



# Impact of the European Commission's Social Business Initiative (SBI) and its Follow-up Actions

Final Report – November 2020  
Contract: VC/2019/0583



Spatial Foresight, EURICSE,  
ECSF  
November 2020



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## Acronyms

AEIDL	European Association for Information on Local Development L'Association Européenne pour l'Information sur le Développement Local
B2B	Business to business
B2C	Business to consumer
BEP	The Better Entrepreneurship Policy Tool (OECD-EU)
CA	Contribution Analysis
CAPS	Collective Awareness Platforms for Sustainability and Social Innovation
CBA	Cost-benefit analysis
CEE	Central and Eastern European
CF	Cohesion Fund
CoR	European Committee of the Regions
CSR	Corporate Social Responsibility
DG DEVCO	EC Directorate-General for International Cooperation and Development
DG EMPL	EC Directorate-General for Employment, Social Affairs and Inclusion
DG FISMA	EC Directorate-General for Financial Stability, Financial Services and Capital Markets Union
DG GROW	EC Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
DG NEAR	EC Directorate-General for Neighbourhood and Enlargement Negotiations
DG REGIO	EC Directorate-General for Regional and Urban Policy
DG RTD	EC Directorate-General for Research and Innovation
DLA	Dispositif local d'accompagnement (France Active) (Local support system)
EAPN	European Anti-Poverty Network
EARDF	European Agricultural Rural Development Fund
EaSI	European Union Programme for Employment and Social Innovation
EBN	European Network of Business and Innovation Centres
EC	European Commission
EEAS	European External Action Service
EESC	European Economic and Social Council
EFSI	European Fund for Strategic Investments
EIB	European Investment Bank
EIF	European Investment Fund
EMES	Research Network on the Third Sector
EMFF	European Maritime and Fisheries Fund
EMN	European Microfinance Network
ENSIE	European Network of Social Integration Enterprises
EP	European Parliament
ERDF	European Regional Development Fund
ESELA	Legal Network for Social Impact
ESER	European Social Economy Regions
ESF	European Social Fund
ESG	Environmental, social and corporate governance



ESIF	European Structural and Investment Funds (ERDF, ESF, EARD, EMFF, CF)
ESN	Erasmus Social Network
ESMA	European Securities and Markets Authority
EU	European Union
EUCLID	European Network for Social Enterprises and Impact-Driven Leaders
EURADA	European Association of Development Agencies
EuSEF	European Social Entrepreneurship Fund
EUSIC	European Social Innovation Competition
EVPA	European Venture Philanthropy Association
FEBEA	Fédération Européenne des banques Ethiques et Alternatives European Federation of Ethical and Alternative Banks
FPI	EU Service for Foreign Policy Instruments
GECS	Expert Group on social economy and social enterprises
GEM	Global Entrepreneurship Monitor
GIIN	Global Impact Investing Network
GSEF	Global Social Economy Forum
GSG	Global Steering Group for Impact Investment
HEI	Higher Education Institution
ICSEM	International Comparative Social Enterprise Models Research Network
IPA	EU Instrument for Pre-Accession Assistance
LRA	Local and Regional Authorities
MFC	Microfinance Centre
MS	EU Member State
NEET	Not in Education, Employment or Training
NGO	Non-Governmental Organisation
OECD	organisation for Economic Cooperation and Development
REVES	Réseau Européen des Villes & Régions de L'Économie Sociale European Network of Cities and Regions for the Social Economy
SBA	Small Business Act
SBI	European Commission's Social Business Initiative
SDG	UN Sustainable Development Goal
SE	Social Enterprise
SEE	Social Economy Europe
SEO	Social Economy Organisation
SGI	Service of General Interest
SGEI	Service of General Economic Interest
SIC	Social Innovation Community
SSE	Social and Solidarity Economy
TO	Thematic Objective
ToC	Theory of Change
UIA	Urban Innovative Action (EU ERDF programme)
UN	United Nations
WISE	Work integrating social enterprises
YEI	EU Youth Employment Initiative

## Abstract

In 2011, the European Commission presented the Social Business Initiative (SBI) which established an EU level action plan with concrete measures to establish a favourable environment for social enterprises (SE). This study analyses the impact of the SBI on the development of social enterprises/social economy and their operating environments at national and EU levels. 326 interviews at EU level and in 37 European countries were the main source of information. The results show that the SBI and its follow-up activities has had important effects on the regulatory and institutional operating environments of social enterprises/social economy. The SBI has primarily helped to increase the visibility, recognition and understanding of SE. It has contributed to facilitate the availability of information on SE, and to implement mutual learning, research, and visibility measures related to SE and social economy in EU programmes. The SBI and its follow-up activities have made it easier for SE to access public and private funding. Interviewed stakeholders highlight EU policies and EU funds as a key driver for strengthening social economy ecosystems. They consider that the general SBI objectives remain relevant and that needs still persist. The study includes an analysis of current needs and concludes with options for future policy initiatives.

## Extrait

En 2011, la Commission européenne a présenté l'Initiative pour l'entrepreneuriat social (SBI), qui a établi un plan d'action communautaire comportant des mesures concrètes visant à établir un environnement favorable aux entreprises sociales (ES). La présente étude analyse l'impact du SBI sur le développement des ES/de l'économie sociale et leur environnement, tant au niveau national qu'eupéen. À cette fin, 326 entretiens ont été menés au niveau de l'UE et dans 37 pays européens. Les résultats montrent que la SBI et leurs activités de suivi ont eu des implications importantes pour le développement de l'environnement réglementaire et institutionnel des entreprises sociales et de l'économie sociale. La SBI a d'abord permis aux ES de bénéficier d'une plus grande visibilité, d'une plus grande reconnaissance et d'une meilleure compréhension. Elle a permis de rendre disponible plus d'informations sur les ES, de mettre en œuvre des mesures d'apprentissage mutuel, de recherche et d'assurer la visibilité de ces entreprises et de l'économie sociale dans le cadre des programmes communautaires. La SBI et ses activités de suivi ont aussi permis aux ES d'accéder plus facilement à des financements publics et privés. Les parties prenantes interrogées soulignent que les politiques et les fonds européens sont un moteur important du renforcement des écosystèmes de l'économie sociale. Ils estiment que les objectifs généraux de la SBI restent pertinents et que les besoins demeurent. L'étude comprend une analyse des besoins actuels et conclut en suggérant des options pour des initiatives politiques à venir.

## Kurzbeschreibung

Im Jahr 2011 stellte die Europäische Kommission die Social Business Initiative (SBI) vor, die einen konkreten EU-Aktionsplan zur Entwicklung eines günstigen Umfelds für soziale Unternehmen (SE) aufstellte. Diese Studie analysiert die Auswirkungen der SBI auf die Entwicklung des Umfeldes von SE und der Sozialwirtschaft sowohl auf nationaler als auch auf EU-Ebene. Dafür wurden 326 Interviews auf EU-Ebene und in 37 europäischen Ländern durchgeführt. Die Ergebnisse zeigen, dass die SBI und ihre Folgeaktivitäten wichtige Auswirkungen auf die regulatorische und institutionelle Entwicklung im Umfeld Sozialer Unternehmen/der Sozialwirtschaft hatten. Eine größere Sichtbarkeit, Anerkennung und ein besseres Verständnis von SE waren wichtige Beiträge des SBI, vor allem im Hinblick auf die Verfügbarkeit von Informationen, gegenseitiges Lernen, Forschung und die Sichtbarkeit in EU-Programmen. Das SBI und seine Folgeaktivitäten waren wichtig, um die Verfügbarkeit öffentlicher und privater Finanzmittel zu verbessern. Die befragten Stakeholder heben die EU-Politik und die EU-Fonds als eine wichtige Triebkraft für die Entwicklung des Ökosystems für die Sozialwirtschaft hervor. Sie sind der Meinung, dass

die allgemeinen Ziele des SBI ihre Relevanz nicht verloren haben und dass weiterhin Bedürfnisse bestehen. Die Studie umfasst eine Analyse des aktuellen Bedarfs und schließt mit Optionen für künftige politische Initiativen.

## Executive Summary

In 2019, the European Commission commissioned a study on the impact of the SBI and its follow-up actions to a consortium led by Spatial Foresight in cooperation with the European Research Institute on Cooperative and Social Enterprises (Euricse) and the European Centre for Social Finance. The study was financed under the European Programme for Employment and Social Innovation 2014-2020 (EaSI).

The purpose of the present study was to provide the Commission with a comprehensive, evidence-based analysis of the impact of SBI on the development of social enterprises/social economy and their operating environments at national and EU levels. Work was carried out between October 2019 and November 2020. The study covers 28 EU Member States (including UK) and nine additional European countries<sup>1</sup>. In addition to the analysis of literature and key documents, 326 interviews with public authorities, stakeholder organisations, experts and practitioners at EU level and in 37 European countries have been the main source of information. Moreover, 15 case studies were conducted. Achievements of the SBI and its follow-up actions in 18 different impact areas have been analysed.

As defined by the Terms of Reference, this study had to answer several evaluation questions regarding the effectiveness, efficiency, relevance, coherence and EU added value of the SBI and its follow-up actions. The final report and this Executive Summary are structured along these evaluation questions.

### Background

In 2011, the EU Commission presented the Social Business Initiative (SBI) which established a concrete EU level action plan to develop a favourable environment for social enterprises (SE)<sup>2</sup>. EU commitment was reinforced by Council conclusions on the *"promotion of the social economy as a key driver of economic and social development"*<sup>3</sup>. In the Commission's "Start-up and Scale-up Initiative" adopted in 2016, the Commission confirmed its commitment to build on the experience of the SBI. In January 2020, the European Commission announced its intention to launch a new Action Plan for the Social Economy in 2021.

In this study, the terms 'social enterprise' and 'social business' are equivalent, understanding that apart from the SBI communication 'social business' has been used much less in practice than other terms. Social enterprises are a specific part of the economy and of the social economy. A social enterprise is understood as an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. The term 'social economy' describes a broader set of organisations (hereafter referred to as SEO – 'social economy organisations'), notably foundations as well as cooperatives, associations and mutual aid societies pursuing collective interest aims.

Numerous follow-up actions to the SBI were presented in the years after 2011 and until today. Some follow-up actions, such as the Expert Group on social economy and social enterprises, studies or policy tools, involved also the EU Member States, national and regional stakeholders and experts, European network organisations or other international bodies such as the OECD.

Over the years, the action lines and the structure of follow-up actions evolved. Today, the actions cover five different pillars: 1. Access to finance, 2. Access to markets, 3. Framework conditions, 4. Social Innovation, technologies and new business models and 5. International relations.

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<sup>1</sup> Albania, Iceland, Liechtenstein, Montenegro, North Macedonia, Norway, Serbia, Switzerland, Turkey

<sup>2</sup> European Commission 2011

<sup>3</sup> Council of the European Union 2015

## Effectiveness

1. What have been the quantitative and qualitative effects of the SBI? Notably, to what extent has the SBI triggered long lasting sustainable changes in the operating environment of social enterprises/social economy (for example, specific new legal forms and frameworks and institutional arrangements, changes in related relevant legislation (such as tax law, public procurement), policy frameworks and strategies, etc.)?

The SBI and its follow-up activities had important effects on the regulatory and institutional development in the operating environment of social enterprises/social economy.

- In the area of new legal forms and institutional arrangements, most EU level actions had an indirect influence through political legitimisation, raised awareness and visibility and exchange of knowledge and good practices among EU Member States. SBI provided improved framework conditions for activities at national and regional actions across Europe.
- Despite the fact that no new EU level legal forms were adopted, there has been a positive evolution with regard to the legal recognition of SE and social economy organisations. More specific **legal frameworks** have been put in place together in many countries. Since 2011, 16 EU Member States have introduced new legislation concerning social enterprises. The analysis revealed interesting patterns as to how ideas and concepts found their way into regulatory and institutional frameworks and how the SBI was influential in helping to spread them.
- Legitimation through high-level policy support at EU level as well as EU wide networks and EU funding encouraged improving **institutional frameworks**, e.g. the establishment of working groups or task forces on SE. The SBI is seen as a source of inspiration or as a means to create awareness contributing to the development of favourable legislation and specific institutional support.
- **Policy frameworks and strategies** have emerged in countries with an advanced SE/social economy ecosystem, but also in countries where this ecosystem is less developed. Some of them may have been inspired by EU level activities (Council conclusions, EU high-level political events and declarations, mutual learning, exchange of knowledge via GECES). In most cases, EU co-funding (mostly ESF and ERDF but also EaSI and COSME) has encouraged the development of national strategies or support programmes or has at least financed some key measures.
- The EU **public procurement** rules were revised in 2014 and since then transposed into national legislation. Social criteria and reserved contracts in public procurement were used to enhance the access to market of social enterprises. Interviewees are generally aware of the possibilities facilitated by EU public procurement rules. The impact on the development of the SE ecosystem is however limited. Some interviewees recognise that the new rules opened up new opportunities. Others see an unsatisfactory implementation of the rules at national level (in particular at local and regional level), hence, the actual access to markets for SE has not improved much. Moreover, there are important differences depending on the country and on the type of SEO. There is also a clear need to continue working on better public social contracting, in addition to public procurement (e.g. social impact bonds etc.) and social private procurement.
- With regard to **State aid**, a minor positive influence of SBI can be noted. The SGEI<sup>4</sup> package created more favourable conditions for providers of services of general interest. Its coverage exceeds the activities of social economy organisations (and therefore, of this study), but the SBI has played a role to ensure that the SGEI package takes into account the specificities of organisations providing social services. Thus, the SGEI package had a direct impact on improving the access to markets for social enterprises officially entrusted with a specific mission. State aid is an issue that is

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<sup>4</sup> Services of General Economic Interest

generally perceived as complex and burdensome, linked to EU in general, not specifically to the SBI. However, very few interviewed stakeholders are aware of the impact the SBI had on State aid rules. Analysis showed that there is a continued need for support to improve the access to markets, e.g. through legal support or advice to small and medium-sized SE and SEO who do not have internal legal expertise. Targeted legislative changes, such as raising the de minimis threshold for SGEI, actually set at EUR 500 000 per 3 years, might also help to improve the situation of SEO.

Overall, there is a significant influence of the SBI and its follow-up actions in the field of regulatory and institutional frameworks, mainly through a supportive function to Member States. This effect is higher in countries with a less developed social economy ecosystem. The supportive role of the EU has been mentioned by many interviewees.

2. To what extent has the SBI been effective in a) Increasing the visibility and better understanding of the social enterprise business model both at EU and national levels? b) Reinforcing the capacities of networks representing and supporting social enterprises both at EU and national levels?

Increased visibility, recognition and understanding of SE has been a main contribution of the SBI, mostly with respect to the amount of available information, mutual learning and exchanges of good practices, research, awareness and self-recognition, and visibility in EU programmes. In each of these areas, the SBI and its follow-up activities played an important role.

- Analysis has shown that the main contribution of the SBI was on **visibility of SE in EU and national programmes**. The reference to SE in the ESIF funding regulation 2014-2020 made stakeholders considerably more aware of the social economy as thematic field. The possibility of support to SE with EU funds allowed to allocate considerable resources in ERDF and ESF programmes at national level in many countries, e.g. PT, CZ, RO, ES, PL. Moreover, the EaSI Third axis is a very visible and well-known programme and triggered public funding besides private social finance. Other EU programmes such as FP7/Horizon 2020, ERASMUS+ and Interreg, have supported projects in the area of social economy and other related fields, e.g. social innovation, social entrepreneurship, SEO like cooperatives, voluntary sector. This effect can also be noticed in non-EU countries, in particular, Western Balkan countries and Turkey.
- **Education and training** activities increased since 2011 but have not been widespread. EU supported programmes (mainly ESF, ERDF) and ERASMUS+ projects are seen as important influence for SE education and training activities, while domestic support activities seem to be very rare or insufficient. Only one fifth of the interviewees is aware of EU activities in this field. Many stakeholders see a huge need to tackle these issues also in the future.
- SBI/EU activities substantially influenced **mutual learning** and good practice exchange. They did so directly via programmes like Interreg or ERASMUS+ or ESER, and rather indirectly via European networks of social enterprises/social economy and the GECES expert group. Mutual learning activities are highly appreciated, especially by local and regional authorities and stakeholders. Mutual learning at EU level would benefit from a wider support to more networks and intermediaries in the different countries to further disseminate information and good practices to practitioners.
- EU activities have been important to stimulate **research** on SE and social economy. Effective measures were EC studies and reports as well as by financing research studies or research activities (e.g. H2020, Mapping Study, ERDF-Interreg, ESF, OECD country reviews). Other research was inspired and supported by networks and increased attention on SE at European and MS level.
- Interviewees identified a variety of EU activities that have had an influence on better **information** on SE and the social economy. Interviewees mention especially the mapping studies and high-level events. Some of the national activities are indirectly

influenced by EU activities, e.g. information rather linked to national policies, legislation, networks in CEE countries etc. Regarding **statistical development**, most interviewees are not aware of the EU action to improve the statistical data provision on SE (e.g. pilot project with Member States) and see it more as a national responsibility.

- **Awareness** on SE and SE ecosystems has largely increased and is influenced indirectly by many SBI/ EU activities. **Self-recognition** has improved due to incentives such as funding, public procurement possibilities, possibilities to register, labels, networks, incubators. This is not only attributed to SBI/EU but also to other international organisations, e.g. OECD, ILO, British Council and to intermediary organisations, even if they use other approaches to social entrepreneurship, e.g. Ashoka, Impact Hub. A main obstacle noted by interviewees in this area is the level of confusion and different interpretations on the terms 'social enterprise' and 'social entrepreneur', despite the existing definitions in certain EU programmes (e.g. EaSI).
- Concerning **labels, marks or registers** the influence of SBI/EU is perceived as marginal and related to small exchanges in specific circles, e.g. GECES on existing labels and registers. There is no common opinion among experts on whether and to what extent labels or registers are beneficial for SE development, apart from adding to visibility. Experts alert that it is difficult to address all types of SE with rigid criteria. Usually, certain types of SE are excluded when registers are introduced.
- The SBI has had an effect on **networks and representation** through direct support at EU level, e.g. via EaSI and indirectly via networking and cooperation projects. Also, actions at national, regional and local levels have been relevant contributors to the many new networks and associations established since 2011. There is potential for a more structured EU support to capacity-building and professionalisation of networks.
- The majority of stakeholders is not aware of the EU activities in the field of **social impact measurement** (e.g. the GECES report, FP7/Horizon 2020 projects, Interreg projects, EU guides). Only few interviewees know these EU supported actions or link them to real progress at national, regional or local level. Many interviewees indicate it as a need but think that changes are mostly influenced by other actors (Impact investing networks, financial intermediaries, GIIN, IRIS+ network etc.).

3. To what extent has the access to finance by social enterprises been facilitated as a result of the SBI and Start-up and Scale-up Initiatives?
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Overall, the SBI and its follow-up activities, including the start-up and scale-up initiatives, have been particularly important to enhance the availability of public and private funding. In addition, conditions in financial intermediaries have generally improved. However, more important difficulties remain in certain areas, e.g. in CEE countries. The impact on managerial skills of social economy organisations has only been limited.

- Awareness and visibility of SE for **financial intermediaries** has increased significantly. The supply of available social finance has grown substantially. A new type of social finance intermediary emerged, familiar with the social economy. This creation of a new parallel world of social finance intermediaries can be observed in countries with a more advanced social economy ecosystem, such as the UK, Italy, France, Ireland or Spain. Development is much more incipient in CEE countries. EaSI support to financial intermediaries, transaction costs and interfaces between demand and supply led to important good practices and consolidation of new intermediaries and increased capacities. The EuSEF label helped to overcome fragmentation of national legal frameworks for social finance funds across national borders. Although its uptake (13 funds) has been quite limited until now, many stakeholders recognise that it has raised awareness and increased visibility for social investment funds, not only for national/ regional players but also for EIB and EIF.
- The situation of social **private finance** has evolved quite positively over the last decade. In general, the number of intermediaries offering products for social enterprises has increased significantly and the supply of available social finance has

grown substantially since 2011. While the situation of social private finance has evolved positively in developed markets, it is still largely under-developed in Central and Eastern Europe. EaSI financial instruments have been one of the drivers for change in many countries. Particularly, EaSI guarantees have been effective to promote new financial products available specifically for social enterprises or micro credits. However, at the level of social enterprises in many countries no positive changes have been noticed so far. Overall, available resources from commercial banks are still limited, concentrated in certain territories only or not easily accessible (e.g. because of a lack of understanding of the social business model or a lack of capacity to negotiate with banks). Social equity instruments are still less mature and have had a slower uptake so far. Not all interviewees are aware of EU instruments that encourage private funding to SE. This might be due to the fact that EaSI guarantees are channelled via (national/local) financial intermediaries and many EaSI instruments are not directly available for (especially smaller) SE. Still, EaSI is known and appreciated as highly influential by most experts and practitioners. There is persistent need for finance and for improving capacities and conditions in financial intermediaries and in SEO to make private funds readily available.

- The possibility to support SE development through **public funds** was an important trigger to develop the sector, and EU funds have played a substantial role in this. Considerable amounts of funds have been made available for projects and activities for the benefit of social enterprises and social economy organisations, mostly via ESF ERDF (incl. Interreg) and ESF. In some European countries, ESF and ERDF have been the main levers for public funding, in particular CEE countries. But also, in countries such as UK, DE, ES, actions on SE and the social economy were co-funded in national and regional programmes or interregional projects by EU funds. This contributed to a high visibility and the most visible outreach of SBI to local and regional stakeholders. Other relevant programmes were ERASMUS+, COSME and Horizon2020, as well as grants for capacity-building and networking under EaSI. Contribution came also from other EU programmes such as LIFE, YEI, AMIF or the Partnership Instrument.
- The number of initiatives helping SE and SEO develop their **managerial skills** and their business/financial competence has been growing in practically all European countries. The SBI-related activities are mostly related to small EU co-funded projects, i.e. through EaSI, ERASMUS+, ESF or Interreg (ERDF). It is seen as one of the most pressing obstacles to further develop SE scaling. Despite the general perception of important changes over the last decade, few interviewees are aware of SBI/ EU activities that support the development of managerial skills of SE/SEO stakeholder organisations. There are also other intermediary organisations e.g. national and local players, networks and intermediaries such as ACT! Group, incubators promoted by banks or business schools, that are quite active in this field, so the influence of SBI/EU activities is perceived as relatively low, in particular, in CEE countries. Interviewed stakeholders think that the overall situation of skills has not much improved, with a persisting need for training for SEO, considering specific requirements of small SEO and persisting gaps in training offer in rural and peripheral/remote regions.

4. To what extent and with what impact did the EU and national measures promoted following the SBI facilitate the uptake of new technologies and new business models by social enterprises?

This impact area of **technologies, digitisation and new business models** was not described explicitly in the 2011 SBI Communication. However, it became clear shortly after that technology change can be a facilitating enabler for the development of social enterprises and the social economy, which is why this dimension was explicitly taken up in the 2016 Commission's Start-up and Scale-up Initiative. In this area, most EU support has gone through pilot actions, research projects, support to new platforms, studies and reports. For example, relevant initiatives funded by Horizon 2020 research projects include the Digital Social Innovation platform, the Social Innovation Community website, the



Social Innovation Challenge Platform and the European Social Innovation Competition. The promotion of digital skills in work integration social enterprises will be addressed by the new Blueprint for sectoral skills (Erasmus+). However, the current level of digitisation in SEO is still reduced and this is due to several reasons, including high investment costs for new solutions and the lack of capacities (digital literacy) to use technology-based solutions. Interviewees in our study confirm the general importance and benefits of digitisation on organisations but also perceive the risk of exclusion. The role of the social economy is increasing in local and regional initiatives that promote innovation and digital transformation. A clear need for further action has been detected by several SBI follow-up actions.

5. To what extent have the initiatives launched following the SBI contributed to development regarding the international cooperation and agenda related to social enterprises / economy?

The **external dimension** of the social economy and SE was not highlighted by the original SBI which concentrated on internal actions within the EU territory. However, in the years after 2011 the issue became more important and was explicitly recognised by the Commission's 2016 Start-up Scale-up initiative. Several SBI follow-up actions are also implemented in third countries, for example via the EaSI programme. Initiatives can be grouped under three work streams. First, promoting social economy and social enterprises in neighbourhood/enlargement programmes e.g. a Study on social economy in Eastern Neighbourhood and Western Balkans, DG NEAR projects, studies, initiatives, Eastern Partnership, enlargement countries, dialogue with MED countries. Secondly, FPI, EEAS and DG DEVCO support the social economy development in EU international cooperation and development policy with different activities implemented e.g. Partnership agreements, Inclusive Business Action Networks or the EC partnership with the International Cooperative Alliance. Third, EU has established a regular collaboration with international knowledge-sharing and economic diplomacy fora such as the International Leading Group on the Social and Solidarity Economy, the UN Task Force on the Social and Solidarity Economy, European representation at Global Steering Group for Impact Investment (GSG) etc.

Overall, EU support to the social economy in cooperation at international level has had a positive effect. Exchange of information and learning between countries increased. The availability of EU funded actions for non-EU candidate countries is an important result of the international outreach of some SBI follow-up actions such as EaSI-funded action, and the inclusion of SE related objectives and actions under ERDF-INTERREG and IPA instruments. Support to social enterprises and social economy organisations has become increasingly important in the cooperation with the Western Balkan countries and the Mediterranean countries. Strategic and institutional guidance was particularly appreciated in the candidate countries that were invited to take part in events and working groups, such as the GECES expert group. However, not many interviewees from EU Member States are aware of SBI/EU action in this field. Despite the progress, some stakeholders consider that the role of the European Union in international fora is still too limited and that the topic of SE and social economy has not reached the relevance on the agendas as it should have, given the existing experience and expertise in Europe on SE as well as the important role of SE and social economy organisations in sustainable and inclusive development.

6. What factors have driven or hindered progress in all the above-mentioned areas, and to what extent are they linked (or not) to the SBI?

The analysis of interview findings shows that changes in the ecosystem of social enterprises/social economy are widely influenced by specific drivers, having a positive and amplifying effect, as well as by obstacles, with a hampering effect. Interviewees highlight the presence of EU policies, EU funds and EU projects as a key **driver** for developing the ecosystem for SE. This includes the European Commission's strategic framework (SBI) in general and some EU-level activities (GECES, mapping study, Strasbourg conference in 2014) but also concrete EU-funded activities at country level, such as ESIF

projects/programmes or EaSI funding, EU legislation on procurement, or specific initiatives like Interreg, Erasmus+ projects, ESER. Other main drivers – external to SBI – are new social movements (movements to accept and integrate migrants and refugees, the fight against climate change, the perceived need to align with sustainable development goals, demands for more social responsibility of business and an increased need to respond to societal challenges), political commitment and support at national/regional level, more available information and better understanding of the SE needs, a better developed, and more demanding SE, NGO or welfare sector, the consequences of the economic crisis (2009/2010) and budget constraints in the public sector. A wide range of different **obstacles** hampered the development of the SE ecosystem following the interview findings. Interviewees refer to an inappropriate legal framework and the lack of a common definition, lack of funding, an unfair competition with regular enterprises, as well as to lacking (managerial/professional) skills and capacities in SE/SEO. Obstacles have been further analysed under the Relevance question with regard to new needs of SE and SEO.

### Efficiency

1. To what extent have the costs (including all costs, both human and financial resources) associated with six EU level initiatives (EaSI Third Axis, EFSI, EuSEF Regulation, ESER pilot project, EC-OECD cooperation, Mapping Studies), launched on the basis of the SBI, been proportionate to the benefits they have generated?

The analysis shows that there was a clear benefit and contribution from all six policy initiatives that have been analysed. The detailed results of the specific cost-benefit analyses of selected SBI actions provide a mixed picture. Most efficient contribution was observed from the instruments working predominantly in the area of awareness-raising, knowledge- and network-building. This was followed by funding initiatives that also have clear benefits, but also much higher costs associated. Finally, the analysis showed that the initiatives focussing on regulation require complex and lengthy processes with considerable costs associated before a tangible benefit can emerge. This was the case of EuSEF. However, these initiatives can be also considered as important, even if not highly efficient in the short run, because they represent milestones for future developments and for reducing important administrative and legal obstacles, preparing the ground for a significant benefit in the future. In this sense, they correspond also to the EU policy priorities related to the single market and to EU integration.

### Relevance

1. To what extent are the actions launched on the basis of the SBI still relevant? Are the financial instruments still addressing the gaps in the market?

According to the research, actions launched on the basis of the SBI are still relevant. There is still a perceived need for actions in the field of visibility and recognition, including proper legal frameworks, as well as the need for a better understanding in public authorities and among the general public. Needs that are even more important include the improvement of managerial skills and professionalization, access to market and the availability of finance. Overall, more and more specific needs are emerging (see Question 3 below). Financial instruments were generally tailored to the needs of SE, in the sense that they were used to offer new financial products to SE and other social economy organisations in many European countries. The EaSI SE Guarantees were a relevant instrument that had an important benefit but was better received in countries with a more advanced SE and social financial ecosystem. More specific instruments for supporting countries with a developing social economy might be necessary. Debt-related financial instruments had a better uptake so far than equity-based instruments. However, needs are evolving. Small organisations face more challenges than larger SE. Micro and small funding is needed for early phases after start-up (seed, scale-up). Better suited tools and schemes tailored to the diverse needs that SE face in the diverse phases of their lifecycle are needed. Further needs emerge with regard to equity social finance, crowdfunding etc. Business and financial skills in SEO represent a relevant need.

2. To what extent have the original SBI objectives proven to be appropriate?

Overall, both the desk research and interviews confirm the appropriateness of the original SBI objectives – back in 2011 and today. Stakeholders believe that the general SBI objectives have not lost their relevance and needs still persist, even if with different intensities, depending on the degree of development of SE/SEO and the maturity of the ecosystems wherein social enterprises/social economy organisations operate in each country. According to most respondents, there is still a need for more visibility and recognition, as well as a need for a better understanding of SE/social economy. Relevant needs that have not changed include access to market and availability of finance. The fact that over time two new objectives (digitisation/new business models and external action) were added to the SBI package of follow-up actions shows that at EC level there has been an-going monitoring and consideration of relevant trends and needs, certainly supported by the work of the GECES expert group. Nevertheless, the analysis has shown that the SBI objectives were perceived sometimes as too broad and partially disconnected from national/local contexts.

3. How well do the original SBI objectives still correspond to the needs of social enterprises / social economy stakeholders?

The analysis highlights a progressive evolution of needs from general/basic requirements to more precise and specific ones, mainly due to the stronger awareness of most stakeholders of the concrete bottlenecks that should be dealt with to unlock the potential of SE/social economy. This includes, for instance, the more pressing need to upgrade the skills of SE and SEO in order to equip them to adequately face business challenges. There is, moreover, a need for capacity building and knowledge sharing not only among SEO stakeholders, but also among policy makers, civil servants and at financial intermediaries, who still struggle in many countries to understand the main features, roles, and potential of SE and SEO. Related to this issue, there is a stronger need for more tailored measures and instruments such as specific funding products/financial services, as well as public contracting that is better suited to the peculiar needs of SEO (especially small ones) and of the territories wherein SEO operate, especially less-populated and remote areas. There is an untapped potential for innovative partnerships between SE/SEO and public authorities. Additional areas that are perceived as evolving include the need for better preparation of digitisation, the need to support adequate scaling strategies, the need to ensure better cooperation between SE/SEO and conventional enterprises, the need to link the EU policy on social economy to other overarching strategies and policy objectives, and the need to strengthen social economy networks.

4. How relevant are the initiatives taken on the basis of the SBI to EU citizens?

Results of the analysis show that 29% of interviewees are not aware of the SBI. This is a relatively high figure, taking into account that practitioners, experts and stakeholders were interviewed. It can therefore be assumed that the general public and EU citizens are even less aware on the SBI as EU policy initiative. Interviews show that the SBI is better known in MSs that have a mature ecosystem for SE. The analysis of social media as proxy of impact on public life shows that SE and the social economy are increasingly recognised and discussed on social media and thus reaching the public debate. The social media analysis illustrates an increasing number of social media groups and interaction on the topics of social enterprises, social innovation and the social economy. As such it reflects a tendency that can also be observed in the population, linked to greater awareness on impact economy or social welfare models. Since 2011, the number of social media groups and interaction have increased. Some specific follow-up actions are visible in social media (e.g. EaSI, EuSEF) but in a very limited way. Most social media messages, tweets, are in languages of countries with a rather advanced ecosystem for SE and social economy, namely French and Italian as well as Dutch (Flanders). The SBI is expected to have contributed little to enhance public debate in countries with less advanced SE ecosystems. Social media analysis suggests thus that the SBI is mostly discussed among insiders, e.g.

persons already familiar with social enterprises and the social economy or with specific follow-up actions in countries with advanced social economy ecosystems.

### Coherence

1. To what extent are the SBI and its follow-up actions coherent with the European Commission's policies and priorities, as well as with wider EU policy?

Analysis of high-level EU policy documents shows a general coherence of the SBI with other EU policies and priorities, in terms of overall objectives and dimensions. However, in most policy documents, there is only a weak coherence at operational level. For example, there is no explicit reference to the SBI or how social enterprises/social economy can contribute to achieve the policy objectives. In some documents, social enterprises/social economy are mentioned but their role in achieving the objectives set for such policies is not acknowledged. This is also the case for wider EU policy, for example the contribution to Sustainable Development Goals (SDGs). These findings concern mainly the policies launched in the period 2011-2018. Since 2019/2020, a trend towards a more positive and stronger coherence between newly adopted policy documents, strategies and action plans and the development of social economy/social enterprises can be observed. In particular, the role of the social economy to achieve policy objectives is highlighted in a large number of key policy documents, e.g. the just transition communication, the circular economy action plan, the SME strategy, the recovery strategy, the European Semester communication. Many policy documents mention also specific instruments that can support the achievement of policy objectives through social innovation and social entrepreneurship. The majority of interviewed stakeholders perceives that the SBI is largely coherent with other EU policies, but that this general coherence is only partially reflected at the operational level. Most stakeholders expect a greater coherence and a mainstreaming of social enterprises and the social economy in relevant policy areas with the contribution of the forthcoming Action Plan on Social Economy.

### EU Added Value

1. What is the additional value of the SBI, compared to what could reasonably have been expected from Member States acting at national and/or regional levels without an EU level policy initiative and its follow-up actions?

Stakeholders confirm the **overall perception of a high additional value of the SBI** and its follow-up actions. Most interviewees (63%) acknowledge that the SBI and its follow-up actions had at least some additional value compared to national action at MS level. 14% of them see a very high added value, 49% see a high added value. 22% of the interviewees perceive that the SBI had a minor added value compared to action at MS level, while 15% see no additional value compared to what would have happened in their country without the SBI.

Specific added value of EU actions is perceived by stakeholders mostly in relation to EU funding programmes, both in the area of improving visibility in funding programmes and by making public funding available. Still considerable added value is perceived in the areas of education and training, mutual learning and research. Other EU actions showed, in the eyes of the social economy stakeholders, less added value, in particular in the areas of state aid, social innovation, new technologies and digitalisation, as well as social impact measurement. In these fields, national frameworks are seen as dominant arenas of policy support.

According to the degree of maturity of the social economy ecosystem, different countries show **particular patterns of EU added value**. Countries with an advanced SE ecosystem perceive, on the one hand, more EU added value than countries where the SE ecosystem is developing. Important areas for countries with a well-developed social economy ecosystem are: Regulatory and institutional environment, and Information and Understanding. On the other hand, important areas for countries with a less-developed social economy ecosystem (mostly Central and Eastern European countries) are: Public

and private public procurement, Conditions in financial intermediaries, Managerial skills in SE/SEO, Labels and certificates, Information and Understanding, Access to private finance.

In recent years, the SBI follow-up actions are pioneering analysis and support to **new fields of action** that are becoming relevant for SE and the social economy. New fields include, for example, the field of private procurement and scaling up for SEO. A second field are new forms of public contracting, for example via social impact bonds or outcome contracting. Thirdly, digitisation offers new possibilities to technology-based SE/SEO, but also to traditional social services that need to be exploited. Finally, equity finance with social impact has the potential to open up new channels for private finance.

2. What, if any, has been the added value of the work carried out by the multi-stakeholder expert group (Commission's Expert Group on Social Entrepreneurship (GECES)) established to follow up the implementation of the SBI?

The expert group on social entrepreneurship (GECES) was first established for seven years in 2011 and was renewed again in 2018 under the title "expert group on social economy and social enterprises". Among the 50.2% of the stakeholders that are familiar with the work of GECES, the **appreciation of its work is positive**. The perceived GECES benefits can be grouped into the areas such as support to policy and decision making, exchange of experiences and practices, community building and networking, increasing visibility and mutual learning. GECES is mostly known to experts, policymakers and practitioners related directly to SE/social economy policymaking at EU and international level. Proposals for increasing the GECES added value refer to the aspects of communication of information at Member State level. Translation of publications and documents in all EU official languages can be useful to improve outreach towards the local and regional level. Other examples of measures would be to promote interfaces or dissemination structures at Member state level that facilitate the exchange of GECES-related information and its dissemination.

## Synthèse

En 2019, la Commission européenne a lancé une étude sur l'impact de la SBI et de ses actions de suivi. Cette étude a été confiée au consortium dirigé par Spatial Foresight, qui comprend l'Institut européen de recherche sur les entreprises coopératives et sociales (Euricse) et le Centre européen de financement social. L'étude est financée dans le cadre du Programme européen pour l'emploi et l'innovation sociale 2014-2020 (EaSI).

L'objectif de la présente étude est de permettre aux services de la Commission de disposer d'une analyse complète et factuelle de l'impact de la SBI sur le développement des entreprises sociales/ de l'économie sociale et de leur environnement opérationnel, aussi bien au niveau national qu'eupéen. Elle a été réalisée entre octobre 2019 et octobre 2020. L'étude couvre 28 États membres de l'UE (dont le Royaume-Uni) et neuf autres pays européens<sup>5</sup>. Outre l'analyse de la littérature et des documents clés, 326 entretiens avec des autorités publiques, des organisations représentatives des acteurs de l'économie sociale, des experts et des praticiens au niveau de l'UE et dans 37 pays européens ont constitué la principale source d'information. En outre, 15 études de cas ont été réalisées. Les résultats de la SBI et de ses actions de suivi dans 18 domaines d'impact différents ont été analysés.

Conformément au cahier des charges, cette étude a répondu à plusieurs questions d'évaluation concernant l'efficacité, l'efficience, la pertinence, la cohérence et la valeur ajoutée pour l'UE de la SBI et de ses actions de suivi. Le rapport final et la présente synthèse sont structurés en fonction de ces questions d'évaluation.

## Contexte

En 2011, la Commission Européenne a présenté l'Initiative pour l'entrepreneuriat social (SBI) qui a établi un plan d'action concret au niveau de l'UE pour développer un environnement favorable aux entreprises sociales (ES)<sup>6</sup>. L'engagement de l'UE a été renforcé par les conclusions du Conseil sur la *"promotion de l'économie sociale en tant que moteur essentiel du développement économique et social"*<sup>7</sup>. Dans son initiative de la intitulée *Les grands acteurs européens de demain: l'initiative en faveur des start-up et des scale-up*, adoptée en 2016, la Commission a confirmé son engagement à s'appuyer sur l'expérience accumulée dans le cadre de la SBI pour concevoir les actions ultérieures. En janvier 2020, la Commission a annoncé son intention de lancer un nouveau plan d'action pour l'économie sociale en 2021.

Dans cette étude, les termes anglais « social enterprise » et « social business » sont considérés comme étant synonymes. Le terme « social business » est nettement moins usité que « social enterprise », sauf lorsqu'il est question de la SBI. Les entreprises sociales sont une partie spécifique de l'économie et de l'économie sociale. Une entreprise sociale est comprise comme un opérateur de l'économie sociale dont l'objectif principal est d'avoir un impact social, et non de réaliser un profit pour ses propriétaires ou ses actionnaires. Le terme « économie sociale » décrit un ensemble plus large d'organisations (ci-après désignées en tant qu'organisations de l'économie sociale ou « OES »), y compris des fondations et des coopératives, des associations et des sociétés d'entraide poursuivant des objectifs d'intérêt général.

De nombreuses actions de suivi de la SBI ont été introduites après 2011 et jusqu'aujourd'hui. Certaines actions de suivi, telles que le groupe d'experts sur l'économie sociale et les entreprises sociales, les études ou les outils politiques, ont mobilisé les États membres de l'UE, des parties prenantes et experts nationaux et régionaux, des organisations de réseaux européens ou d'autres organismes internationaux tels que l'OCDE.

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<sup>5</sup> Albanie, Islande, Liechtenstein, Monténégro, Macédoine du Nord, Norvège, Serbie, Suisse, Turquie

<sup>6</sup> Commission européenne 2011

<sup>7</sup> Conseil de l'Union européenne 2015

Au fil des ans, les lignes d'action et la structure des actions de suivi ont évolué. Aujourd'hui, les actions couvrent cinq piliers différents : 1. l'accès au financement, 2. l'accès aux marchés, 3. les conditions cadres, 4. l'innovation sociale, technologies et nouveaux modèles commerciaux et 5. les relations internationales.

### Efficacité

1. Quels ont été les effets quantitatifs et qualitatifs de la SBI ? Notamment, dans quelle mesure la SBI a-t-elle déclenché des changements durables à long terme dans l'environnement opérationnel des entreprises sociales/économie sociale (par exemple des nouvelles formes et cadres juridiques et des arrangements institutionnels novateurs et spécifiques, des évolutions législatives significatives (notamment en matière de droit fiscal et de droit des marchés publics), les cadres politiques et stratégies, etc.)

La SBI et ses activités de suivi ont eu des effets importants sur le développement réglementaire et institutionnel dans l'environnement opérationnel des entreprises sociales/ de l'économie sociale.

- Dans le domaine des nouvelles formes juridiques et des nouveaux arrangements institutionnels, la plupart des actions menées au niveau de l'UE ont indirectement influencé les changements par le biais d'une légitimation politique, d'une sensibilisation et d'une visibilité accrues et d'un échange de connaissances et de bonnes pratiques entre les États membres de l'UE. La SBI a permis d'améliorer les conditions cadres des activités menées dans le cadre des actions nationales et régionales dans toute l'Europe.
- Bien qu'aucun cadre juridique communautaire n'ait été adoptée, une évolution positive a été constatée en ce qui concerne la reconnaissance juridique des organisations de l'économie sociale. Des **cadres juridiques** plus spécifiques ont été mis en place dans de nombreux pays. Depuis 2011, 16 États membres de l'UE ont introduit une nouvelle législation concernant les entreprises sociales. L'analyse a permis d'identifier des modalités intéressantes de mobilisation d'idées et de concepts diffusées avec l'aide de la SBI dans les cadres réglementaires et institutionnels.
- La légitimation par un soutien politique communautaire de haut niveau ainsi que par les réseaux et les financements de l'UE ont encouragé l'amélioration des **cadres institutionnels**, par exemple la création de groupes de travail ou d'action sur les ES. La SBI est considérée comme une source d'inspiration et un moyen de générer une plus grande prise de conscience des enjeux. Elle contribue ainsi indirectement à l'élaboration d'une législation et à un soutien politique spécifique.
- Des **cadres et des stratégies politiques** ont émergé dans les pays où l'écosystème des ES est mature, mais aussi dans les pays où il est modérément ou peu développé. Certaines de ces initiatives ont pu être inspirées par des activités menées au niveau de l'UE (conclusions du Conseil, événements et déclarations politiques de haut niveau de l'UE, apprentissage mutuel, échange de connaissances via le GECES). Dans la plupart des cas, le cofinancement de l'UE (principalement par le FSE et le FEDER, mais aussi par l'EaSI et par le programme COSME) a encouragé l'élaboration de stratégies ou de programmes de soutien nationaux ou a au moins cofinancé certaines mesures clés.
- La **directive européenne sur les marchés publics** a été adoptée en 2014 et transposée depuis dans les législations nationales. Les critères sociaux et les marchés publics réservés ont été des outils importants pour améliorer l'accès au marché pour des entreprises sociales. Les personnes interrogées ont en général connaissance des possibilités qu'offrent la directive européenne.- L'impact sur le développement de l'écosystème des ES est cependant limité. Certaines personnes interrogées reconnaissent que les nouvelles règles ont ouvert de nouvelles possibilités. D'autres estiment que la mise en œuvre des règles au niveau national (en particulier aux niveaux local et régional) n'est pas satisfaisante. De ce fait, l'accès aux marchés pour les entreprises sociales ne s'est donc pas beaucoup amélioré dans la pratique. En

outre, il existe des différences importantes selon le pays et le type d'OES. Il est également nécessaire de continuer à améliorer les contrats à impacts social, en sus efforts portant des marchés publics et la prise en compte de la dimension sociale dans les marchés privés.

- En ce qui concerne les **aides d'État**, on peut noter une influence positive de la SBI. Le paquet SIEG a créé des conditions plus favorables pour les prestataires de services d'intérêt général. Sa couverture dépasse les activités des organisations de l'économie sociale (et donc, de la présente étude), mais la SBI a joué un rôle pour que le paquet SIEG prenne en compte les spécificités des organisations fournissant des services sociaux. Ainsi, le paquet SIEG a eu un impact direct sur l'amélioration de l'accès aux marchés pour les entreprises sociales officiellement chargées d'une mission spécifique. Les aides d'État sont une question généralement perçues comme un enjeu complexe et contraignant, liée à l'UE en général, et pas spécifiquement à la SBI. Toutefois, très peu de personnes interrogées ont connaissance de l'impact de la SBI sur l'évolution des règles relatives aux aides d'État. L'analyse a montré qu'il existe un besoin continu de soutien pour améliorer l'accès aux marchés, par exemple par le biais d'une aide ou de conseils juridiques aux petites et moyennes entreprises sociales et aux OES qui ne disposent pas d'une expertise juridique propre. Des modifications législatives ciblées, telles que le relèvement du seuil de minimis pour les SIEG, actuellement fixé à 500 000 euros par période de trois ans, contribuer à améliorer la situation des OES.

Dans l'ensemble, la SBI et ses actions de suivi ont une influence significative dans le domaine des cadres réglementaires et institutionnels, principalement par le biais d'une fonction de soutien aux États membres. Cet effet est plus important dans les pays ayant un écosystème des ES peu développé. Le rôle de soutien de l'UE a été mentionné par de nombreuses personnes interrogées.

2. Dans quelle mesure la SBI a-t-elle été efficace pour a) accroître la visibilité et mieux comprendre le modèle d'entreprise des entreprises sociales tant au niveau de l'UE qu'au niveau national ? b) renforcer les capacités des réseaux représentant et soutenant les entreprises sociales tant au niveau de l'UE qu'au niveau national ?

L'amélioration de la visibilité, de la reconnaissance et de la compréhension des ES a été l'une des principales contributions de la SBI, principalement en ce qui concerne la quantité d'informations disponibles, l'apprentissage mutuel et les échanges de bonnes pratiques, la recherche, la sensibilisation et l'auto-reconnaissance, et la visibilité dans les programmes de l'UE. Dans chacun de ces domaines, la SBI et ses activités de suivi ont joué un rôle important.

- L'analyse a montré que la principale contribution de la SBI portait sur la **visibilité des ES dans les programmes européens et nationaux**. La mention des ES dans les règlements des FESI 2014-2020 a considérablement sensibilisé les parties prenantes à l'économie sociale en tant que domaine thématique. La possibilité de soutenir les ES avec des fonds de l'UE a permis de programmer des ressources considérables dans les programmes du FEDER et du FSE au niveau national dans de nombreux pays, par exemple PT, CZ, RO, ES, PL. En outre, le troisième axe de l'EaSI est un programme très visible et bien connu qui a déclenché des financements publics en plus des financements sociaux privés. D'autres programmes de l'UE, tels que le 7e PC/Horizon 2020, ERASMUS+ et Interreg, ont soutenu des projets dans le domaine de l'économie sociale et d'autres domaines connexes, par exemple l'innovation sociale, l'entrepreneuriat social, les coopératives de type OSE et le secteur du bénévolat. Cet effet peut même être observé dans les pays tiers, en particulier dans les Balkans occidentaux et en Turquie.
- Les activités d'**éducation et de formation** se sont développées depuis 2011 mais ne se sont pas généralisées. Les programmes soutenus par l'UE (principalement le FSE et le FEDER) et les projets ERASMUS+ sont considérés comme ayant une influence importante sur les activités d'éducation et de formation en Europe du Sud-Est, tandis



que les activités de soutien nationales semblent être très rares ou même insuffisantes. Seul un cinquième des personnes interrogées sont au courant des activités de l'UE dans ce domaine. De nombreuses parties prenantes estiment qu'il est nécessaire de continuer à apporter des réponses dans ce domaine à l'avenir.

- Les activités de la SBI et, plus largement, celles de l'UE, ont considérablement influencé l'**apprentissage mutuel** et l'échange de bonnes pratiques. Il a été directement ciblé par des programmes comme Interreg ou ERASMUS+ ou ESER, et plus indirectement renforcé par les réseaux européens d'entreprises sociales et le groupe d'experts GECES. Les activités d'apprentissage mutuel sont très appréciées, en particulier par les autorités locales et régionales et les parties prenantes. L'apprentissage mutuel au niveau de l'UE bénéficierait d'un soutien plus important et plus large à un plus grand nombre de réseaux et d'intermédiaires dans les différents pays afin de diffuser davantage d'informations et de bonnes pratiques aux praticiens.
- Les activités de l'UE ont été importantes pour stimuler la **recherche** sur les ES et l'économie sociale. Les mesures efficaces ont été les études et les rapports de la Commission Européenne ainsi que le financement d'activités de recherche (par exemple H2020, étude cartographique, FEDER-Interreg, FSE, examens par pays de l'OCDE). D'autres recherches ont été inspirées par les réseaux et par l'attention accrue portée aux ES au niveau européen et des États membres.
- Les personnes interrogées identifient différentes activités de l'UE ayant contribué à une meilleure **information** sur les ES et l'économie sociale. Les personnes interrogées mentionnent en particulier les études de cartographie et les événements de haut niveau. Certaines des activités nationales sont indirectement influencées par les activités de l'UE, par exemple les informations plutôt liées aux politiques nationales, à la législation, aux réseaux dans les Pays d'Europe centrale et Orientale (PECO), etc. En ce qui concerne le **développement statistique**, la plupart des personnes interrogées ne sont pas au courant de l'action de l'UE visant à améliorer la fourniture de données sur les ES (comme par exemple le projet pilote actuellement en cours avec les États membres) et la considèrent davantage comme une responsabilité nationale.
- De nombreuses de suivi de la SBI ont, directement ou indirectement, permis de renforcer la **sensibilité** aux ES et aux écosystèmes d'ES. La **conscience des acteurs de l'économie sociale de constituer une communauté** s'est améliorée grâce à des incitations telles que le financement, les possibilités de marchés publics, les possibilités d'enregistrement, les labels, les réseaux et les incubateurs. Ceci n'est pas seulement attribué à la SBI et à l'UE mais aussi à d'autres organisations internationales, par exemple l'OCDE, l'OIT, le British Council et à des organisations intermédiaires, même si elles utilisent d'autres approches de l'entrepreneuriat social. C'est le cas notamment d'Ashoka ou d'Impact Hub. Un des principaux obstacles relevés par les personnes interrogées dans ce domaine est le niveau de confusion et les différentes interprétations des termes "entreprise sociale" et "entrepreneur social".
- En ce qui concerne les labels, marques ou registres, l'influence de la SBI et de l'UE est perçue comme marginale et liée à de petits échanges dans des cercles spécifiques, par exemple GECES sur les labels et registres existants. Mis à part le surplus de visibilité, il n'y pas d'accord entre les experts sur la question de savoir si les labels ou les registres sont bénéfiques au développement des ES et, si oui, dans quelle mesure. Les experts soulignent qu'il est difficile d'appliquer des critères rigides à toutes les ES. Habituellement, certains types d'ES sont exclus lors de l'introduction des registres.
- La SBI a eu un effet sur les **réseaux et la représentation** par un soutien direct au niveau de l'UE, par exemple via l'EaSI et indirectement via des projets de mise en réseau et de coopération. En outre, les actions menées aux niveaux national, régional et local ont contribué de manière significative aux nombreux nouveaux réseaux et associations créés depuis 2011. Il existe un potentiel pour un soutien plus structuré de l'UE au renforcement des capacités et à la professionnalisation des réseaux.
- La majorité des parties prenantes ne connaissent pas les activités de l'UE dans le domaine de la **mesure de l'impact social** (par exemple, le rapport GECES, les

projets FP7/Horizon 2020, les projets Interreg, les guides de l'UE). Seules quelques personnes interrogées connaissent ces actions soutenues par l'UE ou les relient à des progrès réels au niveau national, régional ou local. De nombreuses personnes interrogées indiquent qu'il s'agit d'un besoin, mais pensent que les changements sont surtout influencés par d'autres acteurs (réseaux d'investissement Impact, intermédiaires financiers, GIIN, réseau IRIS+, etc.).

3. Dans quelle mesure l'accès au financement des entreprises sociales a-t-il été facilité grâce aux initiatives SBI et Start-up et Scale-up ?

La SBI et ses activités de suivi, y compris les initiatives de démarrage et d'expansion, ont été particulièrement importantes pour améliorer la disponibilité des financements publics et privés. En outre, les conditions dans les intermédiaires financiers se sont améliorées. Cependant, des difficultés plus importantes subsistent dans certaines régions, par exemple dans les PECO. L'impact sur les compétences managériales des organisations de l'économie sociale a été limité.

- La visibilité des ES parmi les **intermédiaires financiers**, et leur sensibilité à cet enjeu, ont augmenté de manière significative. L'offre de financement social disponible s'est considérablement accrue. Un nouveau type d'intermédiaire financier social est apparu, familier de l'économie sociale. Cette création d'un système parallèle d'intermédiaires financiers sociaux peut être observée dans les pays où l'écosystème de l'économie sociale est le plus développé, comme au Royaume-Uni, en Italie, en France, en Irlande ou en Espagne. Le développement est beaucoup plus embryonnaire dans les PECO. Le soutien de l'EaSI aux intermédiaires financiers, les coûts de transaction et les interfaces entre la demande et l'offre ont conduit à d'importantes bonnes pratiques, à la consolidation de nouveaux intermédiaires et à l'augmentation des capacités. Le label « EuSEF » a contribué à surmonter la fragmentation des cadres juridiques nationaux pour les fonds de financement social au-delà des frontières nationales, bien que son utilisation (13 fonds) ait été assez limitée jusqu'à présent. De nombreuses parties prenantes reconnaissent qu'il a permis de sensibiliser et d'accroître la visibilité des fonds d'investissement social, non seulement pour les acteurs nationaux/régionaux, mais aussi pour la BEI et le FEI.
- La situation du **financement privé** social a évolué de manière assez positive au cours de la dernière décennie. En général, le nombre d'intermédiaires offrant des produits pour les entreprises sociales a augmenté de manière significative et l'offre de financement social disponible s'est considérablement accrue depuis 2011. Si la situation du financement privé social a évolué positivement sur les marchés développés, elle est encore largement sous-développée en Europe centrale et orientale. Les instruments financiers de l'EaSI ont été l'un des moteurs du changement dans de nombreux pays. En particulier, les garanties de l'EaSI ont été efficaces pour promouvoir de nouveaux produits financiers disponibles spécifiquement pour les entreprises sociales ou les microcrédits. Toutefois, au niveau des entreprises sociales dans de nombreux pays, aucun changement positif n'a été constaté jusqu'à présent. Dans l'ensemble, les ressources disponibles auprès des banques commerciales sont encore limitées, concentrées dans certains territoires seulement ou difficilement accessibles (par exemple en raison d'un manque de compréhension du modèle d'entreprise sociale ou d'un manque de capacité à négocier avec les banques). Les instruments d'investissement en capital social sont encore moins mûrs et leur adoption a été plus lente jusqu'à présent. Les instruments de l'UE qui encouragent le financement privé des ES ne sont pas connues de la totalité des personnes interrogées. Cela pourrait être dû au fait que les garanties de l'EaSI sont acheminées par des intermédiaires financiers (nationaux/locaux) et que de nombreux instruments de l'EaSI ne sont pas directement disponibles pour les ES (en particulier les plus petites). Néanmoins, l'EaSI est connu et apprécié comme étant très influent par la plupart des experts et des praticiens. Il existe un besoin persistant de financement et d'amélioration des capacités et des conditions des intermédiaires financiers et des OSE pour rendre les fonds privés facilement disponibles.

- La possibilité de soutenir le développement des ES par des **fonds publics** a été un important déclencheur du développement du secteur, et les fonds de l'UE ont joué un rôle substantiel à cet égard. Des montants considérables ont été mis à disposition pour des projets et des activités au profit des entreprises sociales et des organisations de l'économie sociale, principalement via le FEDER (y compris Interreg) et le FSE. Dans certains pays européens, le FSE et le FEDER ont été les principaux leviers de financement public, en particulier dans les pays d'Europe centrale et de l'est. Mais aussi, dans des pays tels que le Royaume-Uni, l'Allemagne et l'Espagne, les actions sur les ES et l'économie sociale ont été cofinancées dans le cadre de programmes nationaux et régionaux ou de projets interrégionaux par des fonds de l'UE. Cela a contribué à une grande visibilité et à la diffusion la plus visible de la SBI auprès des acteurs locaux et régionaux. D'autres programmes pertinents étaient ERASMUS+, COSME et Horizon2020, ainsi que des subventions pour le renforcement des capacités et la mise en réseau dans le cadre de l'EaSI. D'autres programmes de l'UE tels que LIFE, YEI, AMIF ou l'instrument de partenariat ont également apporté leur contribution.
- Le nombre d'initiatives aidant les entrepreneurs sociaux et des ES à développer leurs **compétences managériales** et leurs compétences commerciales/ financières a augmenté dans pratiquement tous les pays européens. Les activités liées à la SBI sont pour la plupart liées à de petits projets cofinancés par l'UE, c'est-à-dire par le biais de l'EaSI, d'ERASMUS+, du FSE ou d'Interreg (FEDER). Il est considéré comme l'un des obstacles les plus pressants à la poursuite du développement de l'échelle ES. Malgré la perception générale de changements importants au cours de la dernière décennie, peu de personnes interrogées sont au courant des activités de la SBI et de l'UE qui soutiennent le développement des compétences managériales des ES ou des organisations de parties prenantes des ES. Il existe également d'autres organisations intermédiaires, par exemple des acteurs nationaux et locaux, des réseaux et des intermédiaires tels que ACT! Group, des incubateurs promus par des banques ou des écoles de commerce, qui sont très actifs dans ce domaine, de sorte que l'influence des activités de la SBI/UE est perçue comme relativement faible, en particulier dans les pays de l'Europe centrale et de l'est. Néanmoins, la situation globale des compétences ne semble pas s'être améliorée de manière significative, avec un besoin de concepts de formation pour les OSE, des exigences spécifiques dans les petits OSE et des lacunes persistantes dans l'offre de formation dans les régions rurales et périphériques/éloignées.

4. Dans quelle mesure et avec quel impact les mesures européennes et nationales promues à la suite de l'initiative SBI ont-elles facilité l'adoption de nouvelles technologies et de nouveaux modèles commerciaux par les entreprises sociales ?

Le domaine d'impact des **technologies, de la numérisation et des nouveaux modèles commerciaux** n'a pas été décrit explicitement dans la communication SBI de 2011. Cependant, il est apparu clairement peu après que le changement technologique peut faciliter le développement des entreprises sociales et de l'économie sociale. C'est pourquoi cette dimension a été explicitement prise en compte dans l'initiative 'Start-up Scale-up' de la Commission en 2016. L'essentiel du soutien de l'UE s'est traduit par des actions pilotes, des projets de recherche, le soutien à de nouvelles plateformes, des études et des rapports. Par exemple, les initiatives financées par les projets de recherche Horizon 2020 dans ce domaine comprennent la plateforme d'innovation sociale numérique, le site web de la Communauté de l'innovation sociale, la plateforme "Social Innovation Challenge" et le concours européen de l'innovation sociale. La promotion des compétences numériques dans les entreprises sociales d'insertion professionnelle est couverte par le nouveau plan directeur pour les compétences sectorielles (Erasmus+). Toutefois, le niveau actuel de numérisation des services sociaux reste limité, et ce pour plusieurs raisons, notamment les coûts d'investissement élevés pour les nouvelles solutions et le manque de capacités (culture numérique) pour utiliser des solutions basées sur la technologie. Les personnes interrogées dans le cadre de notre étude confirment l'importance générale et les avantages

de la numérisation pour les organisations, mais perçoivent également le risque d'exclusion. Le rôle de l'économie sociale se renforce dans les initiatives locales et régionales qui favorisent l'innovation et la transformation numérique. Plusieurs actions de suivi de la SBI ont mis en évidence un besoin évident d'actions supplémentaires.

5. Dans quelle mesure les initiatives lancées à la suite de la SBI ont-elles contribué au développement de la coopération internationale et de l'agenda relatif aux entreprises/économie sociales ?

La **dimension externe** de l'économie sociale et des ES n'a pas été mise en évidence par la SBI initiale qui s'est concentrée sur les actions internes au sein du territoire de l'UE. Cependant, dans les années qui ont suivi 2011, c'est devenu un enjeu important. Il a été explicitement reconnu par l'initiative 'Start-up Scale-up' de la Commission en 2016. Plusieurs actions de suivi de la SBI ont été mises en œuvre dans des pays tiers, par exemple via le programme EaSI. Les initiatives peuvent être regroupées sous trois axes de travail : premièrement, la promotion de l'économie sociale et des entreprises sociales dans la politique de voisinage et d'élargissement, par exemple, l'étude sur l'économie sociale dans le voisinage oriental et les Balkans occidentaux, les projets de la DG NEAR, les études, les initiatives, le partenariat oriental, les pays de l'élargissement, le dialogue avec les pays MED. Deuxièmement, FPI, le SEAE et la DG DEVCO soutiennent le développement de l'économie sociale dans la politique de coopération internationale et de développement de l'UE par différentes activités mises en œuvre, par exemple des accords de partenariat, des réseaux d'action d'entreprises inclusifs ou le partenariat de la CE avec l'Alliance coopérative internationale. Troisièmement, l'UE a établi une collaboration régulière avec des forums internationaux de partage de connaissances et de diplomatie économique, tels que le Groupe international de pilotage sur l'économie sociale et solidaire, le Groupe de travail des Nations unies sur l'économie sociale et solidaire, la représentation européenne au sein du Groupe de pilotage mondial pour les investissements d'impact (GSG), etc.

Dans l'ensemble, le soutien de l'UE à l'économie sociale dans le cadre de la coopération au niveau international a eu un effet positif. L'échange d'informations et l'apprentissage entre les pays se sont développés. La disponibilité d'actions financées par l'UE pour les pays candidats non-membres de l'UE est un résultat important de la portée internationale de certaines actions de suivi de la SBI telles que les actions financées par l'EaSI, les instruments FEDER-INTERREG et IPA. Le soutien aux entreprises sociales et aux organisations de l'économie sociale est devenu de plus en plus important dans la coopération avec les pays des Balkans occidentaux et les pays méditerranéens. L'orientation stratégique et institutionnelle a été particulièrement appréciée dans les pays candidats qui ont été invités à participer à des événements et des groupes de travail, tels que le GECES. Peu de personnes interrogées connaissent d'ailleurs l'action de la SBI et de l'UE dans ce domaine. Malgré les progrès réalisés, certaines parties prenantes considèrent que le rôle de l'Union Européenne dans les forums internationaux est encore trop limité et que le thème de l'ES et de l'économie sociale n'a pas atteint la pertinence dans les agendas comme il aurait dû le faire, compte tenu de l'expérience et de l'expertise existantes en Europe en matière d'ES ainsi que du rôle important des ES et de l'économie sociale dans le développement durable et inclusif.

6. Quels sont les facteurs qui ont favorisé ou entravé les progrès dans tous les domaines susmentionnés, et dans quelle mesure sont-ils liés (ou non) à la SBI ?

L'analyse des résultats des entretiens montre que les changements dans l'écosystème des entreprises sociales sont largement influencés par des facteurs spécifiques, ayant un effet positif et amplificateur, ainsi que par des obstacles, ayant un effet de frein. Les personnes interrogées soulignent que les politiques, fonds et projets de l'UE ont joué un rôle essentiel en tant que **moteur** du développement de l'écosystème des entreprises sociales. Cela inclut le cadre stratégique de la Commission Européenne (SBI) en général et certaines activités au niveau de l'UE (GECES, étude de cartographe, Conférence de Strasbourg en janvier 2014) mais aussi des activités concrètes financées par l'UE au niveau des pays,

comme les projets/programmes ESIF ou les financements EaSI, la législation européenne sur les marchés publics ou des initiatives spécifiques comme Interreg, les projets Erasmus+, ESER. Les autres principaux moteurs - externes aux FESI - sont les nouveaux mouvements sociaux (mouvements pour l'acceptation et l'intégration des migrants et des réfugiés, la lutte contre le changement climatique, la nécessité perçue de s'aligner sur les objectifs de développement durable, les demandes pour une plus grande responsabilité sociale des entreprises et un besoin accru de répondre aux défis sociétaux), l'engagement et le soutien politiques au niveau national/régional, la plus grande quantité d'informations disponibles et une meilleure compréhension des besoins des ES, un secteur des ES, des ONG ou de l'aide sociale mieux développé et plus exigeant, les conséquences de la crise économique (2009/2010) et les contraintes budgétaires dans le secteur public. Un large éventail d'**obstacles** différents a entravé le développement de l'écosystème des ES suite aux résultats des entretiens. Les personnes interrogées font référence à un cadre juridique insuffisant et à l'absence d'une définition commune, au manque de financement, à une concurrence déloyale avec les entreprises régulières, ainsi qu'au manque de compétences et de capacités (managériales/professionnelles) dans les ES. Les obstacles ont été analysés plus en détail sous la question de la pertinence par rapport aux nouveaux besoins des ES et de l'OSE.

### **Efficacité**

1. Dans quelle mesure les coûts (y compris tous les coûts, tant en termes de ressources humaines que financières) associés aux initiatives (Troisième axe de l'EaSI, FESI, règlement EuSEF, projet pilote ESER, coopération CE-OCDE, études de cartographie), au niveau de l'UE, lancées sur la base de la SBI, ont-ils été proportionnels aux avantages qu'ils ont générés ?

L'analyse démontre la valeur ajoutée spécifique des six initiatives politiques analysées et leur contribution. Les résultats détaillés des analyses coûts-avantages spécifiques des actions SBI sélectionnées dressent un tableau contrasté. La contribution la plus efficace a été observée pour les instruments travaillant principalement dans le domaine de la sensibilisation, de la connaissance et de la création de réseaux. Viennent ensuite les initiatives de financement qui présentent également des avantages évidents, mais dont le coût a été beaucoup plus élevé. Enfin, l'analyse a montré que les initiatives axées sur la réglementation nécessitent des processus complexes et longs. Les dépenses nécessaires pour qu'un résultat tangible puisse émerger sont considérables. Ce fut le cas de l'EuSEF. Toutefois, ces initiatives peuvent également être considérées comme importantes, même si elles ne sont pas très efficaces à court terme, car elles représentent des étapes importantes pour les développements futurs et pour la réduction d'importants obstacles administratifs et juridiques. Ces initiatives préparent le terrain pour une amélioration de l'efficacité des politiques de demain. En ce sens, elles correspondent également aux priorités politiques de l'UE liées au marché unique et à l'intégration de l'UE.

### **Pertinence**

1. Dans quelle mesure les actions lancées sur la base de la SBI sont-elles encore pertinentes ? Les instruments financiers permettent-ils encore de combler les lacunes du marché ?

Selon les recherches, les actions lancées sur la base de la SBI sont toujours utiles. Les actions dans le domaine de la visibilité et de la reconnaissance sont toujours perçues comme nécessaires, y compris lorsqu'elles portent sur l'adaptation des cadres juridiques, ainsi que la nécessité d'une meilleure compréhension des enjeux par les autorités publiques et par le grand public. Des besoins encore plus importants sont notamment identifiés en matière d'amélioration des compétences de gestion, ainsi que de professionnalisation, d'accès au marché et de disponibilité de financements. Dans l'ensemble, des besoins de plus en plus spécifiques apparaissent (voir la question 3 ci-dessous). Les instruments financiers sont généralement adaptés aux besoins des ES, en ce sens qu'ils sont utilisés pour offrir de nouveaux produits financiers aux ES et aux autres

organisations de l'économie sociale dans de nombreux pays européens. Les garanties EaSI ciblant les ES étaient un instrument pertinent qui présentait un avantage important, mais qui était mieux accueilli dans les pays où les ES et l'écosystème financier social était le plus développé. Des instruments plus spécifiques pour soutenir les pays dont l'économie sociale est en développement pourraient être nécessaires. Jusqu'à présent, les instruments financiers liés à la dette ont été mieux acceptés que les instruments basés sur les capitaux propres. Toutefois, les besoins évoluent. Les petites organisations sont confrontées à plus de défis que les grandes entreprises. Le microcrédit et les prêts portant sur de faibles montants sont nécessaires pour les premières phases après le démarrage (amorçage, mise à l'échelle). Il faut des outils et des programmes mieux adaptés aux divers besoins auxquels les ES sont confrontées au cours des différentes phases de leur cycle de vie. D'autres besoins apparaissent en matière de financement social par fonds propres, de financement par la foule, etc. Les compétences commerciales et financières en matière d'OES représentent un besoin pertinent.

2. Dans quelle mesure les objectifs initiaux de la SBI se sont-ils révélés appropriés ?

Dans l'ensemble, l'étude documentaire et les entretiens confirment la pertinence des objectifs initiaux de la SBI - en 2011 et aujourd'hui. Les parties prenantes estiment que les objectifs généraux du SBI n'ont pas perdu de leur pertinence et que les besoins persistent, même s'ils ont des intensités différentes, en fonction du degré de développement des ES et de la maturité des écosystèmes dans lesquels les ES opèrent dans chaque pays. Selon la plupart des répondants, il reste nécessaire d'accroître la visibilité et la reconnaissance, ainsi que de mieux comprendre les ES. Parmi les besoins pertinents qui n'ont pas changé figurent l'accès au marché et la disponibilité des financements. Le fait qu'au fil du temps, deux nouveaux objectifs (numérisation/nouveaux modèles d'entreprise et action extérieure) ont été ajoutés au paquet d'actions de suivi de la SBI montre qu'au niveau communautaire, il y a eu un suivi et une prise en compte continus des tendances et des besoins, certainement soutenus par les travaux du groupe d'experts du GECES. Néanmoins, l'analyse a montré que les objectifs de la SBI étaient parfois perçus comme trop larges et partiellement déconnectés des contextes nationaux/locaux.

3. Dans quelle mesure les objectifs initiaux de la SBI correspondent-ils encore aux besoins des entreprises sociales / des acteurs de l'économie sociale ?

L'analyse met en évidence une évolution progressive des besoins. Initialement, ils étaient d'ordre général et relatifs à des préconditions élémentaire au développement des ES. Ils sont progressivement devenus plus précis et spécifiques, principalement en raison de la plus grande sensibilisation de la plupart des parties prenantes aux goulets d'étranglement concrets qu'il convient de traiter pour libérer le potentiel des ES. Cela inclut, par exemple, le besoin plus pressant de renforcer la capacité des ES Micro et petits financements à faire face au défi de la commercialisation. En outre, il est nécessaire de renforcer les capacités et de partager les connaissances non seulement entre les parties prenantes des ES et des OES, mais aussi entre les décideurs politiques, les fonctionnaires et les intermédiaires financiers qui, dans de nombreux pays, ont encore du mal à comprendre les principales caractéristiques, les rôles et le potentiel des ES et des OES. Dans ce contexte, il existe un besoin accru de mesures et d'instruments plus adaptés, tels que des produits de financement et des services financiers spécifiques, ainsi que des marchés publics mieux adaptés aux besoins particuliers des sociétés européennes (en particulier les petites entreprises) et des territoires où elles opèrent, notamment les régions moins peuplées et éloignées. Il existe un potentiel inexploité pour des partenariats innovants entre les ES/OES et les autorités publiques. D'autres domaines sont perçus comme évolutifs, notamment la nécessité d'une meilleure préparation de la numérisation, la nécessité de soutenir des stratégies de mise à l'échelle adéquates, la nécessité d'assurer une meilleure coopération entre les ES/OES et les entreprises conventionnelles, la nécessité de relier la politique de l'UE en matière d'économie sociale à d'autres stratégies et objectifs politiques généraux, et la nécessité de renforcer les réseaux de l'économie sociale.

4. Quelle est la pertinence des initiatives prises sur la base de la SBI pour les citoyens de l'UE ?

Les résultats de l'analyse montrent que 29% des personnes interrogées ne connaissent pas la SBI. C'est un chiffre relativement élevé, si l'on tient compte du fait que des praticiens, des experts et des parties prenantes ont été interrogés. On peut donc supposer que le grand public et les citoyens européens sont encore moins au courant de l'existence de la SBI en tant qu'initiative politique de l'UE. Les entretiens montrent que la SBI est mieux connue dans les États membres qui disposent d'un écosystème mature pour les ES. L'analyse des réseaux sociaux en tant qu'indicateur de l'impact de la vie publique montre que les ES et l'économie sociale sont de plus en plus reconnues et discutées sur les médias sociaux, ce qui permet d'en faire un sujet de débat public. L'analyse des médias sociaux illustre le nombre croissant de groupes de médias sociaux et l'interaction sur les thèmes des entreprises sociales, de l'innovation sociale et de l'économie sociale. En tant que telle, elle reflète une tendance que l'on peut également observer dans la population, liée à une plus grande sensibilisation aux modèles d'économie d'impact ou de bien-être social. Depuis 2011, le nombre de groupes de médias sociaux et l'interaction ont augmenté. Certaines actions de suivi spécifiques sont présentes sur les canaux de médias sociaux (par exemple EaSI et EuSEF) mais à un niveau très faible. La plupart des messages des médias sociaux, les tweets, sont dans les langues de pays ayant un écosystème assez avancé pour les ES, à savoir le français et l'italien ainsi que le néerlandais (Flandre). On s'attend à ce que la SBI ait peu contribué à améliorer le débat public dans les pays dont les écosystèmes des ES sont moins avancés. L'analyse des médias sociaux suggère donc que la SBI est surtout discutée parmi les initiés, par exemple les personnes déjà familières avec les entreprises sociales et l'économie sociale ou avec les actions de suivi spécifiques dans les pays ayant des écosystèmes d'économie sociale avancés.

### **Cohérence**

1. Dans quelle mesure la SBI et ses actions de suivi sont-ils cohérents avec les politiques et les priorités de la Commission européenne, ainsi qu'avec la politique plus large de l'UE?

L'analyse des documents politiques de l'UE montre une cohérence générale de la SBI avec d'autres politiques et priorités de l'UE, en termes d'objectifs et de dimensions générales. Toutefois, dans la plupart des documents politiques, la cohérence est faible au niveau opérationnel. Il n'y a par exemple aucune référence explicite à la SBI ou à la manière dont les entreprises sociales/économie sociale peuvent contribuer à la réalisation des objectifs politiques. Dans d'autres documents, les ES/OES sont mentionnées, mais leur rôle dans la réalisation des objectifs fixés pour ces politiques n'est pas reconnu. C'est également le cas pour la politique européenne au sens large, par exemple la contribution aux objectifs de développement durable (ODD). Ces résultats concernent principalement les politiques lancées au cours de la période 2011-2018. Depuis 2019/2020, on observe une tendance à une cohérence plus forte entre les documents politiques, les stratégies et les plans d'action nouvellement adoptés et le développement de l'économie sociale et des entreprises sociales. En particulier, le rôle de l'économie sociale dans la réalisation des objectifs politiques est mis en évidence dans un grand nombre de documents politiques clés, par exemple la communication sur la transition juste, le plan d'action sur l'économie circulaire, la stratégie pour les PME, la stratégie de relance, la communication sur le semestre européen. De nombreux documents politiques mentionnent également des instruments spécifiques qui peuvent soutenir la réalisation des objectifs politiques par l'innovation sociale et l'entrepreneuriat social. La majorité des parties prenantes interrogées perçoivent que la SBI est largement cohérente avec les autres politiques de l'UE, mais observent que cela ne se traduit que partiellement par une convergence des démarches au niveau opérationnel. La plupart des parties prenantes attendent une plus grande cohérence et une intégration des entreprises sociales et de l'économie sociale dans les domaines politiques pertinents avec la contribution du prochain plan d'action sur l'économie sociale.

### **Valeur ajoutée de l'UE**

1. Quelle est la valeur ajoutée de la SBI, par rapport à ce que l'on aurait pu raisonnablement attendre des États membres agissant au niveau national et/ou régional sans une initiative politique au niveau de l'UE et ses actions de suivi ?

Les parties prenantes confirment la **perception générale d'une grande valeur ajoutée de la SBI** et de ses actions de suivi. La plupart des personnes interrogées (63 %) reconnaissent que la SBI et ses actions de suivi ont eu au moins une certaine valeur ajoutée par rapport à l'action nationale au niveau des États membres. 14 % d'entre elles estiment que la valeur ajoutée est très élevée, 49 % qu'elle est élevée. 22 % des personnes interrogées estiment que le SBI a eu une valeur ajoutée mineure par rapport à l'action menée au niveau des États membres, tandis que 15 % ne voient aucune valeur ajoutée par rapport à ce qui se serait passé dans leur pays sans la SBI.

Les parties prenantes perçoivent la valeur ajoutée spécifique des actions de l'UE principalement en relation avec les programmes de financement de l'UE, à la fois dans le domaine de l'amélioration de la visibilité des programmes de financement et de la mise à disposition de fonds publics. Ils perçoivent une valeur ajoutée encore considérable dans les domaines de l'éducation et de la formation, de l'apprentissage mutuel et de la recherche. D'autres actions de l'UE ont montré, aux yeux des acteurs de l'économie sociale, une valeur ajoutée moindre, notamment dans les domaines des aides d'État, de l'innovation sociale, des nouvelles technologies et de la numérisation, ainsi que de la mesure de l'impact social. Dans ces domaines, les cadres nationaux sont considérés comme des domaines dominants de soutien politique.

Selon le degré de maturité de l'écosystème de l'économie sociale, les différents pays ont des modes différentes de la valeur ajoutée européenne. Les pays dont l'écosystème de l'économie sociale est mature perçoivent, en général, une plus grande valeur ajoutée de l'UE que les pays où l'écosystème de l'économie sociale est en cours de développement. Les enjeux importants pour les pays ayant un écosystème d'économie sociale mature sont les suivants : environnement réglementaire et institutionnel, information et compréhension. Les pays dont l'écosystème de l'économie sociale est moins développé (principalement les PECO) se focalisent sur d'autres enjeux : les marchés publics et privés, les conditions des intermédiaires financiers, les compétences managériales au sein des ES et OES, labels et certificats, information et compréhension, l'accès au financement privé.

Ces dernières années, les actions de suivi de la SBI ont été pionnières en matière d'analyse et de soutien à de **nouveaux champs d'action** qui deviennent pertinents pour les ES et l'économie sociale. Les nouveaux domaines comprennent, par exemple, le domaine des marchés publics privés et le développement de l'OES. Un deuxième domaine est celui des nouvelles formes de marchés publics, par exemple par le biais de garanties d'impact social ou de contrats de résultats. Troisièmement, la numérisation offre de nouvelles possibilités pour le développement d'ES/OES se focalisant sur les nouvelles technologies, mais aussi d'ES produisant des services sociaux traditionnels. Ces possibilités doivent être exploitées. Enfin, le financement par actions à impact social peut ouvrir de nouvelles voies au financement privé.

2. Quelle a été, le cas échéant, la valeur ajoutée du travail effectué par le groupe d'experts multipartite (Groupe d'experts de la Commission sur l'entrepreneuriat social (GECES)) créé pour suivre la mise en œuvre de la SBI ?

Le Groupe d'experts sur l'entrepreneuriat social (GECES) a été créé pour une première fois en 2011 pour une durée de sept ans et a été renouvelé en 2018 sous la dénomination "Groupe d'experts sur l'économie sociale et les entreprises sociales". Parmi les 50,2% des parties prenantes qui connaissent le travail du GECES, **l'appréciation de son travail est positive**. Les avantages perçus du GECES relèvent notamment de la politique et à la prise de décision, l'échange d'expériences et de pratiques, le renforcement de la communauté et la mise en réseau, l'augmentation de la visibilité et l'apprentissage mutuel. Le GECES est surtout connu par des experts, des décideurs et des praticiens directement liés à l'élaboration des politiques en matière des ES au niveau européen et international. Les



propositions visant à accroître la valeur ajoutée du GECES concernent les aspects de la communication d'informations au niveau des États membres. La traduction de publications et de documents dans toutes les langues officielles de l'UE peut être utile pour renforcer les échanges avec les acteurs du niveau local et régional. D'autres exemples de mesures seraient de promouvoir des interfaces ou des structures de diffusion au niveau des États membres qui facilitent l'échange d'informations relatives au GECES et leur diffusion.

