



## BETTER ENTREPRENEURSHIP ONLINE TOOL

### GUIDANCE NOTE: SOCIAL ENTREPRENEURSHIP CULTURE, CIVIL SOCIETY AND SOCIAL ECONOMY

#### Introduction

A thriving civil society and a dynamic social economy can act as catalysts in breeding a social entrepreneurship culture. For instance, high levels of entrepreneurial state of mind coupled with civil society engagement might facilitate the development of social enterprises. Similarly, dynamic social economy initiatives in a territory could act as proxies for social enterprise creation. It is, therefore, important to have an estimate of the level of the civil society and social economy engagement in a territory, which could be measured through the presence of formal structures (social economy organisations) and spontaneous initiatives of civil society. Although civil society or social economy may not always represent an entrepreneurial state of mind as such, because some of the organisations may not have economic objectives, these for sure provide an indication of the tendency of citizens to act for the general interest<sup>1</sup>.

There are several conditions that could breed a social entrepreneurship “culture”- the shared ideas, customs and social behaviours- and lead someone to establish a social enterprise. The heritage or traditions of a geographical area<sup>2</sup> or the way the concept of enterprising (engaging in an entrepreneurial activity)<sup>3</sup> is understood at the local level are some of them. Still, attitudes and behaviours change over time and are influenced by the way new initiatives are promoted and integrated in an existing cultural environment. Education and research can play a key role in raising awareness about social enterprises and -more importantly- in transmitting knowledge and in shaping positive attitudes towards social entrepreneurship.

Statistics can also contribute to demonstrate the economic and social impact of social enterprises and, therefore, enhance their visibility. Still statistical collection efforts and experimentation, such as the establishment of satellite accounts, remain scant. Finally, statistics at granular level (e.g. local level) would help decision makers and relevant stakeholders to have a precise understanding of the state of play of social enterprises in a territory and take the necessary steps to support and promote them.

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<sup>1</sup> The European Commission distinguished three categories of the so-called services of general interest: 1) Services of general economic interest, which are basic services that are carried out in return for payment, such as postal services. These services are subject to European internal market and competition rules. However, there may be derogations to these rules, if necessary, to protect citizens' access to basic services. 2) Non-economic services, such as the police, justice and statutory social security schemes, are not subject to specific European legislation or to internal market and competition rules. 3) Social services of general interest are those that respond to the needs of vulnerable citizens and are based on the principles of solidarity and equal access. They can be both of an economic or non-economic nature. Examples include social security schemes, employment services and social housing.

<sup>2</sup> For instance, areas where civil society organisations traditionally deal (also) with services to citizens, might be more fertile for social enterprises than areas in which such services are traditionally delivered by public authorities.

<sup>3</sup> For instance, areas with a tradition of mutual companies (companies in which the interest of the single person is mixed with the interest of the whole group) might find it easier to shift towards social enterprises than areas with a strong prevalence of individual interests over group interests.

Thus, public authorities or other bodies wishing to breed a culture of social entrepreneurship while engaging with the civil society and the social economy<sup>4</sup>, may focus on a) enhancing the role of civil society and social economy, b) developing positive attitudes through the educational system and support research efforts, c) carrying out raising- awareness activities, and d) improving the availability and quality of statistical data.

## **Recommendations for policy actions**

### ***Policy levers***

- ✓ Support the emergence of civil society initiatives and promote the possibility for them to set-up social enterprises.
- ✓ Develop dedicated raising-awareness campaigns on social entrepreneurship.
- ✓ Include activities related to social entrepreneurship throughout the education system and provide relevant training to the teachers.
- ✓ Complement existing statistical data with data collection efforts concerning social enterprises.
- ✓ Support research specifically dedicated towards social enterprise.

### ***Pitfalls to avoid***

- ☒ Propose social entrepreneurship approaches or models without considering the local entrepreneurial culture and the existing social economy and civil society tradition.
- ☒ Develop raising-awareness campaigns that are not understandable by the general public.
- ☒ Hinder the implementation of activities and the teaching of courses related to social entrepreneurship in the education system.

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<sup>4</sup> Many social enterprises emerge and operate under the legal forms traditionally belonging to social economy (cooperatives, mutuels, associations, foundations). This element has been taken into account notably in the assessment criteria for an enabling cultural and societal context.

