



TRANSNATIONAL STRATEGY

Advancing Social Innovation in
Central Europe

Version 1
07/2020



Inhaltsverzeichnis

1. INTRODUCTION	3
1.1. ABOUT THE PROJECT.....	3
1.2. DEFINITION OF SOCIAL INNOVATION	4
1.3. AIM AND STRUCTURE OF THE TRANSNATIONAL STRATEGY	4
2. METHODOLOGY.....	4
3. EDUCATION FOR SOCIAL INNOVATION AND SOCIAL ENTREPRENEURSHIP IN CENTRAL EUROPE	5
3.1. RECENT DEVELOPMENTS.....	5
3.2. CHALLENGES.....	7
3.3. OBJECTIVE AND PRIORITIES.....	8
4. TRANSNATIONAL COLLABORATION AND COOPERATION ON SOCIAL ENTREPRENEURSHIP AND SOCIAL INNOVATION IN CENTRAL EUROPE: DEVELOPMENTS, BENEFITS & CHALLENGES	9
4.1. BENEFITS OF COLLABORATION	9
4.2. COLLABORATION THROUGH NETWORKS.....	10
4.2.1. BRINGING STAKEHOLDERS TOGETHER AND FACILITATE MUTUAL LEARNING	10
4.2.2. LOBBYING FOR POLITICAL CHANGE	11
4.2.3. CHALLENGES OF COLLABORATION THROUGH NETWORKS.....	11
4.3. COLLABORATIONS BETWEEN TRADITIONAL ENTERPRISES AND SOCIAL ENTERPRISES.....	12
4.3.1. BENEFITS OF CORPORATE-SOCIAL ENTERPRISE COLLABORATION	12
4.3.2. CHALLENGES OF CORPORATE-SOCIAL ENTERPRISE COLLABORATION	12
4.4. COLLABORATING INTERNATIONALLY AND GOING INTERNATIONAL.....	14
4.5. COMMON CHALLENGES OF TRANSNATIONAL COLLABORATION BETWEEN SOCIAL ENTERPRISES AND VARIOUS STAKEHOLDERS	15
4.6. OBJECTIVE AND PRIORITIES.....	16
5. THE IMPORTANCE OF IMPACT MANAGEMENT AND IMPACT ASSESSMENT: DEVELOPMENTS, BENEFITS & CHALLENGES IN CENTRAL EUROPE	18
5.1. SOCIAL FINANCE	18
5.2. IMPACT ASSESSMENT IS CRUCIAL FOR SOCIAL FINANCE	19
5.2.1. IS THERE A NEED FOR STANDARDISATION?	20
5.2.2. CHALLENGES	21
5.3. OBJECTIVE AND PRIORITIES.....	23
6. PUBLIC PROCUREMENT FOR SOCIAL INNOVATION	24
6.1. BENEFITS OF PUBLIC PROCUREMENT FOR SOCIAL ENTERPRISES AND SOCIAL INNOVATION.....	24
6.2. CHALLENGES OF PUBLIC PROCUREMENT FOR SOCIAL ENTERPRISES AND SOCIAL INNOVATION	24
6.3. OBJECTIVE AND PRIORITIES.....	25
7. CONCLUSION AND MANIFESTO	27
8. BIBLIOGRAPHY:.....	28
9. ANNEX	30
9.1. SPECIFIC OBSTACLES AND CURRENT DEVELOPMENTS IN THE RESPECTIVE PROJECT PARTNER COUNTRIES REGARDING EDUCATION FOR SOCIAL INNOVATION AND SOCIAL ENTREPRENEURSHIP	30
9.2. OVERVIEW OF INTERNATIONAL NETWORKS THAT WORK ACROSS ALL SECTORS OF ACTIVITY REGARDING SOCIAL INNOVATION AND SOCIAL ENTREPRENEURSHIP AT A EUROPEAN LEVEL	33
9.3. OVERVIEW OF INTERNATIONAL NETWORKS THAT WORK ACTIVITY FIELD-BASED REGARDING SOCIAL INNOVATION AND SOCIAL ENTREPRENEURSHIP AT A EUROPEAN LEVEL	33
9.4. BEST PRACTICE EXAMPLES OF CORPORATE-SOCIAL ENTERPRISE COLLABORATIONS (SLOVAK CENTRE OF SCIENTIFIC AND TECHNICAL INFORMATION & BUDAPEST CHAMBER OF COMMERCE AND INDUSTRY, 2020, TRANSNATIONAL ONLINE INQUIRY ‘COLLABORATION AND COOPERATION BETWEEN SOCIAL ENTREPRENEURS AND TRADITIONAL ENTERPRISES’, 2020)	34
9.5. SUCCESS FACTORS OF DIFFERENT MODELS OF CORPORATE-SOCIAL ENTERPRISE PARTNERSHIPS (SKILLS, CHANNEL AND VENTURE PARTNERSHIPS)	35
9.6. FACTORS THAT INHIBIT PARTNERING FOR SOCIAL START-UP ENTERPRISES	36
9.7. DESCRIPTION OF MAIN INHIBITING FACTORS FOR PARTNERSHIP INITIATION OF START-UP SOCIAL ENTERPRISES AND VARIOUS STAKEHOLDERS (ADAPTED FROM MAASE & BOSSINK, (2010)).....	FEHLER! TEXTMARKE NICHT DEFINIERT.



1. Introduction

1.1. About the project

The Social(i)Makers project aims to improve overall social innovation capacities in Central Europe by working with financiers, entrepreneurs, policy makers and citizens on how to generate new lively ecosystems as a bottom-up result of their interactions. For this, the project improves the individual social innovation skills through a transnational educational programme provided for aspiring or already established innovators, a programme with two distinct, consecutive phases, collectively called the Social(i)Makers Launchpad:

1. The Social Innovation Academy, in which trainees can acquire essential skills related to social innovation through the Social Innovation Design Toolbox; and
2. The Social Innovation Skyrocket Lab, in which trainees can put their acquired skills into practice through local and transnational pilot activities.

Furthermore, Social(i)Makers connects societal problems and challenges with solutions from social innovators, through a virtual marketplace - the Social Innovation Skyrocket Platform. In doing so, the project aims to provide a complex concept and programme for social innovation actors to replace diffuse change-making initiatives currently available in this sector.

The Social(i)Makers project brought the following partners together:

Country	Partner organisation	Website
Austria	arbeit plus	www.arbeitplus.at
	ZSI GmbH - Centre for Social Innovation	www.zsi.at
Germany	Social Impact gGmbH	www.socialimpact.eu/EN
	Roots of Impact GmbH	www.roots-of-impact.org
Hungary	Budapest Chamber of Commerce and Industry	www.bkik.hu
	IFKA	www.ifka.hu
Italy	Union of Municipalities of the Ceramic District	www.distrettoceramico.mo.it
	Democenter-Sipe Foundation (Lead Partner)	www.democentersipe.it
Poland	Cooperation Fund Foundation	www.cofund.org.pl
	Regional Centre of Social Policy in Poznan	www.rops.poznan.pl
Slovakia	Pontis Foundation	www.pontisfoundation.sk
Slovenia	Association of Municipalities and Towns in Slovenia	www.skupnostobcin.si
	Economic Institute Maribor	www.eim-mb.si



1.2. Definition of Social Innovation

In general, the term social innovation refers to new ideas that work in meeting social goals. It describes innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organisations whose primary purposes are social. This differentiates social innovation from business innovations which are generally motivated by profit maximisation and diffused through organisations that are primarily motivated by profit maximisation (Mulgan 2007, S.8). Thus, social innovations can be defined as new approaches to addressing social needs. They are social in their means and in their ends. They engage and mobilise the beneficiaries and help to transform social relations by improving beneficiaries' access to power and resources (Boelman et al 2014).

1.3. Aim and Structure of the Transnational Strategy

The aim of the transnational strategy is to further engage and advance the transnational Social(i)Makers community in Central Europe and beyond to follow the common vision of improving overall social innovation capacities in the long run. In order to accelerate change and boost social innovation, this strategy focuses on **four key objectives** to tackle current challenges:

1. Advancing **education** for Social Innovation and Social Entrepreneurship in Central Europe
2. Fostering **transnational collaboration** among social entrepreneurs, traditional entrepreneurs and other stakeholder
3. Stressing the importance of impact management and impact assessment to further develop social finance
4. Further developing **public procurement** for Social Innovation and Social Entrepreneurship in Central Europe

For each of these objectives, the context of current developments, benefits and challenges on the respective topic are given which finally lead to specific priorities outlined at the end of each chapter. These priorities are then elaborated in detail in the transnational action plan (D.T4.3.1.), which indicates concrete actions, stakeholders that need to be involved, financial resources needed and timeframes.

2. Methodology

The transnational strategy was jointly elaborated with external stakeholders. The starting point of the strategy-building process was the PAB&TAB meeting in Poznan in November 2019. At this workshop the partnership and external technical and political advisors jointly defined the framework for the strategy to be developed. In doing so, the five key fields that are crucial to further advance social innovation and social entrepreneurship in Central Europe crystallized: policy, education, collaboration, lack of awareness, funding.



Originally it was planned to deepen the discussion on these five themes and further define elements of the strategy in a transnational community-building workshop in Brussels in May 2020. However, due to the Covid-19 pandemic and the restrictions in place the methodology was adopted and moved online. Instead of one big event, three two-hours transnational online focus groups and two transnational online inquiries were implemented that brought together more than 70 stakeholders from the partner countries and beyond. For each transnational online focus group, two expert input speakers were engaged bringing in two different perspectives on the respective topic to spark an engaging discussion. For a detailed description of the focus groups and inquiries see D.T4.4.2.

An extensive review of state-of-the-art literature and existing strategies and action plans of other European projects and of stakeholder organisations allowed us to define crucial aspects and questions to be discussed during the online focus groups and the inquiries:

Funding:	Workshop 1 - The importance of Impact Assessment and Management
Collaboration:	Workshop 2 - Transnational Cooperation among social entrepreneurs Inquiry 1 - Collaboration and cooperation between social entrepreneurs and traditional enterprises
Education:	Workshop 3 - Education for Social Innovation
Policy/Funding:	Inquiry 2 - Public Procurement for Social innovation

Based on the extensive documentation of the workshops and inquiries the ZSI-Team (PP5 developed) a draft of the strategy which was shortly presented during the final (online) event of Social(i)Makers (see C.5.2). All partners provided in-depth feedback on the strategy which was then integrated into the final transnational strategy.

The strategy defines priorities, objectives and a common vision on how to advance social innovation and social entrepreneurship in Central Europe. Therefore it builds the base for the transnational action plan (D.T4.3.1.).

