reasons not to use it are either **lack of knowledge** about them or the lack of need (SWE)

Support and gaps

- Ireland and Hungary indentify issues on the **policy level**:

  - "*Transparent legal environment and administration, a need for more elaborated coordination of sectoral policies led by ministries*" (HU)

  - „*is currently no national government policy in place*" (IE)

- In Scotland there is a gap at the **start-up and pre-start-up level**

- Established social enterprises sometimes do require specialist business support, charged at consultancy rates, which is **not affordable** to many social enterprises (GB).

Support and gaps

- Social enterprises in Sweden identify following of areas where they **need support** from public organisations:
    - Access to markets
    - Support in creating networks with private business
    - New types of financial support – better, larger and more contracts
    - Support in strengthening social enterprise management
    - Marketing
    - Cooperation with other social enterprises
    - Information on social enterprises to public sector
    - Building up systems for certification/licensing of different occupational groups
- These are similar to the issues addressed in IT and HU

Thank you!

Questions welcome