## Guidance per indicator

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### 1.1. Active civil society and social economy organisations foster social entrepreneurship in your territory.

We invite to assess the presence of civil society organisations and social economy organisations in your territory and the level of support that is being provided to citizen-led initiatives. A territory with a thriving civil society and social economy is more prone to foster social entrepreneurship.

#### *Why is it important?*

Social enterprises are often citizens-led, locally rooted (socio-economic) initiatives aimed at tackling a social challenge or respond to a local need. The existence of programmes supporting such initiatives is a key factor of success for social enterprises. Indeed, social enterprises based on local initiatives are likely to: a) be well rooted in the local context, which can be their potential local market); b) have a deep knowledge of the challenge to be dealt with, and therefore of the main features their service/product should have in order to be successful; c) benefit from wide support of other local players (for instance local donors).

Social enterprises benefit from their interaction with the civil society and the other social economy entities as this can help them to be effective in the pursuit of their aims. On the one hand, civil society organisations can identify and bring to the fore new social needs. Civil society organisations- be these formally recognised or spontaneous initiatives- may take different forms depending on the local context, but altogether they can sketch the profile of the society in which social enterprises will operate. There might also be the case of civil society organisations taking the shape of funds or community foundations, which could act as powerful instruments to back the development of social enterprises on a given territory.

On the other hand, solid support from the existing social economy tissue helps new social enterprises to “find their place” in the local context and not to act in isolation. An assessment of the presence of civil society and of social economy organisation on a territory might help decision makers and/or those wishing to develop a programme for social entrepreneurship to design appropriate support schemes.

#### *Pointers to help tick the appropriate score*

In order to score high, in your territory:

- Social economy organisations are active.
- Civil society organisations are active.
- Support is provided to citizen-led initiatives for the creation of social economy organisations.

#### **Good practice example**

##### ***The Permanent Convention of Social Players (COPAS) (Italy)***

Created under the Statute of Tuscany Region (IT), *the Permanent Convention of Social Players (COPAS)* brings together representatives of associations (organised civil society) and social cooperatives (social economy operators) and it is associated to the Regional Council. This body provides opinions on regional programming and policy measures promoting social and economic cohesion. Moreover, COPAS plays a proactive role in monitoring the impact of regional public policies and measures. The establishment of COPAS responds to the need, identified by the regional authority, to involve representatives of civil society in policy making.

## 1.2. Raising-awareness activities are undertaken in your territory.

We invite you to consider the breadth of activities that are being undertaken in your territory in order to raise awareness and promote social entrepreneurship, such as contests or promotion campaigns for social entrepreneurs and social enterprises through various channels of communication.

*Why is it important?*

Raising-awareness activities are key when it comes to promoting social entrepreneurship. Indeed, in spite of a recognised presence of social economy on the European socio-economic context, local communities still have little knowledge about social entrepreneurship and often confuse it with other kind of entrepreneurial approaches (for instance corporate social responsibility).

An effective way for local communities to get familiar with social entrepreneurship and, with its potential, is to have easy access, at different level, to specific tailor-made information. This might be realised through formalised channels, such as specific sections within chambers of commerce or within public bodies promoting entrepreneurship or employment. Such instruments and actions would target a specific public, such as job-seekers or enterprises already established under different forms. Raising-awareness can also be achieved through regular reporting of success stories of social entrepreneurs in mass media. This can inspire other citizens individually or collectively to create social enterprises and discuss the path they followed, the challenges they encountered and the ways in which they overcame the latter. Or it would simply lead to citizens finding more reasons to buy products and services of social enterprises.

Entrepreneur-of-the-Year@-like contests are organised worldwide, at national or at local level. They give visibility to success stories and encourage emulation. Although a “Social Entrepreneur of the Year” programme has existed for some time now, local contests may complement and provide a closer-to-the-target approach, in order to obtain the same effect as contests for other type of entrepreneurs.

*Pointers to help tick the appropriate score*

In order to score high, in your territory:

- Social entrepreneurs are showcased as role models.
- Contests for social entrepreneurs are organised.
- Social enterprises are promoted through various communication channels (e.g. online, press, radio, local community media).