3. Education for Social Innovation and Social Entrepreneurship in Central Europe

3.1. Recent developments

Educational institutions have an important contribution to make when it comes to tackling societal and economic challenges. Generating new knowledge, monitoring and assessing current circumstances of social innovations and social entrepreneurship cover research needs, but equally important is the key role these institutions play within the ecosystem of social entrepreneurs. A key factor to tackle crucial societal challenges - both on a local community level as well as on a global scale - is providing young



people that are about to enter the job market with skills, tools and mindsets to turn their talents and passion into impactful projects and ventures (OECD, 2008). However, youth lacks multidimensional support to become active citizens and social innovators. According to a survey conducted by Handler et al. (2017), the most crucial skills to run a social enterprise are to apply teamwork and share responsibilities, to find skilled and motivated employees to form a diverse and strong team and to show the social impact generated by the social enterprise. Potter (OECD, 2008) stresses that entrepreneurial behaviour can be enhanced through education as potential pitfalls and good practices can be shared to increase chances of success.

This trend of sharing knowledge, conveying skills and mindsets with ongoing young social innovators is already followed all over the globe. Universities are offering masters and undergraduate degrees as well as extra-curricular activities in collaboration with social enterprises (Catherall & Richardson, 2017). Approaches of collaborations include student placements in social enterprises, support for student led social enterprises, embedding social enterprises into curriculum delivery, provision of access to facilities such as incubation space and the direct purchase of products and services (Plymouth University, 2016). Nevertheless, there are many courses in Europe that do not consider the aspect properly of *How Social Entrepreneurship is taught*: Is the content taught *through*, *for*, *about* or *in* social entrepreneurship? According to the output of our transnational online focus group on Education for Social Innovation in Central Europe, many European courses are still taught *about* social entrepreneurship even though this was outdated in the course of the last 15 years by teaching *in* or *through* entrepreneurship. Furthermore, the discussion stressed cross-faculty teaching of (social) entrepreneurship as experts elaborated on the development of entrepreneurship education throughout the last 20 years. Students from non-business departments brought about innovation in the European entrepreneurship education as they came with a vision *to change a societal problem* and not *a market problem* through entrepreneurship. This shows how cross-faculty teaching can further innovation and thus must be considered for social entrepreneurship education in future.

Moreover, the topic did not only find its way into higher education institutions but also into some early-adopting primary and secondary schools, in countries such as Belgium, Germany, Spain and United Kingdom.

When it comes to skills development, a lot of programmes are also being established beyond formal education institutions. Private funders or public authorities offer training possibilities often connected to awards and prizes as well as access to relevant networks and mentoring of experts. Skills taught for social innovation of course depend on the age groups targeted, in the following example it is illustrated how skills such as taking an active stance, believing that your actions can bring about change, self-confidence, team skills, understanding a problem and problem solving can be taught to especially young potential future social innovators. The programme Open Future from the Pontis Foundation in Slovakia is an after-school program (informal education) for primary school students aged 11-14 years that brings soft and hard skill education and mentoring to disadvantaged communities focusing on creativity,



entrepreneurship and digital skills. The goal of the programme is to help their alumna enter into high school and gain skills needed for the 21st century. This shows how skills needed can be conveyed successfully from an early age on.

3.2. Challenges

In spite of these positive developments, common challenges across EU Member States are emerging. To start with, without sufficient collaboration and connection between established programmes and actors aligned educational strategies are unlikely to be formed (Borzaga et al., 2020).

Managerial skills needed

Furthermore, according to 28 country reports of European member states, a main challenge for the development of social enterprises is the “lack of internal capacities” (Borzaga et al., 2020, p. 147). “Social enterprises that developed from community groups tend to lack business and investment skills, [...] on the other end of the spectrum, social enterprises coming from the business sector tend to neglect social aspects.” (Borzaga et al., 2020, p. 147). Training strategies should therefore focus on financial skills and marketing competences, which are least available in social enterprises as well as training social entrepreneurs in using evaluation and feedback tools, measuring social impact and improving their personnel management competences (Handler, Vana, Michalek, Holtgrewe, et al., 2017). Another skill that needs to be enhanced and was mentioned in several country reports of the project partners are managerial skills (Borzaga, 2020; Euricse et al., 2016; Göler von Ravensburg et al., 2018; Rakar & Kolarič, 2019; Wilkinson et al., 2014). Mentoring and skill building programmes that enhance comprehensive entrepreneurial thinking including social dimensions are a necessity, at best being implemented from an early age on. According to Borzaga et al. (2020), also civil servants and bank officials should be trained to establish a better understanding of the needs of social enterprises. According to our experts, the bigger challenge altogether for stakeholders, social entrepreneurs, students as well as for the education sector as a whole, is to unlearn things in order to enable the creation of something new. Whether this is a new teaching style like educating *through* entrepreneurship, letting go of learnt and incorporated frames to create a better product or service or cross-faculty teaching aimed at students that learned to think and to see the world through the lens of their discipline.

Co-creative development with stakeholders

When it comes to stakeholder involvement, specific challenges arise per group. Students who are now in school grow up in a quite complex world in which uncertainty and ambiguity play a major role. Thus, their challenge is to learn to act under uncertainty. However, the stakeholders around them are not necessarily equipped with teaching the needed skills since their world they grew up was governed different. Entrepreneurship education is still a new or unusual topic in a lot of countries and sometimes bears a negative connotation. (According to one participant, adding “social” helps, but doesn’t resolve the problem.) Teachers and school principals can be supported through peer learning and other



measures. Still, it is important how support measures are delivered and to find collaboration at eye level. If you simply tell them to work differently, they get the feeling to be incompetent. Furthermore, investors are especially important for programmes to educate entrepreneurs and social entrepreneurs. Investors often do not find the right investees. Thus, it is important to not only have on board the demand side of social finance, but also the supply side. Finally, the public sector at different levels (municipalities, regional or even national) is very important to involve, since education is mostly a publicly funded and governed area and their support is crucial for engaging other actors. However, it might not always be easy to engage the public sector sometimes due to different working cultures and mind-sets. Experts from the transnational online focus group stressed the importance of cross-sectoral team work to learn from each other and to share knowledge. It is advisable to work in quadruple helix teams (e.g. economy, academy, government, civil society,...) and to create dialogue. However, these actors use completely different languages, have a different common sense and live in their own regulated sphere while usually not talking to each other.

For more specific obstacles and current developments in the respective project partner countries, please refer to Annex 9.1.

3.3. Objective and priorities

General objective:

Advance formal and informal education for social innovation and social entrepreneurship at all educational levels at a transnational level

Priorities derived from current developments, benefits and challenges mentioned above:

- **Paradigm shift** to education through entrepreneurship
- **Lose negative connotation** of entrepreneurship in school
- **Start early** with education on social entrepreneurship and social innovation (e.g. Open Future Programme by Pontis Foundation, <https://www.nadaciapontis.sk/en/projects/open-future/>)
- **Foster skills needed for social entrepreneurship and social innovation (per age groups):** E.g. Identification and understanding of social problems, team working skills, digital competences, leadership, fundraising and investment skills, business skills, marketing competences, HR skills, know how on evaluation and feedback tools, impact management and assessment skills, networking and communication skills, etc.



- Enable **cross-sectoral learning** (quadruple helix)
- Foster cross-faculty teaching of social entrepreneurship
- **Train other stakeholders** for social innovation and social entrepreneurship
- Further collaboration and connection between established programmes and actors to align educational strategies
- **Match investors and investees** to finance & establish educational programmes

4. Transnational Collaboration and Cooperation on Social Entrepreneurship and Social Innovation in Central Europe: Developments, Benefits & Challenges

What is the reason for transnational collaboration and network building among social entrepreneurs and other stakeholders? There are many answers to this question, but some key elements appear when looking at existing literature.

4.1. Benefits of collaboration

Multi-dimensional social problems bring about the need for collaboration of diverse stakeholders, as very often one party on its own cannot tackle all challenges involved (Sakarya et al., 2012). In contrast to the image of the social entrepreneur as a sole hero fighting for the good cause, social entrepreneurship is often a collective activity. The close collaboration among social entrepreneurs and their pooling of resources is an important pre-requisite for enhancing exposure and credibility, attracting further resources and achieving their objectives (Montgomery et al., 2012). Furthermore, in the field of social entrepreneurship and social innovation, new forms of relations between social enterprises, businesses, NPOs, governments and the public sector can be found (Maase & Bossink, 2010), as social enterprises are embedded in multiple contexts, including local, social and political contexts (Shaw & Carter, 2007). These relationships are essential to connect stakeholders in order to facilitate innovation and to achieve sustainable and high impact solutions for multi-dimensional social problems (University of Brighton et al., 2019). True and radical innovation is challenging and can be easily undermined by the risk of execution over learning, the risk of working in silos and the risk of losing scalability (VOICT & ULM, 2019). Transnational collaboration with partners enables exchange of new ideas, transfer of knowledge, competences and methods, it helps to raise awareness for social enterprises at a transnational level, it facilitates the transfer of excellent social business ideas to new markets, it creates opportunities to internationalize and with that to scale social innovations to spread the impact to a wider audience (Region of Veneto - Directorate of Labour & ENAIP Veneto Social Enterprise, 2019).



4.2. Collaboration through networks

Networks seem to have a significant impact on the emergence of social enterprises as they represent a crucial mutual support mechanism; it is shown that **in countries with weak or almost non-existent networks (e.g. Cyprus, Malta), the development of social enterprises has been much slower and more complex compared to countries with strong networks** such as in Czech Republic, Italy, Luxembourg and United Kingdom (Borzaga et al., 2020).

In a study of (Alvord et al., 2004), very diverse social enterprises were investigated globally and a key success factor for increasing the impact of these organisations was determined: The ability of networking. Networking is not only an important skill, but also depends on the social capital of social entrepreneurs. Social capital is the first and therefore the most impactful resource social entrepreneurs have in the beginning (Leadbeater 1997, Sharir & Lerner 2006). Through network building and increasing their social capital they can attract other forms of capital like financial, human, organisational or physical capital.

The main roles of networks are “to improve recognition and society’s awareness of social enterprises; to advocate and inform policy-making; to foster mutual learning and exchange; and to provide services to their members”(Borzaga et al., 2020, p. 50). Networks often include training programmes to enhance skills needed for social innovation and for social entrepreneurship (e.g. in Belgium, Finland, France, Ireland, Italy, Latvia, Lithuania and Spain) or offer support during various organizational (growth) phases for social enterprises (Borzaga et al., 2020). Additionally, activity field-based networks such as the European Network of Social Integration Enterprises (ENSIE) supports members with informing them about national and regional EU policies on a regular basis.

