

II. Social entrepreneurship

This topic contributes to SO 1.2 “To improve skills and entrepreneurial competences for advancing economic and social innovation in central European regions”.

THEMATIC FOCUS	<p>The thematic focus of SO 1.2 is on social entrepreneurship. The potential of social entrepreneurship is not fully used due to lacking skills and an underdeveloped eco-system with fragmented and unstable support structures. At the same time there is quite some variation across central Europe. Therefore, the aim is to enrich, improve and exploit outputs and results that were developed and achieved by projects of the first and second call (as listed at the end of this document) in order to:</p> <ul style="list-style-type: none"> > Provide better support to existing social enterprises; > Foster the creation of new social businesses; and > Improve the overall policy and support framework to social economy sector. <p>Related to the exploitation of existing results, five Interreg CE projects with direct and relevant contributions to this topic were identified. These focus on technological competences and social innovation capacity of work integration social enterprises, on developing applicable solutions for skill development, on mentoring and networking of social enterprises, on improving skills among entrepreneurs in responsible innovation, and on strengthening social innovation capacities and support to business succession in the central Europe.</p>
CHALLENGES	<p>Demographic change and migration issues are affecting the labour market throughout central Europe. This is particularly evident in regions with shrinking populations and related brain drain effects (peripheral and rural areas) thus deteriorating their competitiveness (Territorial Agenda 2020). Peripheral regions and areas are marginalised or badly accessible territories, which offer poor job opportunities and suffer from out-migration.</p> <p>The topic of social innovation and social entrepreneurship is highly relevant, however its implementation in central Europe still remains challenging. Social innovations comprise of new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations.⁴ The growth of social innovation in Europe is hampered by insufficient knowledge of the sector, limited support of grass roots and social entrepreneurship activities, poor diffusion and limited scaling-up of good practices, and poor methods of impact evaluation⁵.</p> <p>Furthermore, important social challenges (unemployment, migration) need to be tackled in order to improve the integration of vulnerable and disadvantaged target groups by supporting the development of human capital and social economy in central Europe. This is of particular relevance in remote areas and disadvantaged regions. In this context, social entrepreneurs have an important role as innovators, drivers of social inclusion and as operators in the social economy that create a positive social impact. Social entrepreneurs can drive social innovation and transformation in various fields including education, health, environment, and enterprise development.</p> <p>In this context, social entrepreneurship is to be understood as the “use of the techniques by start-up companies and other entrepreneurs to develop, fund and implement solutions for social, cultural, or environmental issues”⁶.</p>
POLICY FRAMEWORK	<p>The thematic focus of the fourth call on social entrepreneurship contributes to the overall EU aim of social inclusion and the objectives of the Social Business Initiative⁷ launched by the European Commission in 2011, which focuses on the legal and financial frameworks for social enterprises as well as on raising visibility.</p> <p>Social economy and social innovation is important in central European regions. It has the potential to bring those furthest away from the labour market to gainful employment. The Social Investment Package⁸ as introduced by the European Commission in 2013 urges Member States to innovate their welfare system. This affects in particular certain policies important for economic growth, including active labour market policies. Evidence shows, however, that due to policy misfit and shortcomings in policy delivery, some groups of unemployed remain jobless and their employability further deteriorates. Therefore, the support to social businesses may help integration of such specific groups in the labour market. This will fill the gap and complement the standard active labour market policies.</p>
EXPECTED RESULTS	<p>By stimulating mutual exchange and learning, transnational cooperation will further support social entrepreneurship by building technological and managerial competences as well as promoting entrepreneurial mind sets and initiatives creating positive social effects. This will help to meet social needs and further improve the capacities of regions to manage new challenges such as those deriving from demographic change, migration and brain drain.</p> <p>The main result envisaged can be summarised as: <i>“Improved capacities of the public and private sector for the skills development of employees and entrepreneurial competences, which will have been achieved through transnational cooperation that drives forward economic and social innovation in central European regions”</i>.</p>

⁴ Open Book of Social Innovation (Murray et. al, 2010) available at <https://youngfoundation.org/wp-content/uploads/2012/10/The-Open-Book-of-Social-Innovation.pdf>.

⁵ Empowering people, driving change: Social innovation in the European Union (bepa - Bureau of European policy advisers, 2011), available at <http://ec.europa.eu/DocsRoom/documents/13402/attachments/1/translations>

⁶ https://en.wikipedia.org/wiki/Social_entrepreneurship

⁷ Social Business Initiative available at http://ec.europa.eu/growth/sectors/social-economy/enterprises_en.

⁸ Further information on Social Investment Package available at <https://ec.europa.eu/social/main.jsp?langId=en&catId=1044&newsId=1807&furtherNews=yes>.