### **Good practice examples**

#### ***Impact Summit (Germany)***

The Impact Summit is one of the biggest Social Entrepreneurship conferences in Germany. The summit brings Social Entrepreneurs from all over Germany together and gives them a chance to connect with each other and with other stakeholders such as cooperation partners and investors. During the two-day summit everything is centred on social innovation, social entrepreneurship and social impact. More than 40 speakers of different backgrounds are actively involved in raising awareness activities, such as making presentations, holding interactive discussions and organising workshops.

### 1.3. Education contributes to the development of positive attitudes towards social entrepreneurship.

We invite you to assess the degree to which education contributes to the development of positive attitudes towards social entrepreneurship in your territory. You can examine whether there are courses or activities that introduce the notion of social entrepreneurship throughout the education system and informal learning and how a social enterprise works and contributes both to the society and to the economy. Finally, you can consider whether teachers receive the necessary training to support these activities.

#### *Why is it important?*

Education plays a significant role in developing positive attitudes towards social entrepreneurship as it can help understand its specific functioning and role. Indeed, through education, students can learn how a social enterprise works and contributes both to the society and to the economy. An effective way to promote social entrepreneurship is to embed it into the education system. Although courses and programmes related to social entrepreneurship have been developing increasingly at higher education level, there is still space for improvement in the other education levels. A possibility could be, for instance, to invite social entrepreneurs to present concrete examples of social enterprises during secondary education or to include professions related to social entrepreneurship in career orientation classes.

Another option could be to implement social entrepreneurship education programmes already from late primary education. These programmes could invite students to tackle a social and environmental challenge through the creation of a mini-social enterprise with their fellow students. In this process, teachers can play a significant part in the implementation of social entrepreneurship education programmes. Therefore, life-long learning programmes or training that could be provided by social entrepreneurs or relevant stakeholders could be of great use.

#### *Pointers to help tick the appropriate score*

In order to score high, in your territory:

- Social entrepreneurship is promoted through the education system (i.e. primary, secondary, higher education, as well as through informal education) and through non-formal learning.
- Higher education institutions have programmes on social entrepreneurship.
- School teachers receive training on how to implement social entrepreneurship education projects.
- Schools and other educational institutions invite social entrepreneurs to present their experience.

#### **Good practice example**

##### ***JA Europe: Social Enterprise Programme (Multiple Countries)***

In 2011, JA Europe created the [\*Social Enterprise Programme \(SEP\)\*](#). The objective of SEP was to increase the pool of potential social entrepreneurs, by providing social-enterprise education to young people across Europe aged 15-18. The 26-week Programme brought together the worlds of education, training, skills, work and the community closer together, to inspire and recognise young social entrepreneurs.

Student teams participating in SEP spent between two and four hours every week in the classroom or performing an after-school activity. Led by a SEP guide and mentored throughout the year by a volunteer business advisor at regular mini-company meetings, the student teams created their social enterprise and submitted their business plans online. They also made a four-minute video presentation and uploaded it onto YouTube. A national panel of judges from the private sector selected a winner to create awareness about social entrepreneurship. At the European level, the national winners submitted a business plan, a

four-minute video presentation in English, and an advertisement promoting their social enterprise to an online panel of international judges, who selected the European winner. SEP was the result of a partnership between JA Europe, ArcelorMittal, FERD and Intel; 14 200 students participated in the Programme between 2011 and 2015.

For further information, please [click here](#)

#### ***Young Entrepreneurs at School Initiative (Italy)***

In Friuli Venezia Giulia (Italy), the *Young Entrepreneurs at School* initiative was created by a partnership composed of the regional secondary school administration and the regional branch of the cooperative association Confcooperative. Students learn how to set up a cooperative enterprise, following a step-by-step project helping them to: 1) identify a need to be dealt with in their territory; 2) define and organise the work-flow to produce a good or service to respond to such a need; 3) get organised as a group, draft a statute, elect the management and draft a business plan; 4) meet with already established cooperative enterprises; 5) start-up their own business. As an option, students participating in the programme can have internships with cooperatives in the region.

#### **1.4. Universities and/or the academia are active in the field of social entrepreneurship.**

We invite you consider what is the role of universities and the academia in promoting social entrepreneurship by participating in the public debate. We also ask you to examine how active are researchers in their efforts to develop the evidence base in the field of social entrepreneurship and in sharing their knowledge through European and international networks.