4.2.1. Bringing stakeholders together and facilitate mutual learning

Above all, networks create space for collaboration and exchange, bringing together social entrepreneurs, trainers, regional experts, regional authorities and financing institutions, consultants, HEI representatives, mentors, civil servants and many other stakeholders on a national and transnational level (Region of Veneto - Directorate of Labour & ENAIP Veneto Social Enterprise, 2019). This exchange fosters cross-sector dialogue and is crucial to include policymakers and other stakeholders into (international) discussions (Borzaga et al., 2020). The exchange also creates a win-win situation as the start-up, on the one hand, gets access to stakeholders with insights and expertise about local communities and their needs, they get international coaching and mentoring to support the development of their products and services, they might get the chance for a seed funding and discover international societal challenges on a regional or national level which can create opportunities to enter new markets and to scale their ventures. They are able to merge resources with international social enterprises, create mutual brands and raise public recognition of the sector. On the other hand, stakeholders gain deep insight into the innovative work of start-ups and SMEs in a transnational context



which can facilitate tailor made decision making and policy making (Region of Veneto - Directorate of Labour & ENAIP Veneto Social Enterprise, 2019).

4.2.2. Lobbying for political change

An important benefit that networks can create, is a key element to shape and influence policy making: Lobbying. In several European member states such as Croatia, Czech Republic, France, Italy and Spain new legislation and policies focussing on the needs of social enterprises have been successfully enabled through lobbying by networks (Borzaga et al., 2020). In other European countries, especially in CEE and SEE countries, intermediary structures and representative networks that lobby for social enterprises or gather communities are weak to non-existent (e.g. Slovakia, Slovenia, Romania, Cyprus, Malta, Poland) (Borzaga et al., 2020). Furthermore, lobbying can be crucial to raise awareness for social entrepreneurship and social innovation on a transnational level, eventually also impacting the development at local levels as was mentioned in our transnational online focus group.

Besides lobbying and other benefits mentioned beforehand, networks can also protect social enterprises from opportunistic organisations that seek to exploit the popularity of the concept. Stakeholders can be guided by networks that send clear signals whether an organisation can be considered a social enterprise or not (Borzaga et al., 2020).

For an overview of international networks that work on social innovation and social entrepreneurship at a European level please refer to Annex 9.2 and Annex9.3.

4.2.3. Challenges of collaboration through networks

Taking into account all advantages of transnational collaboration through networks so far, there are certain challenges too, that need to be considered. For the emergence of self-initiated networks, it is essential, that a small community on this topic exists beforehand. Without community-building organisations such as the international Impact Hub network or awareness-raising actions at federal or national level (e.g. “Social Business Day” in Austria), such a basis would be very hard to create.

Setting up a social enterprise is a complex process with many tasks and projects to consider at once. Thus, a time constraint forces the social entrepreneur to prioritize certain activities. This can lead to a lack of networking, especially in early phases of the start-up, and poses one of the challenges for networks to raise awareness and to stress the importance of this activity from the very beginning. Furthermore, it is always up to the social entrepreneur, whether a network is perceived as useful or not. This creates a need for networks to constantly provide and grow a large and diverse community to raise its attractiveness and consequently, to sustain on the long-term (Haugh, 2007).



4.3. Collaborations between traditional enterprises and social enterprises

Collaborations between traditional enterprises and social enterprises can bring about many benefits for all stakeholders involved, they are so-called “social alliances”. In the following, benefits and challenges will be outlined.

4.3.1. Benefits of corporate-social enterprise collaboration

When social enterprises and traditional enterprises start to collaborate, advantages for both parties evolve. According to Acumen (2015), complementary resources and strengths are being leveraged to create new business opportunities such as new products and services, new business models, new market insights, new distribution channels and many more. Businesses benefit by reaching new markets, improving their public image, increasing their innovation capacities and saving R&D costs at the same time while social enterprises enjoy increased brand value, financial returns, marketing opportunities and access to corporate buying power and expertise (J. Mennel et al., 2013; The Four Lens Strategic Framework, 2010). Besides these aspects, experts of our transnational online inquiry added that businesses can be inspired by fresh ideas, different perspectives of social enterprises, they might be able to offer interesting volunteer opportunities to their own employees to support the social enterprise and might benefit from cost-effectivity when understanding social problems and target groups better through the social enterprises’ view. On the other hand, social enterprises could be taught better management skills, improved organizational structures, they can improve their professionalization, see the collaboration as a proof of their concept and market and the partnership could be source of reputation and trust for other traditional companies as well as for customers. New business models, corporate cultures, internal processes can be formed, thus such partnerships can serve as a source for innovation for both for the social enterprise and the traditional company.

4.3.2. Challenges of corporate-social enterprise collaboration

Upon entering a social alliance, Sakarya et al. (2012) describe shared objectives from both parties at alliance-level: “joint value creation” and “community capacity building”. Objectives begin to differ when looking at the partner level, where businesses aim at “stakeholder appreciation” and social enterprises are looking for “fundraising opportunities” (Sakarya et al., 2012). Also outcome measurement practices show different priorities of both parties when entering a social alliance as businesses are rather tracking operational gains while social enterprises focus on the social impact achieved through the joint project (Sakarya et al., 2012).

According to Acumen (2015), a key success factor regarding social alliances is leveraging each other’s strengths as well as understanding the psychology of counterparts and communicating openly. Experts of our transnational online inquiry added the possibility of misunderstandings resulting from a lack of communication and understanding as well as potential disinterest and prejudices involved which create obstacles that have to be overcome. Furthermore, different corporate cultures can pose a difficulty in itself as well as different internal processes (also regarding the speed of processes and decision making)



and different expectations, if not communicated openly. Unbalanced power relationships can lead to discontent and hampered interaction. One specific aspect mentioned by an expert was that products and services of social enterprises might sometimes be “nice to have” for traditional enterprises, but when crises occur, they might be quickly abandoned. Experts from Hungary pointed out that often, products and services of social enterprises do not reach the standards required by traditional enterprises in order to start a cooperation. Thus, social enterprises would need to improve and also learn about the expectations, operations, mindset and needs of traditional enterprises. Furthermore, social enterprises sometimes lack skills to sell their products and services properly to traditional enterprises, experts refer to it as “speaking different languages”. Also, social enterprises sometimes struggle with the right approach, whom to contact within a traditional enterprise, whom they need to look out for and how, they lack a network of companies to connect to. Polish experts mentioned a lack of legal solutions encouraging employers to cooperate with social economy entities. Furthermore, they reported low awareness of social economy principles among consumers and the need for a change in perception of social entities.

Challenges might arise when partnerships are maturing (Di Domenico et al., 2009). The tensions are caused by different goal settings, profit allocations, governance differences and accountability towards shareholders vs. stakeholders (Di Domenico et al., 2009). Further main challenges in cross-sector partnerships for social impact are “aligning interests between partners, establishing clear roles and responsibilities, aligning management systems and defining metrics to measure progress” (J. Menzel et al., 2013, as cited in Wangsirilert and Simon, 2017, p.11).

Key success factors mentioned by experts of our transnational online inquiry are trust building activities. Cooperation should rather start small and lean, adjust accordingly and grow in a next step. Promising examples of collaboration between social enterprises and traditional enterprises are strategic alliances, long term contracts, outsourcing from traditional enterprises to social enterprises, consulting services (both ways) and volunteering programs, whereby models can vary by sector. To ensure a fair process of collaboration, social enterprises need to be remunerated properly for their achievements, know-how and contributions; traditional enterprises must not exploit its market power.

For detailed success factors of the different models of corporate-social enterprise partnerships, which are skills, channel and venture partnerships (Acumen, 2015), please refer to Annex 9.4.

In Annex 9.5, four best practice examples of corporate-social enterprise collaborations are briefly presented. One of the examples was mentioned by an expert of our transnational online inquiry and the three other examples are adapted from the deliverable D.T 1.3.2. of the Interreg Central Europe project “CE Responsible” (Slovak Centre of Scientific and Technical Information & Budapest Chamber of Commerce and Industry, 2020).



4.4. Collaborating and expanding internationally

Resulting from our transnational online focus group, there are certain advantages that social enterprises might have when going international. On the one hand, they have a social mission and are pursuing impact before profits, they have an international heart and are able to adapt to different entry models. On the other hand, they know how to take the perspective of customers and beneficiaries into account and understand the importance of doing so. Thus, this can be very beneficial when adapting to new local markets.

Nevertheless, there are certain challenges too, that arise. While obstacles also depend on the specific field a social enterprise works in, and the potential of internationalizing can be limited if the impact is linked too closely to certain local communities, there are some main challenges that can be outlined and resulted from our transnational online focus group.

It was mentioned that quite often, social enterprises are unaware of the impact they could achieve in other communities and countries. Thus, making them aware of international opportunities and connecting them to other organisations, that might work on similar topics but in different countries, can be empowering and might leverage the impact being created.

To go international, certain skills are needed and experts specifically pointed out a lack of ambiguity, know-how skills, abilities to manage international teams, skills to apply for international tenders and networking skills. It was reported that a lot of NGOs and social enterprises would like to connect at a transnational level but do not know how to do so.

Furthermore, in order to go international, products and services might need to be refined to be scalable to other countries and markets. Experts mentioned a lack of scalable products and skills of social enterprises to improve their scalability.

A crucial obstacle when internationalizing is an insufficient ecosystem to support social enterprises at a transnational level. Sometimes, social enterprises' business models very much depend on local ecosystems, especially when it comes to income streams (e.g. funding and grants available). An international advisory board that supports social enterprises by informing them about supporting structures and funding options in other countries could help them keeping the profit-side in mind and reducing costs as going international is very expensive, too. This advisory board could also be crucial when it comes to timing. Experts of our transnational online focus group say that social enterprises often underestimate the time needed to establish international collaborations successfully and to get to know important stakeholders and the local ecosystem properly (including its tacit rules).



Finally, a lack of successful models was reported by our experts. Promoting successful examples cannot only empower social enterprises but also help to reflect and choose the right entry model. Experts stressed the importance of considering a systemic analytical model when scaling social innovations to a different country, instead of reacting to current triggers or choosing neighbouring countries that are perceived to be similar but can be more challenging than expected in the end.

There are a variety of different entry modes when going international, but according to our experts the most frequently chosen mode is forming a “strategic alliance”.

4.5. Common challenges of transnational collaboration between social enterprises and various stakeholders

Even though challenges differ slightly with various forms of collaboration, certain common challenges crystallize. A time constraint and limited resources (e.g. financial resources, social capital) seems to be present in all forms of collaboration for both parties. Therefore, it is a necessity to raise awareness for the importance and mutual advantages of collaboration and at best, to promote the integration of networking and collaborating with different stakeholders into a party’s strategy. Especially for social enterprises, it is vital to do this from a very early stage on, as mentioned in literature and in our transnational online focus group, to get proof of their concept and to get in touch with beneficiaries. Another key challenge is limited mutual understanding of the respective parties. Cultural clashes easily arise and can develop into obstacles if not mitigated accordingly. Different interests of the parties create challenges especially when partnerships mature. Additionally, the fluid definition of a social enterprise doesn’t help to create mutual understanding, finding common ground can be hampered. Therefore, an open communication from both parties is key for partnerships to sustain as well as consistent awareness raising on a transnational level for the concept of social enterprises.

