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Social Business Initiative (SBI) follow up: Co-operation between social economy enterprises and traditional enterprises

Final Report

October 2018

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Abstract

This study's objectives are to analyse business co-operation between social economy enterprises and traditional enterprises and provide validated recommendations to further support such co-operation. The study investigated the different patterns of co-operation, explored 16 specific aspects in greater detail and identified best practice in Member States and at enterprise level. The study also compared European trends with those in selected third countries and developed a model to evaluate the social impact and improve specific co-operations.

The study argues that co-operation between SEEs and traditional enterprises will increase in importance and have a greater positive impact as social and economic circumstances change. The findings can help European policy makers devise more effective supporting measures to unleash the full potential of co-operation between SEEs and traditional enterprises.

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Austrian Institute of Technology AIT

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WITH

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Q4I Consulting

With support from:

Prof. Dr. Janelle Bassett Kerlin, Georgia State University, United States of America

Dr. Barbara Good, inspireresearch, Austria

Catherine Manning, Social Value, United Kingdom

Prof. Dr. Minjeong Kang, KAIST College of Business, South Korea

Lorenzo Newman, Ashoka, Learn More, Italy

Massimo Previtera, Ensie, Belgium

Prof. Dr. Luis Rubalcaba, University of Alcalá, Spain

Sara Seganti, European Venture Philanthropy Association, Belgium

Prof. Dr. May Seitanidi, Kent Business School, University of Kent, United Kingdom

Prof. Dr. Ola Tjornbo, University of Waterloo, Canada

Renata Truzzi de Souza, NESsT Brazil, Brazil

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List of Abbreviations

Abbreviation	Long Version
AMS	Public Employment Agency
BoP	Base of Pyramid
CIRIEC	International Centre of Research and Information on the Collective Economy

Abbreviation	Long Version
CIS	Contrat à Impact Social
CIV	Corporate Impact Venture Capital
CSE	Corporate Social Entrepreneurship
CSI	Centre for Social Innovation
CSIS	Corporate Social Impact Strategies
CSR	Corporate Social Responsibility
CSSP	Cross-sector social partnership
CVC	Collaborative Value Creation
DfJ	Duo for Job
EASME	Executive Agency for Small and Medium Enterprises
EMES	Emergence des Entreprises Sociales en Europe
EuSEF	European Social Entrepreneurship Funds
EuVECA	European Venture Capital Funds
GDP	Gross Domestic Product
GECES	Groupe d'experts de la Commission sur l'entrepreneuriat social
GPP	Green Public Procurements
HVC	Hybrid Value Chain
IOR	Interorganisational Relationship
IPR	Intellectual Property Rights
ISG	Involved in Social Goal
JSV	Joint Social Ventures
MEI	Micro-Enterprise
MoU	Memorandum of Understanding
NBM	New Business Model
OCA	Organic Cotton Accelerator
OECD	Organisation for Economic Co-operation and Development
OSI	Open Social Innovation
PTCE	Pôles Territoriaux de Coopération Economique
RBC	Responsible Business Conduct
RBC	Responsible Business Conduct
SBI	Social Business Initiative

Abbreviation	Long Version
SEAOP	Social Entrepreneurial Operational Leader
SEE	Social Economy Enterprises
SEV	Social Entrepreneurial Ventures
SFTF	Social Finance Task Force
SIA	Social Impact Award
SIB	Social Impact Bonds
SIFIs	Social Investment Finance Intermediaries
SIM	Social Impact Model
SME	Small and Medium Enterprises
SRI	Sustainable and Responsible Investment
UTE	Temporary Business Unions
WISE	Work Integration Social Enterprise
WISIR	Waterloo Institute for Social Innovation and Resilience

Executive Summary

The Executive Agency for Small and Medium Enterprises (EASME) commissioned the study **"Social Business Initiative (SBI) follow up: Co-operation between social economy enterprises and traditional enterprises"**. The study investigates the various forms of co-operation between social economy enterprises (SEEs) and traditional firms across different European and non-European countries.

The **study's objectives** are to analyse business co-operation between SEEs and traditional enterprises and provide validated recommendations to further support such co-operation.