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## Zusammenfassung

Im Jahr 2019 vergab die Europäische Kommission eine Studie über die Auswirkungen der SBI und ihrer Folgemaßnahmen an ein Konsortium unter der Leitung von Spatial Foresight zusammen mit European Research Institute on Cooperative and Social Enterprises (Euricse) und European Centre for Social Finance. Die Studie wurde im Rahmen des Europäischen Programms für Beschäftigung und soziale Innovation 2014-2020 (EaSI) finanziert.

Ziel der vorliegenden Studie war es, der Kommission eine umfassende, evidenzbasierte Analyse der Auswirkungen von SBI auf die Entwicklung von sozialen Unternehmen/der Sozialwirtschaft und deren Umfeld auf nationaler und auf EU-Ebene zu liefern. Sie wurde zwischen Oktober 2019 und November 2020 durchgeführt. Die Studie umfasst 28 EU-Mitgliedstaaten (einschließlich Großbritannien) und neun weitere europäische Länder<sup>8</sup>. Neben der Analyse von Literatur und Schlüsseldokumenten waren 326 Interviews mit Behörden, Interessenverbänden, Experten und Praktikern auf EU-Ebene und in 37 europäischen Ländern die Hauptinformationsquelle. Darüber hinaus wurden 15 Fallstudien durchgeführt. Ergebnisse und Wirkungen der SBI und ihrer Folgemaßnahmen in den letzten zehn Jahren wurden in 18 verschiedenen Wirkungsbereichen.

Wie in der Aufgabenstellung definiert, musste diese Studie mehrere Evaluationsfragen bezüglich der Wirksamkeit, Effizienz, Relevanz, Kohärenz und des EU-Mehrwerts des SBI und seiner Folgemaßnahmen beantworten. Der Abschlussbericht und diese Zusammenfassung sind entlang dieser Evaluationsfragen strukturiert.

## Hintergrund

Im Jahr 2011 stellte die EU-Kommission die Social Business Initiative (SBI) vor, die einen konkreten Aktionsplan auf EU-Ebene zur Entwicklung von günstigen Rahmenbedingungen für soziale Unternehmen (SU) aufstellte<sup>9</sup>. Das Engagement der EU wurde durch Schlussfolgerungen des Rates über die *"Förderung der Sozialwirtschaft als Schlüsselfaktor der wirtschaftlichen und sozialen Entwicklung"* bestärkt<sup>10</sup>. In der 2016 von der Kommission verabschiedeten Mitteilung "Europas Marktführer von morgen: die Start-up- und die Scale-up-Initiative" bekräftigte die Kommission ihr Engagement, auf den Erfahrungen der SBI aufzubauen. Im Januar 2020 kündigte die Europäische Kommission ihre Absicht an, im Jahr 2021 einen neuen Aktionsplan für die Sozialwirtschaft auf den Weg zu bringen.

In dieser Studie werden die Begriffe "social enterprise" und "social business" synonym für Sozialunternehmen verwendet, wobei davon auszugehen ist, dass der Begriff "social business", abgesehen von der SBI-Kommunikation, in der Praxis weit weniger verwendet wird als andere Begriffe. Soziale Unternehmen sind ein spezifischer Teil der Wirtschaft und der Sozialwirtschaft. Ein soziales Unternehmen wird als ein Akteur in der Sozialwirtschaft verstanden, dessen Hauptziel darin besteht, für seine Eigentümer oder Aktionäre eine soziale Wirkung zu erzielen, anstatt nur einen Gewinn zu erwirtschaften. Der Begriff "Sozialwirtschaft" beschreibt eine breitere Palette von OSW (Organisationen der Sozialwirtschaft), zum Beispiel Stiftungen, Genossenschaften, Verbände und Hilfgesellschaften auf Gegenseitigkeit, die ein kollektives Interesse verfolgen.

Zahlreiche Folgeaktionen zur SBI wurden in den Jahren nach 2011 und bis heute vorgestellt. An einigen Folgemaßnahmen, wie der GECES-Expertengruppe für Sozialwirtschaft und soziale Unternehmen, Studien oder Instrumenten, waren auch die EU-Mitgliedstaaten, nationale und regionale Interessenvertreter und Experten, europäische Netzwerkorganisationen oder andere internationale Gremien wie die OECD beteiligt.

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<sup>8</sup> Albanien, Island, Liechtenstein, Montenegro, Nord-Makedonien, Norwegen, Serbien, Schweiz, Türkei

<sup>9</sup> Europäische Kommission 2011

<sup>10</sup> Rat der Europäischen Union 2015

Im Laufe der Jahre haben sich die Aktionslinien der SBI und die Struktur der Folgemaßnahmen weiterentwickelt. Heute decken die Aktionen fünf verschiedene Bereiche ab: 1. Zugang zu Finanzmitteln, 2. Zugang zu Märkten, 3. Rahmenbedingungen, 4. Soziale Innovation, Technologien und neue Geschäftsmodelle und 5. Internationale Beziehungen.

### Wirksamkeit

1. Was waren die quantitativen und qualitativen Auswirkungen der SBI? Insbesondere: Inwieweit hat die SBI lang anhaltende und nachhaltige Veränderungen im Arbeitsumfeld sozialer Unternehmen/Sozialwirtschaft bewirkt (z.B. spezifische neue Rechtsformen und -rahmen und institutionelle Vereinbarungen, Änderungen in der geltenden Gesetzgebung (z.B. Steuerrecht, öffentliches Beschaffungswesen), politische Rahmenbedingungen und Strategien usw.)?

Die SBI und die Folgeaktivitäten hatten wichtige Auswirkungen auf die regulatorische und institutionelle Entwicklung im Arbeitsumfeld sozialer Unternehmen und Organisationen der Sozialwirtschaft.

- Im Bereich neuer Rechtsformen und institutioneller Vereinbarungen beeinflussten die meisten Maßnahmen auf EU-Ebene Veränderungen indirekt durch politische Legitimation, gesteigertes Bewusstsein und Sichtbarkeit sowie den Austausch von Wissen und bewährten Ansätzen zwischen den EU-Mitgliedstaaten. SBI sorgte für verbesserte Rahmenbedingungen für Aktivitäten bei nationalen und regionalen Aktionen in ganz Europa.
- Trotz der Tatsache, dass keine Rechtsgrundlage auf EU-Ebene verabschiedet wurden, gab es eine positive Entwicklung im Hinblick auf die rechtliche Anerkennung sozialwirtschaftlichen Organisationen. Es wurden spezifischere **rechtliche Rahmenbedingungen** für SU und die Sozialwirtschaft geschaffen, zusammen mit einer verbesserten rechtlichen Anerkennung und Klarheit über den rechtlichen Status in mehreren europäischen Ländern. Seit 2011 haben 16 EU-Mitgliedstaaten neue Gesetze zu sozialen Unternehmen eingeführt. Die Analyse zeigte interessante Muster auf, wie Ideen und Konzepte ihren Weg in die regulatorischen und institutionellen Rahmenbedingungen fanden und wie die SBI bei der Verbreitung dieser Ideen und Konzepte einflussreich war.
- Die Legitimierung durch hochrangige politische Unterstützung auf EU-Ebene sowie durch EU-weite Netzwerke und EU-Finanzierung förderte die Verbesserung der **institutionellen Rahmenbedingungen**, z.B. die Einrichtung von Arbeitsgruppen oder Task Forces zu SU. Die SBI wird als Inspirationsquelle oder als Mittel zur Bewusstseinsbildung für die Entwicklung von Rechtsvorschriften und spezifischer politischer Unterstützung angesehen.
- **Politische Rahmenbedingungen und Strategien** haben sich in Ländern mit einem fortgeschrittenen SU-Ökosystem herausgebildet, aber auch in Ländern mit einem mäßig oder weniger entwickelten SU-Umfeld. Einige von ihnen sind wahrscheinlich von Aktivitäten auf EU-Ebene inspiriert worden (z.B. Schlussfolgerungen des Rates, hochrangige politische Veranstaltungen und Erklärungen der EU, gegenseitiges Lernen, Wissensaustausch über GECES). In den meisten Fällen hat die Kofinanzierung durch die EU (meist ESF und EFRE, aber auch EaSI) die Entwicklung nationaler Strategien oder Unterstützungsprogramme gefördert oder zumindest einige Schlüsselmaßnahmen kofinanziert.
- Die EU-Vorschriften für das öffentliche Auftragswesen wurden 2014 überarbeitet und seitdem in nationales Recht umgesetzt. Soziale Kriterien und vorbehaltene Verträge im öffentlichen Beschaffungswesen wurden verwendet, um den **Marktzugang sozialer Unternehmen** zu verbessern. Die Befragten sind sich im Allgemeinen der Möglichkeiten bewusst, die durch die EU-Vorschriften für das öffentliche Beschaffungswesen geschaffen wurden. Die Auswirkungen auf die Entwicklung des Ökosystems sind jedoch begrenzt. Einige Befragte erkennen an, dass die neuen Regeln neue Möglichkeiten eröffnet haben. Andere sehen aber eine unzureichende Umsetzung der Regeln auf nationaler Ebene (insbesondere auf lokaler und regionaler

Ebene), so dass sich der tatsächliche Marktzugang für SU nicht wesentlich verbessert hat. Darüber hinaus gibt es je nach Land und Art der OSW erhebliche Unterschiede. Es besteht auch ein klarer Bedarf, die Arbeit an besseren öffentlichen Vergaben mit sozialen Kriterien fortzusetzen, zusätzlich zu neuen Formen der öffentlichen Beschaffung (z.B. social impact bonds usw.) und der sozialen privaten Beschaffung.

- Im Hinblick auf **staatliche Beihilfen** ist ein kleiner positiver Einfluss der SBI festzustellen. Das SGEI-Paket<sup>11</sup> hat günstigere Bedingungen für Anbieter von Dienstleistungen von allgemeinem Interesse geschaffen. Sein Geltungsbereich geht über die Aktivitäten sozialwirtschaftlicher Organisationen (und somit auch über die diese Studie) hinaus, aber die SBI hat eine Rolle gespielt, um sicherzustellen, dass das SGEI-Paket die Besonderheiten der Organisationen berücksichtigt, die soziale Dienstleistungen erbringen. Somit hatte das SGEI-Paket eine direkte Auswirkung auf die Verbesserung des Marktzugangs für soziale Unternehmen, die offiziell mit einer spezifischen Aufgabe betraut sind. Staatliche Beihilfen sind ein Thema, das allgemein als komplex und beschwerlich empfunden wird und mit der EU im Allgemeinen und nicht speziell mit der SBI zusammenhängt. Allerdings sind sich nur sehr wenige Befragte der Auswirkungen bewusst, die das SBI auf die Regeln für staatliche Beihilfen hatte. Die Analyse ergab, dass weiterhin Bedarf an Unterstützung besteht, um den Marktzugang zu verbessern, z.B. durch rechtliche Unterstützung oder Beratung kleiner und mittlerer SU und OSW, die nicht über internes juristisches Fachwissen verfügen. Gezielte Gesetzesänderungen, wie z.B. die Anhebung der De-minimis-Schwelle für Dienstleistungen von allgemeinem wirtschaftlichem Interesse, die gerade bei 500 000 EUR pro 3 Jahre liegt, könnten ebenfalls zur Verbesserung der Situation von OSW beitragen.

Insgesamt besteht ein bedeutender Einfluss des SBI und seiner Folgemaßnahmen im Bereich der regulatorischen und institutionellen Rahmenbedingungen, hauptsächlich durch eine unterstützende Funktion für die Mitgliedstaaten. Dieser Effekt ist in Ländern mit einem weniger entwickelten sozialwirtschaftlichen Ökosystem höher. Die unterstützende Rolle der EU wurde von vielen Befragten erwähnt.

2. Inwieweit war die SBI wirksam bei a) der Erhöhung der Sichtbarkeit und des besseren Verständnisses des Geschäftsmodells sozialer Unternehmen sowohl auf EU- als auch auf nationaler Ebene? b) der Stärkung der Kapazitäten von Netzwerken, die soziale Unternehmen vertreten und unterstützen, sowohl auf EU- als auch auf nationaler Ebene?

Die Erhöhung der Sichtbarkeit, der Anerkennung und des Verständnisses von SU war ein Hauptbeitrag der SBI, vor allem im Hinblick auf die Menge der verfügbaren Informationen, gegenseitiges Lernen und den Austausch bewährter Praktiken, Forschung, Bewusstseinsbildung und Selbsterkennung sowie die Sichtbarkeit in EU-Programmen. In jedem dieser Bereiche spielten die SBI und die Folgeaktivitäten eine wichtige Rolle.

- Die Analyse hat gezeigt, dass der Hauptbeitrag der SBI in der Verbesserung der **Sichtbarkeit der SU in EU- und nationalen Programmen** bestand. Der Begriff der SU in der 2014-2020 ESIF-Verordnung hat das Bewusstsein der Stakeholder für Sozialwirtschaft/ Sozialunternehmertum als Themenfeld erheblich geschärft. Die Möglichkeit, SU mit EU-Mitteln zu unterstützen, ermöglichte in vielen Ländern, z.B. PT, CZ, RO, ES, PL, die Zuweisung beträchtlicher Mittel in EFRE- und ESF-Programmen auf nationaler Ebene. Darüber hinaus ist die dritte Achse vom EaSI-Programm<sup>12</sup> ein sehr sichtbares und bekanntes Programm und mobilisierte neben der privaten Sozialfinanzierung auch öffentliche Mittel. Andere EU-Programme wie FP7/Horizon 2020, ERASMUS+ und Interreg haben Projekte im Bereich der Sozialwirtschaft und anderer verwandter Bereiche unterstützt, z.B. soziale Innovation, soziales Unternehmertum, Genossenschaften, Freiwilligensektor). Dieser Effekt macht sich sogar in Nicht-EU-Ländern bemerkbar, insbesondere im Westbalkan und in der Türkei.

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<sup>11</sup> Services of General Economic Interest = Dienstleistungen von allgemeinem wirtschaftlichen Interesse

<sup>12</sup> EU-Programm für Beschäftigung und soziale Innovation (EaSI)

- Die Aktivitäten **im Bereich Bildung und Ausbildung** haben seit 2011 zugenommen, sind aber nicht weit verbreitet. Von der EU geförderte Programme (hauptsächlich ESF, EFRE) und ERASMUS+-Projekte werden als wichtiger Einfluss für die Bildungs- und Ausbildungsaktivitäten von SU angesehen, während interne Aktivitäten zur Unterstützung sehr selten oder unzureichend zu sein scheinen. Nur einem Fünftel der Befragten sind die EU-Aktivitäten in diesem Bereich bekannt. Viele Stakeholder sehen einen großen Bedarf, diese Themen auch in Zukunft anzugehen.
- Die Aktivitäten der SBI/EU haben das **gegenseitige Lernen** und den Austausch bewährter Praktiken wesentlich beeinflusst. Dies wurde direkt über Programme wie Interreg, ERASMUS+ oder ‚European Social Economy Regions‘ erreicht, und eher indirekt über europäische Netzwerke sozialer Unternehmen/der Sozialwirtschaft und die GECES Expertengruppe. Aktivitäten des gegenseitigen Lernens werden sehr geschätzt, insbesondere von lokalen und regionalen Behörden und Interessengruppen. Gegenseitiges Lernen auf EU-Ebene würde von einer stärkeren und breiteren Unterstützung von mehr Netzwerken und Vermittlern in den verschiedenen Ländern profitieren, um Informationen und bewährte Praktiken weiter an Anwender zu verbreiten.
- Die Aktivitäten der EU waren wichtig, um die **Forschung** über SU und Sozialwirtschaft zu fördern. Wirksame Maßnahmen waren Studien und Berichte der Europäischen Kommission sowie die Finanzierung von Forschungsstudien oder Forschungsaktivitäten (z.B. Horizon 2020, Mapping-Studie, EFRE-Interreg, ESF, OECD-Länderübersichten). Andere Forschungsarbeiten wurden durch unterstützte Netzwerke und verstärkte Aufmerksamkeit für SU auf europäischer und auf Ebene der Mitgliedsländer angeregt.
- In der Wahrnehmung der Befragten hatten verschiedene EU-Aktivitäten einen Einfluss auf eine bessere **Information** über SU und die Sozialwirtschaft. Die Befragten erwähnen insbesondere die Studien zur Kartierung der Sozialwirtschaft und hochrangige Veranstaltungen. Einige der nationalen Aktivitäten werden indirekt durch EU-Aktivitäten beeinflusst, z.B. Informationen, die eher mit der nationalen Politik, Gesetzgebung, Netzwerken in den zentral- und osteuropäischen Ländern etc. zusammenhängen. Was die **statistische Entwicklung** betrifft, so sind sich die meisten Befragten der EU-Maßnahmen zur Verbesserung der Bereitstellung statistischer Daten über SU (z.B. Pilotprojekt mit den Mitgliedstaaten) nicht bewusst und sehen diese eher als nationale Aufgabe an.
- Das **Bewusstsein** für SU und SU-Ökosysteme hat weitgehend zugenommen und wird indirekt durch viele SBI/EU-Aktivitäten beeinflusst. Die **Selbstwahrnehmung von SU** hat sich durch Anreize wie Finanzierung, öffentliche Beschaffungsmöglichkeiten, Registrierungsmöglichkeiten, Labels, Netzwerke und Inkubatoren verbessert. Dies wird nicht nur SBI/EU zugeschrieben, sondern auch anderen internationalen Organisationen, z.B. OECD, ILO, British Council und intermediären Organisationen, selbst wenn sie andere Ansätze für soziales Unternehmertum verwenden, z.B. Ashoka, Impact Hub. Ein Haupthindernis, das von den Befragten in diesem Bereich festgestellt wurde, ist der Grad der Verwirrung und die unterschiedlichen Interpretationen der Begriffe "soziales Unternehmen" und "sozialer Unternehmer".
- In Bezug auf **Labels, Marken oder Register** wird der Einfluss von SBI/EU als marginal wahrgenommen und steht im Zusammenhang mit kleineren Austausch von Informationen in bestimmten Kreisen, z.B. in der GECES Expertengruppe bezüglich bestehender Labels und Register. Unter Experten gibt es keine einheitliche Meinung darüber, ob und inwieweit Labels oder Register für die Entwicklung von SU vorteilhaft sind, abgesehen von der Erhöhung der Sichtbarkeit. Experten weisen darauf hin, dass es schwierig ist, alle Arten von SU mit fixen Kriterien anzusprechen. Gewöhnlich werden bestimmte Arten von SU bei der Einführung von Registern ausgeschlossen.
- Die SBI hat sich durch direkte Unterstützung auf EU-Ebene, z.B. über EaSI, und indirekt über Netzwerk- und Kooperationsprojekte auf **Netzwerke und Repräsentation ausgewirkt**. Auch Maßnahmen auf nationaler, regionaler und

lokaler Ebene haben einen wichtigen Beitrag zu den vielen neuen Netzwerken und Verbänden geleistet, die seit 2011 gegründet wurden. Es besteht Potenzial für eine stärker strukturierte EU-Unterstützung für den Aufbau von Kapazitäten und die Professionalisierung von Netzwerken.

- Die Mehrheit der Stakeholder ist sich der EU-Aktivitäten im Bereich der **Messung sozialer Wirkungen** nicht bewusst (z.B. der GECES-Bericht, FP7/Horizon 2020-Projekte, Interreg-Projekte, EU-Leitfäden). Nur wenige Befragte kennen diese von der EU unterstützten Maßnahmen oder verbinden sie mit echten Fortschritten auf nationaler, regionaler oder lokaler Ebene. Viele Befragte geben dies als Notwendigkeit an, meinen aber, dass Veränderungen meist von anderen Akteuren beeinflusst werden (Impact Investing Netzwerke, Finanzintermediäre, GIIN, IRIS+ Netzwerk usw.).

3. Inwieweit ist der Zugang zu Finanzmitteln für Soziale Unternehmen durch die SBI und die Start-up- und Scale-up-Initiativen erleichtert worden?
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Das SBI und seine Folgeaktivitäten, einschließlich der Start-up- und Scale-up-Initiativen, waren besonders wichtig, um die Verfügbarkeit öffentlicher und privater Mittel zu verbessern. Darüber hinaus haben sich die Bedingungen bei Finanzintermediären verbessert. In bestimmten Bereichen, z.B. in den mittel- und osteuropäischen Ländern, bestehen jedoch nach wie vor größere Schwierigkeiten. Die Wirkungen auf die Managementfähigkeiten von Organisationen der Sozialwirtschaft waren nur begrenzt.

- Das Bewusstsein und die Sichtbarkeit der SU für **Finanzintermediäre** hat sich deutlich erhöht. Das Angebot an verfügbarer Finanzierung für soziale Unternehmen hat erheblich zugenommen, was mit besseren Kapazitäten einhergeht. Es entstand ein neuer Typ von sozialen Finanzintermediären, der mit der Sozialwirtschaft vertraut ist. Diese Schaffung einer neuen Parallelwelt von sozialen Finanzintermediären kann in Ländern mit einem fortgeschritteneren Unternehmensumfeld der Sozialwirtschaft beobachtet werden, wie z.B. Großbritannien, Italien, Frankreich, Irland oder Spanien. In den zentral- und osteuropäischen Ländern steht die Entwicklung stärker am Anfang. Die Unterstützung von Finanzintermediären durch die EaSI, die Transaktionskosten und die Schnittstellen zwischen Angebot und Nachfrage führten zu wichtigen sog. ‚Good Practices‘ und zur Konsolidierung neuer Intermediäre und zur Erhöhung der Kapazitäten. Das EuSEF-Label hat dazu beigetragen, die Fragmentierung der nationalen Rechtsrahmen für Sozialfinanzierungsfonds über nationale Grenzen hinweg zu überwinden. Obwohl es bisher nur in recht begrenztem Umfang (13 Fonds) angenommen wurde, erkennen viele Stakeholder an, dass es das Bewusstsein und die Sichtbarkeit von Sozialinvestitionsfonds nicht nur für nationale/regionale Akteure, sondern auch für EIB und EIF erhöht hat.
- Die Situation der **privaten Sozialfinanzierung** hat sich in den letzten zehn Jahren überwiegend positiv entwickelt. Generell hat die Zahl der Intermediäre, die Produkte für soziale Unternehmen anbieten, deutlich zugenommen, und das Angebot an verfügbaren sozialen Finanzmitteln ist seit 2011 erheblich gewachsen. Während sich die Situation der privaten Sozialfinanzierung in den entwickelten Märkten positiv entwickelt hat, ist sie in Zentral- und Osteuropa noch weitgehend unterentwickelt. Die EaSI-Finanzinstrumente waren in vielen Ländern eine der treibenden Kräfte für Veränderungen. Vor allem die EaSI-Garantien haben sich als wirksam erwiesen, um neue Finanzprodukte zu fördern, die speziell für soziale Unternehmen oder Mikrokredite zur Verfügung stehen. Auf der Ebene der sozialen Unternehmen sind jedoch in vielen Ländern bisher keine positiven Veränderungen zu verzeichnen. Insgesamt sind die verfügbaren Ressourcen der Geschäftsbanken nach wie vor begrenzt, nur in bestimmten Gebieten konzentriert oder nicht leicht zugänglich (z.B. wegen mangelndem Verständnis des sozialen Geschäftsmodells oder mangelnder Kapazitäten für Verhandlungen mit Banken). Die sozialen Eigenkapitalinstrumente sind noch immer noch weniger ausgereift und wurden bisher nur schleppend eingeführt. Nicht allen Befragten sind die EU-Instrumente bekannt, die eine private Finanzierung von SU fördern. Dies könnte darauf zurückzuführen sein, dass EaSI-

Bürgschaften über (nationale/lokale) Finanzintermediäre kanalisiert werden und viele EaSI-Instrumente für (insbesondere kleinere) SU nicht direkt verfügbar sind. Dennoch ist EaSI bei den meisten Experten und Praktikern als sehr einflussreich bekannt und geschätzt. Es besteht ein anhaltender Bedarf an Finanzmitteln und an der Verbesserung der Kapazitäten und Bedingungen bei Finanzintermediären und OSWs, um private Mittel leicht verfügbar zu machen.

- Die Möglichkeit, die Entwicklung von SU durch **öffentliche Mittel** zu unterstützen, war ein wichtiger Auslöser für die weitere Entwicklung des Sektors, und EU-Fonds haben dabei eine wesentliche Rolle gespielt. Für Projekte und Aktivitäten zugunsten von Sozialunternehmen und sozialwirtschaftlichen Organisationen standen beträchtliche Mittel zur Verfügung, vor allem über den ESF, EFRE (einschließlich Interreg) und den ESF. In einigen europäischen Ländern, insbesondere in den zentral- und osteuropäischen Ländern, waren ESF und EFRE die wichtigsten Instrumente der öffentlichen Finanzierung. Aber auch in Ländern wie UK, DE, ES wurden Maßnahmen zu SU und zur Sozialwirtschaft in nationalen und regionalen Programmen oder interregionalen Projekten durch EU-Fonds kofinanziert. Dies trug zu einer hohen Sichtbarkeit und der sichtbarsten Verbreitung der SBI bei lokalen und regionalen Interessengruppen bei. Weitere relevante Programme waren ERASMUS+, COSME und Horizon2020 sowie Zuschüsse für den Aufbau von Kapazitäten und Netzwerken im Rahmen von EaSI. Beiträge kamen auch aus anderen EU-Programmen wie LIFE, YEI, AMIF oder dem Partnerschaftsinstrument.
- Die Zahl der Initiativen, die SU- und Sozialunternehmern helfen, ihre **Managementfähigkeiten** und ihre Geschäfts-/Finanzkompetenz zu entwickeln, hat in praktisch allen europäischen Ländern zugenommen. Die SBI-bezogenen Aktivitäten beziehen sich meist auf kleine, von der EU kofinanzierte Projekte, d.h. über EaSI, ERASMUS+, ESF oder Interreg (EFRE). Managementfähigkeiten werden als eines der drängendsten Hindernisse für die weitere Entwicklung der SU angesehen. Trotz der allgemeinen Wahrnehmung wichtiger Veränderungen in den letzten zehn Jahren sind sich nur wenige Befragte der Aktivitäten von SBI/EU bewusst, die die Entwicklung von Managementfähigkeiten von SU oder SU-Interessensorganisationen unterstützen. Es gibt auch andere zwischengeschaltete Organisationen, z.B. nationale und lokale Akteure, Netzwerke und Vermittler wie ACT! Group, von Banken oder Business Schools geförderte Inkubatoren, die in diesem Bereich aktiv sind, sodass der Einfluss von SBI/EU-Aktivitäten insbesondere in den zentral- und osteuropäischen Ländern als relativ gering wahrgenommen wird. Dennoch scheint sich die allgemeine Qualifikationssituation nicht wesentlich verbessert zu haben, mit einem Bedarf an Ausbildungskonzepten, spezifischen Anforderungen in kleinen OSWs und bleibenden Kompetenzlücken im Ausbildungsangebot in ländlichen und peripheren/abgelegenen Regionen.

4. In welchem Ausmaß und mit welcher Wirkung haben, die im Anschluss an die SBI geförderten Maßnahmen der EU und der Mitgliedstaaten die Aufnahme neuer Technologien und neuer Geschäftsmodelle durch Soziale Unternehmen erleichtert?

Der Wirkungsbereich von Technologien, Digitalisierung und neuen Geschäftsmodellen wurde in der SBI-Kommunikation 2011 nicht explizit beschrieben. Kurz danach wurde jedoch deutlich, dass der technologische Wandel die Entwicklung von sozialen Unternehmen und der Sozialwirtschaft erleichtern kann, weshalb diese Dimension in der Start-up und Scale-up-Initiative der Kommission 2016 explizit aufgegriffen wurde. In diesem Bereich wurde die meiste EU-Unterstützung über Pilotaktionen, Forschungsprojekte, Unterstützung neuer Plattformen, Studien und Berichte geleistet. Zu den einschlägigen Initiativen, die durch Forschungsprojekte im Rahmen von Horizon 2020 finanziert werden, gehören beispielsweise die Plattform ‚Digital Social Innovation‘, die Webseite der ‚Social Innovation Community‘, die Plattform ‚Social Innovation Challenge‘ und der Europäische Wettbewerb für soziale Innovation. Die Förderung digitaler Fertigkeiten in sozialen Unternehmen der Arbeitsintegration wird im neuen Blueprint für

sektorale Fertigkeiten (Erasmus+) behandelt. Der derzeitige Grad der Digitalisierung in der OSW ist jedoch immer noch niedrig, was auf mehrere Gründe zurückzuführen ist, darunter hohe Investitionskosten für neue Lösungen und fehlende Kapazitäten (digitale Kompetenz) zur Nutzung technologiebasierter Lösungen. Die Befragten in unserer Studie bestätigen die allgemeine Bedeutung und den Nutzen der Digitalisierung für Organisationen, sehen aber auch die Gefahr der Ausgrenzung. Die Rolle der Sozialwirtschaft nimmt bei lokalen und regionalen Initiativen zur Förderung von Innovation und digitaler Transformation zu. Ein klarer Bedarf an weiteren Maßnahmen wurde durch mehrere Folgemaßnahmen der SBI festgestellt.

5. Inwieweit haben die im Anschluss an die SBI gestarteten Initiativen zur Entwicklung der internationalen Zusammenarbeit und der Agenda in Bezug auf soziale Unternehmen / Wirtschaft beigetragen?

Die **externe Dimension der Sozialwirtschaft** wurde in der ursprünglichen SBI, die sich auf interne Maßnahmen innerhalb des EU-Gebiets konzentrierte, nicht hervorgehoben. In den Jahren nach 2011 gewann das Thema jedoch an Bedeutung und wurde in der 2016 Start-up Scale-up-Initiative der Kommission ausdrücklich anerkannt. Mehrere Folgemaßnahmen der SBI werden auch in Drittländern durchgeführt, zum Beispiel über das EaSI-Programm. Die Initiativen lassen sich unter drei Arbeitsströmen zusammenfassen. Erstens die Förderung der Sozialwirtschaft und sozialer Unternehmen in Nachbarschafts-/Erweiterungsprogrammen, z.B. eine Studie über die Sozialwirtschaft in den östlichen Nachbarschafts- und Westbalkanländern, Projekte der GD NEAR, Studien, Initiativen, Östliche Partnerschaft, Erweiterungsländer, Dialog mit den MED-Ländern. Zweitens unterstützen FPI, EEAS und GD DEVCO die Entwicklung der Sozialwirtschaft in der internationalen Zusammenarbeit und Entwicklungspolitik der EU mit verschiedenen Aktivitäten, z.B. Partnerschaftsabkommen, Inclusive Business Action Networks oder die Partnerschaft der Kommission mit dem Internationalen Kooperationsbündnis. Drittens hat die EU eine regelmäßige Zusammenarbeit mit internationalen Foren zum Wissensaustausch und zur Wirtschaftsdiplomatie wie z.B. der International Leading Group on the Social and Solidarity Economy, der UNO-Task Force on the Social and Solidarity Economy, der europäischen Vertretung bei der Global Steering Group for Impact Investment (GSG) usw.

Insgesamt hat sich die Unterstützung der EU für die Sozialwirtschaft in der Zusammenarbeit auf internationaler Ebene positiv ausgewirkt. Der Informationsaustausch und das Lernen zwischen den Ländern nahmen zu. Die Verfügbarkeit von EU-finanzierten Maßnahmen für Nicht-EU-Länder und Beitrittskandidaten ist ein wichtiges Ergebnis der internationalen Reichweite einiger SBI-Folgemaßnahmen wie der EaSI-finanzierten Maßnahmen und der Einbeziehung von SU-bezogenen Zielen und Maßnahmen im Rahmen von EFRE-INTERREG und IPA-Instrumenten. Die Unterstützung von Sozialunternehmen und sozialwirtschaftlichen Organisationen hat in der Zusammenarbeit mit den Ländern des Westbalkans und den Mittelmeerländern zunehmend an Bedeutung gewonnen. Strategische und institutionelle Beratung wurde besonders in den Kandidatenländern geschätzt, die zur Teilnahme an Veranstaltungen und Arbeitsgruppen, wie z.B. der GECES-Expertengruppe, eingeladen wurden. Allerdings sind sich nicht viele Befragte aus den EU-Mitgliedstaaten der Maßnahmen von SBI/EU in diesem Bereich bewusst. Trotz der Fortschritte sind einige Stakeholder der Meinung, dass die Rolle der Europäischen Union in internationalen Foren immer noch zu begrenzt ist und dass das Thema SU und Sozialwirtschaft nicht die Relevanz auf der internationalen Agenda erreicht hat, die es angesichts der in Europa vorhandenen Erfahrungen und Fachkenntnisse über SU sowie der wichtigen Rolle von SU und sozialwirtschaftlichen Organisationen bei der nachhaltigen und integrativen Entwicklung haben sollte.

6. Welche Faktoren haben den Fortschritt in all den oben genannten Bereichen vorangetrieben oder behindert, und inwieweit sind sie mit dem SBI verbunden (oder nicht)?



Die Analyse der Befragungsergebnisse zeigt, dass Veränderungen im Ökosystem sozialer Unternehmen in hohem Maße von spezifischen Triebkräften beeinflusst werden, die eine positive und verstärkende Wirkung haben, sowie von Hindernissen, die eine hemmende Wirkung haben. Die Befragten heben das Vorhandensein von EU-Politiken, EU-Fonds und EU-Projekten als einen **Motor** für die Entwicklung des Ökosystems für SU hervor. Dazu gehören der strategische Rahmen der Europäischen Kommission (SBI) im Allgemeinen und einige Aktivitäten auf EU-Ebene (GECES, Mapping Studie, Straßburg Konferenz), aber auch konkrete EU-finanzierte Aktivitäten auf Länderebene, wie ESIF-Projekte/Programme oder EaSI-Finanzierung, EU-Rechtsvorschriften zur Auftragsvergabe oder spezifische Initiativen wie Interreg, Erasmus+-Projekte, ESER. Weitere Hauptantriebskräfte - außerhalb von SBI - sind neue soziale Bewegungen (Bewegungen zur Aufnahme und Integration von Migranten und Flüchtlingen, der Kampf gegen den Klimawandel, die wahrgenommene Notwendigkeit, sich an den Zielen der nachhaltigen Entwicklung auszurichten, Forderungen nach mehr sozialer Verantwortung von Unternehmen und ein erhöhter Bedarf auf gesellschaftliche Herausforderungen zu reagieren), politisches Engagement und Unterstützung auf nationaler/regionaler Ebene, mehr verfügbare Informationen und ein besseres Verständnis der Bedürfnisse von SU, ein besser entwickelter und anspruchsvoller SU-, NGO- oder Wohlfahrtssektor, die Folgen der Wirtschaftskrise (2009/2010) und Haushaltsbeschränkungen im öffentlichen Sektor. Eine breite Palette verschiedener **Hindernisse** behinderte die Entwicklung des SU-Wirtschaftsumfelds laut den Ergebnissen des Interviews. Die Befragten verweisen auf einen unzureichenden Rechtsrahmen und das Fehlen einer gemeinsamen Definition, mangelnde Finanzierung, unlauteren Wettbewerb mit regulären Unternehmen sowie auf mangelnde (Management-/Berufs-)Fähigkeiten und Kapazitäten in SU. Die Hindernisse wurden unter der Frage der Relevanz im Hinblick auf die neuen Bedürfnisse von Sozialwirtschaftsorganisationen weiter analysiert.

### Effizienz

1. Inwieweit standen die Kosten (einschließlich aller Kosten, sowohl für personelle als auch für finanzielle Ressourcen), die mit sechs Initiativen auf EU-Ebene verbunden sind (EaSI Drittes Unterprogramm, EFSI, EuSEF Verordnung, ESER Pilotprojekt, EC-OECD Zusammenarbeit, Mapping Studien), die auf der Grundlage des SBI eingeleitet wurden, in einem angemessenen Verhältnis zu dem Nutzen, den sie gebracht haben?

Die Analyse zeigt, dass alle sechs analysierten politischen Initiativen einen klaren Nutzen und Beitrag geleistet haben. Die detaillierten Ergebnisse der spezifischen Kosten-Nutzen-Analysen ausgewählter SBI-Aktionen ergeben ein gemischtes Bild. Der effizienteste Beitrag wurde bei den Instrumenten festgestellt, die vorwiegend im Bereich der Bewusstseinsbildung, des Wissens- und Netzwerkaufbaus eingesetzt werden. Daran schlossen sich Finanzierungsinitiativen an, die ebenfalls klare Vorteile, aber auch wesentlich höhere Kosten mit sich bringen. Schließlich zeigte die Analyse, dass die Initiativen, die sich auf die Regulierung konzentrieren, komplexe und langwierige Prozesse mit beträchtlichen Kosten erfordern, bevor ein greifbarer Nutzen entstehen kann. Dies war der Fall bei EuSEF. Diese Initiativen können jedoch auch als wichtig angesehen werden, wenn sie auch kurzfristig nicht effizient sind, da sie Meilensteine für künftige Entwicklungen und für den Abbau wichtiger administrativer und rechtlicher Hindernisse darstellen und so den Boden für einen erheblichen Nutzen in der Zukunft bereiten. In diesem Sinne entsprechen sie auch den politischen Prioritäten der EU in Bezug auf den Binnenmarkt und die EU-Integration.

### Relevanz

1. Inwieweit sind die auf der Grundlage der SBI eingeleiteten Maßnahmen noch relevant? Füllen die Finanzinstrumente noch immer die Lücken im Markt?

Den Untersuchungen zufolge sind die auf der Grundlage der SBI eingeleiteten Maßnahmen nach wie vor relevant. Es besteht nach wie vor ein erkannter Bedarf an Maßnahmen im Bereich der Sichtbarkeit und Anerkennung, einschließlich angemessener rechtlicher

Rahmenbedingungen, sowie die Notwendigkeit eines besseren Verständnisses bei Behörden und in der Öffentlichkeit. Zu den Bedürfnissen, die noch wichtiger sind, gehören die Verbesserung der Managementfähigkeiten und der Professionalisierung, der Zugang zum Markt und die Verfügbarkeit von Finanzmitteln. Insgesamt zeichnen sich mehr und mehr spezifische Bedürfnisse ab (siehe Frage 3 unten). Die Finanzinstrumente wurden im Allgemeinen auf die Bedürfnisse von SU zugeschnitten, in dem Sinne, dass sie eingesetzt wurden, um SU und anderen sozialwirtschaftlichen Organisationen in vielen europäischen Ländern neue Finanzprodukte anzubieten. Die EaSI-SU-Garantien waren ein relevantes Instrument, das einen wichtigen Nutzen hatte, aber in Ländern mit einem fortgeschrittenen SU- und sozialen Finanzumfeld besser angenommen wurde. Es könnten spezifischere Instrumente zur Unterstützung von Ländern mit einer sich entwickelnden Sozialwirtschaft erforderlich sein. Auf Schulden bezogene Finanzinstrumente wurden bisher besser angenommen als auf Eigenkapital bezogene Instrumente. Die Bedürfnisse entwickeln sich jedoch weiter. Kleine Organisationen stehen vor mehr Herausforderungen als größere SU. Für frühe Phasen nach der Gründung (Seed, Scale-up) werden Kleinst- und Kleinfinanzierungen benötigt. Es werden besser geeignete Instrumente und Programme benötigt, die auf die verschiedenen Bedürfnisse zugeschnitten sind, mit denen SU in den verschiedenen Phasen ihres Lebenszyklus konfrontiert sind. Weitere Bedürfnisse ergeben sich in Bezug auf soziale Beteiligungsfinanzierung, Crowdfunding usw. Geschäfts- und Finanzkenntnisse in Sozialwirtschaftsorganisationen stellen einen relevanten Bedarf dar.

2. Inwieweit haben sich die ursprünglichen Ziele des SBI als angemessen erwiesen?
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Insgesamt bestätigen sowohl die Analyse vorliegender Unterlagen als auch die Interviews die Angemessenheit der ursprünglichen Ziele der SBI - damals 2011 und heute. Die Stakeholder sind der Meinung, dass die allgemeinen SBI-Ziele ihre Relevanz nicht verloren haben und dass die Bedürfnisse weiterhin bestehen, wenn auch mit unterschiedlicher Intensität, je nach Entwicklungsgrad der SU und dem Reifegrad der Ökosysteme, in denen die SU in den einzelnen Ländern tätig ist. Den meisten Befragten zufolge besteht nach wie vor ein Bedarf an mehr Sichtbarkeit und Anerkennung sowie an einem besseren Verständnis der SU. Zu den relevanten Bedürfnissen, die sich nicht geändert haben, gehören der Zugang zum Markt und die Verfügbarkeit von Finanzmitteln. Die Tatsache, dass im Laufe der Zeit zwei neue Ziele (Digitalisierung/neue Geschäftsmodelle und externe Maßnahmen) in das SBI-Paket von Folgemaßnahmen aufgenommen wurden, zeigt, dass auf Ebene der Europäischen Kommission eine Kontrolle Überwachung und Berücksichtigung relevanter Trends und Bedürfnisse stattgefunden hat, sicherlich unterstützt durch die Arbeit der GECES-Expertengruppe. Dennoch hat die Analyse gezeigt, dass die Ziele der SBI manchmal als zu weit gefasst und teilweise als vom nationalen/lokalen Kontext abgekoppelt wahrgenommen wurden.

3. Wie gut decken sich die ursprünglichen Ziele der SBI noch mit den Bedürfnissen von sozialen Unternehmen / sozialwirtschaftlichen Akteuren?
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Die Analyse zeigt eine progressive Entwicklung der Bedürfnisse von allgemeinen/grundlegenden Anforderungen hin zu präziseren und spezifischeren, hauptsächlich aufgrund des stärkeren Bewusstseins der meisten Interessengruppen für die konkreten Engpässe, mit denen man sich befassen sollte, um das Potenzial von SU zu erschließen. Dazu gehört z.B. die dringendere Notwendigkeit, Fähigkeiten von SU zu verbessern, um sie in die Lage zu versetzen geschäftlichen Herausforderungen angemessen zu begegnen. Darüber hinaus besteht die Notwendigkeit des Aufbaus von Kapazitäten und des Wissensaustauschs nicht nur zwischen SU und Akteuren der Sozialwirtschaft, sondern auch zwischen politischen Entscheidungsträgern, Beamten und bei Finanzintermediären, die in vielen Ländern immer noch Schwierigkeiten haben die Hauptmerkmale, Rollen und das Potenzial der Sozialwirtschaft anzuerkennen. Im Zusammenhang mit dieser Frage besteht ein stärkerer Bedarf an maßgeschneiderten Maßnahmen und Instrumenten wie spezifischen Finanzierungsprodukten/ Finanzdienstleistungen sowie an öffentlichen Aufträgen, die besser auf die besonderen

Bedürfnisse von OSW (insbesondere kleinen Unternehmen) und der Gebiete, in denen OSW tätig sind, insbesondere in weniger bevölkerten und abgelegenen Gebieten, abgestimmt sind. Es gibt ein ungenutztes Potenzial für innovative Partnerschaften zwischen SU/OSW und öffentlichen Behörden. Weitere Bereiche, die als sich entwickelnd wahrgenommen werden, sind die Notwendigkeit einer besseren Vorbereitung der Digitalisierung, angemessene Skalierungsstrategien zu unterstützen, eine bessere Zusammenarbeit zwischen SU/OSW und konventionellen Unternehmen zu gewährleisten, die EU-Politik zur Sozialwirtschaft mit anderen übergreifenden Strategien und politischen Zielen zu verknüpfen, sowie die Netzwerke der Sozialwirtschaft zu stärken.

4. Wie relevant sind die Initiativen, die auf der Grundlage der SBI ergriffen werden, für die EU-Bürger?

Die Ergebnisse der Analyse zeigen, dass 29% der Befragten sich der SBI und der Details nicht bewusst sind. Dies ist eine relativ hohe Zahl, wenn man berücksichtigt, dass Anwender, Experten und Interessenvertreter befragt wurden. Es kann daher davon ausgegangen werden, dass die SBI als politische Initiative der EU in der breiten Öffentlichkeit und bei den EU-Bürgern noch weniger bekannt ist. Die Interviews zeigen, dass die SBI in Mitgliedstaaten, die über ein ausgereiftes Umfeld für SU verfügen, besser bekannt ist. Die Analyse der sozialen Netzwerke als Proxy für die Einschätzung der öffentlichen Wahrnehmung zeigt, dass die Sozialwirtschaft in den sozialen Medien zunehmend anerkannt und diskutiert werden und so die öffentliche Debatte erreichen. Die Analyse der sozialen Netzwerke veranschaulicht die wachsende Zahl von sozialen Mediengruppen und die Interaktion zu den Themen soziale Unternehmen, soziale Innovation und Sozialwirtschaft. Damit spiegelt diese Entwicklung eine Tendenz wider, die auch in der Bevölkerung zu beobachten ist, verbunden mit einer stärkeren Sensibilisierung für wirkungsökonomische oder soziale Wohlfahrtsmodelle. Seit 2011 hat die Zahl der Gruppen und Interaktionen auf sozialen Medien zugenommen. Einige spezifische Folgemaßnahmen sind in den sozialen Medien (EaSI, EuSEF usw.) sichtbar, jedoch mit geringer Reichweite. Die meisten Nachrichten der sozialen Medien, („Tweets“), waren in Sprachen von Ländern mit einem für SU eher fortgeschrittenen Ökosystem, nämlich Französisch und Italienisch sowie Niederländisch (Flandern). Es wird vermutet, dass das SBI wenig dazu beigetragen hat, die öffentliche Debatte in Ländern mit weniger fortgeschrittenen SU-Ökosystemen zu fördern. Die Analyse der sozialen Medien legt daher nahe, dass das SBI vor allem unter Insidern diskutiert wird, z.B. unter Personen, die bereits mit sozialen Unternehmen und der Sozialwirtschaft oder mit spezifischen Folgemaßnahmen in Ländern mit fortgeschrittenen sozialwirtschaftlichen Ökosystemen vertraut sind.

### Kohärenz

1. Inwieweit sind das SBI und seine Folgemaßnahmen mit der Politik und den Prioritäten der Europäischen Kommission sowie mit der EU-Politik im weiteren Sinne (z.B. in Bezug auf die Ziele der nachhaltigen Entwicklung) kohärent?

Die Analyse von EU-Politikdokumenten zeigt eine allgemeine Kohärenz des SBI mit anderen EU-Politiken und -Prioritäten im Hinblick auf die allgemeinen Ziele und Dimensionen. In den meisten Strategiepapieren ist die Kohärenz auf operativer Ebene jedoch nur schwach ausgeprägt. So gibt es beispielsweise keinen ausdrücklichen Hinweis auf das SBI oder darauf, wie SU/Sozialwirtschaft zur Erreichung der politischen Ziele beitragen können. In einigen Dokumenten werden SU/Soziale Ökonomie zwar erwähnt, aber ihre Rolle bei der Erreichung der für solche Politiken festgelegten Ziele wird nicht genau beschrieben. Dies gilt auch für die weiter gefasste EU-Politik, z.B. den Beitrag zu den Zielen der nachhaltigen Entwicklung (SDGs). Diese Ergebnisse betreffen vor allem die im Zeitraum 2011-2018 eingeführten Politiken oder Dokumente. Seit 2019/2020 ist ein Trend zu einer positiveren und stärkeren Kohärenz zwischen neu verabschiedeten politischen Dokumenten, Strategien und Aktionsplänen und der Entwicklung der Sozialwirtschaft/sozialen Unternehmen zu beobachten. Insbesondere die Rolle der Sozialwirtschaft für die Erreichung der politischen Ziele wird in einer Vielzahl von wichtigen

Grundsatzdokumenten hervorgehoben, z.B. in der Mitteilung über den gerechten Übergang, dem Aktionsplan zur Kreislaufwirtschaft, der KMU-Strategie, der Strategie zur Konjunkturbelebung und der Mitteilung zum Europäischen Semester. Viele politische Dokumente erwähnen auch spezifische Instrumente, die die Erreichung politischer Ziele durch soziale Innovation und soziales Unternehmertum unterstützen können. Die Mehrheit der befragten Stakeholder ist der Ansicht, dass das SBI weitgehend mit anderen EU-Politiken kohärent ist, dass sich diese allgemeine Kohärenz jedoch nur teilweise auf der operativen Ebene widerspiegelt. Die meisten Stakeholder erwarten eine größere Kohärenz und ein Mainstreaming von sozialen Unternehmen und der Sozialwirtschaft in relevanten Politikbereichen mit dem Beitrag des bevorstehenden Aktionsplans zur Sozialwirtschaft.

### EU-Mehrwert

1. Was ist der zusätzliche Nutzen der SBI im Vergleich zu dem, was angemessenerweise von Mitgliedstaaten erwartet werden konnte, die auf nationaler und/oder regionaler Ebene handeln, ohne dass auf EU-Ebene politische Maßnahmen eingeleitet und Folgemaßnahmen ergriffen wurden?

Die Stakeholder bestätigen die allgemeine **Wahrnehmung eines hohen EU-Mehrwerts** des SBI und seiner Folgemaßnahmen. Die meisten Befragten (63%) räumen ein, dass die SBI und ihre Folgemaßnahmen zumindest einen gewissen zusätzlichen Wert im Vergleich zu nationalen Maßnahmen auf Ebene der Mitgliedstaaten hatten. 14% von ihnen sehen einen sehr hohen Zusatznutzen, 49% sehen einen hohen Zusatznutzen. 22% der Befragten sind der Ansicht, dass die SBI im Vergleich zu Maßnahmen auf Ebene der MS einen geringen Mehrwert hatte, während 15% keinen zusätzlichen Nutzen im Vergleich zu dem sehen, was in ihrem Land ohne die SBI geschehen wäre.

Der spezifische Mehrwert von EU-Maßnahmen wird von den Interessengruppen vor allem im Zusammenhang mit EU-Finanzierungsprogrammen wahrgenommen, und zwar sowohl im Bereich der Verbesserung der Sichtbarkeit von Finanzierungsprogrammen als auch durch die Bereitstellung öffentlicher Mittel. Ein beträchtlicher Mehrwert wird nach wie vor in den Bereichen Bildung und Ausbildung, gegenseitiges Lernen und Forschung wahrgenommen. Andere EU-Maßnahmen zeigten in den Augen der Akteure der Sozialwirtschaft einen geringeren Mehrwert, insbesondere in den Bereichen staatliche Beihilfen, soziale Innovation, neue Technologien und Digitalisierung sowie Messung der sozialen Wirkungen. In diesen Bereichen werden nationale Rahmenbedingungen als dominierende Arenen der politischen Unterstützung angesehen.

Je nach dem Reifegrad des Ökosystems der Sozialwirtschaft weisen verschiedene Länder **besondere Muster** des EU-Mehrwerts auf. Länder mit einem fortgeschrittenen SU-Ökosystem nehmen im Allgemeinen einen höheren EU-Mehrwert wahr als Länder, in denen sich das SU-Ökosystem noch entwickelt. Wichtige Bereiche für Länder mit einem gut entwickelten sozialwirtschaftlichen Ökosystem sind: Regulatorisches und institutionelles Umfeld sowie Information und Verständnis. Auf der anderen Seite sind wichtige Bereiche für Länder mit einem weniger entwickelten sozialwirtschaftlichen Ökosystem (meist mittel- und osteuropäische Länder): Öffentliches und privates Beschaffungswesen, Bedingungen bei Finanzintermediären, Zugang zu privaten Finanzmitteln, Managementfähigkeiten in SU/OSW, Label und Zertifikate, Information und Verständnis.

In den letzten Jahren sind die Folgemaßnahmen des SBI wegweisend für die Analyse und Unterstützung neuer Handlungsfelder, die für SU und die Sozialwirtschaft relevant werden. Zu den **neuen Handlungsfeldern** gehören zum Beispiel der Bereich der privaten Beschaffung und das Scaling Up für OSW. Ein zweites Feld sind neue Formen der öffentlichen Auftragsvergabe, z.B. über Social Impact Bonds oder Outcome-Contracting. Drittens bietet die Digitalisierung neue Möglichkeiten für technologiebasierte SU/OSW, aber auch für traditionelle Sozialdienste und SU, die es zu nutzen gilt. Schließlich hat die Beteiligungsfinanzierung mit sozialen Auswirkungen das Potenzial, neue Kanäle für private Finanzierungen zu eröffnen.

2. Was, wenn überhaupt, war der Mehrwert der Arbeit der Multi-Stakeholder-Expertengruppe (Expertengruppe der Kommission für soziales Unternehmertum (GECES)), die eingerichtet wurde, um die Umsetzung der SBI zu verfolgen?

Die Expertengruppe für soziales Unternehmertum (GECES) wurde erstmals 2011 für sieben Jahre eingerichtet und 2018 unter dem Titel „Expertengruppe für Sozialwirtschaft und soziale Unternehmen“ erneuert. Unter den 50,2% der Stakeholder, die mit der Arbeit von GECES vertraut sind, ist die **Wertschätzung ihrer Arbeit positiv**. Die wahrgenommenen Vorteile von GECES lassen sich in Bereiche wie Unterstützung der Politik- und Entscheidungsfindung, Austausch von Erfahrungen und Praktiken, Aufbau von Gemeinschaften und Vernetzung einteilen. zunehmende Sichtbarkeit und gegenseitiges Lernen. GECES ist vor allem Experten, politischen Entscheidungsträgern und Praktikern mit direktem Bezug zur SU-Politikgestaltung auf EU- und internationaler Ebene bekannt. Vorschläge zur Erhöhung des GECES-Mehrwerts beziehen sich auf die Aspekte der Informationskommunikation auf Ebene der Mitgliedstaaten. Die Übersetzung von Veröffentlichungen und Dokumenten in alle EU-Amtssprachen kann nützlich sein, um die Öffentlichkeitsarbeit auf lokaler und regionaler Ebene zu verbessern. Andere Beispiele für Maßnahmen wären die Förderung von Schnittstellen oder Verbreitungsstrukturen auf der Ebene der Mitgliedstaaten, die den Austausch von GECES-bezogenen Informationen und deren Verbreitung erleichtern.

## 1 Introduction

In 2011, the EU Commission presented the Social Business Initiative (SBI) which established a concrete EU level action plan to develop a favourable environment for social enterprises (SE)<sup>13</sup>. EU commitment was reinforced by Council conclusions on the “*promotion of the social economy as a key driver of economic and social development*”<sup>14</sup>. In the Commission’s Communication “Europe’s next leaders: the start-up and scale-up initiative” adopted in 2016, the Commission confirmed its commitment to build on the experience of the SBI, recognising the potential of social start-ups “*for innovation and positive impact in economy and society at large*”<sup>15</sup>.

In January 2020, the European Commission announced its plan to launch a new Action Plan for the Social Economy in 2021. It is therefore a good moment to take stock on the results and achievements of the SBI over the last ten years, learning from the experience and identifying the most effective policy actions and areas where more support for social economy organisations will be needed in the future.

In 2019, DG Employment commissioned a study on the impact of the SBI and its follow-up actions. Spatial Foresight in consortium with the European Research Institute on Cooperative and Social Enterprises (Euricse) and the European Centre for Social Finance were awarded this contract. The study is financed under the European Programme for Employment and Social Innovation 2014-2020 (EaSI). The purpose of the present study is to provide the Commission services with a comprehensive, evidence-based analysis of the impact of SBI on the development of social enterprises/social economy and their operating environments both at national and EU level. The impact is measured against the key objective of the policy initiatives pursued since the SBI: **creating enabling conditions for the development of social enterprises and the social economy in general**.

This **final report** presents the results of the research. The methodology followed a qualitative approach. In addition to the analysis of documents and relevant literature, 326 interviews with public authorities, stakeholder organisations, experts and practitioners at EU level and in European countries have been the main source of information. Moreover, 15 case studies were conducted to have a more in-depth understanding of changes in the social enterprise/social economy environment and the impact of SBI follow-up actions. The study covers 28 EU Member States (MSs) (including UK) and nine additional European countries<sup>16</sup>. It was carried out between October 2019 and November 2020.

### 1.1 Setting the scene

This section presents the general framework of the study, namely the significance of social enterprises/social economy in European economies, as well as the SBI initiative and its follow-up actions.

#### 1.1.1 Social enterprises within the social economy

The SBI Communication introduced an operational definition of *social enterprise*, referring to its three key dimensions: entrepreneurial/economic, social dimension and inclusive governance-ownership dimension. A social enterprise is understood as an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the

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<sup>13</sup> European Commission 2011

<sup>14</sup> Council of the European Union 2015

<sup>15</sup> European Commission 2016a:10

<sup>16</sup> Albania, Iceland, Liechtenstein, Montenegro, North Macedonia, Norway, Serbia, Switzerland, Turkey.

market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities. The SBI explained these three fundamental dimensions of social enterprises, but explicitly stated that it did not suggest a standard definition as a basis for harmonising regulations<sup>17</sup>. However, the notion of social enterprise was strictly defined in the context of the 2013 Regulation on a European Union Programme for Employment and Social Innovation ("EaSI")<sup>18</sup>.

In this study, the terms 'social enterprise' and 'social business' are equivalent, understanding that apart from the SBI communication 'social business' has been used much less in practice and research than other terms. The term 'social economy' describes a broader set of organisations, notably foundations as well as cooperatives, associations and mutual aid societies for which the primary objective is to serve their members; they are aimed at pursuing collective interest aims. Social enterprises are a specific part of the economy and of the social economy, which concerns also any other legal form that complies with specific criteria set by the SBI operational concept. Another frequently used term is 'third sector'<sup>19</sup> that consists of non-governmental and other non-profit organisations. 'Social entrepreneurship' describes broadly the work with (new) endeavours with social impact. 'Social entrepreneur' describes the individual (or groups of individuals) who starts up or runs a company or organisation with social impact<sup>20</sup>.

All over Europe, organisations defined as social enterprises have become an increasingly important entrepreneurial dynamic over the past few decades<sup>21</sup>. Social enterprises contribute to filling gaps in general interest service delivery and facilitate the work integration of disadvantaged people and/or people at risk of social exclusion. The positive impact of social enterprises on social and economic development can be seen from various perspectives. Social enterprises supply general interest services and goods that public agencies and conventional enterprises often fail to deliver for a number of reasons, i.e. budget constraints, the incapacity to identify new needs arising in society, and market failures. They can contribute to a more balanced use and allocation of resources available at a local level to the advantage of the community thus supporting a more inclusive growth. They may generate new employment and play a role in enhancing the social capital of a given territory. Social enterprises can contribute to tackling additional societal challenges such as inclusion of vulnerable groups into society, environmental protection, smart and sustainable development or migration<sup>22</sup>.

Social enterprises and more in general, social economy organisations (SEO), are usually involved in innovative initiatives that design, test and introduce new (combinations of) approaches which bring about new solutions (ideas, processes, products, services etc.) and ultimately improve the welfare and wellbeing of individuals and communities. Thanks to their local focus and community engagement, social enterprises can be fundamental to the advancement of environmental innovation in support of sustainability. Furthermore, social enterprises and many other social economy organisations are supposed to have weathered the 2008 economic crisis much better than mainstream enterprises<sup>23</sup>, providing innovative solutions to major socio-economic problems (e.g. social exclusion, ageing of the population).

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<sup>17</sup> See the Mapping Study Summary Report (European Commission 2020c:16 for a more thorough review of concepts and definitions, including differences between Member States and countries.

<sup>18</sup> Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI")

<sup>19</sup> Besides the private and the public sector.

<sup>20</sup> See again the Mapping Study Summary Report for more in-depth discussion of terms and definitions. (European Commission 2020c:19).

<sup>21</sup> See, for example, Borzaga and Defourny 2001, Seelos and Mair 2017, Enjolras et al. 2018

<sup>22</sup> See European Commission 2016c and 2020c and Council of the European Union 2015 for more detail.

<sup>23</sup> This is supported, for example, by analysis based on data from the Portuguese Social Economy Satellite Account.

While social enterprises exist in all countries, the degree of understanding and acceptance of the social enterprise concept by policymakers, practitioners and researchers varies to a significant extent across EU Member States. Diverse notions and different names in different languages are used to describe various traditions of social economy and/or social enterprises. Different names for similar traditions sometimes add to conceptual confusion, when seen from a European perspective. Key terms that are sometimes used to describe related phenomena include the following: *social and solidarity economy (SSE)*, *alternative economy*, *social entrepreneurship* and *social entrepreneur*, *social start-up* and *social innovation*. These terms are sometimes used by stakeholders interchangeably with that of *social enterprise*. Even the SBI used various of these terms to describe the same phenomena. However, each approach was developed to capture a specific notion in the mind-set that involves civil society engagement and social impact. Some terms describe specific traditions and legacies in given territories that might be rather unknown in other countries. This sheds light on a particular set of actors and/or beneficiaries that only partially overlaps with that of social enterprises but are still connected to the wider sphere of the '*social economy*'.

Interestingly, the Communication on SBI and subsequent policy documents refer not only to social business and social enterprises, but also to the social economy in general, social innovation and social entrepreneurship, widening the scope of the SBI beyond the social enterprises. Some of the follow-up actions of the SBI referred specifically to other types of social organisations, which do not always comply with the SBI operational definition criteria, such as foundations, mutual aid societies or cooperatives, widening the scope of the SBI towards the social economy in general. It can be assumed that many of the SBI follow-up actions had at least an indirect effect on the overall ecosystem of the social economy.

In this sense, this study focuses – like the SBI – mainly on the conditions for social enterprise development. However, given the conceptual differences between countries and the relevance that the SBI might have had also for other types of organisations, we apply also the perspective of the overall ecosystem of the social economy (or on specific social economy stakeholders other than social enterprises). The concrete focus will be adapted on a case-by-case basis when referring to specific SBI follow-up actions or (expected) effects of SBI actions.

### 1.1.2 The scope and content of the SBI

The European Commission presented in 2011 the **SBI Communication** that recognised social enterprises with a view to boost their development. To create enabling conditions for the development of social enterprises, the Commission proposed the SBI action plan, in close partnership with stakeholders in the sector and the Member States<sup>24</sup>.

The SBI was based on the principle that "*the single market needs new, inclusive growth, focused on employment for all, underpinning the growing desire of Europeans for their work, consumption, savings and investments to be more closely attuned to and aligned with 'ethical' and 'social' principles.*"<sup>25</sup> The rationale behind a specific support proposed in the SBI was the expected capacity of social enterprises and the social economy in general to provide innovative responses to the current economic, social and environmental

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<sup>24</sup> European Commission (2011): Social Business Initiative. Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation. Brussels, 25.10.2011. COM(2011) 682 final. The SBI also builds on the Communication on the Innovation Union, the Platform against poverty and social exclusion and on the recent Commission proposal for establishing a Programme on Social Change and Innovation.

<sup>25</sup> *ibid.*



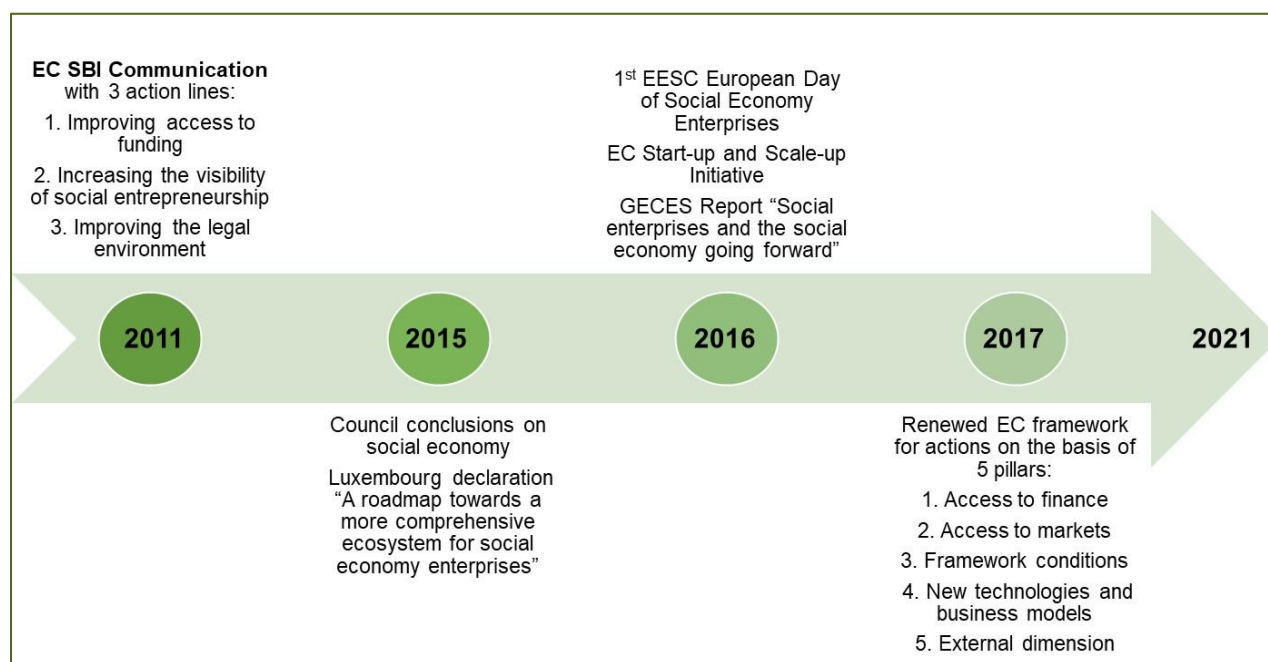
challenges by developing sustainable, largely non-exportable jobs, social inclusion, improvement of social services, territorial cohesion, etc.<sup>26</sup>

The SBI featured a *political and strategic Communication with recommendations* and an *operational action plan* aimed at supporting the development of social enterprises, key stakeholders and social innovation.

The SBI action plan included eleven key actions to be launched before the end of 2012. The key actions were structured along the following three SBI objectives:

- **1. Improving access to funding**
  - Facilitating access to private funding
  - Mobilisation of EU funds
- **2. Increasing the visibility of social entrepreneurship**
  - Developing tools to gain a better understanding of the sector and increase its visibility
  - Improve national and regional administrations' capacity building to boost social enterprises
  - Reinforcing the managerial capacities, professionalism and networking of social businesses
- **3. Improving the legal environment**
  - Developing appropriate European legal forms which could be used in European social entrepreneurship
  - Public procurement
  - State aid.

**Figure 1.1 Evolution of milestones of EU support to social enterprises**



Source: Authors' own elaboration

The SBI Communication stated that "*the Commission shall set up a consultative multi-stakeholder group on social business to examine the progress of the measures envisaged in this Communication [...]*." The Commission Expert Group on Social Entrepreneurship

<sup>26</sup> It can be noted that it would also be highly interesting to analyse and evaluate the expected impact of social enterprises and the social economy in general on these larger societal objectives (employment, innovation, inclusion, territorial cohesion etc.). However, this should be done in the framework of another study given that the present study, according to the Terms of Reference, focuses on the analysis of the impact of SBI on the development of social enterprises and their operating environments both at national and EU level.

(GECES, acronym based on the initial letters of its name in French) was set up in 2012 for a period of six years. It was renewed in 2018 for six more years, called now: Commission Expert Group on Social Economy and Social Enterprises. It is consulted by the Commission, on the opportunity, development, setting up and implementation of all the actions mentioned in the SBI, or further developments in the areas of social entrepreneurship and social economy.

Between 2013 and 2016, the European Commission undertook various supportive actions, e.g. studies, conferences and EU funded projects. In 2016, in the 'Start-up and Scale-up Initiative', the European Commission confirmed its commitment to social enterprise development and the social economy and added two new priorities to the three set by the SBI, namely: i) social innovation, new technology and business models, and ii) the international dimension. Actions since 2017 also drew from the 2015 Council conclusions on social economy and the 2016 recommendations of the GECES Expert group<sup>27</sup>.

### **1.1.3 Follow-up actions proposed and inspired by the SBI**

Numerous follow-up actions to the SBI were presented in the years after 2011 and until today. Despite presenting concrete objectives and key actions, the SBI was not a programme with a dedicated budget but depended on the commitment of different EU institutions and units in the European Commission. Most SBI follow-up actions were initiated by the European Commission, particularly by DG ENTR (now DG GROW) and DG EMPL, but also by other Commission services (e.g. DG FISMA, EUROSTAT) and European institutions such as the EIB. Some follow-up actions, such as the GECES expert group, events, studies or policy tools, involved also the EU Member States, national and regional stakeholders and experts, European network organisations or other international bodies such as the OECD.

Over the years, the action lines and the structure of follow-up actions evolved. Today, the actions cover five different areas, corresponding to the pillars to support social economy organisations presented by the EU as of 2017.

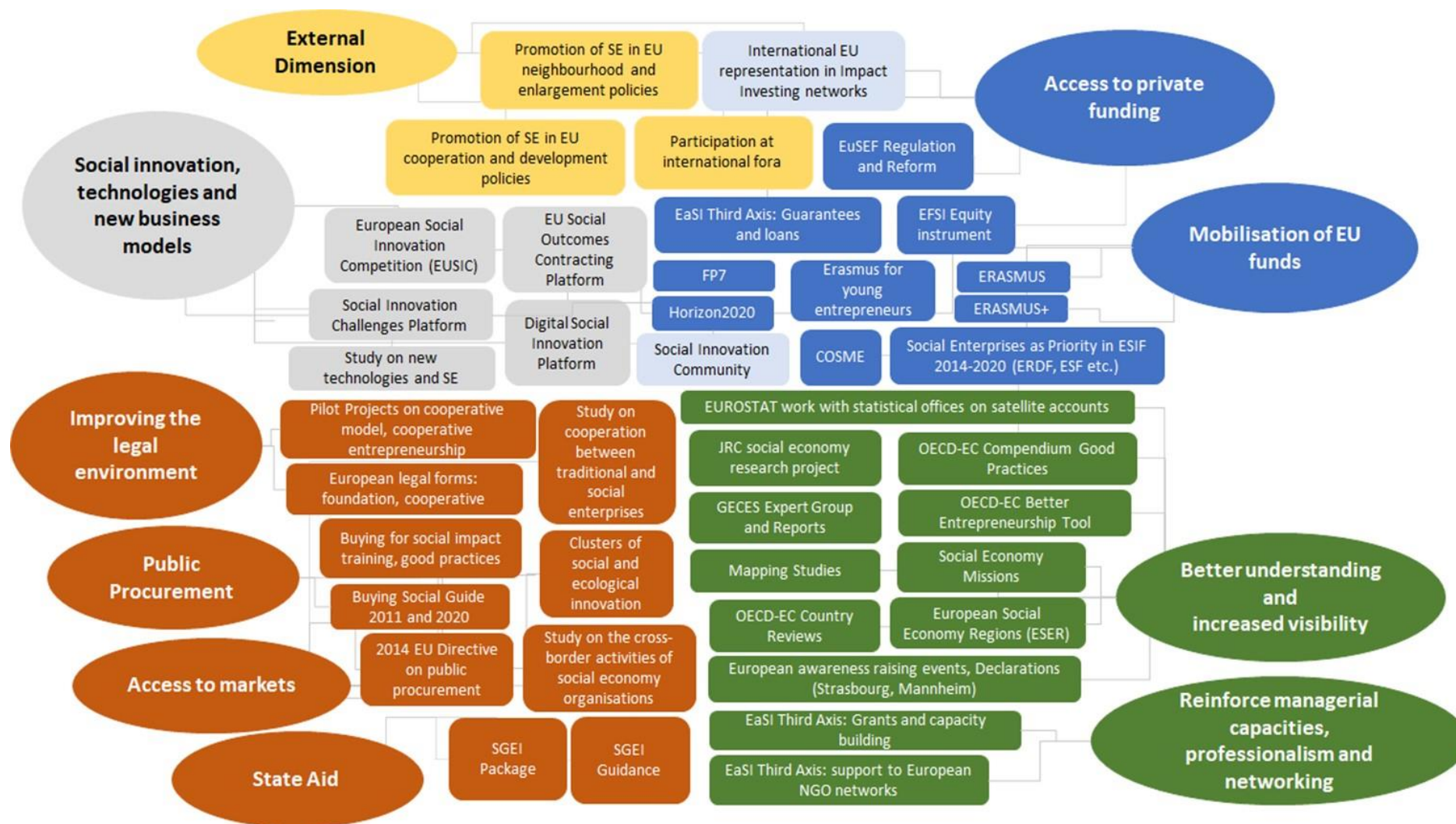
This study covers all policy initiatives and instruments (implemented or ongoing) launched since 2011 that were covered by the SBI communication or are linked directly to the SBI. An overview of the analysed actions and instruments can be seen in Figure 1.2.

Large EU programmes like the EU Research Framework Programmes (FP7 and Horizon2020), the European Structural and Investment Funds (ESIF, namely ERDF and ESF) or the ERASMUS+ Programme are not considered to be SBI follow-up actions as such. However, the SBI promoted the consideration of SE and related topics in these funding programmes, which led to an increased dedication of funds to social economy topics. These programmes can be considered, therefore, as instruments to mobilise public funds for SE and other social economy organisations. Therefore, they have been analysed as relevant instruments for the SBI in this regard.

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<sup>27</sup> Report by the GECES Expert Group (2016). Social enterprises and the social economy going forward. [https://ec.europa.eu/growth/content/social-enterprises-and-social-economy-going-forward\\_en](https://ec.europa.eu/growth/content/social-enterprises-and-social-economy-going-forward_en)

**Figure 1.2 SBI-related objectives and most relevant follow-up actions**

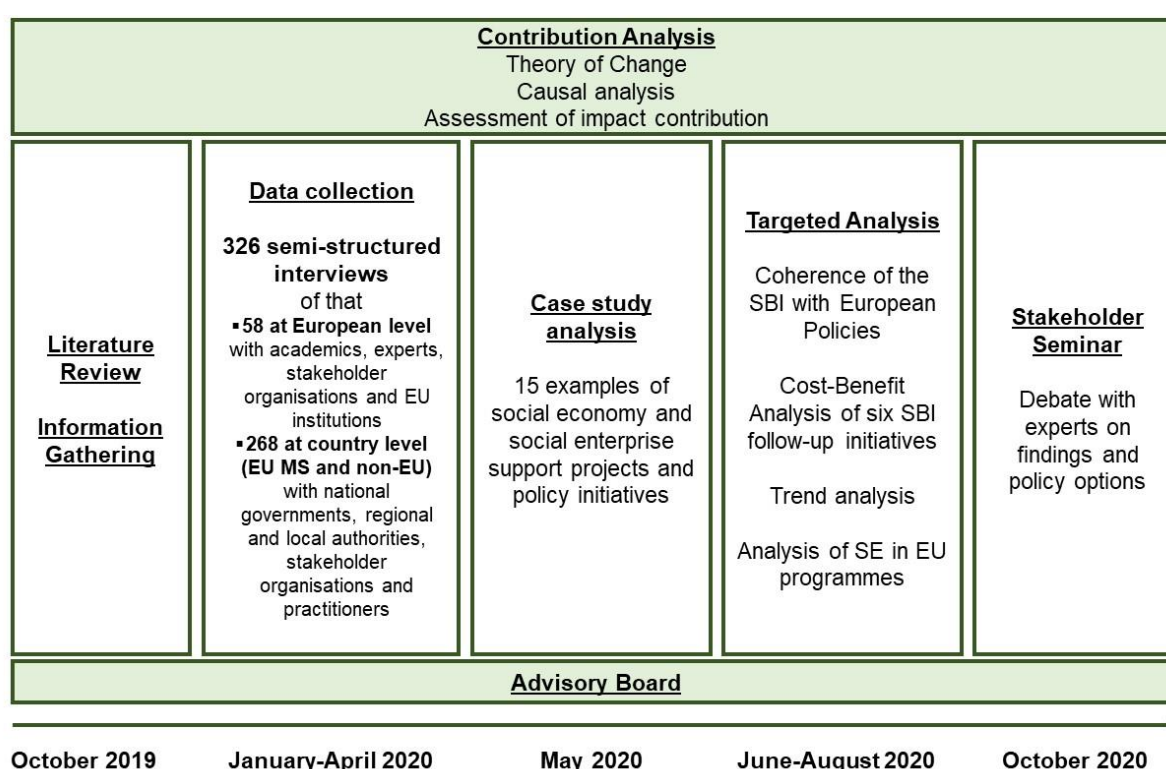


Source: Authors' own elaboration

## 1.2 Methodological approach

A theory-based evaluation approach with a mix of quantitative and qualitative methods has been applied. Data collection focused on literature review and interviews with experts and stakeholders all over Europe. Tools like contribution analysis and Theories of Change (ToC) helped to analyse the extent of SBI influence on the observed changes. Contribution analysis is an evaluation method used to establish and evaluate causal relationships in complex policy settings. The method is used to establish credible causal linkages between an initiative's activities and outcomes in both 1) contexts where there are multiple influencing factors, and 2) situations where experimental and quasi-experimental designs are not feasible because too many factors are influencing an outcome, and the individual factors are hard to isolate (see Annexes 2 and 3 for a detailed description of the Methodology).

**Figure 1.3 Methodological approach**



Source: Authors' own elaboration

Additionally, 15 practical examples of social enterprise support projects or measures have been examined with a common case study approach. Different targeted analyses have contributed to generate in-depth findings and practical examples.

The study analysed evaluation questions with regard to five evaluation criteria, as defined by the Terms of Reference (see Annex 1): Effectiveness, Efficiency, Relevance, Coherence and EU added value.

Most focus throughout the evaluation, however, was on the **effectiveness** of different impact dimensions of the SBI. A key instrument to examine the contribution of SBI to observed changes has been the operationalisation of impact based on a Theory of Change that shows the logic behind the SBI intervention (see Annex 3). Thus, the operationalisation of impact comprises **five impact dimensions** corresponding to the five pillars that currently guide the work of the European Commission in the context of the SBI follow-up (regulatory and institutional environment; visibility, recognition and understanding; access to finance; new technologies and international cooperation). These five dimensions have been split further into 18 impact areas that have been analysed.



**Table 1.1 SBI impact dimensions and impact areas**

Impact Dimension A Regulatory and institutional environment	Impact Dimension B Visibility, recognition, better understanding	Impact Dimension C Access to finance	Impact Dimensions D and E Technology and International
1. New or modified legal and institutional environment, policy frameworks and strategies, policy support in MS	1. Statistics, data and overview information	1. Conditions to work with SE in financial intermediaries and their networks	D.1 Digitisation and the use of technology
	2. Mutual learning, good-practice exchange		
	3. Social impact measurement	2. Better availability of private funding	
4. Research on SE			
2. Access to markets	5. Labels and certificates	3. Better availability of public funding	
	6. Networks and representation		
3. State aid issues	7. Awareness and self-recognition	4. Managerial capacity in SE	
	8. Visibility of SE in EU and national programmes		
	9. Education and training on SE		

Source: Author's own elaboration

To validate the results, a workshop with the GECES expert group was conducted where preliminary findings and future policy options were discussed. The high quality of the research approach is ensured over the whole evaluation process by valuable feedback from the three members of the Advisory Board.

The methodology has several limitations that might restrict the validity of research results, for example: (i) In the initial SBI, no indicators were defined to allow a monitoring of the SBI objectives or key actions, so it was not possible to use a data-based or quantitative evaluation approach. (ii) The total number of interviews is high, allowing for robust findings on the overall impacts at EU level. However, the number of interviews per country is reduced, so information gathered might be biased. Many interviewed stakeholders also had a partial view on the effects of the SBI/EU actions, e.g. only in their territory or only in their specific thematic area. This might have also led to unintended biases. (iii) Even if the analysis of EU added value tried to explore what would have happened without the SBI, it was not possible to identify and examine the concrete size of additionality effects for the different follow-up actions. (iv) The evaluation was on a complex policy with multiple influencing factors. Co-contribution dynamics between EU-funded and non-EU action hampered the identification of clear cause-effect linkages. Interconnections between different SBI follow-up actions (and other non-EU actions) have made it impossible to disentangle and identify clear chains of contribution to impacts. Despite these limitations, we are convinced that the evidence-based contribution analysis has ensured a high level of plausibility and probability of the findings. For further information on the Methodology, see Annex 2.

### 1.3 Structure of the report

This final report presents the results of the desk research, field work (interviews) and analysis. Different annexed documents describe in more detail specific targeted analyses and the data which has been analysed for this report.

As defined by the Terms of Reference, this study had to answer several evaluation questions regarding the effectiveness, efficiency, relevance, coherence and EU added

value of the SBI and its follow-up actions. The final report is structured along these evaluation questions.

Chapter 2 presents the results of the effectiveness analysis. This analysis covers the examination of relevance of SBI in the different impact dimensions and areas.

Chapter 3 presents the results of the efficiency analysis of six specific SBI follow-up initiatives.

Chapter 4 analyses the relevance of the original SBI objectives back then and until today.

Chapter 5 presents the coherence analysis of SBI with other EU policies and priorities.

Chapter 6 analyses the overall EU added value of the SBI and its follow-up actions, including the added value of GECES.

Chapter 7 presents overall conclusions and defines policy options for any future policy initiative.

The annexes describe the methodological approach of the work and the references used for the study.

Furthermore, more specific and detailed results are included in separate annex documents.

## 2 Effectiveness

Effectiveness describes the extent to which the previously defined objectives have been achieved. The original SBI objectives covered a wide range of areas. This chapter describes the overall development of the social enterprise environment with regard to five impact dimensions (regulatory and institutional environment; visibility, recognition and understanding; access to finance; new technologies and international cooperation). These five dimensions have been structured into 18 impact areas that have been analysed (see Table 1.1). The analysis focuses on overall trends, different patterns of change across Europe and the likeliness of the contribution of SBI related EU actions to the observed change.