According to a qualitative study of Maase & Bossink (2010), there are several other factors that inhibit collaboration for social enterprises that were not mentioned previously. As social entrepreneurs often tackle societal challenges that entail a number of goals, which are located in different areas, the study showed that often governmental and non-profit organizations that were asked for help only focused on one goal of the complex structure of challenges (“Integrated Goals”). A result is ineffective decision making. Moreover, because larger organizations with complex organizational structures work at a different pace than social start-ups or individual social entrepreneurs, where direct communication is fast and possible, decision making took more or less time and this difference could be felt by both parties (“Different speed”). Throughout the study it was noticed that social entrepreneurs followed individual key principals which fuelled their personal drive for the social cause. If the social entrepreneur felt that a potential partner was not in line with the personal key principals, the negotiations were cancelled and the search for other partners continued (“Key principals”). Next, potential partners lacked trust in the capabilities of the social entrepreneur to structure the start-up process. This emerged from the observation that the social entrepreneur’s personality could be source



for success as well as failure of partnerships. An example that might have triggered the distrust is that observed social entrepreneurs mainly focused on results rather than processes (“SE’s individual skills and personality”). The “Fear for loss of control” showed in early stages of an initial partnership process (e.g. idea generation) on the part of the social entrepreneur. The fear was that the idea eventually turns into something that the social entrepreneur did not intend in the beginning, which hampered the collaboration process and made interactions more difficult. This goes along with the “Ownership” problem, where social enterprises fear to lose ownership over their idea or even over their social enterprise, when partners seek a buyout. Trust issues in general can pose a threat and damage or even end collaborations. Trust can be established though from existing mutual connections, working relationships or intermediaries known to all parties (Lyon, 2012), which should be taken into account. Also, external audits or other forms of assessment can create trust for a range of stakeholders, demonstrating legitimacy (Power, 2003, as cited in Lyon, 2012). Competition is often related to trust issues and the breakdown of relationships (Lyon, 2012). But it can be beneficial for the third sector, too, to “grow its role, impact, and visibility while retaining its defining features” (Williams, 2008, as cited in Lyon, 2012, p. 154). It is certainly an important factor that shapes collaboration and norms of behaviour and thus needs to be considered. Furthermore, the “waiting game” (Maase & Bossink, 2010) is caused by one or more cooperating parties that delay the partnership process on purpose. Throughout the study, regarding the public sector and governmental agencies, this was e.g. due to partners unwilling to reallocate resources or that wanted to prevent change in their organization that was not in their own interest. Some business partners in the private sector showed to be risk averse and did not want to join the new initiative. Delays were often caused by organizations waiting for the competitors to take the first step. To sum up, the main conclusion of the study for a successful initiation of a partnership on the part of the social entrepreneur is that a capability needs to be developed to control the personal characteristics of the social entrepreneur and to properly manage the cooperating process between the social enterprise and the collaborating partner (Maase & Bossink, 2010).

To see these factors in correlation with partnerships of social enterprises and different stakeholders, please refer to Figure 2 and Figure 3 in Annex 9.6.

4.6. Objective and priorities

General objective:

Advance transnational collaboration on social entrepreneurship and social innovation in Central Europe to build networks and to facilitate peer learning among social innovators

Priorities derived from current developments, benefits and challenges mentioned above:



- **Collaborate and cooperate with external stakeholders as early as possible:** Raise awareness for the importance and advantages of collaboration to get SEs to collaborate as early as possible
- **Foster skills needed for internationalization:** Ambiguity, know-how skills, ability to manage international teams, application support for international tenders, networking skills
- **Foster skills needed for corporate-social enterprise collaborations:** Provide trainings at management level for traditional enterprises, provide business mentoring for social enterprises, foster mutual understanding, open communication skills between both parties
- **Unconditional funding** that is not tied to grants or is project-based, provide hybrid financing options for internationalization
- **Scaling:** Focus on 1-on-1 support, make products and services more scalable, build new partnerships and foster collaboration instead of incubator approach
- **Match social entrepreneurs** that tackle the same challenges and work on the same issues
- **Introduce intermediaries that match social enterprises and traditional enterprises:** Evaluate suitable services and products of social enterprises for traditional enterprises, organize meetings & events to get together
- **Bringing social entrepreneurs and traditional entrepreneurs together without an agenda:** Create space for trust building measures and for stimulating creativity
- **Foster face to face meetings:** Although digital means of communication have gained in importance (especially during Covid-19) face to face meetings among people have proven to be more fruitful to start collaboration efforts
- **Introduce job shadowing programmes** for social entrepreneurs on an EU level
- **Partnerships in target countries:** Establish national contact points that facilitate transnational partnerships, that refer to local contact points & potential partners, help to understand different welfare systems and grow national ecosystems to support social enterprises when internationalizing
- **Introduction of an International Advisory Board:** Advising network for social enterprises when going international (e.g. about funding options, selection of entry mode, provide national/regional contact points, etc.)
- **International campaign to promote best practice examples** of internationalization and transnational collaboration among social entrepreneurs and other stakeholders
- **Consistent awareness raising for the concept of social enterprises at a transnational level** to foster mutual understanding, to facilitate finding common ground and to prevent misunderstandings when collaborating
- Detailed review of existing approaches and methodologies for social impact measurement of partnerships and collaborations
- **Reputable labelling for social enterprises** to create transparency and trust for the sector

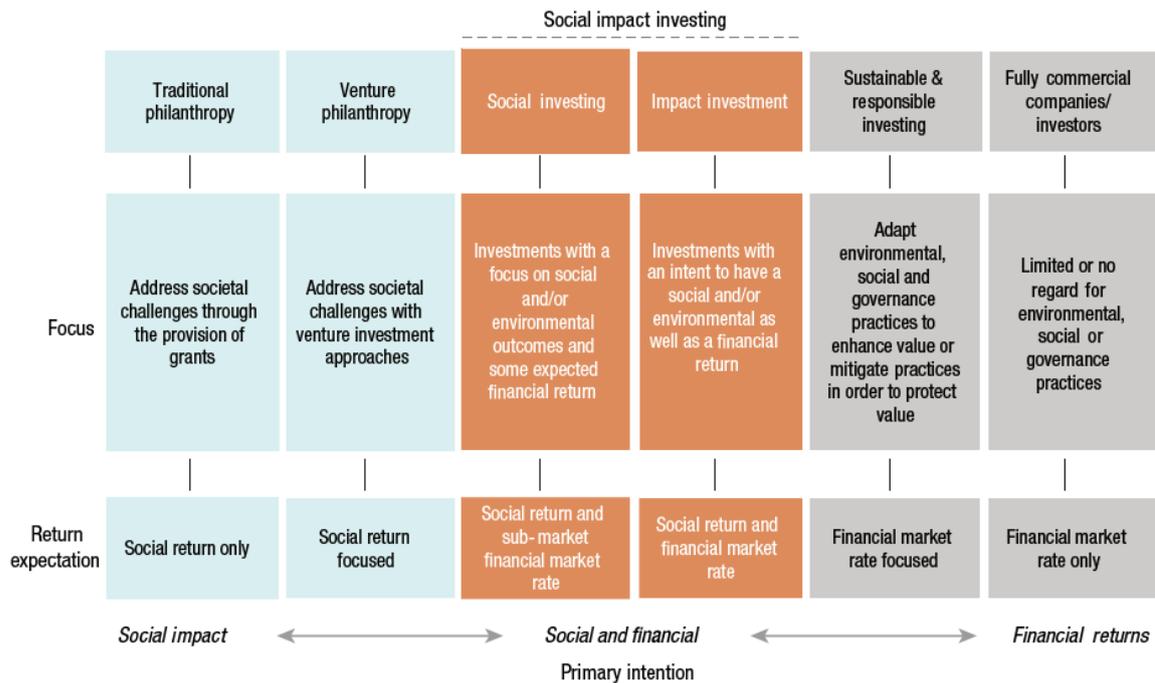


5. The importance of Impact Management and Impact Assessment: Developments, Benefits & Challenges in Central Europe

Access to finance is a key element in order to boost social innovation in Europe. In order to address specific social needs, organisations such as NPOs, social businesses, social enterprises, charities or community organisations are establishing innovative business models to be able to deliver new social services (Wilson, 2016). This brings about several challenges for traditional financiers and investors. Finding the right instruments to fund these organisations and understanding their needs and potential impact are key challenges of investors. Therefore, social impact investments can play a critical role in preparing markets to support the growth and upscaling these new and innovative social ventures (Koh, Karamchandani and Katz, 2012 as cited in Wilson, 2016).

5.1. Social finance

Fortunately, the enthusiasm for social impact investments is growing. Investors are now able to invest their capital in a broad spectrum, ranging from only financial returns from social ventures to solely focusing on leveraging the social and environmental impacts of their investments (see Figure 1). Between these two extremes, a growing number of private investors aim to achieve both social and financial returns (Wilson, 2016). According to the 2018 Annual Impact Investor Survey conducted by the Global Impact Investing Initiative (GIIN), over 228 billion USD were invested in impact projects in 2017, almost doubling the 114 billion USD reported by the 208 respondents in the year before. The number of impact investors tracked by the GIIN rose from less than 50 pre-1997 to well over 200 in 2017 (Abhilash Mudaliar et al., 2018). Foundations and family offices were key players in advancing social impact investments in the course of the years (Koh, Karamchandani and Katz, 2012 as cited in Wilson, 2016). As foundations are often independent from governments and markets, their position enables them to develop long term perspectives and strategic means to tackle the most pressing issues of our times, compared to changing government politics and plans every few years (Wilson, 2016).



Source: OECD, based on earlier versions from various organisations.

Figure 1: The spectrum of capital: Moving towards greater impact (OECD, 2019)

Innovation is present in the social finance sector, too. Throughout the last years, stakeholders such as government agencies, investors or foundations have investigated in rolling out new and innovative approaches in funding social ventures (e.g. “pay-for-success” models, outcome-based financing such as social or development impact bonds (SIBs or DIBs), outcome funds, social impact notes and other streamlined pay-for-success mechanisms (Wilson, 2016)). Moreover, there are several social financing programs at EU level already in place which are progressively establishing a financial ecosystem for social enterprises. A few examples are “the microfinance and social entrepreneurship axis of EaSI and the European Fund for Strategic Investments, that promotes investment in social economy projects as one of its priorities” (Social Economy Europe, 2018, p. 20). Also, under the InvestEU Program, social economy organisations are considered within social investment and skills policies (Social Economy Europe, 2018). When creating an enabling ecosystem, it should be noted though that its success greatly depends on national contexts such as a country’s history, cultural and structural characteristics as well as different value systems and social needs (Wilson, 2016). It remains important to find the right social impact investment approaches for each sector and country in order to provide the most effective policies, taking into account local challenges and differing needs.