##### *Why is it important?*

Universities and the academia can play a key role in promoting and developing the evidence base regarding social entrepreneurship. Higher education programmes can either include courses or being entirely dedicated to social entrepreneurship. These programmes or courses can help not only to breed an entrepreneurial state of mind for tackling social challenges but also allow young students to develop the necessary skills for such an endeavour. Moreover, developing the research agenda around social entrepreneurship not only helps to establish a new academic field at the crossroads of other more traditional subjects and generate new knowledge, but also to raise awareness about it. Finally, given the diversity of social entrepreneurship traditions and cultures within and across countries, international and research networks can stimulate mutual learning and knowledge sharing.

##### *Pointers to help tick the appropriate score*

In order to score high, in your territory:

- Universities or other research institutions participate in promoting social entrepreneurship.
- Academia participates in the public debate on social entrepreneurship.
- There is ongoing research regarding social entrepreneurship.
- Researchers are connected to European/international networks active in this field.

#### **Good practice examples**

##### ***Social Entrepreneurship Akademie (Germany)***

The [Social Entrepreneurship Akademie](#) aims to raise awareness and provide solutions in which entrepreneurial thinking and action can spur social innovation in a sustainable manner. In 2010, the *Social Entrepreneurship Akademie* was established as a joint initiative by four university-based entrepreneurship

centres in Munich. Under the slogan, *Education for Societal Change*, this unique network organisation educates social entrepreneurs or social change makers. It also instils entrepreneurial thinking in all disciplines and makes social impact a decision category in organisations.

#### ***Hilfswerft (Germany)***

[Hilfswerft](#) facilitates societal change by connecting entrepreneurs, companies, social entrepreneurs and universities with each other to multiply social impact. *Hilfswerft* organizes various events on universities and other higher education institutions to promote the concept of social entrepreneurship and to promote social enterprises as employers, trying to strengthen the awareness for the sector and its advantages.

### **1.5. Statistical data are collected for social enterprises.**

We invite you to examine whether actions have been undertaken either by the public sector or other entities in your territory to build the evidence base and gather statistical information regarding social enterprises.

#### *Why is it important?*

Statistical data can provide a precise picture of the state of play of social enterprises in a territory and their evolution through time. For instance, data can reveal the number of social enterprises operating in a given territory, the different (if available) legal forms under which they do so, the fields of their activity, their contribution to the national Gross Value Added, and their contribution to employment. With this piece of information in hand, policy makers and relevant stakeholders can make informed decisions regarding the provision of the necessary support for the development of social enterprises. What is more, statistical data can serve in raising the visibility of social enterprises by demonstrating their contribution both to the economy and the society.

Despite these benefits, statistical data regarding social enterprises remain scarce given the lack of consensus around their definition and relevant measurement questions. Yet, over the last ten years national statistical bodies have made efforts for collecting data on social enterprises, for instance through the creation of satellite accounts. Moreover, registration in public registers (dedicated to social enterprises or not) or at the chambers of commerce is another way that has helped to collect data might. In this case, the registration has been an obligation for social enterprises wishing to start activities. Lastly, regional representative organisations or networks have established initiatives for collecting specific information on social enterprises.

#### *Pointers to help tick the appropriate score*

In order to score high, in your territory:

- Authorities collect statistical data regarding social enterprises.
- Other organisations collect and analyse data on social enterprises.

### **Good practice example**

#### ***Satellite Account (Portugal)***

The national institute for statistics of Portugal regularly collects information on the social economy at the national level through the use of a [Satellite Account](#). The Satellite Account allows having a precise picture of the state-of-play of social economy organisations. For example, In 2013, “social economy represented 2.8% of national GVA, 5.2% of total employment and 6.0% of paid employment. Social economy compensation of employees corresponded to 5.2% of national compensations, with average compensation

in this sector representing 86.4% of the average compensation in national economy. Approximately 61 thousand entities were identified within the scope of the Social Economy Satellite Account (SESA), distributed through a wide set of activities, among which culture, sports and recreation (50.7%) stood out, followed by social action and social security (15.6%). In turn, social action and social security were most relevant in terms of GVA (44.7%), compensation of employees (44.6%) and paid employment (54.6%).