### 2.1 Regulatory and institutional environment

The first impact dimension of the SBI referred to the operating environment of social enterprises/social economy, in particular the institutional arrangements, as well as the regulatory and policy frameworks. We defined in this field three impact areas to analyse the changes and SBI influence, namely on the regulatory and institutional environment and on the access to markets, covering public procurement as well as State aid rules.

It has to be noted that the legal frameworks in Member States are in most cases directly connected to other governmental actions like policy frameworks, accreditation or legal recognition systems, legal status definitions, tax benefits etc. Some of these actions will be analysed in following chapters (e.g. labels and certificates) with more detail, as there were other more specific SBI objectives and actions related to them. In this chapter, the overall regulatory and institutional frameworks are examined.

#### 2.1.1 Regulatory and institutional environment

Legal frameworks are important for social enterprises as they grant them recognition and visibility and they induce further support by policy makers through different levers (including fiscal measures). *"Inaccurate, unclear or excessively narrow legal frameworks can harm social enterprises, by causing confusion or failing to capture the array of entities that may qualify as social enterprises in a given context."*(OECD 2017:23) Legislation at Member State level is mostly used to legally recognise or define social enterprise or other similar types of organisations, sometimes creating specific pathways for these organisations to public procurement, fiscal benefits or the reception of public funding. Other legislation might define specific support measures (e.g. a National Action Plan), institutional arrangements (e.g. a Social Enterprise Round Table), or the institutionalisation of support structures (e.g. Regional Social Enterprise centres).

Key Action 9 in the SBI was dedicated to *"Developing appropriate European legal forms which could be used in European social entrepreneurship"*. Various actions aimed to contribute to this aim. On the one hand, European legal forms should have been developed in order to create opportunities for specific social economy organisations to seize the benefits of the EU internal market, i.e. the possible simplification of the existing statute for a European Cooperative Society, a proposal for a new European Foundation Statute, and a study on the situation of mutual societies in all Member States. On the other hand, supportive actions were also intended to stimulate developments in Member States and drive them towards conducive policy frameworks, political recognition or specific institutional arrangements, such as specific ministerial units, roundtables or departments in charge of promoting social enterprises or a broader set of social economy organisations. In this respect, EU actions were influencing Member States indirectly. Such actions included, for example, the GECES expert group (European Commission-GECES 2016d), the stocktaking through the so-called 'mapping studies' and the OECD-EC cooperation (e.g. country reviews and Better Entrepreneurship policy tool). Other initiatives aimed at awareness raising, for example the event on social entrepreneurship organised in

Strasbourg in 2014 and the European Social Economy Regions events as well as different Presidency Conferences in Member States prepared in collaboration with Commission's services.

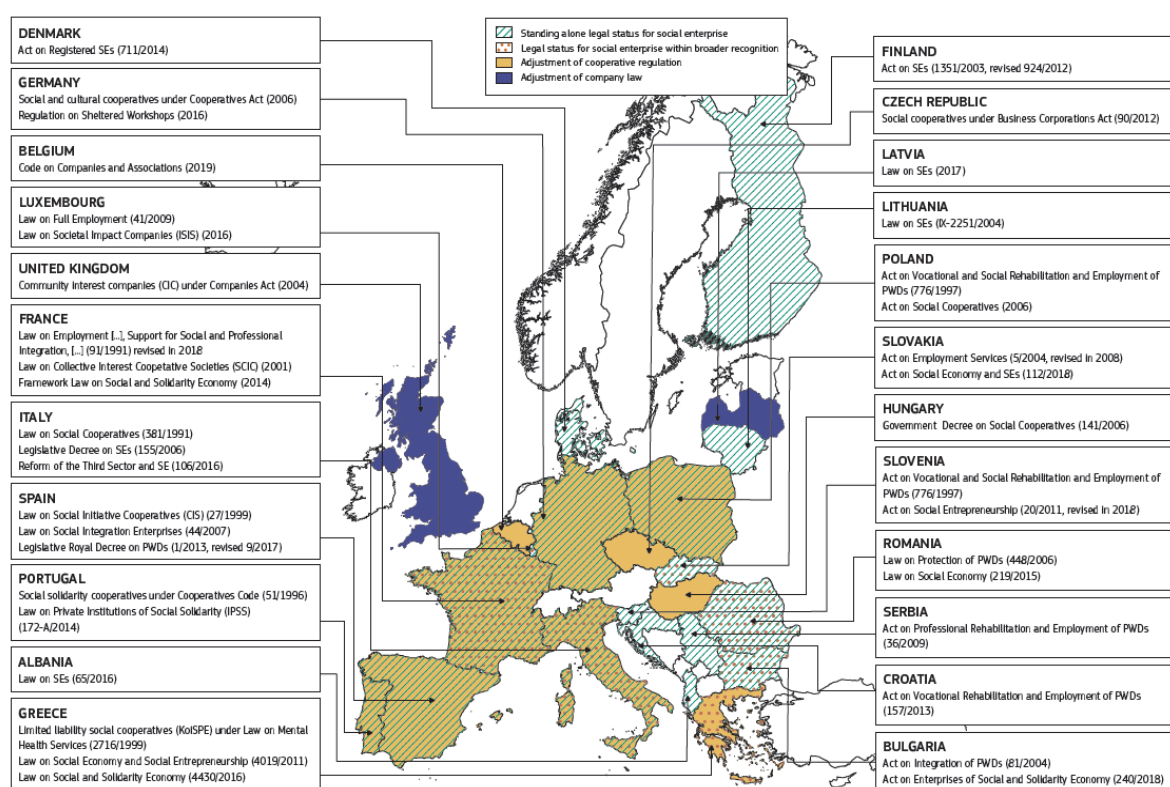
Overall, many important and positive developments can be observed in the environment of social enterprises if compared to the situation in 2011. As presented in the 2020 Mapping Study (European Commission 2020c), many EU countries have introduced legislation designed specifically for social economy organisation and/or social enterprises.

## Box 2.1 SBI follow-up action: the mapping study "Social enterprises and their ecosystems in Europe"

The European Commission launched two **mapping studies** as follow-ups to its 2011 SBI communication. The first study was conducted in 2014 and mapped social enterprise ecosystems in 29 countries. Following this initial effort, an update was launched in seven selected countries in 2016, until a complete update of the 28 Member States plus seven neighbouring countries was carried out in 2018-2020. The 2020 Synthesis Report collates and interprets the key findings from 35 separate country reports and draws a European picture of social enterprises and the environments in which they operate.

The Mapping Study offers much information underpinning the perception that many changes have been introduced in European countries over the last decade to recognise and support social enterprises and other social economy organisations.

**Figure 2.1 Countries with laws on legal forms or statuses for social enterprises**



Source: European Commission 2020c:58

The Mapping Study Synthesis Report shows the progress with regard to the legal recognition and adaptation of the regulatory frameworks for social enterprises and/or social economy organisations. It highlights that, since 2011, 16 EU Member States have introduced new legislation concerning social enterprises. *"All country reports confirm that the political recognition of social enterprises has increased in relevance over the past*



*decade in both EU Member States where social enterprises and bordering phenomena have a longstanding tradition and in countries where social enterprise is a relatively recent trend. This is the case, for instance, in CEE and SEE countries where social enterprises have shifted from the margins to the centre of the policy debate.” (European Commission 2020c:53) [...] “A very recent trend is to recognise the social enterprise through framework laws acknowledging a wider phenomenon: the social economy, the social and solidarity economy or the third sector (i.e., Bulgaria, France, Greece, Italy, Luxembourg, Romania and Slovakia).” (Ibid., p. 62).*

In other countries, debates about corresponding legal frameworks concerning social enterprises started over the last two years. *“Countries with draft laws include Cyprus, the Czech Republic, North Macedonia, Malta, Poland and Serbia. In Albania, the Law on Social Enterprises was approved in 2016, but it is not yet in force.” (Ibid., p.62)* In addition, in many cases legal changes and new institutional arrangements were developed along dedicated SE policy frameworks.

Statements from interviews conducted for this study confirm the emergence of positive changes and the positive perception of these changes by most interviewees in many different countries. The changes envisaged by the draft law in Cyprus, for example, are highly appreciated by one interviewee: *“Positive changes for Cyprus: preparation of a National Action Plan for the development of a social enterprise ecosystem in Cyprus, the promotion of the relevant bill and its expected vote by the House of Representatives, the designation of a Competent Authority for SE, the forthcoming creation of a Registry.” (Interview #562)*<sup>28</sup>

The perception of positive changes is not limited to the legal framework but covers also wider institutional frameworks. *“Reforms of the key domains of intervention of social enterprises have also led to a direct/indirect recognition of their role as provider of specific types of general interest services (e.g. reforms in the domains of welfare, employment, public procurement, etc.).” (European Commission 2020c:53).*

## **Box 2.2 Ireland’s National Social Enterprise Policy 2019-2022**

In July 2017, policy responsibility in Ireland for social enterprise was assigned to the newly established Department of Rural and Community Development (DRCD). On its initiative, the first National Social Enterprise Policy for Ireland was published in July 2019. The policy runs over a period of four years (2019-2022) and focuses on three key objectives: (1) building awareness of social enterprise; (2) growing and strengthening social enterprise; and (3) achieving better policy alignment to support and exploit benefits of SE.

A number of measures have been delivered so far. For instance, the Small Capital Grant Scheme awards grants of between 2,000 and 15,000 EUR to social enterprises to help them improve their service delivery by enabling them to make small equipment purchases or to carry out refurbishments to their premises. Since the scheme was heavily over-subscribed, the original allocation of EUR 1 million was expanded in January 2020 with an additional EUR 1 million. In total, 230 social enterprises benefitted from this scheme. Another direct effect of the policy is that visibility of social enterprise has improved. A first SE national conference was held in Dublin on 21 November 2019 (International Social Enterprise Day) and had a high turnout with over 200 delegates. In May 2020, the Social Finance Foundation announced to channel EUR 25 million of EaSI 2014-2020 guarantees to support new lending through its partners to a range of social sector organisations.

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<sup>28</sup> This report is largely based on interviews to policymakers and stakeholders at EU level and in 37 different countries. The quotes reflect summarised transcripts of the interviews as documented in anonymised interview reports. The number behind each interview refers to a specific interview code that was assigned to each interview in the data processing phase.

Depending on the country, the political recognition of social enterprise has taken place in different periods and through various tools. These tools include the creation of specific ministerial units, structures and departments at the central (e.g., in Luxembourg, Slovakia and United Kingdom) or regional/municipal level (e.g., Denmark and the Netherlands) in charge of promoting social enterprises or a broader set of organisations, such as the social economy (e.g. France and Spain).

### Box 2.3 The Scottish Support Ecosystem for social enterprises

[illegible]

2020 | 13

Among the wide range of institutions providing support there is for instance SENSOT (the Social Entrepreneurs Network for Scotland), which informs, connects and facilitates the development of Social Enterprise Networks (SENs) – there are currently six thematic and 18 local SENs – thus contributing to fostering information, awareness, mutual learning and networking. Biennial censuses provide a detailed profile of social enterprise activity in Scotland to track the development of the sector. An actor greatly engaged in social enterprise education and contributing to raising awareness and understanding of social enterprise among pupils of all age is the Social Enterprise Academy, which has been running the Social Enterprise in Education programme since 2007 along other learning and development programmes for the sector. As a tool to help practitioners navigate the rich and complex infrastructure of support by enhancing information and signposting the **Social Enterprise Ecosystem Map** has been developed. Community Enterprise together with a social enterprise creative agency produced a comprehensive map of support, funding, information, mentoring and networking. It provides an overview of all support available and indicates where to find what is needed. The Ecosystem is colour-coded for ease of navigation and has five distinct categories: Development, Finance, Learning, Networking, and Policy and Info. The information is regularly updated. Around the edges of the Ecosystem are common entry points, designed to make reading and navigating the map an effective way for social entrepreneurs to determine their next move, depending on what stage their enterprise is at.

Source: Case Study Report on Scotland

Interviewees highlight the emergence of new legislative frameworks, institutional entities, and strategic frameworks in many European countries. However, they are more sceptical if this has always led to improved conditions for social enterprises. For example, legal definitions were sometimes described as too narrow or too wide to become effective or not reflecting well the situation in a country. In any case, legislative recognition and political frameworks often represent just first steps on a long way to build a favourable ecosystem for social enterprises, that requires time and long-term commitment. *"Government programme set an ambition to increase the number of social business entities in Lithuania and foresaw the need to establish supporting measures."* (Interview #529)

A case in point is Slovenia, introducing a legislative framework, inspired by Italy, in 2011 which was considered too narrow and not fitting with the reality of Slovenian social enterprises. This case serves as an example for the challenge of defining a favourable legal framework and the importance of a thorough analysis of the social enterprise ecosystem, while being open to critical reflection and learning.

### **Box 2.4      The Social Entrepreneurship Act in Slovenia**

The concept of SE firstly emerged in Slovenia within the context of ESF pilot projects launched in 2009, whereas a formal legal status and an agreed definition of SE was introduced by the Social Entrepreneurship Act in 2011. This act provided strong political support to the SE, but despite its good intentions it introduced some rigid restrictions, favoured a rather narrow approach (it prioritised work integration) and did not grant financial advantages to organisations that obtained the new status. The Social Entrepreneurship Act encouraged some organisations to obtain the SE status but, at the same time, prevented employment centres and companies for people with disabilities to register as SE. Despite its importance as legal framework, the Social Entrepreneurship Act failed in its 2011 version to fully harness the unexpressed potential of SE.

However, learning took place and shortcomings could be amended. Relevant changes were introduced by the 2018 amendment, which removed restrictions for legal entities working for people with disabilities, enlarged the fields of activity of SE, simplified registration and removed reporting requirements. The amended law introduced a 100% non-profit distribution constraint for all SE (independently from their legal form). These changes in legislation may provide interesting results in the future. However, experts

still see a threat that cooperatives and companies for people with disabilities might be discouraged from registering as SE.

The 2011 Act was not directly linked to the SBI. Rather, it was significantly inspired by two distinct laws that regulate SE in Italy (Law 381/1991 and Law 155/2006). Nevertheless, the 2011 Act set the institutional framework that was expected to lead to a promising change in the SE sector. Most changes concerning the ecosystem wherein SE operate in Slovenia are indeed linked to the developments that have taken place after 2011. The Act generated a big promotional impact as it drew political attention to SE, awoke Slovenian political consciousness and stimulated a reflection on this phenomenon, which continues to attract a growing number of scholars.

Source: Case Study Report on Slovenia

By definition and according to the distribution of competences, changes in legal frameworks and support policies for social enterprises and social economy organisations were promoted by national governments, to less extent also by regional and local authorities. The main driver was the political will and commitment to support social enterprises and social economy. This was sometimes triggered by a change of government after elections or external factors such as the financial and economic crisis after 2008. After 2015, the challenges caused by the arrival of migrants from Syria and other countries, as well as the call for more social justice and inclusion in societies and economy have also been relevant external drivers.

Overall, the influence of the SBI and its follow-up actions is estimated as high in its supportive function to Member States. This effect is higher in countries developing an SE ecosystem and lower in countries with a more advanced or moderate SE ecosystem<sup>29</sup>. Advanced countries already had legal frameworks before 2011, whereas countries with a moderate SE development have either followed their own specific way of adopting rules for SE or intentionally leave the SE development to the market without legal incentives. The supportive role of the EU has been mentioned by many interviewees and was also recognised in the Mapping Study. The adoption of legal frameworks in 16 countries since 2011 *"indicates that the SBI had significant impact also at national level, although there have also been other drivers influencing the development."* (European Commission 2020c:62)

Some of the interviewed stakeholders support the idea that the SBI has influenced national and regional policy-making and regulatory frameworks for social enterprises. *"The government initiative for SE, and ensuing VINNOVA and Tillväxtverket strategy, are concretely inspired by the SBI."* (#513 on Sweden) *"I am convinced the attention devoted by the EU to the social economy was amongst the factors that prompted the favourable changes at national and at regional level. Relevance attributed to the Social Economy at EU level has been transferred to this country and to the region."* (#580) *"A better understanding of the social economy and social entrepreneurship has developed. A number of municipalities have implemented projects to set up social enterprises with the support of the ESF. The Law on Enterprises of the Social and Solidarity Economy was drafted and adopted, effective May 2, 2019. Positive changes."* (#557 on Bulgaria) *"Positive was the establishment of the EU framework and funds enabled for SE (e.g. for the implementation of the Strategy), the adoption of the Strategy for SE development (2015), without that, SE and related ecosystem would not been visible, nor existing. Negative was the lack of continuous support, in particularly financial support (the key*

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<sup>29</sup> For the analysis of some interview findings interview responses were grouped according to the type of country and their level of development of the SE ecosystem. 1. Countries with a rather advanced SE ecosystem. 2. Countries with a moderate development of the SE ecosystem or with a specific model to support SE within an advanced social economy ecosystem or with little interest to develop a specific top-down SE ecosystem. 3. Countries that mostly had a very weak or non-existing SE ecosystem in 2011 and are in the stage of development. Further detail on countries per group is included in annex chapter A.2.

*obstacle), lack of financial institutions, instruments (Croatia is lagging behind in this aspect) and the lack of political will."* (#606 on Croatia)

However, it remains less clear if the implemented changes have led already to tangible improvements for SE and social economy organisations. Most interviewees at national level see no or little progress on a better regulatory and institutional ecosystem for most social enterprises and social economy organisations. *"The SE are broadly mentioned in some strategy/policy documents, but without being linked to concrete actions and budget. We see an increased inclusion of SE in support measures within EU and other donor funded projects."* (#524) In some countries, where new legislative framework have been introduced, there was little or no benefit at all for social enterprises and even negative effects, as new legal definitions promote a very narrow understanding of social enterprises or limit benefits to only specific social economy organisations. In some cases, several attempts to develop a useful legislative framework were necessary, as in the case of Slovenia. Another example was mentioned by an interviewee from Hungary: *"Legislative modifications tended to have a negative, anti-competitive effect. Such as the Social Cooperative Act, which has been amended several times since 2016."* (#609)

With regard to **European legal forms**, there have been several attempts to create EU-wide optional legal frameworks ("European Statutes") to facilitate the cross-border and European activities of cooperatives, foundations, mutual societies, non-profit associations or social enterprises and to allow these organisations to reap the full benefits of the single market. While mainstream businesses can usually operate and find partners across borders freely and following relatively easy processes, social economy organisations and social enterprises still face legal, administrative and fiscal barriers. Challenges refer, for example, to a lack of recognition of their specific legal status and governance principles in other EU Member States, complex transfer of seat or mergers across borders, burdensome tax rules or practical barriers, even when formally equal tax concessions exist between countries. Several stakeholder organisations highlight the pressing need for opening the opportunities of the Single market also to social economy organisations<sup>30</sup>. They highlight that the EU has different options to reduce barriers to cross-border activity of social economy organisations, such as the creation of a supranational legal form or the promotion of mutual recognition of tax rules for non-profit and social enterprise activity. Other proposals refer to developing guidance for the national level via a code of conduct with regard to the taxation of social economy organisations<sup>31</sup>. The European Parliament has repeatedly called on the European Commission to put forward a proposal for a new EU level legal statute for mutual societies in various resolutions and declarations since the Commission withdrew its first proposal in 2006. In some instances, this call was extended to cover foundations and associations too<sup>32</sup>. Moreover, the European Economic and Social Committee highlighted in a 2019 Opinion that *"supranational legal forms to facilitate philanthropic engagement"* should also be considered as a way to overcome barriers *"in order to unleash the full potential of philanthropy in Europe"*. (EESC 2019:3)

Within the SBI framework, it has not been possible to proceed on creating new EU-wide legal statutes for social economy organisations. In 2003 (before the SBI), one proposal

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<sup>30</sup> See, for example, Association Internationale de la Mutualité (AIM) (2019). Non-paper. Proposal for a possible legal framework for a new European initiative for mutual benefit societies. [www.aim-mutual.org](http://www.aim-mutual.org) / Philanthropy Advocacy, European Foundation Centre (EFC) and Donors and Foundations Networks in Europe (DAFNE) (2019). European Philanthropy Manifesto. Four key recommendations to introduce a Single Market for Philanthropy: <https://www.philanthropyadvocacy.eu> / Reimer, E. et al. (2009). Feasibility Study on a European Foundation Statute: Final Report.

<sup>31</sup> Philanthropy Advocacy, European Foundation Centre (EFC) and Donors and Foundations Networks in Europe (DAFNE) (2020). Comments on EC Roadmap: Action Plan to fight tax evasion and make taxation simple and easy.

<sup>32</sup> See, for example, the 2013 EP report on a European Added Value Assessment regarding "A Statute for European mutual societies" and the 2020 EP initiative on "A statute for European cross-border associations and non-profit organisations".

for a European Statute was endorsed by the co-legislator: the regulation on the Statute for a European Cooperative Society. As for mutual societies, the Commission had proposed an EU Statute in 1992 but withdrew its proposal in 2006. The Commission then commissioned a study and held public consultations between 2011 and 2013<sup>33</sup>, but no Commission proposal followed, given the lack of support of EU Member States. The 2012 proposal for a regulation on the Statute for a European Foundation was also withdrawn, as it did not receive sufficient support from EU Member States either. Indeed, there seems to be limited political commitment to these initiatives in many Member States, despite an existing need expressed by stakeholder organisations that represent, for example, European foundations and the mutual societies. Other reasons for the lacking commitment might be also the fear that European statutes might interfere with national legal definitions and might lead to complexity of operational rules. Interviews with stakeholders confirmed that they fear that additional administrative burden comes along with new EU level legal forms. Overall, it seems that the number of direct beneficiaries (i.e. social economy organisations that want to operate in different Member States or in cross-border areas) is still too small to be effectively heard at national level. Not many organisations are currently interested in European-wide activities. Many social economy organisations have rather a strong link to their local/regional territory, while others are connected to services of general interest which are normally bound to only one Member State. Nevertheless, it seems that the interest to overcome the internal market barriers for social economy organisations is increasing. Benefits of cross-border services are more and more recognised<sup>34</sup>. With an increasing demand for cross-border services and an increased transnational activity of the social economy, there is a persisting need for EU guidance and support.

Taking into account that the development of national legal and policy frameworks is a lengthy process and has to be in line with different traditions and frameworks existing in the different countries, it is a long-term task that cannot be based on a one-size-fits-all blueprint. Among experts and stakeholders there is a consensus that SBI actions have been more effective when they allowed recognising the diversity and variety of legal forms within the social economy, considering differences between countries. Overall, the role of the European Commission in proposing concepts and definition (e.g. on SE in the EaSI programme to define the scope of the financial instruments) that bring existing national approaches under one European umbrella is appreciated by many stakeholders.



Some interview partners raised the need for more direct contact between European Commission and local and regional authorities as well as stakeholders. In essence, it seems that there is a gap between the situation perceived at EU or national level and the concrete implementation of SE activities at local and regional level. This can be an important field to be tackled in the future. *"SBI was important at EU level and also at national level, but no impact on the public authorities at regional/local level, it is 'too far'". (#304) "EU sometimes gives top-down inputs, but needs to work more stimulating exchange of experiences, networks and other bottom-up initiatives and action in the different countries. Not only work with MSs, but also with local and regional partners and alliances, there is a huge potential". (#215).*

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<sup>33</sup> Study on the current situation and prospects of mutuals in Europe (2012), Public consultation on the Study on the current situation and prospects of mutual societies in Europe (2013), Study by the European Parliament: The role of mutual societies in the 21st century (2011).

<sup>34</sup> A 2019 ESPON study showed that 579 cross-border public services exist along European borders. (Zillmer, S. et al. (2019). Cross-border Public Services (CPS). Final Main Report. ESPON Targeted Analysis. 14/01/2019)

The summary of the analysis of contribution to impact is presented below<sup>35</sup>:

<b>Change 2011-2020</b>			
Overall a very positive development over the last decade. More specific legal frameworks for SE, legal recognition in many countries, definition of legal statuses, although not everywhere and not always successful. Development and improvement of legal frameworks is on-going. Policy frameworks for SE emerged in many countries.			
<b>SBI contribution to impact</b>	<b>Contribution at MS level</b>	<b>Induced SBI effects</b>	<b>Other influences</b>
Mostly indirect effects of SBI follow-up actions, in some countries more effective (facilitating the exchange and mutual learning between countries and creating overview information) than in others. Not effective so far in creating optional EU-wide legal frameworks. 	National governments and, to less extent regional and local authorities, had an important role in setting up legal and institutional frameworks as well as defining policy strategies for social enterprises and social economy.	The SBI indirect actions were important in raising awareness and creating knowledge on social enterprises and potential support to the social economy through regulatory and institutional measures. In particular, the Mapping Study and the OECD-EU country reviews, as well as the GECES group, were helpful.	The Intergroup of the European Parliament is an important player. OECD has an important role, generating and disseminating information on country reviews and on national and regional strategies (OECD 2020).
<b>External factors 2011-2020</b>			
Financial crisis 2008-2010. New and increased demand for social services due to changes in society. Efficiency-driven public sector. Increased outsourcing of (traditionally public) services (e.g. community development, migrant integration, childcare, elderly care, disability care and assistance/education).			

### 2.1.2 Access to markets – public and private procurement

Public procurement is considered key to widening market opportunities and the development of social enterprises, taking into account the specific type of services/products they deliver or the profile of persons they employ. In 2011, it was considered that there was a large unexploited potential use of social or environmental criteria in public procurement, thus, public procurement was included in the SBI under Key Action 10. This triggered several direct actions, such as the elaboration of a Buying Social Guide (2011), the consideration of social criteria in the EU Public Procurement Directive 2014, the Buying for Social Impact report, a related good practice guide and a series of conferences for public buyers (2018-2019), as well as an additional awareness-raising campaign #WeBuySocialEU (2020). Other related SBI follow-up actions were, for example, the GECES expert group work on best practices in the field of social clauses in public procurements (2016), a study on cross-border obstacles for social enterprises, work undertaken by the GECES working group in relation to the potential role of clusters for social economy or a study on cooperation of social enterprises with traditional enterprises (thus analysing the relevance and hidden potential on B2B and B2C relationships) (2019).

A cornerstone in improving market access for social enterprises and for other social economy organisations were the EU Rules on Public Procurement. The new framework was explicitly designed to promote strategic public procurement, i.e. procurement pursuing policy objectives, including social ones. For example, it introduced the possibility for public buyers to opt for purchases based on cost-effectiveness, quality-based criteria rather than based on the lowest price. In addition, it introduced provisions allowing to reserve particular contracts for certain types of social enterprises employing persons with

<sup>35</sup> The symbols in the summary tables are used for two categories in the table, a) to reflect the overall situation of change in a given impact area and b) the extent of likely SBI contribution to the observed change. The meaning of the symbols is described with more detail in annex chapter A.2. A scale of five categories of symbols has been used, expressing judgements from very positive to very negative. Roughly, the sun symbolises a very positive change or very positive SBI contribution to the observed change, whereas a rain/thunderstorm symbol would reflect a negative change or a negative SBI contribution to changes.

disabilities or with a disadvantaged background. These have been progressively transposed into national law in all EU countries. The synthesis of the recent Mapping Study confirms that *"all Member States have transposed this important EU Directive and, in particular, the possibility to reserve contracts to enterprises employing at least 30% of disadvantaged workers. This possibility is increasingly used by countries (CEE) where the public expenditure for buying social and general-interest-service social enterprises is limited. Other types of social, ethical and environmental clauses that could help social enterprises are used less frequently (except in some countries, such as Belgium, France, Germany, the Netherlands, Spain, Sweden, and England and Scotland in the United Kingdom) because of the more complex approach they require."* (European Commission 2020c:84) The same study concludes that *"in spite of this improvement in public procurement regulation, [...] application in many countries is only in its infancy and is considered largely unsatisfactory, especially from the point of view of social enterprises."*

This is also confirmed by the interview analysis. Interviewees see, on the one hand, a highly positive change compared to the situation before 2011, but on the other hand, many uncertainties during the implementation of new rules leading still to unsatisfactory situations mostly for small social economy organisations. *"The procurement legislation allowing reserved contracts is an opportunity."* (#698) *"These last few years, actors in the field of public procurement have become more open to discuss innovative procurement methods and the pursuit of social objective."* (#720) *"Improved but could be significantly better. Need to separate between procurement and commissioning."* (#108) *"Very positive changes for public procurement over the last 10 years in terms of law changing and support to increase understanding. E.g. Procurement Reform Scotland Act (2014), which talked about community benefit clauses and looked at encouraging social enterprises in the procurement process, followed by changes to the regulation in 2016."* (#748) *"Relevant improvements as concerns public procurement but need of time to have concrete impact."* (#308) *"As to the public procurement, the new Public Procurement Act (2017) includes a social value requirement in tender documents. However, at the moment it is unclear how many contracting entities really use the so-called soft criteria of social value and innovation, although the act allows for it."* (#569 on Estonia) *"Very complex and tricky issue – several tools were designed but there are always issues related to the State Aid rules."* (#682) *"New measures introduced (e.g., service vouchers, social procurement), but still great challenges with their practical implementation (e.g. absence of guidelines, etc.)."* (#687)

Experts and stakeholders agree that the EU Rules have been key to further promote social and environmental criteria in public procurement processes, but that implementation at national level is uneven and sometimes falls short. Practical application, in particular at regional or local level, is not easy, because of new and more complex procedures and lack of capacity and will to change. The synthesis of the Mapping Study confirms that *"the EU public procurement rules (2014/24/EU) that came into force in 2014 made a significant step forward. Indeed, they offer new opportunities to social enterprises and encourage the evaluation of bids, in particular those concerning social and health services, on the basis of the best price/quality ratio. [...] The adoption and concrete application of these clauses are, however, decided at the country level."* (European Commission 2020c:84)

Shortcomings and challenges for the application of favourable rules for social economy organisations have been identified and listed in the different country reports and the synthesis of the Mapping Study. They reach from a lack of information among public officers, different interpretation of EU rules, lack of techniques to include the assessment of social criteria, unfavourable size of contracts for smaller organisations and social enterprises, lack of capacities at SE to respond to calls. *"In some MSs, relevant articles (e.g. WISE) have been not transposed. The attitude is more positive in Latin/Western, not in Eastern/countries (including Germany) where the criteria quite often are based on the lowest price. In some MSs (e.g. Sweden and Denmark) there has been an improvement driven by necessity; they are somehow 'inventing procedures/regulations' that lead to improvements, but in other MSs (e.g. Finland) we still have situation where wording does*



*not exist.” (#304) “Public procurement is very problematic. [...] policy makers are unable to understand the specificity of small and peripheral localities...while I understand the rationale behind bid-rotations, we should be aware that they may create a lot of problems and generate high costs in small municipalities where there are no locally-based welfare providers to compete with.” (#515)*

Alternative forms of contractual relations between social service providers and public authorities, such as reserved contracts, might be sometimes more appropriate to ensure the provision of services of a certain quality, coverage and stability. In practice, there is little experience with these alternative forms. *“Reserved contracts and social impact measurement are new approaches. In our administration (sector 1, Bucharest) we do not have reserved contracts, nobody asked, and we have no idea how to do that.” (#699)*

To tackle some of these challenges new SBI follow-up actions (e.g. Buying for Social Impact project and the public campaign #WeBuySocialEU) have been started mainly over the last years. They are successfully implemented by important stakeholder networks. *“On public procurement it shall be pointed out the good research work of AEDIL and REVES in the framework of the project ‘Buying for Social Impact’” (#204). “Impetus came from the EU, was taken over at first by grassroot organisations and later by the central government.” (#534) “Step forwards have been made at EU level, but they are not applied at national level, in particular regarding public procurement. EU provided a good direction to MSs, but it is up to national public authorities to apply public procurement rules and it also depends on the capacity of stakeholders at national level to lobby for this. In many MSs (e.g., Hungary, Romania, Bulgaria) the Directive has been officially transposed, nothing concrete has changed at ground level.” (#315)*

Some public authorities have started adopting legal requirement to use social clauses, e.g. Slovakia or Wallonia. Stakeholders at national, regional, local or intermediary organisations have considerably contributed (and still contribute) to spread the information and knowledge on practical solutions for social public procurement and to build capacities in social enterprises and similar organisations. Information workshops, training schemes, guides and handbooks (for example, see the references of Ajuntament de Barcelona 2016, CEPES 2018, PIANOo 2016, Social Enterprise UK 2016) have appeared in most countries and reflect the important impact of action at Member State level to reach the final beneficiaries and produce a benefit for the sector.

*“CEPES has been working on the transposition of the EU Directive on public procurement, since the public authorities are an essential market for SEO. Improvements regard the elimination of barriers for the SEO, the incorporation of social clauses and reserved contracts. The new regulation is very comprehensive and CEPES is working to disseminate information addressed to both SEO and public authorities on how to apply them and exploit the new opportunities offered. We have developed a very operational and pedagogical handbook available on the CEPES webpage. Moreover, CEPES offers a training course on responsible public procurement. We have also organised information days at local level, where municipalities that applied the new regulations shared their experience.” (#750)*

Interviews show that the local level is pioneering the application of social public procurement. There are many positive examples in different countries. However, aiming at implementation of public procurement as a general rule, the progress is still low. *“Public procurement ideas for EU are adopted mostly at local level, their application / implementation is probably low, there is a need for more examples how to apply these rules”. (Interview #528). “Some municipalities have adopted local policies for targeting social enterprise via public procurement, but this goes quite slow.” (#102) “Fundamental work on public procurement that is giving a lot of room to social economy to access market. There are municipalities where 80% of public procurement is with SMEs and amongst them there are many social economy organisations This is a ‘micro important’ revolution.” (#303)*



Another main driver for more socially responsible public procurement is the trend in society to buy more local/regional/fair with social impact. This translates into a similar demand

towards the local and regional authorities. "[...] societies call for a more social, transparent responsible economy." (Interview #303).

With regard to private procurement, an SBI follow-up study analysed the potential of relationships between traditional enterprises and SE as partners, clients or suppliers. This concrete issue has been tackled only by few specific EU actions, such as some ESF or Interreg projects (e.g. Interreg ETESS, Interreg RaiSE) working on partnerships between social economy and traditional enterprises. Other EU instruments that have contributed to first results in this areas include the European Social Innovation competition, the Horizon 2020 'Blockchains for the Social Good', some Community-Led Local Development (CLLD) initiatives in ESIF programmes (see Technopolis 2018:292), and work done by a sub-group of the GECES on "Clusters of social and ecological innovation"<sup>36</sup>. Therefore, it can be assumed that in specific territories the EU has contributed to generate new partnerships and cooperation. However, the activities need to be further extended to have a wider impact on social enterprises in Europe. Interviewees see some progress but generally no link to EU actions. "Now in Barcelona we have worked on building a "social market", where the different SEO are put in connection through a network and they buy from each other, so there is an advancement in terms of B2B." (#744) "In Wales – and to an extent in the UK – there has been some slow but improving progress in the area of private procurement with private organisations wanting to work with social enterprises (sometimes as part of their CSR agenda) that see that this can be good business and that this looks well with their customers and government." (#754)

A general perception is that there is still "room for improvement to access private markets" (Interview #303), while "private procurement is a new area for the future". (Interview #311).

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Overall positive development in social public procurement and access to market, especially since the EU Rules in 2014. However, application in practice is still not well known among practitioners, and not frequently applied. Important lack of knowledge and practical application.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
<p>The EU Rules on public procurement were a necessary but not sufficient input to promote and boost social public procurement. Indirect actions were helpful but too small to have a large impact, taking into account that the local level is the most active. Alternative forms of contractual relations between social service providers and public authorities need to be stimulated as well. First activities to stimulate private social procurement, but too early to see impact.</p> 	<p>Transposition of the EU Directive at national level has in most cases improved the situation. In practical application, there are still many challenges that need to be tackled. It takes time to influence public procurement procedures at regional and local level, even if there are many good examples.</p>	<p>Many stakeholders at regional and local levels promote the active application of social procurement and social clauses. The supportive SBI actions were effective in raising awareness and exchange knowledge and good practices. More support is needed to increase the reach.</p>	<p>Intermediaries, NGOs and associations promote social contracting and social public procurement, but their influence on promoting change is limited.</p>
External factors 2011-2020			
<p>Efficiency-driven public sector. Increased outsourcing of (traditionally public) services (e.g. community development, migrant integration, childcare, elderly care, disability care and assistance/education). Increased interest in the public sector to support socially responsible businesses. Societies call for a more social and responsible economy. Increased acceptance for integrating social criteria in procurement processes.</p>			

<sup>36</sup> <https://webgate.ec.europa.eu/fpfis/wikis/display/SEC/Clusters+of+Social+and+Ecological+Innovation>

### 2.1.3 Access to markets – State aid rules

Social services of general interest (SGI) form an essential part of the welfare system of each country. They include medical care provided by hospitals and other healthcare providers, long-term care, childcare, access to and reintegration into the labour market, social housing and the care and social inclusion of vulnerable groups. State aid control comes into play when these services are provided as an economic activity on a market (they are then called Services of General Economic Interest – SGEI) and are, at least partially, financed through public resources. The Commission's State aid practice focuses on ensuring that there is no overcompensation to SGEI or cross-subsidisation of commercial activities.

Key Action 11 of the SBI was on simplified State aid rules for social enterprises and other organisation with social impact. The idea was to ease the implementation of rules concerning State aid for social services. Such a simplification should also benefit social enterprises when they provide social services or services that do not have an effect on trade between Member States. This was particularly relevant considering the trend in some Member States to liberalise the market of health and social services. In this context, on 20 December 2011 the Commission adopted a new SGEI package in order to define the conditions under which State aid in the form of public service compensation can be considered compatible with EU rules. A specific SGEI de minimis regulation, for aid below EUR 500,000 on a period of 3 years, was adopted on 25 April 2012 (Regulation N° 360/2012). A corresponding guide on the application of the EU State aid rules on SGEI, and in particular on social SGEI, on was published in 2013. It is important to underline that the SGEI package applies only where social enterprises have been entrusted by a public act with a specific mission (i.e. the service of general economic interest). In the absence of this entrustment, social enterprises can only benefit from the general aid possibilities as any other company. In this context, the 'normal' de minimis exemption only amounts to EUR 200,000 on a period of 3 years.

With the SGEI package, the situation has considerably improved for social service providers, including for those social enterprises officially entrusted with a specific mission. In a first consultation for the upcoming evaluation of State aid rules for health and social services of general (economic) interest (European Commission 2019d), stakeholders consider that the results of the implementation of the rules concerning state subsidy for health and SGEI are very positive. In a report from the German Diaconia Federation, it is highlighted that *"the implementation has been successful in Germany and is a great relief for the diaconal companies"*. (Diakonie 2016:13) They mention that the service providers now have more clarity on legal authorisation.

Some interviewees perceive positive changes. *"The national law considers insertion companies as entities providing SGEI, therefore they are not subject to the application of the [normal] de minimis rule and can access to a higher level of support."* (#723 on Spain). *"The general regulation for State aid exemption triggered simplification for all actors involved in the State aid schemes, thus, indirectly, benefitting also SE."* (#702 on Romania)

However, there are still many challenges related to the application of State aid rules. Many challenges refer not only to social enterprises. *"State aid rules are often an obstacle for an implementation of number of business support initiatives."* (#694) There is a considerable risk of recovery claims when the negotiation and the legal procedures concerning the legal authorisation do not correspond to the necessary requirements. This increases the need for legal and cooperation capacity in social enterprises and other similar organisations. Administrative burden related to State aid is still high and, in the opinion of some stakeholders unnecessary, as social and health services should be generally exempted from the State aid rules. Especially at regional and local level, there is sometimes little knowledge on working with State aid and SGEI, on both sides – authorities and service providers. Interviewees also highlighted the inadequate threshold for the 'normal' de minimis rule for larger service contracts. *"There has been little change in recent*

*years. The majority of subsidies fall too much under the de minimis rule, the amounts of which are extremely low." (#547) "All support is subject to de minimis. For a few bigger SE this puts certain restrictions." (#642) "De minimis scheme is killing SE in Slovakia, e.g. service vouchers which are introduced by the Act as a measure supporting the access to market are not used much because the measure is a subject of de minimis scheme." (#244)*



Interviewees also ask for more commitment at MS level and flexibility for national and regional governments to establish their own measures to offer SGI to its citizens. *"All MSs should transpose the regulation that raises the de minimis threshold for SGEIs." (#204) "Public authorities normally don't want to take the risk to infringe competition rules. [...] Interesting moves by Catalonia region and Brussels capital, where they established that WISE by definition provide SGEI, this generates a big impact. Some good practices are also found in Italy; however, in other MSs, public authorities apply the threshold, therefore there is low impact of the transposition of the EU Directive on public procurement." (#304)*

The EU competition law is the main driver for new and simplified solutions for public subsidies and transfers to social service providers. For SMEs in general, and for social economy organisations and social enterprises that provide SGI the compliance with State aid rules remains an important obstacle to access the market, for example through increased complexity and legal uncertainty, the need to stay under a certain threshold, the relevance of audits and controls etc. Therefore, there is a continued need for support, e.g. through legal support or advice, to this kind of organisations, in particular for small and medium-sized organisations who do not have internal legal expertise.

Apart from the SGEI package that was presented within the SBI framework, there were some supportive action at EU level to back up Member States and other stakeholders on State aid rules. Overall, it is important to consider that the SGEI package would have been adopted in any case, also without SBI, but the SBI might have played a role to adapt the content to take into account more specifically social services. Indeed, some social services (see narrow definition in the SGEI package) are fully covered by the "decision" of the package whatever be the amount of the public compensation. This means that even with a large amount of aid, no notification is required to the Commission whereas for other sectors, a notification is required as from EUR 15 million. Moreover, as already mentioned, the Commission has published in April 2013 a detailed "Guide to the application of the European Union rules on State aid, public procurement and the internal market to services of general economic interest, and in particular to social services of general interest". The Guide genuinely tries to anticipate a wide range of concrete questions as regards the application of State aid rules to social enterprises entrusted with a specific mission, for instance some kind of WISE.

The topic and existing needs were discussed at the GECES expert group meetings and at relevant events. More clarification on the allowed compensation for social services in different cases and more dedicated support on awareness-raising, mutual learning, and capacity-building for public buyers, social enterprises and stakeholders are necessary. The general influence of SBI on simplified State aid rules for social enterprises is therefore, deemed as rather low. *"Not so much evolved, not because of SBI. Maybe a little more awareness on specific challenges (for cooperatives, SGEI)." (#311) "No improvement." (#115) "This issue was not properly addressed by the SBI. The SGEI was not a result of the SBI, it was decided before. It should be taken into account in the future because it is a very relevant topic for WISE. It should be better addressed, and legislative changes shall be adopted coherently." (#315)*

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Within the overall EU State aid framework, the SGEI package helped to find solutions for social enterprises and similar organisations. Still, some challenges persist.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
<p>The SGEI package had a direct positive impact. Very few indirect actions supported the application of the SGEI simplifications. There are still some unfavourable framework conditions related to State aid, SME definition for SE, VAT directive for some types of SE (larger SE and networks, mutuals).</p> 	<p>National governments apply the EU State aid rules and have little room for defining own measures. Their influence on the understanding and use of State aid rules by social enterprises and other similar organisations is very limited.</p>	<p>The SBI indirect actions had a limited effect on framework conditions in Member States related to State aid. For example, the GECES group helped to support the exchange of information.</p>	<p>EU competition stakeholders and EU and national control authorities influence the practical implementation of State aid rules.</p>
External factors 2011-2020			
Action by EU competition stakeholders and control authorities is highly important in creating complementary jurisdiction and case-law.			

## 2.2 Visibility, recognition and better understanding

The second impact dimension describes the expected SBI contribution to visibility, recognition and better information on social enterprises and other social economy organisations. The analysis has shown that this field comprises many different aspects that help to promote social enterprises and to improve the understanding of their needs among policymakers, the wider public, other enterprises, and consumers. In total, we identified nine impact areas that tackle different issues related to visibility, recognition and understanding. Many of these impact areas are instrumental and help to improve the effectiveness of the other SBI objectives on access to finance and regulatory and institutional framework conditions.

### 2.2.1 Availability of information and statistical data

Key Action 5 of the SBI was “to identify best practices and replicable models by developing a comprehensive map of social enterprises in Europe”. The aim was to develop tools to gain a better understanding of the sector and increase the visibility of social entrepreneurship. The SBI declared that “*one of the things all stakeholders say they need is simple and fast access to the available information concerning social enterprises, enabling discussion in order to share best practices. In particular, this concerns the need to have ways of assessing and evaluating the impact and social performance of these activities*” (European Commission 2011). This aim has been implemented by several mapping studies between 2011 and 2020. The first study was conducted in 2014 and mapped social enterprise activity and ecosystems in 29 countries using a common definition and approach. Following this initial effort, an update was launched in seven selected countries in 2016, until a complete update of the 28 Member States plus seven neighbouring countries was carried out in 2018-2020<sup>37</sup>. Moreover, the SBI supported a dedicated OECD-EU cooperation on generating and disseminating information on social enterprises, social and inclusive entrepreneurship<sup>38</sup>. In the field of statistical data, the

<sup>37</sup> <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8274>

<sup>38</sup> <https://www.oecd.org/cfe/leed/social-entrepreneurship-oecd-ec.htm>

European Commission promoted the initiative “Manual for Drawing Up the Satellite Accounts of Companies in the Social Economy: Co-Operatives, Mutual Societies and Social Enterprises”, already in 2007<sup>39</sup>. After that, Eurostat was involved in the development and revision of the United Nations Handbook on Non-profit Institutions in the System of National Accounts as a member of the Technical Experts Group. Since 2020, Eurostat is working with some Member States (France, Poland, Luxembourg, Slovenia, Spain) to develop satellite accounts in their statistical systems. In addition, several pilot projects of the European Parliament, activities within GECES and cooperation with OECD and Member States tackled this topic. Some countries (e.g. Italy and Scotland) have moreover made big progress in the production of information and data autonomously through targeted research aimed at exploring and assessing the size of the social enterprise phenomenon.

Information and data availability on social enterprises and similar organisations from the social economy have considerably increased from 2011 until today. *“20 years ago, it was difficult to make people understand the concept of SE, today the concept is accepted.”* (Interview #622) However, many countries are still far from having a regular information and database on social enterprises or social economy organisations. This has also to do with different legal definitions and interpretations of social enterprises or social economy organisations that are considered for different studies or statistical surveys. *“There is some information, but you have to dig for them, understanding of social entrepreneurship is on a low level, however the trend is positive.”* (#683) *“Not much understood by the upper level (governing institutions). SE are still regarded as philanthropy by many. This understanding is changing in the new generation though.”* (#691)

A varied assessment by interviewees shows a differentiated spread of information. It is available, used and appreciated by people linked to the sector, but less known by others. *“The understanding among practitioners and supporting stakeholders is improved, but there is lack of understanding among institutions, general public, youth etc.”* (#537) *“Understanding of SE increased amongst institutions at EU and national levels. However, there is still a lot to do with general public where the understanding is still low.”* (#315) *“If the question is whether wider public knows about this the answer is no, but if question is if information exists and is accessible, the answer is yes.”* (#666) Some countries are also more advanced in information and understanding than others. This is linked to the general development of the social economy concept. For example, in France the situation is more favourable. *“Social enterprises feel more visible, better understood. They feel that the public has a better understanding of what their values are and what they do. [...]”* (#597).

The most tangible proof for such development is the SBI-supported research via mapping studies and country reports. The first EU-wide comparative study was published in 2014/2015. This study presented important results but also referred to a lack of reliable and comparable data, difficulties in identifying the de facto social enterprise population and a great deal of inconsistency in the use of concepts and definitions even within single national contexts. The study increased the visibility of social enterprise, but much remained unknown. Against this background, the EC decided to update the mapping. In 2018 and 2019, new country reports were presented for all 28 EU Member States and country fiches for seven non-EU countries (Albania, Iceland, Montenegro, North Macedonia, Norway, Serbia, and Turkey) (see European Commission 2020c). Information and understanding also increased with the OECD-EU research and country reviews (see OECD-EU 2017, 208, 2019). Most interviewees are familiar with the mapping study reports and/or with OECD-EU country reviews. *“Mapping studies have an important influence, but mostly they add qualitative data [...]”* (#311). *“The SBI’s mapping has led to some good*

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<sup>39</sup> Satellite accounts provide a statistical framework linked to the central accounts of a given country which enables gathering data of a certain field or aspect of economic and social life. Common examples are satellite accounts for the environment, tourism or the social economy. For more information see this concept note by OECD (2017): Towards Satellite Accounts for Third Sector and Social Economy: challenges and opportunities. <http://www.oecd.org/cfe/leed/Seminar-Satellite-Accounts-Concept-Note.pdf>

*practices. We have been able use mapping from other countries when national laws on the subject have been under discussion."* (#587) *"The OECD policy review of the SE sector in Estonia (2020) is a good basis for further development"* (#573). *"The flow of information about SE from EU increased. The last study on SE and their ecosystems in different MSs is very important for us in order to evaluate where we are and what solutions were adopted in other MSs"* (#705 on Romania). For some non-EU countries, the Mapping study is mentioned as one of the few documents available on SE (e.g. Iceland, Serbia, North Macedonia, Turkey), and therefore, a valuable information source and tool for awareness-raising. *"Systematically collected information is not available. Two reports on SE in Turkey have been published (funded by British Council and EU). A report on the SE ecosystem in Turkey is forthcoming as a result of the Turkey Social Entrepreneurship Network Project (EU-IPA funded)"* (#692). *"So far, we made a wide usage of the SBI definition of social enterprise. We find especially useful the operational definition. It helps a lot to gain better understanding on the concept. It also enables us to discuss whether one entity is a social enterprise or not, or to provide feedback on which dimensions they should further work and improve."* (#645 on North Macedonia)

A specific field of information-generation is the work on statistical data for social enterprises or the social economy. The Mapping Study report concludes that, in some countries, important progress has been made, *"whether through census (Italy) or satellite accounts (e.g., Belgium, Luxembourg, Portugal and Spain) or other types of statistical accounting (GEM in the Netherlands and State of Social Enterprise Survey in the United Kingdom), national statistical offices, or the work of umbrella organisations and researchers (very often disconnected) to produce figures that reflect the relevance of these organisations from a quantitative perspective."* (European Commission 2020c:95) This is confirmed by the interviews: *"The satellite account brought a lot of information and additional characterisation of the social economy sector."* (#663 on Portugal).

## **Box 2.5 Social Economy Satellite Account (SESA) Portugal**

The Portuguese Social Economy Satellite Account (SESA) constitutes the statistical portrait of the Social Economy in Portugal. It is compiled and released by the Portuguese National Institute of Statistics (Instituto Nacional de Estatística, INE) as part of the conceptual framework of the Portuguese National Accounts System. Three editions of the satellite account are currently available. The latest edition was published in 2019, with data encompassing year 2016. The two previous editions related to 2013 and 2010. The SESA is compiled in accordance with the European System of Accounts and takes into account international standards (it combines the so-called CIRIEC approach and the UN Handbook on non-profit and related institutions and volunteer work) regarding satellite accounts, thereby guaranteeing comparability of the data both nationally (comparison with the data of other Portuguese enterprises) and internationally.

The SESA includes statistics on the size of the social economy in Portugal (in terms of number of organisations, employment, employee compensation and Gross Value Added) and impact on the national economy (in terms of employment and Gross Value Added). In addition, it includes statistics on the geographical distribution of the organisations and the breakdown by type of organisation and economic sector, thus allowing to analyse the territorial and sectoral dimension of the social economy.

Given the periodic updating of the data, a historical series of data allows monitoring of the evolution and changes that occur in social economy organisations (SEO). The availability of data time series made it possible to empirically verify the countercyclical behaviour of SEO during the global economic crisis emerged in 2008. In fact, unlike other companies, SEO—even in times of crisis—have recorded an increase in the sector's contribution to total employment and paid employment.

The SESA contributes to the debate on the implementation of satellite accounts in other countries and on the need for coordination at the European level in drafting the criteria and standards for compiling satellite accounts on the social economy.



One of the flagships at regional level is certainly Scotland's Social Enterprise Census<sup>40</sup>. *"In Scotland very good statistics since last few years: census every 2 years."* (#108) In other countries, there seems to be at least a growing interest from ministries and statistical offices in implementing such tools. *"Statistics are being compiled. A first study on SSE satellite accounts in the Grand Duchy of Luxembourg was carried out in 2018, but figures are not yet available. The need for statistics on the sector is increasingly recognised."* (#633)

Despite some exceptions, there is a general lack of statistical data on social enterprises. Therefore, to generate information activities are closely linked to actions in the impact areas 'awareness-raising-self-recognition', 'labels and certificates' and 'research on SE' – presented further below – to gather and produce relevant ad-hoc data. However, the positive impact of the generated information and data with support of the SBI goes far beyond the research/academic sphere. As stated by the Synthesis Report of the 2020 Mapping Study: *"It is worth noting that, in many instances, the effort carried out in the academic context goes beyond scientific circles by promoting the exchange and networking of practitioners, policymakers and other key actors within the ecosystem. Such a facilitator role stands out clearly from the reading of the national reports, though it is often overlooked [...]"* (European Commission 2020c:95) EU-funded projects also support the gathering of ad-hoc data. *"In general, monitoring is very weak in Romanian public administration. There was research and data collection within the EU-funded project Prometheus (ESF), developed by the Foundation for the Development of Civil Society, and there are other reports on SE development: CIRIEC reports and EMES studies."* (#664)

Some countries, such as Denmark, Latvia, Slovakia and Slovenia created a register for SE to gather data on the sector, among other things. However, also this approach has shortcomings when it comes to data collection. *"Data is accessible on registered SE, not much about the SE which are not registered."* (#681) *"Based on international recommendations, Slovenia adopted a registry of SE. It seems, however, that also SE that ceased to exist just after having been established are still registered, therefore offering old information."* (#675) *"Some SE and social economy organisations; however, choose not to register. For example, associations because they would lose certain tax exemptions, if they shift from association to an enterprise status. This way they would also lose donations as enterprises are not supposed to accept donations. There might also be certain enterprises that do not register since registration implies certain commitments that not everyone wishes to undertake."* (#642 on Latvia)

Even when data exists, access to data is an issue in some countries. *"There is a unit in central statistical office dedicated to social economy. They produce very reliable data, updated every two years. However, data is not publicly available, so people/ researchers have to pay to get access to data, and this is very expensive."* (#100 on Poland) *"There are very good data about the financial situation of the SE (as any other businesses) but these are available upon payment and fairly costly."* (#681 on Slovakia)

Both, actors at Member State level and the SBI follow-up actions at EU level have prompted the increase in available information and data on social enterprises. EU-funded studies and reports have been crucial to develop a European comparative perspective and to visualise the huge diversity of approaches to the social economy that exists in the different European countries – even if it is still not possible to have EU-wide statistical data (from EUROSTAT). This has helped to better understand that there are specific and diverse needs for support and policy measures. New information and exchange between experts have also shown the relevance of place-based and bottom-up solutions. As a consequence, even the SBI-follow up actions have learned from the information of the mapping studies and are evolving from a top-down, EU-wide approach to the bottom-up support of mutual learning and good practice exchange activities.

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<sup>40</sup> <https://socialenterprisecensus.org.uk/>



A major role in analysing the social enterprise worldwide has been played by two international research networks: EMES and CIRIEC International. The international research network EMES contributes mainly through its project 'International Comparative Social Enterprise Models' (ICSEM), which was carried out in collaboration with a large number of research partners from different countries. ICSEM compared social enterprise models and their respective institutionalisation processes across the world and contributed to country-specific and field-specific analysis of social enterprise models. Moreover, the International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC International) and its network of researchers have contributed significantly to assessing the size of the social economy at the EU level, for example, through several reports prepared for the European Economic and Social Committee (e.g. 2012, 2017, 2018). Data provided by the 2012 report are referred to in the SBI Communication. The findings of the reports have been extensively referred to in research endeavours at international level. In some countries (e.g. Cyprus, Lithuania, Turkey) the British Council has been a driver to generate information on the social economy and bring stakeholders together in projects and events.


There is a clear need for more and updated information on the development of social enterprises and their ecosystems in most countries. *"The lack of statistics at European level tends to limit the recognition of the field of social enterprises in Europe."* (#598)


In many countries, data is being gathered on specific elements of the social economy, e.g. the voluntary sector, the cooperative sector, the charities, the third sector or the non-profit sector, but data on SE is in most cases not available or not comparable. *"Because the lack of a legal definition there is no government body that produces statistics for social enterprises. Co-operative UK produces a report about the cooperative economy; the Charity Commission produces statistics on charities in England and Wales – a body in Scotland does the same. Social Enterprise UK produces its own report on the size of the social enterprise sector. The Financial Conduct Authority makes lots of documents and some headline data available on cooperatives and community benefit societies."* (#749) *"Statistics Sweden does not provide useful data on SE. [...] The production of useful statistics on SE would have required fundamental changes in the variables collected and in questions asked in enquiries. 'Satellite Account on Non-profit and Related Institutions and Volunteer Work' are not sufficient."* (#672)

Moreover, there seems to be a need for more specific data, such as social economy activities in peripheral and rural areas or the role of SE in Just Transition processes. One interviewee proposed *"an updated mapping study for the legal environment could be interesting"* (#309).

From the SBI perspective, an apparently less effective aspect was the quality of dissemination of the generated information on SBI and SE. The judgement is supported by a considerably high number of interviewees who do not know the SBI as such and are aware of very few SBI follow-up actions. Clearly, targeted communication on SBI and its follow-up actions was not sufficiently effective (e.g. in different EU languages). This leads also to perceptions by interviewees that not much material is available *"There is very few information on SSE and social enterprises. It is not a topic that raise interest among the general public."* (#637) It seems that it was mostly thanks to many European and national social economy stakeholder organisations and research networks that relevant information has been disseminated. This could be probably solved with an access to information that is simple and fast via a dedicated EU website presenting all available information and support to social enterprises and similar organisations.

The summary of the analysis of contribution to impact is described below:

Change 2011-2020	
Since 2011 important increase in available information and data on social enterprises. Important and new: EU overview and comparison through mapping studies. But still lack of comparable statistical and quantitative data.	

SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
<p>There was a positive impact of the Mapping Studies and the OECD-EU country reviews in many countries. Reports were crucial in generating knowledge and an EU-wide overview and comparison (also in non-EU countries). Indirectly, the work of GECES and other studies and projects helped to generate information.</p> 	<p>Actors at MS level have also generated a lot of information, but more for their own countries. New stakeholders (networks, statistical offices etc.) have been important to generate more than academic information.</p>	<p>The SBI actions were important to induce an appetite for more information and statistical data. The more policymakers want to define policies for social enterprises, the more they need up-to-date information on the current situation and needs of the sector.</p>	<p>OECD is an important player. Other important influences come from research networks EMES and CIRIEC and the British Council.</p> <p>International consensus on definitions is necessary for statistical data gathering (not only in Europe). So, increasingly more relevance of international fora and organisations.</p>
External factors 2011-2020			
<p>Societies call for more transparency in decision-making, thus, asking for specific and open information. Transparency and IT solutions increase the availability of information to stakeholders and citizens.</p>			

### 2.2.2 Mutual learning and good practice exchange

Key action No. 7 of the SBI sought to promote mutual learning and capacity building of national and regional administrations in putting in place comprehensive strategies for support, promotion and financing of social enterprises, especially via ESIF, by means of analysis, sharing of best practices, awareness-raising, networking and dissemination. In addition, the SBI proposed to *"set up a consultative multi-stakeholder group on social business to examine the progress of the measures envisaged in this Communication. [...], this group could be made up of representatives of the Member States, local authorities, social entrepreneurs' organisations, the banking and finance sector and the academic and university sector."*

As a response, in 2012, the GECES Expert Group was created and has worked in different constellations ever since. It has helped to structure cooperation and exchange of knowledge and offers recommendations to EU institutions. In particular, the 2016 report "Social enterprises and the social economy going forward" represented a highlight on analysing actual and new needs of social economy organisations (European Commission-GECES 2016)<sup>41</sup>.

Many SBI follow-up actions contributed to mutual learning. In 2014, the EU Commission organised an event in Strasbourg gathering more than 2,000 participants. In 2018, 2019, and 2020, the "European Social Economy Regions (ESER)" events facilitated the exchange of local and regional initiatives, while in 2020 the region-to-region "European Social Economy Missions" will be supported<sup>42</sup>. Another tool for learning is the online "Better Entrepreneurship Policy" tool (OECD-EU) with good practices and guidance on social and inclusive entrepreneurship policies<sup>43</sup>. Indirectly, a lot of mutual learning on social enterprises is included in the EU-funded projects, e.g. such as ESF, ERDF, Interreg, UIA, URBACT, ERASMUS+, H2020 as well as in pilot actions, e.g. funded by EaSI and COSME. Events (like the EU – OECD peer learning seminars), platforms (e.g. EU Social Outcomes Contracting Platform<sup>44</sup> or EU Social Innovation Challenge Platform<sup>45</sup>) studies and reports have generated content for mutual learning and exchange of ideas, experiences and

<sup>41</sup> [https://ec.europa.eu/growth/content/social-enterprises-and-social-economy-going-forward\\_en](https://ec.europa.eu/growth/content/social-enterprises-and-social-economy-going-forward_en)

<sup>42</sup> [https://ec.europa.eu/growth/content/european-social-economy-regions-2020\\_en](https://ec.europa.eu/growth/content/european-social-economy-regions-2020_en)

<sup>43</sup> <https://www.betterentrepreneurship.eu/>

<sup>44</sup> <https://www.sitra.fi/en/news/social-outcomes-contracting-interests-eu-member-states/>

<sup>45</sup> <https://www.socialchallenges.eu/>

knowledge on different specific topics, e.g. on social innovation, social finance, social public procurement or social impact measurement. Awards and competitions like the European Social Innovation competition<sup>46</sup> or the Regiostars Awards<sup>47</sup> have also contributed to identify and highlight good practices all over Europe.

All these activities have been essential to promote learning and exchange of good practices, also in other SBI impact areas. They have had, therefore, an instrumental and supporting effect on many other SBI impact areas.

National and regional authorities, European and national stakeholder associations as well as research groups have been crucial in generating input for the mutual learning processes and for disseminating and using the good practices in scaling and replicating them. Some countries have already advanced mutual learning systems. However, some stakeholders have also highlighted the difficulty of replicating good practices in other EU countries given the different legal contexts. In general, most interviewed stakeholders appreciate the SBI input to exchange and learning processes between countries, regions and stakeholders in Europe. *"Terrific improvement: number of programmes and projects on social enterprises increased a lot. Real benefit of SBI, especially Erasmus and Erasmus+."* (#108) *"Through network events, mutual learning at different levels. Regions with other regions i.e. through Interreg; regions with local stakeholders through platform; social enterprises among each other via newly created platform; and social enterprises other enterprises and other stakeholders (e.g. financial players) through platform and network Brabant's best."* (#511) *"Erasmus+ is very useful for mutual learning. But also the projects with ESF funding allowed and encouraged exchange of experiences between countries and mutual learning."* (#664) *"Irish Social Enterprise Network sees great value in work with EU partners especially along EU projects (e.g. share knowledge thanks to Erasmus+)."* (#617)

Mutual learning at the level of social enterprises faces a number of challenges. Usually it requires external facilitators or support structures such as EU networks or national/regional associations, incubators/accelerators, clusters or SE registers. *"WISE are very well organised, they have a network (UIPS), like a small chamber of commerce, having manager and managerial board. That is where they can exchange experience and learn from each other."* (#667) *"SE are generally small organisations. They have limited resources to organise mutual learning on their own. However, this occurs in social business accelerators."* (#670) *"[Mutual learning] works very well, SE are willing to share their experiences and help each other (this refers to registered SE)."* (#681) *"The ClusterESS was developed at the level of the Greater Region, at the initiative of the Département de Meurthe et Moselle. [...] It could be an efficient tool if it is actually continued."* (#635) *"Mutual learning is strongly relayed and encouraged by the European Network for Social Inclusion (ENSIE)."* (#594) *"EVPA very useful to organise dialogue within the solidarity financing sector at a European level."* (#589)

Interviewees appreciate the European Social Economy Regions and European Social Economy Missions initiative, as well as the on-going exchange in the GECES expert group as highly effective EU actions. *"The needs of small regions were not considered enough. Most actions are too abstract, too general and too large for smaller regions. That is a high entry cost (applications, bureaucracy) to participate in EU actions. ESER was a positive exception. It was easy to apply, low entry cost, low administration cost, direct communication. More of that is needed."* (#502) *"A lot of improvements in the EU where e.g. the GECES proved to be an excellent platform."* (#117)

However, many consider that awareness raising and exchange at the regional and local level has had a low reach and was insufficient. Some hindering aspects such as the low number of events and the lack of using local languages in documents, websites or events reduce effectiveness of the existing EU tools and support schemes. *"Some interesting projects, but these are just peanuts. They should follow a vision. On top of this, ordinary*

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<sup>46</sup> <https://eusic.challenges.org/>

<sup>47</sup> [https://ec.europa.eu/regional\\_policy/en/regio-stars-awards/](https://ec.europa.eu/regional_policy/en/regio-stars-awards/)

*people are isolated also because they do not speak English.” (#313) “Few years ago however, there were many more financial resources for collaboration and exchange, e.g. at the time of EQUAL initiatives (ESF) there was a better scenario in concrete terms.” (#579) “Positive changes but possible step backwards in the near future. The ESF transnational platform (service contract with DG EMPL) set-up 9 transnational networks, one specific on Social Economy. [...] Great opportunity for mutual learning and exchange between MSSs, which is very important. However, [...] there will not be more transnational networks but only 4 communities of structure. Social Economy is mentioned only as a possible sub-theme, so it might disappear [...].” (#307)*

Important drivers for mutual learning in European countries, as mentioned by the interviewees, have been also activities by OECD, international research networks such as EMES and CIRIEC and by intermediary organisations such as Schwab Foundation, Impact Hub Network, Ashoka, ACT! Group, the British Council, GSEF, GSG, etc. Learning and exchange has also been stimulated by a multiplier effect through an increasing number of universities and professional schools including relevant topics in their curricula. Overall, there is a strong interrelation with activities in research on SE and with education and training about SE. Exchange of good practices between countries and regions has sometimes been hampered by a different understanding of certain organisational concepts, different traditions and legal contexts and different levels of maturity of the social enterprise development.

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Since 2011, the exchange of ideas, experiences and knowledge on social enterprises has increased significantly. Mutual learning methods and processes have consolidated.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
Direct: High and positive impact through GECES, ESER and cooperation with OECD. Indirectly: through studies, reports, events, platforms, awards. Reach is limited and can be improved, in particular to the local and regional level. 	Actors at MS level and EU stakeholders have contributed to generating and disseminating good practices. Stakeholders and networks at national level are important to reach out to the regional and local level. Exchange between countries is sometimes hampered by differences in traditions and legal contexts.	Studies, reports and good practice collections are essential to support learning from others in all EU and neighbouring countries. SBI actions had a large effect on stimulating and enriching learning and exchange action at Member State level.	Other international organisations such as EMES International network, CIRIEC, OECD, Ashoka, Schwab Foundation, etc. also contribute to identify good practices. Knowledge and learning are also influenced by their actions.
External factors 2011-2020			
Financial crisis 2008-2010. COVID pandemic 2020. Societies call for more transparency in decision-making, thus, asking for specific and open information. Transparency and IT solutions increase the availability of information to stakeholders and citizens. International dynamics in generating mutual learning and exchange at global scale, using social media networks.			

### 2.2.3 Social impact measurement and reporting

This impact area was not directly described by the SBI. However, in the years following 2011, it became clear that it is an important element of social enterprises and the social economy. In 2012, the Single Market Act II stated that the Commission should develop a methodology to measure the socio-economic benefits created by social enterprises. The development of rigorous and systematic measurements of social enterprises impact on the community was deemed essential to demonstrate that the money invested in social enterprises yields high savings and income. The GECES sub-group on Social Impact Measurement was therefore set up in October 2012 to agree upon a European

methodology, in particular, to facilitate the implementation of EuSEF and EaSI measures. A corresponding report was presented two years after (European Commission-GECEs 2014). The task proved rather difficult back then, as there was no standard methodology available and needs for measurement can change depending on the purpose. The report highlighted that *"the development of a standard for impact measurement goes beyond the needs of the EuSEF and the EaSI, and this is an important additional benefit to this work. Nowhere in the world is there an agreed standard for social impact measurement."* (European Commission-GECEs 2014:5). Other SBI follow-up actions supported this impact area indirectly, for example, research projects co-funded under the FP7 or HORIZON2020, an EU-OECD policy brief (EU-OECD 2015) or an EU guide on social finance (first edition 2017 and European Commission 2019a). Furthermore, an EU Advisory Board for Impact Investing was established to ensure EU representation at international level, in particular, in the Global Social Steering Group for Impact Investment (GSG).

At international level, impact investments have taken on great importance in the recent years (OECD 2019). The measurement and management of social and environmental outcomes alongside financial returns is a core feature of impact investing. Internationally, there are interests and intents to create a) standardised and internationally accepted impact management systems at investor level (see OECD 2019) and b) non-financial reporting standards, so called triple bottom line reporting schemes, at company level (see Dainiene and Dagiliene 2015). An EU-OECD policy brief (2015) stated that measuring the impact of social enterprises was not a totally new phenomenon. Many social enterprises and social economy organisations already used social reporting and social accounting to assess and present their social impact. *"What is new is the move towards social impact measurement, and notably towards a standardised, synthetic measurement process."* (EU-OECD 2015:4) Also for policymakers, social impact measurement and the need for dedicated policies is a relatively new field.

Since 2011, the topic has gained visibility and has been analysed from different angles by important studies. There is a huge diversity of methods and also needs, depending on who wants to measure and report social impact (e.g. social enterprise, regional/national authority, investor), for what purpose (strategic planning, transparency, communication, control) and related to which impact level (individual, organisation, fund, region/country). Many actions have contributed to increase knowledge on existing methods, specific needs and possible solutions. *"Now we are working on how to utilise the indicators generated by UN... we have 5/6 SDGs that are directed to social enterprises."* (#313)

The 2014 GECEs report saw a need for further action and recommended, for example, to prepare guidance notes to assist Social Enterprises, Funders, Fund Managers and Investors in complying with standards and to establish a knowledge centre to offer a source of continually updated guidance. Moreover, follow-up work with the aim to develop measurement frameworks to form a preferred set for Europe-wide measurements, to develop reporting formats and to effectively embed Social Impact Measurement within EuSEF was recommended. The 2016 Impact assessment of the proposal of an amended EuSEF Regulation also highlighted the potential benefit of *"a common approach to social impacts and the metrics used for their measurement"* (European Commission 2016b:73).

In general, an *"increasing number of impact measurement approaches are emerging from both international organisations and the private sector. Alongside the OECD Social Impact Investment Initiative, a range of efforts have come together to build common practice around impact measurement and management. This includes, for example the Impact Management Project facilitated by Bridges Impact, the GIIN's Navigating Impact project and the World Economic Forum's Shaping the Future of Sustainable and Impact Investing initiative."* (OECD 2019:42)

Other approaches at local or national level have also become more popular, like the INCO Ratings<sup>48</sup> or the Social Reporting Initiative<sup>49</sup>. *"Ankara Development Agency set up a "social impact statement form" which bases on personal statement without imposing a stable metric or methodology. The Agency plans to outsource the social impact measurement service in order to gauge the effectiveness of the financially supported organisations."* (Interview #689)


Despite the development, progress might have been visible more for experts, investment funds, large enterprises and international lobby organisations, while for the micro level of a single SE or a local/regional authority that wants to measure social impact in its territory, little has changed so far. *"[...] methodologies are designed by funders and respond to needs of funders, not to the needs of SE. [There is] too much emphasis on economic data, while there are other relevant areas of impact to be considered. Perception is that SE are using social impact measurement tools not for their own needs, but only to try to attract more funding by investors/donors."* (#307) *"Social impact measurement itself has not improved (e.g. we still use proxies that cannot be compared and there is no unified way of constructing an SROI."* (#108) *"There are many reports and methodologies that have been designed on how to measure impact. For very few organisations who really did a good job in self-measuring their impact this could have helped a bit, but overall, I am not sure these new tools have changed anything. I don't see that these new reports and tools have brought improvements."* (#101)

In Europe, it can be estimated that the SBI follow-up actions had a minor role in influencing developments, even if it had a role in generating information, exchanging views and representing the EU view at international level. *"[Our network] started working on social impact, based on a European project (Interreg)."* (#546).

In general, many interviewees perceive that there has been little real benefit for social enterprises and the social economy from the emphasis on impact measurement in the last years in Europe, especially in countries where action is stimulated by important national players from the financial sector (e.g. UK, FR). *"The measurement of social impact is still at an early development stage in Luxembourg."* (#539) *"Social Impact Measurement has become an obsession. In terms of quality the situation is still very disappointing."* (#115) There is a danger to focus the development of methodologies too much on the needs of specific stakeholder groups. *"We are trapped in social impact measurement methodologies that have very little to do with wellbeing. Measuring scales are imposed top down and come from the mainstream world of enterprises."* (#514)

Some interviewees raise the need for measuring impact when planning the use of new tools such as social impact bonds or outcome contracting. Others highlight the connection to how results of corporate social responsibility (CSR) of conventional enterprises are measured.


The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Impact investment has taken on importance. Measurement of social impact and non-financial reporting have become more important, both at grassroots level of the SE and its local environment as well as at the level of international financial markets and (non-financial) reporting rules.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences

<sup>48</sup> <https://www.inco-group.co/venture-capital>

<sup>49</sup> <https://www.social-reporting-standard.de/en/>



<p>Limited action by SBI follow-up. Some influence on methodological developments through GECES report, policy brief, participation at international events and fora. Minor contributions through EU-funded projects, so far little tangible benefit for social enterprises and other stakeholders of the social economy.</p> 	<p>In some countries, specific stakeholders are very active, e.g. UK, France, Germany. Usually few links to public authorities. Still need for knowing more at national and regional/local level.</p>	<p>Generation of general knowledge on methodologies and preparation.</p>	<p>Developments are widely influenced by international organisations (GSEF, GSG, OECD, UN, G7/G8) and the private sector.</p>
<p><b>External factors 2011-2020</b></p>			
<p>New international rules for non-financial reporting. ESG and Impact investment as a general trend, i.e. investing with social and environmental impact, leading to an increased demand for knowledge and common (unified) methodologies. At the same time, societies call for more social impact in work and business and there is a trend to show this impact, also for larger, traditional companies.</p>			

### 2.2.4 Research

Research on social enterprises and social economy organisations is deeply linked to other SBI impact areas such as availability of information, mutual learning and awareness-raising. Research is needed first of all to interpret the role of social enterprises and explain their economic and social rationale. Furthermore, research is essential to generate the necessary information and the input for learning and awareness-raising actions. The SBI impact in this area is therefore instrumental for many other SBI impact areas.

The SBI aimed at identifying best practices and replicable models, increasing the available information concerning social enterprises and gain a better understanding of the sector. This led to many indirect follow-up actions such as support to research projects and networks under the EU Research Framework Programmes FP7 and H2020 actions. In total, 18 FP7 projects were related to social enterprises, social innovation or the social economy. So far, there are 17 Horizon2020 projects related to social enterprises, linking social organisations with traditional enterprises, social innovation or social investments. The EMPOWER SE Cost Action (Horizon2020) supports a research network on social enterprises. The European Commission supported several direct studies on social enterprises, mainly within the framework of COSME or EaSI, including among others the already mentioned Mapping studies and this present study on the SBI impact. Moreover, through the support to GECES and European events on social entrepreneurship and the social economy, the work of researchers is disseminated and new needs for research identified.

The Synthesis Report of the Mapping Study highlights that *"the increase in research and training across countries is confirmed throughout the various national reports. [...] Research is identified as a key factor for the institutionalisation (recognition) of social enterprises, particularly in CEE countries. In all, the situation is very promising despite the lack of connection among many of these programmes and actors, which hampers the undertaking of common actions such as nation-wide educational strategies or a mainstreaming of the social entrepreneurship dimension in entrepreneurship education in general."* (European Commission 2020c:95)

Apart from the SBI and the EU support to research projects and networks, also action at Member State level has multiplied in recent years. The Mapping Study concludes that *"research centres are being established across Europe focussing on social enterprise, social economy, social entrepreneurship and, in many cases, social innovation. An interesting trend is emerging around the creation of smaller, locally based research centres (e.g., in Austria) which are well placed to contribute data and analyses based on territories and usually focus on specific themes and topics. In addition, think tanks (or the newer version of think-and-do tanks) are also appearing throughout Europe, very often involving not only researchers but also a myriad of consultants and social enterprise stakeholders."*

*Nationally and regionally based networks of researchers constitute an additional strategy for empowering researchers at the beginning of their careers and consolidating connections among established scholars. FinSERN in Finland, the IRIS Network in Italy and CIRIEC-Spain (with its PhD branch, REJIES) are examples of these networks."* (European Commission 2020c:96)

Highly relevant are also research networks like the EMES International Research Network which carried out pioneer research on social enterprise in the EU in the late 1990's and early 2000's. In 2013, EMES launched the "International Comparative Social Enterprise Models" (ICSEM) project in 50 countries around the world and without any direct EU support. In its last phase (2018-2020) however, the ICSEM Project<sup>50</sup> was indirectly supported by the EMPOWER SE Cost Action (Horizon 2020). Research is also carried out by many European stakeholder networks, sometimes receiving support from the EU (via EaSI programme, ERASMUS+, COSME etc.). Focused research from private or intermediary organisations, such as McKinsey, Schwab Foundation etc. has also flourished over the last years.

Research projects have contributed to enhancing the visibility of social enterprises and related phenomena as well as to raising the awareness of citizens and policymakers<sup>51</sup>. Stimulating research and interaction between researchers and practitioners was a major element to increase knowledge and understanding on the SE sector in Europe. Facilitating research projects and networks helped to increase visibility of the topic, both within universities and research institutes, as well as for policymakers who needed evidence-based information for decision-making. *"Increasing number of pieces of research on SE on all different angles. Research is still disjointed but any piece of research is good research at the moment."* (#614) *"There is plenty of research ever since 2008 and it helped to increase SE visibility."* (#666) *"Visibility is growing, also PhD students are more interested in SE-related topics."* (#686) *"A lot of research has been conducted and the quality is good. There is a good sharing of knowledge and knowledge platforms particularly in the EU".* (#117)

The influence of the EU is visible in many countries<sup>52</sup>. More or less direct EU support via the Research Framework programmes or more indirect funding via ESIF or via EU programmes like EaSI, COSME and ERASMUS+ have supported numerous research activities. The Mapping Study states that *"the integration of researchers and trainers in existing networks and communities (like the EMPOWER SE Cost Action) and the consolidation of EU funding schemes, such as Erasmus and Erasmus+, have been fundamental for such development."* (European Commission 2020c:100). Interestingly, the Mapping Study itself has been often appreciated by the interviewees in this context. *"The mapping study on social economy ecosystems – a useful information both for the sector and its advocates to explain why SE need support. [...] The OECD policy review of the SE sector in Estonia (2020) is a good basis for further development."* (#573) *"The SBI has been encouraging gathering scientific information: for example, the Mapping Study is a very comprehensive information package that includes a good synthesis of the whole. It has also raised awareness in how social enterprises are connected to both social history and their regional context".* (#585)

However, when analysing the research topics of EU-funded research, few projects have a specific focus on social enterprises – with some exceptions as in the SEFORIS project. FP7 and Horizon 2020 projects tackled much more research topics such as social innovation, social entrepreneurship and social investments). Few have also focused on the development of the larger concept of "social economy" as described in the introduction of the study.

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<sup>50</sup> <https://www.iap-socent.be/icsem-project>

<sup>51</sup> In the framework of this study it was not possible to analyse the impact of research projects on academic research (publications in journals, citations) or wider impact on policy and society.

<sup>52</sup> For more information on relevant EU funding, see also the section 2.2.8 Visibility in EU and national programmes.