5.2. Impact Assessment is crucial for social finance

However, it seems that an essential element in growing this capital market further is to enhance impact assessment on a transnational level. Impact assessment is vital for investors to take a profound decision which option to go for and to decide in which direction and market their capital should flow. The importance of impact assessment shows for social enterprises, too, when aiming at certain investors



and different forms of investments. Agreeing on expected outcomes helps to make a social enterprise attractive to potential investors. But also along the investment period, effective and continuous measurement of social impact is essential as investors want to see if their supported ventures have the intended impact (Wilson, 2016). A comprehensive measurement of social impact includes not only direct but also indirect impact achieved. Thus, methods and tools need to be developed for investors as well as social enterprises to efficiently get to these results (Wilson, 2016). Additionally, a shift from focusing only on inputs/outputs to actual outcomes is needed to assess the whole influence a social venture can bring about (Wilson, 2016). This will need specifically tailored approaches that can meet the needs of investors while not overburdening the social venture. Therefore, help for social service providers in all sectors is critical to create capacities for outcome measurements (Addis, McLeod and Raine, 2013 as cited in Wilson, 2016).

At the policy level, impact assessment contributes to the visibility of social enterprises at an EU level and thus fosters data collection and statistics about the actual impact achieved across the European social economy (Social Economy Europe, 2018). This makes it easier to allocate social enterprises' contribution to the SDGs and to stress their importance. Consequently, policy makers receive a better knowledge base for their future decisions. Some steps are already in place to advance this topic: The organisation Social Economy Europe (SEE) published a European Action Plan for the social economy with a proposed period of five years (2020-2025) to sum up policy measures and actions to achieve the Sustainable Development Goals as well as proposed measures to realize tailored socio-economic policies at an EU level. Measure 5 stresses the importance to “develop and implement methodologies to value the impact of social economy enterprises and organisations” (Social Economy Europe, 2018, p. 16). As many approaches have emerged on how to assess and collect this data already, it is a necessity to improve the coordination at EU level to (Social Economy Europe, 2018, p. 17): “Systematize the different techniques, spread their application by social economy enterprises and organisations and public authorities to be able to document, quantify and compare the impact of the social economy on the socio-economic development of the EU.”

5.2.1. Is there a need for standardisation?

To date, statistics and data of social impact investments still remain highly fragmented and hinder a comparison of results across nations (OECD, 2019). The actual practices of measuring impact remain underdeveloped for several reasons. This includes the complexity, burdens and costs it places on players along the investment value chain, particularly on investees (OECD, 2019). As mentioned by several experts in our transnational online focus group, resistance from social enterprises can be seen to implement impact measurement as they lack resources to do so and don't see enough value behind it besides doing it for reporting and investors. In CEE countries where social enterprises are already obligated to report impact measurement documents, e.g. Italy, there is a lack of financial support to cover the costs for impact assessment. Besides, ethical concerns by social enterprises were raised as an issue, too. However, calls to introduce standardised impact metrics, data-reporting standards and even standardized platforms that foster the dialogue between investors, social businesses and stakeholders



increased throughout the last years (OECD, 2019). It is argued that comparable data, standards and transparency are prerequisites for capital markets to grow and more importantly, to also attract mainstream investors to the social impact investment market (OECD, 2019; Wilson, 2016). First efforts towards standardizing impact measurements were made by initiatives such as the OECD Social Impact Investment Initiative, the Impact Management Project 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).

In contrast, an aspect raised in our transnational online focus group on impact management and impact assessment for social innovation expressed the idea of rather having standards for impact management instead of impact assessment. With standardized impact assessment criteria, certain challenges arise such as impact measurement being very costly for social enterprises, misunderstandings of objectives from both investors and investees are likely to come up as a result of different interpretations, there are no benchmarks for comparison and measuring merely the output (which might be easier and quicker to do than assessing actual outcomes) does not express how successful the enterprise is in terms of impact. Standards for impact management could comprise criteria for impact planning, impact monitoring and impact analysis to eventually facilitate communicating and showing impacts achieved. This idea brings along certain challenges, too: When setting up a social enterprise and starting to build the organisation, it is difficult to implement the theory of change from the very beginning, as one of the experts mentioned. Furthermore, start-ups not primarily focusing on a social mission but integrating sustainability dimensions in their products and services specifically face challenges when it comes to impact planning and their theory of change.

5.2.2. Challenges

Lack of managerial and financial skills

A common challenge for social entrepreneurs across several CEE countries is, as mentioned in several country reports about social entrepreneurship and social innovation (Borzaga et al., 2020; Borzaga, 2020; Euricse et al., 2016; Göler von Ravensburg et al., 2018; Handler, Vana, Michalek, Holtgrewe, et al., 2017; Kiss & Mihály, 2019; Rakar & Kolarič, 2019; Wilkinson et al., 2014), their lack of knowledge concerning financial instruments and possibilities together with a lack of either business skills or social skills, depending from which background the social entrepreneurs come from. Without sufficient skills to demonstrate their abilities to achieve certain results (be it in social or economic terms), the perceived risk for investors gets higher and their willingness to support these ventures might get lower in return (Borzaga, 2020; Centre for Economics LLC Banja Luka, 2019; Euricse et al., 2016).

Communication between both parties

Next, missing interaction between entrepreneurs and investors is a key element that hinders initial investment as well as a low awareness of both parties regarding challenges entailed during the investment process. As mentioned in our transnational online focus group, one of the biggest challenges



throughout the investment process is to have both investors and investees on board when it comes to impact assessment, to set up e.g. control groups, foster dialogue between the parties etc.

Understanding the needs of social enterprises

It is a necessity to educate not only social entrepreneurs to mitigate their lack of skills but also investors to foster the opportunity to find common ground between the two parties (Nilima Achwal, 2012). Investors that come from traditional investment markets might assume similar drivers between commercial entrepreneurs and social entrepreneurs. In fact, social entrepreneurs that achieve the greatest social impact are mostly not driven by maximising the value within their organization but within the whole system (Nilima Achwal, 2012). Thus, it is essential to keep in mind that impact investors are actually not investing in organizations but first of all in impact being created (from the social entrepreneur's point of view). Additionally, real impact can often only be seen on the long term which often creates a "timeline issue" for investors that want to see impact in the short run already. Project-based funding of grant funding are common financing options for social enterprises but come along with a shorter time horizon that hampers showing the impacts achieved. Furthermore, a better understanding of social entrepreneurs' needs and challenges are also important to not only drive social entrepreneurs towards income based business models which could, in the worst case, even limit innovation in the social sector, according to Felix Oldenburg (Nilima Achwal, 2012). "By forcing a socially impactful organization to focus on earned income, you will cage them", so Oldenburg (Nilima Achwal, 2012, para. 14). Fostering innovation in the social economy would rely above all on partnerships, collaboration and helping hands of interested stakeholders in the future and is not bound to individual businesses generating profits (Nilima Achwal, 2012).

How can the public sector implement and support impact assessment and impact management?

Concerning the supply side of social finance, public authorities in CEE are searching for impact management systems and approaches on how to support social start-ups and social ventures, as was mentioned in our transnational online focus group. The question of how the public sector can support impact assessment and impact management properly is still to be solved. Furthermore, across most CEE countries, impact assessment is being implemented still at a very output-based level. In many countries confusion and a lack of knowledge about the terms and definitions of impact, output and outcome is present.

Underdeveloped ecosystems for social finance

Finally, the issue was raised in our transnational online focus group that local stakeholders such as private and public banks need to be pushed to advance social finance. Currently, few traditional banks adapt their assessment methods to social enterprises but rather look at fixed and current assets, thus social enterprises typically do not reach the bank's lending requirements (Borzaga, 2020; Kiss & Mihály, 2019; Wilkinson et al., 2014). The social capital gets lost in the consideration which might lead to an underestimation of business potential in return.



However, social enterprises need to be advanced in their development, too. Social finance expert Felix Oldenburg explains that there are too few social enterprises on the market (and thus “in the pipeline”) that need or are willing to handle specifically large amounts of capital inflows (Ashoka Central and Eastern Europe, 2012; Nilima Achwal, 2012) - just what many (international) investors are seeking. “Some investors invest anyway [Note from the author: in small size investments], producing not only failing deals but also damaging the investees with their stringent requirements. The clever investors walk upstream to find the deals, and invest with grants and advice only to the organizations that will actually benefit from developing a “customer-based business model.” (Nilima Achwal, 2012, para. 6). The few possible investees for large investment deals are often scared off by too high financial return expectations and often too narrow requirements of investors (Ashoka Central and Eastern Europe, 2012; Nilima Achwal, 2012).

5.3. Objective and priorities

General objective:

Advance impact management and impact assessment to improve social finance in Central Europe

Priorities derived from current developments, benefits and challenges mentioned above:

- Shift from **output- to outcome-based** impact measurement
- **Foster skills needed for impact management and impact assessment:** Know-how, knowledge of evaluation methods, business skills (What resources are needed? How costly is impact management/impact assessment?), social skills for impact planning
- Provide more training on social impact investing and social finance: Both for social entrepreneurs and for stakeholders
- **Provide financial support** for social enterprises to implement impact management & impact assessment
- **Supply side pull:** Grow demand of public sector and investors for impact management and impact assessment in order to induce a need for social enterprises to integrate impact management into their strategies and include impact assessment into their business operations
- Introduce standards for Impact Management on a transnational level
- **Increase influence of HEIs and the academic sector:** Adapting curricula to include the topics of impact management and impact assessment and stress the practical dimension
- **Push local stakeholders to advance social finance:** Focus on stakeholders such as private and public banks to adapt assessment methods tailored to the specificity of social enterprises
- **Foster communication between stakeholders:** A possibility might be to create agencies that match the demands of social enterprises with interested investors or to establish foundations to help fill this informational gap (Anastasiadis et al., 2018)



- Lobbying to raise awareness for the topic

6. Public Procurement for social innovation

In recent decades, increasing interest has been shown by policy makers and social enterprises to collaborate (Lyon, 2012). When outsourcing the delivery of public services to social enterprises, certain benefits and challenges arise.

6.1. Benefits of public procurement for social enterprises and social innovation

When collaborating with public procurers, social enterprises gain access to income streams that might be less vulnerable to economic downturns (Lyon, 2012). Furthermore, opportunities for scaling are being established as social enterprises might reach either a wider audience or a bigger geographic area with their products and services through public procurement (Wilson, 2008 as cited in Lyon, 2012). On the other hand, public procurers seek socially innovative solutions that can deliver public services more efficiently and more effectively while using new approaches (Lyon, 2012). It is essential for public procurers to recognize existing networks and relationships to create opportunities for a larger pool of stakeholders in order to tackle complex structures of challenges together (Lyon, 2012).