In the context of this study, SEEs are defined as *organisations that trade for a social purpose and can adopt a variety of different legal forms within the social economy sector*. The SBI initiative's approach focuses on three aspects of what we call SEEs, namely an entrepreneurial dimension linked to economic activities, a social dimension linked to societal impact, and a governance dimension linked to inclusiveness and participatory decision-making. SEEs combine characteristics of traditional, primarily profit-seeking enterprises and non-profit organisations and this hybrid nature is reflected in their ownership structure and operating models. They may pursue growth and scale in order to increase their societal impact.

Co-operation is defined as *the formal or informal relation by which two or more actors work jointly to solve a social problem, share resources, assets and risks and may create value for mutual benefit and for a society as a whole*. This often takes place in a cross-sector context, meaning that *it leads to the linking or sharing of information, resources activities and capabilities by entities in two or more sectors that could not be achieved by entities in one sector separately*.

The study argues that co-operation between SEEs and traditional enterprises will increase in importance and have a greater positive impact as societies change. The study discusses obstacles currently preventing a scaling up of co-operation and provides recommendations to help European policy makers devise more effective supporting measures to unleash the full potential of co-operation between SEEs and traditional enterprises.

The **study methodology** consists of desk research combined with quantitative and qualitative methodologies. Desk research was used to develop a conceptual framework for the analysis considering three stages or "moments": (i) the initial conditions, drivers and linking mechanisms, (ii) process, and (iii) outcomes and accountabilities of cooperation combined with the analysis of organizational forms of co-operation. Quantitative data on different forms of co-operation and their drivers and obstacles were then collected through an online survey with a total of 1,160 responses from SEEs and 126 from company collaborators, complemented by qualitative data through 110 interviews. Best practice examples of existing co-operation were identified through the interviews. The regulatory framework in ten EU Member States and five non-European countries was investigated through a combination of desk research, the online survey and interviews. The data were analysed on a country and cross-country basis, and best practice examples of successful co-operation were identified and further investigated. Building on the research findings, a theoretical model was constructed to measure social impact of SEE-traditional enterprise co-operation. Finally, the empirical results were subject to discussions at a conference in early July 2018. The outcomes of the conference have been integrated in the final results and recommendations as well as discussions with DG Grow.

Methodologically, the study was challenging due to the lack of data and, linked to this, the conceptual ambiguity in the use of concepts such as SEE and social economy in the literature and among stakeholders.

Literature review and analytical framework

The literature review identified **theoretical approaches** to analysing co-operations between SEEs and traditional enterprises. One of the key approaches used for this study is that of a Social Business Model, distinguishing social businesses from profit-maximising businesses and not-for-profit organisations and linking value generation to a balance between social and economic profit. Another related concept is the overall notion of New Business Model which regards long-term cooperative collaboration as a central element of social and economic value creation and treats time and energy as complementary means of trade to money. This model no longer regards ownership of property or means of production as central.

An important distinction when analysing the structure of the social economy, social entrepreneurship and social innovation, is that of social intrapreneurs creating social innovations *within* existing established organisations and the increased presence of social extra-preneurs operating as intermediaries *across* established organisations.

The literature review allows to conceptualise different **types of co-operation**. The term social partnership was first coined to label co-operation between a corporation and organisation from a different economic sector. The literature also links this to creating a collaborative advantage in addressing social problems. It is seen as a means to balance economic with social and environmental goals. Several authors argue that cooperation and the concept of shared value blur the line between for-profit and not-for-profit organisations, with a new type of hybrid organisation emerging of which SEEs are a part. Another key concept that guided our study is that of the Collaborative Value Creation (CVC) referring to benefits and value created by the interaction of collaborators that accrue to the organisations themselves and to society. Based on this, the study distinguished four types of co-operation: *philanthropic* partnerships where a partner merely provides financial support to an SEE, *transactional* partnerships where both partners exchange something that contributes to separate objectives, *integrative* partnerships where partners have joined objectives, and *transformative* partnerships where both partners align their missions to maximise mutual benefits and social impact.

Reflecting the concepts and theoretical constructs identified in the literature, we developed an **analytical framework** positioning co-operation, doing social business and value creation at the centre of links between traditional enterprises, SEEs, systemic intermediaries (including incubators, platforms, impact hubs, networks, etc.) and public sector organisations, and as resulting in social innovation and social impact in a regulatory, policy and financial environment and socio-cultural context. It is then important to assess the drivers and obstacles, the process, and the outcomes of such co-operation.