Given the predominant focus of these projects on research, it is not clear in how far practical results have been generated to directly influence policy-makers or the social enterprise sector. This perception is also confirmed by the interviews *"There is some research but does not always address the needs of social enterprises. Better understanding of what is meant with the sector is still needed (also different understandings across Europe)."* (#528)

**Table 2.1 Research projects on SE, social economy and social innovation in FP7 and Horizon 2020**

Relevant projects under FP7	Relevant projects under Horizon 2020
SERVPPIN - The Contribution of Public and Private Services to European Growth and Welfare, and the Role of Public-Private Innovation Networks (2008-2011)	RE-InVest – Rebuilding an Inclusive, Value-based Europe of Solidarity and Trust through Social Investments (2015-2019)
SELUSI – Social Entrepreneurs as "Lead Users" for Service Innovation (2008-2013)	SPRINT – Social Protection Innovative Investment in Long Term Care (2015-2018)
IMPACT – Impact Measurement and Performance Analysis of Corporate Social Responsibility (2010-2013)	InnoSI – Innovative Social Investment: Strengthening communities in Europe (2015-2017)
WILCO – Welfare Innovations at the Local level In favour of Cohesion (2010-2014)	DSI4EU – Digital Social Innovation for Europe (2016-2017)
TEPSIE – The theoretical, empirical and policy foundations for building social innovation in Europe (2012-2014)	MAKE-IT – Understanding Collective Awareness Platforms with the Maker Movement (2016-2017)
SOCIETY – Social Innovation - Empowering the Young for the Common Good (2013-2015)	COMRADES – Collective Platform for Community Resilience and Social Innovation during Crises (2016-2018)
CITISPYCE – Combating inequalities through innovative social practices of, and for, young people in cities across Europe (2013-2015)	SIC – Social Innovation Community (2016-2019)
BENISI – Building a European Network of Incubators for Social innovation (2013-2016)	SCHIP – Social CHallenges and Innovation Platform (2016-2019)
TRANSITION – Transnational Network for Social Innovation Incubation (2013-2016)	SIMRA – Social Innovation in Marginalised Rural Areas (2016-2020)
EFESEIIS – Enabling the flourishing and evolution of social entrepreneurship for innovative and inclusive societies (2013-2016)	Co-VAL – Co-creation of value and its integration in order to transform public administration services and processes (2017-2020)
LIPSE – Learning from Innovation in Public Sector Environments (2013-2016)	DOIT – Entrepreneurial skills for young social innovators in an open digital world. A European Initiative (2017-2020)
SIMPACT – Boosting the Impact of Social Innovation in Europe through Economic Underpinnings (2014-2016)	CoSIE – Co-creation of service innovation in Europe (2017-2020)
CRESSI – Creating Economic Space for Social Innovation (2014-2018)	NEMESIS – Novel Educational Model Enabling Social Innovation Skills development (2017-2021)
SEFORIS – Social Enterprise as Force for more Inclusive and Innovative Societies (2014-2017)	DSISCALE – Supporting the scale and growth of Digital Social Innovation in Europe through coordination of Europe's DSI and CAPS Networks (2018-2019)
SI-DRIVE – Social Innovation: Driving Force of Social Change (2014-2017)	CultureLabs – Recipes for social innovation (2018-2021)
TRANSIT – Transformative Social Innovation Theory (2014-2017)	Families_Share – Socializing and sharing time for work/ life balance through digital and social innovation (2018-2020)
THIRD SECTOR IMPACT – The Contribution of the Third Sector to Europe's Socio-economic Development (2014-2017)	ECSF – European Social Catalyst Fund (2020-2021)
ITSSOIN – Social Innovation and Civic Engagement (2014-2017)	

Source: Authors' own elaboration based on information in <https://cordis.europa.eu/>

One expert highlighted the missed opportunities with regard to EU research on SE: "[There was] weak coordination between SBI DGs at European Commission and DG RTD with regard to research projects – better coordination could have built up an EU database of good practice tools, examples, case studies, ecosystem indicators, finance and business models etc., through the large Horizon2020 projects." (#220)

EU funding has also stimulated and supported further research at Member State level. The Mapping Study informs that "research has also been undertaken by national governments and other public organisations, opening the door to debates around the topic and raising awareness about the situation of social enterprises in specific countries. For instance, in Romania, the Prometheus project (2010-2013) funded through the ESF raised the visibility of social enterprises through a combination of scientific research and university-level courses on social enterprises and social economy in the country." (European Commission 2020c:95)



*"There are many Irish universities and social enterprises partaking in European projects such as Horizon2020, Interreg, Erasmus with a focus on social enterprise research. It is positive that those European funds are taking on board the value and the need for social enterprise research." (#742)*

*"Research on SE occurs often. OFA commissioned a basic research on SE and a research on financial instruments possibly available for SE. We are currently planning a research on social impact measurement. These are the major research projects that have been carried out in the EDIOP MarketPartner program. There are regular surveys and monitoring in the Focus Programme." (#608 on Hungary, NOTE: OFA is an intermediary organisation in Hungary, EDIOP is an ERDF-funded Operational Programme in Hungary)*

*"A lot of research is available and the academia in Spain is very advanced on this topic. Many universities are engaged in research on the social economy or offer specific courses in cooperative studies (Valencia, Zaragoza, Jaèn, Complutense University in Madrid, etc.). There are also other institutions such as CIRIEC, the Spanish observatory on the social economy, and private organisations doing research on the topic." (#723)*

The role of SBI and other EU actions to stimulate research on social enterprises, social innovation and social entrepreneurship has been crucial. However, research has been increasingly on related topics such as social innovation, social investment or social impact, but to less extent focused on the development and role of SE or social economy. Interviewees acknowledge a further need for research and for communication of research results. *"Research, also at EU level, is an area where there should be more focus with proper academic research around SE that feeds into programmes of teaching and learning at university level. Identify good practices internationally and start implement them in a way that considers the local environment in Ireland." (#616)* *"There are difficulties in communicating outside. Events [...] are noteworthy, but they are able to reach only the people who are already working in the sector and fail to involve policymakers, local public authorities, high-level representatives of the Ministries, officers that are in charge of managing incentives. And this is a problem." (#765)*

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Important increase in research projects and results on social enterprises and social economy across all EU countries and at a macro-EU level. Still, many areas are not well investigated.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
<p>Direct support of EU research projects and networks. Indirect support via other EU Programmes (ERDF, ESF, EARDF, ERASMUS+, COSME) and with studies, events, GECES. However, not much dedicated research on SE, rather on social innovation.</p> 	<p>Research at Member state level also increased. More support for research in many countries. Research centres established across Europe. Creation of smaller, locally based research centres. More research at Universities. More networks.</p>	<p>Dedicated EU funds have leveraged national public and private co-funding for contracted or competitive research as an important induced effect.</p>	<p>There are many other important players and networks (EMES, CIRIEC etc.) dedicated to academic and applied research on social enterprises (with no or indirect links to EU funding), as well as private entities and NGOs doing research.</p>
External factors 2011-2020			
<p>Increased interest from general public and policymakers to learn about social impact, sustainability. More dedicated education and research facilities and capacities available.</p>			

### 2.2.5 Awareness and self-recognition

Awareness and self-recognition refer to both, the self-awareness of social enterprises to understand themselves as belonging to such group, and the awareness of other stakeholders and policymakers on the existence and needs of social enterprises. Awareness-raising on SE and social economy organisations is deeply linked to other SBI impact areas such as availability of information, research, mutual learning and labels/certificate. Indirectly, awareness is also a general pre-requisite to improve conditions for SE and the social economy, e.g. to improve access to markets or the legal and institutional environment. The SBI impact in this area is therefore instrumental for many other SBI impact areas.

The SBI aimed at increasing the visibility of social enterprises and social entrepreneurship. Many SBI-related actions tried to raise awareness at European level and for national stakeholders. Among the most relevant actions are high-level political declarations such as the Strasbourg and Luxembourg Declaration, the subsequent Monitoring Committee of the Luxembourg Declaration, events such as European Day of Social Economy Enterprises (organised by the European Economic and Social Committee since 2016) or the recognition of social enterprises in Council Conclusions. Mentioning social enterprises in legislative packages such as the Social Investment Package or the ESIF 2014-2020 Regulations also added to this aim. Many studies and reports, GECES activities and EU-funded projects and platforms such as the "Social Innovation Community" website or the "Social Innovation" competition and many other activities contributed indirectly to raising awareness and to a more developed (self-) recognition of social enterprises in their various legal forms.

In fact, awareness on social enterprises has increased over the last decade in Europe. The Mapping Study confirms that the number of organisations that identify themselves as social enterprises is increasing. (European Commission 2020c:69) This is also sustained by the interviews to stakeholders. *"The understanding of "social businesses" and "social entrepreneurship" has evolved over the last decade. In the first years, the focus was on involving the users of welfare services in the solutions. SE was therefore considered as a synonym of "Work Integration Social Enterprises" (WISE), with a particular focus on poverty and social exclusion. During this period, actors that worked on environmental impacts and climate would therefore not describe themselves as "social entrepreneurs". Progressively, the understanding of SE has been widened to encompass all societal benefits of business activities."* (#656) *"People are more aware of the term social enterprise and use it more. However, there is some confusion: they mean different things by it and it is a question whether they fully understand it."* (#753) *"Politicians are aware of the sector, but very few are strong supporters. Social media networks are used extensively by SE to promote the wellbeing they bring to the society."* (#218)

However, self-recognition is still limited, confirmed by interviews: *"Two types of attitudes are observed: Some are proud of being part of a social enterprise, considering that a focus on societal impact is an additional reason to engage in a commercial relation with their business. Others consider that being a social enterprise remains stigmatising and reflects the fact that their company is "dependent on subsidies", employing persons that have "partly failed".* (#719) *"Self-recognition of social enterprises has improved substantially over the last 10 years because: (i) there are networks (ii) there are a number of intermediary organisations that provide social enterprises with advice, information, and connection (iii) there are regular conferences that reinforce being involved in the sector. However, social enterprises may have been calling themselves slightly different things, because people have slightly different definitions about what social enterprise is, but this does not mean that they do not understand what is available to them or that they are social enterprises"* (#748).

The degree of self-recognition varies to a significant extent across countries. Where social enterprises and their networks have actively engaged in process to raise awareness and get recognised, self-recognition tends to be stronger (e.g. Italy). On the contrary, in countries where reforms and regulations have been introduced from the top, e.g. inspired

by the SBI or follow-up actions, but without an advocacy from the sector itself, self-recognition tends to be weaker. This is the case in most CEE countries. *"In Slovenia, the majority of organisations labelled social enterprises based on the EU operational definition would not consider themselves as such. This is particularly the case for companies dedicated to people with disabilities that would rather consider themselves in a broader sense as social economy organisations."* (European Commission 2020c:68)

Five main reasons can be named for the low level of self-recognition. The first is an unclear political and legal recognition of social enterprise in many countries – despite the existence of legal frameworks for SE in 16 Member States. The second reason refers to the lack of understanding regarding what constitutes and defines a social enterprise among different social economy organisations (i.e. has a social enterprise a specific legal form or is it a general term describing features that can be found in different forms of organisations). The third reason has to do with the concern of non-profit organisations strongly relying on voluntary work that their reputations will be spoiled once they are identified as enterprises and that the possibility of benefitting from well-consolidated funding schemes and support measures will be compromised. The fourth reason is linked to a lack of tradition using the term 'social enterprise' and the reluctance of many de facto social enterprises to self-recognise as such. This relates to a preference to be recognised under a specific name (e.g. associations, not-for-profit or welfare organisation, cooperative, social economy organisation) and/or to a preference to be considered part of specific sector (e.g. WISE, education, environment, agriculture, welfare, health and care, social housing). The fifth reason is connected to higher costs social enterprises need to assume in order to comply with transparency, accounting and other bureaucratic requirements. Other reasons are also sometimes important. *"In Belgium, the different types of organisations covered under the EU operational definition of social enterprise do not necessarily identify themselves as such. Rather, they tend to identify themselves either with the field of activity in which they are involved (e.g. welfare services, renewable energy, fair trade) and/or with the precise organisational forms they embody. [...] A similar situation can be found in Poland, where social enterprises are embedded in their place of origin, as in, for instance, the non-profit sector. The lack of a common identity and the reluctance of Polish social enterprises to recognise themselves as a united sector are ascribed to the fragmentation of the legal schemes. In Finland, existing social enterprises are reluctant to register as WISE since the legislation does not provide any special support or incentive and in Cyprus the term social enterprise tends to be used opportunistically when organisations wish to participate in EU projects."* (European Commission 2020c:68-69)

Many interviewees consider that the influence from the SBI and the follow-up actions have been beneficial for raising awareness and visibility. Especially in countries with little support and recognition to social enterprises before 2011, the SBI definition on social enterprises and EU actions like the GECES activities, high-level events and declarations, ERDF/ESF programmes and projects or learning about good practices from other countries have been crucial to prepare legal frameworks or support policies. *"The SBI has been important in raising visibility. Through the initiative relevant questions have been raised to the table. It has given a push to discuss these questions nationally with the relevant authority. Even though all the discussions haven't resulted in actions, the general awareness has increased, and the possibilities have become clear."* (#587) *"Improved ability of SE to communicate who they are and their mission. EU cluster platform information (DG GROW) help SE to identify themselves and use self-identifying terminology. EU leadership on definitions and concepts is supporting."* (#305) *"Growing awareness thanks to two forces: bottom up forces and EU itself which is forcing MSs to take a position in this area (achievement of SBI)."* (#306) *"Major impact of the SBI at the European and national level. The SBI highlighted the potential contribution of social enterprises."* (#596) Even in countries with a more advanced SE ecosystem, the EU actions supported further action. *"The mapping exercise has been helpful in enabling social enterprises to know about each other. Our organisation runs networks in Wales to bring*

*social enterprises together and it also has an annual conference, funded by the ERDF."* (#754)

The case of Hungary can be considered as representative for other CEE countries. *"For a long time, the public sector did not include the social enterprise concept in official documents [...]. In the new Hungarian Partnership Agreement for the 2014-2020 programming period, however, the term Social Enterprise is explicitly used, and an official definition was also provided for the first time in 2015."* [...] *"All in all, support schemes and programmes connected to social enterprises in Hungary have mostly been co-financed by EU Structural Funds aiming to strengthen the social economy and social cooperatives pursuing a goal of employment generation for vulnerable social groups and rural development."* (Fekete et al. 2017:4/28)

Complementary awareness-raising at Member State level by national and regional authorities and other entities has also contributed to consolidate the recognition of social enterprises. Among the activities are capacity-building initiatives launched by intermediaries such as Ashoka, the Schwab Foundation for Social Entrepreneurship and NESsT, the organisation of awareness-raising and networking events at the national and federal level (such as "Social Business Day" in Austria and "Social Enterprise Bulgaria"), as well as prizes and awards aimed at social enterprises and their contribution to society e.g. the "Social Impact Award" in the Czech Republic and Slovakia; the "Social Economy Prize" in French-speaking Belgium and the "ESF Ambassadors" nomination in Flanders, which is held in the context of a European Social Fund programme). (see also European Commission 2020c:53) *"Among other, Regio Stars and other annual award ceremonies helped to increase the recognition and visibility. A Regio star was won by a social economy project about 3 years ago."* (#310) *"Cooperative contests and fairs are being organised in the schools to spread the values of cooperativism and the social economy. Also, a great work is being done on the 2030 Agenda and the SDG, in relation with the solidarity component of the social economy."* (#750 on Spain)

Other important factors like pre-existing communities, information platforms, national networks<sup>53</sup> and organisations like P3-People, Planet, and Profit in the Czech Republic, as well as places to meet like the Maison de l'Economie sociale et de l'innovation sociale (MESIS) in Luxembourg, Impact Hubs or co-working spaces are also mentioned as critical in increasing awareness.



On-going confusion in correctly naming social enterprises and related social economy organisations can be considered a factor that hampered awareness-raising. This refers not so much to the definition of social enterprises – there is rather consensus about general features – but rather to concepts and linguistic traditions and new developments in different countries. Today, there is a wide diversity in describing similar or related concepts, including 'impact enterprises', 'purpose enterprise', 'social start-ups', 'social and solidarity economy organisation', 'social cooperative', 'entreprise solidaire d'utilité sociale' (ESUS) in France, 'community interest company' (CIC) in the UK, or 'maatschappelijke organisaties' in the Netherlands. For most stakeholders it is not clear, if and when organisations can be considered or not social enterprises, and they fear that the level of confusion is even higher for the general public.

There is an agreement among stakeholders that more work and support is needed in awareness-raising and that the role of the EU is key. *"More work shall be done, especially in those MSs that do not have a legal recognition for SE. There are many organisations that are SE but that do not recognise as such. Self-awareness is important, legislators cannot legislate on behalf of the sector if there is no self-recognition."* (#219) *"In general, public authorities do not understand this way of working with and for disadvantaged citizens. EU can help by focusing more information targeting public authorities"*. (#699)

The summary of the analysis of contribution to impact is described below:

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<sup>53</sup> With regard to networks and representation see also section 2.2.7 below for more detail.

Change 2011-2020			
Increase in awareness and self-recognition at EU level, in general. It varies among Member States. Increased visibility. At the same time, confusion is increasing about different types of SEO, diversity of social economy and definitions to determine eligibility of public programmes.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
<p>The influence from the SBI and follow-up actions has been beneficial for raising awareness and increasing visibility. Especially in countries with little support and recognition before 2011. Most important for the overall SE framework have been high-level political support and good practice studies.</p> 	<p>Complementary action at Member State level. Both from central level (through labels, registers), and from the local/regional level. Sometimes co-funded by EU funds (ERDF, ESF). Often led by national/regional associations and networks.</p>	<p>Information and knowledge prepared by other SBI actions (Mapping Study, Buying Social Guide, OECD-EU reviews etc.) have been important to stimulate further action at MS level.</p>	<p>Other international organisations such as OECD, Ashoka, Schwab Foundation, GSEF also contribute to raise awareness and self-recognition.</p>
External factors 2011-2020			
<p>There is an increasing interest to generate social and environmental impact and to support socially responsible businesses. Societies call for a more social and responsible economy. Financial crisis 2008-2010 and COVID pandemic 2020 have reinforced this trend.</p>			

### 2.2.6 Labels and certificates

The SBI highlighted labels and certificates as one form of raising awareness on social enterprises and generating a better understanding of existing social enterprises. Key action No 6 of the SBI was to promote the use of labels and certifications as well as creating and disseminating knowledge on labels and certifications applicable to social enterprises in Europe. Labelling and certification were seen as tools that could potentially be used to meet the challenges of visibility and better understanding of the sector. The issue was tackled only indirectly by SBI actions on good practices, by gathering information on labels in the Mapping Study country reports and by the exchange of information in GECES working groups and publications.

In real life, this impact area is strongly linked to the impact areas of regulatory and institutional environment, availability of information and awareness/self-recognition of social enterprises, since many labels and certificates are used, on the one hand, by public institutions to a) gain a better overview on existing social enterprises or b) to define concrete groups of beneficiaries as pre-condition for fiscal measures or public aid schemes. On the other hand, labels and certificates are used by the social enterprise sector as tool c) to increase visibility and show belonging or d) to benefit from a competitive advantage or other benefits.

Since 2011, many countries have established a kind of label or accreditation for social enterprises.

#### Box 2.6 Social Enterprise Mark Finland

In December 2011, the Finnish government launched the Social Enterprise Mark (SEM) recognising the social mission and the special characteristics of social enterprises. The scheme became operational from January 2012 onwards. The voluntary certification is meant for enterprises that aim to solve social and/or ecological problems with the help of their business operations, tracking the sector's developing and fostering its public recognition. The SEM is granted and managed by the Association for Finnish Work which was founded in 1912 and has over 2,800 members. Until the end of 2018, the SEM has been granted to 214 enterprises (out of an estimated 1,200-3,200 in Finland overall) and the number is still growing. The cost of obtaining the SEM is based on the turnover of the enterprise, e.g. for a turnover of one million euro the annual cost would be 678



euro. Each organisation then pays a 0.01 % membership fee tied to the turnover of the company. In turn, it may use the SEM logo on its website and receives different support services, for example marketing extras, training seminars or events that showcase and promote its business.

Although the SEM did not have any connection with the ESF or other EU funds directly, interviewees mentioned that Finland follows closely what happens on the EU level and that EU actions bring a lot of weight to national actions. Without the SBI, according to one interview, it would have been harder to push things forward nationally. The SEM fosters recognition and visibility of social enterprises in Finland although the number of organisations disposing of the labels still remains limited. The SEM contributes to the credibility of labelled enterprises. Unfortunately, SEM is not linked to other policy initiatives for social economy on a national level.

Source: Case Study Social Enterprise Mark Finland

*"There are also a couple of countries that maintain public registers of social enterprises. For example, in Sweden there is a list of WISE administered by the Swedish Agency for Economic and Regional Growth, whilst in Slovakia the Ministry of Labour, Social Affairs and Family maintains a register of social enterprises regulated by the Act on Social Economy and Social Enterprises (112/2018). In Denmark, the National Strategy for Social Enterprise (2014) introduced a registration tool, "Registered Social Enterprises" (RSV), which is the first formal platform for documenting social enterprises in the country." (European Commission 2020c:63)*

Some countries use a register or accreditation for a specific types of social enterprises, for example, for WISE: *"An accreditation scheme for work integration social enterprises applicable to a plurality of legal forms has been introduced for instance in: Austria, Bulgaria, Croatia, Germany, Poland, Romania, Slovenia, and Spain. Accreditation schemes for work integration social enterprises are regulated at the regional level in Belgium." (European Commission 2020c:56)*

In some countries a system of private marks or labels is employed. These schemes are progressively achieving wider adoption in Austria, Finland, Germany, Poland and the United Kingdom. *"One reason behind the creation of private certification schemes is the willingness of the concerned enterprises to signal their specificity, given the lack of ad hoc laws and strategies designed for social enterprises or concrete incentives pushing social enterprises to register as such. This is the case, for instance, in Finland, where the Social Enterprise Mark promoted by the Association for Finnish Work has gained more success than the status of WISE introduced by the Finnish social enterprise law, as social enterprises see in the mark a competitive advantage." (European Commission 2020c:66)*

Some interviewees appreciate the value of national and regional labels and registers. *"The label of being a social enterprise creates a clear brand image, and it is positive that soft ways of steering actions, instead of using legal regulations, are being utilised – I'd rather have it this way." (#585 on Finland) "The new certification of WISE by SKOOPi is particularly useful when interacting with municipalities that are sceptical about SE and tend to consider them as any other private company. This certification is very ambitious and cover a broad range of aspects. The dissemination on information on the requirements to be certified helps entrepreneurs to understand what is expected of them, even if they do not submit a request for formal certification." (#512 on Sweden) "Code sociale onderneming is a register that facilitates recognition and visibility of social enterprises." (#651 on Netherlands)*

However, due to the growing number of labels and marks, many of the interviewed experts and stakeholders question the adequateness and usefulness of existing registers or labels. *"Many tools available but they are very different. Systematisation is needed." (#308)* In the opinion of some interviewees, the advantages of a register or labels usually lie predominantly on the side of the public institutions, if any advantages are perceived. *"Numerous labels have been created. But these labels lack legibility. The players in the*



*sector do not wish to have additional "labels" (#597) "No need for marks and labels focused on social enterprises, there is already enough of other labels." (#563) "There are no clear positions at EU level, so it is difficult to work on this. Some MSs want labels, others not, others want to create or created registers instead." (#315) "Only one region in Spain (Extremadura) has developed a label, there is no label at national level (even if its creation was foreseen in the national strategy). There are entities that have established "responsibility labels", such as e.g., BEQUAL for organisations carrying out activities for/with people with disabilities." (#723)*

Even when labels or registers exist, the uptake is not always reflecting the real size of the sector. *"There was an attempt to establish a label called "social enterprise mark" in the UK, which still exists but is not widely used. Social Enterprise UK (SEUK) has a labelling scheme that they use with their members, but SEUK membership is a fairly small proportion of the estimated number of social enterprises that exist in the UK." (#753) "There is a national registry of social enterprises in Greece, however this is not of any real help and support in practice." (#716)*

In some cases, it is established that SE can have certain advantages (e.g. fiscal or access to grants) through registers or labels, but also certain downsides and costs are associated to them. Unless a register is linked to a specific (undisputable) legal form, it is questionable if the entries in the register are correct and if they are really reflecting the real-world situation. Attempts to use registers as a form to promote certain standards or features of social enterprises or similar organisations have provoked disagreement, as they hardly cover all possible and diverse forms of organisations and are likely to prevent innovations (Ridley-Duff, R. J. and Southcombe 2012). Voluntary registers or labels might not be convincing for social enterprises if no clear benefit -but costs- are related to it. *"Sometimes registers make things more complicated because there are bureaucratic processes to be fulfilled." (#303) "The code for social enterprises is a register of social enterprises. The initiative is good but not known by all, also the registration fee might be a barrier for smaller social enterprise to get registered. Such an initiative deserves actually support from the state." (#526 on Netherlands) "The "Social Mark, which is the official label for WISE was established by Law 219/2015, on social economy. However, in this country labels and certificates are very weak policy tools, not functional and bureaucratic." (#664 on Romania)*

Action at Member State level has been a critical factor for the development of labels, while there were only few initiatives at EU level. One example is a study commissioned by the European Parliament in 2017, proposing that *"an EU statute should introduce an EU legal qualification (or status), that of the 'European Social Enterprise', and a related EU label or mark, which could be 'ESE'."*(Fici 2017:37). However, this proposal has not led to further action so far. Given the low activity by the SBI on labels and certificates, the influence of the SBI on the creation of new labels and certificates can be assessed as rather indirect, e.g. through the exchange of good practices and information. *"The Social Enterprise Mark has been developed in 2011 and has been used ever since. The Social and Health Care reform (SOTE) increased interest in the mark. The link between the Social Enterprise Mark and the SBI is not direct, but one can assume that there is a connection." (#587 on Finland)*



An important external factor limiting the possible positive effect of SE labels and adding to a general confusion about labels and certifications is the trend that more and more businesses want to show that they are socially responsible. One example is the B Corps label (Kim/Schifeling 2016)<sup>54</sup> that does not affect social enterprises but rather all types of companies.

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<sup>54</sup> It should be noted that the B Corps label understanding of the 'social enterprise' concept does not correspond to the social enterprises as intended by the SBI, but rather to social and environmental values of all types of companies.

In the same line, the increased social activity of traditional companies under the header of 'corporate social responsibility' (CSR) can be beneficial to the SE movement but is sometimes confused with SE: *"There is a broad range of approaches, from very commercial initiatives to purely voluntary ones. [...] One needs to be aware of 'greenwashing' and 'social washing'. There is a need to clarify the definitions of different types of activities and the rules that apply to each of them."* (#720) *"The CSR strategy of large companies leads them to engage in a cooperation with social enterprises, defining their specific contribution to addressing the concrete missions and needs of the large companies"*. (#673) *"CSR is an opportunity for the development of SE because it is a way to access to market and collaborate with conventional enterprises adopting CSR behaviours."* (#315) What can create a disturbed reflection of the reality is that CSR campaigns of conventional companies are usually more visible than information on SE. *"Conventional enterprises are very good in communicating their CSR activities, while SEO (besides having those values/practices as an intrinsic characteristic) do not succeed in visualising this as well as conventional enterprises do."* (#723) For the future, there might be a need to better articulate the ties between CSR and SE.

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Many new registers and certifications at national level, also increasing number of labels from NGOs or private entities. Many different approaches and methodologies. Sometimes only for specific SE (such as WISE). Not always numerous or positive response by SE, related to costs and burden or too strict definitions /criteria.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
No direct action, no public EU-wide register of labels. Indirect influence through inspiring authorities on labels, registers, and through the exchange of good practices and knowledge in studies and via GECES. 	Action at MS level mostly relevant for changes. Many countries with some kind of registers or labels, for different purposes. SE sometimes perceive clear benefits; others see also bureaucratic burden and costs.	Information and knowledge prepared by other SBI actions and examples of good practices stimulated further action at MS level.	Private labels are also increasingly important, in particular, local/regional. Increased "competition" from similar CSR labels.
External factors 2011-2020			
Societies call for more socially responsible companies and products. The emergence of more and more labels and certificates generate an increasing confusion among consumers. Green/social-washing of conventional companies.			

## 2.2.7 Networks and representation

Two main functions of networks and associations are to increase representation and visibility of a certain sector, as well as fostering learning and capacity development of their members. Therefore, the impact area of networks and representation is linked, on the one hand, to areas such as awareness and self-recognition or labels/certificates, and on the other hand, to education/training and managerial capacities of social enterprises.

The SBI highlighted as objective to *"reinforce the managerial capacities, professionalism and networking of social businesses"*. Key Action No. 8 of the SBI was directed towards the support of platforms and networks of social entrepreneurs. This has led to specific actions to support networks. The EaSI programme (third axis) supports currently 19 EU-level NGO networks with the aim of boosting their capacity to participate in and influence decision-making and policy implementation at both EU and national levels. It is expected that such involvement fosters accountability and transparency of authorities and increases the relevance of policy responses. The organisations are active in the promotion of social inclusion, poverty reduction, microfinance and social enterprise finance. (European Commission 2019f). Indirectly, the SBI follow-up actions within ERAMUS+, COSME (Erasmus for young entrepreneurs), Interreg and other EU-funded projects of social

entrepreneurs and social incubators contributed to this impact area. One example is the SUNSE – support network for social entrepreneurs in North-West Europe (Interreg NWE 2014-2020)<sup>55</sup>. Additional capacity-building for social enterprises and intermediaries under EaSI also contributed – it is further described under the impact area 2.3.4. “managerial capacities”.

Over the last decade, networks and associations of social enterprises and related social economy organisations have mushroomed. The Mapping Study lists 43 national and 12 regional networks and associations (European Commission 2020c:51). The EU-level organisations that are active in the field of social enterprises are, for example: Social Economy Europe, ENSIE, EUCLID network, REVES, AEIDL, EURADA, Caritas Europa, Eurodiaconia, ESN, EAPN, EMN, MFC, EVPA, RREUSE, FEBEA, ESELA. Many of them receive support from the EU either through institutional support via EaSI or via projects under ERASMUS+, COSME, Interreg-ERDF etc.

Interviews confirm that in practically all EU countries there are – sometimes informal – networks, federations or platforms that represent the sector, partially or as a whole. Coverage and rules for membership are very diverse in the different countries. Sometimes associations are covering predominantly a certain type of social enterprise, like WISE or social innovation start-ups. Not in all countries are dedicated social enterprise networks, while in other countries several networks represent the sector. *“Irish Social Enterprise Network is a mutual learning organisation. It insists on value of bringing people together, which is often misunderstood. Areas that have not been addressed by SE support organisations include governance, management. Irish Social Enterprise Network was set up in 2013 because of people in Ireland needed validation and help in structuring their SE (not only funding).”* (#617) *“There is a growing number of SE networks, with increasing numbers of actors, many of which act at the regional and inter-regional levels. The challenge may be the overlaps between these networks, e.g. networks of social entrepreneurs, for social innovation and for social economy. Some clarification is needed.”* (#672 on Sweden) *“The representative system is very articulate and developed, with a high participation at all levels. Networks and umbrella organisations do not only have a representative role, they act as development agencies. They work together with the public authorities at the municipal level to create, consolidate and eventually save SEO.”* (#750 on Spain) *“The first umbrella organisation was established in December 2019.”* (#687 on Slovakia)

*“Informal networks exist both in countries with higher levels of social enterprise institutionalisation (e.g., the Danish Committee on Social Economy) and in countries in which social enterprise is a recent phenomenon (e.g., the Croatian Network of Social Enterprises). Overall, significant differences are nevertheless noticeable across countries: while in some countries a plurality of networks with representation, lobbying and coordination purposes exist (e.g., Belgium, Denmark, Finland, France, Italy, Sweden, United Kingdom), in CEE and SEE countries intermediary structures and networks representing or gathering social enterprises are poor.”* (European Commission 2020c:52)

The Mapping Study recognises that the networks and representation of the sector can be considered as an important driver for the development of the number of social enterprises and for the improvement of framework conditions. *“Where they are active, social enterprise movements and second-/third-level organisations have played a key role in supporting the growth of social enterprises. In the countries concerned, cooperative movements and, sometimes, second-level associations have been key for the legitimisation of a new type of cooperative, with a declared social aim. Moreover, they have successfully lobbied for the introduction of enabling policies by participating in the drafting of new legislation and policies focussed on social enterprises (e.g., Croatia, Czech Republic, France, Italy, Spain).”* (European Commission 2020c:50)

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<sup>55</sup> <https://www.nweurope.eu/projects/project-search/sunse-support-network-for-social-entrepreneurs/>

*"At the same time, the emergence of social enterprises where networks are weak or almost non-existent (e.g., Cyprus, Malta) has been much slower and more complex than in countries distinguished by strong networks (e.g. Czech Republic, Italy, Luxembourg, United Kingdom). Therefore, networks themselves constitute a crucial mutual support mechanism, but they are also important to creating and supporting other types of mutual support mechanisms (e.g., private marks, awards and prizes, funding opportunities, co-working spaces, etc.)."* (ibid.)

In some countries, there are networks of SE support centres (like the OWES SE support centres in Poland) or SE networks/cluster are directly supported by public funds in capacity-building. *"There is the SINEC cluster in the Moravian-Silesian region, it works well and is supported by the Regional Office."* (#718)

SE Networks have an important role in advocating and informing policymaking. In this sense, they are crucial in awareness-raising and can contribute considerably to improve the regulatory and institutional environment. *"Multi-stakeholder platforms around social enterprise carry in them a strong potential for articulating a dialogue across sectors and engaging policymakers and other relevant actors in the discussion and in international dialogue (e.g., the Austrian GEMSE and the Croatian SEFOR)."* (European Commission 2020c:52)

Networks and associations have also a strong instrumental effect on the generation and dissemination of knowledge among social enterprises, on fostering learning and on creating new capacities. *"Particularly noteworthy are those second-level organisations, consortia and umbrella organisations, which increasingly provide business support services specifically to social enterprises. These include networks supporting the activities of social enterprises and their launch, growth and replication, in many instances through ad hoc capacity building and training programmes for and on social enterprises (e.g. Belgium, Finland, France, Ireland, Italy, Latvia, Lithuania and Spain)."* (European Commission 2020c:50)

A possible obstacle for successful work of networks and association is the internal capacity of these intermediary and representative organisations. They rely mostly on volunteers and usually need financial support (mostly public, but also increasingly via crowdfunding) and capacity-building to carry out supportive functions and offer services and assistance to their members.



A driver for a more active work of networks and associations is, for example, the increased use of social media and online tools. This enables them to have a much larger visibility, to come together, to communicate and work together, even when members are not physically in the same place. The expansion of specific places for social impact organisations, such as co-working spaces, impact hubs or social innovation centres also is an important supportive factor.

While the SBI influence is clearly visible and appreciated as positive at the European level, e.g. EU-level NGO networks and European informal networks resulting from projects (ERASMUS+, COSME, Interreg, ESF), there is limited influence from the SBI follow-up actions (mostly through good practice exchange, dissemination and communication via supported EU networks, mutual learning and awareness-raising) on the generation of national and regional networks and associations. Not one interviewee identified a link between EU actions and the creation of a representative network in a specific country, even if existing networks are seen as beneficiaries of EU programmes, such as ERASMUS+ or ESF. Examples from other countries and the increasing coverage of EU-wide networks probably have inspired the generation of new networks, in particular in central and south European countries. More support, in particular regarding an exchange of experiences and information between existing networks and associations in Europe, has been requested by quite some interviewees.

Some of the interviewed stakeholders highlight the need to differentiate between networks of experts and sector representatives (practitioners). *"There are different representative*

*organisations/networks, and this is positive. However, there is an issue regarding their strength and mandate. There are more and more specific networks that are sometimes made of experts who do not have the mandate to represent SE organisations. This is weakening the sector. Somehow the situation has worsened due to fragmentation.” (#304) Others identify further needs of existing networks: “Need for improvement in terms of capacity of networks to address the real needs (day by day) of SE. More expertise is needed in technical issues that are of fundamental relevance for SE, such as e.g. fiscal frameworks.” (#305)*

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Currently, at least 43 national/federal and 12 regional networks and associations in Europe, with a wide variety among countries. Some countries have a plurality of complementary networks or different regional networks, others only one or none. There are also informal networks. Important EU-level networks that represent the social economy or social enterprises in Europe.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
Direct support to EU level networks via EaSI Third Axis. Indirect to all kind of networks and associations via projects (ERASMUS+, COSME, ESF, Interreg-ERDF, less via FP7 and Horizon 2020). Indirect support through the exchange of good practices and knowledge in studies and via GECES. 	Action at MS level mostly relevant for changes at national and regional level. Wide variety of organisations and degree of formality. Support to networks from authorities varies. Networks and associations can be important channels for support to the sector for public authorities.	SBI-supported EU level networks help national and regional networks and associations. Information and knowledge prepared by other SBI actions stimulated further action at MS level.	Networking and community building is also promoted by welfare organisations like Caritas, the cooperative movement intermediaries and social entrepreneurship networks such as Impact Hub or ASHOKA.
External factors 2011-2020			
Societies call for more socially responsible companies and products. Strong start-up movement (with social and environmental impact) in metropolitan cities. Collaborative economy fosters co-working and cooperation also in networks and associations.			

## 2.2.8 Visibility in EU and national programmes<sup>56</sup>

With key action No. 7, the SBI sought to promote mutual learning and capacity building of national and regional administrations by putting in place comprehensive strategies for support, promotion and financing of social enterprises, especially via the structural funds, by means of analysis, sharing of best practices, awareness-raising, networking and dissemination. SBI key action No. 4 was about an investment priority for 'social enterprises' to be expressly introduced in the European Regional Development Fund (ERDF) and the European Social Fund (ESF) regulations from 2014 in order to provide a clear legal basis and enable the Member States and regions to include targeted activities in their ESF and ERDF programmes for 2014-2020. SBI key action No. 8 advocated an inclusion of social enterprises and entrepreneurs in European mobility schemes e.g. Erasmus+ and Erasmus for Young Entrepreneurs, and other EU programmes. All these measures were expected to prepare for and contribute to a better access to public funds (see impact area 2.3.3).

<sup>56</sup> EU External action programmes that fund actions in non-EU countries are presented in chapter 2.5.

As requested by the SBI, the support to social enterprises was indeed included as one of the priority themes in the EU Regulation on European Structural and Investments Funds 2014-2020 (ESIF), presented in 2013. Under the common Thematic Objective of promoting social inclusion and combating poverty (TO 9)<sup>57</sup> the regulations included an investment priority on support for social enterprises in the ERDF Regulation<sup>58</sup>. The support by ERDF (also via territorial cooperation, i.e. Interreg) can support businesses, also social enterprises, in a number of ways: business advice and guidance (business planning, coaching and mentoring, support with marketing); premises for start-up centres, incubators and single enterprise business premises; innovation to develop new products, services or ways of working. Moreover, the ESF Regulation included promoting the social economy and social enterprises as a thematic priority<sup>59</sup>. In addition, social innovation was mentioned in the regulation<sup>60</sup>, which allowed for both experimentation and mainstreaming of social innovation across ESF actions. The support provided by the ESF can take many forms, such as training, mentoring, business-support services, giving access to finance and creating learning environments where stakeholders can develop new ways of tackling societal challenges. In the European Agricultural and Rural Development fund EAFRD, the topic was included in Article 5 as one of the priorities for rural development: "promoting social inclusion poverty reduction and economic development in rural areas"<sup>61</sup>. LEADER is an EU-funded rural development initiative under EAFRD and an important funding source for local initiatives focused on social economy and social enterprises in rural areas. To a minor extent, this also applies to the European Maritime and Fisheries Fund (EMFF) with local initiatives that, among others, might be based on social economy support in coastal regions.

As a consequence, support to social enterprises, social entrepreneurship and social economy organisations was included in many ESIF Operational Programmes at regional and national level. The analysis shows that social enterprises and social economy, including social innovation appear in diverse approaches in ESIF programmes. There are single thematic Operational Programmes (OPs) that focus only on social innovation or social economy organisations. An example is the German national ESF programme "Tailwind – For employees and organisations in the social economy" (see Box 2.7). In many programmes, support to social economy, social enterprises and social innovation is concentrated in a specific Priority Axis within a larger programme. This is the case, for example, of the Polish national Operational Programme Knowledge, Education, Growth that has a dedicated Priority Axis IV on "Social Innovation and Transnational Cooperation". Another approach is to have a wider strategic focus on social economy, social enterprises and social innovation at national or regional level, but to include it in many different Priority Axes or even Programmes. An example for this is the Portugal Social Innovation Initiative that is included in ESIF programmes not via dedicated Priority Axis/axes, but transversally across a number of OPs. Finally, a different approach is to support social economy, social enterprises and social innovation without a specific strategy but still through a number of different specific measures in the areas of business development and growth, innovation, job creation, social inclusion, and/or education and training. This is usually the case in German regional ESF programmes. This diversity makes a detailed follow-up of the social economy/social enterprise topic highly complex (see also European Commission 2018a).

Estimations on the funding volumes dedicated to social enterprise, social economy and social innovation under ERDF and ESF in the official Cohesion Data Monitoring systems<sup>62</sup> show that there is a significant amount of dedicated funds (see chapter 2.3.3 for more detail). This translates into the following partial results, with the programmes still on-

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<sup>57</sup> Article 9 of the EU Regulation No 1303/2013 (CPR) laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund

<sup>58</sup> Article 5 (9) (c) of the EU Regulation No 1301/2013 on ERDF

<sup>59</sup> Article 3.1 (b) (v) of the EU Regulation No 1304/2013 on ESF

<sup>60</sup> Article 9 of the EU Regulation No 1304/2013 on ESF

<sup>61</sup> EU Regulation No 1305/2013 on EAFRD

<sup>62</sup> <https://cohesiondata.ec.europa.eu/>

going. "By the end of 2017, 5,078 social enterprises have benefited from ESF support. For these 5,078 enterprises, 2,412 jobs were created, while another 10,725 jobs were preserved with support from ESF. Moreover, a total of 3,407 projects were counted that were implemented at least partially by civil society organisations" (European Commission 2019e:99). Another data search on ERDF-funded Interreg projects on territorial cooperation (2007-2013 and 2014-2020) showed that there are 120 projects with 999 partners on "social innovation"; 102 projects with 636 partners on "social enterprise"; and 59 projects with 367 partners on "social entrepreneurship"<sup>63</sup>. In 2020, an informal network of thirty social innovation Interreg projects was created<sup>64</sup>. Together, they want to showcase the added value of projects working with social innovation in Interreg, especially in the light of the programming process for the next funding period 2021-2027.

Apart from the figures, this translates in numerous projects and programmes, for example<sup>65</sup>:

- ESF support to the Academy of Social Economy Development Project (ASEDP) helped centralise the cooperation between these private entities and the public sector in the Malopolska Region (Poland). Specifically, it focused its attention on building a social economy capable of supporting at risk individuals such as the unemployed, the disabled, homeless people, substance abusers and the mentally ill.
- The Helsinki Deaconess Institute, founded in 1867 as an eight-bed hospital in Helsinki, now being an organisation with 1,600 employees and an annual size of operations of about EUR 150 million. The Vamos Project, successfully funded by the ESF, provides a holistic service concept for 16 to 29-year-olds NEETs. The young people are supported according to their own strengths and needs regarding education and employment or other meaningful activities.
- The Social Enterprise and Innovation Programme is funded by the ERDF to provide business support to social entrepreneurs in the west of England area; Bristol, Bath, South Gloucestershire and North Somerset (UK). Since 2016 it has supported over 400 start-up and existing social enterprises in the West of England Local Enterprise Partnership (LEP) Area.

### **Box 2.7 ESF Programme Tailwind 2014-2020 Germany**

The German ESF Programme Tailwind (Rückenwind) 2014-2020 for workers and businesses in the social economy is a national Programme managed by the Federal Association of Non-statutory Welfare (BAGFW) in Germany. Tailwind is the follow-up programme to Tailwind from the 2007-2013 ESF programming period. Co-funded by the Federal Ministry for Labour and Social Affairs, the aim of Tailwind programme is to activate and secure the supply of skilled workers in the social economy and to increase adaptability, competitiveness and innovation in the sector. Until 2019, 122 projects were funded under Tailwind reaching roughly 18.700 employees and 800 social economy organisations in Germany. Tailwind 2014-2020 had a budget of EUR 53.5 million (ESF and national funds) and funded activities for social economy organisations dealing with diverse impacts of societal changes on their workforce (e.g. ageing, digitisation).

One example of several digitisation projects is "Work 4.0", in which the Federal Association of Social Service Institutions develops and tests digital transformation processes for six social service organisations in Saxony, Thuringia and Brandenburg. Four fields of action are being examined: 1) working time control using digital planning and time management procedures, 2) agile work design, 3) competence acquisition and

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<sup>63</sup> [www.keep.eu](http://www.keep.eu) accessed and searched on the 24<sup>th</sup> April 2020. Might include double counting. The total number of Interreg entries in the KEEP database was 23.127 in April 2020.

<sup>64</sup> <https://socialinterreg.rem-consult.eu/projects/> Network created as a spin-off from the Interreg Baltic Sea Region projects SEMPRES and SEMPRES Accelerators. Initiative coordinated by the Diaconie of Schleswig-Holstein, funded by Interreg Baltic Sea Programme and the German Federal Ministry of the Interior, Building and Community.

<sup>65</sup> Project stories found searching under the Theme Social Inclusion in: <https://cohesiondata.ec.europa.eu/projects>



expansion, 4) internal company communication. Another example of the numerous projects on digitisation is "diRK – digital Red Cross" of three local German Red Cross associations. One element of the project is a central qualification of 25 experts and managers from different district associations as Digital Ambassadors with the aim of establishing and developing a common knowledge base on the topics of digitisation, eLearning, project management 4.0 and social media. The Digital Ambassadors will act as multipliers. Under the coordination of sub-project partners, further specialist qualifications and practice-oriented learning workshops for transfer into practice will take place.

Another series of projects seeks to improve health and well-being of social economy employees. The project "BELEV - Gesundes Arbeiten gestalten 2.0" was a cooperation between the Diakonische Werke Baden und Württemberg and the Employer's Liability Insurance Association for Health and Welfare (BGW). Through the BELEV 2.0 project, management and employees were sensitised through sustainable measures, concepts were developed, and examples of good practice were implemented in order to support the institutions with regard to their manpower requirements. To this end, organisational development processes/company health management and 30 personnel development measures as well as collegial coaching sessions were carried out in 20 institutions. Different events and the platform <https://www.gesund-aber-sicher.de/> were developed to support the project activities.

Source: Case Study Report on ESF Tailwind, Germany

An important ESIF action in this context is the ESF thematic network on Social Economy, created in 2009 and launched in 2013 as ESF Social Entrepreneurship Network. It comprises ESF managing authorities and social enterprise organisations from different EU countries and regions of the European Union. It is devoted to increase visibility and improve the way ESF is used to promote the social economy. The network was supported to a large extent by the Polish Ministry of Economic Development<sup>66</sup>. Overall, the analysis shows that social enterprises and related topics are clearly visible in 2014-2020 ESIF programmes. Since ESIF are always co-funded via national and regional programmes, the effect on programmes in Member State through ESIF has been substantial and on all EU MS, depending on the overall amounts of ESIF available in each country and on the capacity in each country to absorb available funding, as explained in section 2.3.3.

SE and the social economy in general gained visibility in other EU programmes such as ERASMUS+, FP7/Horizon2020, and COSME. The table below shows the integration of relevant topics in the EU programmes and funding:

**Table 2.2 Relevant topics in EU programmes**

EU Programme	Integration of relevant topics: social economy, social innovation, social enterprise, social entrepreneurship
FP7 7 <sup>th</sup> EU Framework Programme for Research and Innovation 2007-2013	<p>In the FP7 Programme, the social economy, social entrepreneurs and social enterprises and social innovation were topics under "FP7-SSH - Specific Programme "Cooperation": Socio-economic Sciences and Humanities". The following specific topics and calls covered the specific research area:</p> <p>SSH-2010-2.1-2 - Local welfare systems favouring social cohesion</p> <p>SSH.2011.1.3-1 - New Innovation Processes including Social Innovation"</p> <p>SSH.2012.2.1-1 - Social innovation against inequalities</p> <p>SSH.2012.2.1-2 - Social innovation for vulnerable populations (only external cooperation)</p> <p>SSH.2012.3.2-3 - Social innovation in the public sector</p> <p>SSH.2013.1.1-1 - Economic underpinnings of social innovations</p> <p>SSH.2013.2.1-2 - Social entrepreneurship for innovative and inclusive societies</p> <p>SSH.2013.3.2-1 - Social Innovation – empowering people, changing societies?</p> <p>SSH.2013.3.2-3 - The impact of the third sector on socio-economic development in Europe</p>

<sup>66</sup> For more information: [www.socialeconomy.pl](http://www.socialeconomy.pl)



EU Programme	Integration of relevant topics: social economy, social innovation, social enterprise, social entrepreneurship
	<p>As well as under the specific Programme Capacities:            FP7-CDRP-2013-INCUBATORS - Support to trans-national network of incubators for social innovation</p> <p>In general, there were 131 FP7 cooperation projects in the field Socio-economic sciences and Humanities (only 6.6% of all FP7 cooperation projects). 18 FP7 projects were directly related to social enterprises, social innovation or the social economy.</p>
<p>Horizon 2020            8<sup>th</sup> EU Framework Programme for Research and Innovation            2014-2020</p>	<p>HORIZON2020 presents several specific Research Topics under different Programmes dedicated to social enterprises, social investment and social innovation:            Under the Programme H2020-EU.2.1.1. - INDUSTRIAL LEADERSHIP - Leadership in enabling and industrial technologies - Information and Communication Technologies (ICT)</p> <ul style="list-style-type: none"> <li>• Topic: ICT-11-2017 - Collective Awareness Platforms for Sustainability and Social Innovation</li> <li>• Topic: SMEInst-12-2016-2017 - New business models for inclusive, innovative and reflective societies</li> </ul> <p>Under Programme H2020-EU.2.3.2.2. - Enhancing the innovation capacity of SMEs</p> <ul style="list-style-type: none"> <li>• Topic: INNOSUP-04-2016 - SMEs for social innovation – Challenge platform</li> <li>• Topic: ISIB-03-2015 - Unlocking the growth potential of rural areas through enhanced governance and social innovation.</li> </ul> <p>Under the Programme H2020-EU.3.6. SOCIETAL CHALLENGES - Europe In A Changing World - Inclusive, Innovative and Reflective Societies, the following Topics:</p> <ul style="list-style-type: none"> <li>• INSO-5-2015 - Social Innovation Community</li> <li>• H2020-EU.3.6.2. - Innovative societies, CO-CREATION-01-2017 - Education and skills: empowering Europe's young innovators</li> <li>• H2020-EU.3.6.2.2. - Explore new forms of innovation, with special emphasis on social innovation and creativity and understanding how all forms of innovation are developed, succeed or fail, CULT-COOP-06-2017 - Participatory approaches and social innovation in culture, CO-CREATION-04-2017 - Applied co-creation to deliver public services</li> </ul> <p>CULT-COOP-11-2016-2017 - Understanding the transformation of European public administrations.</p> <p>The Programme is still open, so no complete overview can be given. So far, there are 17 HORIZON2020 projects related to social enterprises, linking social organisations with traditional enterprises, social innovation or social investments.</p>
<p>ERASMUS+            EU's programme to support education, training, youth and sport in Europe            2014-2020</p>	<p>Social economy, social entrepreneurship or enterprise education, social innovation are topics that are linked to some of the Calls, e.g. under the Call: Social inclusion and common values: the contribution in the field of education, training and youth. Most projects have a link with young people or education and training.</p> <p>Between 2.5% and 5% of all ERASMUS+ projects are linked to the relevant topics:            In the database on projects, there are:            1,952 projects on: SOCIAL ENTREPRENEURS, 2,678 projects on: SOCIAL ENTERPRISES, 3,367 projects on: SOCIAL ECONOMY, 7,617 projects on SOCIAL INNOVATION. It is important to mention that not all projects have a clear and direct link to the topic of social enterprises/ entrepreneurship, but sometimes only mention the topic in its description. (double counting included).</p> <p>Examples of relevant projects are:</p> <ul style="list-style-type: none"> <li>• Social Keys for social entrepreneurship</li> <li>• Youth Social Entrepreneurship Impact Lab</li> <li>• Social Innovation Academy</li> <li>• Using Social Entrepreneurship in Erasmus+ - USEE+ Training Course (SALTO-YOUTH)</li> <li>• ViSEnet - Village Social Enterprise. Learning material, guidance and networking: project to promote social entrepreneurship in rural areas.</li> <li>• Social Entrepreneurship as A Tool For Innovation!</li> </ul>
<p>COSME            Europe's programme for small and medium-sized enterprises            2014-2020</p>	<p>COSME addresses social enterprises within the overall objective "To Promote Entrepreneurship". Since 2014, there was one action line dedicated to the promotion of the social economy and social enterprises. Other objectives and activities (cluster, EEN, finance) cover also social enterprises in theory. However, in practice, the activities are not oriented towards the specific needs of social enterprises or entrepreneurs.</p> <p>Work programme 2014:</p>

EU Programme	Integration of relevant topics: social economy, social innovation, social enterprise, social entrepreneurship
	<ul style="list-style-type: none"> <li>• Promotion of Social Economy and Social Entrepreneurship in Europe (funding of 1 conference)</li> </ul> <p>Work programme 2016:</p> <ul style="list-style-type: none"> <li>• Co-operation between social economy enterprises and traditional enterprises: Study and dissemination workshop (Technopolis)</li> </ul> <p>Work programme 2017:</p> <ul style="list-style-type: none"> <li>• Study on New technologies and digitisation: opportunities and challenges for the social economy and social enterprises (Q-Plan, Uni Manchester, Maastricht)</li> <li>• Promoting social considerations into public procurement procedures for social enterprises. Training and awareness raising events (AEIDL-REVES-Diesis-Social EE-Ensie)</li> </ul> <p>Work programme 2018:</p> <ul style="list-style-type: none"> <li>• Guide on best practices for social public procurement (Study) (update to the existing Buying Social guidance)</li> <li>• Promoting Cross Border Activities for Social Economy, Including Social Enterprises (Study)</li> </ul> <p>Work Programme 2019:</p> <ul style="list-style-type: none"> <li>• Training of public procurement officials for SME-Friendly policies in Central Purchasing Bodies and creation of a pan-European network (including social and green procurement practices and examples)</li> <li>• European Social Economy Regions 2019 (awareness-raising events, interregional social economy missions, social economy summit 2020)</li> <li>• Guidelines and best practices to develop legal frameworks for social enterprises (manual and best practices) (with OECD)</li> </ul> <p>Work programme 2020:</p> <ul style="list-style-type: none"> <li>• Training of public procurement officials for SME-Friendly policies in Central Purchasing Bodies and creation of a pan-European network (including social and green procurement practices and examples)</li> <li>• European Social Economy Missions</li> <li>• European Social Economy Summit (funding for one Conference and monthly digital events)</li> </ul> <p>Horizontal in all Work Programmes from 2014 – 2020:</p> <ul style="list-style-type: none"> <li>• Erasmus for Young Entrepreneurs (among others used by social enterprises and social entrepreneurs)</li> </ul> <p>The vast amount of COSME 2014-2020 activities addresses either companies, mostly SMEs or business intermediaries, clusters, business network organisations, trade promotion bodies or other private/public entities promoting innovation and SMEs. This usually also covers social enterprises but does not focus on them specifically. Very few activities focus explicitly on social enterprises or social economy organisations.</p>

Source: Own elaboration based on <https://cordis.europa.eu/projects/en> , [https://ec.europa.eu/programmes/erasmus-plus/projects\\_en](https://ec.europa.eu/programmes/erasmus-plus/projects_en) , COSME Annual Work Programmes

Indirect support to social enterprises, social economy and social innovation was also channelled via the following EU programmes: Asylum, Migration and Integration Fund (AMIF), Development Education and Awareness Raising (DEAR), LIFE (funding for environmental, nature conservation and climate projects), Rights, Equality and Citizenship Programme (REC), Youth Employment Initiative (YEI), the Partnership Instrument and EU Neighbourhood policy (see also section 2.5).

Interviews confirm the apparent increase of visibility of SE in EU programmes. "Reference to supporting social enterprise and social economy are in EU programmes and the partnership agreement of Portugal with EU." (#105) "Multiple cases of SE promotion as part of ERDF programmes, e.g. in Jämtland county ESF programmes support SE, but with focus on social activities rather than on business development and entrepreneurship." (#513 on Sweden) "Very strong EU influence, without the EU it would have hardly changed in CZ." (#534) "ESF funds a measure in Lithuanian OP to support the development of new social businesses." (#533) "The visibility of SE is constantly improving. There are significant results of the past 8 years. SE seem to be involved in more and more programmes." (#608) "There is an ESF grant programme and certain visibility in the EAFRD Leader programme." (#642) "The social economy in Spain has benefitted from EU

*funding especially in the period 2014-2020 through the ESF National Operational Programme for social cohesion and the social economy (and the expectation is to continue doing so in the future). Two representative organisations of the social economy are intermediate bodies and beneficiaries of ESF funds (CEPES and Once Foundation)."* (#723) *"Social enterprise has been included and mentioned specifically in the European programmes that are run in Wales (ERDF and ESF)."* (#754)


However, they also show that not all national or regional programmes took up the possibility to include SE as specific topic or target group in their ERDF or ESF programmes. *"Visibility in EU programs, not in national programmes."* (#619) *"At EU level SE are visible in programs, projects, initiatives. In Romania, the visibility is low."* (#664) *"At regional level in France we have nothing dedicated to social enterprise: they are free to apply to programmes available to all enterprises, but this does not work much. Social enterprises do not get funding through these programmes."* (#101) *"Problem of identification of SSE in European programmes that field actors systematically point out. In France, this depends on the regions. It would be simpler to have a fund clearly stamped "Social and Solidarity Economy". Small SSE project leaders have a lot of difficulties to access European funding in France."* (#591) *"Visibility has not improved in national/regional programmes related to ESF and ERDF. As regards ERDF, there has been a step backwards in the current funding period (2014-2020) in comparison with the previous one. The current regional operational programme does not make any reference nor devote any specific funding line to SE. The management authority has decided to assign funds to the research and innovation topic."* (#626 on Italy) *"Dedicated sub-measure under the ESF National Programme 2014-2020 – budget was reduced to less than 20% of the previous programming cycle, the financial instruments foreseen under the same programme failed to be implemented."* (#705 on Romania)

*"The situation has changed recently, as preparation for the 2021-2027 programming period gained momentum. A number of actors are working actively to include references to SE in the Structural Funds partnership agreement. The problem is that some public actors assign all activities under the heading "social" to the ESF, which focuses on supporting individuals rather than on triggering structural changes. It is more purposeful to fund promotion of SE by the ERDF."* (#672)


Presumably, higher visibility of SE in EU programmes leads to better availability of public funds for SE. However, the concrete dimension of benefit for SE is not clear, as only ESF and, to less extent ERDF and EAFRD offer direct grants or support for SE, while other programmes (ERASMUS+, Horizon2020, COSME) mainly support research and mutual learning processes about social enterprises and social economy organisations.

In general, the topics of social enterprises and related topics of social economy, social entrepreneurship and social innovation are clearly visible in EU programmes, with a growing preference towards social innovation. Visibility has increased since 2011, in particular under the ESF, ERDF-funded programmes including Interreg and ERASMUS+. The relevant SBI objectives on visibility have been fulfilled<sup>67</sup>.

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
The support to social enterprises and social entrepreneurship was included as one of the priority themes in the 2013 EU Regulation on ESIF. Social enterprises and related topics are clearly visible in EU programmes. Visibility has increased since 2011, in particular under the ESF, ERDF-funded programmes included Interreg and ERASMUS+.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences

<sup>67</sup> On the related impact on available public funding, see chapter 2.3.3.

<p>Direct SBI influence on integrating relevant topics in the programmes and ESIF Regulation, in particular for the 2014-2020 period.</p> <p>However, difficult to assess if this would have happened also in the case of not having SBI.</p> 	<p>Public authorities at MS level have contributed to enhance visibility, mainly through dedicated national and regional co-funding to ESIF Programmes.</p> <p>Uptake of the possibility to fund SE varies from country to country.</p>	<p>Including social enterprises and social entrepreneurship as a priority in the 2013 EU ESIF Regulation was an important preparatory measure for increasing visibility. To increase available funding, other requirements need to be fulfilled (e.g. administrative capacity).</p>	--
<p><b>External factors 2011-2020</b></p> <p>Perceived socioeconomic needs at the time of designing the EU Programmes. Relevant EU Regulations. Financial crisis 2008-2010 hampered the capacity of national and local/regional authorities to co-fund available EU funds in some MS.</p>			

### 2.2.9 Education and training

Reinforcement of the managerial capacities, professionalism and networking of social businesses was mentioned as one important objective of the SBI. This also covers education and training. SBI follow-up actions referred mostly to supporting education and training projects and networks via the ERASMUS programme. Indirectly, many SBI follow-up actions were related to education and training, such as ERASMUS+ projects, the ERASMUS for young entrepreneurs Programme (under COSME), and numerous ESF and ERDF (including Interreg) projects. In 2016, the *"European Entrepreneurship Competence and Sense of Initiative Framework"* was published defining, among others, skills for entrepreneurship education for social purposes. Other projects (e.g. DG GROW pilot actions) were also related to education and training, in particular related to cooperative entrepreneurship.

The existence of specific education and training course for creating or working with a social enterprise or a social economy organisation (including topics such as management, leadership, accounting, marketing, fundraising, human resources management, innovation and digitisation from a social impact perspective etc.) is not very widespread, even if in recent years related training and university courses have emerged in most EU Member States. *"Some universities in Romania (e.g. Bucharest, Cluj) have academic courses and master programs on Social Economy."* (#701) *"The sector is very well developed. A CEPES study provides a list of the offer of education courses on the social economy at university level (Masters', PhDs, etc.)."* (#723 on Spain) *"Activities, like the regional EFSE Entrepreneurship Academy and Social Impact Award (SIA) program provide both awareness raising, education, incubation & training (capacity building) as well as seed funding."* (#726 on Montenegro) *"Many courses and post-graduate degrees specific on SE are available, especially in the North of Italy."* (#765)

The Mapping Study describes a promising situation in most countries: *"Indeed, in the EU, both countries where social enterprises have a longstanding tradition and countries where social enterprises constitute a relatively recent trend, curricula on social enterprise and related fields now exist in high-level educational institutions (HEI). They range from courses and modules to full programmes and are available via online learning or through distance and blended learning platforms and range from regular bachelor's degree subjects to graduate and postgraduate levels that include lifelong learning. The Open University in the United Kingdom and UNED in Spain are good examples of online universities with devoted curricula on social enterprise. Belgium, France, Italy and the United Kingdom are among the countries with longstanding traditions of social enterprise education and training in HEIs, but other countries, such as Croatia, the Czech Republic and Slovenia, have also developed university curricula on social enterprise in recent years that reach graduate and postgraduate levels. The situation is also promising in neighbouring countries, such as Albania or Turkey, which, despite being at an awareness-creation stage*

*regarding social enterprises, have a number of universities and other institutions providing social enterprise education. However, this is not the case in North Macedonia, where no curricula exist in HEIs."* (European Commission 2020c:99)

*"In UK, there are examples of successful degree courses on social enterprise: Glasgow and London Goldsmith especially. Mostly at post-graduate level, success in attracting people for doctoral studies, as research topic is very popular. Positive changes but more due to history of UK institutions."* (#109)

The overall assessment in the Mapping Study is that the situation for tertiary education is improving despite the lack of links between these programmes and actors, hampering *"the undertaking of common actions such as nation-wide educational strategies or a mainstreaming of the social entrepreneurship dimension in entrepreneurship education in general"*. (European Commission 2020c:95). *"There are still gaps in the training of young people. In the Grand Est, there are two SSE chairs (in Reims and Mulhouse). Masters are full, but students still lack a clear vision of what SSE is. For example, they do their internships with co-operative banks, mutual societies or small associations, but do not see how they can find their place in other forms of social enterprises. The region organises SSE awareness raising activities in high schools during the "SSE month". SSE is still largely absent from economics classes in high schools."* (#597) *"The information is fragmented, there should be a unique platform where you should be able to find everything (at least courses offered by Universities, because it would be difficult to collect info on all general training programmes)." (#315)*

The situation becomes worse when looking beyond the capital cities and urban areas. *"There are social impact and other training courses, but all are available in Budapest, while most organisations are in the countryside. A solution would be to have such trainings in rural centres."* (#613)

With regard to school education, the arrival of social enterprise programmes in primary and secondary schools in countries such as Belgium, Germany, Spain and United Kingdom has to be mentioned. Other countries such as Estonia are also active. *"Junior Achievement Estonia helps upper secondary school students create social enterprises; the economy textbook for upper secondary school students has one chapter on social entrepreneurship."* (#571) There is still little progress in vocational training and continuous training. *"ESF and education: there has been difficulty in attracting vocational education training for trainers of trainees. There is a patchy situation. There are many opportunities for exchanges (e.g. ERASMUS+ and others). SE have difficulty with certifications: in-house or informal training offered by SE are not recognised in EU."* (#305) Likewise, the number of training schemes for social entrepreneurial and innovation skills have been growing considerably, in particular with the expansion of co-working spaces and spaces like impact hubs, and due to the spread of courses on innovation skills, nowadays often promoted as training on 'social innovation' (see also impact area 2.3.4).

Numerous EU-funded projects have been producing methodologies or contents for social innovation and social entrepreneurship, defining usually training or education. This was done mainly with support from ERASMUS+, ESF and ERDF (through national and regional programmes, Interreg, but also as part of UIA or URBACT projects), as well as FP7 and Horizon2020. *"The 'WISE Academy' is a major ESF co-funded project providing training for social entrepreneurs and businesses, which ran over 2,5 years and has been much appreciated by actors in the field. It inter alia provides management training and quality assurance in work training for WISE. There are also courses at Universities and other higher education institutions"*. (#501 on Sweden)

Specific cooperation projects on cooperative entrepreneurship education were funded by the European Parliament, namely COOPILOT and ECOOPE<sup>68</sup>. Building on the results of

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<sup>68</sup> See also de case studies for project examples.

these cooperative entrepreneurship education projects, the EP decided to co-finance new consortia as of 2020<sup>69</sup>. Other examples of EU projects are Social Innovation Academy<sup>70</sup>, Social Keys for social entrepreneurship<sup>71</sup>, SESAME<sup>72</sup>, Youth Social Entrepreneurship Impact Lab<sup>73</sup> (ERASMUS+) DOIT and NEMESIS<sup>74</sup> (Horizon 2020), INNO-WISE, DA-Space, RaiSE, EASE&SEE or Sentinel (ERDF-Interreg).

### **Box 2.8 The Entrepreneurial Cooperative Experience (ECOOPE)**

ECOOPE is one of the two EU pilot projects focused on "Reduction of youth unemployment and the setup of cooperatives" with the goal of encouraging cooperatives to employ young people and encourage young people to set up cooperatives. It was funded by the European Parliament. The 12-month project began in April 2017. The Entrepreneurial Cooperative Experience (ECOOPE) consortium, led by the Santander International Entrepreneurship Centre (CISE) and the University of Cantabria (Spain), included eight partners from five EU Member States, namely Finland, Italy, Portugal, Spain and the UK. The primary goal of the project was to improve the employability of European youth, especially in those countries with high rates of unemployment, by promoting the cooperative business model among young future entrepreneurs.

The ECOOPE consortium researched good practices in entrepreneurial education with a cooperative focus across Europe, producing a Good Practice Guide. Based on the best practices, an innovative training methodology was developed and piloted at the secondary and higher education levels. The secondary school pilot training involved 14 students and four teachers from Portugal and 10 students and two teachers from Spain in a one-week intercultural training experience. At the higher education level, the project implemented a five-week pilot experience with 12 students from four EU Member States. The Pilot Project contributed to the visibility, recognition, and better understanding of cooperatives and the values of the social economy. ECOOPE contributed to encouraging the inclusion of the cooperative model in entrepreneurship education and training.

Source: Case Study on ECOOPE and COOPILOT

A new dedicated initiative under ERASMUS+ was mentioned: *"Very positive is the Sectoral Blueprint project on WISE. The call was launched by the EC within the ERASMUS+ funding scheme and the project is aimed at studying the capacity building needs of WISE in order to fill gaps."* (#315)<sup>75</sup>

On the one hand, influence from EU-funded projects and networks on the overall increase of contents and methodologies for training relevant for social enterprises and other social economy organisations can be considered as strong. There is an important number of visible good practices and examples. This has been also acknowledged by the recent Mapping Study: *"The integration of researchers and trainers in existing networks and communities (like the EMPOWER SE COST Action) and the consolidation of EU funding schemes, such as ERASMUS+, have been fundamental for such development."* (European Commission 2020c:100)

On the other hand, SBI and EU influence on the emergence of formal education and training courses and modules seems to be rather limited, as these are offered by education providers such as universities or colleges. The role of public authorities to stimulate new education and training offer in the context of social enterprises and social economy has also be limited to specific pilot projects, mostly on primary and secondary education, as well as vocational training. In this context, it remains not clear if the reach of EU-funded

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<sup>69</sup> The follow up is currently being undertaken by DG GROW.

<sup>70</sup> <http://www.socialinnovationacademy.eu/>

<sup>71</sup> <http://www.socialkeys.eu/en/>

<sup>72</sup> <https://sesameproject.com/>

<sup>73</sup> <https://www.redcreactiva.org/en/innovat/hacemos/youth-social-entrepreneurship-lab>

<sup>74</sup> <https://nemesis-edu.eu/>

<sup>75</sup> The Blueprint for Sectoral Cooperation on Skills is an EU funded framework for strategic cooperation in emerging sectors or sectors which are experiencing significant restructuring.  
<https://ec.europa.eu/social/main.jsp?catId=1415&langId=en>





project examples is sufficient to make a difference and contribute systematically to further action by players at local, regional and national level in Member States. More support and improvements might be needed.

*"Actions to improve information, awareness and training must be continued. It would be very useful to include in curricula of all faculties of Economics and Law a specific course on 'SE Economics and Legislation'." (#204) "There are a very few programs at the establishments of higher education. Mutual learning is quite often taking place via various projects. Especially in the Baltic Sea Region." (#638)*

Important external drivers of promoting training and education in the social enterprise/innovation context have been social enterprise networks and cooperative federations and, in particular in Central and Eastern European countries, intermediaries such as Ashoka and Impact Hub, as well as multilateral organisations such as World Bank and civil society organisations. All over Europe also private and public Universities and Business Schools have promoted this topic but at different levels.

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Increase in recent years on short-term trainings on social entrepreneurship. Formal tertiary education on social enterprises/management has increased but is not yet widespread. Only few (pilot) examples of relevant education in primary, secondary, and vocational school.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
<p>Direct support to projects and networks for education contents and methodologies via EU programmes contributed to new knowledge, awareness-raising and good practices. Indirect support to dissemination and exchange.</p> 	<p>National and regional authorities have so far, a limited role in promoting education and training on the social economy. There is room for further action with support from SE networks and associations.</p>	<p>Information and knowledge prepared by other SBI actions stimulated further action at MS level and by education providers and private entities. Pilot projects are important to test new education models and content.</p>	<p>Influence by formal education and training providers (universities etc.). Important players are intermediaries such as social enterprise networks, cooperative federations , mostly in CEE also intermediary networks such as Ashoka and Impact Hub, multilateral organisations such as World Bank and civil society organisations, but also private Universities and Business Schools.</p>
External factors 2011-2020			
<p>Societies call for more socially responsible companies and products. Social entrepreneurship/innovation is a booming topic at global scale that affects also the education landscape in Europe.</p>			

## 2.3 Access to finance

The third impact dimension refers to the SBI objective to facilitate access to finance and to improve the general conditions that social enterprises and social economy organisations are facing in identifying and accessing financial resources, not only in public funding programmes, but also in financial products from commercial banks and financial intermediaries. We can identify four impact areas: (1) to improve the conditions in financial intermediaries and their readiness to work with SE, to increase the available (2) private and (3) public funding, and finally, (4) the strengthening of capacities within social enterprises and social economy stakeholders related to management and business-related issues.

### **2.3.1 Conditions in financial intermediaries to work with social enterprises/social economy**

The conditions in financial intermediaries to intermediate and work with social economy organisations are closely connected to the availability of private funding for the social economy (see chapter 2.3.2) – with more private funds available it is more likely that financial intermediaries are better connected to the social economy, offering more and better products specifically to them and speaking the same language. At the same time, there is only a positive contribution to the development of social enterprises and the social economy if these organisations also have sufficient managerial capacities and can interact with the financial intermediaries (see chapter 2.3.4). We understand that this is an integrated system of interaction, but for the sake of analysis we have tried to analyse these impact areas separately.

Intermediaries play a pivotal role in developing the social finance ecosystem. There are two types of intermediaries that are specifically relevant: financial intermediaries and capacity-building organisations. Financial intermediaries include commercial or social/ethical banks, fund managers, stock exchanges and increasingly crowdfunding platforms. Capacity-building organisations include accelerators and incubators, advisory firms, as well as networking and knowledge platforms. This last type of intermediaries might provide also advice as well as help in structuring deals and in managing funds. Support organisations are crucial for SE in two core areas related to capital provision: impact measurement/management and non-financial support. A lack of efficient intermediation translates into higher transaction costs caused by fragmented demand and supply, asymmetries in information provision to potential clients, i.e. social enterprises, social entrepreneurs or social economy organisations, as well as imperfections in the social finance market (for further description of market failures see European Commission 2020d, Gianoncelli, A. et al. 2019 and OECD 2019).

Key action No. 1 of the SBI proposed a European regulatory framework for social investment funds to facilitate access to the financial markets for social enterprises, taking into account the public consultation carried out and the impact assessment. This was then realised with the EuSEF legislation. Key action No. 2 and No. 3 of the SBI propose to strengthen institutional capacities to develop the legal and institutional environment for micro-credits and to facilitate access to funding for social enterprises. Further recommendations of the SBI refer to support networking and mutual learning between financial intermediaries as well as to promote dialogue between social enterprises and financial institutions. This was then translated into different SBI follow-up actions. Under the EaSI Third Axis a Capacity Building Investments Window was made available (via EIF). A European Code of Good Conduct for Microcredit Provision was established, including a self-regulation instrument and quality label that promotes best practices within the sector. In total, 49 microfinance institutions have qualified for the Code so far (until June 2020). Moreover, projects to provide Technical Assistance for social enterprise finance and for microfinance were funded under EaSI. Specific calls were included under EaSI Third Axis on preparatory and complementary actions to prepare the ground for new financial instruments for social enterprises such as the EaSI Transaction cost support Call and the EaSI Actions to boost the demand and supply side of the finance market for social enterprises. EU level networks working on social finance were supported with specific support programmes. Additionally, studies and handbooks on social finance contributed to raise awareness and showed good practices (e.g. European Commission 2019a, European Commission-GECEs 2016b).

In fact, the situation of capacities of social finance intermediaries and stakeholders has evolved significantly over the last decade. This can be deduced mainly from the increasing number and volumes of social impact investments. *“Recent estimates indicate that the Social Impact Investment market in nominal terms in 2015 was over 11 times the size of the market in 2011.”* (OECD 2019:135) This trend continued in the following years. Awareness and visibility of social finance has increased significantly, the supply of available



social finance has grown substantially in many European countries, but less in Central and Eastern Europe (see Eurosif 2018 and OECD 2019).

This positive situation has influenced partially the availability of private finance for social enterprises. More finance is available and with this, conditions in financial intermediaries have improved, but the situation varies from country to country and from region to region. Not all SE have access to finance and many barriers persist. Many interviewees support the views that the situation has improved to the benefit of social enterprises. *"In MSs where SE are well developed and structured, in particular on a solid cooperative basis and they can count on the support of networks and consortia (e.g. Italy), SE can also access very effective financing tools and access to credit is not a problem. Moreover, some additional tools/guarantees provided by EIF and EIB in collaboration with national structures have proven to be effective and increased the provision of subsidised credit (e.g. Cooperfidi in Italy, Chamber of the Social and Solidarity Economy in France)."* (#204) *"There have been investments into capacities of financial intermediaries [...]. Thanks to the guarantees some of these organisations have grown significantly. This way certain innovations have also been introduced."* (#217) *"The major banks have gradually set up asset managers dedicated to impact investing. Social enterprises are now finding the right interlocutors: enterprises with good prospects for sustainability find financing (both equity and quasi-equity). There has been an acclimatisation to the subject of "social enterprises" and a densification of the financing ecosystem with impact investors who are now able to invest in equity, whereas until 2010, there was only France Active. However, these asset managers tend to look for "big tickets". Therefore, small and medium sized social enterprises are not part of their target group."* (#589) *"Since 2011, many funds are interested in financing impact activities (increasing volume). The challenge today is to match project sourcing with the activation of funding. The demand exists but the work of linking and intermediation is very complex (for private and public funding)."* (#591)

There are many examples of good practice initiatives in several EU Member States, like the Irish Clann Credo social finance provider<sup>76</sup> or the German FASE as intermediary for social enterprises and finance providers<sup>77</sup>. Many of these initiatives have benefitted from EaSI support measures or have channelled available EaSI or other EU funding towards social enterprises, reflecting the relative importance of EU influence on developing the social finance market and the capacities of stakeholders<sup>78</sup>. Intermediary organisations all over Europe have benefitted from the EU support to reduce transaction costs and enable capacity-building. European Commission Calls to support these actions have evolved themselves and learned on past experience: *"The lessons learned from the pilot actions indicate that a variety of forms of support and tools have already been tested and established in some countries, while in other European countries the finance market for social enterprises is still at an early stage of development."*<sup>79</sup>

When it comes to the interfaces between demand and supply and the role of financial intermediaries, still many imperfections persist, especially in countries in Central and Eastern Europe. The synthesis report of the Mapping Study highlights: *"In several countries (such as Lithuania and other CEE countries), the major barriers to obtaining the necessary external resources are not directly linked to the lack of supply but rather to a general lack of understanding of social enterprise models, a deficit of social enterprise assessment instruments, and the absence of collaboration and agreements between regulatory institutions from the financial, economic and social sectors. Difficulties in accessing finance also result from insufficient knowledge of the existing supply of finance,*

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<sup>76</sup> OECD/European Union 2017: 131-138

<sup>77</sup> OECD/European Union 2017: 111-119

<sup>78</sup> For example, FASE has benefitted from support under the EaSI Actions to boost the demand and supply side of the finance market for social enterprises, Clann Credo complements, among others, LEADER grants to support community development projects in rural areas.

<sup>79</sup> Call for proposal on Actions to boost the development of finance markets for social enterprises (VP2019/015) <https://ec.europa.eu/social/main.jsp?catId=629&langId=en&callId=578&furtherCalls=yes>

*a lack of investment skills and a poor ability amongst social enterprises to develop adequate business project proposals."* (European Commission 2020c:89)

Interviewees highlight that there is still much to do to be able to speak of a favourable situation for social enterprises, and that there are still substantial system failures. *"Private banks in Latvia are totally not ready to work with SE".* (#640) *"Lack of understanding of needs of social economy. Slightly better and some good practices in some places, but still long way to go (no common understanding of needs, values)."* (#108) *"We had to create our own intermediaries. The move done by EIB and European Fund for Strategic Investments (EFSI) was interesting and have been following some experiences. There are improvements but built by the sector of social economy. The traditional intermediaries have not changed their attitude towards SE organisations."* (#304) *"Banks refuse SE, there is no bank loan construct that takes these obstacles into account, all require them to provide a guarantee, a mortgage, etc."* (#611) *"Initially, there was no social enterprise definition and it made it difficult for the financial instruments to be implemented. Then in 2016 a definition was introduced. Still too broad for the needs of financial intermediaries."* (#217) *"Positive changes, but significant variations across countries, e.g. PL and CZ very significant improvements thanks to collaboration between public authorities, SE and the banking sector."* (#308)

Limitations are also seen in the SE sector itself and the managerial capacities of SE (see also section 2.3.4 further below), with specific problems according to the size of a SE: *"A problem is the capacity of SE organisations to use financial instruments: either they are big and they do not need specific measures, or they are small and not able to use financial products."* (#304) *"Situation is improving, but it is surely not perfect. It seems that there is more money than finance-ready SE."* (#694) *"Many SE are rather badly managed and have had problems adapting to a situation where they no longer receive regular public subsidies."* (#719) However, in some countries, stakeholders perceive also positive developments, like in France: *"Social enterprises are experiencing a rise in competence. The interlocutors of large social enterprises now have strong skills in financing."* (#598)

It seems that the positive changes occur mostly through the emergence of a new type of social finance intermediary – familiar with the social economy, rather than through capacity development within traditional banks. This creation of a new parallel world of social finance intermediaries can be observed in countries with a more advanced social economy ecosystem, such as UK, Italy, France, Ireland or Spain. *"In Wales, the social business growth fund is dedicated to funding for social enterprises and is delivered by an organisation called WTDA, which has a good understanding of the sector and is the main source of financial support. The mainstream banks still have a low understanding of social enterprise and more progress is needed."* (#754) *"Capacity is still largely with the social finance banks, which have a very good understanding of the needs, but in the mainstream banks and intermediaries there is no such capacity."* (#742 on Ireland) *"In Spain there are ethical finance cooperatives (e.g. FIARE Banca Etica) that have become stronger. However, no improvements in the traditional banking sector."* (#744) *"Solidarity finance offers interesting tools, but these remain "parallel" and not integrated into the mainstream financing system."* (#592 on France)

With regard to the influence of the SBI follow-up actions to the observed changes, the analysis shows that there has been an important contribution from the EaSI programme to help consolidate social finance intermediaries in Europe. EaSI offered support for the development of social enterprise finance markets through a) 41 projects (2014-2018) receiving grants to boost the development of both supply and demand sides of social finance markets in EU Member States and non-EU countries participating in the programme; b) operating grants for seven EU level networks, four of them active in the promotion of microfinance and social enterprise finance (EVPA, Euclid Network, EMN, MFC), c) 16 projects receiving grants for transaction costs linked to small ticket investments into social enterprises; d) EaSI technical assistance services, providing non-financial support to social enterprise finance providers in the form of tailored trainings,

workshops, exchange of best practices, etc. Projects such as FASE, maze, EASII, FIT4SE, COP-SE, contributed to establish new social finance partnerships and social finance instruments, the facilitation of hybrid finance for social enterprises or the creation of platforms to reinforce the capacity of social enterprise support organisations.