6.2. Challenges of public procurement for social enterprises and social innovation

Finding the right proximity of collaboration between public procurers and social enterprises can pose a challenge in itself. On the one hand, if the two parties do not work together close enough, knowledge of local areas held by social enterprises and their previous experiences could remain untouched (IFF, 2007, as cited in Lyon, 2012). On the other hand, collaborations that are too tight might risk the independence of social enterprises concerning their advocacy role and might lead to a “mission drift from serving the beneficiary to serving the funder, and reducing innovation as organizations try to deliver in line with the status quo and commissioners’ expectations” (Lyon, 2012, p. 156). Furthermore, if political parties change, the risk of public expenditure cuts and a change in public policies are present at all times (Lyon, 2012). Finally, as competition within the third sector is growing as well as competition between the third sector and other sectors for public means, there is a need to assess the nature of relationships and the evolving moral norms of these changing economies to yield mostly beneficial aspects that a fair and healthy competition climate can create (Lyon, 2012).

In the following, key success factors will be outlined that resulted from our transnational online inquiry.

Most of our experts agreed that legal frameworks are a key element to advance public procurement for social innovation. It was mentioned several times that it was a necessity to include social clauses in the criteria of public procurement processes when assessing and choosing an offer. Regulations at the EU



and national levels should be introduced to include social enterprises in public tenders. Furthermore, ideas such as introducing regulatory sandboxing for social innovation in legal frameworks were raised. This enables social enterprises to experiment, develop and test prototypes under real circumstances but with adapted legal procedures. Eventually, these results could be monitored, compared and evaluated. If the findings show potential, they could be scaled and implemented at a national or even transnational level in a further step.

Another key element is to provide support for public procurers: From academia to understand social innovations, from regional and local authorities to understand the needs of social enterprises, from social finance experts that advise on social impact measurement and systems, from media to promote socially innovative solutions, from the Court of Audit, etc. Also, if social clauses are being introduced as mentioned previously, public procurers need support on how to compare and assess e.g. several proposals with different social benefits. In addition, various intermediaries can help mediate this support for public procurers, provided that they are acknowledged and recognized by the government. Intermediaries could take on different roles such as facilitating access to suppliers, education, promotion, networking and gaining insights in better understanding the target group, etc.

Finally, a key element is providing support for social innovators to obtain finance through public procurement. Experts pointed out that access might be difficult due to complicated procedures, thus social innovators need to be trained and advised on how to gain access. This could be executed by local authorities or intermediaries. Transparent criteria and guidance would help to pave the way for social innovators to public procurement.

6.3. Objective and priorities

General objective:

Advance public procurement for social entrepreneurship and social innovation in Central Europe

Priorities derived from current developments, benefits and challenges mentioned above:

- **Rearrangement of public procurement priorities:** Public procurement that stimulates innovation for the common good while tackling social challenges must become a preferred way of spending public money
- **Increased engagement of the European Commission** to build support structures for public procurement
- **Cultural change is needed:** Public procurers need to be able to consider the wider social policy aspects in a specific procurement, in particular at a transnational level



- **Foster skills needed to obtain finance through public procurement:** knowledge about financial instruments for social innovators, application support for (international) tenders, support to gain access to public procurement by local authorities
- **Introduce a transnational platform or advisory network** to facilitate access to (international) public procurement opportunities for social entrepreneurs
- **Set up a stakeholder communication process**
- **Introduce impact measurement systems for public procurers**, work closely together with social enterprises
- **Promote the inclusion of social criteria in the process of public procurement at EU level**
- **Implement regulatory sandboxes** that enable social enterprises to experiment, develop and test prototypes under real circumstances but with adapted legal procedures. Results can be monitored, compared, evaluated and eventually implemented at a national or even transnational level if the outcomes show potential
- **Provide support for public procurers including the strengthening of intermediaries**
- **Introduce pan-European initiatives & international projects** to facilitate networking among various stakeholders and foster transnational dialogue



7. Conclusion and Manifesto

It is very positive to see that social innovation and social entrepreneurship has gained in political and societal relevance in CE regions throughout the last years. Although the ecosystem is very diverse in the participating countries it can be said that they face common challenges. Although the level of awareness among policymakers and stakeholders has risen it is crucial to invest more resources into the further development and advancement of the eco-system. Social finance as well as the practice impact assessment/impact management are still at infancy in almost all of the participating countries. Public procurement still does not put a focus on solutions that are socially innovative. Education for social innovation and social entrepreneurship has grown, but has not been integrated into secondary and informal education. Moreover, collaboration needs to be supported among social entrepreneurs themselves at a local and transnational level and with other organisations, such as traditional enterprises and the social service sector. The transnational action plan will therefore suggest concrete actions to tackle those challenges.

As a commitment to social innovation and social entrepreneurship in the future the Social(i)Makers and participants of the final event agreed on the following manifesto:

- *Raise awareness for social innovation and social entrepreneurship among stakeholders of the ecosystem as a crucial avenue to tackle societal challenges*
- *Join forces to advance formal and informal education for social innovation at all educational levels*
- *Join forces and build networks to facilitate peer learning among social innovators*
- *Work together to lobby for positive political change and social public procurement and social finance.*



8. Bibliography:

- Acumen. (2015). *SOCIAL ENTERPRISES AND GLOBAL CORPORATIONS. COLLABORATING FOR GROWTH WITH IMPACT*. https://acumen.org/wp-content/uploads/2015/10/1502_AcumenSummitReport_092115Finalv2_pgs.pdf
- Alvord, S. H., Brown, L. D., & Letts, C. W. (2004). Social Entrepreneurship and Societal Transformation: An Exploratory Study. *The Journal of Applied Behavioral Science*, 40(3), 260-282. <https://doi.org/10.1177/0021886304266847>
- Anastasiadis, M., Gspurning, W., & Lang, R. (2018). *Social enterprises and their ecosystems in Europe. Updated country report: Austria* (European Commission, Ed.). Publications Office of the European Union.
- Ashoka Central and Eastern Europe. (2012, July 10). *Do Social Enterprises Need Impact Investing? Views from Europe*. <https://www.ashoka.org/en-at/story/do-social-enterprises-need-impact-investing-views-europe>
- Borzaga, C. (2020). *Social enterprises and their ecosystems in Europe. Updated country report: Italy* (European Commission, Ed.). Publications Office of the European Union.
- Borzaga, C., Galera, G., Franchini, B., Chiomento, S., Nogales, R., & Carini, C. (2020). *Social enterprises and their ecosystems in Europe. Comparative synthesis report* (European Commission, Ed.). Publications Office of the European Union. <http://ec.europa.eu/social/publications>
- Catherall, R., & Richardson, M. (2017). *Social entrepreneurship in education. Empowering the next generation to address society's needs* (British Council, Ed.). British Council.
- Centre for Economics LLC Banja Luka. (2019). *The Joint Strategy on the Promotion of Acceleration Programmes*. Publications Office of the European Union. <http://www.interreg-danube.eu/approved-projects/accelerator/outputs>
- Di Domenico, M., Tracey, P., & Haugh, H. (2009). The Dialectic of Social Exchange: Theorizing Corporate–Social Enterprise Collaboration. *Organization Studies*, 30(8), 887-907. <https://doi.org/10.1177/0170840609334954>
- ENSIE. (n.d.). *About ENSIE*. Retrieved 19 June 2020, from <http://www.ensie.org/about-ensie>
- esela. The legal network for social impact. (n.d.). *About Us*. Retrieved 19 June 2020, from <https://esela.eu/>
- Euricse, EMES network, & TIPIK. (2016). *Social enterprises and their eco-systems a European mapping report: Updated country report, Slovakia*. (European Commission & S. A. and I. Directorate-General for Employment, Eds.). Publications Office of the European Union.
- European Social Fund. (2020, June 19). *DIESIS. Experience & current activities of the organisation (in relation to TNC)*. <https://ec.europa.eu/esf/transnationality/diesis-eu-support-structure-social-economy-1247>
- Göler von Ravensburg, N., Krlev, G., & Mildenerger, G. (2018). *Social enterprises and their ecosystems in Europe. Updated country report: Germany* (European Commission, Ed.). Publications Office of the European Union.
- Handler, K., Vana, I., Michalek, W., Holtgrewe, U., Bliberger, L., & Pokluda, H. (2017). *Social enterprise skills-gap inventory*. Publications Office of the European Union.
- Handler, K., Vana, I., Michalek, W., Pokluda, H., & Bliberger, L. (2017). *Synthesis Report on Policy Niches and Benchmarking in the Danube Region*. Publications Office of the European Union.
- Haugh, H. (2007). Community-Led Social Venture Creation. *Entrepreneurship Theory and Practice*, 31(2), 161-182. <https://doi.org/10.1111/j.1540-6520.2007.00168.x>
- J. Mennel, T. Mendelson, K. McElhaney, & B. Marquard. (2013). *The Roadmap Toward Effective Strategic Social Partnerships Authors*. UK: Deloitte University Press.
- Kiss, J., & Mihály, M. (2019). *Social enterprises and their ecosystems in Europe. Updated country report: Hungary* (European Commission, Ed.). Publications Office of the European Union.
- Lyon, F. (2012). Social Innovation, Co-operation, and Competition: Inter-organizational Relations for Social Enterprises in the Delivery of Public Services. In A. Nicholls & A. Murdock (Eds.), *Social Innovation* (pp. 139-161). Palgrave Macmillan UK. https://doi.org/10.1057/9780230367098_6
- Maase, S. J. F. M., & Bossink, B. A. G. (2010). Factors that inhibit partnering for social start-up enterprises. *Journal of Enterprising Communities: People and Places in the Global Economy*, 4(1), 68-84. <https://doi.org/10.1108/17506201011029519>
- Montgomery, A. W., Dacin, P. A., & Dacin, M. T. (2012). Collective Social Entrepreneurship: Collaboratively Shaping Social Good. *Journal of Business Ethics*, 111(3), 375-388.