The principal **external drivers and obstacles to co-operation** were analysed at global, organisational and individual levels. A key driver to co-operation is the perception that many social challenges can no longer be solved either by the market or the public sector alone. Another key driver to co-operation is the political need to improve collaboration between the public and private sector and civil society, as defined in the United Nations' Sustainable Development Goals, the Flagship Initiative Innovation Union and the 2030 European Agenda for Sustainable Development. Trends in EU cohesion policy and the emergence of sharing and circular economy models are also conducive to co-operation between SEEs and traditional enterprises. Large traditional enterprises in particular are often driven by corporate social responsibility (CSR) to engage with SEEs.

Further e*xternal* drivers at a global level include public support instruments. The public sector can **facilitate** co-operation between SEEs and traditional enterprises by lowering barriers for SEEs to participate in public procurement. The **regulatory and policy environment** in which co-operation between SEEs and traditional enterprises takes place can either facilitate it or pose a barrier. According to recent studies, the lack of a European label and legal status for SEEs may make cross-border co-operation difficult. In particular, heterogenous legal systems in the Member States regarding the legal status of SEEs can be identified in this regard.

Internal drivers, in contrast, refer to the motivation of individuals and organisations to engage in co-operation. Enablers at the organisational level include management skills, availability of financial and human resources, and alignment of objectives between partners.

Key internal drivers to establish successful co-operation include:

- Primarily, trust and alignment of values which is reflected in mutual understanding and acceptance and key to building a sustainable successful long-term partnership.
- Secondly, availability and access to resources such as time, workforce, and finance, lack of which affects especially the SEEs, which do not generate revenues on their own. Moreover, more resourceful partners may be hesitant to co-operate with potential partners perceived as less resourceful.
- Thirdly, visibility and recognition of SEEs competencies and capacities are of high importance.
- Finally, professionality and transparency of SEEs a key for the establishment of co-operations with traditional enterprises.

Conversely, there are **barriers** to co-operation between SEEs and traditional firms to access to relevant networks. Furthermore, institutional barriers exist such as limited awareness of the social economy by the public and the traditional enterprises in particular and lack of appropriate rules and norms, and cultural barriers such as lack of mutual understanding. Lack of appropriate financing by financial institutions and the fragmentation of the public funding landscape, as well as lack of appreciation of the social economy and understanding of its functioning are other issues making co-operation difficult. Language is seen to pose a barrier to cross-border co-operation. Another important factor facilitating co-operation is access to financing. Lack of financing, conversely, appears to be the most important barrier.

Patterns of co-operation between SEEs and traditional enterprises

According to the study results access to networks, gaining visibility and scaling up activities were mentioned in the surveys as the **main incentives to enter co-operations.** Partnerships are typically of a commercial nature, with partners entering into a customer-supplier relationship. The research findings furthermore suggest that SEEs mainly operate on a regional or national basis, with relatively few cross-border relationships. Sector-wise, food and nutrition and agriculture exhibit the highest number of co-operations, while sports and energy, natural resources and clean technology show the lowest. Differences between sectors are much less pronounced than between countries.

The research also suggests that cross-sector partnerships are most common among SEEs, traditional enterprises, and public authorities, followed by clustering and networking, with a strong territorial component. Clustering once again highlights the importance of regional or even local relationships as a facilitator to co-operation. The research findings also suggest that preliminary preconditions for (engaging in) co-operation are not always fulfilled, both in the case of SEEs and of traditional enterprises.

As regards the **relative importance of different types of co-operation**, a transfer of theoretical concepts into empirical practice is not easy to provide. However, the survey and interviews highlight that there are clear differences in the prevalence of the types of co-operations considered in the study.

One important factor determining the **pattern of co-operation** was whether or not the SEE partner is a professional business organisation itself. The results show, the stronger the professional attitudes of the SEEs are, the more like it is that they are able to enter into co-operation with traditional enterprises. Beside that the patterns of co-operation are more diverse and involve not only SEEs and traditional enterprises but also public entities, research centres, and local communities. The main conclusion is that the development of a win-win model is key for sustainability and the success of the co-operation and for its ability to make a social impact. One common model used is the establishment of networked strategic alliances.