The support to networks such as EMN, MFC Euclid network and EVPA has helped to stimulate research, generation of information, awareness-raising and exchange of experiences among European and national/regional stakeholders. These networks are working on building the capacity of their members which are mostly financial intermediaries and, thus, have a strong multiplier effect.

### **Box 2.9 EaSI support to boost social finance in Serbia**

The project Social Enterprise Financing in Serbia – Building Partnerships and Models for Sustainable Development of Social Finance Market was implemented by Smart Kolektiv (Serbia) in partnership with Erste Bank in Serbia and Oksigen Lab during 2017 and 2018 with the goal to develop social enterprise financing in Serbia. The project received a grant under an EaSI call for actions to boost the demand and supply side of the finance market for social enterprises. The project has compiled a comprehensive assessment report of the analysis of the supply and demand side of social finance in Serbia, defined an investment strategy as well as appropriate financing instruments and has deployed loans to four social enterprises in collaboration with Erste Bank Serbia coupled with nonfinancial support. The project resulted in signed agreements with different stakeholders (incl. banks, development agencies and foundations). EU funding was crucial for implementing this project as the topic and its importance is not yet recognised by other actors in Serbia. The grant funding has significantly contributed to learning from experienced project partners like Oksigen Lab and from all other organisations that received funding and were engaged in transnational activities and workshops. It has enabled smart kolektiv to work together with the private sector, especially with Erste Bank on developing and testing first social finance instrument in Serbia.

Source: Case Study Report on Social Enterprise Financing in Serbia

Publications like the 'A recipe for social finance' guide and the OECD-EU good practice compendium have also supported transfer and learning processes. The availability of EaSI guarantees to work with SE and microcredits (covered in section 2.3.2) has reduced mental barriers to work with these types of clients and has stimulated internal capacity-building in financial intermediary organisations.

The **EuSEF regulation** is a specific SBI follow-up action. Following the key action proposed in the SBI communication, the European Commission adopted two proposals for regulations, aimed at establishing a common framework for European venture capital funds and European social entrepreneurship funds in order to help SMEs obtain financing via such funds. In July 2013, the EuVECA and the EuSEF Regulations came into force. In 2015, the Commission launched a consultation on the review of both regulations with the aim of increasing the uptake of these funds. The instrument was available since 2013 but only a small number of funds had registered. *"EuVECA and EuSEF contribute less to growth and to positive social impacts than intended."* (European Commission 2016b:11) In 2016, the Commission proposed amendments with the aim of facilitating greater adoption of these fund designations by managers. The amended regulation was adopted in June 2017 and applies since March 2018<sup>80</sup>. The need for amendments of the Regulation show that it was not easy to define an appropriate legal context for social investment funds for the EU, when not much experience was there to build on in 2013. The number of funds registered in the EuSEF database between 2013 and 2017 was eight (from UK, Germany, France and

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<sup>80</sup> Furthermore, in 2018, as part of the implementation of the Capital Market Union (CMU), the European Commission published a proposal of Regulation to amend EuVECA and EuSEF Regulations. This proposal aims to allow managers of such funds to engage in pre-marketing in the EU. In June 2019, the Council adopted the reform of the cross-border distribution of collective investment funds which includes the concept of pre-marketing for EuVECA and EuSEF funds. Some of the articles will apply from August 2021.



Finland). Since the adoption of the amended Regulation and until October 2020, five new funds registered (from France, Spain, the Netherlands and Luxembourg), so that the total number of registered EuSEF is now 13, covering seven Member States. When assessing the low uptake, it has to be considered that there is a wide range of external factors that influence the uptake of EuSEF. Tax incentives play a role as well as the existence of a culture towards non-bank financing. Moreover, the availability of social projects and the preparedness of national registration and supervision regimes to facilitate the implementation of EuSEF.

Bearing in mind the generally low market size of private social financing, the initiative in itself has brought added value. The EuSEF Regulation has addressed a gap that previously existed in legislation for institutionalised non-bank capital investments in social enterprises. The EuSEF Regulation created a network of administrative co-operation for the effective introduction and supervision of managers of EuSEF funds. In addition, the EuSEF Regulation provides a regulatory framework for assessing and analysing social impacts/returns. The EuSEF framework can be considered as important because it represents a milestone for reducing important administrative obstacles by introducing a new framework aiming to address the need to increase the amount of non-bank capital available for investment in social enterprises and to market funds cross border. In this sense, it promotes the EU policy priorities related to the single market and to EU integration. Only few interviewed stakeholders know the EuSEF framework. Many of them indicate its limited impact until now but recognise that it has, at least, raised awareness and increased visibility for social investment funds, not only for national and regional players but also for important European players, such as EIB and EIF. Interviews confirm this view: *"EuSEF, the idea was good and still is. But maybe it needs time to raise interest."* (#208) *"First version of the regulation was too complex."* (#219) It remains to be seen if the EuSEF label will be more widely used in the future. It is still early to assess the long-term effects. Despite the fact that only 13 funds have been registered so far, it is still too early to draw conclusions on the long-term impact of the EuSEF policy framework. The EuSEF framework probably needs time to be fully known and implemented.

In general, the growth in number and capacities of financial intermediaries between 2011 and 2020 is not only due to EU action. Other private and NGO organisations such as Ashoka, Impact Hub network, numerous foundations and associations, national entities such as France Active or Community Finance Ireland, but also social impact branches of commercial financial entities, e.g. BNP Paribas in France or MikroBank of La Caixa in Spain, have also contributed to build up capacities in understanding SE finance. Other relevant drivers have been the higher interest to work in impact-driven businesses and jobs and the growing number of social purpose ventures, i.e. organisations that are facilitating the creation of new business models and experimenting with new approaches to address social, environmental and economic challenges. Political commitment and national policy frameworks can also have a stimulating effect, when a certain level of maturity has been reached, as it is the case for Ireland: *"As for broader financial intermediaries (banks, building societies, credit unions), they are doing very little with SE. However, several banks have contacted me over the last months because they are reflecting on SE since there is now a national policy. They see huge development of the sector and market opportunities. This can be seen also as opportunity for pro bono support, loan access."* (#616)

An important obstacle to improve the ecosystem for social enterprises and social economy organisations is still the lack of recognition and awareness and the confusion about different types of SEO and social impact. As mentioned before, another impediment for development is related to the capacities of social enterprises and social economy organisations to work with debt and equity finance, as many of them are still focused on direct public transfers, grants and donations. Investment readiness of social enterprises and social economy organisations is rather low in most countries, as will be shown further below in section 2.3.4.

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
The situation of social finance has evolved quite positively over the last decade. Awareness and visibility of social finance has increased significantly, the capacities social finance intermediaries partially have increased, but not in all countries or territories. Still many imperfections exist, and there is a lack of intermediaries and capacities, in particular in CEE.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
<p>EaSI support to financial intermediaries, transaction cost support and interfaces between demand and supply led to important good practices, emergence of new intermediaries, networks and increased capacities. Indirectly, studies and reports helped to exchange knowledge and learn. EuSEF so far with low impact (13 registered funds) but creating new opportunities for (cross-border) investments for social enterprises.</p> 	<p>Clear differences between countries with a mature and advanced social finance ecosystem, and countries with little social finance (mostly CEE countries). Depending on national and regional financial players if they stimulate demand and supply of social finance.</p>	<p>Information and knowledge, as well as guidance on practical cases is needed to stimulate further action at MS level. Limited capacity and investment readiness of social economy organisations is a limitation of any SBI follow-up action.</p>	<p>Some financial entities, SE networks and federations as well as social innovation intermediaries such as ASHOKA, Impact Hub network are important drivers.</p>
External factors 2011-2020			
<p>High interest to work in impact-driven businesses and jobs. Growing number of social purpose ventures.</p> <p>Interest of traditional investment funds to become more socially responsible.</p> <p>Cuts in public budgets after the 2008 financial end economic crisis have led to a need to look for alternative funding sources for social enterprises and social economy organisations.</p>			

### 2.3.2 Availability of private finance

In many European countries, lack of understanding of social enterprises coupled with the perception of social enterprises as high-risk clients makes mainstream finance providers reluctant to invest in them. Commercial banks often consider that social enterprises may not have the capacity to sustain loan costs. This is less the case of countries where social enterprises are widely acknowledged and well developed; in these countries social enterprises are often considered like traditional enterprises. In general, social enterprises, like other enterprises need different types and levels of funding at various stages of development. Flexible capital, including grants, guarantees and concessional financing, is particularly vital in the early stages and can facilitate the development of innovative business models. Private funding usually covers debt and equity finance, but also guarantee schemes are relevant as they allow sharing or amortising risk with mainstream funders, impact investors and commercial banks.

Under key action No. 3 the SBI proposed a “90-million euro European financial instrument be set up to facilitate access to funding for start-up, development and expansion of social enterprises by way of investment in solidarity investment funds, which provide own-capital and debt-financing instruments”. This was then implemented via the **EaSI Programme** where its **Third Axis on Microfinance and Social Entrepreneurship** supports actions in two thematic sections: provision of microloans for vulnerable groups and micro-enterprises; and social entrepreneurship. In line with this, under EaSI and since 2016 backed up by EFSI, the EIF offers several financial instruments in relation to social enterprises and social entrepreneurship: EaSI guarantees (EUR 398 million available for

interested microcredit providers and social enterprise)<sup>81</sup>, EaSI loan sub-fund (EUR 200 million), and the EFSI Expansion and Growth Window targeting social enterprises and social sector organisations. Especially, the EaSI guarantee scheme has been effective in stimulating social finance. In 2018, EIF signed a record volume of guarantee transactions (EUR 77 million) under the EaSI programme, up from EUR 46 million in 2017 (EIB 2019:14). Until February 2020, 122 guarantee contracts had been signed with financial intermediaries covering 31 countries. It is expected to provide over EUR 809.5 million of financing to approx. 2020 social enterprises (EIF 2019). The EaSI loan sub-fund is an additional debt fund launched in October 2019 to support lending to microfinance institutions and social finance providers. For this, it is still too early to observe any effects.

Backed by EFSI, the European Commission has created three social impact equity pilots with a target of EUR 150 million in investments. To date, the relevant activities cover three incubator and accelerators pilots and three social impact bond pilots. The pilots have been set up after 2016. It is still too early to assess the outcomes.

Several studies and reports confirmed the existing market gap and the difficult access to finance for social enterprises and social economy organisations, extending beyond the usual difficulties of SMEs, as presented in e.g. European Commission 2020d or OECD 2019. However, considering the focus of many traditional social enterprises on public transfers, grants and donations, their interest and readiness for debt and equity finance is still rather low and only slowly emerging. *"The demand for repayable resources seems to be, at least at the moment, not very high [...]. The still-limited demand also explains the scant interest amongst social enterprises in innovative social finance instruments, such as impact investing, social impact bonds, social venture capital (to which considerable relevance has been assigned by the G7 Social Impact Investment Taskforce) and participative or alternative finance outside the traditional financial system, such as crowdfunding (still far from being fully developed)." (European Commission 2020c:87)*

Existing reports and the interviews in our study highlight the persisting needs of SE in comparison to other businesses. Financing amounts that most social enterprises need are relatively small, which means that financial intermediaries incur high transaction costs compared to the size of funding provided. *"At national level nothing exists. EU programs are designed for 'big players' and the EC has to understand that here we need to start with small amounts."* (#665) Exit scenarios are often missing, as it is difficult for social enterprises to return investments at the level of at least capital repayment (European Commission-GECEs 2016b). *"Presently there is a lot of focus on how to access the finance, but for the future it is important also to see how a company can grow and how an investor can get out."* (#202)

Important differences emerge between countries. The research shows that, since 2011, some countries have managed to develop a market niche for social finance with an ongoing growing demand for resources, e.g. France, Spain, UK, Italy, Germany, at a smaller scale the Netherlands, Denmark, Sweden, Ireland, and Portugal. Whereas in *"countries in which the social enterprise phenomenon is in its early stages of development, such as Central and Eastern Europe, both demand for and supply of repayable resources are only beginning to emerge."* (European Commission 2020c:86) This perception has been confirmed by the interviews, where the vast majority of stakeholders from CEE countries sees no or very little progress over the last ten years, while others acknowledge some challenges but still see an improvement. It seems that today, different countries have extremely diverse requirements. Support actions for capacity building and to boost demand and supply are much more needed in the CEE countries with less developed lending markets for SE, while EU/EIF funds to stimulate the offer of private finance for social enterprises is better suited for the countries with already developed social finance supply. *"In sum, a comparative analysis of the national reports reveals a strong correlation*

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<sup>81</sup> Only EUR 96 million had initially been allocated to this axis. However, in response to the strong demand for the EaSI guarantee instrument, the budget allocation was subsequently reinforced.

*between the level of recognition, institutionalisation, diffusion and visibility of social enterprises and ease of access to finance [...]."* (European Commission 2020c:89)

Overall, there has been a considerable influence of the SBI related actions, mainly by the EaSI programme, on the changes observed since 2011 in the social finance markets. The European Commission report on the mid-term evaluation of EaSI summarises the detected benefit of the programme: *"EaSI produced demonstrable EU added value in terms of scope and scale, compared to national and regional support. Should EaSI be discontinued, this would have repercussions in many sectors. It would be unlikely that other national or regional funding schemes would be able to support policy experimentation across different participating countries and EU-level NGO networks as EaSI currently does. [...] The work carried out under the EaSI programme extends beyond the management of the financial instruments: it drives a variety of measures to develop an ecosystem for social finance markets."* (European Commission 2019h:6)

*"The SBI has put in place very satisfactory arrangements for access to finance for social enterprises. (1) Programme EaSI provides microfinance resources (setting up guarantees with national financial intermediaries). (2) New InvestEU programme: same approach amplified with 3 billion euros targeted at a range of entities including social enterprises."* (#596) *"Several funding schemes have been put in place through EaSI etc. that are used by different entities to finance "enterprises with impact" and through ESIF to fund microcredit initiatives. Most SEO in principle can access these funding measures."* (#724) *"EaSI funding is available through ALTUM and SWEDBANK."* (#640) *"Erste Bank and the loan it provides (EIF Social Entrepreneurship guarantee agreement) is very important to the foundation I direct, it helps to have liquidity on favourable terms."* (#613) *"The EIF guarantee scheme works but some rules for activating the EIF guarantee scheme are restrictive for ESS funding. France Active has the EIF guarantee, BNP Paribas is quite active."* (#591) *"EU action important but too large, too complex."* (#502)

The 2018-2020 Mapping Study country reports highlight many and diverse examples of how the EaSI programme has stimulated the creation of national and regional funding schemes, e.g. a first EaSI guarantee in Finland providing approx. 100 SE with EUR 10 million in loans, focusing primarily on cooperatives that contribute to increased social and economic inclusion, or a first EIF guarantee in the Netherlands under the EaSI programme providing 430 SE with EUR 65 million EUR over five years in the Netherlands, Belgium, France and Spain. Commitment from financial intermediaries can be interpreted as a positive and necessary first step.

The large impact of EaSI financial instruments has also other indirect effects on the market. As highlighted already by the EaSI mid-term evaluation, *"banks benefiting from the EaSI support become more competitive, which positively impacts micro borrowers who can benefit from better conditions including lower prices and collateral requirements. This might in turn have an impact on rejection rates since more clients are accepted and the lending volumes increase. Increased competition may also incentivise other financial intermediaries to adapt their activities and rethink their pricing and/or collateral policies."* (European Commission 2017b:27) Another unintended effect might be that EaSI instruments start to replace funds that without EaSI would have been available via venture philanthropy. *"Social enterprises find it easier to find financing on the private market, especially with good projects and due to low interest rates."* (#531)

Effectiveness of EaSI can be possibly increased in the future, as the mid-term evaluation of EaSI and stakeholders in the interviews for this study highlight. Aspects to improve refer to broaden the definition of eligible beneficiaries in order to allow it to be flexible in line with differences in national definitions, to focus on underdeveloped markets, to open calls only for specific countries, to put more emphasis on the mentoring and training activities provided to final beneficiaries, or to integrate requirements in the calls to ensure targeting vulnerable people/groups.

Some of the main obstacles for a better uptake and development of social finance markets have been reported by literature (e.g. European Commission 2020c, Gianoncelli, A. et al. 2019, Maduro et al. 2018) and confirmed by the interviews conducted during this study:

- at the financial intermediaries: lack of understanding of social enterprise models, a deficit of internal specific instruments to work with social enterprises (as compared to other companies), and lack of experience to work with social economy organisations (attended by impact area 2.3.1)
- In the social economy organisations: insufficient knowledge of the existing supply of finance, a lack of investment skills and a poor ability amongst social enterprises to develop adequate business project proposals (attended by impact area 2.3.4)
- lack of guarantee funds, which could greatly facilitate access to credit for small organisations that cannot offer adequate guarantees or collateral on their own
- incipient institutional framework devoted to supporting equity investments
- reluctance of social enterprises to raise equity capital for fear of losing their social and non-profit status and reputation
- available resources are often dispersed throughout a large number of financial institutions that are often too small and have limited lending capacity.

Other external players have also contributed to increase the available amount of private funding for social enterprises and the development of a social finance market. Large interest by other international players like the OECD or the GSG has been a push factor to analyse and showcase relevant examples at global scale. In Europe, the growing importance of venture philanthropy that provides support for initiatives and projects developed by social enterprises is also an important external factor. For example, there is an increasing number of grant-making foundations developing support measures addressed to social enterprises. Foundations that originated in the United States operate particularly in CEE and SEE countries. *"Some country reports point to the diffusion and importance of crowdfunding platforms aimed at collecting donations or equity from private citizens and private enterprises for the start-up of new social enterprises. In some countries (e.g. Bulgaria) crowdfunding is considered one of the key opportunities for the development of social enterprises."* (European Commission 2020c:77)

### **Box 2.10      Impact City The Hague**

Impact City The Hague is a start-up and scale-up community of the city of The Hague in the Netherlands. Impact City helps social entrepreneurs to start and grow their business. Impact City is a concrete result of the city's economic policy. In 2015, impact economy became one of the three main pillars of the city's economic policy which aims to stimulate economic profits and the achievement of societal objectives. Impact City has become a known brand for entrepreneurs, financiers, public organisations, knowledge institutes and other support organisations. The annual budget increased from about EUR 1.5 million per year between 2015-2018 to EUR 2 million per year between 2019-2022. Investments are used to support social entrepreneurs in 6 different ways: community building, access to networks of SE and social finance investors, access to seed capital via awards or microfinance providers, facilitation of experiments in Impact C labs and of contacts between SE and research institutions. Finally, it hosts SE in the SE incubator Apollo 14.

Impact City does not explicitly refer to the SBI or its follow-up actions. Nevertheless, it shares many of the same objectives and values. It is a local initiative complementary to SBI. The case is considered an example of an 'Cluster of Social and Ecological Innovation' as explored by the European Commission.<sup>82</sup>

Source: Case Study Report on Impact City The Hague

Interviews confirm the importance of social finance intermediary organisations while making private funds available to SE; some of them benefitted from EU/EaSI support:

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<sup>82</sup> <https://webgate.ec.europa.eu/fpfis/wikis/display/SEC/Clusters+of+Social+and+Ecological+Innovation>



*"There are Foundations playing an important role, namely FCG with MAZE, which has made available a EUR 30,000,000 fund for social innovation and the Spanish foundation La CAIXA has an important financing program underway in Portugal. Portugal Social Innovation allows to leverage private investment that otherwise would not be available." (#663) "Numerous foundations offer funding opportunities. FERD [Norway] organises yearly conferences which contribute to connect entrepreneurs and potential investors." (#657) "There are several private funding possibilities that have emerged in recent years, for example, the Good Deed Foundation, their Education Fund has been supporting SE; a crowdsourcing platform Kickstarter etc. Banks support various social projects, for example the Swedbank has a donation environment 'I love to help'." (#571 on Estonia) "The international initiative Reach for Change financially supported new ideas in the area of social business." (#517 on Lithuania) "Role of Cariplo Foundation together with its connected and locally-based community foundations has been key. It has in many instances replaced public funding." (#515 on Italy)*

Supportive legal frameworks or institutional arrangements at national level are also drivers of private social finance and impact investment, especially in the recent years: *"There has been a densification of the financing ecosystem with impact investors who are now able to invest in equity, whereas until 2010, there was only France Active. The TEPA law of 2008 contributed to the increase in solidarity-based employee savings. While it was previously compulsory only in retirement savings, it has now become compulsory in all company savings plans (national impetus). This was concomitant with the emergence of the concept of impact investment, which made it possible to mobilise other categories of investors (insurers, pension funds, mutual insurance companies) who directed part of their capital towards impact". (#589 on France) "The National Advisory Board for Impact Investing was established in 2019. This may contribute to some changes in the years to come." (#670 on Sweden)*

New instruments to raise social finance are emerging such as social outcomes contracting, with a good uptake in the Scandinavian countries, and social impact crowdfunding platforms. In recent years, the European Commission has supported pilot projects and exchange of experiences via projects and platforms. While a new European platform on Social Outcomes Contracts (SOC)<sup>83</sup> (launched in 2019 under the European Investment Advisory Hub) supports the capacity building of public authorities and sectoral stakeholders for the development and use of SOC as an innovative form of procuring and delivering social services, innovative EU projects, such as the Interreg AlpSIB on promoting social impact bonds in the Alpine Space contribute to dissemination of information. Furthermore, in March 2018, the European Commission presented a proposal for a regulation on crowdfunding service providers (European Commission 2018c). New social finance intermediaries such as the Spanish Bolsa Social benefit from EaSI support. *"At the level of the EU the attempt to harmonise crowdfunding which can also be used by social enterprise is a positive change. The regulation is specific to crowdfunding as equity and loan-based crowdfunding. This is expected to have a positive impact on the generation of funds through crowdfunding for social enterprises." (#648)*

### **Box 2.11 Bolsa Social – equity crowdfunding platform**

Bolsa Social was founded in 2014. It is a community of social enterprises and impact investors based in Spain, built around an equity crowdfunding platform ([www.bolsasocial.com](http://www.bolsasocial.com)). It matches supply and demand on the platform, helps to structure the investment and standardises the process. Bolsa Social was the first participative financing platform to be authorised by the CNMV (Spanish Securities Markets Supervisor). Bolsa Social is a beneficiary of the EaSI call for proposals aimed at supporting the transaction cost of small risk-capital investments in social enterprises. It submitted a project with an action on "Increasing the number of quality impact investments into investment ready early-stage social enterprises" and was awarded a

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<sup>83</sup> <https://eiah.eib.org/about/initiative-social-outcomes-contracting.htm>

grant of EUR 351,440. The main purpose of the action was to strengthen the social entrepreneurship sector in Spain by creating the necessary conditions for connecting impact investors and early-stage social enterprises and produce, as a result, higher number of equity investments of below 500,000 EUR in social enterprises in need of finance. The action contributed directly to improving access to finance for social enterprises in Spain. In 2019, Bolsa Social together with other partners has launched the Fondo Bolsa Social Impacto which is registered as a European Social Entrepreneurship Fund (EuSEF). Thanks to the EaSI transaction cost support Bolsa Social was able to channel, through the platform and the impact fund, EUR 4 million to 15 early stage social enterprises in Spain. These companies had already an important documented social impact, for example, on CO2 reduction, new public space gained, vulnerable people receiving dental care or long-term care, disadvantaged pupils receiving learning support etc. As a result of the EaSI action, for every EURO received from the EU via the grant support, Bolsa Social managed to mobilise EUR 11.40 of private investment into social enterprises. As of August 2020, 6,703 members have joined the platform and have invested a total of EUR 4.7 million in 22 positive social impact companies.

Source: Case Study Report on Bolsa Social, Spain

Interestingly, new European financial instruments have emerged recently without a direct link to the SBI. It is rather likely that the SBI and its follow-up actions had a stimulating effect on the creation of additional financial products for SE and other social economy organisations. Examples are the EIF Social Impact Accelerator (SIA), the BNP Paribas European Social Impact Bonds Fund (supported by EIF) or the European Social Catalyst Fund (under Horizon2020).

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
The situation of social finance has evolved quite positively over the last decade. Number of intermediaries offering products for social enterprises has increased significantly, the supply of available social finance has grown substantially. Still, many imperfections and obstacles exist. Situation is much less developed in specific European countries, in particular in CEE.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
Large impact mainly via EaSI financial instruments. Guarantees have been effective with a considerable number of contracts signed. Equity instruments had a slower uptake. Impact on SE was widely concentrated on developed markets. 	Every contract of an EaSI financial instrument requires involvement of a financial intermediary at MS level. Additional action in some MS with national funds and important national entities (France Active, Community Finance Ireland), often supported by or linked to EaSI or ESF funding.	Awareness-raising and information of financial intermediaries is a necessary pre-condition for EaSI financial instruments.	Important influence by other players, such as foundations and networks such as ASHOKA. There is a clear link to other support actions in the impact areas Conditions in financial intermediaries and managerial capacities in SE. New instruments emerging from the EIF and other EU funds.
External factors 2011-2020			
Interest of international entities such as OECD and UN helped putting the topic on the agenda. Venture philanthropy is an important driver of social finance availability. Technology-steered developments such as crowdfunding platforms enable new opportunities.			

### 2.3.3 Availability of public funding

Key action No. 4 of the SBI was to include an investment priority for 'social enterprises' be expressly introduced in the ERDF and ESF regulations from 2014 in order to provide a clear legal basis and enable the Member States and regions to include targeted activities

in their ESF and ERDF programmes for 2014-2020. The SBI also proposed further discussions with the management authorities of Cohesion Policy Programmes in order to encourage Member States to develop wider and more effective support for social enterprises in the next programming period. The assumption behind the measure to improve availability of public funding, in particular via EU funds and programmes, was that social enterprises have specific difficulties finding and accessing public funding, since systems might be too rigid or too bureaucratic. Moreover, it was assumed that social enterprises might find it difficult to obtain access to ESIF if the managing authorities do not consider them explicitly or include specific support actions for them.

As already described under impact area 2.2.8, social enterprises and the social economy were explicitly mentioned among the thematic objectives and priorities for investment in the 2014-2020 EU Regulations for ESIF. Based on this, the availability of ESIF funding for social enterprises and social economy organisations in the 2014-2020 funding period increased significantly compared to the previous funding periods. This is confirmed by interviewees. *"The Swedish Agency for Regional and Economic Growth (Tillväxtverket) is promoting social entrepreneurship. This also leads to a better availability of European funds. The situation has improved between the 2007-2013 and 2014-2020 programming periods."* (Interview #673)

Analysis shows that national and regional programmes co-funded with ESIF in 2014-2020 have supported numerous projects related to social enterprises, social innovation or the social economy. For example, *"OPs from 22 MS have earmarked EUR 2.727 billion through secondary theme as Social Innovation. Six MS account for 74,2% of the SI budget earmarked through Secondary Themes (IT, AT, EE, PL, PT and DE)."* (European Commission 2018a:iii)

The ESF data shows that EUR 985.8 million were planned to be spent on the topic of *"promoting the social economy and social enterprises/ entrepreneurship"* in 2014-2020<sup>84</sup>. Poland, Romania, Greece, Italy, Portugal, Spain, Lithuania and Croatia were the countries with the highest amounts dedicated to this topic under ESF.

From the ERDF, EUR 402.7 million were planned to *"support social enterprises"*<sup>85</sup>. The countries with the highest amount provided for the topic of social enterprises were Italy, UK, France, Czech Republic and Germany, with also a large amount channelled via the Interreg programmes. Analysis shows that support for social enterprises was not restricted to TO 9. The funds dedicated to social enterprises via ERDF were mainly targeting TO 3 on SMEs and entrepreneurship, followed by TO 9 and also TO 8 on employment and TO 1 on Research and Innovation. For the ESF, TO9 was the most important Objective, while TO 8 on employment or TO 10 on education were also relevant.

### **Box 2.12 Interreg project VISES**

VISES was implemented between 2016 and 2019 as a cooperation project engaging 21 partners from France and Belgium. It was supported through the cross-border Interreg programme France-Wallonie-Vlaanderen (ERDF) 2014-2020. The partnership involved social enterprises, SE networks, researchers, public authorities and financiers. The project led to the development of a social impact evaluation system that allows a large variety of social enterprises to assess and illustrate their impact on society. As such, the project addressed a need from the market for more targeted instruments. Final results and findings have been shared on the project's webpage: [www.projetvisesproject.eu/](http://www.projetvisesproject.eu/).

VISES is an example of a project where grants from EU programmes contributed to increase the visibility of social enterprises. VISES is 1 of at least 194 projects that has been supported by the ERDF under the territorial cooperation objective (Interreg) that have a focus on social enterprises, social economy, social entrepreneurship or social innovation. 134 of these projects were funded under 2014-2020 programmes, 54 under

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<sup>84</sup> <https://cohesiondata.ec.europa.eu/> access on the 4th March 2020.

<sup>85</sup> <https://cohesiondata.ec.europa.eu/> access on the 4th March 2020.

2007-2013 programmes and 6 under 2000-2006 programmes, indicating a clear increase of the topic in the period 2014-2020.

Source: Case Study Report on Interreg VISES project

Within this context, also other EU programmes have been made available for social enterprises. We have seen in the impact area on visibility of social enterprises in European fund programmes (impact area 2.2.8), that also programmes like ERASMUS+, FP7, Horizon 2020 and COSME contributed to projects and networks to the benefit of the social economy and social enterprises. To a minor extent also programmes such as LIFE, YEI etc. The specificity of ESIF funds is that their management is entrusted to Member States that implement the funds via national and regional programmes. Thus, they have a strong influence on stimulating national and regional public funding, which is important to launch SE support in countries without own support programmes for social enterprises or the social economy before ESIF. And this is exactly what has happened, as confirmed by the analysis of the Mapping Study: *"National reports show that in many countries the ESF and to a smaller extent the ERDF have been game changers for the development of social enterprises, creating new opportunities and giving a new boost in countries where no or limited public measures addressing social enterprises existed. This is the case in particular in CEE, where the ESF is in some instances the only source of public support in the form of grants that is addressing specifically social enterprises and has enabled the emergence of a social enterprise ecosystem."* (European Commission 2020c:75)

The interviews also confirm this perspective. *"Very strong EU influence, without the EU it would have hardly changed in CZ."* (#534) *"Through its funding, the EU has made it possible for different actors to develop their work. There are many partners from all over Europe who are interested in cooperation and EU funding has been a great incentive for cooperation at EU level."* (#581) *"Issues to find adequate funding at national level are increasing, so we need to look for European sources of funding."* (#637) *"There is stronger financial effort from national authorities towards the SSE sector (through subsidies)."* (#635) *"Through the programs highlighted in the [ESIF] operational programs, the SE were able to receive significant support. [...] SE as a concept do not appear, the program specifically targeted social co-ops with local government members based on public employment."* (#608) *"The ESF's support has been central. Project grants from the EU have led to the founding of new social enterprises."* (#586) *"With no doubt ERDF played an important role in the last years in providing the conditions for the extent of infrastructures for social services namely in child and seniors care."* (#660) *"Social economy has been taken into account in many public policies. The EC SBI Communication showed the way. And the EU funds have been the main source of financing for social economy in Poland."* (#731) *"As regards the use of EFS funds, Spain was the first MSs with an annual operational programme on social inclusion and social economy. This helped a lot, so that in the last 5 years a lot of resources have been invested on the spreading of the model. Between 2016 and 2019 more than 700 SEO have been created thanks to the support provided through ESF-funded projects."* (#750)

From the literature research and the interviews, we can name specific lessons from ESIF funding:

- By promoting transnational partnerships (Interreg, UIA or ESF transnational networks), ESIF have contributed to the spread of innovative entrepreneurship models throughout the Member States.
- Close cooperation with local public authorities is often crucial for the development and implementation of support initiatives for innovative social enterprises.
- Support is given to social enterprise development at local level, not only via ESF and ERDF, but also via the EU initiative LEADER that supports social business development in rural areas. (see #533)
- Some countries have extensively used them to foster innovative start-ups and bottom-up experiences, while some countries (i.e. CEE) have also used EU funds to support their mainstream welfare service delivery.

- Business consolidation of social enterprises is supported to less extent.
- Many countries have chosen to use ESIF to support primarily the development of WISE and not all types of social enterprises. (see also European Commission 2020c:75)
- ESIF projects allowed to experiment and test new approaches for social enterprises and make thus a link between EU level and regional policies. (see #549)


However, some challenges still persist, mostly related to the questions if and how public authorities in the different countries use ESIF and national resources to support social enterprises. *"EU funding has been a fundamental driver, but there is a problem of dependency."* (#308) The interviews highlighted also specific challenges related to public funding support for the SE ecosystem. Here, it becomes obvious that funding is not the only factor and that there are other critical points to consider, e.g. institutional capacity of public authorities, technical and managerial capacity of social enterprises and relevant intermediary organisations, support to peripheral or remote territories without a critical mass or urban centres, need for long-term financial sustainability:

- #523: *"Access to finance is poor, because both the supply is absent, and the demand (social enterprises) cannot meet the criteria (i.e. skills to design business plans) to access funds (grants, loans)."*
- #595: *"The support for social enterprises under the ESF is a good thing. But the funds are not being used. The complexity of the administrative burden expected to respond to a call for projects dissuades project partners. There is a disconnection between the means set up by the EU and the capacities to receive them in the territories."*
- #305 *"Improved availability, but the problem is the lack of capacity of SE to apply."*
- #531 *"EU funds help but are too much designed for large projects therefore and due to high administrative burden are not the most relevant for social enterprises."*
- #528 *"Financing for day-to-day running of the social enterprise (operational costs) can be more a challenge - social enterprise need to seek own finance or finance from the market. This demand more commercial business operations."*
- #515 *"Improved but many difficulties faced by remote territories like ours to seize the opportunities offered by EU Programmes."*

Some challenges have already been identified by the Synthesis Report of the Mapping Study: *"A major enabling factor supporting new social enterprise development has come with the trigger effect of EU policies and funding. According to stakeholders, available funds are, however, not fully exploited. This is due to the lack of capacity, especially of small social enterprises, which are unable to cope with the complex administrative procedures. Critics also underline the low project evaluation capacity of public administrations (e.g. Croatia, Romania, Slovenia)."* (European Commission 2020c:144)

Despite these structural challenges, the ESIF has been a major driver for public funding expenditure in practically all EU Member States and, through partnership programmes and Interreg, sometimes also for non-EU countries.

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Social enterprises, social innovation and social entrepreneurship integrated in the ESIF Regulations 2014-2020. Considerable amounts of funds available for projects and activities for the benefit of SE, mostly via ERDF (incl. Interreg) and ESF.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
Important positive impact via ESIF, mainly ERDF and ESF. The SBI request to include SE in the ESIF Regulation was crucial to promote the topic within ESIF and lead to important allocation of ESIF and national funding to social enterprises.	ESIF programmes are always co-funded and channelled via national and regional programmes. Thus, an important	Including SE in the ESIF Regulation (naming social enterprises, social innovation and social entrepreneurship) has been decisive. More action (good practice exchange, mutual learning) is needed that MS authorities can design	Some countries support SE with national funds, not linked to ESIF or other EU funds.



	trigger effect on MS action via ESIF.	and implement relevant programmes and Calls.	
<b>External factors 2011-2020</b>			
General administrative and institutional capacity in countries. Economic and financial crisis damaged the capacity of public authorities to co-fund ESIF programmes and had a negative effect on general absorption of available ESIF funds.			

### 2.3.4 Managerial skills of social economy organisations

The SBI highlighted as objective to "reinforce the managerial capacities, professionalism and networking of social businesses". According to the SBI communication *"both young and established social entrepreneurs need to build the necessary skills to ensure that their business is well managed and can grow. The Commission therefore wishes to promote cross-fertilisation with innovative entrepreneurs and academic and research fields"*. This objective was pursued by different follow-up actions, for example, by supporting and strengthening EU-level networks via the EaSI programme, by supporting financial intermediaries and capacity-building organisations with technical assistance services and projects to boost social finance supply and demand (already presented under 2.3.1), as well as indirectly through studies, handbooks and manuals or the support to projects via ERASMUS+, COSME, ERDF, ESF or Horizon 2020.

This impact area is indirectly linked to the availability of private (2.3.2) and public funds (2.3.3), as the effective absorption of available funds depends on sufficient managerial and technical/financial skills within the applicants and potential beneficiaries. It is also indirectly linked to the impact area of social impact measurement and reporting (2.2.3) as well as to the area of education and training (2.2.9). Managerial skills are necessary to develop strong business plans, to report and provide evidence on social and environmental impact and to see and take opportunities to scale and grow. Therefore, they are important parts of becoming "investment ready" in the eyes of financial intermediaries, investors and banks, in particular when they have developed conditions to work with social economy organisations (2.3.1).

Support can take different forms, from hubs and social impact labs with spaces dedicated to the new entrepreneurs, to incubators and accelerators focusing on technology-based business ideas, to co-working spaces with a mentoring and training offer to spaces specialised in serving only social enterprises. They are generally established and managed privately by organisations that can take sometimes also the form of a social enterprise. They are often supported by public grants or by foundations or other private institutions such as cooperative consortia and federations (European Commission 2020c:101) *"Governments have put in place financial instruments to support the emergence and growth of social entrepreneurs. In 2012, the UK Cabinet Office launched the Investment and Contract Readiness Fund to help social ventures get ready for investment. This has been followed by similar initiatives throughout Europe: the Portuguese Capacity Building for Social Investment, the Greek Central Support Mechanism for Social Enterprises, the Irish New Frontiers Entrepreneurship Development, and the Danish Social Growth Programme, all partially cofounded by the European Commission. Indeed, the EU's Employment and Social Innovation Programme has its own Capacity Building Investments Window, which aims to seed new intermediaries for social enterprises or microfinance products and strengthen those already in the market."* (OECD 2019:177)

However, it seems that the apparent quantitative growth in training offer on managerial skills has had only a minor effect on the managerial skills of social enterprises and social economy organisations. *"Improved overall, but still very patchy."* (#108) *"Improving, but still not on the required level."* (#687) *"There are a few capacity building initiatives, but these run over a limited period of time and in some areas only."* (#672) *"There are few programs, covering dozens of enterprises, but this is not enough, the need for this is huge,*



*we need wider scope." (#665) "Due to training the managerial capacity is growing, but still insufficient." (#641) "Slightly improved." (#614)*

Interviews with stakeholders confirm that sometimes 'mental barriers' persist, e.g. social managers are reluctant to think and work in business language or business trainers do not understand the specific needs of social enterprises and social economy organisations when designing and implementing training. *"Number of training programmes has increased but many cultural prejudices remain. There is a reluctance of 'old' practitioners to understand the importance of acquiring/improving management skills...At the same time, newly trained practitioners often find little job opportunities in our territory." (#515) "Because SE fall between being charity and commercial business, there is potential for them to access to different types of training. But reality is different. On the one hand, SE may not have access to proper commercial business training because they are not seen necessarily as business, on the other hand, SE may not wish to participate in charity training because they think that it is not exactly relevant. In light of this, they have developed a national training and mentoring programme, which is being delivered by 13 different organisations throughout the country (over 1 million EUR programme running until June). There is a lot happening (also at universities providing pro bono training) but there is still a lot to be done to ensure there is a systemic availability of proper training and capacity building support." (#616 on Ireland)*

The reach of the existing training offer for social enterprises and social entrepreneurs needs to be examined according to different types of territories. Most incubators and specific training centres are concentrated in urban areas and metropolises. In rural and peripheral areas, the offer of specific training is rather reduced. Also, other problems persist, e.g. lack of trainers with specific SE experience and focus, low quality of internet connection in peripheral areas, lack of critical mass to organise trainings and support schemes, lack of continuity of support and dependency on public funds. Thus, it is not clear if overall managerial skills of social economy organisations have improved appreciably over the last decade.

Additional structural challenges persist leading to a considerable need for support to SE on managerial skills. *"More offer of specific training but no particular impact. There is lot to do especially for the less commercial and less developed SEO." (#303) "Necessity to understand what we mean by managerial capacities: aware that we do not train social enterprises to be another capitalistic enterprise (danger of mimicking capitalistic enterprises)." (#108) "In Galicia most SEO are micro-enterprises and only the very few big ones have good managerial capacity. It is worth saying that it is difficult to invest in professionalisation and specialisation in very small organisations where the workers must focus on the delivery of services and the accomplishment of the social mission and do not have time to devote to training." (#580) "We are systematically dealing with SE for 10 years now, and the level of managerial capacities did not improve, it seems that we start from zero with every new wave of SE." (#666)*

The SBI follow-up actions have contributed to more and better capacities through support to important projects or networks for the creation and growth of (social) enterprises. As mentioned under 2.3.1, EaSI offered support for the development of social enterprise finance markets through a projects to boost the development of both supply and demand sides of social finance markets in EU Member States and non-EU countries; operating grants for social finance EU level networks, as well as technical assistance projects, providing provide non-financial support to social enterprise finance providers in the form of peer-to-peer trainings, workshops, exchange of best practices. While this support had a positive impact on intermediaries and social finance networks at EU level and in some countries, direct support to social economy organisations was less frequent and mostly part of some specific EU projects or EU-co-funded programmes. Sometimes, EU action co-funded national or regional support schemes via ERDF or ESF programmes or via ERASMUS+ projects. *"Thanks to the EU funds, there has been a big improvement in professionalisation of management consultancy." (#507) "'Socifaction' (social business*

accelerator) contributes to the growth of managerial capacities of social entrepreneurs. 'Socifaction' received funding from ERASMUS+ and British Council in Lithuania." (#629) "In some EU co-funded projects, there is an opportunity for SE e.g. to receive legal advice, but such projects usually end in a year. A solution for the shortcomings of project-based service provision for SE would be to create a background institution that specifically helps to answer their daily business questions (legal, marketing, market access, management)." (#609) "Erste Bank's mentoring program (ERDF-Interreg SEEDS project) has just started". (#611) "Improvement of management skills thanks to initiatives implemented at local level. Large EU projects proved to be less effective and time of implementation/duration is too short (e.g. BENISI project [FP7] on scaling-up had little impact)." (#308)

Moreover, other initiatives at national and regional level, as well as private/NGO activities for social entrepreneurship tried to produce an impact on the managerial capacities of social enterprises. There is a general trend to offer more specific training and capacity-building to impact-related start-ups. Other international networks and organisations also work with this field of activity. "Positive organisational change: Capacity building (e.g. knowledge, support, competences) is more effective. For instance, some philanthropic actors are now including capacity building in their grants." (#538) "Support to develop leadership and management capacity is provided by Incubators, organisations such as 'Reach for Change', SE-Forum, Impact Invest Scandinavia, Inkludera and others." (#501 on Sweden) "YSB Balkans has developed and runs a structured annual incubation program in Albania and runs various trainings capacity building events for SE and impact-oriented start-ups in Albania." (#524) "Some incubators and accelerators exist (Zicer, Fil Rouge Capital, ACT! Group programmes), but not specifically for SE." (#603)

External factors such as a generational shift or larger SE through mergers also have an influence on skills and people. "There has been a gradual change. Social enterprises, including associations, are increasingly managed by teams with management or business school training. It is easier for funders to dialogue with these teams. One may or may not be satisfied with this evolution which shows a change in the identity of the sector. This is due to a generational substitution effect." (#589) "Improvements also due to the higher profile of people employed in SE (especially young people)." (#308) "The profile of managers has changed since the 2000s. Before they were social workers who became entrepreneurs. Today, it is entrepreneurs with business training who create structures (entrepreneurs with social fibre)." (#594) "There is a phenomenon of concentration and mergers among large social enterprises which entails a rise in human resources and financial skills." (#598)

Moreover, the economic and financial crisis in 2008 also led to an increased interest from social enterprises and social economy organisations. "In Spain, the last financial crisis hit the social sector very seriously by reducing the amount of grants, subsidies from the government. This also presented an opportunity for social organisations to develop more sustainable business models. This acted as a trigger for these organisations to pursue their objectives in a financially more sustainable way. Until then, there was a lack of vision, lack of training of staff – they were used to dealing with public funding but not to develop commercial approaches." (#314)

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
The number of initiatives for helping social entrepreneurs to develop their business ideas, properly design and start up their enterprises has been growing in practically all European countries. Still, the overall situation of skills in social enterprises seems not to have improved considerably, with specific gaps in rural and peripheral regions.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	



SBI follow up actions supported a selected number of projects and networks to work on social impact start-ups and training for SE and social entrepreneurs. Reach and dimension of the support was limited.	In some countries, support programmes for entrepreneurs are also open to social entrepreneurs. Relevant regional and local support in some countries.	Information and knowledge on approaches and contents are needed to stimulate further action at MS level, in particular CEE countries, and also for territories receiving less support e.g. rural.	Important action by intermediary networks to support social entrepreneurship and start-ups.
<b>External factors 2011-2020</b> Economic and Financial Crisis 2008-2010. There is a general trend towards new business models and digitisation, business support schemes might focus only on these business models. Trend towards impact entrepreneurship leads to training offer at foundations, NGOs and universities.			

## 2.4 New technologies and digitisation

The impact area of technologies, digitisation and new business models was not described explicitly in the 2011 SBI Communication. However, it became clear shortly after, that technology can be a facilitating enabler for the development of social enterprises and the social economy. Therefore, the pillar of technologies, digitisation and new business models in the social economy was included among the SBI follow-up actions in 2015 with most actions taking place since 2016.

The EU supported around 80 technology-related projects via small (EUR 30,000) grants to socially innovative solutions providers and the Collective Awareness Platforms for Sustainability and Social Innovation (CAPS) under Horizon 2020. There are also relevant Horizon 2020 research projects like Digital Social Innovation and studies such as the JRC research 'ICT-Enabled Social Innovation to support the Implementation of the Social Investment Package' (Misuraca et al. 2016). Showrooms like the Social Innovation Community website and Social Innovation Challenge Platform were funded under Horizon 2020 and act as platform for ideas and projects. The promotion of digital skills in work integration social enterprises is covered by the new Blueprint for sectoral skills (Erasmus+). Moreover, the EaSI financial instruments (guarantees for loans or capacity-building instrument) can be used to invest in technology, among other things. For example, some EaSI capacity-building financial instrument investments have helped intermediaries to modernise their IT infrastructure or to develop digital platforms.

Social Innovation Community (SIC)<sup>86</sup> was a Horizon 2020 funded project (2016-2019) run by a consortium of 12 leading organisations across Europe, led by NESTA. It created a platform for social innovators across Europe and provided support via different tools, such as a SIC Summer school, a policy masterclass, experimentation centres and learning relays. After the project came to an end in 2019, the website is no longer updated, even it still offers interesting resources and knowledge, for example on different examples and networks that link to social innovation at local and regional level. Several EU funded projects featured awards and competitions like the Social Innovation Challenges<sup>87</sup> or the Horizon 2020 Prize on "Blockchains for Social Goods"<sup>88</sup> disseminate innovative approaches and business ideas with social impact and stimulate the use of technologies and innovation to tackle social challenges. Social Challenges was developed originally by META with EBN and Impact Hub with Horizon 2020 funding to test the concept of an Innovation Platform. The Social Challenges Innovation Platform matched "Challenge Owners" – organisations with problems to solve – with creative entrepreneurs and social innovators. It worked with

<sup>86</sup> <https://www.siceurope.eu/>

<sup>87</sup> <https://www.socialchallenges.eu>

<sup>88</sup> [https://ec.europa.eu/research/eic/index.cfm?pg=prizes\\_blockchains](https://ec.europa.eu/research/eic/index.cfm?pg=prizes_blockchains)

20 local organisations supporting challenge owners and SMEs across Europe. 27 Challenges were matched to 81 entrepreneurs and social innovators. This European project had an important impact but closed in 2019. The platform Socialchallenges.eu still shows many ideas and practical examples in more than ten thematic areas that can be used as inspiration for local and regional public authorities or social entrepreneurs.

These examples show that, if embedded in a European project, platforms, prizes and awards usually have a valuable impact, but without continuity of funding secured initiatives are only active (and websites updated) for a limited time, which is reducing long-term impact and collective learning.

Already since 2013 the European Social Innovation Competition (EUSIC)<sup>89</sup> is run by the European Commission<sup>90</sup> across all EU countries and Horizon 2020 associated countries. The Competition wants to be an inspiration for social innovators in Europe. It employs proven methodology for supporting early-stage ideas and facilitating a network of impact innovators. Each year the Competition is based around a different issue facing Europe. Over the last seven editions, more than 6,000 applications from up to 40 European countries were presented to the Judging Panel. Each year a big award-winning ceremony in Brussels gives visibility to the best ideas, in particular to 30 semi-finalists and their ideas. Since 2019, new features have been added to increase the sustainable impact of EUSIC. The award Ceremony was accompanied by a funding forum. An EUSIC academy was created offering all semi-finalists a training and coaching programme. Finally, the EUSIC Alumni Network offers all semi-finalists a platform to network and exchange on social innovation related matters beyond their Competition cycle. The Competition has generated an important uptake in the social innovation community in Europe. It also receives frequent media coverage<sup>91</sup>.

### **Box 2.13 European Platform on Digital Social Innovation (Horizon 2020)**

The DSI4EU project, formally known as DSISCALE, was supported by the European Union and funded under the Horizon 2020 Programme (2018-2019). DSI4EU was implemented by a consortium of seven partner organisations: Nesta (UK), Waag (Netherlands), betterplace lab (Germany), Fab Lab Barcelona (Spain), WeMake (Italy), Barcelona Activa (Spain) and the ePaństwo Foundation (Poland).

The initial aim of the project was to support policy makers, funders and, most importantly, practitioners to scale digital social innovation (DSI) and collective awareness platforms in Europe and to make the most of the opportunities in using tools such as open data open hardware. At the heart of the project is the **digitalsocial.eu platform**, a lively hub for DSI through which users can showcase their work through project and organisation profiles, and tag their organisations as part of networks like research alliances or membership bodies; explore the DSI community in detail through our searchable database and data visualisation; identify funding and support opportunities, as well as DSI-related events, across Europe; find inspiration and stories of DSI through case studies, blogs and research.

In August 2020, the platform included information on 2,286 organisations and 1,482 projects using digital technologies to tackle social challenges in Europe.

Source: Case Study Report on European Network DIGITAL SOCIAL INNOVATION

Events and working papers prepare the ground for further initiatives. A recent study on 'New technologies and digitisation', commissioned by the European Commission, analyses initiatives with a view to promoting successful approaches of digitisation and uptake of

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<sup>89</sup> See <https://eusic.challenges.org/> and

[https://ec.europa.eu/growth/industry/policy/innovation/social/competition\\_en](https://ec.europa.eu/growth/industry/policy/innovation/social/competition_en) and

<sup>90</sup> With the support of a consortium of organisations led by Nesta Challenges and including Kennisland, Ashoka Spain, the European Network of Living Labs, and Scholz & Friends.

<sup>91</sup> For example: <https://www.euronews.com/2015/01/23/what-is-social-innovation-and-why-is-it-good-for-business> and <https://www.euronews.com/2019/06/28/social-innovation-when-business-becomes-a-force-for-good>

new technologies by social economy and social enterprises (EASME 2020). Apart from the more specific support to digitisation of social enterprises and the social economy, there are and will be additional EU measures to promote new technologies and digital transformation in SMEs in general (including SE), for example within the recently adopted European SME strategy for a sustainable and digital Europe.

Technology and digitisation are highly important for new social impact start-ups and social innovation organisations. In a recent survey among mostly modern social impact enterprises in Germany, 78.8% of the 265 respondents expected that digitisation will have a medium to high/very high influence on their business model. (SEND 2020:25). Another study (Social Good Accelerator 2019) surveyed 218 social innovation organisations in Europe between September 2018 and March 2019 and found that 68% of them were aware of the challenges of technological cooperation. Many organisations already make extensive use of Cloud/Big Data (59%) and confirm a growing interest in Artificial Intelligence (28%) and the Internet of Things (14%). The study shows that the interest of social innovation structures in sectors such as Blockchain, Robotics, or Virtual Reality remains limited for the time being. Most of these developments are rather recent and it is still difficult to say how the technology changes will affect the social economy organisations. It seems clear the digitisation and new business models play a role for the group of technology-based start-ups, but it is not clear how and when they will affect the vast majority of social enterprises and social economy organisations. Studies and reports, also supported by EU-funded projects, have started looking into this black box (see, for example, EASME 2020 or IAE Paris, Solidatech, DLA financement, France Active 2019 on France).

However, the current level of digitisation in the majority of social economy organisations, in particular in social services, is still reduced and this is due to several reasons. Among them, we find the high investment costs for new solutions when used at a wider scale, the lack of capacities (digital literacy) to use technology-based solutions, resistance from staff and users to use technology, data protection issues, lack of political support, fragmentation of information systems, as well as lack of (broadband) infrastructure and technical issues that will require an on-going support from technical staff (Eurofound 2020).

Interviewees in our study confirm the general importance and benefits of digitisation on organisations, including social enterprises. *"Digitisation generates major changes, but SE are not different from mainstream businesses in this respect."* (#513) *"Not really a difference between social enterprises and normal enterprises in terms of need for digitalisation knowledge and know how."* (#531) *"Positive organisational change: move towards digitisation. However, digitisation is still weak: there are many plug and play technologies that could enhance the work of SE. They are available but not exploited because of the mind-set."* (#538) *"Many charities are starting to do better data collection for social impact measurement and outcome reporting. But it is a challenge and there is no support. Externally, SE are starting using website, social media, technology as a solution to some challenges, but not enough. Number of hackathons is increasing (events where there is mix of technology and business to solve problems). They have the ingredients but are not making the cake."* (#617) *"Massive increase in use of technology from within the sector with crowdfunding, investment platforms, coworking."* (#693) *"Digitalisation and technology contributes to the visibility of women cooperatives. Models as digital market places provide women cooperatives with access to private markets."* (#747)

However, some stakeholders perceive also potential negative effects and structural obstacles to be considered. *"The use of technology has become an obligation and even if there are some WISE that are already using software and professional tools for e.g., recycling; in general terms SE are lagging behind on this. On the one hand digitalisation is an opportunity, but on the other hand it is a challenge that can have negative impact because it implies the replacement of disadvantaged workers with technology."* (#315) *"SE typically do not use high technology, there is little money to invest, and employing*

*people is the important thing here. There are some examples based on relatively high technology, e.g. manufacture of hearing aids with 3D printing. Learning such technology for disadvantaged people takes a long time." (#611) "SE in Slovenia are too small to be able to benefit strategically from opportunities related to digitalisation." (#678) "Technology should be used very carefully since it can easily turn to be excluding." (#690)*

Various needs of different sub-groups of social economy organisations or specific territories, such as peripheral or rural regions become slowly visible. *"Demand within the sector is very difficult to target because the issues are very diverse, ranging from small associations that lack digital skills to the "Tech for Good" that uses digital tools for social purposes. It is complicated to have a coordinated policy on these issues. Today, the vast majority of the new social enterprises that are being created offer a digital tool." (#591) "There are SE based on sharp technology solutions (e.g. Foodcloud), but they are a minority. Majority of SE are operating in traditional way, not availing of digital solutions in systematic way." (#616) "There are ideas to access all services via a cell phone on a service map, but SE often do not have good internet connection, many conditions for potential digitalisation are still missing. Sometimes SE are far behind due to territorial disparities, e.g., in certain areas even power supply is a problem." (#608 on Hungary)*

For social enterprises, opportunities related to digitisation are unfolding slowly, even if the COVID-19 health crisis boosted developments in relation to digital services, crowdfunding as well as online project management and communication tools. Presumably, growth of new digital initiatives probably will be exponential. *"The COVID-19 outbreak has completely changed the perception. Before, technology was not perceived as necessary, and many SEO had zero degree of digitalisation. Now, everyone understands that enterprises that do not adapt to technology cannot survive, therefore they have to invest in digitalisation." (#750)*

**Figure 2.2 European Commission's Social Economy Community Platform**



European Commission | European Commission

Suchen

European Commission > Social Economy Community

## Social economy in the fight against Corona

Alles erweitern Alles ausblenden

- > Social Economy Canvas
- Social Economy Diaries
- > ESER - European Social Economy Regions
- Clusters of Social and Ecological Innovation
- Social Economy Missions
- Social Economy Summit
- > Meet, greet, learn & share
- The Better Entrepreneurship Policy Tool
- Website Credits
- Platform feedback
- > **Social economy in the fight against Corona**

### Online sessions

**8: ESER Policy session: How governments support Social Economy during the COVID19 crisis and ambitions for recovery.**

**Online Session Friday 19/6 14:00 - 16:00**

**Please find meeting and subscription info [here](#).**

7: Work Integration Social Enterprises (WISEs)

Online Session Thursday 28th of May 10:30 - 12:00

Please find recordings and details of the meeting [here](#).

6: Apps and websites without coding skills #nocode

Online Session Friday 15th of May 10:30 - 12:00

### Follow us!

#coronavirus #corona #socialinnovation #socialenterprise #socialeconomy #COVID19 #ESER2020

We share daily best practices and EU initiatives:

Twitter & LinkedIn



Share

General: factsheet and global EU response COVID19

Source: <https://webgate.ec.europa.eu/fpfis/wikis/display/SEC/Social+economy+in+the+fight+against+Corona>

A rapid shift to digital models of management, organisation and client relationships was observed during the first phase of the COVID-19 pandemic (March-June 2020) that has affected also social enterprises (Social Economy Europe 2020). Wherever possible,

employees, consumers and business teams were practically forced into digital and remote working modes.

It is believed that the use and uptake of new technologies accelerated and that many of the digital working modes will be maintained even in the post-pandemic world. (see for example, “[Emerging Technologies in the Pandemic Crisis](#)”, a report by Deloitte on “[COVID-19: Shaping the future through digital business](#)” or an article by Deutsche Telekom on “[Impact of Covid-19: Corona as a catalyst for digitalisation? Part 3](#)”).

A relevant EU initiative within the COVID-19 context is to be found on the European Commission’s Social Economy Community Wiki platform on “[Social economy in the fight against Corona](#)”. (see Figure 2.2)

This digital platform offers in an open-source and collaborative format information on initiatives and actions that help in the fight against corona, such as technology solutions, services for elderly, volunteering requests, food delivery services, on-line courses, etc. (see Figure 2.3).

**Figure 2.3 EC Social Economy Open-source Platform on solutions in Corona times**

Type	Single Initiati	Name	Description	MS	URL
single		What can the Social Economy do to stop the Coronavirus?	article	ES	<a href="https://www.wazogate.com/economia-social-para-frenar-el-corona">https://www.wazogate.com/economia-social-para-frenar-el-corona</a>
single		Coronavirus and social innovation - Why we need to keep learning globally	propose un kit de bonnes pratiques pour faciliter les liens dans la		<a href="https://socialinnovationexchange.org/insights/coronavirus-and-social-innovation">https://socialinnovationexchange.org/insights/coronavirus-and-social-innovation</a>
single		Open data and genomics are at the forefront in battle to control coronavirus	article		<a href="https://www.chemistryworld.com/news/open-data-and-genomics-a">https://www.chemistryworld.com/news/open-data-and-genomics-a</a>
single		Le Coronavirus risque de faire de nouvelles victimes économiques.	PLS se tient aux côtés de Smart, de ses me	EU	<a href="http://www.pourlasolidarite.eu/fr/news/coronavirus-smart-interpe">http://www.pourlasolidarite.eu/fr/news/coronavirus-smart-interpe</a>
single		AIM joint letter to EC welcomes efforts & measures taken to get out of the crisis & the commit	statement	EU	<a href="https://www.aim-mutual.org/wp-content/uploads/2020/03/AIM_C">https://www.aim-mutual.org/wp-content/uploads/2020/03/AIM_C</a>
single		message of Mauro Lusetti President of CooperativeITA to Italian #Cooperators.	statement	IT EU	<a href="https://twitter.com/mauro_lusetti/status/1239932795155333128">https://twitter.com/mauro_lusetti/status/1239932795155333128</a>
single		Statement Social Economy Europe concerning the Corona Crisis and social economy	statement	EU	<a href="https://twitter.com/SocialEcoEU/status/1239932044933668865">https://twitter.com/SocialEcoEU/status/1239932044933668865</a>
single		Fundación INTRAS: Teaching measures to prevent COVID19 learnt by kids with intellectual disa	Niños con discapacidad intelectual aprende	ES	<a href="https://www.abc.es/familia/educacion/abc-ninos-discapacidad-inte">https://www.abc.es/familia/educacion/abc-ninos-discapacidad-inte</a>
single		COVID-19 Resource Guide for Independent Workers			<a href="https://blog.stridehealth.com/post/covid-19-resource-guide-for-inc">https://blog.stridehealth.com/post/covid-19-resource-guide-for-inc</a>
single		COVID Accelerator	What can you build in 2 weeks that scales and saves lives?		<a href="https://covidaccelerator.com/">https://covidaccelerator.com/</a>
multi		Catalogue of International Initiatives to Support Workers through COVID-19	Catalogue of International COVID-19 Labour Market Responses		<a href="https://www.futurework.org.au/catalogue-of-international-initiati">https://www.futurework.org.au/catalogue-of-international-initiati</a>
single		Febecoop info note	How do you organize your General Meeting	BE (NL)	<a href="https://febecoop.be/cases/hoer-organisier-algemeene-vergadering">https://febecoop.be/cases/hoer-organisier-algemeene-vergadering</a>
single		Speech by Anna Fasano (President of Banca Etica)	Le scelte di oggi sono le fondamenta del no	IT	<a href="https://www.bancaetica.it/blog/opinione/le-scelte-oggi-sono-le-for">https://www.bancaetica.it/blog/opinione/le-scelte-oggi-sono-le-for</a>
single		Setting up of an information magazine by the Fondazione Umberto Veronesi	The Umberto Veronesi Foundation set up an	IT	<a href="https://www.fondazioneveronesi.it/">https://www.fondazioneveronesi.it/</a>
single		Emerging Technologies in the pandemic crisis: 10 Use Cases and future outlook	article		<a href="https://www.linkedin.com/pulse/emerging-technologies-pandemic">https://www.linkedin.com/pulse/emerging-technologies-pandemic</a>
multi		Gov. diffusion of guidelines COVID19		FR	<a href="https://drive.google.com/drive/folders/1Y4p0MhYRoHibjjaPkvf">https://drive.google.com/drive/folders/1Y4p0MhYRoHibjjaPkvf</a>
multi		Investors for Impact respond to Covid-19	EVPA release	EU	<a href="https://evpa.eu.com/news/2020/investors-for-impact-respond-to-c">https://evpa.eu.com/news/2020/investors-for-impact-respond-to-c</a>

Source: <https://cryptpad.fr/sheet/#/2/sheet/edit/KeoGTaGfIHnrg97PMzu0Xz+d/>

Many national and regional ERDF, ESF and ERASMUS+ projects have tackled aspects related to digitisation in social economy organisations, e.g. numerous projects funded by the German ESF programme Tailwind presented in Box 2.7. Several Horizon 2020 projects and other EU-funded measures are quite visible and appreciated by users, e.g. the European Social Innovation Competition, platforms of Social Innovation Community, Digital Social Innovation and Social Innovation Challenges which have a good uptake and a good echo among stakeholders.

An important initiative to connect and capitalise on the numerous initiatives in Horizon 2020 and other existing initiatives on social innovation are the Collective Awareness

Platforms for Sustainability and Social Innovation (CAPS)<sup>92</sup> funded under Horizon 2020. One example is the CHIC project that has created the CAPSSI community<sup>93</sup>. The CAPSSI initiative connects 44 FP7 and Horizon 2020 projects and has created an online platform to bring together collaborative solutions based on networks of people, ideas, services and technologies. It offers information and supports smaller working groups and communities of practice built around specific themes or events. Overall, the CAPS dissemination platforms connect different FP7 and Horizon2020 initiative around social innovation and add value to the single projects by creating European partnerships and networks. However, it remains a problem that platforms are usually updated only during the project life.

With the support of EU actions, local and regional public authorities play a pivotal role in building ecosystems of cross-sectoral co-operations. This offers new possibilities to promote new business models through the involvement of social economy organisations in regional clusters and in *"soft relational systems and programmes through which different actors can convene and establish connections, following more horizontal and fluid dynamics"* (Technopolis 2018:302). Recent initiatives contribute to an active integration of the social economy into territorial digital initiatives, such as the EU initiatives Digital Cities Challenge (2017)<sup>94</sup> and Intelligent Cities Challenge (2020)<sup>95</sup>, the Thematic Network 'Social Economy' in the S3 Smart Specialisation Platform<sup>96</sup> and the DG GROW/GECE work on Clusters of social and ecological innovation (CSEI)<sup>97</sup>, in which already 33 cases of local/regional social economy clusters have been identified, including the Impact City The Hague, presented in Box 2.10.

It can be seen that the role of the social economy is increasing in local and regional initiatives that promote innovation and digital transformation. Since 2016, many new platforms on social innovation and social economy clusters have emerged. Developments are happening fast and even have accelerated within the COVID-19 context.

Maybe overwhelmed by the fast evolution, the overview on EU activities in this field was rather fragmented as it tackled different topics such as social enterprise start-ups, digitisation, and social innovation from different angles. Some stakeholders are missing a clear overview and guidance by the EU to clarify new technological and digital developments. *"The SBI has not contributed to clarifying the framework."* (#592)

To sum up, given the late start of relevant support activities to digitisation within the SBI context, it is still early to assess the long-term influence from the EU actions beyond the direct outcome of projects and studies.

There is a clear need for further action which has been detected by several SBI follow-up actions. This is strengthened by the effects of the corona lockdown and the need for distance-working and learning as well as alternative business models. Some stakeholders highlighted the need for further support. *"Digitisation is a clear trend. A question should be asked if social enterprises are able to take part in the programmes for digitalisation offered to "normal" businesses. If it is not the case, there should be a special grant programme or sub-programme financed from the ESIF funds aimed at digitalisation of social enterprises. [...] Prior to this, an analysis of individual business sectors should be done with the aim to find out their needs in digitalisation and match them with the digitisation offer."* (#516) *"Corona virus is now teaching social enterprises how to exploit smart working."* (#624)

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<sup>92</sup> <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/collective-awareness-platforms-sustainability-and-social-innovation-caps>

<sup>93</sup> <https://capssi.eu/>

<sup>94</sup> <https://2019.digitallytransformyourregion.eu/>



<sup>95</sup> <https://www.intelligentcitieschallenge.eu/>

<sup>96</sup> <https://s3platform.jrc.ec.europa.eu/social-economy>

<sup>97</sup> <https://webgate.ec.europa.eu/fpfis/wikis/display/SEC/Clusters+of+Social+and+Ecological+Innovation>

The recent contributions by the European Commission to a swift response to the COVID-19 challenge, for example, with the Social Economy Community webinars and open-source platform, can be valued as a good experience in this sense, offering clear and timely information and interaction.

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Technologies and digitisation, when applied appropriately, have a great potential to change the social services in the future. However, they are not yet integrated in traditional services. On the contrary, technology and digitisation is already highly important for new social impact start-ups. It will also be important for the social finance sector, where it is already used (Blockchain, Fintech).			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
It was included as an updated SBI objective only in 2015. This topic was indirectly tackled by some of the SBI follow-up actions, mainly after 2015. It is still too early to observe a widespread direct impact. So far, indirect influence via generation of knowledge and dissemination of examples and ideas. 	To date, there seem to be only limited actions at MS level on support to digitisation of SE. There is generalised support at MS level (mostly local) to social innovation and social-start-ups.	Information and knowledge prepared by SBI actions (projects, awards, platforms) stimulates further action and might lead to relevant action at MS level in the future.	Depending on the overall digitisation and technology players in the relevant countries and on support measures, both at general level (IT connection speed) and at sectoral level (health, social services, education).
External factors 2011-2020			
COVID-pandemic 2020. Increased broadband connections in many countries and territories. Potential of new technologies and increased technical possibilities that are important for new business models. COVID-19 lockdown situations push the use of technological tools for work and education. Trends in society and technology like crowdfunding, crowdsourcing, crowdmapping, e-learning, co-creation, Open Data movement, platform cooperativism, digital local empowerment, digital civic society etc.			

## 2.5 International cooperation

The topic of international cooperation was not highlighted by the original SBI which concentrated on internal actions within the EU territory. However, in the years after 2011 and in particular since the refugee crisis in 2015, the issue became more important in the SBI context for different reasons: a) possibility for cooperation within international organisations like G8 and UN with specific Committees on social enterprises and social economy, b) collaboration between OECD and EU, c) interest to include the topic of social enterprises into the work with third countries and candidate countries in EU-wide SBI follow-up actions, e.g. through the SBI Mapping Study, d) relevance of social enterprises and social economy in development aid, due to its role for economic and social development as well as civic engagement. In 2015, a specific Working Group was created in the expert group GECES on the "External Dimension".

Several SBI follow-up actions have been implemented or are currently under way. In this study it is not possible to present information on all EU projects supporting the development of social economy/social enterprises in third countries. The below mentioned initiatives are only examples of follow-up actions, in particular in the EU neighbourhood countries and in the context of development and cooperation projects in other parts of the world.

The amount of EU activities at international level has multiplied over the last years, both because of the active promotion of SE relevant topics in the EU neighbourhood and cooperation policies in line with the SBI and because of a general boost of events and collaboration at international level on SE and social economy related issues. Over the last



decade, it has become clear that *“social enterprises constitute a crucial category of actors active within the SSE framework in Europe and beyond”* (European Commission 2020c:184). This also has helped to strengthen the relevance and capacities of European organisation within the European countries.

Overall, EU external actions can be grouped under **three work streams**: First, supporting SE in the context of the EU international cooperation and development policy. Secondly, promoting social economy and social enterprises in neighbourhood/enlargement policy. Thirdly, EU increasingly works with international organisations to promote SE and the social economy. All three work streams are presented below with more detail.

With regard to the **EU international cooperation and development policy**, the Service for Foreign Policy Instruments (FPI), EU Delegations, the EEAS and DG DEVCO work with an integrated approach of EU external action. Since 2016, an FPI programme promotes an integrated support to the development of the social economy and social enterprises at international level and in partner countries. Social entrepreneurs and the social economy are mentioned in several Partnership documents, for example, in the Africa-EU partnership strategy. DG DEVCO is in charge of EU international cooperation and development policy and responsible as well on the implementation of the European Union’s external financing instruments financed by the general budget of the Union and the European Development Fund. The European Commission adopted in 2014 a Communication calling for a stronger role of the private sector in achieving inclusive and sustainable growth in developing countries. This Communication supports the financing of social enterprises, which is key for social entrepreneurs, and encourages the replication and scaling up of innovative business models. The European Commission contributed by helping local support institutions for inclusive businesses through its private sector development programmes. The Commission also supports the Inclusive Business Action Network (iBAN) – a global initiative supporting the scaling and replication of inclusive business models<sup>98</sup>. iBAN manages an innovative online knowledge platform on inclusive business ([www.inclusivebusiness.net](http://www.inclusivebusiness.net)) and offers capacity development for policymakers and investment seeking companies in developing and emerging countries. iBAN is funded by the German Federal Ministry for Economic Cooperation and Development and the European Union.

One of the European Commission’s key private sector priorities is the External Investment Plan (EIP), which sets out a coherent and integrated framework to improve investment in Africa and the European neighbourhood in order to promote decent job creation as well as, inclusive and sustainable development. This is done through an integrated approach comprising three pillars: a guarantee, technical assistance and support to promoting a conducive investment climate. One of the EIP windows focuses on micro, small and medium enterprises, including segments such as women and youth entrepreneurs, as well as informal businesses.

Another example of the growing importance of the EU work at international level is partnership between International Cooperative Alliance together with Cooperatives Europe and the European Commission, starting a collaboration on strengthening the cooperative movement as key actor in international development. The partnership started in 2016. The project is led by Cooperatives Europe and builds upon the activities of the Cooperatives Europe Development Platform (CEDP), which is a European network of cooperative organisations active in international cooperation. This shows that social economy is not only an important topic in social and economic development, but social economy organisations are also important partner in implementing policies and projects.

Work on SE in cooperation at international level has had an indirect positive effect on the ecosystem for social enterprises and social economy organisations. Exchange of information and learning between countries increases and the development of international standards, for example on social impact measurement and statistical

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<sup>98</sup> <https://www.inclusivebusiness.net/>



monitoring becomes more likely. However, progress has not been pushed only within the SBI and its follow-up actions but was also promoted by other international institutions and networks and an increased intensity of events and activities at global scale, placing the social economy on different international agendas.

Interviews with stakeholders confirm that more is done with support also from the EU. At the same time, international cooperation also depends on many other external factors such as the field of action of the social enterprises, increased interest of NGOs to promote work of SE, as well as in some countries national and sub-national commitment to cooperation and development.

*"Progress. However, there is still little understanding of SE. There is a confusion between SE and philanthropy." (#623) "Improvements thanks to the increased interest of NGOs engaged in international development projects towards SE and the availability of online resources. Also, scholarships for social entrepreneurs provided by Ashoka or Erste and other private foundations are a good practice." (#218) "The EU is shedding light on the sector, but I do not see the social economy on the agenda at global level, e.g. the social economy is not present in the big "serious" agendas in Africa, Asia or Latin America." (#117) "Global cooperation is functioning, it is up to the networks to organise it, countries can learn from each other." (#573)*

Interviews highlight the availability of SE and other organisations to cooperate at international level. *"Social economy organisations are particularly keen on international cooperation and this attitude may be helpful to facilitate access to other markets." (#580)* But this does not affect all organisations: *"Everyday social cooperatives in practice have very little international cooperation." (#607)*

In addition, cooperation and development policies in EU Member States increasingly cover the areas of social enterprises and social economy development. *"The topic has gained momentum in the international cooperation environment. CEPES is a member of the Spanish Council of International Cooperation and there are many activities going on in collaboration with the Spanish Agency for International Development (AECID), e.g., recently a training on social economy has been organised in Colombia with the CEPES, and the objective is to establish an organisation similar to CEPES there. In recent years, there is improved cooperation between the Spanish government and the ILO on this topic (e.g. the ILO Academy on SSE was hosted Spain in 2019) and improved bilateral relationship (e.g. MoUs with France, Morocco, Portugal). International exchanges with public officers specifically on social economy have been organised with China, Brazil, Colombia, etc. Spain also participates in the Euro-Mediterranean network for social economy, which is very active." (#723) "Scotland has supported the growth and expansion of social enterprises across the world through the government international work in specific geographical areas (e.g. Pakistan, Malawi, etc.), the work of the Social Enterprise World Forum and the work of a number of organisations that have an international activity. There has been a collaboration between the Scottish government and the Scottish social enterprise sector in trying to do some detailed work with other governments and their sectoral lead in places like Canada and Australia: this has helped those countries to develop a collaboration between their government and their sector that did not exist beforehand. The Scottish reputation globally of being a world leader in terms of ecosystem support has helped to leverage some changes in other countries." (#748)*

In the area of **EU neighbourhood and enlargement policies**, the availability of EU funded actions and funds for non-EU countries (candidate or third countries) is even more relevant. Actions in these countries are funded by SBI follow-up actions such as EaSI grants, ERDF-INTERREG and IPA instruments for EU candidate countries and Western Balkans, Mapping Study, COSME etc. In addition, external cooperation and development actions managed by DG DEVCO are contributing. Support to social enterprises and social economy organisations has become increasingly important in the cooperation with the Western Balkan countries and the Mediterranean countries, for example the 2017 DG DEVCO grants for *"Enhancing Social Entrepreneurship and Inclusive Growth in the*

*Southern Neighbourhood” targeting the Southern Mediterranean countries, the support to Tunisia in the frame of ENI or the 2018 DG DEVCO grants for “Sustainable Social Entrepreneurship Initiatives for Disadvantaged and Marginalised Groups” targeting Eastern European countries and Jordan. Country-specific actions are planned or underway in Georgia, Belarus, Albania, FYROM, Algeria and Tunisia, whereas larger programmes such as EU4Youth or the regional programme for the Southern Mediterranean region ‘Med Up’ also encompass the social economy in their scope. This has had an important positive impact on the ecosystems in those countries that are still in a very early phase of development. This has also been confirmed by interviewed stakeholders from those countries: “EaSI programme meetings and workshops bring ecosystem actors together and start important discussions regarding the definition, legislation, funding etc. In Turkey, the EaSI has given to the actors of the ecosystem access to EU networks working on SE and this has contributed a lot to mutual learning and know-how sharing and created potential for future collaborations”. (#690)*

In addition, EU support to civil society development was mentioned as relevant: *“Cooperatives are models that are resilient to economic and political crises, therefore they are gaining power. The EU initiatives have had an impact too. The EU-funded Think Civil Programme and the EU-funded Civil Society Development Center now are open to women cooperatives too. The cooperative movement in Turkey is part of the global cooperative movement.” (#747 on Turkey)*

The strategic and institutional guidance of the SBI was particularly appreciated in the candidate countries that have access to EaSI and other EU programmes and are invited to take part in events and working groups, such as GECES. The following example shows how the SBI and related EU action had a limited but still visible impact on the SE sector in Montenegro:

#### **Box 2.14      Relevance of SBI/EU action in Montenegro**

*“The situation is not very favourable since there is no specific regulation related to social enterprises and social economy. The only favourable public institutions’ support to SE comes from the Ministry of Economy, based on the “Strategy for the development of micro, small and medium enterprises in Montenegro 2018-2022”. There is a limited access to markets for SE, primarily due to their social purpose but with no formal recognition in the Public Procurement legislation. The access primarily comes on case-to-case basis where there is willingness to involve local SE in the procurements and provide them a small level of income. Our work with SE showcases that these incomes are very small and most of SE have to compete on regular markets. The situation related to visibility, recognition and better understanding is not favourable, primarily due to lack of regulatory framework, low number of stakeholders and low-level engagement of authorities in SE development. There are only several local publications on SE, lack of examples of good practice presented to the public and misunderstandings of the type of SE that have potential to be developed in Montenegro. No national statistics is conducted nor related to SE nor NGOs, just several researches done at national and regional level, primarily funded by the EU. No local networks and representation are present at national level, but the actors are mainly connected and involved with regional and European counterparts, mainly as partners in **different EU Interreg cross-border initiatives**. They represent the basis for collaboration, experience exchange, mutual learning and networking, as well as know-how transfer to Montenegro. Unfortunately, level of mutual learning, collaboration, networking and experience exchange inside Montenegro is limited to project-based level, since there are no national funds for SE development in the country. Main support still comes from private and **EU cross-border initiatives** and they are the main driver of the SE development and visibility at the country level. Capacity building measures are conducted by a small number of intermediaries, primarily through private sector initiatives, such as the Social Impact Award (NOTE: initiative by Erste Stiftung, Vienna University of Economics and Business and Impact Hub) or the Entrepreneurship Academy, which is locally implemented by Center for*

*Economic Prosperity and Freedom (CEPS) and funded by the European Fund for Southeast Europe Development Facility (EFSE). Some banks, like Erste bank, that regionally conduct programs that support social investment have not yet introduced similar programs in the country. Access to private funding is improving, primarily to **EIF Guarantee scheme** which is available through several local banks and state-owned Investment Development Fund, but most of SE have limited access to it due to administrative barriers. Most impact comes through public funding, from an **EU grant scheme** that provides up to EUR 7,500 grants to unemployed persons and a number of beneficiaries try to use this scheme to establish their businesses with specific social impact. There is a high level of digitalisation and the use of technology in the country, but SE sector seems to be lagging behind the national average, due to lack of investment and not highly skilled personnel." (#726, highlights by the author)*

Since 2011, the EU contribution to **international diplomacy fora** has increased considerably. The EU has started to participate in different fora and working groups. The European Commission works closely with the EEAS to participate in international development forums to make SSE part of the global political agenda. For example, in 2015, the EU contributed to the endorsement of the G20 Inclusive Business Framework (IBF), followed in 2016 by the launch of the Global Platform on Inclusive Business<sup>99</sup>. There is regular collaboration with international knowledge-sharing and economic diplomacy fora. The UN Inter-Agency Task Force on SSE and the international leading group on SSE (ILGSSE) are observers to the Commission's expert group on social entrepreneurship (GECES) and the Commission is developing a constructive relationship with these two entities. The EU is actively collaborating with the Union for the Mediterranean with regard to specific commitments to social economy organisations and social enterprises especially in the field of industrial development. Moreover, since 2017 there is a European Union Advisory Board as joint initiative of the European Commission (EC), the European Investment Fund (EIF) and the European Investment Bank (EIB) participating in the Global Steering Group for Impact Investment (GSG). GSG has been promoting Impact Investment since its inception in 2015, after a G8 Taskforce in 2013, which led to creation of GSG.