- <https://doi.org/10.1007/s10551-012-1501-5>
- Nilima Achwal. (2012, May 26). *The Best of 2012: The Dangerous Promise of Impact Investing*. <https://nextbillion.net/the-dangerous-promise-of-impact-investingfrom-ashoka-europe/>
- OECD. (2008). *Entrepreneurship and Higher Education* (J. Potter, Ed.). OECD.
- <https://doi.org/10.1787/9789264044104-en>
- OECD. (2019). *Social Impact Investment 2019: The Impact Imperative for Sustainable Development*. OECD Publishing. <https://doi.org/10.1787/9789264311299-en>
- Plymouth University. (2016). *Social enterprise in a global context. The role of higher education institutions* (British Council, Ed.).
- Rakar, T., & Kolarič, Z. (2019). *Social enterprises and their ecosystems in Europe country report Slovenia* (European Commission, Ed.). Publications Office of the European Union. <https://ec.europa.eu/social/BlobServlet?docId=21575&langId=en>
- Region of Veneto - Directorate of Labour, & ENAIP Veneto Social Enterprise. (2019). *CERlecon - CE119. ES mart-strategy for a transnational network of innovation ecosystems in CE regions. Deliverable D.T1.4.1*. Publications Office of the European Union. <https://www.interreg-central.eu/Content.Node/CERlecon/RP6-CERlecon-CE119-DT1.4.1-eSmart-strategy-for-a-transnation.pdf>
- RESCOOP. (n.d.). *About Federation*. Retrieved 19 June 2020, from <https://www.rescoop.eu/federation>
- RREUSE. (n.d.). *About Us*. Retrieved 19 June 2020, from <https://www.rreuse.org/about-us/>
- Sakarya, S., Bodur, M., Yildirim-Öktem, Ö., & Selekler-Göksen, N. (2012). Social alliances: Business and social enterprise collaboration for social transformation. *Journal of Business Research*, 65(12), 1710-1720. <https://doi.org/10.1016/j.jbusres.2012.02.012>
- Shaw, E., & Carter, S. (2007). Social entrepreneurship: Theoretical antecedents and empirical analysis of entrepreneurial processes and outcomes. *Journal of Small Business and Enterprise Development*, 14(3), 418-434. <https://doi.org/10.1108/14626000710773529>
- Slovak Centre of Scientific and Technical Information, & Budapest Chamber of Commerce and Industry. (2020). *Identification and analysis of good practices of social entrepreneurship*. Publications Office of the European Union. <https://www.interreg-central.eu/Content.Node/CE-Responsible/D.T1.3.2.-Identification-and-analysis-of-good-practices-of-s.pdf>
- Social Economy Europe. (2018). *The Future of EU policies for the Social Economy: Towards a European Action Plan*.
- The Four Lens Strategic Framework. (2010). *Private-Nonprofit Partnership Model*. <http://www.4lenses.org/setypology/psp>
- University of Brighton, West Sussex County Council, The Social Innovation Factory, De Punt, & Seinwezen. (2019). *Strategy & Action Plan. Spark Social Enterprise. Interreg 2 Seas Programme*. <https://www.sparksocialenterprise.eu/stakeholders/>
- VOICT, & ULM. (2019). *Sustainability Strategy. Output 6.1* (Interreg Danube Transnational Programme. Project DA-SPACE, Ed.).
- Wilkinson, C., Paczynski, W., Pacut, A., Potkanska, D., & Pazderski, F. (2014). *A map of social enterprises and their eco-systems in Europe. Country Report: Poland* (European Commission, Ed.). Publications Office of the European Union.
- Wilson, K. E. (2016). Investing for social impact in developing countries. In OECD (Ed.), *Development Cooperation Report 2016: The Sustainable Development Goals as Business Opportunities* (p. 19). OECD Publishing.



9. Annex

9.1. Specific obstacles and current developments in the respective project partner countries regarding education for social innovation and social entrepreneurship

Italy:

The sector of social enterprises has been increasingly recognized on local and national levels thanks to sufficient data and research availability (Borzaga, 2020). The latter also played a key role in clarifying the role of social enterprises for policymakers (Borzaga, 2020). There are three main research institutions in Italy concerning the topic of social enterprises: IRIS Network, European Research Institute on Cooperative and Social Enterprises (Euricse) and The Italian Association for the Promotion of the Culture of Co-operation and of Nonprofit (AICCON). A challenge regarding education for social enterprises mentioned by Borzaga, (2020), are missing managerial skills of social entrepreneurs, as many have the profile of a social worker. Complex and fragmented legal frameworks regulating the operations of NPOs lead therefore to an obstacle for many social enterprises.

Germany:

The most important providers of research, education and skills development services tend to be public and church-related universities (Göler von Ravensburg et al., 2018). Regarding training and education, large welfare federations operate with their own financing, research, education and training, advisory and support structures which can be accessed by cooperatives, integrative and inclusive enterprises and welfare organisations. A great number of higher education institutions offer tailored courses in “third sector” studies or “management in the social sector” (Göler von Ravensburg et al., 2018). Additionally, the “Social Entrepreneurship Academy” (Social Entrepreneurship Akademie), a cooperation network formed by four universities in Munich in 2010, offers its own curriculum ranging from two-day courses to fully certified two-year long programmes. Moreover, numerous informal support organisations offer consultancy, coaching, infrastructure, skills development and incubator services. They are usually funded by private foundations and donations or support themselves with their own capital (Göler von Ravensburg et al., 2018). Next to diverse prizes and awards for social enterprises, an annual summit called “Vision Summit” is organised by WeQ INSTITUTE, bringing together hundreds of thought leaders on social innovation and social entrepreneurship, business, education and civil society. Key barriers in Germany, as mentioned by Göler von Ravensburg et al. (2018), relating to SE education, are weak management skills of social entrepreneurs as well as a lack of access to affordable support services for certain social start-ups. Moreover, a lack of data availability of the field hinders social enterprises from gaining more visibility on a national level.

Austria:



Important research institutions for social entrepreneurship in Austria are The NPO & SE Competence Centre at the WU Vienna and a smaller research centre, IFA Styria which is regionally operating and focusing on labour market research (Anastasiadis et al., 2018). Educational programmes for social enterprises and young social innovators beyond universities and schools are e.g. Pioneer of Change, Social Impact Award, and Next (Anastasiadis et al., 2018). Several other organisations offer trainings and skill development sessions within their support services, such as Impact Hub Vienna, the Ashoka Visionary Program and trainconsulting (Handler, Vana, Michalek, Pokluda, et al., 2017). Furthermore, the masters programme “Social Management” of the University of Applied Science - FH Campus Vienna conveys management skills in the traditional NGO-sector since 2004. Even though several departments of Austrian universities focus on the research and study of social enterprises and social innovation, data remains fragmented. An extensive research strategy may help to increase the visibility of social enterprise in Austria, too.

Slovakia:

Slovakia experienced significant positive developments in the social entrepreneurship sector throughout the last decade. Several courses on the topic of social entrepreneurship are offered at universities such as the University of Economics in Bratislava (since 2011), the Comenius University in Bratislava, the Catholic University in Ružomberok and Matej Bel University in Banská Bystrica (Euricse et al., 2016). Graduation on topics of social entrepreneurship from Master programmes and PhD’s are present at all these institutions (Euricse et al., 2016). Even representatives of local governments are offered trainings to improve their understanding towards SE since the academic year 2016/17 (Euricse et al., 2016). Among nation-wide challenges mentioned are weak managerial skills of social entrepreneurs as well as potential for improved coordination and communication between various stakeholders of the sector (Euricse et al., 2016).

Poland:

Despite the fluid concept and definition of social enterprises in Poland which hinders a profound estimation of the size of the sector, several research and evaluation projects have been implemented during recent years looking at enterprises with various social activities (Wilkinson et al., 2014). Important organisations monitoring and assessing the needs of Polish social enterprises include the Network of OWES centres and umbrella organisations or associations of social enterprises such as the National Audit Association of Social Co-operatives, National Audit Association of Co-operatives of Disabled and Co-operatives of the Blind and the Union of ZAZ Employers (Wilkinson et al., 2014). Regarding education and training, several higher education institutions offer bachelor’s degrees, post graduate studies and individual courses related to social entrepreneurship. As they are mostly offered in private higher education institutions though, it is difficult to assess the quality and relevance to aspiring social entrepreneurs and young social innovators (Wilkinson et al., 2014). Beyond formal educational settings, the Foundation for Socio-Economic Initiatives (FundacjaInicjatywSpo.eczno-Ekonomicznych - FISE) has been organizing an annual competition for the Best Social Enterprise of the Year since 2011. Also, the international non-profit organization NESsT offers tailored advisory services,



management and financial support to early-stage social enterprises since 2014. Similar to Germany, a major annual social economy meeting takes place gathering policy makers, social enterprises, scientists and other social economy organisations. According to Wilkinson et al. (2014), key barriers to social enterprises and the field of social entrepreneurship in Poland are the lack of data availability on a national level and the lack of know-how and business skills of aspiring social entrepreneurs.

Hungary:

The first course about social enterprises was launched in 2006 by The Corvinus University of Budapest (CUB), the institution that has been involved the longest in this field of research in Hungary (Kiss & Mihály, 2019). Ever since many educational programmes evolved at higher education institutions such as the University of Debrecen (UD), The University of Miskolc (UM), the Pannon University (PU), the Eötvös Loránd Science University (ELTE), the University of Pécs (UP) and The Central European University (CEU), offering either Master degrees, summer universities, courses for curriculum delivery or PhDs (Kiss & Mihály, 2019). Beyond formal educational settings, a number of non-profit organisations offer trainings and skill development services, too. NESsT offers the only online course to date for social entrepreneurs and supports a portfolio of social enterprises closely with mentoring and knowledge. The program Civil Support helps social enterprises to scale while the project !Yes offers tailored courses for social innovation projects and social start-ups. In spite of these positive advances, more comprehensive trainings towards social entrepreneurs will be needed to complement the existing educational offers. A main challenge poses the current centralisation trend in Hungary; many responsibilities of local governments (e.g. maintaining schools, running local social services, health services) were taken away which entails a loss of roles for formerly involved NPOs (Kövéér 2015, as cited in Euricse et al., 2016).

Slovenia:

Slovenia experienced a surge in research and curriculum activities concerning social enterprise and related topics during the last decade. An increasing number of thesis' focus on the before mentioned topics, too (Rakar & Kolarič, 2019). Student initiatives are being founded to offer support for social enterprises in the start-up phase (Rakar & Kolarič, 2019). Higher education institutions that offer programmes, courses or extra-curriculum activities about social entrepreneurship include the University of Ljubljana, the University of Maribor, the University of Primorska, the University of Nova Gorica, Gea College and DOBA, a business school in Maribor. Unfortunately, also a lack of comprehensive research constitutes one of the major challenges to understand the full landscape of social entrepreneurship activity and social innovation in Slovenia (Rakar & Kolarič, 2019). According to the study of Rakar & Kolarič, 2019, stakeholders “expressed the need for educational programmes within higher education for those who would like to run social enterprises, as in their opinion they do not currently have enough knowledge of legislation, marketing and the employment of vulnerable groups.” (Rakar & Kolarič, 2019, p. 64). This mentioned lack of entrepreneurial skills is also noted as a key barrier which holds back further social enterprise development in Slovenia (Rakar & Kolarič, 2019).