The survey feedback also leads us to conclude that **co-operation has a material impact** in terms of facilitating access to broader networks and opportunities, to skills, knowledge and support, and in terms of improving credibility of co-operation partners. Just under half of survey respondents also state they were able to develop new products/services as a consequence of the co-operation. Interview feedback

also indicates that there is a willingness among partners to develop long-term, sustainable forms of co-operation, which would maximise the spreading of social innovations and their impact. However, both quantitative and qualitative data suggest the prevalence of transactional and integrative types of partnerships rather than transformative ones in the wide variety of cooperation forms identified. Furthermore, survey results indicate that the more mature, developed, close to business and sophisticated in using available funding sources and varying its co-operation means the SEE is, the higher the value co-operation with traditional businesses brings on achieving the SEE's organisational objectives. The more developed the partnership between the SEE and traditional business, the more impact it makes.

Specific forms of co-operations between SEEs and traditional enterprises

The study includes the following 16 **topics for more detailed research** concerning specific aspects of SEE-traditional enterprise co-operation from a systemic perspective.

The **integration of social entrepreneurship in the production process and the value chain of traditional businesses** differs by sector: SEEs have the highest degree of integration in waste management, fashion and food value chains, whilst their co-operation behaviour with traditional enterprises in e.g. the health sector is currently lower, whilst having definite potential. While integration is facilitated by geographic proximity of partners, and informal personal contacts, which create trust, the majority of SEEs surveyed for this study, do not participate in value chains.

Building on the **collaborative value chains** CVC framework, **hybrid value chains (HVCs)** were identified **as new models of co-creation between social enterprises and for-profit businesses for the EU development and neighbourhood policy.** According to the survey results, this form of co-operation does not play an important role for the majority of SEEs. The low importance might on the hand result from the resistance of traditional enterprises in their appreciation. On the other this could be due to the complexity inherent to such chains and the geographic reach. Typical forms encountered include a) HVCs of two globally operating organisations, b) HVCs through a dual structure, and c) an SEE bridging the value chain between two entities.

Incubation of social start-ups and of separate business units in traditional firms (social intrapreneurship) appears not to be a widespread but a promising phenomenon. Where it does occur, such forms of co-operation can act as a driver for innovation in the firm concerned, e.g. by creating a social business department and contributing to the establishment of corporate social incubators.

Social extra-preneurship plays a key role in facilitating co-operation. Many social extra-preneurs directly or indirectly finance SEEs, provide knowledge and build trust between partners. They help create a vision and build a consensus on challenges to be addressed through co-operation, such as water scarcity or sustainable food production.

The role of **local competitiveness clusters to stimulate co-operation between SEE and traditional enterprises** varies considerably across the Member States investigated for this study. The stakeholder feedback suggests that having a local dimension is a key success factor for co-operation whereas the notion of competitiveness is not something that SEEs would fully endorse. Moreover, SEEs and traditional enterprises often collaborate in clusters supported by public authorities. This suggests that there is scope for public authorities to support the emergence of local clusters linking the traditional and social economies.

Many for-profit firms have integrated co-operation with SEEs into their **Corporate Social Responsibility (CSR) and Responsible Business Conduct (RBC) policies**. In doing so, they may help SEEs access new markets, and provide them with financial or other support, including co-creation. A more evolved form of using CSR for traditional firms concerns developing integrated, shared value social impact strategies involving SEEs and the adoption of Corporate Social Innovation (CSI) strategies.

Stakeholder feedback suggests that **constructive and sustainable private procurement relationships between social and traditional businesses, and between social enterprises themselves** can be decisive to the success of SEEs and a stepping stone to deeper co-operation. Apart

from cost saving considerations, non-monetary value increasingly acts as a driver for procurement co-operation. Gaining knowledge and developing relationships can be reasons for SEEs to supply traditional enterprises. One issue for SEEs is that they often have to make investments in order to meet quality requirements set by procuring traditional enterprises. Moreover, regulation is sometimes perceived as too restrictive to allow for innovative procurement relationships between SEEs and traditional enterprises. Social value may be more easily created through continuous partnerships rather than one-off contracts.