Interviews with stakeholders reflect diverse opinions on the international engagement of the EU. Some estimate that the EU institutions and the EU countries are more engaged in international networks than ten years ago. *"Growth in the interest in UN Task Force on Social and Solidarity Economy and the Global Forum. Interest towards SE and institutionalisation of the sector in Tunisia, Morocco, Asia, Latin America, where many national governments are developing frameworks. Europe starts to be a global leader on SE together with Canada."* (#303) Others think that the situation is *"still extremely embryonic"* (#313) or highlight the lack of *"concrete effects of this involvement on the local SSE ecosystem"* (#539). Some stakeholders consider that the role of the European Union in international fora on SE and social economy is still too limited and that the topic of SE and social economy has not reached the relevance on the agendas as it would have been possible, given the existing experience and expertise in Europe on SE as well as the important role of SE and social economy organisations in sustainable and inclusive development. *"Despite mentioning the SE in various public documents, the public institutions remain rather disengaged in the sector."* (#524) *"Cooperation or internationalisation of social economy is still in infant phases."* (#310)

Within the sphere of UN institutions, the term 'social and solidarity economy' has become the standard term that is meant to encompass the various traditions that exist across the world by capturing various dimensions they incorporate: the pursuit of social and environmental goals ("social"); in a participatory and emancipatory way ("solidarity") and contributing to the generation of income and jobs ("economy"), (see also European

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<sup>99</sup> <http://www.g20inclusivebusiness.org/>

Commission 2020c:184). Even if the terminology used among global institutions and networks is different to the one proposed by the SBI, the value of the SSE contribution to development, i.e. on the Sustainable Development Goals (SDG), has been widely acknowledged (Utting 2018). Within this context, international cooperation and global exchange on relevant issues like standards, conceptualisation, agenda-setting, mutual learning, monitoring of SDG performance etc. have become increasingly important for the European Union and might become more important in the near future<sup>100</sup>. The European Commission also supports the connection between the social economy and the achievement of SDGs, as expressed in a statement at the high level political forum on sustainable development 2016 side event 'social and solidarity economy as a strategic means of implementation of the social development goals'<sup>101</sup>.

Interviewees also ask for highlighting the contribution of social economy organisations to the SDGs. *"There is a higher sensitivity and consideration towards SEO by international organisations. A lot of work is being done to visualise the contribution of the social economy to the SDGs set in the 2030 Agenda for Sustainable Development."* (#750)

Important international network events promoted by Member States or the subnational level have been mentioned as highly influential for European stakeholders. Most prominent examples are the French initiative for the 'Pact for Impact' to create a Global Alliance to promote and strengthen the Social and Solidarity Economy (SSE), the 'Global Social Economy Forum' (GSEF) and the 'Social Enterprise World Forum' (SEWF). The European Commission actively contributed to some of the events. For example, it was invited to the opening and closing sessions of the GSEF 2018 in Bilbao and took an active role in organising 2 workshops. In addition, it financed the participation of more than 50 people, from both EU local authorities and the Balkans. It also participated in GSEF 2020 in Mexico (held on-line). Overall, it is highly likely that the SBI and EU interest in SE has had a stimulating influence on these initiatives, as supported also by stakeholders: *"Pact for Impact: creation of a place where all actors can debate. Communication work with the UN Task Force on the Social Economy in order to gain recognition for the social economy and its role in achieving SDGs."* (#591) *"Emergence of international networks e.g. the Global Network RIPESS (International Network for the Promotion of SSE) or the GSEF Global Social Economic Forum. Brings together actors and public authorities to create a global momentum on the social economy. [...] The SBI has contributed by creating a European context for the recognition of the social economy."* (#592) *"Social Enterprise UK has been a key funder of the Social Enterprise World Forum (SEWF). There has been considerable investment of money from the British Council (which is a non-governmental organisation but gets its money from the government), in exchange, practice and learning. Probably the interest in social enterprises from the EC has pushed it, to stay close to what is happening."* (#753)

Furthermore, apart from an indirect influence of SBI-framed EU action, the role of external factors has been emphasised. *"Initiatives that exist at global level pre-existed the SBI and have much more to do with will and resources of organisations themselves than support from governments."* (#306) It has been mentioned that sometimes other internationally active intermediaries with a long track record represent European views at international level, e.g. the Yunus movement. International coordination is also seen as a requirement to establish a favourable policy framework for some SE that work in the international context: *"Some SE have strong international ties linked to the nature of their activity, e.g. those working with migrants."* (#513) It is, therefore, important, that Member States and the EU in representation participate in international fora and agreements.

Cooperation and international networks between Cities and Regions (also called decentralised cooperation) are also an important driver. *"The Municipality of Barcelona is one of the founding members of CITIES "International Centre for Innovation and*

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<sup>100</sup> See European Commission (2019i) and SDSN & IEEP (2019) for detailed measurements of SDG performance in the EU.

<sup>101</sup> <http://ec.europa.eu/DocsRoom/documents/18141/attachments/1/translations>



*Knowledge Transfer on the Social and Solidarity Economy”, together with Montreal (where the centre is based), Seoul and other municipalities. It was created with the aim of providing support for the international exchange and transfer of knowledge and best practices on the social economy. The Municipality of Barcelona participates with own resources, but probably we will not be able to continue because due to the COVID-19 emergency, resource will have to be assigned to address more pressing needs.” (#744)*

Initiatives and exchange on decentralised cooperation are actively supported by the European Committee of the Regions, for example through the 'Atlas of Decentralised Cooperation for development'<sup>102</sup> and the connected Decentralised Cooperation Stock Exchange that matches the demands and needs expressed by local and regional authorities (LRAs) in developing countries with the "offers" made by the LRAs in the EU and/or other third countries. The Atlas is a joint initiative by the European Committee of the Regions and the European Commission to increase and share information on cooperation for development of European LRAs. Fostering social dialogue and civil dialogue in non-EU countries and regions is also a task of the European Economic and Social Committee, for example through its participation in the 'Pact for Impact' or in events such as the 2019 information day "The Social and Solidarity Economy in Tunisia – what support from the EU?".

For the future, stakeholders wish for a continued support of the EU to the internationalisation of SE and the social economy. *"The 2021 action plan shall mention the dimension of the external action and the focus shall be on supporting networks and support structures learning from what works in EU countries.” (#303)*

This is underlined by three of the 13 recommendations of the 2016 GECES report "Social enterprises and the social economy going forward" that are dedicated to the international development sphere of the social economy. In particular, they refer to contribute to an ongoing increase in open source intelligence about the social economy and social enterprises, to take a leading role in fostering global cooperation to support the social economy and social enterprises, and to strengthen the role of social enterprises in EU external policy (European Commission-GECES 2016:36-42).

The summary of the analysis of contribution to impact is described below:

Change 2011-2020			
Cooperation at the international level regarding the social economy has become increasingly important with global summits and diplomacy such as the International Leading Group on the SSE, the UN Task Force on the SSE. Increased need and will to agree internationally on (social) standards and SDG reporting.			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
Not considered in 2011 SBI, only later. Many actions with an important effect on fostering international visibility of EU work on SE, supporting SE in neighbourhood/enlargement as well as in cooperation and development policies and programmes. 	Some countries are rather active in international networks and fora and in cooperation and development on SE/with SE (France, Spain, UK). Decentralised cooperation between cities and regions at global scale.	A positive attitude and commitment to SE goals is necessary to facilitate the integration of SE in development programmes and in neighbourhood/enlargement programmes.	Highly dependent on other players at the international level. Indirectly linked to many other impact areas that would benefit from international agreements on standards and common indicators and monitoring procedures.
External factors 2011-2020			
Relevance of the social economy in international diplomacy and in the work of international organisations. Important international networking initiatives and alliances: Pact for Impact, GSEF, SEWF. Global interest from different sectors of society to promote the SSE, a sustainable and social economy, triple bottom line, non-financial reporting, corporate social responsibility, holistic development (SDGs).			

<sup>102</sup> <https://lra4dev.cor.europa.eu/portal/en/atlas/Pages/Maps.aspx>



## 2.6 Drivers and obstacles for change

The analysis of interview findings shows that changes in the ecosystem of social enterprises are widely influenced by specific drivers, having a positive and amplifying effect, and obstacles, with a hampering effect. The analysis allowed to identify key drivers and obstacles and to make an estimation about the role of internal, SBI-related and external factors.

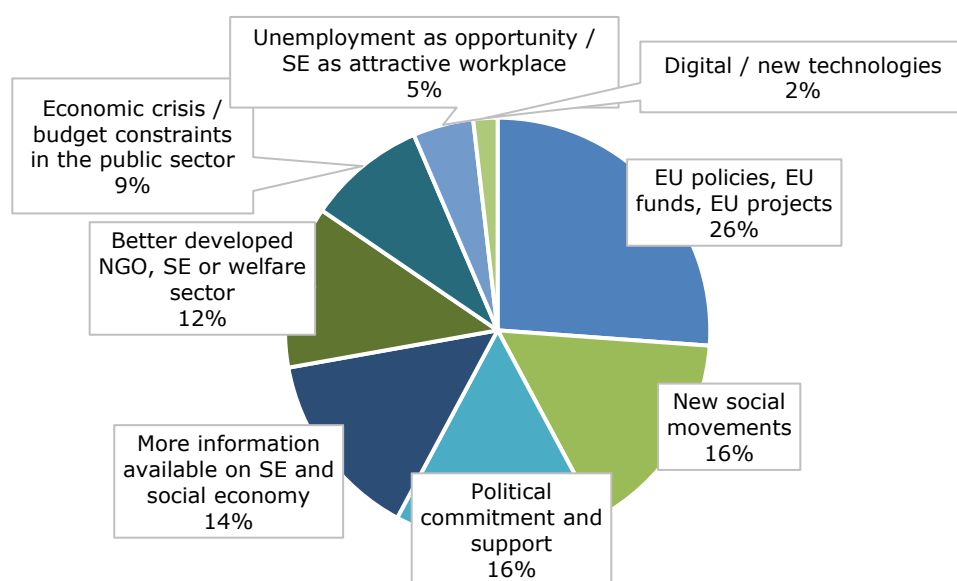
### Key drivers

Interviewees highlight the presence of EU policies, EU funds and EU projects as a key driver for developing the ecosystem for SE. This includes the European Commission's strategic framework (SBI) in general and some EU-level activities (GECES, mapping study, Strasbourg event) but also concrete EU-funded activities at country level, such as ESIF projects/programmes or EaSI funding, EU legislation on procurement, or specific initiatives like Interreg, Erasmus+ projects, ESER.

One of the main external main drivers for the SE development are new social movements, including movements on migrants and refugees, the fight against climate change, the need to align with sustainable development goals, demands for more social responsibility of business and an increased need to respond to societal challenges.

Thirdly, political commitment and support at country level is seen as an important driver, leading in many cases to the adoption of new legislation, new institutional arrangements or policy support for SE or the social economy.

**Figure 2.4 Key drivers for the development of the SE ecosystem in the last ten years as perceived by interviewees**



Source: Own elaboration based on interview findings (n=279), answers have been grouped by the authors, interviews with academics and experts, EU institutions, EU stakeholders and representatives at national level

Another relevant factor is the perceived increase in awareness and knowledge about SE and the social economy due to more available information and a higher visibility. Better capacities within the SE, NGO and welfare sector – compared to 2011 – is another relevant factor for some people. Moreover, the economic crisis (2009/2010) led to budget constraints in the public sector in many countries between 2009-2018, provoking the outsourcing of traditionally public services to external organisations. The perception of SE as employment opportunity, let it be through the urgent need to find a new job or through the relatively high attractiveness of doing a responsible job with social impact, was another

driver of SE development in recent years. Finally, digital innovations and new technologies are only perceived as a driver by very few stakeholders.

The perception on drivers developing the SE ecosystem differs by types of interviewees. EU policies, funds and projects mostly drive changes in countries that are developing their ecosystem, Central and Eastern Europe, in particular. Also, representatives from EU institutions and EU stakeholder groups perceive this more than the average stakeholder as a key driving force. EU policies, funds and project are hardly mentioned by representatives from Switzerland, Norway and Iceland as driving force (5%). Fewer possibilities to use EU funds may explain this relative low perception of EU policies, funds and projects as driving force in these countries.

New social movements are more often mentioned by academics and interviewees from countries with an advanced or average ecosystem for SE, e.g. mainly North-Western and Southern European countries, as well as interviewees from Switzerland, Norway and Iceland. These interviewees mention movements as changing mind-set of youth or a response to increasing migrant flows, fight against climate change, or relating general economic development more to social and environmental objectives (SDGs) more often than on average in Europe.

Different types of interviewees perceive the important relevance of political commitment and support at national, regional or local government level fairly even. Only representatives from EEA and non-EU countries as well as stakeholder organisations perceive this aspect slightly less frequent as driving force to develop the SE ecosystem. Representatives from authorities at national, regional and local levels perceive this element as slightly more important compared to the European average.

More available information is more frequently mentioned by representatives from EEA countries than on average and less frequently mentioned by academics and EU stakeholder groups.

The better developed SE, NGO and welfare sector, including better networking and representation of SE is mentioned especially by interviewees from countries that are developing the SE ecosystem and representatives from non-EU countries in south-western Europe. Here, NGOs or the general welfare sector may take over some of the roles that are provided by regional and local authorities in other countries. In addition, these entities are direct beneficiaries from donors (EC, World Bank etc.) for developing the SE ecosystem. The relative importance of this driving force in non-EU MS may explain a relative low share of representatives of EU institutions mentioning this driving factor.

Some interviewees refer to unemployment as opportunity to develop the SE ecosystem (push factor) or to SE as an attractive workplace (pull factor), namely 25 interviewees. Particular interviewees from stakeholder organisations in countries that are developing their SE ecosystem refer to this driving force whereas this driver is not mentioned by interviewees from EU institutions or EU-level stakeholders.

Ten interviewees refer to new digital solutions or new technologies as driving force to develop the SE ecosystem, of which 2 are representatives from EU institutions, 5 representatives from stakeholder organisations and 3 from national, regional or local public authorities.

### Obstacles

A wide range of different factors hampers development of the SE ecosystem following the interview findings. Interviewees hint at an insufficient legal framework and a lack of a common definition, a lack of funding, an unfair competition with regular enterprises, a lack of (entrepreneurial) skills and capacities (see Figure 2.5 **Error! Reference source not found.**). Various links and interrelations exist between these key obstacles.

The lack of a well-known definition and legal frameworks is considered to be the main obstacle for SE development. Uncertainty of the term "social enterprise" and multiple interpretations make it difficult to develop and apply for funding schemes as suggested by

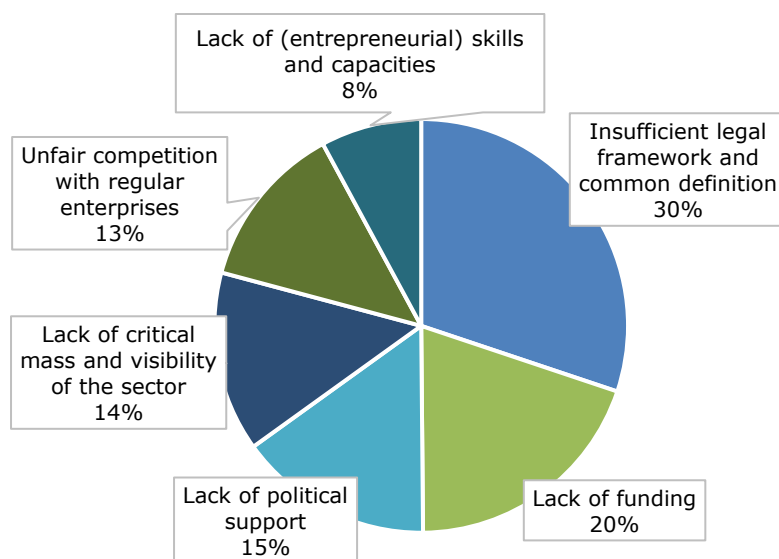


various interviewees. In such cases it becomes blurry, both for the provider as well for the receiver of financial support which type of organisations is or should be eligible for funding.

Limited visibility or awareness of SE or the corresponding ecosystem challenges development of coherent policies, strategic and legal frameworks as suggested by various interviewees. Existing legislation for the sector is often confusing, incomplete and sometimes in conflict with other legal frameworks as among others expressed by interviewees from Luxembourg, Cyprus, Greece, Hungary, Ireland and Albania. Insufficient coordination and cooperation among policy makers representing different policy fields is one of the reasons for lack of comprehensive and clear policy documents and legal frameworks as expressed by an interviewee from Lithuania. In some cases, a change of government altered the views and efforts for policy coordination for better or worse.

Poor implementation of legal frameworks, such as social procurement law, also reduces chances of SE in competition with regular enterprises as suggested by various interviewees. SE often lack the capacities in funding and knowledge to compete with regular enterprises, resources of social enterprises are mainly used to make an impact in society rather than offering the lowest price. Hence, it is difficult for many social enterprises to compete with regular enterprises as expressed by a Belgian interviewee. Other interviewees hint at the lack of other favourable conditions such tax exemption (#204, #568, #577) or compensation for lower wages paid by SE (#635, #315, #613) to allow fairer competition with regular enterprises.

**Figure 2.5 Key obstacles for the development of the SE ecosystem in the last ten years as perceived by interviewees**



Source: Own elaboration based on interview findings (n=230), answers have been grouped by the authors, interviews with academics and experts, EU institutions, EU stakeholders and representatives at national level

A lack of (entrepreneurial) skills also reduces possibilities to compete with regular enterprises and reduces possibilities to make use of available funding as mentioned by various interviewees. Some social entrepreneurs lack expertise on business administration practices, skills that become increasingly important when the enterprise grows or when public financial support reduces. A lack of skills and capacities was mainly expressed by interviewees from national level (20 out of the 24 examples collected). Representatives from Croatia, Finland, France, Greece, Italy, Latvia, the Netherlands, Slovakia, Slovenia, Albania, Serbia and Turkey expressed this as hindering factor.

Lastly, lack of visibility and low critical mass limit possibilities to influence policy making processes and to increase relevance of SE as suggested by various interviewees. The low share of social enterprises within the overall economy hampers visibility and possibilities to communicate the interests of the social enterprises and the social economy. Low visibility is also fuelled by a lack of acknowledged methods to illustrate the social and differential impact of SE and SEO. Accepted and easy to use methods of 'non-financial reporting' and 'social impact measurement' would provide SE tools and arguments to illustrate their added value beyond monetary information.

The SBI promoted actions in response to all above-mentioned hindering factors. However, as illustrated in the previous sections of Chapter 2, not all actions were equally visible or effective in reducing existing obstacles. Moreover, not all interviewees were aware of the SBI follow-up activities.

As described in Chapter 4, many obstacles to develop the SE ecosystem still exist. There, they will be further analysed and discussed.

## 3 Efficiency: Cost and benefit of specific SBI actions

### 3.1 Introduction

The Terms of Reference of this study asked for an analysis on efficiency (the relationship between costs and benefits) for six specific SBI follow-up initiatives: EuSEF Regulation, EaSI Third Axis, EFSI equity instruments, Mapping Studies, EC-OECD cooperation and ESER (European Social Economy Regions). A comparison of costs and benefits was carried out for the different types of interventions. It has to be considered that within the framework of this study and given the availability of data and time, it was not possible to carry out an in-depth cost-benefit assessment. Regarding the costs, the study mostly focused on direct tangible cost at the level of the European Commission and partners involved in the initiatives, such as human resources and financial cost (investments and operating cost). Benefits were estimated at the level of the final beneficiaries but also at the level of the overall SE ecosystem. Quantifying benefits has been a challenge that has been tackled with approximating the general dimension and coverage of benefits.

### 3.2 Analysis of SBI actions

The analysis confirms that there was a clear benefit and contribution from all six policy initiatives that have been analysed. When considering the costs associated to the initiatives, the most efficient contribution comes from initiatives in the area of awareness-raising, knowledge- and network-building. Funding initiatives also have clear benefits, but also much higher costs associated. The analysis shows that the initiatives focussing on regulation require complex and lengthy processes with considerable costs associated before a tangible benefit can emerge. This was, for example, the case of EuSEF. However, these initiatives can be also considered as important, because they represent milestones for future developments and for reducing important administrative and legal obstacles, preparing the ground for a significant benefit in the future. In this sense, they might have a benefit that has not yet materialised with regard to EU policy priorities in the field of integration and the single market.

**Table 3.1 Efficiency analysis of six SBI initiatives**

SBI initiative	EuSEF	EaSI Third Axis	EFSI	Mapping	EC-OECD cooperation	ESER
<b>Type of action</b>	Regulation	Funding		Knowledge-building & Awareness-raising		Network-building & Mutual learning

Source: Own elaboration

Detailed results of the specific cost-benefit analyses of six selected SBI follow-up actions provide a mixed picture.

The **EuSEF regulation** is a specific action within the SBI context. Following the key action proposed in the SBI communication, the European Commission (EC) published two proposals for regulations, aimed at establishing a common framework for European venture capital funds and European social entrepreneurship funds in order to help SMEs obtain financing via such funds. The EuSEF Regulation (REGULATION (EU) No 346/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 April 2013) aimed at simplifying European-wide fundraising activities for social enterprise funds as well as facilitating access to the financial markets for SE. Simultaneously, it created a voluntary label for better identifying funds investing in SE across the EU. EuSEF funds were available since 2013 but only a small number of funds registered in the early years. In 2015, the Commission launched a consultation on the review of both regulations with the aim of

increasing the uptake of these funds. In 2016, the Commission proposed amendments with the aim of facilitating greater adoption of these fund designations by managers. The amended Regulation applies since March 2018. The amendment helped to extend the target group and enable economies of scale.

No specific financial support was foreseen under EuSEF. Overall administrative costs can be estimated to be at a medium level since considerable legislative procedures were required to establish the regulation and its amendments. As for the quantitative benefits, the number of funds registered in the EuSEF database is 13, from seven EU Member States. Even for being a new label and considering that EuSEF cover a specific niche (investments with social impact and a European, cross-border perspective), this seems to be a low number. Overall, it seems that the EU social impact investing movement requires more time for the inception of the advantages of the EuSEF regime. EuSEF is responding to a specific niche market in the EU which is still in its infancy (see also Gianoncelli, A. et al. 2019). The review of the EuSEF framework in 2018 was critical for channelling funding to social enterprises, preparing the ground for a significant benefit in the future.

The initiative itself brought added value. Although the efficiency remains to a medium degree due to a low uptake to date. EuSEF addressed a gap that previously existed in legislation by introducing a new framework aiming to meet the need of small managers seeking to market cross-border funds and to increase the amount of capital available for investment in social enterprises. The EuSEF Regulation also created a network of administrative co-operation for the effective introduction and supervision of managers of EuSEF funds. Moreover, the EuSEF Regulation provides a regulatory framework for assessing and analysing social impacts/returns.

The **EaSI Axis on microfinance and social entrepreneurship** is a multi-faceted initiative encompassing a broad range of measures of different nature. It is in financial terms the largest and most comprehensive of the programs analysed. It is therefore not easy to link costs and benefits in a clear and direct way. The initiative has also evolved quite substantially over time. A constant feature of the Axis, however, has been the major importance of the EaSI guarantee facilities. They represent 68% of the EaSI Third Axis budget.

The total budget of the EaSI Third Axis programme, including actual and prospective financial commitments, amounts to EUR 216 million. Additional administrative costs have to be considered. Benefits from the EaSI Third Axis are multiple and diverse, depending on the different instruments. They reach from 114 contracts signed with financial intermediaries for backing microfinance and social entrepreneurship instruments in 29 different countries, to facilitating 74,936 microloans, to enabling loans for 2,020 social enterprises, to 17 organisations reached by EaSI Technical Assistance for social enterprise activities. Loans backed by the microfinance facility supported 69,770 micro-enterprises and 2,020 SE for a total amount of EUR 870.1 million and EUR 292.6 million, respectively (see Table 3.2).

**Table 3.2 Costs and benefits of the EaSI Third Axis (as of April 2020)**

<b>Initiative: EaSI Third Axis</b>	
<b>Costs (as of April 2020)</b>	
Total actual financial commitments	161.1 M EUR
actual financial commitments: <b>Microfinance guarantees</b>	69.7 M EUR
actual financial commitments: <b>Social Entrepreneurship guarantees</b>	40 M EUR
actual financial commitments: <b>Capacity building Investment window</b>	26 M EUR
actual financial commitments: <b>EaSI Technical Assistance for microfinance</b>	6.2 M EUR
actual financial commitments: <b>European Code of Good Conduct for Microcredit Provision</b>	1.4 M EUR
actual financial commitments: <b>EaSI Technical Assistance for social enterprise finance</b>	0.5 M EUR
actual financial commitments: <b>EaSI action grants "Transaction cost support for social enterprise finance"</b>	6.8 M EUR
actual financial commitments: <b>EaSI action grants on developing the demand and supply sides of finance markets for social enterprises</b>	3.2 M EUR <sup>103</sup>
actual financial commitments: <b>EaSI operating grants to EU-level networks in the field of microfinance and social enterprise finance</b>	7,3 M EUR
Total planned financial commitments	54.9 M EUR <sup>104</sup>
Administrative cost borne by the programme's managing body. (in EUR or people working full time on this, or FTE working % of their time on it).	2.4 M EUR <sup>105</sup>
Management of the financial instruments	10.8 M EUR
<b>Benefits</b>	
<b>Monitoring indicators (as of 31/12/2019 if not indicated otherwise)</b>	
EaSI Guarantees – <b>Number of applications received</b>	155
EaSI Guarantees – <b>No. of contracted Financial Intermediaries (as of 31/05/2020)</b>	96
EaSI Guarantees – <b>No. of Guarantee contracts signed</b>	114
EaSI Guarantees – <b>Geographical coverage</b>	29 countries
Microfinance guarantees – <b>Number of microloans provided</b>	74 936
Microfinance guarantees – <b>Number of final recipients</b>	69 770
Microfinance guarantees – <b>Number/share of training and mentoring services provided to final beneficiaries</b>	77.8%
Microfinance guarantees – <b>Loan amounts granted</b>	870.1 M EUR
Social enterprise guarantees – <b>Number of loans provided</b>	2 368
Social enterprise guarantees – <b>Number of final recipients</b>	2 020
Social enterprise guarantees – <b>Loan amounts granted</b>	292.6 M EUR

<sup>103</sup> This amount includes also EUR 1 million from a call for proposals financed via a European Parliament Preparatory Action (launched in 2013). Although this was not the EaSI budget, it was a result of the SBI and it lay the ground for other rounds of the same call launched later under EaSI.

<sup>104</sup> Includes also the budget allocated to the Incubators' call (EUR 1.3 million).

<sup>105</sup> Estimation on standard costs.

Social enterprise guarantees – <b>Total leverage of guarantees provided</b>	4.29 (actual); 11.88 (expected)
Capacity building investment window – <b>Number of applications</b>	22
Capacity building investment window – <b>Number of operations</b>	11
Capacity building investment window – <b>Number of beneficiaries (microcredit providers)</b>	6
Capacity building investment window – <b>Amounts granted</b>	21.3 M EUR - of which for Microfinance 12.5m - of which for Social Entrepreneurship 8.8m
EaSI action and operating grants – <b>Amounts granted</b>	17.3 M EUR
Jobs created/maintained under the EaSI guarantees and capacity building investment window.	175 075 (50 627 in social enterprise and 124 448 in micro enterprises) <sup>106</sup>
Number of activities under EaSI Technical Assistance for microfinance	394 in total: <sup>107</sup> 42 institutional assessments 140 trainings 18 financial and social ratings 53 code compliance evaluations 87 dissemination events 54 helpdesk contacts
Number of organisations reached by EaSI Technical Assistance for microfinance activities	37 <sup>108</sup>
Number of support activities under EaSI Technical Assistance for social enterprise finance (if available, split by: targeted capacity building services, dissemination events, etc.)	16 in total: 8 targeted capacity building trainings 7 workshops 1 analytical study
Number of organisations reached by EaSI Technical Assistance for social enterprise activities	17
EaSI action grants “Transaction cost support” – <b>Number of beneficiaries</b>	16
EaSI action grants “Social finance markets” – <b>Number of beneficiaries</b>	41
EaSI operating grants “EU-level networks for microfinance and social enterprise finance” – <b>Number of beneficiaries</b>	4

Source: Own elaboration

The benefits with regard to the microfinance sector can be deemed as very high, taking into account the uptake, absorption and reach of the instruments. The benefits for the social enterprise sector can be deemed as high. The accompanying measures (grants to studies and networks, technical assistance etc.) are considered as important and crucial in building capacities and preparing the ground for the uptake of the financial instruments, in particular in countries with a less developed social finance market. Interviewees have pointed out that the main benefits of the EaSI Third Axis for the social enterprise sector lie in intangible effects, mainly the improvement in recognition and better understanding of SE in the financial sector. In conclusion, the cost-benefit relationship indicates a high

<sup>106</sup> As at the end of September 2019. Figures report the total number of employees in supported organisations. Source: EaSI Semi Annual operational report, September 2019.

<sup>107</sup> Data based on FSF annual activity report and MFR progress reports.

<sup>108</sup> MFIs directly benefited from EaSI TA, excluding participants of dissemination events.

efficiency of the EaSI Third Axis, considering the wide reach and the leverage effect of the financial instruments.

**EFSI Equity social impact instruments** were launched in 2016 as part of EFSI Equity instrument managed by the European Investment Fund (EIF) that provides equity investments to or alongside financial intermediaries. EFSI shall enable the piloting of a number of innovative instruments in support of social enterprises and social innovation. The pilots launched under EFSI Equity therefore aim to complement the instruments launched under EaSI, namely, the EaSI Guarantee Instrument, the EaSI Capacity Building Investments Window and the EaSI Funded Instrument, the initiative launched by EIF in the field of impact investing. Furthermore, they complement also the transaction cost support scheme managed by the European Commission, which provides grants to existing or future financial intermediaries and it is a very good example of two parallel EU programmes combining repayable and non-repayable financing tools contribute to strengthening the infrastructure for social enterprises and social sector organisations.

EFSI Equity social impact investment pilots can be seen as a highly strategic market-building mandate for the growth of the impact investing eco-system in Europe despite the mixed results of the single initiatives. They have successfully complemented other European programs. Interviewees agree that there is a market failure regarding funding social enterprises at the seed stage and that the EFSI instruments have increased the visibility of social enterprises while at the same time fostering a change of social entrepreneurs' attitude to go beyond grants and include investments in their financial resources. Furthermore, the European instruments are judged by many interviewees to be an important source of funding for social enterprises.

Support of financial intermediaries under EFSI for the purpose of achieving social impact may take the form of investments in or alongside (1) funds linked to incubators, accelerators and/or that provide incubation services to enterprises, (2) business angels or (3) payment-by-results/social impact bonds investment schemes. The three EFSI instruments are similar regarding the associated cost with one instrument having a target of capital to be invested until 2022 of EUR 30m and the other two of EUR 25m each. However, the actual investments differ significantly in terms of implementation status, with the payment-by-results scheme funding being fully allocated and the business angel facility being the most challenging not having made any investments so far. Overall, the investment pilot for incubators/accelerators has been successful and has received positive feedback. Strategically, the facility was key to build up deal flow for later-stage investors, nurturing a new generation of fund managers that can build up a track-record thus growing the social impact market in Europe. The reasons for the still limited number of transactions despite a full deal pipeline are that (a) incubators who traditionally act as mentors and advisors have to undergo a paradigm change to become investors hence requiring a different skill set and (b) the structuring input regarding the set-up of management companies and appropriate governance structures is quite time and resource-intensive. These capacity-building and structuring efforts are prerequisite for the investment to take place and nurture the pre-seed and seed impact investing market. With respect to the business angel instrument, no transactions have been signed for this instrument yet. The major reason being that as per limitations of this mandate, the requirements of the EFSI program make it very difficult to comply with the flexibility sought by business angels who invest their private wealth in a very individual way and who do not want to add additional constraints to already risky investments. For example, a certain level of monitoring and reporting is required for these investments often depriving business angels of their freedom to invest. Regarding the pilot schemes for payment-by-results instruments, EUR 25m have been fully allocated until today. Three transactions (Finland, France, and Netherlands) have been signed, indicating that this could be a viable solution for central / regional authorities to improve social intervention and foster social innovation. Three transactions have been signed in four years. This limited number is due to the pilot nature of the instrument and of the fact that these investments require engineering and entail the set-up of schemes which may be complex due to their novelty and the fact that several

stakeholders are involved. The scalability of this instrument remains to be further explored. Structuring of these transactions is very demanding.

So far, it is too soon to evaluate the results and impact on the support of early-stage social start-ups. Broadly the technical features of the pilots are well suited to the target markets. For instance, the pilots allow for investments of more than 50% of the total fund size, thus providing enhanced capacity to reach critical mass. The pilots have a high risk tolerance and support investment managers in delivering proof that investing in the social impact space can be sustainable and create value. The EFSI Equity Instrument was a very important and adequate complement to existing programs of the Commission such as, for example, the transaction cost support. Overall, a first estimation of results leads to the assessment that there is a balanced relationship between costs and benefits.

The first **Mapping Study of social enterprises and their eco-systems in Europe** was commissioned by the European Commission in 2013 aiming at giving an overview of SE and their ecosystems across the countries, including factors constraining their development and outlining national policy and legal frameworks for social enterprises. Additionally, best practices should be included to accelerate the growth of the SE ecosystem across Europe. Similar mapping studies were commissioned in 2016 and 2019. The studies were funded under the EaSI Programme. In total, reports on 35 countries have been published. The first 28 plus a synthesis report in 2014, an additional 7 in 2016 (Italy, France, Spain, Ireland, Belgium, Slovakia, Poland) and updates on 34 countries in 2019. This includes all EU Member States but also countries that are not part of the EU but benefitting as third countries or partner states from the EaSI Programme, such as Norway, Albania or Serbia. The total cost for the project amounts roughly to EUR 1.6 million. The reports have been downloaded 209,444 times (until March 2020). The mapping of social enterprises and their ecosystems in Europe has had a high contribution to the overall objectives of the SBI. It is perceived as providing a valuable contribution to visibility, knowledge-building as well as boosting national debate.

In terms of qualitative considerations, the EC expected the following benefits of the studies, which have been largely achieved:

- Consolidation of joint understanding of key concepts, features and challenges in Europe.
- Building a knowledge base which serves other activities in this field (OECD in depth country reviews, OECD-DG EMPL mutual learning exercises, European semester, EaSI technical assistance, UN agencies work, etc.).
- Boosting national debates and the development of SE ecosystems in many Member States.
- Building an academic community around SE related research.

The detailed identification of costs and benefits relating to the instrument are presented in the table below.

**Table 3.3 Costs and benefits of mapping social enterprises**

<b>Initiative: mapping of social enterprises and their eco-systems in Europe (the original mapping study and its updates)</b>	
<b>Costs</b>	
Total actual financial commitments	EUR 1,668,717
Administrative cost by the programme's managing body (FTE working % of their time on it)	
<ul style="list-style-type: none"> <li>• 2013 - 2019</li> </ul>	EUR 126,800
<b>Benefits</b>	
<b>Monitoring indicators</b>	
Number of total downloads (as of 25/03/2020):	209,444
<ul style="list-style-type: none"> <li>• Synthesis report</li> </ul>	32,797



• Executive summary	25,084
Albania	1.714
Austria	6.070
Belgium	10.439
Bulgaria	3.066
Croatia	4.245
Cyprus	2.790
Czech Republic	3.094
Denmark	5.291
Estonia	2.688
Finland	3.694
France	9.631
FYROM	1.668
Germany	8.993
Greece	4.856
Hungary	3.410
Iceland	862
Ireland	5.037
Italy	11.039
Latvia	2.270
Lithuania	3.329
Luxembourg	2.799
Malta	1.808
Montenegro	1.203
Netherlands	4.676
Norway	1.111
Poland	4.833
Portugal	4.871
Romania	3.892
Serbia	1.439
Slovakia	4.288
Slovenia	2.961
Spain	8.273
Sweden	3.623
Switzerland	3.350
UK	8.250
<b>Qualitative benefits – Estimation</b>	
Consolidation of joint understanding of key concepts, features and challenges in Europe	Medium
Building a knowledge base which serves other activities in this field (OECD in depth country reviews, EMPL mutual learning exercises, European semester, EaSI technical assistance, UN agencies work, etc.)	High
Boosting national debates and the development of social enterprise ecosystems in many MS	Medium (mostly among experts and key stakeholders)
Contributing to building a community around social enterprise related research	High

Source: Own elaboration

The relationship between costs and benefits indicates that the initiative was highly efficient. Overall, the costs can be considered as low. At the same time, the benefits are at a high level. Positive response and use of the mapping study reports indicate their overall usefulness, as has been shown by the analysis of different impact areas such as information and better understanding, mutual learning, research (see Chapter 2). This is supported by numbers of downloads of the reports, not only the synthesis report, but also all country reports. A knowledge base has been created on the topic of social enterprises and the social economy, shedding light on the existing rich traditions and diversity of approaches to social entrepreneurship and social economy. Moreover, interviewed stakeholders confirm the benefit of having this information available to learn more about the sector and to better communicate with policymakers and decision makers. In addition, the study has contributed to build a community around social enterprise research. Bridging the gap between academic and applied research by practitioners is a positive indirect effect of the mapping study research. Despite having finished in 2020 the latest update of the mapping studies, some stakeholders perceive the need for a) more specific, theme-related mapping studies and b) to continue with research leading to a stable European observatory on the social economy in general.

In 2011, the **European Commission and OECD initiated a joint project** to identify, assess and provide tailored advice to individual national or regional administrations of the EU Member States in the design and implementation of integrated policies and programmes on inclusive and social entrepreneurship. The project aimed to foster mutual learning among all relevant stakeholders and practitioners concerned through monitoring and comparison of policy and programme approaches, collection, and dissemination of good practices as well as development of tools to support learning networks, events, and platforms. From 2011 to 2015, the topic of inclusive entrepreneurship was addressed. In addition, from 2013 onwards, social entrepreneurship was added as core theme. A large variety of publications in the form of policy briefs and in-depth country reports were published and capacity building seminars were held for high-level policy makers and stakeholders in the EU MSs to facilitate mutual learning. The online Better Entrepreneurship Policy Tool was developed to assist policy makers and other interested stakeholders on how to best design public policies.

The total costs of these measures amounted to almost EUR 7 million. The downloads of the provided publications amount to a total of over 150,000. Most downloads refer to the social entrepreneurship reports and studies, as well as to the policy briefs on inclusive entrepreneurship. The website illustrating the Better Entrepreneurship Tool registers an average 560 visits per month, with a total number of visits of 10,500 in 18 months. EU-OECD cooperation can be assessed as quite effective with perceived benefits across the different instruments. In terms of qualitative benefits, two levels of contribution by the initiative can be distinguished: on a political level, the partners would not have been able to influence respective actions for inclusive and social entrepreneurship without this partnership. Regarding the impact of the publications on a more operational level, there are significant differences in terms of contribution to the overall objectives depending on the themes, ranging from medium to high influence on stakeholders. Overall, the EC-OECD joint work on inclusive and social entrepreneurship to be defined as successful and effective regarding the policy objectives and considering the costs associated to the measures. A large knowledge base has been consolidated with many specific analytical views (geographical, different vulnerable groups, topics etc.). The benefit can be considered as medium-high given the reach of the publications with varying degrees. Reach and awareness on publications and tools among final beneficiaries can be further improved.

**European Social Economy Regions (ESER)** is an initiative by EC's DG GROW that aims to raise social economy awareness and capacity at regional and local level and to build regional/local networks of social economy stakeholders. These networks develop suggestions for future collaboration and co-creation of policies in and for the social economy together with the Commission. Established with a pilot scheme in February 2018,

the initiative was repeated in 2019 and will be continued in 2020 alongside the so-called “social economy missions” for interregional collaborations taking place within the COSME project. Support for ESER regions takes the form of regional and concluding events where stakeholders can come together to discuss current social economy topics. So far, a total of 90 events has taken place: 32 in 2018 (in 14 Member States), 55 in 2019 (in 16 Member States) as well as three concluding events (two in Brussels, one in Bilbao).

As a representative of the EC was present at the events, political attention and direct exchange with policy makers was ensured. 70% of the events are covered by DG GROW's Social Economy team, 30% by teams from other DGs from the social economy taskforce depending on the topic discussed. There is no financial support linked to the selection as ESER region, the local events are funded by the regions themselves. Concluding events are funded by use of supportive measures from the COSME program. The cost for each concluding event amounts to roughly EUR 100,000. In addition to the events, ESER regions can connect amongst each other during monthly webinars. The entire ESER team at DG GROW usually engages on these occasions with up to 100 participants. The membership in this group is perceived as label for good quality and is used for visibility and awareness raising purposes, for example by applying the EC/ESER logo.

Overall, the costs are estimated as very low compared to the other policy initiatives, as there was no financial contribution to the events. In addition to the 87 supported events, important benefits of ESER are of a qualitative nature. ESER is perceived by the interviewees as a very useful and effective to increase visibility in European regions and at the local level, to learn from other experiences and regions and to build new networks of policymakers and practitioners. In the view of stakeholders, it has been one of the most effective measures to raising awareness for the topic at the local/regional level. For example, it is one of the key topics on the popular Twitter account of DG GROW's Unit F.2 on Social Economy “EU4SocEnt@SocEntEU”. It is one of the few SBI initiatives to effectively reach the level of local and regional authorities, so becoming visible for local and regional stakeholders. The interviewed stakeholders appreciate this support to raising awareness for the topic at the local/regional level. However, benefit could be increased with additional resources granted to the participating regions, in order to also enable the participation of authorities with less own resources available. Overall, efficiency is deemed as medium-high.

### 3.3 Conclusion

With regard to the overall methodology, it has to be considered that within the framework of this cost-benefit analysis the research could only cover a general level of benefits and effects.

From interviews and literature review, one can see that uptake of the initiatives and, therefore, also positive effects, vary significantly across regions and countries. For example, the Mapping Study and the OECD country reviews had an important impact in many CEE countries, where they consolidated the availability of information on SE and increased the understanding and awareness significantly, leading to other types of support policies and measures. The same initiatives brought relatively less benefits for more advanced countries, as the level of knowledge, visibility and understanding was already higher (even if also not complete). On the other hand, some programmes under EuSEF, EaSI and EFSI had a higher impact in countries with a more mature system of social economy and social finance. Data about quantitative benefits and reach only provide limited insights as many of the actions launched were set-up as strategic, market-building initiatives. It is thus important to also take into account the qualitative and long-term contribution and the transformative effect of the interventions. This is especially true for the EuSEF Regulation and the EFSI instruments, where short-term benefit cannot be the only dimension to be considered in the overall cost-benefit relationship.

## 4 Relevance

The evaluation of relevance has analysed if the SBI objectives and the follow-up actions were relevant within the context of actual needs of SE and their environment. In addition, it was examined if the SBI and the follow-up initiatives were relevant to the EU citizens in general. These questions are closely interrelated. They are connected to the overall awareness of stakeholders and the EU citizens regarding the SBI and its follow-up actions. Moreover, they depend on the evolution of needs of social enterprises / social economy stakeholders over the last ten years which have been also investigated.

In this context, it has to be reminded that the SBI action plan launched in 2011 was structured along the following objectives (1) **Improving access to funding** (e.g. facilitating access to private funding, mobilisation of EU funds, reinforcing SE managerial capacities); (2) **Increasing the visibility of SE** (e.g. developing tools to gain a better understanding of the sector, capacity building within national and regional public authorities (PAs), promoting professionalism and networking); and (3) **Improving the legal environment** (e.g. developing appropriate European legal forms and regulations on public procurement and State aid). In recent years, after 2016, relevant SBI actions were carried out in order to promote (4) digitisation and new technology-based business models in the social economy and to work (5) on the international cooperation with other countries and at global level on social economy related topics. As explained earlier, numerous follow-up actions to the SBI were implemented at EU, national and regional level.

Overall, both the desk research and interviews confirm the appropriateness of the original SBI objectives – back in 2011 and today. Stakeholders believe that the general SBI objectives have not lost their relevance and needs still persist, even if with different intensities, depending on the degree of development of SE and the maturity of the ecosystems wherein SE operate in each country. Additional needs that have not changed include access to market and availability of finance. Nevertheless, the analysis has shed light on one element that has led to a poor implementation of the SBI, as the objectives – once implemented in practice – were partially disconnected from national/local contexts.

According to the research, actions launched on the basis of the SBI are still relevant. There is still a perceived need for actions in the field of visibility and recognition, including proper legal frameworks, as well as the need for a better understanding in public authorities and among the general public. At the same time, the analysis highlights a progressive evolution of needs from general/basic to more specific ones, mainly due to the stronger awareness of most stakeholders of the bottlenecks that should be dealt with to unlock the potential of SE. This includes, for instance, the more pressing need to upgrade the skills of SE in order to equip them to adequately face the new business challenges. There is, moreover, an urgent need for capacity building and knowledge sharing also among policy makers, civil servants and bank officials, who still struggle to understand the main features, roles, and potential of SE. Related to this issue, there is a stronger need for more tailored measures and instruments such as specific funding products/financial services, as well as public contracting that is better suited to the peculiar needs of SE (especially small ones) and of the territories wherein SE operate, especially less-populated and remote areas.

Against this background, there is a growing awareness that the expertise of locally based SE ought to be better used to design innovative solutions in partnership with public authorities. Additional areas that are perceived as persistent include the need for better preparation of digitisation, the need to support adequate scaling strategies, the need to ensure better cooperation between SE and conventional enterprises, the need to link the EU policy on social economy to other overarching strategies and policy objectives, and the need to strengthen social economy networks.

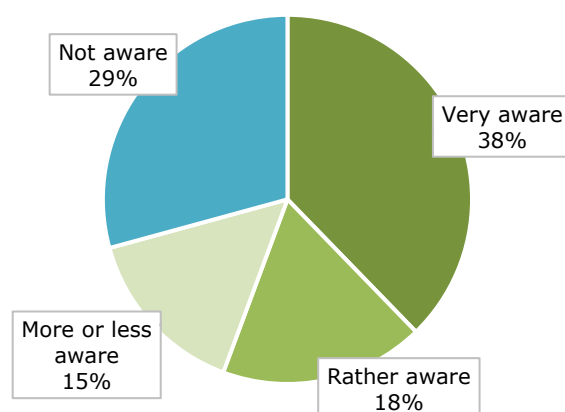
## 4.1 Awareness of the SBI among stakeholders

Awareness of the SBI is extremely important for assessing its relevance. Indeed, people that are not aware of the SBI declare not to be able to evaluate the appropriateness of the SBI objectives. Conversely, interviewees that are aware of the SBI have provided critical insights on the original objectives, current needs that have yet to be tackled and forthcoming challenges.

Out of 318 interviewees, 54% acknowledged to be aware on the SBI and its follow-up actions; 38% of them acknowledge to know the initiative very well. Conversely, 15% of interviewees are more or less aware on the initiative. Almost one third of the interviewees (29%) report that they are not aware on the SBI and its details. This is a high figure, taking into account that the interviews were with practitioners, experts, policy makers and stakeholders related to the SE / social economy world.

According to the responses provided, the SBI and its follow-up actions are not known to the same extent by all types of interviewees. As it can be expected, EU-level interviewees (academics and experts, representatives/staff of EU institutions, and representatives of EU-level stakeholder organisations) are more knowledgeable on the SBI (83% of them report to be very or rather aware of the SBI). When it comes to the country level, the knowledge of the SBI is rather low, especially amongst regional and local authorities (more than 40% reported not to be knowledgeable on the SBI).

**Figure 4.1 Awareness on the SBI and follow-up actions among stakeholders**



Source: Own elaboration based on interview findings (n=318)

In spite of divergent responses observed in most countries, interviews show that the SBI is better known in MS that have a mature ecosystem for SE; for example, in Italy, several interviewees declared to be well informed both about the positive changes induced by the SBI and the challenges that have yet to be addressed, including the broadly shared need to reach small organisations that are mostly unaware of the opportunities offered by EU funds (#625; #626). On the contrary, interviewees in MS where the ecosystem for SE is developing are in principle less aware on the SBI. Not surprisingly, the same can be said about non-EU countries, where more than 45% of respondents report to have no information on the SBI. Nevertheless, respondents from MS with developing ecosystems, such as e.g. Lithuania, Poland and Slovenia are in principle more knowledgeable when compared to respondents from some MS with a medium degree of development of the ecosystem, e.g. Luxembourg, Netherlands, Portugal. In particular, all Slovenian interviewees report to be well informed about the SBI. This may be ascribed to the numerous promotion activities that have been carried out in many CEE countries contextually to the adoption of new legal frameworks and/or policy strategies designed to support the development of SE. Nevertheless, in some cases, interviewees reported a need

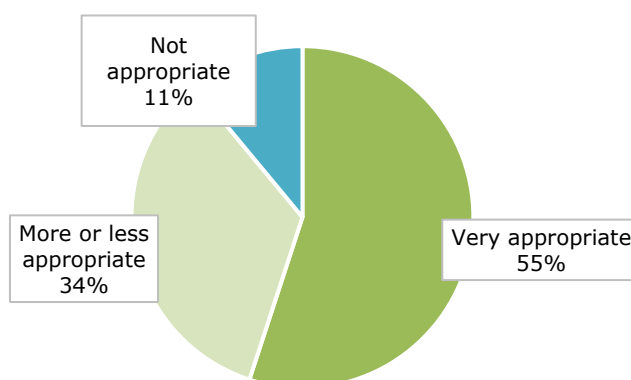
for better communication related to the SBI, e.g. *"There should be more communication about the SBI and its follow-up actions. The SBI is not well known"* (#632, Lithuanian national authority); *"Many EU initiatives are unknown for the people working in the field: miscommunication in the link EU-national practitioners"* (#520, Belgian stakeholder); *"More emphasis in making the SBI well known and correctly understood in CEE MSs is needed"* (#699, Romanian regional/local authority).

## 4.2 Appropriateness of original SBI objectives according to stakeholders

The interviews addressed the question "To what extent were the original SBI objectives (measures, tools) appropriate and in line with needs of social enterprises and social economy organisations? Were there needs not tackled by the SBI?". It is worth to mention that 53% of the interviewees did not provide a relevant answer to this specific question, possibly because they consider their knowledge of the SBI too limited to make a judgement (see paragraph above on awareness). This might be linked to the fact that the SBI was launched back in 2011, and people may have meanwhile forgotten detailed information about it. Similarly, many interviewees may have found it difficult to recall the needs that were perceived as such ten years ago and focused their answer on the current needs.

Of the interviewees who provided a relevant answer to this question, a majority (55%) perceive the original SBI objectives as very appropriate and in line with the needs of SE at that time. This relatively large consensus is not surprising given the broad reach of the SBI objectives.

**Figure 4.2 Assessment of the appropriateness of the SBI objectives**



Source: Own elaboration based on interview findings (n=154)

34% found the objectives more or less appropriate and made some comments such as *"the objectives were too broad and generic"* (#525, #731, #744); *"the objectives were adequate, but the initiative has been poorly implemented/operationalised"* (#115, #306, #622, #625); *"the objectives – once implemented in practice – were partially disconnected from national/local contexts"* (#603; #607; #672, #753). To this end, some interviewees referred to the need to design comprehensive support strategies at national level (with appropriate dedicated funding) aimed at addressing the three objectives set out by the SBI in an integrated way (#765). According to other informants, the SBI objectives were appropriate, but they observe that related actions (and results) should have been better communicated so as to reach a wider segment of stakeholders across MSs (#537, #646, #668, #692, #699, #741).

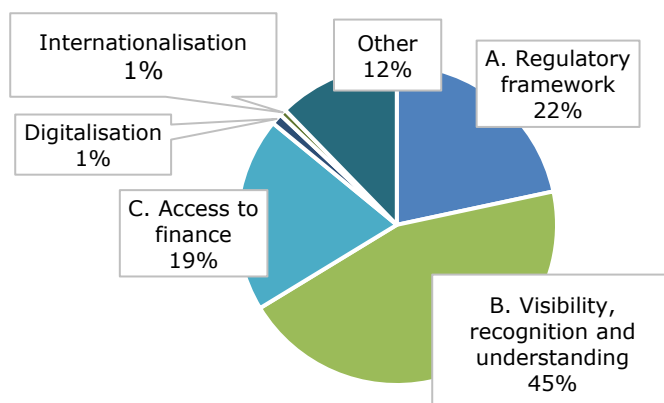
Interviewees that found the SBI objectives not appropriate (11%) represent a diverse group of stakeholders. Hence, the reasons for assessing the original objectives as not appropriate are diverse, too. Some interviewees observed a large difference between the

EU framework and the reality of social enterprise ecosystem at national levels (#105; #546) and claim a lack of involvement of national authorities and stakeholders in the design of the initiative (#590, #672).

In general, the more familiar with the SBI respondents are, the more critical they tend to be. Most interviewees that are not fully familiar with the SBI did not provide any critical insights, with some exceptions. Differences per SBI objective or per types of interviewee are negligible.

Finally, the interviewees were asked which objectives/action field the EU support should have in the next years.

**Figure 4.3 Relevance of SBI objectives in the next years**



Source: Own elaboration based on interview findings (n=297)

The graph illustrates that in general, the main SBI fields of action are still seen as relevant to stakeholders. According to interviewees, a main role of the EU should be in the field of 'visibility, recognition and understanding', followed by support in the field of 'regulatory and institutional frameworks' and the 'access to finance'. The role of the EU with regard to digitisation and international cooperation does not seem to be evident for most stakeholders.

### 4.3 Relevance of SBI actions in the view of future needs of social enterprises and social economy organisations

With regard to the question if needs of SE and SEO have evolved since 2011 and how, the majority of interviewees acknowledge that the needs of SE are broadly the same as in 2011. Indeed, 31% of the interviewees observe no change in the needs of SE and 56% observe the same needs but evolved and with different accents.

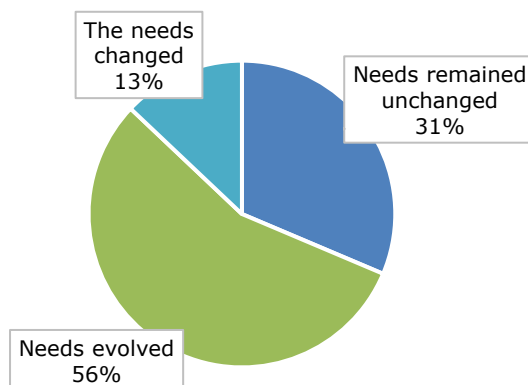
More precisely, most stakeholders (56%) believe that albeit needs have not changed in general, they have in several instances evolved since 2011, as they now reflect a more articulated environment. 13% of the interviewees think that needs have changed. However, it can be observed that in the responses sometimes "evolved" needs and "changed" needs refer to the same phenomena, i.e. a more articulated environment or more specific needs, according to the country/territory.

When compared to ten years ago, in some MSs needs have become more pressing (#105) and awareness of the same needs has grown (#306). At the beginning, SE needs were connected with their setting-up and their functioning (#534); over the years, needs have developed from more general/basic needs to more specific and visible ones (#311 and #506). While ten years ago, when interviewed, most stakeholders would simply claim that one of the key challenges faced was to access finance (European Commission 2015), now there is a growing awareness of the diverse types of financial resources that are needed (#509 and #511) to ensure the sustainability of SE in the different phases of their lifecycle.



Funding and finance need to be adapted more specifically to the reality in which SE trade (#617). Moreover, the need for finance is often associated by the interviewees to a lack in skills and knowledge on how to seize funding opportunities, which are often regarded as the key challenges (#573, #629, #665, #666, #667 and #688). Further development of the ecosystem has thus led for some SE to more tailored needs. Some stakeholders are now convinced of the importance of distinguishing the specificity of social enterprise more clearly, whereas they did not perceive this as a pressing need ten years ago (#102, #105, #755). This need also emerged from the desk research (e.g. OECD – European Union 2017, Enjolras et al 2018).

**Figure 4.4 Evolution of the SE needs since 2011**



Source: Own elaboration based on interview findings (n=255)

The needs expressed are diverse and seem to be diverging; while in countries with a well-developed ecosystem the needs are evolving more and new needs are more frequently expressed, in countries with less developed ecosystems the needs are still the same.

Regarding the needs that have not changed, there is still a perceived **need for visibility and recognition**, including proper **legal** (#505, #507, #520, #549, #568, #583) and **fiscal frameworks** (#575, #700, #751), as well as the need for a **better understanding** of SE amongst public authorities and the general public (#542, #580), which is also related to the need to include the topic into the education system (#744, #756).

Conversely, 13% of the interviewees observe new needs. A need that was not properly addressed by the SBI referred to **managerial skills and competences**. This relates among other factors to increased levels of maturity of the ecosystem, as well as a need to take stock of funding opportunities (mainly financial instruments). Other frequent needs that are emerging include better knowledge or possibilities to use **digital solutions**; **cooperation with public authorities**, including better opportunities for public procurement, and support to **scale-up**.

#### 4.3.1 Need to improve managerial skills/competences

As highlighted by the interviews to stakeholders, there is an urgent need for capacity building and knowledge sharing not only among social entrepreneurs, but also for policy makers and civil servants as well as for bank officials and in financial intermediaries.

- **Need to build on the competences/skills of social entrepreneurs**

Due to their specific business models, SE often struggle to be viable and lack the needed business skills (#573). Many organisations lack the capacity to seize funding opportunities (#109, #219, #624) and are not endowed with the skills required to position themselves compared to conventional enterprises. While in 2011 the main challenge was to safeguard the markets where SE operated, in 2020, the key challenge is to safeguard the same SE by staying in the market. Against this backdrop, there is a pressing need to upgrade the



skills of social enterprises in order to equip them to adequately face the new business challenges (#624). As highlighted by the European Commission-GECEs (2016), the EC and MSs should provide increased resources to training programmes, incubators and intermediaries that provide tailored capacity building support to SE required to build their managerial skills and to encourage their financial sustainability.

Training needs must be tailored to the specific necessities of SE (#617) and their peculiar comparative advantages (e.g. local anchorage) in addressing particular needs, which ought to be safeguarded. This implies that skills like the ability to deal with vulnerable people ought to be regarded as crucial for managing a SE (#307). A number of interviewees also refer to the need to provide organisational support, technical assistance and advisory services (i.e. business, legal and fiscal services) tailored to the needs of social entrepreneurs (e.g. #723, #726, #728), also to make them capable to exploit available opportunities offered by different EU programmes, funding schemes and financial instruments. However, according to some respondents, neither public agencies nor private business consultancy firms are prepared to provide specific advice to SEO and SE. *"There is a need to establish a network of professionals/business consultancy agencies that are prepared to work with SEO. There is a lack of consultants who are specialized on collective enterprises and the few existing ones do not operate in a network"* (#751).

- **Need for appropriate capacities of policy makers and public servants**

The lack of knowledge and skills are particularly problematic on the public side (#581). Public authorities need adequate training with special attention to public procurement (#521, #624, #625, #661, #750). For example, *"PAs need adequate training at both managerial and operative levels. To fully and adequately implement the EU Directive on public procurement, public administrators must be equipped with the needed skills that are currently lacking altogether"* (#624); *"[...] If the inclusion of SE in public procurement were to be made compulsory, the bidders would have to get familiar with a lot of pieces of legislation. So, there is no receptivity to this issue from decision-makers"* (#611).

Not only technical skills are relevant, motivation is also crucial for progress. Key is (i) the political will of politicians/policy makers; (ii) their ability to engage the public administration and (iii) their ability to establish a dialogue with stakeholders on the ground who share the same objectives (#626, #750, #751, #758).

Policy makers need more pilot projects with practical examples to make them realise that socially responsible procurements are possible (#573). Where specific strategies/measures were implemented, better results have been achieved. Good examples are seen, for example, in Denmark, France and Spain. In Denmark there are guidelines at national level to encourage sustainable public procurement and many municipalities developed their own strategies (#307). France has a strategy on participation of SE in public procurement (#307) and the profile of the "social clause facilitator" has been introduced, a consultant who is expected to help public administrations to design calls for tenders that allow for the participation of SE (European Commission 2020c-country report France). The local authority in Galicia *"is drafting a set of guidelines for public contracting by all regional PAs and that will serve as recommendations for the other PAs within the region (such as municipalities). They envisage the obligation of including social clauses in the tenders with guarantee for PAs that they operate according to the law."* (#580). A similar set of guidelines and related monitoring commission is under development also in the Emilia Romagna region in Italy (#626).

- **Need to build up capacities in financial intermediaries**

The EC has contributed to strengthening the capacities of financial intermediaries such as e.g., Banca Etica and Lita.co in Italy, la Nef in France, Oneplanetcrowd in The Netherlands, and Social FinTech in Spain. Thanks to the provision of guarantees, and/or related technical assistance, some of these organisations have grown significantly. Nevertheless, when the aim of EU support measures has been to catalyse private funding, private funds

have often opted for mainstream programmes rather than SBI-related ones due to their complexity (#217). According to one respondent, increase in access to private funding has had important unintended consequences: it has generated a huge mission-drift with a lot of impact washing that benefited organisations that are not SE (#115).

According to a number of interviewees, the capacity of financial intermediaries to work with SE is still low (#219). This perception has been highlighted in particular by interviewees from Romania, Slovenia and Spain. A respondent from Belgium reports *"SE remain a black sheep and not all financial intermediaries understand the sector. Many EU initiatives are unknown for the people working in the field [...]. Still need for financial and legal support and exchange of knowledge and experience, increasing also need for ideas how to communicate with financial sector for support and also specific skills and competences. The latter refers to developing skills so that differences between conventional enterprises and SE are understood"* (#520). This perception is shared by some interviewees within EU institutions, e.g., *"Banks need to be educated about SE. When EIF gets a mandate to invest into SE, then there is a need to raise awareness/educate the financial intermediary on what is social and what is not"* (#202).

While acknowledging some progress, in particular regarding availability of funds, some respondents, for example, from Ireland, Slovakia and the UK consider that financial intermediaries' understanding of SE should be improved so as to offer services able to meet their specific financial needs (#615, #687, #753, #754). Conversely, in MSs such as in France, Italy, and the Netherlands some respondents consider that traditional financial intermediaries are already well equipped to offer specific financial services to SE (#115, #525, #599, #652, #746).

### **4.3.2 Need to prepare for digitisation and reap its benefits**

The need for better prepare for and use the benefits of digitisation is mentioned as particularly relevant by a number of interviewees. They believe digital technologies have contributed to creating awareness; spreading the concept and increasing the visibility of SE (especially amongst youngsters); improving access to open source available studies, data and more general information (#214, #537, #555, #585, #688, #692, #706, #747, #749, #768). Digital technologies have moreover favoured networking, cooperation and experience sharing/mutual learning in particular at the international level (#305, #646; #537, #673, #709). Some interviewees recognise the (real or potential) contribution of technologies for scaling-up (#721) and their capacity to improve SE' access to private markets (#501, #747) and funding, i.e. crowdfunding and investment platforms (#536, #693, #749). Moreover, the digitisation of procedures can contribute to reducing bureaucracy and administrative burdens for SEO and improving their relationship with public authorities (#580).

However, as new needs are emerging, digitisation has turned into a sensitive topic for many SE. On the one hand, some respondents shed light on the contribution of digitisation to inclusion, as it could create better conditions for access to the labour market for employees with special needs (#701). On the other hand, a number of interviewees acknowledge the negative impact of digitalisation on the "human dimension" of their activities as well as on job creation, as they perceive digitisation as a threat for people who do not have access to it (in particular disadvantaged workers) (#315, #594, #598, #537, #690). E.g. *"The use of technology has become an obligation [...]. On the one hand digitalisation is an opportunity, but on the other hand it is a challenge that can have a negative impact because it implies the replacement of disadvantaged workers with technology. Disadvantaged workers, who usually perform activities that can be easily replaced by technology, are losing their jobs due to digitalisation"* (#315).

The problem of access to technologies is related in particular to the lack of skills (#201, #594, #611, #690, #726). E.g., *"Digitalisation does not in itself constitute a pool of employment for fragile people. Digital activity is mainly a highly skilled job"* (#594), *"Technology [...] is only available for those who can gain access and have technological*

*literacy [...], it can easily turn to be excluding"* (#690). Other reasons mentioned by interviewees are the lack of time and/or financial resources, in particular within small organisations (#609, #611, #616, #723, #755) and the lack of adequate infrastructures and framework conditions. *"[...] many conditions for potential digitalisation are still missing. Sometimes SE are far behind due to territorial disparities"* (#608).

Some respondents believe digitisation offers the same opportunities and challenges to both SEO/SE and conventional enterprises (#513, #531, #547, #594, #598, #750). Differences are mostly related to the enterprise size. In this respect, digitisation is considered to be more challenging for smaller SMEs when compared to bigger enterprises (#723). However, other interviewees consider that SEO/SE have remained aside of this trend (#115, #304, #305, #315, #638, #726, #754). There are various factors behind it. Some interviewees highlight the huge gap between the objectives to digitise and what is perceived as a real need by the SE themselves and recipients that should benefit from digitalisation. In essence, some interviewees observe that digitalisation processes have failed to adapt to the reality of the social economy (#303, #670). Thus, while contributing to solving some needs on the one hand, digitisation seems to have created new needs on the other hand (#101, #306, #315). However, other respondents consider that this is also due to the mind-set of SEO, meaning that they do not perceive digitisation as a relevant need and are not able to recognise its potential benefits (#538, #572, #609, #677, #755). *E.g., "We often see digitalisation as a threat, but we should start considering its positive aspects. I think representative bodies should do an effort to fill the digital gap and understand to what extent technology can contribute to addressing people's needs in all the domains"* (#755). Challenges to the uptake of digital solutions in SE are also connected to the limited availability of resources for and specific knowledge on this in such organisations. In light of this, public funding should be addressed specifically to support technological innovation in SE, which is a specific area that is not yet in focus (#565, #612).

Insights provided by the informants consulted in the framework of this study are in line with the findings of the study on "New Technologies and Digitisation: Opportunities and Challenges for the Social Economy and Social Enterprises" (EASME 2020). According to this study, on-going digital transformation presents enormous opportunities and challenges for SE/SEO. It provides an array of tools allowing them to operate more productively and sustainably, perform new tasks, and engage digitally with stakeholders, users and beneficiaries. Barriers to the uptake of new technologies in SE/SEO include among others budget constraints, digital skills shortages, cultural prejudices and technological gaps.

#### **4.3.3 Need for effective cooperation with public authorities**

Many interviewees refer to the new EU Rules on Public Procurement (2014/24/EU) as a great opportunity for SE to increase access to market especially thanks to social clauses and reserved contracts (#501, #547, #597, #693, #703). Nevertheless, many respondents believe that this opportunity has not been fully seized by local administrators; they highlight the need to overcome a set of obstacles such as the lack of political will and/or skills within PAs (#520, #528, #543, #592, #595, #617, #624, #653, see also above on the need to improve skills within PAs). Representatively, the Czech Ministry of Labour and Social Affairs identifies the following main barriers: *"reluctance to changes and persisting focus on the lowest price; highly unpredictable and complex financial audits, especially those related to EU funding; low level of understanding of responsible public procurement; unclear distribution of responsibilities, low motivation; insufficient methodological guidance; and lack of access to resources and information"* (European Commission 2020c, country report Czech Republic, p. 66). Countries whose informants report that the EU Rules have been transposed formally, but not implemented altogether or have been implemented at a very limited extent, include Croatia, Estonia, Hungary, Latvia, Slovakia and Romania.

As regards non-EU countries, no improvements in relation to public procurement regulations are reported in Albania, Montenegro and Turkey; although Turkish interviewees are particularly aware of the potential opportunities related to appropriate regulation of public procurement and consider this a key issue that ought to be addressed by national institutions (#689, #690, #692). Conversely, in North Macedonia and Serbia national laws on public procurement have been recently enacted which refer to “social procurement” (#644, #645, #697) and introduce favourable conditions for WISE (#665, #667).

Opinions about the impact of the EU Rules in MSs differ significantly. Some respondents believe that the EU Rules have introduced favourable regulations for SE, whereas problems have occurred in the implementation phase at national level. A number of interviewees are very critical on the way EU regulations have been interpreted by certain national laws and highlight the need to establish relations between SE and PAs on the basis of a different approach. Indeed, they believe that the recourse to tenders has not contributed to progress for SE (#101, #204, #515, #659, #662, #663, #709). E.g., *“Local PAs often prefer to give priority to the rules of competition to the detriment of a local culture of cooperation (the power of the imaginary of competitive efficiency). The SBI has changed nothing in this respect. The competitive paradigm shall be replaced with a cooperative paradigm”* (#592).

Conversely, other interviewees are convinced that inadequate transposition of the EU regulation into national law is the reason for the lack of favourable regulations at the national level. More support from EU on this is expected. *“Public procurement could make greater use of different quality criteria. However, it seems as if Finland is afraid of introducing them, due to the belief that EU would not consider it a good practice. At EU-level, the legal framework could be clarified so that Finland would be aware of the possibility to use quality and social criteria in public procurement”* (#583); *“There is a need to move away from the prioritisation of the protection of competition rules over other criteria. [...] However, there is still much to be done in this field. [...] This is an issue that does not concern and cannot be managed by each of the MSs individually, but that must be supported by the EU”* (#621).

All in all, there is a perceived need that public procurement should fully recognise the distinctive features of social enterprises (especially the asset lock and the social aim/public interest) and the role of local provision and community empowerment, thus helping to regenerate and rebirth economic activity in local communities (#693). In this respect, a consistent mechanism is the co-programming and co-planning of welfare interventions by public and non-profit instead of the competitive mechanism largely adopted in regulating the relationship between public authorities and providers of private goods and services. Since social enterprises would contribute under this framework with their own resources, the quantity and quality of services is expected to improve. This mechanism is growing in relevance for instance in Italy, where Art. 55 of Leg. Decree 117/2017 (so-called “Code of the Third Sector”) has regulated the possibility of co-programming, co-planning and co-management of local public services by PAs together with SE and third sector organisations. The legitimacy of the article has been recently recognised by the Constitutional Court with its judgment n. 131/2020. Several respondents have shed light on the potential of this alternative form of public-private interaction, which has yet to be fully exploited. However, according to some interviewees, there seems to be a sort of reluctance of national governments and the EU Commission (i.e. DG Competition) to favour relations between SE and public authorities that are based on co-planning and co-production even when these forms are legal in the MSs (#304, #308).

Additional debated issues related to public procurement are highlighted by the Mapping Study (European Commission 2020c). Based on its findings, competitive tenders can push SE into adopting more standardised practices typical of either public welfare providers or conventional enterprises, making them abandon the propensity to innovate. Moreover, competitive tenders tend to push for the concentration of SE to supply their services in

favour of the group of users targeted by the public policies, at the same time weakening their attention and advocacy role in favour of detecting and addressing unmet needs, with detrimental effects for the most vulnerable beneficiaries (European Commission 2020c, p.83).

As concerns the use of social considerations in public procurement procedures, some national interviewees mentioned the project "Buying for Social Impact (BSI)" commissioned by EASME and DG GROW (#590, #616, #617, #705), as particularly useful. While a number of good practices have been identified in Belgium, France, Italy and Spain, no good practices have been identified in some other MSs targeted by this study. One of the main findings of this study is that to be effective, regulations on public procurement must be accompanied by initiatives aimed at building the capacities of public authorities and economic operators, including SE/SEO (European Commission, 2019b).

#### **4.3.4 Need for specific support for scaling-up**

Scaling-up is now perceived as a new need of SE. However, the need to scale-up is questioned by various respondents (#101, #308, #210, #752, European Commission 2020c, country report UK). Indeed, while SE are pushed to grow, it is not obvious whether SE want to scale-up in size altogether (#211, #593). One respondent commented *"when it comes to supporting SE, Europe must not forget the needs of "normal" social economy enterprises, which are neither raising significant funds nor seeking a rapid change of scale. The EU must avoid falling into the trap of a start-up mode, based on economic models identical to those of the tech sector, because it is also necessary to encourage the development of locally anchored enterprises, producing employment and social utility, which cannot be relocated"* (#593).

The question is thus how SE are expected to scale without losing their social and local anchorage (#101, #514, #592, #621, #758). To respond to this question, it is important to analyse mature start-ups that have managed to scale (#114) on the one hand and clarify the meaning of scaling on the other hand. Based on both interviews and literature, scaling should be understood not as growth in size, but rather as a scale in impact and scope, which would rather imply replication and transfer of good practices (#101, #210, #592, EC-OECD 2016) as well as professionalisation. While – according to some respondents – various EU projects directly implemented by the EC on start-up and scale-up have proved to be little effective given also the too short implementation timeframe (e.g. BENISI project on scaling-up had little impact) (#110; #221, #308), EU funding schemes about local initiatives (e.g. SI catalyst Fund and DG RTD and Slovenia competence centres) seem to be conversely well suited to facilitate scaling-up, interpreted in the sense of replication, not in terms of organisational growth (#207, #208). Other good practices in this domain mentioned by interviewees include the Territorial Poles of Economic Cooperation in France (#211, #596) and the initiatives to promote internationalisation of social enterprises implemented by the Scottish government in the UK (#108) and the regional development agency of Catalonia in Spain (#310).

It is worth to notice that a number of respondents consider that more efforts should be devoted to supporting the consolidation and scaling-up of existing SE instead of focussing on the starting-up of new initiatives (#101, #114; #302, #565).

Factors that are perceived as obstacles for the scaling-up of SE are the complexity and the heterogeneity of the sector (#115; #688); the lack of maturity of SE and/or their ecosystem, which is still at an early-stage in some countries (#692); the lack of support measures for scaling-up specifically addressed to SE, which conversely are focused on conventional enterprises (#528); the existence of barriers to internationalisation (#302) and difficulties in accessing to funding/lack of specific financial instruments for scaling-up (#511, #565, #587, #602, #692, #760). The lack of a solid business-oriented mind-set amongst social entrepreneurs is also referred to as an obstacle for scaling-up by some respondents (#541, #717, #724, #744).



#### 4.3.5 Need to ensure better cooperation between social enterprises and conventional enterprises

Both EU-level and national respondents have expressed a need to ensure better **cooperation between social enterprises and conventional companies, which could contribute** to triggering a change in society. *"Strategic partnerships constitute a win-win-win for a range of diverse stakeholders, such as SE, public agencies and private sector entities. [...] Partnerships between social enterprises and private companies are an interesting and yet to be explored avenue"* (OECD/ European Union 2017:26).

The increased interest in SE by the EC has been intertwined with an unexpected debate on rethinking capitalism, including CSR, which has induced a new awareness of societal challenges by for-profit corporations (#115). One respondent identified this trend at the global level, *"The traditional private sector is starting to take care of social aspects in some areas, it started to have some moving towards a more 'social economy way of thinking' and this is positive. This change in the way of thinking is a huge opportunity to be exploited also from the governments that do understand that the sector is important, but do not know what to do and how an enabling ecosystem should be put in place"* (#117). While leading many SE to reaffirm the need to safeguard their specificities, this new mind-set has in some instances played a role in improving relations between social and conventional enterprises (#211 and #307).

Conventional enterprises are more and more interested in learning from SE in given territories (#515, #659) and have, according to one respondent, a lot to learn from SEO altogether (and not the other way around) (#658). According to another respondent, collaboration and mutual learning between SEO and traditional companies would be an opportunity for SEO to improve their business culture and financial capacity and develop a long-term perspective and strategies to scale-up (#744).

While partnerships have grown due to the need of for-profit enterprises to present projects that reveal CSR behaviours (#105, #659) or activities that are referred to as "social washing" (#597), CSR has also turned into an opportunity for SE and especially for WISE to access new markets (#307 and #315). Some respondents referred to good practices of collaboration between SE and conventional companies in their countries (e.g. France, Hungary, Malta, Norway, Sweden, UK). In particular, one respondent commented: *"In Slovenia we are currently stressing the importance of the social responsibility of enterprises, and this could become an element for an appropriate promotion of SE. At the same time, we are trying to better integrate the activities of SE in the business of standard enterprises, thus favouring collaborations at a business level. In such way, we are trying to secure that SE play a role in the value chain. As a suggestion, these could be two key points that the EU could pursue with the aim to better support SE and the social economy in the next years"* (#674). Nevertheless, the potential of these types of partnerships is still far from being fully exploited (#211, #302, #308, #507, #565, #612, #661). One reason behind the weak tendency to cooperate between social and mainstream enterprises is that they tend to perceive each other as a potential source of "unfair competition" (#623, #633).

To fully valorise collaborations, one respondent suggested that the logic of the 'ecosystem' as a dynamic trend is applied (#308). In this respect a good practice for other countries is provided by the French "Loi Pacte", which has been meant to bring commercial enterprises closer to SE also thanks to awareness-raising (#203). According to another respondent, *"One could imagine an EU statute that would facilitate the creation of social joint ventures (SJV) between industrial or service groups and SSE enterprises"* (#591).

According to some respondents, collaborations between for-profit and social enterprises, which have been generally overlooked, ought to be promoted (#221, #308, and #312). Against this background, in its Conclusions of December 2015, the Council of the European Union invited the EC and the MSs to *"support fair and normal business co-operation between social economy enterprises and more traditional, profit-oriented firms"* in various

ways, for instance through specific support to develop constructive and sustainable private procurement relationships.

Some respondents (#307, #612) acknowledged however the relevance of a specific SBI follow-up measure, namely the EASME study on cooperation between social economy enterprises and traditional enterprises (Technopolis 2018). This study analysed some patterns of cooperation, identified as good practices in the EU MSs and elaborated recommendations to help EU policy makers to devise more effective supporting measures to unleash the full potential of this kind of cooperation. According to the study, cooperation between social economy enterprises and traditional enterprises will increase in importance and have a greater positive impact as societies change.

### **4.3.6 Need to link the EU policy on social economy to other overarching strategies and policy objectives**

Some respondents shed light on the need to better link the EU policy on social economy to other overarching strategies and policy objectives, e.g. EU Green Deal, Covid-19 response, SDGs.

Several respondents are negatively surprised that the European Green Deal failed to acknowledge SE and SEO altogether; they hence call for stronger coherence among EU policies (#104, #105, #304, #502, #591, #592). There seems to be a convergence between social, environmental and climate impact that needs to be recognised and integrated actively as response to the increasing number of SE focussing on climate and circular aspects. Further attention needs to be given to social economy in the context of the Covid-19 pandemic, e.g., organisations that have lately redefined their priorities to address a number of health and social needs. During the recent pandemic, SE and SEO have re-confirmed their resilience and have managed to readjust and/or have designed new services so as to encounter new needs connected to the health emergency that have arisen in many territories (#750, #755, #756).

A common thread among a number of interviews is the need for SE to better embrace the SDGs agenda and to make their contribution to such goals more visible (#117, #313, #712, #723, #763, #767). Indeed, while SE have been working particularly hard on some of these goals (e.g. SDG 8 on decent work), and their activities are very much aligned with the SDGs more in general, they are often not as good as conventional enterprises in showcasing their contribution (#723). This need seems especially relevant considering the momentum around the SDGs at present (#763, #767). Besides, the understanding of the general public of what SE are and do has significantly increased when SE have emphasised the link of their activities to the achievement of the SDGs, some interviewees affirmed (#501, #646, #670). Others identified the public interest in the SDGs as one of the driving factors behind the development of SE more recently (#663, #767). Finally, the fact that the SDGs can be effectively used as a base for measuring and reporting the positive impact that SE have on society at large was pointed out by some interviewees (#591, #597, #758).

Some SDG challenges could be more effectively tackled by connecting the European Green Deal with the forthcoming Action Plan on the Social Economy. Indeed, transition towards a greener, locally based, inclusive economy that is based on a sustainable land use and food systems, could be more easily accomplished by properly exploiting the beneficial contribution of the social economy. At the same time, by embracing some of the European Green Deal challenges, the social economy could better contribute to improving the wellbeing of current and future generations.

### **4.3.7 Need to strengthen the local dimension and take into account territorial specificities**

Two elements have emerged from the transversal reading of interviews.

First, local authorities are a strong partner (#214, e.g. European Commission 2020c country reports on Denmark and Netherlands): municipalities are often those who react to an observed need in society (#102, #526). Nevertheless, representatives of the EU institutions recognise that local authorities have not been considered enough by the SBI owing to the difficulty to reach to the local level. Hence, they believe there is a need for more work with regions and local authorities, and also between regions and cities (#206, #208, #211, #214, #218; #220). Many interviewees support this argument and report that the EU is extremely distant to the local level and its way of thinking clashed when it came to the field (#105, #304, #515, #571, #572). So far untackled specific needs of SEO in rural and peripheral regions have been highlighted by interviewees (#515, #708, and #717). Their needs and framework conditions are not comparable to metropolitan or capital regions. In less populated or remote areas, people tend to be less educated (#717), have lower incomes (#708) and face particular problems (e.g. poor infrastructures that prevent access to IT solutions (#608).

Interviews confirm that the needs of smaller regions have not been sufficiently considered in EU initiatives. Most EU actions are rather abstract, too general and too large for smaller regions. Indeed, with the exception of ESER 2019, which was easy to apply, the EU actions imply high entry costs (applications, bureaucracy) to participate. Easier-to-apply actions are needed (e.g. OECD-EC BEP tool) (#502).

Second, the interviews corroborate that the activity of SE is highly affected by the relationships with local public authorities. In this respect the logic of public procurement is described as not successful to promote access to local markets (#105, #204, #525, #592, #621). In this respect, regulations that have been designed for and work well in urban contexts may prove to be ineffective in rural and mountain areas and in some instances may even discriminate against certain population groups. For instance, a local authority reports *"While I understand the rationale behind bid-rotations, we should be aware that they may create a lot of problems and generate high costs in small municipalities where there are no locally-based welfare providers to compete with [...]. When small bids are concerned, bid-rotations do not make any sense... Rather, public procurement should be seen as a way whereby to improve the wellbeing of the local populations, especially fragile ones"* (#515). Therefore, there is a growing awareness that the expertise of locally based SE ought to be better used to design innovative solutions in partnership with public authorities (European Commission 2020c). Some MSs have recently regulated co-programming and co-planning of welfare interventions by public providers and social enterprises. In this respect Scotland is a real success story in terms of coproducing policy, possibly because relationships between government and representatives are very close there (#108). To be successful, co-production presupposes a proper collaborative vision of both PAs and SE. Not surprisingly, in Italy only organisations that have a clear strategic vision are able to develop outside public contracting and do not depend (mainly or solely) on the supply of services through competitive public procurement (#525).