9.2. Overview of international networks that work across all sectors of activity regarding social innovation and social entrepreneurship at a European level

DIESIS (<http://www.diesis.coop/>):

“Since 1997 DIESIS has supported the development of the social economy in Europe through the implementation of knowledge-based activities, such as training, project design, consultancy and advisory services, technical assistance and research. DIESIS is the EU network specialised in supporting Social Economy and Social Enterprises development. We cover 10+ EU countries with major national federations and national support networks.” (European Social Fund, 2020, para. 1,2)

The European network to empower civil society & social enterprise (<https://euclidnetwork.eu/>):

Their members are civil society and social enterprise federations, universities and training institutes, social investors, frontline NGOs and social enterprises. The network aims at creating connections between civil society and social enterprise leaders, create know-how on leadership and entrepreneurial and professional skills as well as to influence policy and funding programmes. It is predominantly funded by EU programmes.

The Global Social Entrepreneurship Network (www.gsen.global):

GSEN is an international network for organisations supporting early-stage social entrepreneurs. Inter alia they provide support in developing skills, in thematic focuses and investment-readiness consulting. The initiative was launched and incubated by UnLtd, the foundation for social entrepreneurs in the UK.

The Social Economy Network of the Social Innovation Community:

(<https://www.siceurope.eu/network/social-economy>)

The social economy network aims to enable social economy organisations, including voluntary organisations, charities, co-operatives and other social enterprises to apply a social innovation mindset to the development of their activities, to build capacity among social economy enterprises to implement social innovations faster and to create partnerships with public authorities to facilitate such social innovations.

9.3. Overview of international networks that work activity field-based regarding social innovation and social entrepreneurship at a European level

European Network of Social Integration Enterprises (ENSIE) (<http://www.ensie.org/>):

“The European Network of Social Integration Enterprises (ENSIE) was officially established in Bruges (Belgium) on May 11, 2001. For several years, exchanges between national networks for Work Integration Social Enterprises (WISEs) have made possible the identification of common identifying principles for these initiatives through the various countries of Europe. ENSIE takes for its objective the



representation, maintenance and development within Europe of networks and federations for work integration social enterprises.” (ENSIE, n.d., para. 1,2,3)

European Social Enterprise Law Association (<https://esela.eu/>):

“Esela is a non-profit global network of lawyers, advisors, academics and entrepreneurs. Our members are working to create a sustainable and inclusive economy that promotes positive social impact. We are interested in the role of the law and lawyers in reshaping legal systems and practice for good through impact investing, social entrepreneurship, business and human rights, the response of business to the climate emergency, 'profit with purpose' and related disciplines” (esela. The legal network for social impact, n.d., para. 1,2).

European Federation of Renewable Energy Cooperatives (RESCOOP) (<https://www.rescoop.eu/>):

“REScoop.eu is the European federation for renewable energy cooperatives. We are a growing network of 1,500 European REScoops and their 1,000,000 citizens. Through REScoop.eu, we wish to make our voices heard in the European energy debate. Citizens after all are the ones who will be paying for the transition to a more sustainable energy system. REScoop.eu empowers them and wants to achieve energy democracy” (RESCOOP, n.d., para. 1,2).

RREUSE (<https://www.rreuse.org/>):

“RREUSE represents social enterprises active in re-use, repair and recycling. We want the EU and national governments to move from promoting just recycling and waste management to putting secondhand first” (RREUSE, n.d., para.1).

9.4. Best practice examples of corporate-social enterprise collaborations (Slovak Centre of Scientific and Technical Information & Budapest Chamber of Commerce and Industry, 2020, Transnational online inquiry ‘Collaboration and cooperation between social entrepreneurs and traditional enterprises’, 2020)

Capito (AT)

Capito is a social franchise network which targets inclusion through making news and important information accessible in easy language (<https://www.capito.eu/en/>). APA (Austria Presse Agentur, <https://apa.at/>) is the national news agency of Austria and the main information provider. It is owned by twelve Austrian daily newspapers and the ORF (Österreichischer Rundfunk), which is the Austrian public service broadcaster. Capito sells language products to APA which in turn spreads these products through its daily newspapers and the ORF. With this, impact is being leveraged without additional costs incurred. APA learns from Capito in terms of know-how and innovative digital solutions that target inclusion and builds upon its positive public image. Capito benefits from APA’s best practice reputation



and enters into new partnerships with dpa (Deutsche Presse-Agentur, <https://www.dpa.com/de/>), the innovation cycle begins again in Germany.

Die Fairmittlerei (AT)

The “Die Fairmittlerei” is an association which targets waste avoidance by selling usable but not marketable non-food products at a small price to charities via e-commerce (<https://shop.diefairmittlerei.at/>). It receives these products from the multinational chemical and consumer good company “Henkel” (<https://www.henkel.com/sustainability>) which is not able to market these products anymore. The Fairmittlerei eventually keeps a percentage of the price for themselves but explains that this money is being used for covering their expenses only and not to generate profits.

SFERA VIZIJA: SUPPORT FOR PEOPLE WITH EYESIGHT PROBLEMS (HR)

Sfera vizija (<https://sferavisia.hr/>) is a work integration social enterprise which is mainly producing soaps and employs people with special needs, specifically with eyesight problems. It collaborates with the chain of retail stores “Drogerie Markt” (DM) (<https://www.dm.de/>) which sells its products in various branches. This helps to create awareness among customers for social enterprises, making them familiar with the concept, and greatly benefits Sfera vizija with tackling inequalities concerning people with special needs.

Community Building with a café (HU)

The Tabulaplaza Foundation was established in November 2004 with the aim of revitalizing and supporting local community organizations. The café was established to provide a space to connect local people and to support children and young people with career orientation and guidance as well as improving their money management. Many local businesses are involved in the initiative by offering trainings, donations and volunteering and benefit by having access to potential future workforce.

9.5. Success factors of different models of corporate-social enterprise partnerships (skills, channel and venture partnerships)

An insight from Acumen (2015) is that three main models of corporate-social enterprise partnerships exist, which are skills, channel and venture partnerships. Each model is influenced by different success factors and different challenges. Regarding skills partnerships, social challenges of social enterprises are tackled together with the expertise of global corporations and are determined by success factors such as “matching employees’ needs, balancing employees’ work and volunteers’ time, or adapting to low bono rather than pro bono basis” (Acumen, 2015, as cited in Wangsirilert and Simon, 2017, p.11). Channel partnerships focus on leveraging each other’s supply channels and its success is mainly influenced by understanding the business’ motivation and interest by the social enterprise which in turn designs the partnership accordingly and focuses on open communication (Acumen, 2015). Success factors



of venture partnerships are merging resources and know-how from each party to develop innovative products or services together (Acumen, 2015).

9.6. Factors that inhibit partnering for social start-up enterprises

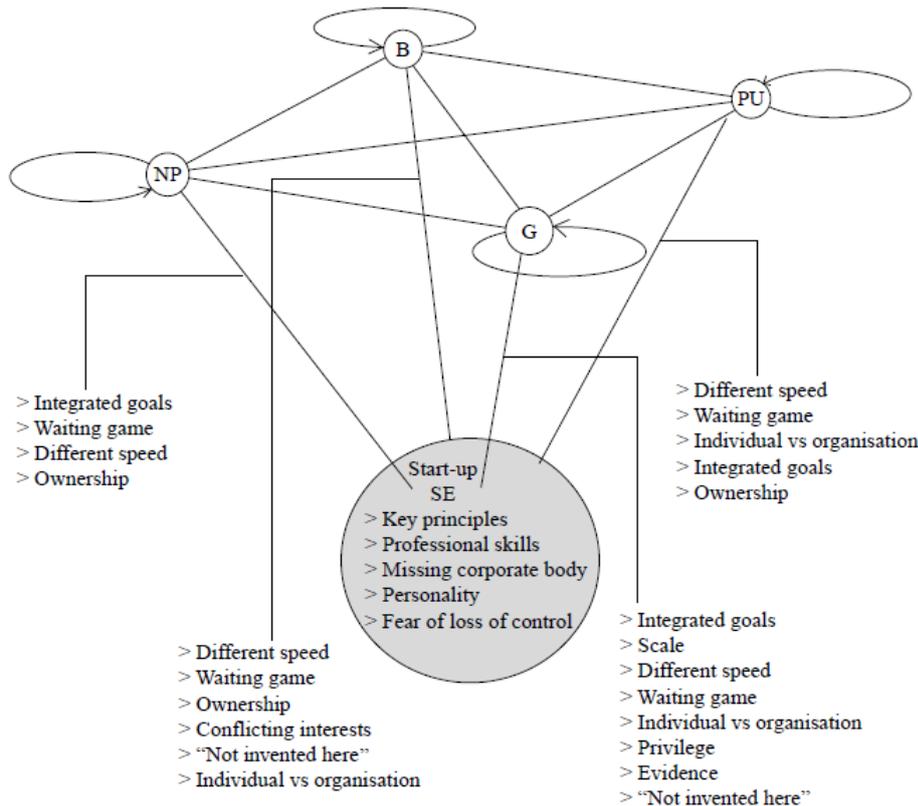


Figure 3.
Inhibiting factors in cross-sector partnerships for start-up social enterprises

Figure 2: Inhibiting factors in cross-sector partnerships for start-up social enterprises (Maase & Bossink, 2010)

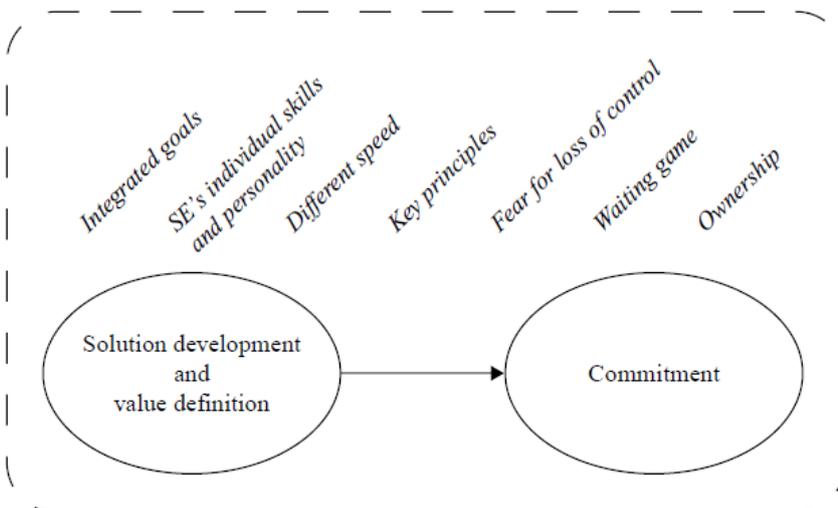


Figure 4.
Inhibitors of partnership initiation for social start-up enterprises



Figure 3: Main inhibiting factors for partnership initiation of start-up social enterprises and various stakeholders (Maase & Bossink, 2010)