Sponsorship, competence, voluntary work and pro bono investments from traditional businesses to SEEs are already well implemented forms of social and regular economy co-operation in Europe. Key factors enabling such forms of co-operation are transparency, mission alignment, pre-agreements on resources to be used, and a common definition of the expected benefits for all partners.

Venture capital invested by traditional companies in SEEs is on the rise but in absolute terms still relatively small when compared with more conventional financing streams from traditional companies to SEEs. Moreover, for the major objective of corporate impact investing – the scaling of SEEs – to reach its full potential, the practice of venture capital investing should be developed within the context of tailored financing and hybrid finance approaches, or even "ecosystems" for impact investing, better aligning the different actors (that could be) involved. Concurrently, corporate impact investing should reach more classical mainstream investors such as pension funds or banks, e.g. by using social impact bonds as an instrument. Also, our study unanimously acknowledges that venture capital investment is by definition much more than a financing practice: it involves long-term strategic engagement, with benefits accruing for the traditional as well as the SEE. Our research indicates that even though SEEs face challenges and constraints different from those faced by traditional enterprises, their **management styles** are not entirely different. Sustainable partnerships between the two can contribute to mutual learning and benefit both sides' management styles. SEEs can become more professional and efficient, whereas traditional enterprises can benefit from SEEs' creativity, entrepreneurial spirit and impact focus.

SEEs can learn from traditional enterprises' management methods and vice versa. Traditional enterprises can teach SEEs advanced management methods, transfer technologies and professionalise their marketing and distribution. SEEs, in turn, can teach traditional enterprises how to integrate social goals into their business culture, employment policies and work organisation.

Co-inspiration between social economy and traditional enterprises to promote gender opportunities and equal access to decision making positions are taken seriously by SEEs according to stakeholder feedback collected for this study. Given that many conventional businesses also aim to boost gender equality, this can be a binding element between them and SEEs. Traditional enterprises can particularly learn from SEEs' efforts to support employees in balancing professional and family life. One best practice describes an SEE providing advisory services to corporates on establishing policies supporting a better family life for men. Other areas of co-operation are equal job opportunities, gender balance in decision-making positions, and support for female entrepreneurship.

Co-creation and co-opetition between SEEs and traditional enterprises in the circular economy benefit from co-operation models focused on shared value, pushing SEEs to adapt to participate in this emerging trend. Circular models open promising patterns of business model innovation, be it through circular *supply networks*, products as services, extended product lifetime and sharing practices, among others. This may lead to broader and much varied modes of co-operation and at the same time competition (co-opetition) between enterprises and SEEs, and furthermore between the public and private sector. Systematic public policy could foster this development, particularly through public-private partnerships (PPPs): the latter may represent powerful ways to increase access to discarded goods, boost circular practices throughout value chains, facilitate the attainment of reuse targets while prompting new opportunities of work inclusion of vulnerable groups. For SEEs in the circular economy, the motive for co-operation with for-profits often stems from the opportunity to expand the scope and scale of the services provided, opening room for increased integration throughout the value chain. Besides,

best practice examples suggest that shared values and intrinsic motivation are key to successful co-operation between SEEs and traditional enterprises in the circular economy.

Co-creation and co-opetition between social economy and traditional enterprises in the sharing/collaborative economy is an emerging yet critical domain. Platform-based business models provide SEEs with new modes for redesigning services and products, mechanisms of participation and governance, and organisational forms. In this line, the emerging platform co-operativism movement offers an interesting outlook on collaborative models characterised by shared and distributed ownership of platforms. Indeed, this is a field where SEEs might experiment with decentralised and democratically controlled business models that make the most of digital technologies to create new ties and solidarity with localities. Nonetheless, most of the challenge is actually played around the smart use of technologies, and the level of *digital fluency* of organisations; this is a field where many SEEs are often lagging behind, both in terms of knowledge and skill set, and investment needed. We may then argue that emerging co-operation between SEEs and tech companies in the collaborative economy may represent a meaningful entry point not only to support innovative models and practices of *sharing*, but above all to foster a more widespread and uniform digital transition across Europe. Indeed, the regulatory aspect actually plays and will increasingly play a fundamental role, vis-à-vis the 'fuzzy' and rapidly evolving nature of the phenomenon.