#### **4.3.8 Need to strengthen social economy networks**

A positive correlation is noticeable between the presence of networks and the existence of support policies and strategies designed to further SE (European Commission 2020c), *"If you do not have strong representation, you do not have good strategies and implementation"* (#303). Interesting examples are provided by Italy, Spain, France, Croatia, Poland and the Czech Republic, where networks have played a key role in triggering the development of SE (European Commission 2020c country reports). According to many respondents, umbrella organisations and networks facilitate the visibility and contribute to increasing awareness and knowledge on SEO/SE. Moreover, the role of umbrella organisations and networks is particularly relevant for favouring mutual learning and sharing good practices not only at the national level (#615, #656, #664, #667, #700) but also across the EU (#511, #574, #588). In this sense, the EU networks have proved to be of key importance including the ESF learning networks set-up during



2007-2013 programming period. Also, respondents from non-EU countries such as Norway and Turkey express appreciation for the EU networks. *"In Turkey, the EaSI has given to the actors of the ecosystem access to EU networks working on SE and this has contributed a lot to mutual learning and know-how sharing and created potential for future collaborations"* (#690). Conversely, Iceland reports a lack of access to EU networks, beside the possibility of participation in COST Actions and some EU projects (#620). Interviewees also acknowledge the role played by umbrella organisations and networks in the promotion of research on the social economy and SE (#204). EU-level research networks are also mentioned as well as their role in stimulating the creation of research networks at the national level (#655).

Some countries have, however, witnessed a recent weakening of the role of SE/SEO networks. Interviews indicate that in many countries such as France and Italy where federations and umbrella organisations have played a well-recognised role in supporting the sector, representation bodies are now facing in some countries a legitimacy crisis (#101, #549, #306, #624, #525 and #538). More than a few stakeholders from France and Italy agree that networks which were originally set-up to build the identity of SE and SEO at a time when the sector was struggling to emerge, have weakened their capacity to ensure political and cultural representation (#101, #115, #525, #624). Representative organisations are now ineffective in strengthening the visibility, promoting and safeguarding the specificity of SE (#115, #525). Italy is in this respect a case in point: cooperative federations have lately failed to create a unified cooperative network that acts as a critical mass and speaks with one voice and this failure has been harming the same cooperatives and cooperative members (#624).

Depending on the country, tensions among diverse types of networks, representing different types of organisations, are also observed. In Spain, there is a perceived divide between more transformative organisations of the social and solidarity economy and traditional SEO (e.g. cooperatives) (#306, #579, #756). Conversely, in countries such as Portugal and France the divide is between the world of SEO – the associative world, the mutualist world and the cooperative world – and the world of young impact companies and start-ups, which do not intersect (#589, #663).

Despite the country specificities, the need for representative organisations/networks to readapt their role emerges. Some stakeholders highlight the need that networks equip themselves to strengthen the entrepreneurial skills of SE and connect them with the outside environment, which is rich of unexploited opportunities (#538, #624).

Ideally, a balance between opposed needs ought to be found: the need to speak with one voice and ensure a powerful representation – which is also in the policy makers' interest, who prefer to interact with a unique body that has the mandate to represent the sector (#723) – on the one hand, and the need to represent adequately all types of organisations composing the sector without leaving anyone outside (#306), on the other hand. Tension between these opposed needs normally grows in relevance in developed ecosystems, where the role of SE has been politically recognised and the diverse fields of activity and types of SE tend to trigger the upsurge of different types of umbrella bodies representing diverse interests. Conversely, in countries with embryonic ecosystems the need to gain visibility and represent an emerging sector that normally struggles to be acknowledged tends to predominate.

#### **4.3.9 Need for more specific and tailored financial instruments**

One of the differences across conventional enterprises and SE is that access to financial resources is much more complex for the latter (European Commission 2020c). SE rely on a mix of resources and show diverse needs in the different stages of their development (#219). Thus, access to finance takes on a different degree of relevance depending on the type of enterprise, the situation of the enterprise in its lifecycle, and the degree of development of the financial sector, in particular social finance.

According to some interviewees, access to finance and financing conditions have improved over the last ten years (#220, #436, #748). The social economy has benefited from this even more than SE due to new forms of lending which have gone roughly 70% to SEO and only 30% to SE (#312). Nevertheless, despite the significant amount of financial resources at the disposal of SEO/SE, a substantial number of respondents highlight the difficulties faced by small organisations to access available funds. Barriers include the inadequate capacities of SE to submit project proposals, poor access to available information and language barriers (#305, #502, #610, #690, #744).

To date, different instruments targeting the various needs faced by SE in the various stages of their development have been made available, but the transition is not always well covered (#219). Challenges to combine EFSI and ESIF supports remain. Assistance to SE can be extended in national and regional cohesion policy programmes. At the same time, some respondents note that there is a much larger amount of start-up grants when compared to resources aimed at scale-up and consolidation, which are rather scarce (#101, #312, #700). Another challenge relates to the volume of support needed by SE. They usually need relatively small funds demanding a tailored approach reflecting the peculiar needs faced by SE in different phases of their lifecycle. Indeed, compared to other products usually provided by EIF (e.g. large investments), SE would require tailored smaller funding schemes suited to their specificities (#219, European Commission-GECEs 2016).

When commenting on the degree of access to finance, some respondents criticised the emphasis put by the EC on finance and especially on social impact investment, which is not the leverage for the development of SE (#204 and #525). The main argument supported, at least in countries where the ecosystem is more mature, is that traditional financial intermediaries are now well equipped (and are competing with EU funds) to offer specific financial services to SE. There is a plentiful offer of finance and access to credit (to cover both operational costs and investments) is not a problem anymore (#525). However, it must be noted that EaSI funds for SE usually do not compete with national finance offer, as they are always channelled through (national and regional) financial intermediaries.

### **4.4 Relevance of social enterprises and SBI to EU citizens**

The analysis of relevance of social enterprises and the SBI to the general public and EU citizens was based on two methodological elements: first, interviews to stakeholders, national and regional policymakers and academics and experts were analysed regarding the general awareness on SBI. Secondly, the analysis of social media channels is used as a proxy to reflect the general awareness of specific terms and concepts in social networks of people.

Results of the first analysis have been presented under 4.1 above. Interestingly, 15% of interviewed stakeholders are only more or less aware on the initiative, while 29% report that they are not aware on the SBI and its details. It can therefore be assumed that the general public and EU citizens are practically not aware on the SBI as EU policy initiative or on any related impacts.

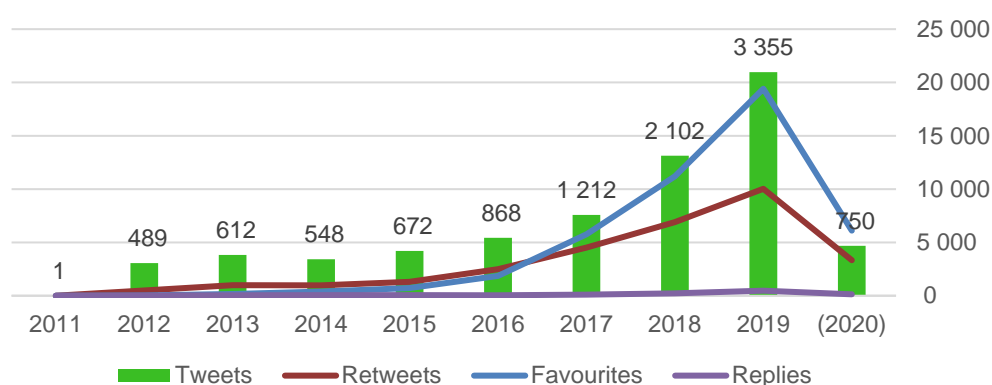
Interviews show that in many cases, rather follow-up actions such as EaSI, ESF support, Interreg projects, supported EU networks are more recognised by respondents than the term SBI or Social Business Initiative. The informed public knows about the EU's different commitments to SE but has little awareness on the fact that these happen under a coordinated effort. Rather than a "brand" or an "action plan", the SBI is perceived as a policy definition combining different elements, and mostly relevant internally to the EC.

The second part of the analysis focused on a research of social network channels. We searched pages and groups on LinkedIn, Facebook, and Twitter related to the SE world in all the EU languages. Some results of this specific analysis can be highlighted:

### Relevance of social enterprises and social economy in social media channels

- Despite the high number of EU citizens subscribing to Facebook, there is a limited number of pages and groups relating to the topic of social enterprise, and these pages have a relatively low number of interactions. The number of interactions has however been growing quickly in recent years.
- Eight Facebook pages were identified and analysed over time. The activity has gained momentum starting from 2013. Reactions from the public caught up starting in 2014, with 1,327 interactions, and saw substantial growth in 2015, reaching 7,076 interactions. In the following years, posts stabilised around an average of 2,700 per year, while interactions grew from 3,814 in 2016, to 8,099 in 2019. Growth in the first years of the decade may be explained by the dynamics of the social network, which greatly enlarged its user base in these years.
- The analysis on Twitter profiles shows that some pages on SE and social economy, started their activity already between 2012 and 2013. This was joined by other pages such as Social Economy Europe (2015), and Social Enterprise Scotland (2017). Overall, the activity of relevant pages started shortly after the SBI was launched, but only gained momentum in 2016. 2019 marked a record year both in number of posts (3,355) and total interactions (29,910), while 2020 is on track to achieving similar results.

**Figure 4.5 Tweets and interactions on six Twitter pages related to social enterprise in the EU**



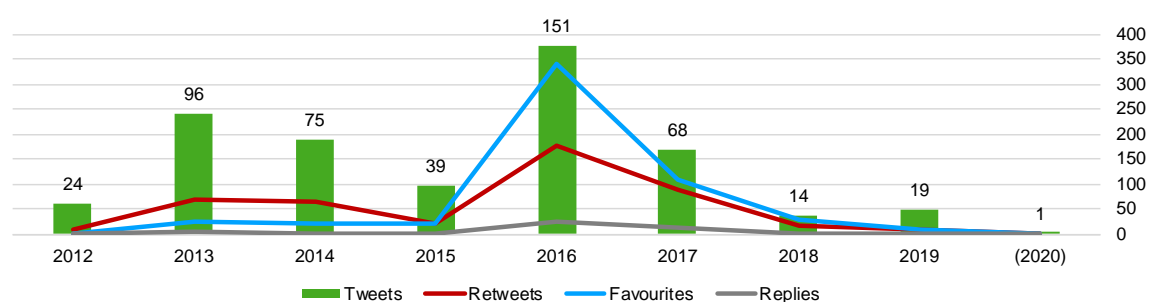
Source: own elaboration. 2020 refers to tweets up to April 2020

- Tweets mentioning social enterprises, social start-ups, the social economy, social entrepreneurship, and social innovation show a high growth in the period after the introduction of the SBI, from 2011 to 2014, later decreasing and stabilising above the 22,000 tweets mark (see also Figure 4.5). The trend for 2020 (until April) suggests that this will be achieved in this year as well. It is notable how, also in this case, engagement by the public has increased sharply, with retweets and favourites on a general growth path, especially after 2014. This is particularly notable as active Twitter users have remained roughly constant since 2015, reflecting an increase in the popularity of social enterprises.
- Analysis of tweets per language confirms territorial imbalances in the awareness of the social economy. As for languages, French and Italian take up most tweets (39% and 31% respectively), followed by Dutch (17%), German (5%), and Greek (3%). Swedish and Danish are around the 1% mark, followed by Slovene and Romanian.
- Digging down on the specific topics, “social innovation” was the most popular across the whole period, representing almost half of all tweets. The remaining is split equally between “social enterprise”, “social economy”, and “social entrepreneurship”.

### Relevance of SBI and follow-up actions in social media channels

- Analysing keywords related to the SBI as a whole, it emerges how the initiative was widely discussed on Twitter in the two years after it was launched, but it has received declining interest ever since, going down to very few posts and interactions in recent years.
- The topics discussed changed partially over time, among other linked to specific SBI follow-up actions. EuSEF appeared relatively often in tweets between 2013 and 2017, with a peak in 2016 (probably related to the 2016 review of the regulation) (see Figure 4.6). EaSI (micro-finance and social enterprise) appeared mostly in tweets between 2016 and 2019. ESER appeared in discussions since its launch in 2018 but reached less attention on social media than EuSEF or EaSI. The mentioning of GECES has been constant since 2011 but remains rather low.

**Figure 4.6 Tweets and interactions for the term “EuSEF”**



Source: own elaboration. 2020 refers to tweets up to April 2020

To sum up, social enterprises and the social economy are increasingly recognised and discussed on social media and thus reaching the public debate. These results seem to show an overall increase in the activity and popularity that social media discussions around SE have seen in the last few years. However, it is important to note that these developments also reflect a general increase in the use of social media, with many pages on the topic being established only in the last three to four years.

However, social media analysis also illustrates an increasing number of social media groups and interaction on the topics of social enterprises, social innovation and the social economy. For example, this applies to Twitter as active Twitter users have remained roughly constant since 2015, with an increase in the popularity of social enterprises. As such it reflects a tendency that can also be observed in the population, linked to greater awareness on impact economy or social welfare models.

Most social media messages, tweets, were in languages of countries with a rather advanced ecosystem for SE, namely French and Italian as well as Dutch (Flanders). This may suggest that the topic is mostly discussed among people that are already familiar with social enterprises and the social economy. The SBI may have thus contributed little to enhance public debate in countries with less advanced SE ecosystems.

Social media analysis suggests thus that the SBI is mostly discussed among insiders, e.g. persons familiar with specific follow-up actions and persons in countries with most advanced ecosystems for SE. The SBI and its follow-up activities may have in fact contributed to the public debate rather indirectly, while adding more to the debates between experts and practitioners.

## 5 Coherence

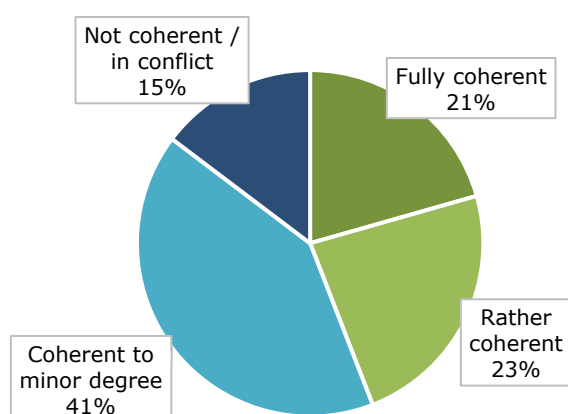
This chapter provides an assessment of the coherence between the SBI and other EU policies and priorities.

The assessment is based on two main elements. First, the analysis of the interviews with representatives of EU institutions, EU stakeholders and EU experts. Secondly, a documentary research was carried out focussing on high-level EU documents related to different policy areas a) released from 2011 to 2019 (referring to the years when SBI was on-going) and b) launched by the new EU Commission since 2019 (referring to the future).

### 5.1 Perception of coherence of SBI with EU policies and priorities

From the perspective of the experts and stakeholders at EU level, who have a general overview on the SBI and different EU policies and priorities, the SBI is largely coherent with other EU policies and priorities. 46% of stakeholders and experts perceive that the SBI is fully or rather coherent with other EU policies and priorities, while 41% see that coherence it at a minimum level (see Figure 5.1). 15% even see a total lack of coherence of the SBI with other EU policies and priorities.

**Figure 5.1 Perceptions on degree of coherence between the SBI and other EU policies and priorities**



*Source:* own elaboration based on interview findings (n=34), interviews with academics and experts, representatives-staff of EU institutions, and EU stakeholders

Respondents mentioned the Internal EC Task Force on Social Economy as a relevant mechanism encouraging coherence between the SBI and other EU policies. This mechanism stimulates the exchange of information, knowledge-sharing and coordination of the different EC DGs and also with the ESF thematic groups. However, even if the Task Force is in place and a number of DGs are formally involved, not all of them seem to be equally engaged and the full potential for coordination of policies seems to be not exploited. According to some respondents, the coordination between DG EMPL and DG GROW is very active and effective, and there are good relationships with DG NEAR and DG FISMA. However, other DGs participate less in an active coordination of policies or content of initiatives, e.g. DG REGIO and DG RTD, even if some programmes or measures under the coordination of these DGs are clearly tackling the fields of social enterprises, social economy and social innovation, i.e. the central aspects of the SBI.

To corroborate coherence of the SBI, some respondents underline that specific reference to the SBI is made in EU policy documents. However, the same respondents observe that

beyond the mentioned reference, practical alignment and coordination is lacking altogether (#105, #220 and #315). Some consider that there has been a problem of coherence at the communication level (#208), that the EU should “*be less sensitive to trends and be more coherent*” (#307). Others mention that greater coherence should be pursued with structural funds (#221, #307, #308 and #318), and with the EU migration policies, where “*the role of SE is ignored*” (#308). A few respondents (#221, #308 and #313) perceive conflicting aims between the SBI (and related measures within the area of public procurement and State aid) and EU competition rules: “*SE are caught in-between conflicting aims i.e. competition rules and support for their development since they provide services needed to respond to societal challenges*” (#308).

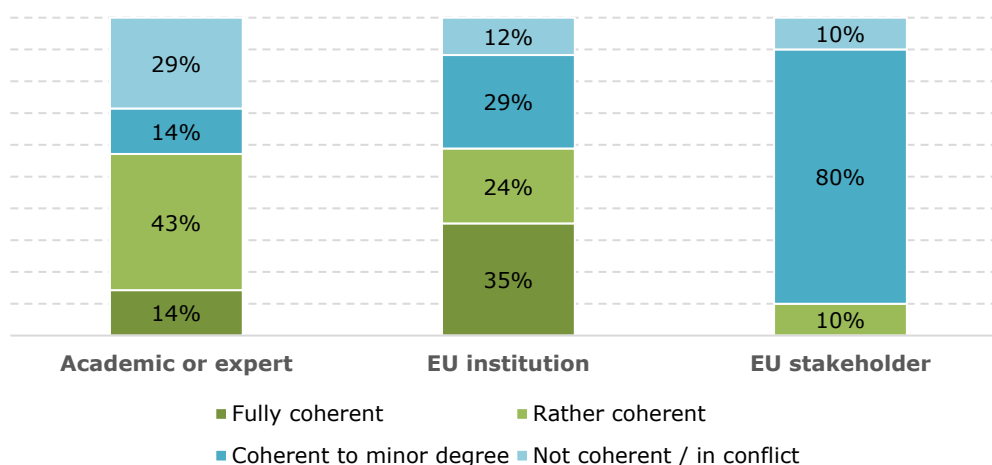
There is an expectation towards achieving a greater coherence thanks to the policies announced by the new EU Commission such as e.g. the EU Green Deal and the EU Pillar of Social Rights, and the forthcoming Action Plan on Social Economy (#204, #303, #307, #311 and #315):

“*Currently, new opportunities could emerge in the framework of the Social Pillar and the New Green Deal. These concrete plans offer the opportunity to implement concrete support actions with financing and fiscal measures, and access to market policies though a further push on the public procurement issue.*” (#204).

However, some respondents observe that no mention of social economy is made in the abovementioned policy documents (#104, see also Chapter 5.2 below).

Differentiating respondents by type, findings show that representatives/staff of the EU institutions are generally more positive on perceived coherence between the SBI and other EU policies and priorities than other stakeholder groups (Figure 5.2). External experts might be more realistic on the real coherence in the implementation of policies and less biased by more formal coordination mechanisms (e.g. the Internal Task Force).

**Figure 5.2 Perceptions on degree of coherence between the SBI and other EU policies and priorities by type of interviewee**



Source: own elaboration based on interview findings (n=34), interviews with academics and experts, representatives-staff of EU institutions, and EU stakeholders

In fact, it seems that the active integration of the SBI principles and SE as a concept in other EU policies exists, but at a rather generic level. Even if social enterprises and the social economy are mentioned in policy and programme documents, in few cases operational details, examples or recommendations are given on how social enterprises and the social economy can actively contribute to policy objectives. This is reflected in the assessment by EU stakeholders.



The analysis (see sections below) confirms that there is a general coherence between EU policy objectives. However, it is more a neutral or weak coherence, not strengthened by cross-references or active links between policies.

## **5.2 Coherence with EU policies and priorities since 2011**

For the coherence analysis between the SBI and the other EU policies, many high-level EU documents have been analysed. For each selected document, an evidence-based coherence assessment was formulated. Then, the analysed documents have been grouped into their related policy area, and an overall coherence assessment has been proposed.

The analysis has focused on two dimensions. The first dimension classifies the direction of the relationship as “positive” (when the document shares objectives or makes supportive or complementary statements with the SBI and, broadly speaking, its objectives can be seen as aligned with social enterprises and social economy organisations goals), “negative” (when objectives are contradictory or opposed) or “neutral” (when there is no relationship in one or the other direction). The second dimension measures the intensity of the relationship, which can be classified as “not observable”, “weak” or “strong”, on the basis of a qualitative evaluation of the references to the SBI, social enterprise, social economy organisations and related concepts present in the text. It is worth noticing that the assessment of the coherence of a given policy area can result in the combination “positive, not observable”. This happens, for instance, when the general objectives of a given policy are aligned with the objectives that social enterprise and social economy pursue, but no mention of the specificities, role and potential of these organisations as well as of the SBI is made.

Analysis of a selection of high-level EU policy documents shows a certain general coherence of the SBI with other EU policies and priorities, in terms of overall objectives and dimensions. However, in many documents there is no explicit reference to the SBI or to social enterprises/social economy.

In other documents, social enterprises/social economy are mentioned, but only as part of the wider private sector, and their effective or potential role in achieving the objectives set for such policies is not acknowledged. These findings concern mainly the policies launched in the period 2011-2018.

Since 2019/2020, a trend towards a more positive and stronger coherence between newly adopted policy documents, strategies and action plans and the development of social economy/social enterprises can be observed. In particular, the role of the social economy to achieve policy objectives, change and a just transformation is highlighted in more documents. At the same time, specific instruments are mentioned that can support the development of the social economy or the achievement of policy objectives through social innovation and social entrepreneurship. In this context it can be expected that the new EU action plan for a social economy will establish coherent references to other EU policies and priorities, not only at general but also at operational level.

These findings are in line with the findings of the interviews, where the majority of respondents perceive that the SBI is largely coherent at a basic level with other EU policies. But this general coherence is only partially reflected at the operational level. In light of the above, there is an expectation towards achieving a greater coherence and mainstreaming of social enterprises and the social economy in relevant policy areas with the contribution of the forthcoming social economy action plan on.



**Table 5.1 Matrix of Analysis of SBI coherence with EU policies and priorities in 2011-2019**

EU policy	Coherence	Evidence
Single Market	Positive, Strong	<p>The EC communications "Towards a single market act" (2010), "Single Market Act" (2011) and "Single Market Act II" (2012) recognise the importance of supporting the social enterprise and social economy, which are seen as "key actors delivering social innovation, inclusiveness and trust" that "can make a positive impact on society and the environment" (Single Market Act II, p.15).</p> <p>They explicitly refer to the launch and implementation of the SBI and recall some of its goals: "enabling the quality of the legal structures concerned [...] to optimise their functioning and facilitate their development within the single market" (Towards a single market act, p. 26); "develop tools to enhance trust in, and visibility of, social enterprises (Single Market Act II, p. 16); "facilitating access to the Union's financial programmes for use in this area" (Single Market Act, p. 15); "develop a methodology to measure the socio-economic benefits created by social enterprises" (Single Market Act II, p. 16); revise and modernise public procurement legislative framework "to foster demand for environmentally sustainable, socially responsible and innovative goods, services and works", with "simpler and more flexible procurement procedures" (Single Market Act, p. 19).</p> <p>Moreover, the Single Market Act acknowledges that services of general economic interest (SGEIs) are "essential building blocks of the European social model that is both highly competitive and socially inclusive" (p. 17-18), in line with the SBI vision to simplify EU rules concerning State aid applicable to SGEIs, a simplification that could benefit also social enterprises.</p> <p>By contrast, the EC communication "Upgrading the Single Market" (2015) does not make any reference to the SBI nor to social enterprise and social economy.</p> <p>In light of the analysis of the communications above, it seems that the attention devoted by the EC to the topic within this specific policy field has diminished over time.</p>
SME Policy	Positive, Weak	<p>In the "Think Small First. A Small Business Act" (SBA) (2008), social economy enterprises are only mentioned as one of the possible forms that SMEs can assume and that may benefit from the SME-friendly actions proposed (see p. 2). In spite of this, the attention given to social enterprises in the SBA is noteworthy, considering that it was presented three years before the launch of the SBI.</p> <p>The "Entrepreneurship 2020 Action Plan" (2012) takes a further step. With the SBI as reference point for the definition of the social enterprise concept, it highlights that the potential of social entrepreneurs is often underestimated. "They generate sustainable jobs and have demonstrated a stronger resilience to the crisis than the general economy. Social entrepreneurs are innovators, drive social inclusion and contribute to achieving the objectives of the EU 2020 strategy" (p. 5).</p> <p>A more substantial recognition of the specificity of social enterprises and social economy organisations emerges in the Communication "Europe's next leaders: The Start-up and Scale-up Initiative" (2016), where they are praised for their "high potential for innovation and positive impact in economy and society at large" and for having proven "very resilient" (p. 10). Building on the SBI, this initiative points out some obstacles social enterprise face: (1) the "lack of recognition and understanding of their economic potential"; (2) their "insufficient exploitation of modern technologies"</p>

EU policy	Coherence	Evidence
		(p. 10) and (3) their underrepresentation in public procurement procedures as regional/local tendering authorities are not yet sufficiently aware of the possibilities introduced by the 2014 reform (see p. 6-7).
Policy on Research and Innovation	Positive, Strong	<p>The "Europe 2020 Flagship Initiative Innovation Union" (2011) presents social innovation as an "important new field which should be nurtured", since it helps in "meeting social needs and tackling societal challenges" and helps to "empower people and create new social relationships and models of collaboration" (p. 23). It reiterates that, given its relevance, social innovation must be supported and disseminated. To this end, for instance, the EC committed to launching a "European Social Innovation pilot which will provide expertise and a networked 'virtual hub' for social entrepreneurs and the public and third sectors" and to promoting social innovation as "a mainstream focus in the next generation of the European Social Fund (ESF) programmes" (p. 24).</p> <p>Both in FP7 and HORIZON 2020 programmes, social economy, social entrepreneurs, social enterprises and social innovation were envisaged among the topics to be investigated. The EMPOWER SE Cost Action (2017-2021), aimed at connecting social enterprise researchers, is one example of a project funded under the HORIZON 2020.</p>
Employment Policy	Positive, Weak	<p>The EU communication "Towards a job-rich recovery" (2012) conceives the scope of social enterprises and social economy actors in a broad way: they are indeed presented as "important drivers of inclusive job creation and social innovation", as well as crucial actors for reaching the EU 2020 strategy for smart, sustainable and inclusive growth target (p. 4).</p> <p>Similarly, the "Guidelines for the employment policies of the Member States" (2020) seem to build upon a similar understanding of the social enterprise potential. This can be noticed, for instance, by the fact that the social economy is referred to under guideline #5, which mandates to "foster social innovation and social enterprises, and encourage those innovative forms of work, creating quality job opportunities and generating social benefits at local level" (p. 10).</p>
Capital Market Union (CMU)	Neutral, Not observable	<p>In both EC communications - "Capital Market Union" (2016) and its "Mid-Term Review" (2017), the specificities, potential and needs of social enterprises and social economy organisations are not considered. This notwithstanding, they may benefit from the efforts to build and strengthen CMU as, for instance, it "seeks to create the enabling conditions so that new forms of funding can be developed and strengthened for businesses, in particular small firms" (p. 17), "to bridge the information gap between investors and businesses and provide more cost-effective investment opportunities to retail investors" (p. 17), "to mobilise private capital" (p. 17) and "to overcome the EU economy's reliance on bank lending by providing a more diversified system" (p. 17).</p>
Environment Action Programme	Neutral, Not observable	<p>The EU Parliament and Council Decision "Living well, within the limits of our planet" (2013) and the EC communication "A Clear Planet for All" (2018) do not mention nor take into consideration the relevance of social enterprise and social economy. However, while the former does not emphasise the social consequences of the transition, the latter does. It claims that they "cannot be addressed post factum. Both the EU and the Member States must take into account social implications from the outset and deploy all relevant policies to the fullest to mitigate this challenge", thus "ensuring a fair and socially acceptable transition for all in the spirit of inclusiveness and solidarity" (p. 20). In addition, it recalls that "support for the just transition is provided under the European Pillar of Social Rights" (p. 20).</p>
Cohesion Policy	Positive, Strong	<p>When compared with the previous funding periods, in the 2014-2020 ESIF regulation, social enterprise, social economy and social innovation have gained in relevance, as proven by the increased number of opportunities they may benefit</p>

EU policy	Coherence	Evidence
		from. More specifically, they have been encouraged and supported through the ERDF and the ESF. The ESF Thematic Network on social entrepreneurship (2009-2019) was devoted to improving the way in which the ESIF are used to promote social enterprise, and to ensuring that social enterprise makes the best possible contribution to the ESIF objectives.
European Pillar of Social Rights	Positive, Not observable	Despite the fact that the European Pillar of Social Rights shares some pivotal objectives with the social enterprise and social economy, the latter are surprisingly not explicitly mentioned in the EC communication "Establishing a European Pillar of Social Rights" (2017) and the related "Reflection Paper on the Social Dimension of Europe" (2017). Nevertheless, they recognise that "new social problems are emerging" (Reflection Paper, p.18) together with "major challenges", such as "security, demographic changes, migration, technological developments and globalisation" (Reflection Paper, p. 30), which are to be addressed with a "joint responsibility". Tools "are in the hands of local, regional and national authorities, as well as the social partners, and civil society at large" (Establishing a European Pillar of Social Rights, p. 2).
European Disability Strategy 2010-2020	Positive, Weak	In the "European Disability Strategy 2010-2020: A Renewed Commitment to a Barrier-Free Europe" (2010), the EC committed to "improve the social and economic situation of people with disabilities" (p.3). The strategy makes a reference to the SBI, when stating that "the Commission will step up its support for voluntary initiatives that promote diversity management at the workplace, such as diversity charters signed by employers and a Social Business Initiative" (p. 7). However, no mention is made of social enterprise nor social economy.
Europe 2020 Strategy 2010-2020	Neutral, Not observable	In the "Europe 2020 Strategy. A European strategy for smart, sustainable and inclusive growth" (2010), the EC proposed five targets for 2020 in the areas of employment, research and innovation, climate change and energy, education and for combating poverty. The strategy makes no references to the SBI that will follow the next year. Similarly, social enterprise and social economy are not mentioned.
External Assistance and Aid Policy	Positive, Weak	The EC communication "Increasing the Impact of EU Development Policy: An Agenda for Change" (2011) makes no reference to the SBI nor to the social enterprise and social economy. However, cooperatives are recognised among the local actors that the EU intends to support in order to boost development processes. A weak - albeit more explicit - recognition of the role and potential of the social enterprise and social economy emerges from the EC communication "A stronger role of the private sector in achieving inclusive and sustainable growth in developing countries" (2012) and the joint statement by the Council, the EU Parliament, the EC and the representatives of the member states "The new European Consensus on development. Our world, our dignity, our future" (2017). Nevertheless, social enterprises and social economy organisations are not considered as constituting a distinctive sector, endowed with its own peculiarities and potential, rather they are mentioned as part of the wider private sector. A tendency to place more emphasis on CSR – instead on the social enterprise and social economy – is also noticeable.
Council Conclusions: The promotion of the social	Positive, Strong	In these landmark conclusions, the Council of the European Union emphasises that the social economy, which has "increasingly gained political visibility", "plays an important role [...] substantially contributing to economic, social and human development across and beyond Europe" (p. 2). The Council invites Member States to actively improve and further develop strategies in order to create enabling conditions

EU policy	Coherence	Evidence
economy as a key driver of economic and social development in Europe (2015)	To be considered a Milestone	<p>for social economy enterprises, social entrepreneurship and social innovation in the areas of (i) awareness, recognition and education; (ii) social innovation; (iii) regulatory environment and (iv) access to finance. Moreover, in the framework of the Europe 2020 strategy review, the Council invites the Commission to take into consideration social economy, social innovation and social investment policies; disseminate good practices; promote and support social economy, especially in countries where unemployment rates are high and support concrete proposal for setting up peer reviews (see p. 10). Finally, the Council encourages social economy enterprises and social entrepreneurs to "become actively involved in the development of Europe-wide policies and strategies promoting their sector of activities" and to "concentrate in the social objectives by incorporating an appropriate enterprise culture and methods, further improving the representation of women and youth in the governance" (p. 10).</p> <p>There is a specific indirect reference to the SBI: It sets "out a comprehensive action plan to support social innovation and help create a favourable climate for social enterprises" (p. 4). However, when it comes to defining the concept of social enterprise, it stresses that it "is to be understood similarly to the EaSI Regulation" (footnote 5, p. 3).</p>

Source: own elaboration based on the analysis of the high-level EU documents mentioned in the table (EC communications, action plans/strategies, reflection papers, etc.).

**Table 5.2 Matrix Analysis of SBI Coherence with EU policies and priorities in 2020 and the near future**

EU policy	Coherence	Evidence
Political Guidelines	Neutral, Not observable	<p>Not only in the political guidelines for the next EC "A Union that strives for more. My agenda for Europe" by President von der Leyen, but also in her mission letter to Schmit (Commissioner for Jobs and Social Rights) - released respectively in July and September 2019 - references to the social enterprise and social economy are missing. This is quite counterintuitive, given the relevance of these organisations in the Commissioner's area of competence and the action Plan for the Social Economy announced shortly afterwards.</p> <p>Nevertheless, the relevance of the social dimension is acknowledged: "our economic policy must go hand in hand with social rights" (political guidelines, p. 9); "your task over the next five years is to strengthen Europe's social dimension" (mission letter, p. 4). Moreover, it emerges a strong commitment towards the full implementation of the Pillar of Social Rights and the delivery of the UN SDG.</p> <p>Despite the fact that these very general objectives can be aligned with those of the social enterprise and social economy, we have classified this area as neutral and not as positive because no mention to SE is made, although a stronger recognition would have been expected as compared to the documents of the past decade. This expectation also emerges in some interviews.</p>
European Green Deal	Positive, Not observable	The European Green Deal (2019) "launches a new growth strategy for the EU. It supports the transition of the EU to a fair and prosperous society that responds to the challenges posed by climate change and environmental degradation, improving the quality of life of current and future generations" (p.23-24). It asserts that "the need for a socially just transition must also be reflected in policies at EU and national level" (p.16). This notwithstanding, the recognition of the specificities, role and potential of the SE and social economy is missing. These organisations are also overlooked in the European Climate Law of 2020.
	Positive, Strong	By contrast, the "Circular Economy Action Plan. For a cleaner and more competitive Europe" (2020) does acknowledge "the potential of the social economy, which is a pioneer in job creation linked to the circular economy" and refer to the upcoming Action Plan for Social Economy (p. 19). Furthermore, it highlights that, since public authorities "can serve as powerful driver of the demand for sustainable products", "the Commission will propose minimum mandatory green public procurement criteria and targets in sectoral legislation" (p. 8), which can result in opportunities for SE and social economy organisations. The Plan highlights that it will be "supporting the circular economy transition through the Skills Agenda, the forthcoming Action Plan for Social Economy, the Pact for Skills and the European Social Fund Plus" (key action, p. 19 and 27).

EU policy	Coherence	Evidence
Communication on "A strong Social Europe for Just transitions"	Positive, Strong	The EC communication "A strong social Europe for just transitions" (2020) acknowledges that "social enterprises and organisations can generate engagement, initiatives and returns in local communities while bringing everyone closer to the labour market. The social economy provides innovative solutions in education, health care, energy transition, housing and the delivery of social services. It can also be a pioneer in local green deals by creating alliances in territories involving citizens and enterprises in the climate transition" (p. 6). Moreover, the communication announces that the EC "will launch in 2021 an Action Plan for the Social Economy to enhance social investment and social innovation and boost the potential of social enterprises to create jobs, including for those furthest from the labour market" (p. 6-7) and recalls that "socially responsible public procurement can also ensure that existing funds are spent in a way that supports inclusion by for example providing job opportunities for people with disabilities or at risk of poverty" (p.7).
A Europe fit for the digital age	Neutral, Not observable	Neither in "Shaping Europe's digital future" (2020) nor in the EC communication "A European strategy for data" (2020) references to social enterprise, social economy and the upcoming Action Plan on the Social Economy are made. The social dimension is only alluded.
EC Reflection Paper "Towards a Sustainable Europe by 2020"	Positive, Strong	Published in January 2019, the Reflection Paper "Towards a Sustainable Europe by 2020" launches a debate on further developing the EU's sustainable development vision after 2020 (see p. 9). While it does not mention the SBI, it emphasises that "social entrepreneurship — aimed at solving community-based problems, — can play an important role as well in addressing sustainability challenges, while fostering inclusive growth and job creation locally, shared prosperity, and social inclusion" (p. 27). At the same time, it points out the obstacles that social enterprises face: they "tend to be concentrated in specific niches — in particular in local contexts, — and struggle to scale up in the EU. Financing remains a significant issue, which is why the EU is dedicating more funding to social enterprises. As with the collaborative economy, the complex or missing regulatory framework and local-level restrictions can be an obstacle" (p. 27). Moreover, the paper recalls the new environmental and social criteria in the EU public procurement legislation, which can create opportunities for social enterprise and social economy organisations (see p. 26).
Communication "Towards a comprehensive Strategy with Africa"	Positive, Strong	The Strategy highlights the potential role of the social economy and commits to its support. "With this in mind, it is proposed that the EU develops more ambitious arrangements to facilitate, attract and support investment in Africa. The EU should further develop the use of platforms such as the Sustainable Business for Africa Platform and the International Platform on Sustainable Finance. In parallel, it is important to promote regulatory reforms and to strengthen the institutional capacity of public authorities, business organisations and entrepreneurs, including social entrepreneurs, while reinforcing capacity-building related to SME access to markets and finance. In this respect, European business organisations should continue to support entrepreneurship in Africa". (p. 9)
An SME Strategy for a sustainable and digital Europe	Positive, Strong	The European Commission's 2020 "SME Strategy for a sustainable and digital Europe" mentions social economy enterprises several times and presents them as part of the SME family. The communication announces that "the Social Investment and Skills window of InvestEU will improve access to microfinance, financing to social enterprises, social and impact investment and skills" (p.16).

EU policy	Coherence	Evidence
Strategic Foresight report - Charting the course towards a more resilient Europe	Positive, Strong	Highlights the role of the social economy and its potential impact to policy objectives. "Collaborative and non-profit organisations strengthen social and economic resilience. Cooperatives, mutual societies, non-profit associations, foundations and social enterprises have helped public services cope with the crisis <sup>30</sup> . They have demonstrated their ability to provide a wide range of products and services across the single market in circumstances where for-profit companies would not have been able to generate adequate returns on capital, thus creating and preserving millions of jobs. They are also a crucial engine for social innovation". (p. 9)
Communication: "A Union of Equality: EU Roma strategic framework for equality, inclusion and participation" and Annex	Positive, Strong	Builds on support from the social economy and on the potential of social innovation. "Social innovation and policy experimentation constitute new approaches from the field of social change that encompass ideas, practices and initiatives that intervene at the various levels of a system to catalyse deep shift and lasting positive impact. As such, they can be meaningful tools to promote Roma equality, inclusion, participation and empowerment. EU policy defines 'social innovation' as activities that are social both as to their ends and means, and which relate to the development and implementation of new ideas (concerning products, services and models) that simultaneously meet social needs and create new social relationships or collaborations, thereby benefiting society and boosting its capacity to act". (p. 11)
Commission Staff Working Document "Promote decent work worldwide, responsible global value chains for a fair, sustainable and resilient recovery from the COVID-19 crisis"	Positive, Strong	The document reminds of the SBI and its follow-up actions and on the relevance of social entrepreneurship policies. It establishes that the EU can be a model for international development. (p. 26-27): "Social economy actors in general and social enterprises in particular mainly aim at having a social impact rather than generating profit for their owners or shareholders. [...] Their high level of commitment to social objectives make social enterprises an excellent tool for promoting decent work." "Given the strong social economy tradition in many European countries, this is an area where Europe can lead by example and share its experience globally. Therefore, the Commission participates in international development fora to enhance the visibility of social economy and make social economy part of the global political agenda. [...] To promote further the business and organisational models of social economy organisations, an Action Plan for the Social Economy is planned for adoption in 2021."
New Consumer Agenda - Strengthening consumer resilience for sustainable recovery	Positive, Strong	The document builds on valuable efforts and experiences of the SBI and proposes further action for the social economy. "These efforts could be complemented by promoting new consumption concepts and behaviours, such as the sharing economy, new business models allowing consumers to buy a service rather than a good, or support for repairs through community and social economy organisations actions (e.g. repair cafés) and for second-hand markets. [...] Social economy organisations are particularly well placed to address these needs thanks to their proximity to local and rural communities. Similar initiatives could be promoted through common action at EU level under the future MFF. [...] In June 2020, the Commission also published the updated European Code of Good Conduct for Microcredit Provision."
Communication - European Skills Agenda for Sustainable Competitiveness,	Positive, Strong	The document establishes that "raising awareness of social entrepreneurship and other social economy business models can also help increase the appeal of and interest in entrepreneurship. Social economy being a pioneer in job creation, for example linked to circular economy, also supports social inclusion and green transition". (p. 13) It refers to the European Action on Entrepreneurship Skills. "This action will complement the Commission's upcoming Action Plan for the Social Economy, which will inter alia promote entrepreneurial opportunities yielded by



EU policy	Coherence	Evidence
Social Fairness and Resilience		the social economy, such as helping local communities, striking local green deals and activating vulnerable groups". (p. 14)
Youth Employment Support: a Bridge to Jobs for the Next Generation	Positive, Strong	The document explains the benefits of the social economy for youth employment: "Social economy organisations such as cooperatives and social enterprises are often more resilient to economic cycles. They make the ecosystems in which they operate more adaptable through social innovation and social inclusion at local and regional levels, also benefitting those furthest from the labour market." The document mentions the experiences from the "Erasmus for Young Entrepreneurs" programme and the actions supported by the ESF+. (p. 9) Priority operations include: "Young entrepreneur networks, mentoring schemes and business incubators to help aspiring entrepreneurs, especially young women and discriminated or marginalised groups, enter the labour market and build up the skills needed for various business models, including social entrepreneurship". (p. 13)
Commission Communication "2020 European Semester: Country-specific recommendations"	Positive, Weak	The European Semester provides a framework for the coordination of economic policies across the EU. Structural change should also be encouraged through actions to promote innovative forms of work and entrepreneurship, including social economy. (p. 10)  A reference to the potential contribution of social economy/social entrepreneurship in achieving specific policy objectives is made in the 2020 Country-Specific Recommendations (CSRs) of two MSs, namely Romania: "The potential of the social economy to improve social conditions is still untapped" (p. 6); and Slovenia: "Investing in the green transition as described in Slovenia's National Energy and Climate Plan can help bring short-term stimulus to the recovery and the medium-term aftermath of the COVID-19 outbreak. This can involve increasing the current low share of renewables, strengthening the energy infrastructure, reducing air pollution, which is above the EU average in Slovenia's towns and cities, strengthening the circular economy, supporting social entrepreneurship, and accelerating the efforts to limit the potential impacts on the regions and sectors most affected by the transition" (p.7).

Source: Own elaboration based on the analysis of the high-level EU documents mentioned in the table (EC communications, action plans/strategies, reflection papers, country-specific recommendations etc.).

## 6 EU added value

This chapter shows the additional value of the SBI, compared to what could reasonably have been expected from Member State actions without an EU level policy framework and supportive follow-up actions. The first section presents a general overview, while section 6.2 reflects on the perception of EU added value per impact area. Section 6.3 examines the geographically differentiated EU added value. In general, the analysis has shown that representatives from countries where the SE ecosystem is still developing perceive more added value. However, EU added value was also noted in countries with an advanced SE ecosystem.

### 6.1 Overall assessment of EU added value

In the area of **legal and institutional frameworks**, there is a clear EU added value compared to what could reasonably have been expected from Member State actions without an EU level policy framework. As mentioned earlier, many Member States have adopted new legislation related to social enterprises since 2011. It is almost inconceivable that they would have adopted these regulations without the SBI and its follow-up actions.

With regard to the field of **visibility and recognition**, as well as understanding, the SBI and its follow-up actions have also contributed significant additional value to what could reasonably have been expected from Member State actions.

Considering the dimension of funding and the outreach, the largest additional value of the SBI was on improving the **access to finance and the framework of social finance** in Europe, in particular through the EaSI programme and ESF programmes and projects. It is almost impossible to imagine that so many financial institutions would be lending capital to SE and SEO today without the support via EaSI.

With regard to **new technologies**, so far, the added value from EU initiatives was rather limited in this field. Most technology-related developments in European countries happened independently from initiatives related to the SBI and can be expected that they would have happened also without SBI. However, some SBI-related projects, activities and platforms such as CAPS, the European Social Innovation Competition, and the Social Innovation Community, Digital Social Innovation and Social Innovation Challenges platforms, have a clear EU added value as they managed to contribute to the creation of a pan-European social innovation community. They also connect EU-wide work on challenges linked to new digital technologies and created opportunities for cross-country and interregional learning.

Finally, there is an important additional value of SBI follow-up action in the field of **international cooperation**. The EU offers guidance on SE to relevant stakeholders in aid and development with an increasing additional value. This helps to promote the concept of social enterprises and the social economy also in other non-EU countries. All this has contributed to disseminate European approaches and good practice examples on social enterprises and social economy in other regions of the world and to contribute to international dialogue and consensus on the relevance of inclusive businesses and to the UN Sustainable Development Goals.

In recent years, the SBI follow-up actions are pioneering analysis and support to **new fields of action** that are becoming relevant for SE and the social economy. These new fields include, for example, the field of private procurement or the relationships between conventional enterprises and SE to open up new markets and allow scaling up for SE. A second field are new forms of public contracting, for example via social impact bonds or outcome contracting. Thirdly, digitisation offers new possibilities to technology-based SE, but also for social economy organisations providing social services that need to be exploited. Finally, equity finance with social impact has the potential to open up new channels for private finance to SE and SEO.

## 6.2 Perception of EU added value per impact area

Stakeholders confirm the **overall perception of a high additional value of the SBI** and its follow-up actions. Most interviewees (63%) acknowledge that the SBI and its follow-up actions had at least some additional value compared to national action at MS level. 14% of them see a very high added value, 49% see a high added value. 22% of the interviewees perceive that the SBI had a minor added value compared to action at MS level, while 15% see no additional value compared to what would have happened in their country without the SBI.

There are important differences between the perceived change by representatives of EU institutions and EU stakeholder organisations (a higher percentage thinks there were changes or even many changes due to SBI), compared to other stakeholder groups, in particular at country level. Stakeholders at regional or local level are much more sceptical about the additional value by the SBI/EU action.

Contribution analysis has allowed to quantify the perception of interviewees regarding the influence of SBI activities on the development of the SE ecosystem. A score of SBI influence has been calculated on the basis of the perceived change observed by interviewees for specific impact areas of the SBI and on the basis of perceived EU influence to these changes.

The analysis shows that EU added value is perceived mostly in relation to EU funding programmes, both in the area of improving visibility in funding programmes and by making public funding available. In line with this also education and training, mutual learning, research and conditions in financial intermediates are perceived as having a rather high EU added value, mainly driven by application or participation of stakeholders in EU programmes and projects. The EU-level activities to enhance access to markets via State aid rules, encouraging the use of new technologies and digitalisation, and social impact measurement are less known by interviewees and less appreciated. Hence, the EU added value in these fields get a lower score.

The table below presents the aggregated score of perceived EU added value by interviewees in more detail for each impact area. It also depicts the share of interviewees that indicated changes in the perspective field.

**Table 6.1 Perceived EU added value per impact area (presented from most to least significant SBI/EU influence)**

#	Impact area	Awareness % interviewees mentioning general positive changes in this field	Score of SBI/EU influence (0-2)	Perceived EU added value
1	Visibility of SE in EU and national programmes	43%	1.98	The EU's main contribution has been finance; the possibility of support to SE in EU programmes allowed to allocate resources at national level in many countries, e.g. PT, CZ, RO, ES, PL. EaSI Third axis is a very visible and well-known programme. The notion of SE in the ESIF funding regulation 2014-2020 made stakeholders considerably more aware of SE as thematic field. Social economy topics are also widely included in FP7/Horizon 2020, ERASMUS+ and Interreg projects, even if the direct work on SE and the SE environment is not widespread (rather on social innovation, social entrepreneurship, SEO like cooperatives, voluntary sector). This effect is even noticeable in non-EU countries (in particular, Western Balkan and Turkey with EaSI, Interreg, EU-IPA funds or the civil society development programme).

#	Impact area	Awareness % interviewees mentioning general positive changes in this field	Score of SBI/EU influence (0-2)	Perceived EU added value
2	Availability of public funding	56%	1.89	Following the visibility of SE in EU programmes, the possibility to support SE through EU funded programmes allowed the ecosystem to develop in many countries. E.g. in CZ or RO this was an important trigger to develop the sector, in particular with ESF. But also, in countries like UK, DE, ES, many actions on SE and the social economy were co-funded in national and regional programmes or interregional projects by EU funds. This contributed to a high visibility and outreach to local and regional stakeholders.
3	Education and training	47%	1.80	Only one fifth of the interviewees is aware of EU activities in this field, even if the perception of general positive changes is quite high. ESF programmes and ERASMUS+ projects are seen as important influence for SE education and training activities; domestic support activities seem to be very rare or insufficient. Interviewees refer to EU supported training activities (e.g. under Interreg, ESF, ERASMUS+) rather than to domestic activities, in CEE countries almost exclusively. There seems to be a huge need also for the future.
4	Mutual learning and good practice exchange	42%	1.76	EU activities substantially influence mutual learning and good practice exchange. They do so directly via programmes like Interreg or ERASMUS+ or ESER, and via the cooperation with OECD on good practice examples, European networks of social enterprises and GECES. Mutual learning is generally appreciated, especially by local and regional authorities and stakeholders. Mutual learning at EU level seems to require networks and intermediaries in the different countries to further disseminate information and good practices to practitioners.
5	Research	47%	1.58	EU activities are important for research on SE and social economy; directly by EC studies and reports as well as by financing research studies or research activities (mapping studies, OECD country reviews, H2020). Other research is inspired due to supported networks and increased attention on SE at European and MS level.
6	Access to markets – public and private public procurement	48%	1.28	Interviewees are generally aware on the possibilities for SE and SGEI facilitated by EU public procurement rules. Its impact on the development of the ecosystem is however double sided. Some interviewees appreciated the notion of SE in the regulation and transposition in the national legislations. Others see hardly an adequate implementation of the rules at national level (in particular at local and regional level), hence, the access to markets for SE has not improved much. Moreover, there are important differences depending on the type of SEO. There is a clear need to continue working on better public social contracting, apart from public procurement (e.g. SIB, reserved contracts etc.) and social private procurement.
7	Conditions in financial inter-mediarities	35%	1.06	In the perception of interviewees EU funds had an influence on improved capacities of financial intermediaries to work with SE and SEO. Not many interviewers know the specific SBI action on financial intermediaries or can assess its impact,

#	Impact area	Awareness % interviewees mentioning general positive changes in this field	Score of SBI/EU influence (0-2)	Perceived EU added value
				as this was taking place at the level of financial intermediary organisations only. The few interviewees that are aware of EuSEF are sceptic about any positive impact so far.
8	Availability of private funding	50%	1.05	Not all interviewees are aware of EU instruments that encourage private funding to SE. This might be due to the fact, that EaSI guarantees are offered to final recipients only via financial intermediaries. Only 33% of the interviewees that referred to a change in this area refer to EU activities. Still, EaSI is known and appreciated by most stakeholders, experts and practitioners.
9	Availability of information and statistical data	52%	1.00	<p>In the perception of interviewees, various EU activities had an influence on better information on SE and the social economy. Interviewees mention especially the mapping studies and high-level events. Also available (EU) funding and EU projects (Interreg, Horizon 2020) are seen as trigger for increased information. Interviewees that explicitly mention EU activities are more positive on the ecosystem development than interviewees that provide a general comment or provide example of national activities for information. Some of the national activities are indirectly influenced by EU activities, e.g. information rather linked to national policies, legislation, networks in CEE countries etc.</p> <p>Interviewees perceive generally more EU influence on information and understanding with a score of 1.66 than on the generation of statistical data (with a very low influence score of 0.06). Regarding statistical development, most interviewees are not aware of any EU action to improve the statistical data provision on SE and see it more as a national responsibility. Some interviewees mention an EU influence, but this is linked to specific projects. For the future, more coordination and exchange by the EU institutions on relevant guidance to develop statistics and clear definitions is asked for.</p>
10	Awareness and self-recognition	49%	0.85	Improvements for the SE ecosystem are mostly indirectly influenced by EU activities according to the interviewees. Self-recognition improved due to incentives such as funding, public procurement possibilities, possibilities to register SE, labels, networks, incubators. This is not only attributed to SBI/EU but also to other international and intermediary organisations. A main obstacle noted by interviewees in this area is the level of confusion and different interpretations on the terms 'social enterprise' and 'social entrepreneur' (and other terms like impact enterprise etc.).
11	Regulatory and institutional environment	52%	0.81	EU activities for improved regulatory and institutional environment are mostly indirect and as such differently perceived by the interviewees. Improving institutional frameworks is best perceived with a score of 1.1. EU wide networks or EU funding encouraged improving these frameworks in some countries, e.g. the establishment of working groups or activities were discussed among a large variety of sector representatives following the examples of GECES

#	Impact area	Awareness % interviewees mentioning general positive changes in this field	Score of SBI/EU influence (0-2)	Perceived EU added value
				and EC. Secondly, interviewees appreciate the EU's influence on new legal forms, frameworks and laws with a score of 0.74. The SBI is seen as source of inspiration or as means to create awareness for the development of legislation.  Policy frameworks and strategies may be inspired by EU level activities, but this is often not visible for most of the interviewees, hence, a relatively low score of 0.65. In some cases, available funding (ESIF) encouraged the development of national strategies or a policy.
12	Labels and certificates	39%	0.77	Labels, marks or registers can boost the SE development and raise visibility, but they usually have shortcomings, according to the interviewees. Registers can be compulsory or voluntary, top-down or bottom-up labels. It is difficult to address all types of SE with rigid criteria. Usually, certain types of SE are excluded when such registers are introduced. The influence from EU is perceived as marginal and related to small exchanges in specific circles (e.g. GECES) on existing labels and registers. There is also no common opinion among experts if and in how far labels or registers are beneficial for SE development. Some interviewees express EU influence rather as "risky", due to the differences of experiences in EU countries and the ambiguous benefits.
13	Managerial skills of social economy organisations	47%	0.76	Despite the general perception of important changes over the last decade, few interviewees are aware of SBI/ EU activities that support the development of managerial skills of SE or SE stakeholder organisations. The activities that are mentioned related to EU co-financed projects, i.e. through EaSI, ERASMUS+, Interreg or ESF. There are also other (national, local, networks such as Impact Hub) intermediary organisations that are quite visible in this field, so the influence of EU activities is relatively low.
14	Networks and representation	48%	0.73	Important changes have been perceived in the last ten years. Especially, interviewees in Spain, the Netherlands and Estonia see networks as important drivers for the development of the SE ecosystem. However, interviewees perceive networks and representation rather as a national or regional/local matter and are not aware on the role of the EU in this. Some stakeholders and experts know about the EU funding to EU-level networks and to its support to capacity-building for more effective and professional networks.
15	Inter-national cooperation	27%	0.57	Not many interviewees are aware of SBI/EU action in this field. Small bias implied as interviewees from non-EU Member States (Western Balkan, Turkey) do not classify the EU support they know as EU international cooperation (IPA funds, neighbourhood programmes etc.) The ones that are aware of EU international action see a role for the EU to play a leading role on SE development in the world and to support non-EU countries on SE development.
16	Social impact measure-	40%	0.14	Despite of quite some interviewees seeing a progress, the majority of stakeholders is not aware of any EU activities in the field. Only few

#	Impact area	Awareness % interviewees mentioning general positive changes in this field	Score of SBI/EU influence (0-2)	Perceived EU added value
	ments and reporting			interviewees are aware of SBI influence (e.g. GECES report) or EU supported actions, e.g. Interreg VISES project. The low score also results from many interviewees that indicate it as a need but think that changes are mostly influenced by other actors (local, regional, SE networks, financial intermediaries, GIIN etc.). If there are activities, they are not EU-wide but that they are fragmented (by country, type of SE).
17	New technologies and digitalisation	36%	0.125	EU activities under SBI in this field are generally not known to interviewees. Some interviewees know some specific EU projects, e.g. Horizon2020 or Interreg projects. It is seen it as an upcoming need particularly in the view of the current COVID-crisis and post-COVID needs and services.
18	Access to markets – State aid rules	27%	0	This is an issue that is generally perceived as complex and burdensome, associated with rather negative than positive changes. It is linked to the EU in general. Usually people are not aware that the SBI paved the way for simplifications/exemptions for SE in EU State aid rules. Most interviewees refer to limitations of the de minimis rules, some to the General Block Exemption. Very few interviewees are aware of the role or impact of the SBI on State aid rules, hence, the score of the SBI change for a better ecosystem is very low. Some interviewees perceive a need for further action.

Source: Contribution analysis per impact area based on interview findings (n=327) and own calculation

### 6.3 Geographical patterns of EU added value

To detect geographical patterns in the additional value of SBI and EU action, a contribution analysis per types of country has been conducted. We created a classification based on the level of development of the SE ecosystem. Groups reflect countries with an advanced SE ecosystem, countries with a moderate SE development and countries still developing their SE ecosystem.

It is no surprise that representatives from countries with an advanced SE ecosystem perceive more than on average that the development would have been similar without the SBI. Meanwhile, representatives from countries where the SE ecosystem is developing perceive more frequently that the SBI had an added value.

The results show differences in ranking for different group of countries, in accordance with the level of SE ecosystem development and EU membership. (see Table 6.2 and Table 6.3).

**Table 6.2 Impact areas with highest SBI/EU influence by origin of interviewee**

Group of countries	Impact areas where stakeholders see significant SBI/EU influence
In countries with advanced SE ecosystem	<ul style="list-style-type: none"> <li>• Visibility of SE in EU and national programmes</li> <li>• Availability of public funding</li> <li>• Regulatory and institutional environment, particularly new or modified institutional arrangements</li> <li>• Information and Understanding</li> <li>• Research on SE</li> <li>• Mutual learning</li> </ul>



Group of countries	Impact areas where stakeholders see significant SBI/EU influence
In countries with moderate SE development	<ul style="list-style-type: none"> <li>• Education and Training for SE</li> <li>• Access to markets – public and private public procurement</li> <li>• Visibility of SE in EU and national programmes</li> <li>• Availability of public funding</li> <li>• Information and Understanding</li> <li>• Regulatory and institutional environment, particularly new or modified legal frameworks or forms</li> </ul>
In countries developing SE ecosystems	<ul style="list-style-type: none"> <li>• Availability of public funding</li> <li>• Mutual learning</li> <li>• Visibility of SE in EU and national programmes</li> <li>• Access to markets – public and private public procurement</li> <li>• Education and Training for SE</li> <li>• Research on SE</li> <li>• Conditions to work with SE in financial intermediaries and their networks</li> <li>• Managerial capacity in SE</li> <li>• Labels and certificates</li> <li>• Information and Understanding</li> <li>• Access to private finance</li> </ul>

Source: Contribution analysis per impact area based on interview findings (n=327) and own calculation

Overall, the following conclusions on geographical patterns can be drawn:

- SBI/EU influence on availability of public funds and visibility in programmes and EU funding are the top ranked impact areas in all groups of EU countries but score lower in non-EU countries.
- SBI/EU influence on access to markets via public and private procurement is particularly relevant in countries with moderate and developing ecosystems.
- Information and Understanding brings relevant EU added value for all country types
- Mutual learning shows considerable SBI/EU added value, mostly for countries with developing ecosystems.
- Education and training are not that relevant for countries with an advanced SE ecosystem.
- New modified institutional arrangements are particularly important in advanced countries, but less for other types of countries.
- Perception on EU influence on new legal forms is relevant in countries with a moderate SE development.
- SBI/EU influence in the fields of managerial capacities in SE is more relevant in countries with a developing SE ecosystem and in non-EU countries.
- Stakeholders from non-EU countries appreciate the SBI/EU influence on international cooperation relatively more than others.
- Across all groups, stakeholders, especially at national level, appreciate the SBI's contributions to policy frameworks, strategies and policy support as well as to statistics and accounts, areas where SBI/EU influence might be not so visible at regional/local level.

**Table 6.3 Impact areas with highest SBI/EU influence in non-EU candidate countries and Western Balkan**

Group of countries	Impact areas where stakeholders see most SBI/EU influence
Non-EU – candidate countries	<ul style="list-style-type: none"> <li>• Mutual learning</li> <li>• Information and Understanding</li> <li>• Research on SE</li> <li>• Managerial capacity in SE</li> </ul>

Group of countries	Impact areas where stakeholders see most SBI/EU influence
	<ul style="list-style-type: none"> <li>• Availability of public funding</li> <li>• International cooperation</li> </ul>

The perceived additional value of SBI/EU action is not only perceived as considerable in all EU MS, but is also relatively high in **non-EU countries**, even if the scope of action was lower than in EU MS:

*"The EU has helped trigger the Norwegian government and senior officials to address the issues of social entrepreneurship and social businesses. This has not yet generated much in terms of concrete policy measures, but attitudes have evolved." (#720)*

*"The EU support measures are significant in making a difference. The EU is a good partner in capacity building. There would not have been the same development without the EU support measures." (#747 on Turkey)*

*"Thanks to SBI and involvement of the Ministry of Economy in it, SE has been introduced into the Strategy for micro and SMEs and SE have been moved from "social" into business sector, which is very important for further progress. Additionally, SBI introduced some key measures/activities that need to be implemented at national level in order to develop a better institutional framework for SE sector." (#726 on Montenegro)*

*"There would have been some development, but the situation would not be the same as without SBI. With the SBI it was easier to have a point of reliance. But it was mostly between advocacy organisations and public administration and not between SE themselves." (#666 on Serbia)*

*"Although the SE sector has received some support from various international actors, the biggest push has come from EU's SBI. EU remains the only international institution and donor with a long term strategy/policies (being considered a reference for Albania), while most other international institutions/donors that have been supporting the SE sector in Albania have done it based on short-term project basis." (#524 on Albania)*

## 6.4 Mechanisms of how EU added value is produced

Stakeholders explain the mechanisms of how the additional value of the SBI/EU action compared to what would have happened at Member State level is produced as follows.

Firstly, there is the **additional awareness and legitimacy of actions at MS level because of the SBI**. The SBI has been used by national, regional and local policymakers at MS level, but also by stakeholders and practitioners to raise awareness on SE and the social economy in their country, and to request political commitment and further action in line with what the European Commission has proposed in the SBI (and through follow-up actions in other documents and via GECES). Interviewees confirm this additional value.

- *"It would not have had such legitimacy without the SBI, probably such development would not have taken place without this context". (#612 on Hungary)*
- *"The SBI initiatives opened doors at a national level (e.g. with funders or ministries). It also changed the context of the discussions in the field. The interview partner referred to the symbolism that the SBI was covered prominently at a European level. The Strasbourg conference was an important element". (#545 on Austria)*
- *"We have invoked the EC SBI Communication many times to justify our actions, and it helped." (#730 on Poland)*
- *"The SBI has been important in raising visibility. Through the initiative relevant questions have been raised to the table. It has given a push to discuss these questions nationally with the relevant authority. Even though all the discussions haven't resulted in actions, the general awareness has increased, and the possibilities have become clear." (#587 on Finland)*

- *"Very positive/influence of SBI: SBI is the first policy of this kind at EU level: it exemplifies the need to have a framework document on social economy at EU level, it filled a vacuum and forces future EU Commissions not to leave a vacuum."* (#306)

Many stakeholders also appreciated the **additional support via EU funding**. SBI has led to a higher recognition of SE as target groups and SE policies as topics in different EU programmes, and this had leveraged important amounts of additional funds at national level, that most probably without the EU co-funding would not have been offered, or to a much lesser extent. However, a high dependency from EU funds is also perceived as dangerous for the sustainability and continuity of actions within national frameworks. This has been highlighted by interviewees from CEE countries.

- *"The SBI has had an impact, in particular on financial instruments (via France Active, BPI, Caisse des Dépôts)."* (#592)
- *"The EU is the main funder. There is no alternative to the EU funds. Development of SE would not have been the same without EU support. However, if these initiatives and support programmes were planned better (in line with the local needs and capacities), ecosystem actors would benefit from these even more."* (#690)
- *"Besides the EU funding, the public funding is almost inexistent."* (#698)
- *"All SE-public investments are ESIF origin, which is highly dangerous for the general sustainability."* (#694)
- *"Things would have not gone as far without EU funding, which accelerated the spread of social enterprise discourse and provided tangible support. Some things would have occurred in a different way, some would not have occurred altogether".* (#109)
- *"The European funding has been very important for social enterprises, ERDF particularly in Wales. It specifically mentioned social enterprises, which is very important."* (#754)

At the same time, the relevance of **EU-wide information and strategic support** on certain SE-related topics is acknowledged as additional value compared to action at MS level:

- *"The SBI provided a strategic direction for the member states that should be followed. And this means a lot in a circumstance when you are tracing the road for a new, emerging sector. Although I have a lack of information, I can freely say that without this strategic direction, the same impact wouldn't have been possible."* (#713)
- *"In a moment of crisis/austerity measures, the SBI provided an extra support/incentive for many actors (e.g. big impact of the Directive on public procurement)".* (#579)
- *"SBI was also important. For example, Portugal Social Innovation being multi-fund would not be possible without this EU strategic orientation. And it is an important milestone in the ecosystem."* (#663)

Moreover, the analysis of additional value underlines the role of SBI and the follow-up actions as **key catalyst or accelerator of changes** in different European countries. Here, the additional value originates from the overall SBI action, combining legitimisation, funding and strategic effects:

- *"The SBI is and was a game changer. It led to the launch of a European movement."* (#104)
- *"The development would not have happened at the same extent. The SBI was a key catalyst".* (#117)
- *"Positive changes: SBI and EC set a snowball in motion and MSs developed national strategies."* (#305)
- *"I think that without this external impetus, the changes would not have happened at all - I mean raising awareness, political commitment, regulatory framework, funding, etc. There would be, as there exist currently, separate local initiatives, which remain, however, not integrated into the ecosystem of the social economy and social enterprises".* (#556)

- *"I am persuaded that the SBI has provided an acceleration to the development of SE in EU countries as it has activated/re-activated a process on awareness". (#116)*
- *"The elaboration of the Swedish national strategy for SE of 2018 is partly a result of the SBI. Without the SBI, it could have taken longer before such a strategy was elaborated and adopted." (#671)*
- *"The SBI has accelerated and structured a path that would have happened anyway. It did not create a new path but set the conditions to follow this path a little more easily." (#538)*

Only 15% of the interviewees estimate that there was **practically no added value of the SBI** in addition to action at national and regional level. This is linked to the fact that many SBI follow-up actions took place at the EU level of action ("in Brussels") or at the highest governmental level in MS addressing the overall SE ecosystem, with limited outreach of actions to the local and regional level and indirect, less visible effects on individual SE.

- *"The SBI did not have a significant impact in Italy neither at national nor at regional level. Most public authorities are not aware of its existence, and those very few who know it, did not apply it. This is a matter of fact." (#765)*
- *"There would have been the same developments and the same effects, because the EU legislation in this particular area, is still not having a wide enough effect in Malta." (#647)*
- *"Without SBI the development of the sector would be similar or the same because there is no practical idea of the Social Economy in our country. The solutions created are mostly in response to the ideas of the European Commission and do not stem from the real needs of our country." (#732 on Poland).*

In particular, this can be observed in countries with an already rather developed SE ecosystem. However, also in these countries additional EU funds are appreciated as adding to national/regional initiatives:

- *"On one level yes, the development would have been the same without the SBI, because Scotland was already committed to social enterprise. But the fact that thanks to the SBI there were additional resources and further reinforcements of that position coming from the EU was hugely helpful. It is a symbiotic evolution." (#748)*
- *"I think that in Spain there would have been the same changes, even without the SBI." (#723)*
- *"Yes, there would have been the same development. Indeed, the UK was already in a much more advanced position than some other countries." (#753)*
- *"Probably the same development, as social enterprises were already well established in Belgium." (#528)*

Overall, the additional value of the SBI can be further characterised.

- 33% of interviewees see that the complete set of initiatives was very relevant to **accelerate the speed of development**. Without the SBI, general developments are estimated to have taken place later.
- 46% of the interviewees see that without the SBI and its follow-up actions the development would have happened **at a smaller scale**.
- 21% of interview respondents see that without SBI developments would have been **limited to certain countries or geographical areas**.

## 6.5 Additional value of GECES

The expert group on social entrepreneurship (GECES) was first established for seven years in 2011 and was renewed again in 2018 under the title "expert group on social economy and social enterprises"<sup>109</sup>. As announced by the Communication SBI (COM (2011) 682),

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<sup>109</sup> [https://ec.europa.eu/growth/sectors/social-economy/enterprises/expert-groups\\_en](https://ec.europa.eu/growth/sectors/social-economy/enterprises/expert-groups_en)

this expert group encompasses a representative of each Member State, local authorities and the stakeholders will work to examine "the progress of the measures envisaged by the Communication", including key actions proposed by the SBI. Its official tasks between 2012 and 2017 encompassed:

- Assist the Commission in relation to the implementation of existing Union legislation, programmes and policies;
- Assist the Commission in the preparation of delegated acts;
- Assist the Commission in the preparation of legislative proposals and policy initiatives;
- Coordinate with Member States, exchange of views;
- Provide expertise to the Commission when preparing implementing measures, i.e. before the Commission submits these draft measures to a comitology committee.

At the moment there are representatives from 38 organisations, 27 MS authorities and 1 other public entity as well as 12 observers. The list of organisations includes organisations and networks such as Ashoka, Cooperatives Europe, EMES International Research Network, EUCLID Network, European Confederation of Workers' Cooperatives, Social Cooperatives and Social and Participative Enterprises (CECOP-CICOPA Europe), European Foundation Centre (EFC), EVPA, Microfinance Centre (MFC), Social Business City Barcelona (SBC) or the Luxembourgish federation ULESS.

Currently, some GECES members/ observers represent local and regional authorities, namely the European Committee of the Regions (CoR), European Network of Cities and Regions for the Social Economy (REVES), Social Business City Barcelona, and regional authorities from Sweden and Croatia.

GECES has produced several papers and reports on specific topics that are widely used among practitioners and experts and can be considered as crucial for the development of SE in Europe. Some of the most relevant papers are:

- GECES (2013): Sub-group on Impact Measurement: Proposed Approaches to Social Impact Measurement in the European Commission legislation and practice relating to: EuSEFs and the EaSI;
- GECES (2016): Social enterprises and the social economy going forward. A call for action from the Commission Expert Group on Social Entrepreneurship.

In 2017, an internal reflection on GECES was carried out, while preparing for the 2018 update of the group and its working procedure. There, it was highlighted that *"the GECES has had an important symbolic value throughout its first tenure, providing recognition for the importance of this policy field. It functioned as a focal point, drawing together relevant services and initiatives of the European Commission. It provided important input and, by connecting systematically a diversity of stakeholders, the GECES has promoted mutual learning and new partnerships and cooperation between them"*<sup>110</sup>.

During our study, we asked interviewees about the potential added value of GECES on the general ecosystem of social enterprises.

44.8% of overall stakeholders are not familiar with the GECES. They would not be able to assess its added value due to too limited knowledge on the expert groups' outcomes. This reflects the **relative low visibility of the GECES** that is mostly known to experts and policymakers and practitioners related directly to SE policymaking at EU and international level.

Perhaps unsurprisingly, interviewees at the EU level are more aware of GECES (only 29.2% indicated "unknown") than at MS level (51.1% indicated "unknown"). At national level, national authorities are the most aware of GECES (39.4% indicated "unknown"). The lack of awareness on GECES is particularly high among national stakeholder associations (57%) and regional and local authorities (70.6%).

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<sup>110</sup> Minutes of the 12<sup>th</sup> GECES Meeting. 2017



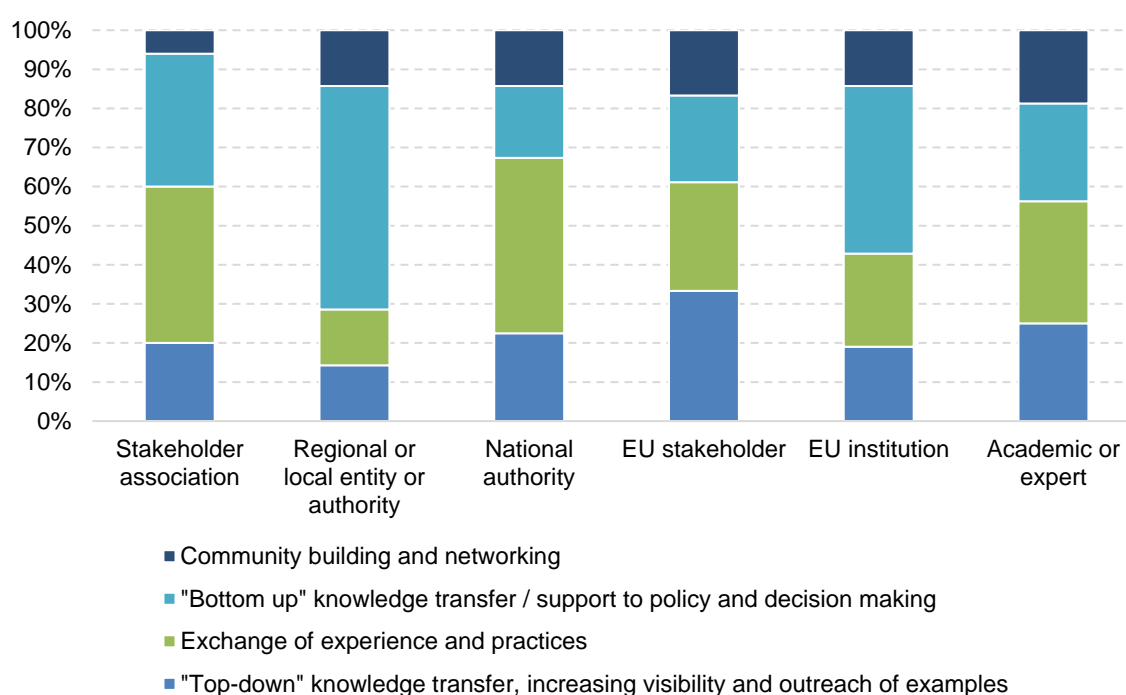
The low degree of knowledge of the GECES among regional and local authorities might be linked to the fact that most communication and publications of the GECES are presented in English. This reduces to outreach to the local and regional level in most EU Member States and EaSI partner countries. This limits the added value of the work of GECES, considering that the local and regional public authorities should be an important target group of the expert work of GECES as interface between the European Commission and the Member States.

Among the 50.2% of the stakeholders that are familiar with the work of GECES, the appreciation of its work is mostly positive.

53% of the interviewees can name concrete benefits and see a clear additional value of GECES and its work.

Benefits are perceived differently by the different stakeholder groups that have been interviewed.

**Figure 6.1 Perceived GECES benefits**



Source: own elaboration based on interview findings (n=161), interviews with academics and experts, EU institutions, EU stakeholders and representatives at national level. Interviewees could name more than one option.

The perceived GECES benefits can be grouped into the following areas:

- Support to policy and decision making through “bottom-up” knowledge transfer of practices, views and examples from the ground (most relevant for regional and local authorities and for representatives of EU institutions)
- Exchange of experiences and practices (most relevant for national authorities and stakeholder associations at MS level)
- Community building and networking (relevant for all stakeholder groups, less for stakeholders at MS level, but not prioritised by any group)
- Increasing visibility and mutual learning through “top-down” knowledge transfer of examples from other countries or the EU level (highly relevant for stakeholder associations at EU level)

One common perception was that the GECES group **helps to exchange practices and concepts** and serves as a platform. The discussions in this group help to better understand trends at the European level and best practices in other European countries.

- *"It gathers a lot of practitioners, knowledgeable people from the field, so the inputs are real and valuable - But, the problem is top-down approach which slows down the activities - Recently, GECES's activities became more relevant (mapping study, other analysis...)". (#606)*
- *"GECES added value – it's a good platform to exchange ideas and information with other people in the same sector. It is useful to learn from the networks without public funding how to improve as a network and become financially independent". (#572)*

The expert group is also perceived as being helpful in **supporting policymaking**.

- *"The GECES is a very important working group for formulating syntheses and recommendations to the European Commission. We support the 13 recommendations made in 2016. These recommendations constitute an important political support". (#590)*

Sometimes interviewees referred to **specific documents or papers published** by different groups. For example, the report on the "Improving access to funding" by a GECES Working Group was mentioned.

- *"The GECES social impact report (published in 2017) has given the actors a "legitimated European" basis for sharing on evaluation issues, which cannot be reduced to a question of measurement. More generally, to ensure the added value of the GECES, the results of its work (reports, minutes) must also be well disseminated in France". (#593)*

Overall, only few interviewees raised negative comments on the GECES. Interviewees usually criticise the lack of visibility and a lack of joint vision. Others find the composition of GECES not clear (experts or policymakers), leading to confusion on its role. Added value of GECES can be improved with some small changes.

- *"The efforts of this group would have had more added value if there would have been more political support on the level of single MSs." (#678)*
- *"GECES would be more effective if there would be more commitment of members to spread the results of the work they are doing amongst their constituencies (SE organisations) but also at a broader level. National representatives shall bring back more to their countries." (#307)*

One proposal for improvement referred to establishing mirror expert groups at MS level, in order to institutionalise a better communication and the exchange of information between EU-MS and within countries.

- *"In order to have a real effect with added value, members should meet and operate both in Brussels and in their home-country, thus they should be present on field as much as possible. Otherwise, the communication will never be effective and, as a consequence, achieved results will not bring any substantial added value." (#676)*

To sum up, many proposals for increasing the GECES added value refer to the aspects of communication and dissemination of information at Member State level. Translation of GECES publications and documents in all the EU official languages might be useful to improve outreach towards the local and regional level.

Another example of an improvement would refer to promote interfaces or dissemination structures at MS level that facilitate the exchange of GECES-related information and its dissemination between the stakeholder organisations and the national level.

Finally, another proposal for action would be to give more space to local and regional authorities and organisations as well as to relevant territorial topics that are relevant for specific cities, territories and regions at GECES meetings, e.g. involve them through consultations, integrate local and regional examples of policy initiative in each meeting etc.



## **7 Policy implications and recommendations**

This chapter presents some general conclusions and options for future policy initiatives.

### **7.1 General conclusions**

The analysis has shown that visibility of social enterprises and the social economy as a whole has increased considerably since 2011. The SBI contributed to the diffusion of the social enterprise concept across EU Member States. From 2011 to 2020, the SBI has spread the topic of the social enterprise as a specific institution. It has also contributed to raise awareness on the social economy as a broader dynamic in political debates. Social enterprises and other social economy organisations (SEO) have gained in visibility and are increasingly considered as important actors, not only by policymakers in social policy, but also in other policies (regional development, cohesion, innovation, climate, environment).

However, after more than ten years, discussions have not ceased about different terms, definitions, concepts related to social enterprises or the social economy at large. In particular, debates are held considering whether and how social enterprises need to be defined or registered, which other types of organisations can be considered as social enterprises or in how far the potential of other organisations with a social purpose should be promoted within a framework for the social economy. The analysis has shown that confusion about terms, unclear definitions and subsequently inadequate legal frameworks have been a main obstacle for further development of the social enterprise ecosystem. While discussions are vital and reflect the rich diversity of social economy tradition in the European countries, it is also necessary to promote an overarching and common understanding and agree on how different players and organisations can (better) contribute to social aims and societal challenges. A future policy initiative should therefore set minimum operational definitions, highlight relevant differences between scopes and conceptual approaches, but also show ways to improve conditions for organisations that have social purposes and the potential to contribute to a balanced sustainable and inclusive development.

The SBI has managed to act on a wide range of fields, in which policy support is necessary to create enabling conditions for the development of social enterprises and the social economy in general. In addition, the ecosystem of the social economy has increasingly become more complex over the last ten years. Any future European policy framework needs to consider this increasing complexity at multiple levels and shall actively promote tailored solutions for different settings.

In general, it shall not be forgotten that the support of social economy organisations is not an end in itself but rather a means to strengthen its role in contributing to local and regional development, addressing social and societal needs, creating and offering jobs in the community, including for vulnerable groups, promoting social innovation and territorial cohesion, developing relational assets in industrial development etc. Recognising the role of social economy organisations in transformative processes and addressing societal challenges is important. Future policy frameworks should create visible links between the social economy and other policy fields such as the circular economy, just transition or the digital decade. The same needs to be applied also at the level of EU priorities, i.e. showing the concrete potential of the social economy to contribute to sustainable development, a just transition to a climate-neutral society, environmentally-friendly food systems, and of course, equal opportunities and access to the labour market, fair and safe working conditions, social protection and inclusion.

The SBI was a policy initiative with concrete objectives and key actions. Although it was not built on a dedicated budget, it received support and continuous commitment of different European Commission services and EU institutions. This resulted in numerous follow-up actions to the SBI. Some follow-up actions, such as the GECES expert group, events, studies or policy tools, involved also the EU Member States, national and regional

stakeholders and experts, European network organisations or other international bodies such as the OECD. This combination of numerous individual measures, the support of social enterprises via larger EU programmes and instruments (e.g. ERDF, ESF, Horizon 2020, ERASMUS+) and EU level legal initiatives had several advantages but also shortcomings.

A main advantage was the flexibility of support built on a wide range of policy measures that has not only managed to tackle a wide variety of relevant issues but has also allowed to respond to policy initiatives to relevant and emerging needs of the social economy sector. Despite its launch in 2011, the SBI with all its follow-up actions has not lost its thrive and its potential until today. A second advantage was the leveraging role of the SBI, spreading a positive influence and motivation for many stakeholders in many EU Member States and neighbouring countries. So, many different stakeholders across Europe were effectively involved or were influenced by the SBI and the follow-up actions – sometimes even without knowing that policy initiatives were linked to the SBI. SBI can be considered an adaptive policy initiative which has produced a long tail of positive inspirations for the social enterprise sector in Europe.

On the other hand, this adaptive and integrative approach with evolving policy measures has had some drawbacks. Today, many people in the social economy sector and even in the European Commission, are not aware of the SBI as such, even if most stakeholders know EU follow-up actions that can be traced back to the overall umbrella of the SBI. The lack of a clear overview on SBI-related objectives, initiatives, activities, and achievements, particularly in the years 2014-2019, has constrained the overall coherence of the SBI with other European programmes and priorities. While coherence at general policy level was assured in almost all cases, there were few operational linkages or feedback loops to enhance active synergies between EU policies on the ground. The need for more and better communication is a challenge not only for the SBI but for EU contribution to sectoral and regional development in general. All this has not prevented the SBI and its measures from being effective. However, any future initiative should build on the advantages of the SBI approach and try to overcome the drawbacks with a well-communicated and clear presentation of the overarching policy initiative and its policy measures.

## 7.2 Options for future policy initiatives

Options for future policy initiatives can be derived from the analysis of effectiveness and from the stakeholder interviews. Additional proposals were gathered in a seminar with GECES members in October 2020.

### 3.1 Overall approach and policy framework

After having created basic conditions to operate for social economy organisations with the SBI and its follow-up initiatives, any future EU policy framework needs to create now conditions to exploit the potential of social enterprises and the social economy as a whole in all European countries.

The European Commission can address some of these organisational and operational elements in a coordinated manner:

- **Promote a consistent framework of concepts.** Despite the well-received operational definitions proposed by the SBI and the EaSI financial instruments, there is still a need for a common understanding and an overall framework of definitions and concepts. For players at Member State level, in particular at the local and regional level it is not always clear to which type of organisations EU policies refer. Specific needs of different types of organisations according to their national setting, location, size, life-cycle situation need to be taken into account.

→ Introduce a common overview and framework of concepts related to the social economy used in European countries (e.g. social enterprise, social innovation, social and solidarity enterprise). Take into account existing specific or prominent
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organisations in some EU Member States (e.g. Entreprise solidaire d'utilité sociale in France, Sozialunternehmen in Germany, Società Cooperativa Sociale in Italy) but also highlighting commonalities. Include a conceptual framework with guidelines a specific EU understanding of the social economy and relevant types of organisations, but without proposing closed definitions. Analyse potential conflicts that might arise from too narrow definitions.

→ Use a matrix approach in future policy documents. Make clear if objectives and measures refer to the social economy as a whole, to social enterprises or to other types of organisations.

- **Apply an ecosystem perspective.** The analysis has shown that the development of social enterprises and the social economy cannot be built on fragmented initiatives but requires a systemic understanding of connected weaknesses and measures. For example, a better access to financial resources requires not only that funds are made available, but also a better access to specific financial products at local level, a specific understanding and treatment of the social economy in the financial entities, as well as managerial skills in social economy organisations.

→ Any future EU action should continue adopting the dynamic and adaptive ecosystem perspective to support the social economy that was already used by the SBI, i.e. cover different action lines and policy areas.

→ This implies further promoting at EU level the role of key drivers such as research, education and training, awareness-raising and mutual learning. Horizontal elements such as capacity-building and activities to exchange good practices should be used across all policy areas and tailored to the different needs of different stakeholders.

- **Strengthen coherence between EU policy initiatives for the social economy and other EU instruments.** For the post 2021 period there is huge potential for a stronger role of the social economy on society and relevant EU policies. Many stakeholders call for better integration of the EU action on social economy in overarching priorities and goals, such as Sustainable Development Goals. As recognised in the analysis, the Internal EC Task Force on Social Economy is a relevant mechanism encouraging policy coherence and coordination between EU policies and can become a valuable tool to promote a streamlined support to the social economy.

→ Actively establish a link between the social economy and the EU Pillar of Social Rights, for example, by adding examples of how the social economy has a key role in contributing to the objectives and principles of the EU Social Rights.

→ Actively promote and highlight the transversal role of the social economy in relevant EU policy initiatives (e.g. the Just Transition Fund, EU Green Deal, Digital Europe, Farm to Fork Strategy, Circular Economy Action Plan, Cohesion Policy) and related funding instruments.

→ Connect future initiatives to the SDGs, e.g. reflect on the role of the social economy to achieve the SDGs or show examples of how the social economy contributes to the SDGs.

→ Describe in future policy documents the potential role and contribution of the social economy in other relevant EU policy fields (e.g. with examples of past or on-going projects).

→ Given its economic policy coordination role, exploit the European Semester, including the links with the Recovery and Resilience Facility (RRF), as a possible overarching framework linking EU policies to national reforms and investments aimed at fostering social economy in Member States.

→ Promote the potential of the social economy in implementing of Cohesion Policy funds 2021-2027, in particular ERDF and Interreg, where the support to the social economy is less obvious than under the ESF+.

→ Highlight social economy organisations as target groups in EU programmes and policies (e.g. in call texts, guidelines, work programmes): actively recognise different types of social economy organisations to attract more applicants and potential beneficiaries that do not fit into the classical public/private dichotomy and might not feel addressed.

→ Reinforce the role of the Internal EC Task Force on Social Economy as a relevant mechanism for steering coordination and coherence among EU priorities and EU programmes/instruments.

### **3.2 Strengthen the visibility of the Social Economy and its beneficial role in sustainable and inclusive development**

The study has shown that needs for more information and better understanding persist. Information is more and more available but quantifiable data is usually not, hampering further research and analysis. Therefore, EU activities that contribute to generate information, raise awareness, disseminate and exchange good practices, produce and compare statistical information etc. on the social economy shall be continued.

Any future policy action should make sure that information about the related policy measures, actions, initiatives and studies are properly disseminated and readily accessible so as to reach all relevant target groups (e.g. social economy organisations, public authorities, policy makers, networks, youth) at all levels (EU, national, regional and local).

#### ***What can be done at the level of the European Commission?***

- Continue with activities to generate knowledge and a better understanding on social economy organisations, interactions with other parts of the economy and the society and its needs in the different European countries.
- Update the Mapping Study to analyse the situation of the social economy and/or specific types of organisations in the different European countries.
- Promote pilot actions on dissemination of good practices, on a European or inter-regional exchange between European regions and cities, and on the generation of statistical information.
- Introduce a European year for social economy (and its role in contributing to change and transformation) to raise awareness among public authorities and the general public, in particular young people.
- Any future policy initiative should be supported by a single social economy point of access ('gateway') to information, results of relevant EU activities (e.g. studies, projects) and an overview on policy measures, addressing on the one hand policy-makers and on the other hand social economy stakeholders. This gateway might include links to existing tools, such as the Better Entrepreneurship Tool (EC-OECD), but also to relevant action at MS level that has been identified in specific policy areas. This will stimulate the exchange of good practices, create redundant access points to increase the visibility for any potential social media user, but should avoid duplicating in-depth information.
- Ideally, the implementation of any future policy initiative will be accompanied by a thorough social media campaign that supports communication and dissemination and comprises also online activities (e.g. webinars, youtube videos) that would increase the outreach to stakeholders across Europe.
- Documents, events and tools (including the proposed gateway) should be available in as many European languages, in particular of the Central and Eastern European countries, as possible to increase their usefulness for stakeholders and policy makers at Member State level.

#### ***What can be done at Member State Level?***

- Contribute to the generation of knowledge and a better understanding of the social economy at national, regional or national levels, for example by encouraging public authorities to use the Better Entrepreneurship tool and to participate in the European Social Economy Regions initiative.

- Raise statistical information on the social economy and relevant organisations (e.g. social economy enterprises, cooperatives, foundations, associations with social objectives) in order to contribute to a better understanding of the sector and its benefits for society.

### 3.3. Stimulate capacity building, education and training

Lacking skills and capacities are one of the main obstacles for further development of the social economy. This refers not only to skills and capacities in social enterprises and other social economy organisations, but also to capacities in public authorities, in financial entities, financial intermediary organisations, support organisations and even in training and education institutions. More specific capacities and knowledge on social economy organisations would help to develop better interlinkages between public authorities and the social economy, exploit better the potential of the social economy, and develop better suited and more adequate training and education schemes. Capacity-building should, therefore, be an important transversal action within any future policy initiatives for the social economy. At the same time, research has shown that there is need for more and better formal education and training programmes to prepare for jobs and careers in social economy organisations.

#### ***What can be done at the level of the European Commission?***

- Introduce capacity-building measures as transversal action into the overall policy initiative and any other (thematic) action line.
- Promote the use of relevant EU programmes for capacity-building (e.g. through European or national networks, within ESF+ programmes, within the European Social Economy Regions etc.). Address different target groups with capacity-building schemes: a) social economy organisations, b) public authorities working with public procurement, legal frameworks and social economy policies, c) stakeholder and intermediary organisations of the social economy ('train-the-trainers'), d) financial entities and intermediaries.
- Create an EU award for education and training for the social economy (maybe together with Erasmus+). This can be used to identify and honour education and training offers in different categories (primary, secondary, university, vocational, life-long) all over Europe.
- Launch dedicated support measures/awareness raising projects in the field of entrepreneurship education to attract young talents in the social economy field.
- Use the input from the Blueprint for sectoral cooperation on skills (for work integration social enterprises) and results of Erasmus+ projects to create a platform on skills for a social economy with good practices and key features of well-suited and adequate education and training programmes.
- Continue and extend the Erasmus for young entrepreneurs experience for social entrepreneurs and young professionals in social economy organisations, in particular cooperatives and social enterprises.
- Strengthen support through capacity-building and technical assistance schemes for European (and national) social economy networks and for financial intermediaries working with the social economy in Europe.

#### ***What can be done at Member State Level?***

- Support capacity-building for relevant stakeholders (e.g. public servants, national or regional social economy networks and associations, financial entities) in line with existing good practices, manuals and guidelines (e.g. on public social procurement).
- Offer information, advice, supporting funds and capacity-building measures to increase participation of SEO in relevant programmes (e.g. ESF+, Erasmus+).

### 3.4 Promote legal recognition and harmonisation of regulatory frameworks

Important steps have been taken in many countries to create a suitable legal and regulatory framework for social enterprises and/or for social economy organisations. Some countries are still in a learning phase and are testing/improving early legal frameworks, registers and institutional arrangements, while other countries and regions have already long experience and a fully-fledged regulatory framework in place. Political and legal recognition is an important driver of further development of the social economy. But effective recognition needs also to apply to broader policies (e.g. active labour market policies, integration policies etc.) and a more comprehensive policy support to social economy.

***What can be done at the level of the European Commission?***

- Promote active exchanges and mutual learning between countries with well-developed social economy ecosystems and countries who are still in a development phase.
- Continue to generate overview and comparable information on the status of legal frameworks, registers, labels and certifications for social enterprises and other specific social economy organisations to feed mutual learning and exchange between countries and stakeholders.
- In order to develop a fertile enabling environment as well as sufficient capacity a comprehensive and integrated approach is needed. The European Commission can provide technical support to EU Member States both for the improvement of the regulatory context as well as for building capacity among the relevant stakeholders, for example through the Structural Reform Support Programme (SRSP), future Technical Support Instrument (TSI) or through its cooperation with OECD.
- Reduce administrative and legal obstacles of social economy organisations to fully use the advantages of the single market. This can be achieved, for example, through EU legal forms or information and guidance on practical and policy solutions to improve the way SEO may operate in other Member States.

***What can be done at Member State Level?***

- Introduce new or improved legal frameworks for social enterprises: This process needs to build on a number of preparatory actions that should take into account the traditions, opinions, needs and actual situation in the country/region by means of ad hoc consultations, focus groups, etc.
- A recognition with a large scope (e.g. via social economy, social and solidarity economy, third sector) is more likely to ensure a more effective coordination with other pieces of legislation and should in principle enable for a more inclusive recognition of diverse types of social economy organisations when compared to legislations that focus on specific legal types and/or fields.
- Actively contribute to achieve a single market for the European social economy through application of the non-discrimination principle, mutual recognition of specific statuses of social economy organisations and contributing to reducing any other administrative and legal obstacles to cross-border activity of SEO.

### **3.5 Tackle the needs of specific territories**

Few SBI actions had a direct impact on the local and regional level. In generic social economy support policies, the needs of stakeholders in specific territories are rarely recognised, for example in border regions or sparsely populated areas. More than in other territories, social economy organisations in rural, peripheral and border territories respond to specific needs (e.g. ageing, population loss and depopulation, equal access to quality public services). At the same time, they face multiple challenges (e.g. poor infrastructure, weak administrative capacity, barriers to IT solutions, brain drain). Future actions at EU level should foresee the setting up of dedicated support activities for social economy organisations in rural or peripheral areas. For example, on capacity-building on social public procurement arrangements in rural or less-populated areas, exchange of good practice examples of SEO interactions between urban and rural areas as well as the consideration and solution of specific cross-border obstacles. This can be achieved, for

example, through an increased use of cohesion policy instruments, in particular ESF+, ERDF, CLLD, ITI etc., for areas with specific territorial needs and networking between managing authorities, for example within the framework of ESF transnational working groups, European macro-regional strategies, and through mutual learning and initiatives like ESER.

To improve the outreach of EU actions to the local and regional level, the translation of documents (e.g. selected reports, guides and good practices) into all EU official languages can prove beneficial by contributing to a better understanding of social economy organisations by local and regional actors.

***What can be done at the level of the European Commission?***

- Pay attention to specific local and regional needs in relevant policy initiatives to promote the social economy and dedicate specific measures to them (e.g. studies, events, guidelines).
- Address and involve local and regional authorities more actively in the Commission expert group GECES (e.g. through the invitation of local and regional representatives, dedicated sessions or working groups on needs in specific territories, e.g. rural, or border)
- Strengthen local and regional networks, for example Clusters for social and ecological transition. Extend the exchange of experiences between regions and local and regional stakeholders like it is done in the ESER initiative or with the OECD-EC studies and the Better Entrepreneurship Tool.
- Disseminate good practices and experiences on how the ERDF and ESF in 2014-2020 has supported the development of the social economy and social enterprises, especially in specific territories (e.g. cross-border, sparsely populated, rural). Support networks of managing authorities with information and examples on the social economy, for example in ESF+.
- Support the translation of relevant studies, good practice documents and websites into all European languages.

***What can be done at Member State Level?***

- Acknowledge and support the social economy as driver of jobs and growth and of sustainable and balanced development in the new 2021-2027 national and regional ERDF and Interreg programmes. Focus on specific weaknesses and needs in your country.
- Acknowledge and support the social economy as driver of social balance, inclusion, work integration of vulnerable groups, better work conditions and equal access to services of general interest in 2021-2027 national and regional ESF+ programmes.
- Stimulate participation in national and European networks (of policymakers or managing authorities) to learn from each other and improve support to the social economy in specific territories.
- Empower local social economy initiatives in specific territories (e.g. rural, peripheral, border areas, islands), for example through capacity-building, platforms and specific funding assistance.

### **3.6 Enhance access to finance**

Social economy enterprises rely on different sources of external funding for conducting their activities, such as typically, shareholder contributions, donations by private donors, subsidies by public authorities and debt-based finance from banks as well as instruments such as social impact bonds or equivalent. Their business plans rely also on the income generated by provision of goods and services (revenue streams). Social enterprises and other social economy organisations need dedicated investors and intermediaries who understand their business models and financial needs. These structures are developing but there is still a significant funding gap for social economy organisations across all lifecycle stages and countries, with more pressing needs in the Central and Eastern European countries. Usually, social enterprises are confronted with a market failure and/or



sub-optimal investment situation in financial markets. Mainstream financial intermediaries are not willing to provide finance at conditions necessarily adapted to the needs of social enterprises. Future EU intervention should address those market failures, in particular the supply of capital, capacities at financial intermediaries and favourable framework conditions for social finance investments.

***What can be done at the level of the European Commission?***

- Continue offering debt/guarantee instruments for social enterprises as in EaSI to stimulate the development of social finance markets. Consider the specific needs of countries with a less developed social finance market. Take into account, in particular, the needs of small and medium-sized organisations in their various life-cycle stages.
- Test and promote emerging equity and hybrid instruments, such as social private equity, social impact crowdfunding, social economy funds, taking into account, in particular, the needs of less developed markets in the EU. Competition with or substitution of venture philanthropy funds should be avoided.
- Evaluate the uptake and impact of the EuSEF model, in order to make it more adapted to the needs of social finance investors and intermediaries.
- Support capacity-building in the field of access to finance, providing information on funding sources and improving financial/business capacities, among social economy organisations, local, regional, national networks and associations, European networks and relevant intermediary organisations.
- Continue offering technical training, advice and tailored support to financial intermediaries to better understand social economy business models.
- Facilitate mutual learning and exchange, including dissemination of information on existing social economy funding schemes (e.g. in France, Ireland, Scotland, Poland).
- Include advice and guidance on access to finance for social economy organisations among the services offered by the organisations of the Enterprise Europe Network.
- Create and disseminate a European overview (database, map, document) on existing local, regional and national social finance funds (operating with and without European support), highlighting the contribution of European support in each case. This tool can be used to increase visibility of available finance for social economy organisations, and lead to further activities of exchange and mutual learning between regions and countries.

***What can be done at Member State Level?***

- Develop national, regional or local funding instruments that might use complementary EU funding instruments.
- Learn from innovative approaches and build national (regional/local) schemes to make funds available for the social economy through private equity, crowdfunding, hybrid schemes, social impact bonds, public-private partnerships etc.
- Use EU funds (ERDF, Interreg, ESF+) to develop pilot actions aimed at improving the availability of social finance in cities and regions.

### **3.7 Enhance access to markets**

With regard to public markets: Despite the improvements achieved with the transposition of the 2014 EU rules on public procurement into national law in all EU Member States, new legislation at MS level has not yet unfolded its complete benefits for social enterprises or other social economy organisations. There are many positive examples of the practical application of social clauses or social criteria in public procurement or completely new social procurement procedures in many European countries – mostly at local and regional level. Still many challenges persist: inadequate national or regional legislation (sometimes adding unnecessary additional requirements), lack of knowledge and capacities at the level of the public procurement officers or decision-makers, lack of understanding, fear of uncertainties that would lead to unfavourable audits or control checks are the main obstacles to implement social public procurement.

Many public authorities around the EU are starting to adopt procurement practices which look to emphasise and foster fruitful cooperation between public entities and social enterprises. Successful examples have been implemented in the EU Member States (e.g. Italy) and can be presented as inspiring practices for other countries and regions.

Apart from that, there are specific obstacles to access markets. These refer for example to cross-border obstacles for social economy organisations that want to operate in several EU Member States in border territories or to social economy organisations that are forced to create a new organisation in each different country, as legal frameworks (e.g. on foundations or mutual societies) do not exist in other Member States and no EU-level legal status exists.

With regard to State aid, the de minimis rules and the existing block exemption rules in the EU State Aid Regulation offer an adequate framework for most social economy organisations. However, taking into account the dimension of some social economy contracts, the amount of the de minimis framework need to be raised.

The specificities of particular territories (e.g. sparsely populated, border, rural/peripheral) and their markets need to be taken into account. In these territories, bid-rotation between different service providers is sometimes not possible, given the lack of available service providers. Here, it is important to agree on relevant exemptions from State aid rules to maintain the quality of services of general interest.

With regard to private markets: There exists a huge potential for social economy organisations that needs to be exploited. Conventional companies can collaborate with social economy organisation at different levels: as clients or as partners for certain events, activities, in production or service provision, as suppliers, as providers of services. This will lead to benefits not only for the social economy organisations and the conventional enterprises but also for the territories where the organisations and enterprises are located. Partnerships and business-to-business networks like these might become increasingly important in territories that suffer from population decline and ageing, as well as for enterprises that suffer from a shortage of workers and youth emigration. Especially work-integration social enterprises, but also other social economy organisations are well suited to establish contractual relationships and partnerships with conventional enterprises. Local and regional public authorities, as well as authorities at national level might support the creation of new partnerships of the social economy with supportive structures, dissemination of knowledge and funding for pilot actions. An example of a relevant initiative is the “social market”, a network of social economy organisations put forward by the Barcelona local authority.

### ***What can be done at the level of the European Commission?***

- Continue supporting the use of social public procurement techniques and procedures via the dissemination of good practice examples, support to networks, capacity-building to national networks and associations and national and regional authorities.
- Make relevant information on good practice examples and background material available in as many European languages as possible.
- Generate and disseminate good practice examples and guidelines, including on cooperative practices.
- Offer an EU helpdesk for local and regional public authorities who would like to use social public procurement procedures but lack the relevant knowledge, capacities or have specific problems to start (and continue) with it.
- As regards State aid, consider targeted legislative changes, such as raising the de minimis threshold for SGEI, actually set at EUR 500 000 per 3 years.
- Analyse and propose solutions for specific problems related to State aid, for example, through dedicated studies or an interactive helpdesk, on specific problems and obstacles in accessing markets (cross-border services, organisations active in different EU Member States, service provision in sparsely populated territories, usefulness of service vouchers). In the same vein, consider co-financing of training

<p>and capacity building within national and regional administrations in order to improve understanding of existing rules.</p> <ul style="list-style-type: none"> <li>• Disseminate good practices and a guide to establish successful cooperation/partnership models between social economy organisations and conventional enterprises.</li> </ul>
<p><b><i>What can be done at Member State Level?</i></b></p> <ul style="list-style-type: none"> <li>• Promote social public procurement. Adopt favourable laws/political frameworks. Learn from good practices in other countries and in your own country, in particular, from examples at local level. Disseminate learned lessons and experiences at national level and, for example, via networks of local authorities and regions.</li> <li>• Use EU funds to finance expert intermediaries who can help both public authorities and social economy organisations better prepare for and implement socially responsible public procurement (e.g. "social clauses facilitators").</li> <li>• Support and train public procurement officers and local/regional decision-makers in the use of social public procurement procedures and in social co-designing/cooperative practices.</li> <li>• Support the creation of partnerships between social economy organisations and conventional enterprises with supportive structures, dissemination of knowledge and funding for pilot actions.</li> <li>• Adapt /finetune regulation to better take into account social criteria in public procurement and to facilitate public-private partnerships with social service providers and social partners – in line with all relevant articles of the EU Directives.</li> </ul>

### 3.8 Advocating the benefits of social impact measurement and management

In line with an increasing consideration of environmental, social and governance (ESG) factors in public and private decision-making, a growing importance of impact investments can be observed, i.e. investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. This has generated a strong movement to develop tools and methodologies to measure and manage social and environmental impact which is pushed forward not only by investors all around the world, but is also well advanced at the level of the EU (e.g. EU guidelines on non-financial reporting, EU Action Plan on Financing Sustainable Growth with the definition of the EU Taxonomy<sup>111</sup> offering technical screening criteria for all economic activities regarding their environmental and climate-related impact). By 31 December 2021, the Commission will publish a report describing the provisions that would be required to extend the scope of this Regulation beyond environmentally sustainable economic activities to other sustainability aspects, such as social objectives. That means that the development of concrete methodologies and criteria to measure and manage social impact will take place in 2021, in view of possible extension of the EU Taxonomy in the subsequent period. Even if the EU Taxonomy is particularly relevant for large companies and investments, it can be assumed that this will have an indirect effect also on social enterprises, on social finance and the social economy in general.

Social impact measurement has a key role in supporting the development of the social economy, not only at the level of investment funds, but also with regard to stimulating a better-informed access to markets of social economy organisations. Thus, any future EU policy initiative should increase the knowledge and exchange on social impact measurement and social reporting among relevant stakeholders e.g. social economy organisations, intermediaries and networks as well as local and regional authorities. More focus should be put on the use of measurement techniques and criteria to cover adequately aspects like social inclusion, well-being and quality of life.

<sup>111</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

At the same time, social impact measurement, accounting and reporting is a valuable (participative) management tool for any social economy organisation and for stakeholders who work with the social economy. It is increasingly used to steer and support strategic decision-making within organisations, to evaluate and monitor achievements, to show and report on impacts and contribution to larger societal objectives. A wealth of methods exists. Several EU initiatives have produced valuable knowledge on social impact measurement and management, but there is still a need of the social economy ecosystem to learn and better apply the existing techniques.

<b><i>What can be done at the level of the European Commission?</i></b>
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| <ul style="list-style-type: none"><li>• In line with the recommendations of the 2014 GECES report on social impact measurement, continue offering support to stakeholders, for example through guidance papers on standards for social impact measurement, dissemination of good practice examples, pilot studies or a (virtual) knowledge centre on social impact measurement and management.</li><li>• Continue promoting capacity-building and exchange on social impact measurement and reporting, in particular for local and regional public authorities and social economy organisations and stakeholders (e.g. networks, associations), for example via ERDF, ESF+, Interreg, ERASMUS+, Horizon Europe projects or the EU-OECD Better Entrepreneurship Tool.</li><li>• In the context of the Capital Markets Union, and in line with the EU Sustainable Finance initiative, the announced revision of the Non-Financial Reporting Directive should examine issues related to social impacts in future reporting of large companies, and in parallel, the European Commission will start the technical work needed to consider the extension of scope of the EU Taxonomy to social objectives.</li></ul> |
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<b><i>What can be done at Member State Level?</i></b>
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| <ul style="list-style-type: none"><li>• Promote the understanding and knowledge of social impact, for example, as support for policy makers, stakeholder organisations, public authorities.</li><li>• Develop catalogues of good practice examples at local, regional or national level to learn more about social impact measurement and reporting.</li></ul> |
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### 3.9 Communicate and disseminate opportunities and challenges of digitisation

Digitisation presents enormous opportunities and challenges. While it seems clear that digitisation will continue changing our society and our life over the next decade, the exact way of change in the social economy, in particular for in-person social services is more difficult to imagine. Digitisation naturally leads to new business models and new types of services and products. As a result, new job profiles will certainly emerge. Administrative procedures and legal certifications will be more and more digital. This might free up valuable resource in the long run but will put pressure on smaller social economy organisations in the transition phase. It will be a challenge to enable social economy organisations, in particular smaller ones, to seize the benefits of digitalisation. It will be necessary to develop concepts and priorities for investments, technical support, applications as well as for training on digital skills.

Investments in technical infrastructure and hard/software will need to be accompanied by changes in legal and regulatory frameworks that should create framework conditions with regard to accessibility of new devices and applications, use, storage and exchange of personal data, liability issues, ethical aspects that are relevant in the social economy.

Furthermore, support structures need to take care that no one is left behind when many changes will be implemented in a short lapse of time, in particular to not exclude the smaller and less prepared organisations and vulnerable groups.

<b><i>What can be done at the level of the European Commission?</i></b>
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<ul style="list-style-type: none"> <li>• Continue supporting the generation and analysis of new business models and digitisation of the social economy through research projects and platforms (Horizon Europe) and other EU programmes (Digital Europe, ERDF, ESF+).</li> <li>• Develop good practice examples on effective integration of technology in traditional business models of social economy organisations, as promoted by public support policies and programmes, social economy stakeholder organisations etc.</li> <li>• Identify and highlight important risks and threats to the social economy that come along with a high-speed digital transformation, in particular aspects that require new or modified regulatory frameworks. Discuss with experts.</li> <li>• Support training in digital skills through EU programmes (ESF+)</li> <li>• Generate knowledge on the needs of vulnerable groups within a digital economy and specific challenges and opportunities.</li> </ul>
<b><i>What can be done at Member State Level?</i></b>
<ul style="list-style-type: none"> <li>• Support research and dialogue about new business models and digitisation of the social economy through projects and national/regional programmes (ERDF, ESF+, national, regional funds).</li> <li>• Prepare and develop regulatory frameworks for a digital administration, that take into account the specific needs and capacities of social economy organisations, in particular small and medium-sized, as well as the needs of vulnerable groups.</li> </ul>

### **3.10 Promote internationally the European model of the social economy**

The social economy is not limited to the EU territory. Many flows of ideas, goods and services are global. Europe has an important role in the world and many European countries are seen by many as examples, among others for the efforts to support and develop the social economy.

Any future policy initiative should explicitly refer to the external action that the European Commission will implement in order to further support the social economy also in other regions and countries in the world, including its neighbouring countries. That means that priorities and objectives for a better developed social economy should be integrated in EU cooperation and development policy, in the relevant neighbourhood/enlargement programmes as well as in EU work at international level and diplomacy.

<b><i>What can be done at the level of the European Commission?</i></b>
<ul style="list-style-type: none"> <li>• Acknowledge and support the social economy in EU cooperation and development policy and programmes. Strengthen the capacities for the social economy in other non-EU countries as a contribution to civil society development and peace.</li> <li>• Strengthen the support to the social economy in neighbouring countries via relevant neighbourhood/ enlargement programmes.</li> <li>• Strengthen/formalise collaboration with international organisations on the social economy, e.g. OECD, ILO, UN, GSG, as well as with international fora such as Global Social Economy Forum and Social Enterprise World Forum.</li> <li>• Create an EU platform on social economy as inspiration and information source for other regions of the world. Promote dialogue and exchanges with other countries (central government, local and regional stakeholders) on how social economy contributes to development and how the social economy is supported in Europe. Offer capacity-building to stakeholders in other countries.</li> <li>• Develop an international ESER scheme (= ESER "Go International") by promoting exchange of best practices and boosting strategic partnerships between EU and its partners.</li> </ul>
<b><i>What can be done at Member State Level?</i></b>
<ul style="list-style-type: none"> <li>• Support the social economy through governmental and non-governmental cooperation and development policy.</li> </ul>

- Support local and regional authorities that want to work on the social economy with partners in decentralised cooperation and development schemes.

## Annexes

### A.1 Initial Evaluation Questions (Terms of Reference)

Evaluation criterion	Evaluation question
<b>Effectiveness</b>	1. What have been the quantitative and qualitative effects of the SBI? Notably, to what extent has the SBI triggered long lasting sustainable changes in the operating environment of social enterprises/social economy (for example, specific new legal forms and frameworks and institutional arrangements, changes in related relevant legislation (such as tax law, public procurement), policy frameworks and strategies, financial intermediaries and their networks, educational programmes and changes in curricula, etc.)?
	2. To what extent has the SBI been effective in a) Increasing the visibility and better understanding of the social enterprise business model both at EU and national levels? At the EU level notably participation and visibility of social enterprises / economy in EU programmes such as FP7, H2020, COSME, ERASMUS+ need to be analysed. b) Reinforcing the capacities of networks representing and supporting social enterprises both at EU and national levels?
	3. To what extent has the access to finance by social enterprises been facilitated as a result of the SBI and Start-up and Scale-up Initiatives?
	a) Public finance: at EU level the analyses shall cover notably the specific financial instruments under the EaSI programme, as well as the funding via the COSME programme, the European Social Fund (ESF) and the European Regional Development Fund (ERDF). The impact of the European Fund for Strategic Investments (EFSI) should also be covered. At national level it shall cover public financing programmes.
	b) Private funding: the impact of EUSEF as well as any relevant national initiatives mobilising private funding.
	4. To what extent and with what impact did the EU and national measures promoted following the SBI facilitate the uptake of new technologies and new business models by social enterprises?
<b>Efficiency</b>	5. To what extent have the initiatives launched following the SBI contributed to development regarding the international cooperation and agenda related to social enterprises / economy?
	6. What factors have driven or hindered progress in all the above-mentioned areas, and to what extent are they linked (or not) to the SBI?
	1. To what extent have the costs (including all costs, both human and financial resources) associated with the following EU level initiatives, launched on the basis of the SBI, been proportionate to the benefits they have generated?
<b>Relevance</b>	a) Improving access to funding: EaSI, EUSEF, EFSI
	b) Increasing the visibility of social entrepreneurship: OECD-EU cooperation, Mapping Study, ESER
	At EU-level:
	1. To what extent are the actions launched on the basis of the SBI still relevant? Are the financial instruments still addressing the gaps in the market?
<b>Relevance</b>	2. To what extent have the original SBI objectives proven to be appropriate?
	3. How well do the original SBI objectives still correspond to the needs of social enterprises / social economy stakeholders?
	At EU and national levels:
<b>Relevance</b>	4. How relevant are the initiatives taken on the basis of the SBI to EU citizens?



Evaluation criterion	Evaluation question
<b>Coherence</b>	1. To what extent are the SBI and its follow-up actions coherent with the European Commission's policies and priorities (e.g. with the priorities of the Juncker Commission, the Single Market Act, SME policy, Innovation Policy, Employment Policy, Capital Markets Union, Environment Action Programme, Cohesion Policy, European Disability Strategy, EU2020 Strategy, the Agenda for change), as well as with wider EU policy (e.g. on Sustainable Development Goals)?
<b>EU added value</b>	1. What is the additional value of the SBI, compared to what could reasonably have been expected from Member States acting at national and/or regional levels without an EU level policy initiative and its follow-up actions? 2. What, if any, has been the added value of the work carried out by the multi-stakeholder expert group (Commission's Expert Group on Social Entrepreneurship (GECES)) established to follow up the implementation of the SBI?

## A.2 Methodology

### Methodological approach

The purpose of the study was twofold: a) to analyse the impact of the SBI both at EU and national levels on the development of social enterprises and/or social economy, and b) to identify the possible need and most pertinent scope for any future action in this field. Thus, the methodology needed to be **retrospective**, in the sense of an ex post evaluation, but also with a **foresight perspective**, leading to recommendations on future policies in the light of current and future needs.

This study was based on a theory-based evaluation approach. **Theory-based evaluation** tries to answer the questions on how and why a policy works in which context by opening the 'black box' of mechanisms leading up to specific impacts<sup>112</sup>. Theory-based evaluation applies theoretical assumptions on causal links that will be evaluated afterwards. Theory-based evaluation is strongly connected to a stakeholder-based approach to evaluation<sup>113</sup>. It has to be differentiated from counterfactual or experimental evaluation designs, that build on data and observations of experimental settings<sup>114</sup>.

**Contribution analysis** (CA) is an evaluation method used to establish and evaluate causal relationships in complex policy settings. The method is used to establish credible causal linkages between an initiative's activities and outcomes in both 1) contexts where there are multiple influencing factors, and 2) situations where experimental and quasi-experimental designs are not feasible because too many factors are influencing an outcome, and the individual factors are hard to isolate<sup>115</sup>. Contribution claims are defined in a CA as a summary of the evaluative judgment after assessing the validity of the theoretical assumptions.

Mayne offered a multi-step approach for examining the main causal links postulated in the theory of change and making a contribution claim<sup>116</sup>. Delahais and Toulemonde<sup>117</sup> offered a considerable contribution to the development of the practical approach. The strength of CA is its ability to unpack impact in a way that explicitly examines multiple actors and influences, and that answers questions about what worked and why. CA does not answer impact questions with a yes/no answer, but rather by a series of logical steps, each increasing confidence that the intervention had an impact<sup>118</sup>. This involves a structured process of critical thinking to analyse other explanations of the change process. CA needs to include methods to reflect on the plausibility of alternative explanations of the change processes taking place. The result is a degree of confidence in a contribution claim, with

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<sup>112</sup> See Weiss, C. H. (1997a): How can theory-based evaluation make a greater headway? *Evaluation Review* Vol 21, 1997, 501-524. Weiss C. H. (1997b): Theory-based evaluation: Past, present and future. *New Directions for Evaluation* 76, 41-55. White, H. (2010): A Contribution to Current Debates in Impact Evaluation. *Evaluation* 16(2), 153-164. And White, H.; Phillips, D. (2012): Addressing contribution of cause and effect in small impact evaluations: towards an integrated framework. Working paper 15 of the International Initiative in Impact Evaluation.

<sup>113</sup> Patton MQ (2012) A utilization-focused approach to contribution analysis. *Evaluation* 18(3): 364-77.

<sup>114</sup> Coryn CLS, Noakes LA, Westine CD and Schroter DC (2011) A systematic review of theory-driven evaluation practice from 1990 to 2009. *American Journal of Evaluation* 32(2): 199-226.

<sup>115</sup> Kane, R. Levine, Orians, Reinelt (2017): Contribution Analysis in Policy Work. Assessing Advocacy's Influence. Brief.

<sup>116</sup> Mayne, J. (2001). Addressing Attribution Through Contribution Analysis: Using Performance Measures Sensibly. *Canadian Journal of Programme Evaluation*, Vol 16, pp. 1-24. Mayne, J. (2008). Contribution Analysis: An approach to exploring cause and effect. ILAC methodological brief. <http://lib.icimod.org/record/13855/files/4919.pdf> Mayne, J. (2012). Contribution analysis: Coming of age? *Evaluation*, Vol 18:3, pp 270-280. <http://journals.sagepub.com/doi/abs/10.1177/1356389012451663>.

<sup>117</sup> Delahais T and Toulemonde J (2012) Applying contribution analysis: lessons from five years of experience. *Evaluation* 18(3): 281-93.

<sup>118</sup> Befani, B. and Mayne, J. (2014) Process Tracing and Contribution Analysis: A Combined Approach to Generative Causal Inference for Impact Evaluation. *IDS Bulletin* 45(6): 17-36

some sort of hierarchy. Thus, CA helps to develop narratives on system-level changes impact<sup>119</sup>.

In this study, it was the key method to analyse the contribution of the SBI to observed changes in the SE ecosystems.

**Table A.1 Overview of the research methods used for the evaluation**

Method	Effectiveness	Efficiency	Relevance	Coherence	EU Added value
Desk Research	■	■	■	■	■
Literature review	■	■	■	■	■
Interviews	■	■	■	■	■
Case Studies	■				
Contribution Analysis	■				■
Cost-Benefit Analysis of 6 specific SBI actions		■			
Targeted review of EU programmes	■			■	
Targeted coherence analysis				■	
Targeted analysis of the perception of social enterprises to the general public			■		
Trend Analysis			■		

Source: Author's own elaboration

Semi-structured interviews are the central method to gather relevant information for this study. The findings of the draft final report are based on findings from 326 interviews, 58 EU level interviews and 268 national level interviews. See also annex document 10.

**Table A.2 Overview of interviews conducted for this study**

Interviewee Group	Number of interviews*	
	EU level	National level
Academics and experts	18 (include EU and national views)	--
National authorities	--	88
Regional and local authorities		42
Representatives of EU institutions and bodies	23	--
Stakeholder organisations at EU level	17	138
<b>Total</b>	<b>58</b>	<b>268</b>

Source: Author's own elaboration

<sup>119</sup> Institute of Development Studies (2019). Contribution Analysis and Estimating the Size of Effects: Can We Reconcile the Possible with the Impossible? Centre for Development Impact PRACTICE PAPER. Authors: Giel Ton, John Mayne, Thomas Delahais, Jonny Morell, Barbara Befani, Marina Apgar and Peter O'Flynn. Accessed on [www.ids.ac.uk/cdi](http://www.ids.ac.uk/cdi)

Moreover, 15 case studies were described to gather evidence on specific causal relationships between SBI actions and changes in the environment for social enterprises in Europe.

### Limitations and challenges

The methodology has faced different challenges. The following limitations should be mentioned:

- The systemic character of the policy action to be evaluated has made it difficult to attribute impact to the SBI and its follow-up actions, while it was possible to detect contribution patterns. Complexity of the policy initiative to be analysed and interconnections between different SBI follow-up actions made it almost impossible to disentangle and identify clear chains of contribution to impacts. This has been tackled by identifying different impact pathways, mentioning and recognising interactions with other impact pathways, but concentrating on specific patterns in the analysis.
- Complexity and co-contribution of different EU and other non-EU actions to final changes in the social enterprise environment make it difficult to identify concrete contribution patterns. Moreover, (intended) synergies and links between different SBI actions that have a confounding impact on specific framework conditions will be an additional obstacle to analyse clear cause-effect linkages. To overcome this, we have worked with a clear theory of change and specific impact pathways to be analysed to structure the assessment as far as possible. Evidence-based contribution analysis increased plausibility and probability of the findings but certainly will not lead to full certainty.
- The qualitative approach, as required by the Terms of Reference, requires attention to questions on perceived additionality. Co-contribution to changes probably has led to different forms of additionality of the SBI, such as, the result would not have happened without the SBI (absolute additionality); it would have happened but later; it would have happened but at a smaller scale; it would have happened but only in some geographical areas, or, rather, it would have happened anyway but the SBI has even hindered or reduced scale or replaced a sufficient response by the market or by other stakeholders (e.g. venture philanthropy). The research has tried to gather specific information on which form of additionally or deadweight effect was probably linked to the observed SBI effects.
- Even if the total number of interviews is high, the number of interviews per country is quite reduced, so that the information that will be gathered by interviews might be biased or with a relatively high margin of error. Triangulation of different data sources and methods has been applied to prevent systemic errors in measurement and analysis.
- Many interviewed stakeholders only had a partial view on the effects of the SBI/EU actions, e.g. only in their territory or only in one or some specific thematic areas. Assessing impact of the SBI is especially difficult when many of the key stakeholders were aware of specific elements operating within their country but not of relevant SBI/EU action. This has been overcome by gathering as many as opinions possible and confirm findings by other sources (triangulation) in order to increase validity of the findings.

### Causal model

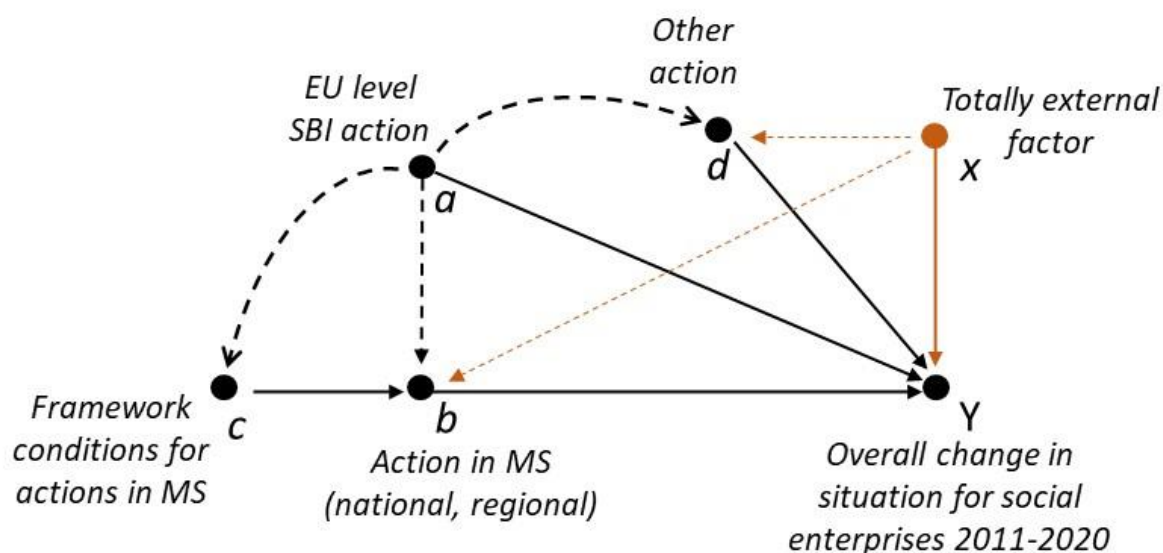
A causal model is key to be able to operationalise potential contributions and to carry out an CA.

In order to be able to describe and analyse the relevant information on contribution claims in our study, we defined a causal model and a diagram that displays causal relationships between variables in the causal model:

$$Y = a + b + c + d + x$$

In this model,  $Y$  is the change in the situation for social enterprises in a given area between 2011 and 2020.  $a$  represents the SBI follow-up actions at EU level which might have a direct or an indirect influence on  $Y$ .  $b$  is the action taken at Member State level, taken into account that the SBI builds largely on stimulating and promoting action at Member State level, i.e. by the national or regional governments. When SBI actions have an influence on  $b$ , they also have an indirect influence on  $Y$ .  $c$  represent necessary pre-actions to be taken at country level to lead to relevant actions that have an influence on social enterprises. In case SBI action influences  $c$ , its impact on  $Y$  is considered indirect, because  $c$  is instrumental for  $b$ . Any other action to stimulate the environment of social enterprises by other actors not linked to specific MS action, such as European programmes, European networks or research centres, is considered under  $d$ . In case SBI action influences  $d$ , its impact on  $Y$  is considered indirect. Finally,  $x$  is the sum of all other external factors that are out of control of the SBI or any of the directly involved stakeholders of the social enterprise ecosystem. Examples of these external factors are the societal request socially responsible products, financial crisis, the rise of new technologies, pandemics etc. External factors have an influence on all parts of the model. However, we will limit the analysis on external factors which directly and generally influence  $Y$  and the factors  $b$  or  $d$ , for example in a specific country.

**Figure A.1 Causal diagram illustrating the causal effects on  $Y$**



Source: Own elaboration

We are well aware that real world relationships are much more complex, and that complexity also increases with analysing a) the different impact areas and b) the different countries, as we observe many different specific situations. However, we consider this model appropriate to disentangle the direct and indirect SBI influence in this study. Evidence gathering was then focussing on the specific variables of the causal contribution formula. Contribution claims were to be established for each of the contributing factors for the different impact areas.

In the CA approach, one does not expect to answer impact questions with statistical methods, but rather by increasing confidence verified through evidence (literature, interviews, testimonials, cases) that the intervention had a substantial or contributory impact or not<sup>120</sup>. This involves a structured process of critical thinking to analyse other explanations of the change process, such as the activities of other interventions or contextual dynamics. To compare the contributions of different actors in a change process,

<sup>120</sup> Befani, B. and Mayne, J. (2014) Process Tracing and Contribution Analysis: A Combined Approach to Generative Causal Inference for Impact Evaluation. IDS Bulletin 45(6): 17-36

CA needs to reflect on the plausibility of alternative explanations of the change processes taking place. The result is a certain degree of confidence in a contribution claim and a narrative that includes inferences like 'the SBI has been the most important contributor to change Y because of a and b and favoured by x'. Thus, CA helps to develop narratives and test likely causality on system-level changes and contribution to impact.

Before starting to develop the theoretical assumptions on contribution to impact, it is necessary to operationalise the areas, where action has taken place and influence on changes can be expected.

### Operationalisation

A key instrument to examine the contribution of SBI to observed changes has been the operationalisation of impact based on a Theory of Change that shows the logic behind the SBI intervention.

**Table A.3 Operationalisation of SBI impact dimensions and areas**

Impact Dimension A Regulatory and institutional environment	Impact Dimension B Visibility, recognition, better understanding	Impact Dimension C Access to finance	Impact Dimensions D and E Technology and International
1. New or modified legal and institutional environment, policy frameworks and strategies, policy support in MS	1. Statistics, data and overview information	1. Conditions to work with SE in financial intermediaries and their networks	D.1 Digitisation and the use of technology
	2. Mutual learning, good-practice exchange		
	3. Social impact measurement	2. Better availability of private funding	
2. Access to markets	4. Research on SE		
	5. Labels and certificates	E.1 External dimension of the social economy	
3. State aid issues	6. Networks and representation		4. Managerial capacity in SE
	7. Awareness and self-recognition		
	8. Visibility of SE in EU and national programmes		
9. Education and training on SE			

Source: Author's own elaboration

The Theory of Change comprises **five impact dimensions** corresponding to the five pillars that currently guide the work of the European Commission in the context of the SBI follow-up (regulatory and institutional environment; visibility, recognition und understanding; access to finance; new technologies and international cooperation). These five dimensions have been split further into 18 impact areas.

As part of the causal model, we described the overall **SBI Theory of Change**, describing the expected impact of the SBI and any other follow-up or complementary action (see annex A.3). They served as the starting point for the evaluation and as a guidance to check and verify assumptions on results and impacts during the analysis.

The SBI action areas mainly reflect the 2011 SBI objectives and key actions, including also the 2017 objectives related to external dimension of social enterprise support and social

innovation.<sup>121</sup> We are aware that there are some unclear boundaries and impact areas overlap and mutually depend on each other. They cannot be analysed separately without the overall framework of this analysis. However, we considered it appropriate to use this categorisation, as this allowed following the impact areas that were initially defined by policymakers<sup>122</sup>.

### Contribution analysis

In a slight modification to the Mayne 2012 approach, we followed a six-step model for the contribution analysis.

Defining an intervention logic or Theory of Change (ToC) is a first step in CA. This allows to develop credible answers of the formulated theoretical assumptions and to define an 'ideal' path from activities to outputs, outcomes and impacts. Multiple paths can lead to the same outcome and all activities might lead to the same expected impact. Such a **Theory of Change** articulates the assumptions about the process through which change will occur and specifies the ways in which the outcomes related to achieving a desired long-term change will be brought about and documented as they occur.<sup>123</sup> The ToC is descriptive and takes into account all important aspects more or less easy to quantify (e.g. direct and indirect causes, power changes, effects on whole value chains but also on specific societal functions). In the following steps of the CA, these intervention theories form the basis for the **empirical test**, on whether the reality meets the assumptions made in various contexts. For being able to do this, the assumptions leading up to the processes and mechanisms need to be made transparent to **capture the real causal processes and mechanisms** that took place during implementation and afterwards.

Therefore, step 1 of the CA was dedicated to 1) identify the relevant cause-effect relationships to be analysed to verify and assess contribution, including key influencing factors. This led to 2) the construction of the ToC for the SBI (see Annex A.3).

For Step 2, widely implemented during the inception phase, the relevant activities were:

- To further develop the ToC pulling together information from intervention documents and prior desk research, including identifying the assumptions and risks for the causal links in the ToC.
- To identify other key influencing factors and the roles they may play in the ToC.
- To determine together with involved stakeholders (DG EMPL and Advisory Board members), how solid the ToC is to better understand the type and strength of evidence needed.

Under step 3 the causal relationships described in the ToC were examined. Evidence from literature and interviews was gathered on observed changes and likely influence factors. The initial assumptions were thus validated or dismissed. To facilitate such a systematic approach, we used an **Evidence Analysis Database** which structured all items of evidence extracted from the set of information that was gathered. The database was structured along **the SBI impact dimensions and 18 impact pathways**. The expected results, basic assumptions, other external factors (pre-defined) were included. There were columns to feed the evidence from literature and interviews on observed SBI outcomes,

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<sup>121</sup> In the 2011 SBI Communication three objectives were mentioned (regulatory and institutional environment; visibility, recognition and understanding; access to finance). Even if mentioned earlier as relevant, it was only in 2017, that the support of digitisation, social innovation and new business models, as well as the external dimension of social economy policies officially were defined as additional areas of activities of the SBI follow-up.

<sup>122</sup> We are aware that there are other forms of categorisation of support to SE that are maybe more intuitive and understandable from the beneficiaries' perspective. For example, the typology proposed in the Summary Report "Social enterprises and their ecosystems in Europe" (2019), defining the different areas of resources for social enterprises: a) non repayable resources for start-up and consolidation, b) resources from income-generating activities, c) repayable resources, d) fiscal breaks and benefits.

<sup>123</sup> Leeuw, F. (2003): Reconstructing Program Theories: Methods Available and Problems to be solved. In: American Journal of Evaluation 24(1) (2003) 5ff. Leeuw, F.; Vaessen J. (2009): Impact Evaluations and Development: NONIE guidance on impact evaluation. Network of Networks on Impact Evaluation (NONIE)



observed changes in the SE environment, the perception on the weight of influence of SBI and other factors as well as identified external supporting and hindering factors. Finally, there was a column for the contribution claim.

In Step 4, based on the evidence, the contribution claim was assembled. The contribution story started to emerge taking the form of an overall picture of SBI impact for the respective interventions and in the different impact areas. Based on the data entries in the Evidence Analysis Database the contribution claims were classified reflecting the magnitude of the perceived influence (e.g. 'strong positive influence', 'minor positive influence', 'rather neutral', 'negative influence'). The claims should confirm the logic model if the intended change occurred and if the intended contribution is highly ranked in comparison with other contributing factors.



Analysis of the interview findings allowed to quantify the perception of interviewees regarding the influence of SBI activities to further develop the SE ecosystem. A **score of SBI influence** to sustain the contribution claim was calculated on the basis of the perceived change observed by interviewees for specific impact areas of the SBI and on the basis of perceived EU influence to these changes. The changes were classified ranging from strongly improving the SE environment to neutral development, to a worsening development. The SBI/EU's influence was classified as a direct relation, e.g. use of EU funding or application of EU regulation, a strong influence, e.g. as result of EU funding, influence, or rather driven by national activities. An accumulated score was calculated for the SBI influence ranging from between 2 and 0, where a score of 2 represents a direct EU influence on improved ecosystems for SE, 1 represents a strong EU influence on improved ecosystems for SE and 0 represents a rather national perspective on changes in the ecosystem or no improvements to the SE ecosystem over the last 10 years.

In step 5, we used the contribution claims to compose a draft contribution narrative for each impact dimension of the SBI's ToC. The contribution narrative describes with relevant evidence the SBI activities (direct or indirect), the causal mechanisms that led to a certain result, as well as the causal mechanisms (mostly beyond the control of the SBI) to produce any relevant changes at regional, national or EU level. Relevant external influences (drivers or obstacles) were named and highlighted. With this information, the dimension and role of SBI within the causal linkages was assessed.

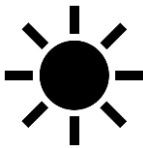




The results of step 5, the contribution stories are included in Chapter 2 of this Report.

To illustrate the results of the analysis, we defined a contribution claim summary table. This table is based on the main elements of the contribution analysis (as described in Figure A.1):

The observed change in the corresponding impact area between 2011 and 2020 (Y), the estimated SBI influence on that change (a), estimated contribution by action at MS level (b), the role of favourable framework conditions at MS level or preparatory actions (c), estimated indirect influence by other actions or impact areas (d), as well as general external factors (x).

Change 2011-2020			
Text			
SBI contribution to impact	Contribution at MS level	Induced SBI effects	Other influences
<div>Text</div> <div></div>	<div>Text</div>	<div>Text</div>	<div>Text</div>
External factors 2011-2020			
Text			

The symbols are used for two categories in the table. They represent a) the overall situation of change in a given impact area and b) the extent of likely SBI influence to the observed change. The meaning of the symbols can be described as follows:

Symbol	Meaning for the Change 2011-2020 summary	Meaning for the SBI influence summary
	Very positive development. Many positive changes in all or most countries, even if in some European countries more than in others. Favourable framework conditions for SE.	The evidence indicates that the changes have been influenced to a large extent by SBI follow-up actions.
	Overall, some positive changes in all or most countries, or very positive developments in few countries. A rather uneven distribution of positive changes across countries or territories. More or less favourable conditions for SE, but there are aspects that still need to be improved.	The evidence indicates that the changes have been influenced to a large extent by SBI follow-up actions.
	Some positive developments, but still a large need for improvement. No positive changes at all in some countries. Unfavourable framework conditions for SE.	The evidence indicates that the changes have been influenced to a limited extent or only indirectly by SBI follow-up actions.
	No positive changes in all or most countries. Some countries even see that the situation is worse than in 2011. Very unfavourable framework conditions for SE.	The evidence indicates that the changes have not been influenced by SBI follow-up actions.
	Negative developments since 2011. The situation has worsened in all or most countries. SE operations are actively obstructed.	The evidence indicates that SBI follow-up actions had a negative influence on the changes and prevented positive changes.

Finally, step 6 of the Contribution Analysis will cover the amendment of the contribution narrative after having discussed it with experts (i.e. DG EMPL and Advisory Board members), according of the suggestions and recommendations and the preparation of the final story, including an adequate representation and visualisation.

### **Geographical grouping of interview responses**

For the analysis of some interview findings responses were grouped by types of countries in two different ways. On the one hand, responses were grouped according to the type of country and their level of development of the SE ecosystem. We are aware that there are more differences between countries, but for the sake of an easy overview and a transparent analysis, we opted for three groups of countries.

1. European countries with a rather advanced SE ecosystem already in 2011: Belgium, France, Italy and UK.
2. Countries with a moderate development of the SE ecosystem, with a specific model to support SE within an advanced social economy ecosystem or with little interest to develop a specific top-down SE ecosystem: Austria, Switzerland, Germany, Denmark, Spain, Finland, Ireland, Island, Liechtenstein, Luxembourg, the Netherlands, Norway, Portugal, Sweden.
3. Countries that mostly had a very weak or non-existing SE ecosystem in 2011 and are in the stage of developing: These are especially CEE countries and Non-EU candidate countries such as Albania, Bulgaria, Cyprus, Czechia, Estonia, Greece, Croatia, Hungary, Lithuania, Latvia, North Macedonia, Montenegro, Malta, Poland, Romania, Serbia, Slovenia, Slovakia and Turkey.

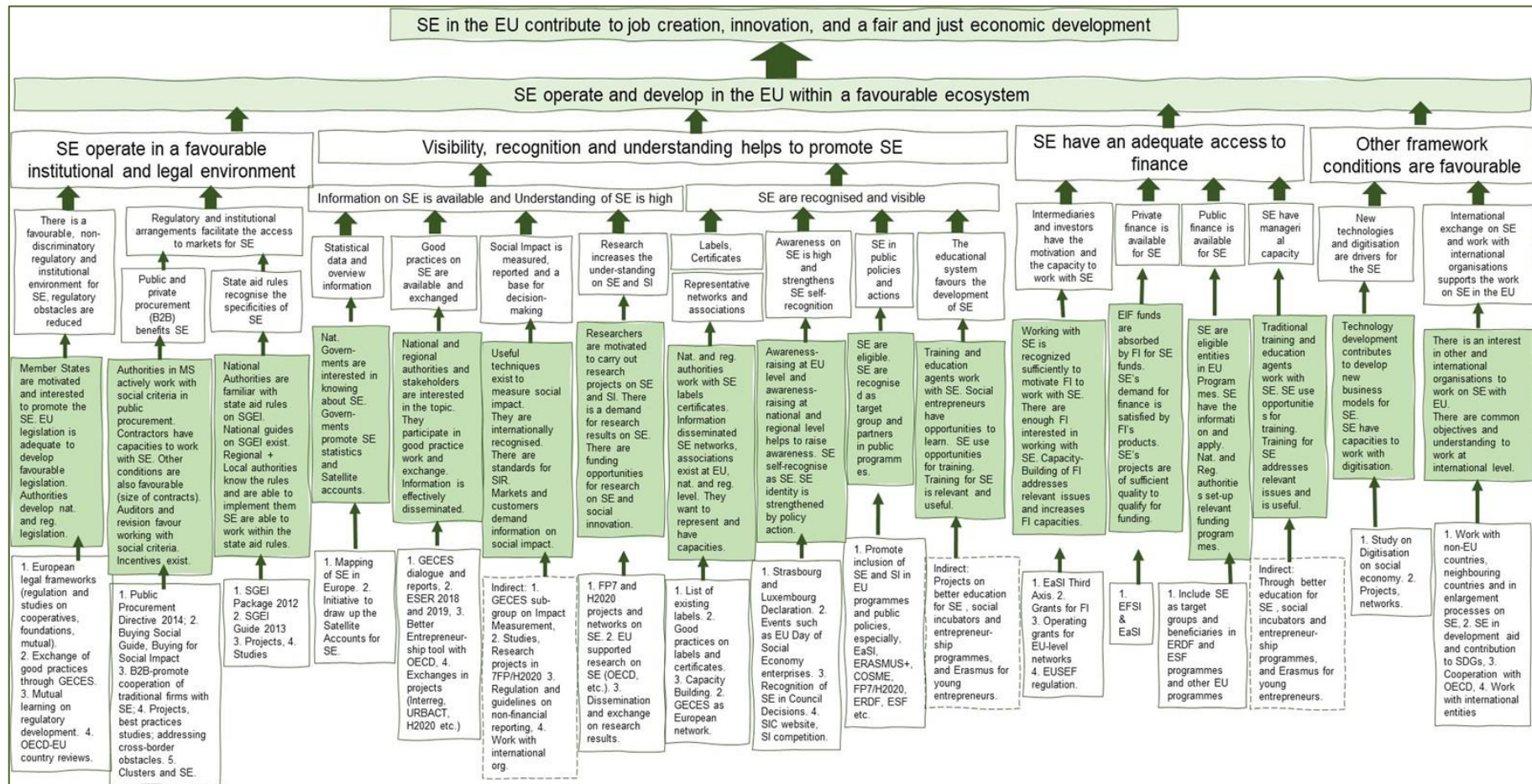
A second classification of responses was done according to a country's level of integration in the EU and distinguishes between

1. EU Members States,
2. non-EU EEA countries (interviewees from Norway, Switzerland, Liechtenstein and Island) and
3. non-EU candidate countries (interviewees from the Western Balkans and Turkey).

A more detailed description of the interviews is included in annex 10.

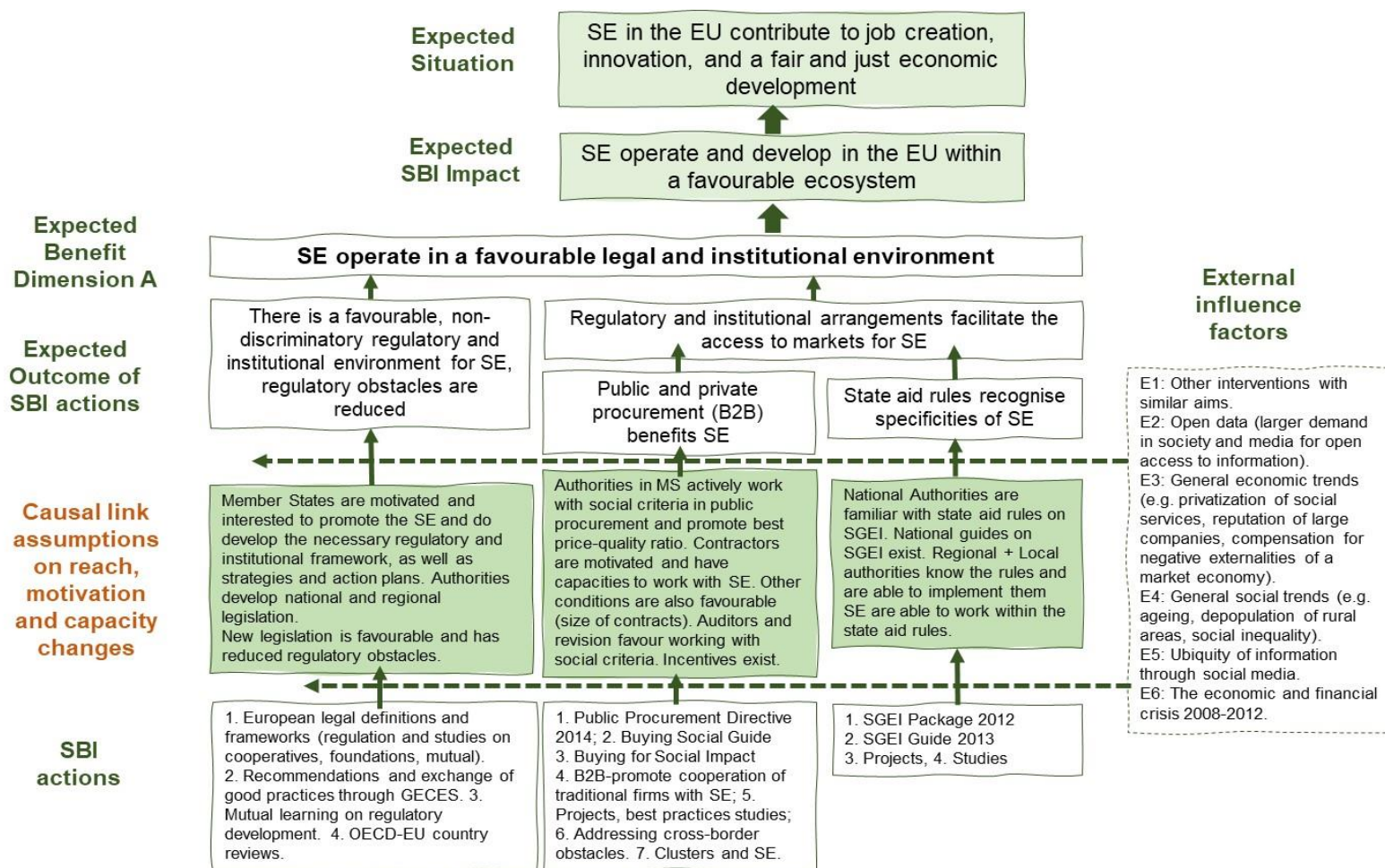
### A.3 Theory of Change of the SBI

Figure A.2 General Theory of Change of the SBI

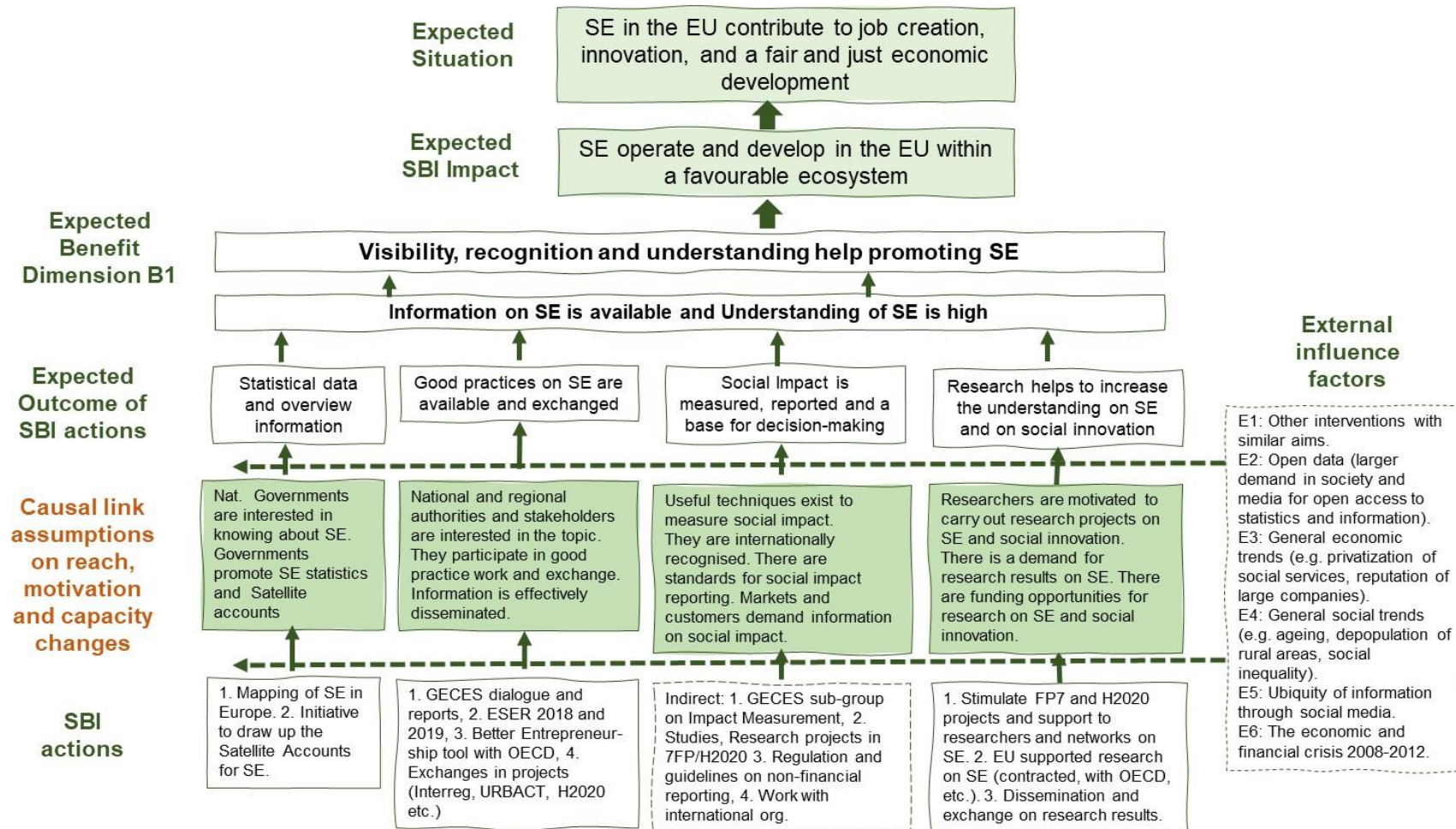




**Figure A.3 Detailed Theory of Change of the Impact dimension “Favourable legal and institutional environment”**

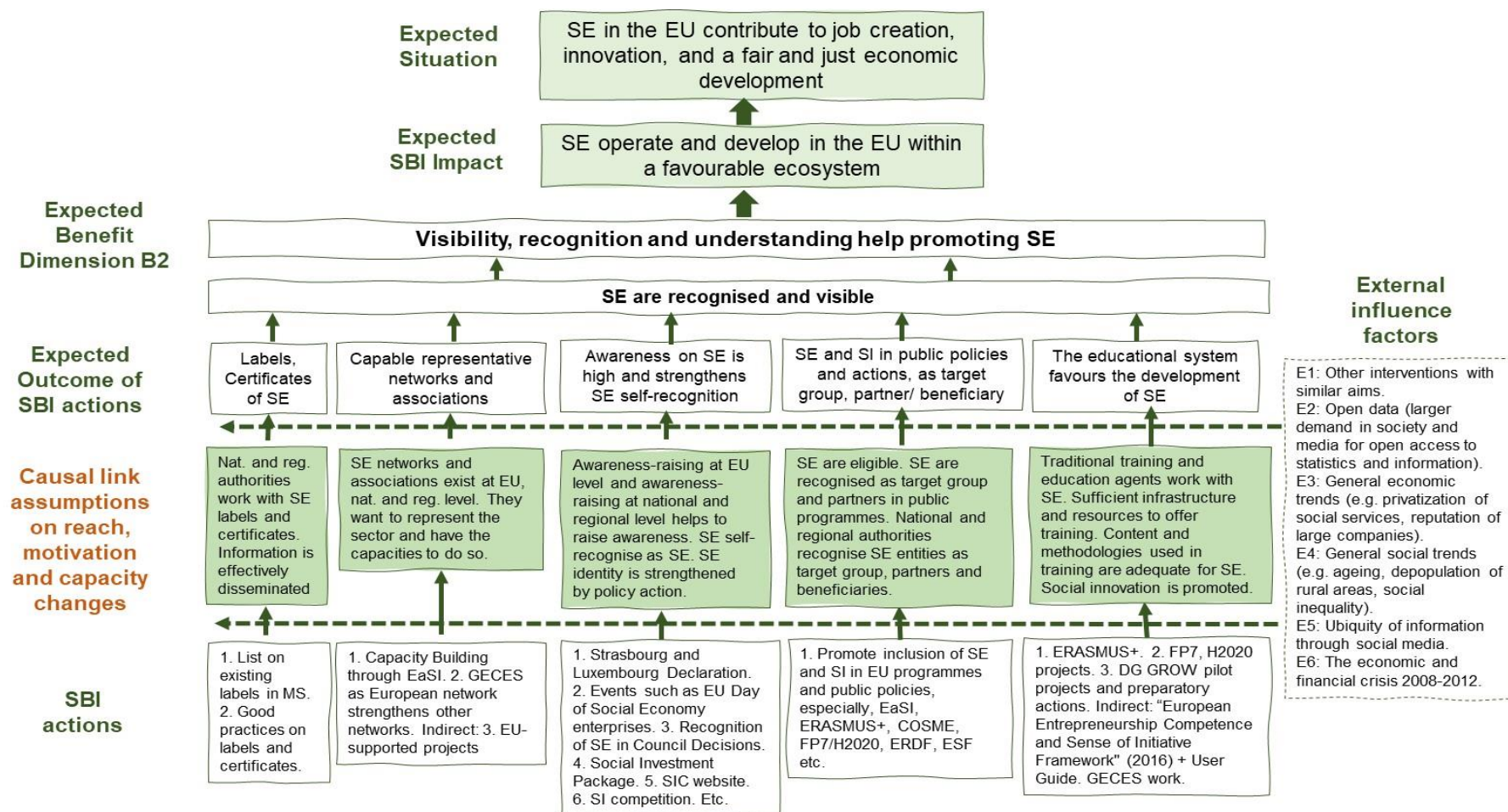


**Figure A.4 Detailed Theory of Change of the Impact dimension “Information and Understanding”**



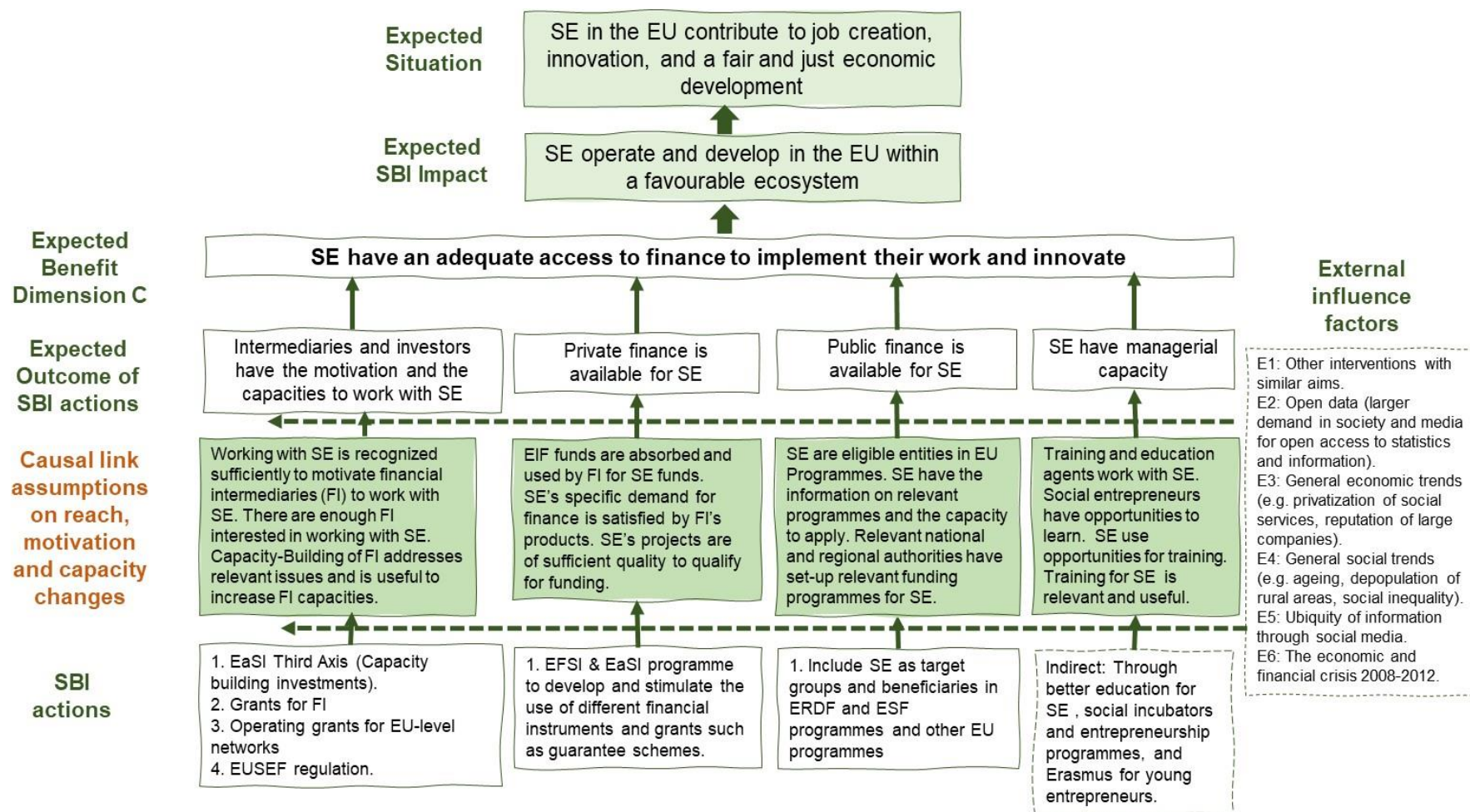


**Figure A.5 Detailed Theory of Change of the Impact dimension “Visibility and Recognition”**

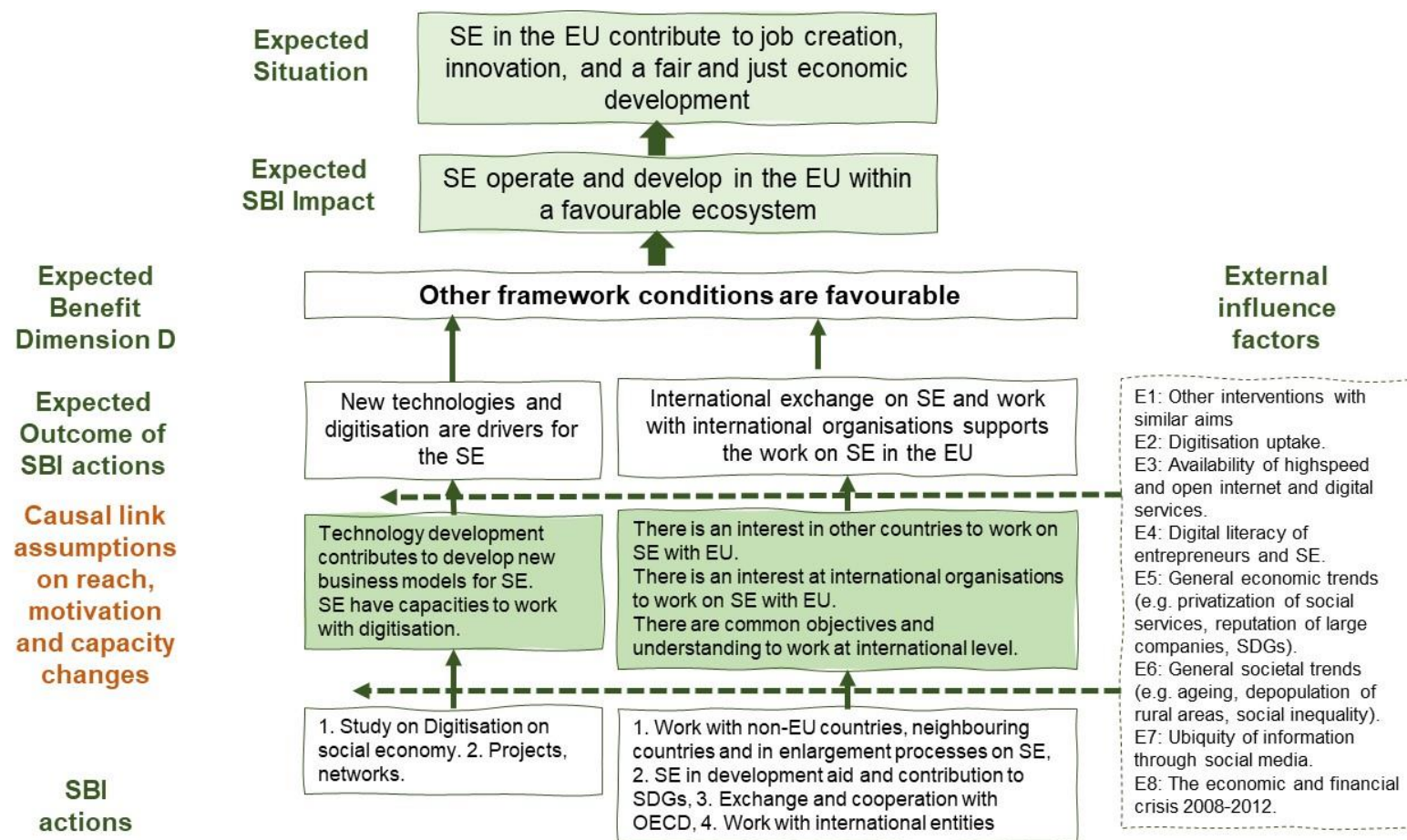




**Figure A.6 Detailed Theory of Change of the Impact dimension “Access to finance**



**Figure A.7 Detailed Theory of Change of the Impact dimension “Other framework conditions”**



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