The **exchange and use of dormant patents of traditional companies by SEEs** can play an important role in facilitating R&D co-operation, and this potential is acknowledged by stakeholders consulted for this study. In practice, IPR, and dormant patents in particular, do not yet play an important role for SEEs.

There may be synergies in SEEs and traditional enterprises collaborating on the **use of new technologies and digitalisation,** with SEEs benefiting from traditional enterprises' uptake of such technologies, and traditional enterprises conversely learning from SEEs how to use these technologies responsibly. Such co-operation can benefit from the emerging trends of digital social innovation and tech-driven social entrepreneurship. Feedback collected for this study suggests that there is interest among SEEs in making more use of technology to improve their operations, and some examples illustrate how co-operation with traditional enterprises can help with this.

Several best practice examples were identified that demonstrate how new technologies can facilitate long-term partnerships between traditional enterprises and SEEs.

Cross country analyses

Country reports were developed to analyse country-specific contexts and modes of co-operation between SEEs and traditional enterprises. The country reports have been conducted by using an analytical framework. However, there is a large variance among the European Member States in regard to SEE ecosystems that makes direct comparisons difficult.

Despite that heterogeneity the country analysis in 10 Member States revealed some noteworthy peculiarities of the situation in individual countries, highlighted below. These concerns both rules constituting barriers to such co-operation and public policy instruments supporting it. Key findings can be summarised as follows[1]:

- The Austrian public framework for example is strong in fostering **training and education in SEEs** (i.e. WISEs) which then engage in collaborative activities with the for-profit economy. Austria for example is rather weak in terms of providing a general legal framework for social enterprises, e.g. in terms of reuse targets and the role of SEEs therein.
- In France, the change in **the legal framework** has facilitated an increase in SEEs. Romania has also put in place relevant rules. In the UK, legislation in the early 2000s has fostered the

[1] It is to be emphasised that the following is mostly of narrative evidence. There is still a lack of empirical data that this study has not remedied.

development of a thriving social economy. Italy, which has a long third sector tradition, has recently updated its legal framework with the aim to further foster social enterprises and the social economy. Accordingly, clear legal frameworks act as an accelerator for the establishment and acceptance of SEEs from the perspective of traditional enterprises.

- While lacking a **legal framework** explicitly addressing SEEs, Germany's social market economy is quite conducive to co-operation between SEEs and traditional enterprises, with many of the latter being family-run businesses engaged in social projects on their own. At the same time, there remain (corporate) cultural barriers to co-operation between SEEs and traditional enterprises and chambers of commerce may not regard this as a priority. Moreover, social economy has not yet been mainstreamed into public funding schemes.
- In the UK, there has been a shift among SEEs towards **for-profit legal forms** due to increased maturity and competitiveness of the social economy, and co-operation with traditional enterprises is mainly used to scale up activities. The social finance and investment markets have developed dynamically in recent years. UK SEEs also have developed recognised tools to measure their social impact.
- Polish SEEs only emerged over the last 10–15 years and largely driven by **CSR strategies** in traditional businesses. Similarly, Romanian SEEs are a rather recent phenomenon, and emerged in part thanks to relevant EU funding.
- Many countries, such as Belgium, Italy and Spain still **lack measures** enabling SEEs and traditional enterprises to match. Despite willingness to collaborate, SEEs find it difficult to identify suitable business partners.
- **Lack of funding** is reported as an important obstacle to co-operation in all countries studied. French, Italian, Romanian and Spanish SEEs moreover report to be particularly dependent on public funding for co-operation with other entities.

A short **cross-country analysis** of research findings shows a diversity of settings among European Member States, suggesting that countries can learn from each other's different experiences. Support for SEEs in different countries varies drastically. Some countries have laws on the social economy as a whole, others have support only for development of co-operatives, others do not have any.

Overall, **the UK may be considered a best practice example** among the countries studied in depth given the maturity and professionalism of its social economy, the comprehensive regulatory framework and the availability of private sector funding.

Some essential insights emerged from the benchmark research on SEE-traditional enterprise co-operation in selected non-European countries:

- Unlike in Europe, in **Brazil** co-operation is often driven by traditional enterprises which are legally required to create social impact. A relevant conclusion for Europe is that integrating social clauses into corporate law may induce more traditional enterprises to collaborate with SEEs. Several best practice examples from Brazil could also be identified regarding venture capital invested by traditional enterprises via investment funds into SEEs, local competitiveness clusters between traditional enterprises and SEEs, the integration of social entrepreneurship into traditional value chains, and co-operation in the circular economy.
- Again, unlike in Europe, in **Canada** most investment funds to SEEs are provided by traditional financial firms: it is credit unions which act as major non-governmental for-profit funders of SEEs. From a governmental perspective, provincial policy in Quebec has given local authorities more leeway in actively tailoring their procurement practices to support community and co-operative efforts with the result that community development and the social economy in Quebec have become closely interlinked. Best practice from Canada relates to venture capital investment into SEEs, incubation of social start-ups, social extra-preneurs as agents of change, local competitiveness clusters and integration of SEEs into value chains.
- In **South Korea**, a government scheme supporting SEEs was introduced in 2007. This included a legal format and certification system for SEEs as well as public funding, procurement support, tax benefits and subsidies. This system was developed with certain societal challenges such as ageing

in mind from the start which helped focus support measures. As a result, the SEE sector in South Korea is very dynamic, however this may not be sustainable given the continuous reliance on public support. To remedy this, the government now promotes business partnerships between social enterprises and private corporations, with limited success. Compared with European SEEs, South Korean SEEs struggle (even) more to gain market access and visibility. Best practice identified from South Korea relate to incubation of social start-ups, and sustainable private procurement.

- Since access to finance in **Switzerland** is generally easier than in many EU Member States, there is a considerable number of funding possibilities for SEEs. Unlike in most European countries, commercial banks are keen to invest in them. Moreover, private foundations are quite important in supporting SEEs in the country. Specialist investors, intermediaries or financial instruments for SEEs are subsequently less widespread. Best practice from Switzerland concerns the integration of SEEs into value chains, incubation of social start-ups, sustainable procurement relationships, venture capital investment and the circular economy.
- The **US** appears to be exemplary in how traditional companies engage different co-operation strategies with SEEs at once. First, many US corporations are involved in the sponsorship of SEEs and in providing in-kind donations and technical support for them. This trend has only increased over time as corporations attempt to positively frame their business as a socially responsible actor in order to engage and maintain consumers and increasingly younger employees (millennials). Concurrently, US companies are increasingly engaging the incubation of social enterprises and social start-ups. Large US corporations often establish corporate foundations that partner with and fund the work of SEEs to promote specific social initiatives. American best practice was identified with regard to pro-bono investments, incubation of social start-ups, procurement, and circular economy initiatives

Social impact evaluation in the context of SEE-traditional enterprise co-operation

This study analysed the current practices of social impact evaluation in the context of SEEs and firms' co-operation.

The quantitative survey showed that, despite the existence of a plethora of different methods, social impact evaluation is still practised by a minority of organisations, and encounters a number of challenges, especially when it comes to evaluating co-operation between SEEs and traditional firms. Among these challenges, the most frequently mentioned are the difficulty to identify a suitable approach and method, to mobilise the necessary resources and skill sets, and to access relevant data.

As a follow up of the analysis, a **Social Impact Model** (SIM) was developed in the form of a guideline to support practitioners (both SEEs and traditional firms) to identify their ideal method according to their specific objectives and available resources. The SIM (accessible from a separate attachment) was the result of a co-creation process which involved external experts, practitioners, and stakeholders, many of which participated in 3 dedicated co-creation sessions held during the conference of July 3rd in Brussels.

The SIM distinguishes between the impact of co-operation on the co-operating organisations, on beneficiaries-consumers, and on the broader ecosystem, and focuses on three potential areas of value, defined as "learning", "sharing", and "innovating". The model is presented divided into three chapters: (1) why evaluate, (2) what and how to evaluate, (3) how to use the evaluation.

Recommendations for policy makers

Based on the research findings, recommendations were developed on possible actions to foster co-operation between the social economy and traditional enterprises at EU, national and regional levels. These are presented here in the order of appearance in the main report.

Recommendation 1 on Co-operation typology, drivers of and obstacles to co-operation

It would be helpful to enhance the mutual recognition between SEEs and traditional enterprises through improving soft policies which create a favourable environment and increase the visibility of SEEs, and through hard economic policies which remove existing obstacles to the development and consolidation of SEEs.

Soft policies shall focus on: (1) promoting voluntary standardisation and labelling of SEEs, (2) enhancing transparency of the varieties of SEEs and their actions, (3) implementing a platform for the diffusion of best practices, generating a Code of Conduct for the co-operation between SEEs and traditional firms and measures to strengthen the cross-sector dialogue.

Hard policies shall focus on: (1) Stronger emphasis in EU innovation policy on social innovations, (2) enlarging harmonisation of legal setting of SEEs in Member States and (3) stronger requirements on publicly supported clusters and intermediaries to enhance the positioning of SEEs.

Recommendation 2 on co-operation patterns

The establishment of a co-operation glossary and guide would support SEE in their actions. Going along with that a Member State-based and even regional information centre for SEEs on how to receive financial resources and information would be helpful. Furthermore, a European SEE- traditional firm contest would be quite supportive in enhancing awareness of the wealth generated by co-operation, as would a stronger focus on social innovation measures that includes participation incentives for SEEs. Advisory services and technical assistance in generating sufficient financial resources are of high importance. Finally, capacity-building is of high importance for both SEEs and traditional enterprises.

Recommendation 3 on specific forms of co-operation: Value chain

Co-operation between SEEs and traditional firms strongly relies on opportunities for them to meet. Policy measures that enhance the availability of platforms where SEEs and traditional enterprises meet, are promising. Accordingly, regulations focused on integrating SEEs in value chains are strongly required. Measures, as for instance, certification, campaigns, voucher schemes and tax incentives are recommended. Furthermore, showcase campaigns and the establishment of credible testimonials and references by certifications will also help SEEs to enter value chains.

Recommendation 4 on specific forms of co-operation: Hybrid value chains

The notion of hybrid value chains (HVC) is still not well developed. Accordingly, public awareness measures to enhance the knowledge on the advantages of HVC are strongly recommended. Furthermore, the legal status of SEEs is of high importance for HVCs. Countries with legal frameworks for social enterprises are still the exception. The need for such special regulation was raised in many interviews carried out for this study. In countries where there are no explicit laws for SEEs, and where SEEs typically raise their own revenue through sales, sponsorships, advertising and membership fees and use this revenue to cover costs and for outreach and education, these are often treated the same way as conventional businesses and taxed accordingly. It is shown that innovative business models are required to promote co-operation among SEE and traditional enterprises.

Recommendation 5 on specific forms of co-operation: Social intra-preneurship

Social intra-preneurship is not, as yet, a widespread phenomenon. To enhance the number of social intra-preneurs, that either develop as separate units in traditional firms or come up by incubation of social start-ups, several measures are recommended. First measures to enhance the awareness for social intra-preneurs are strongly recommended. Additionally, policy programmes which aim to establish sustainable structures for social intra-preneurs by supporting “innovate with purpose” will help to accelerate the emergence of social intra-preneurs.

Recommendation 6 on specific forms of co-operation: Cluster and networks

Where clusters exist, their development was often circumstantial. It is more likely for SEEs to be involved in clusters which have a social orientation. In order to enhance the development policy measures could provide incentives clusters who take a specific social orientation. Incentives could also be provided to stimulate cluster managers to establish links to SEEs. Contests and incentives to cluster managements are possible measures to enhance the perception of social orientation in clusters. The European cluster collaboration platform is currently focused on the traditional economy and provides useful tools such as a partner search It could be more open to SEE clusters and to CVC actions. Social innovation clusters are another promising approach to enlarge the presence of SEEs in co-operation with traditional enterprises and public funding could be made available to stimulate these types of clusters. A voucher programme could enhance the willingness of companies to participate in those clusters.

Recommendation 7 on specific forms of co-operation: Corporate social responsibility

CSR strategies are an important stimulus for traditional enterprises to co-operate with SEEs. To accelerate the usage of CSR strategies for the establishment of co-operations between traditional firms and SEEs the following policy measures are suitable: (1) Increased disclosure and transparency in the types of CSR activities which take place. This helps the community at large better understand the wide brief of CSR and also helps to avoid social washing, for example. (2) Policy actions as information fora etc. to support the awareness of best CSR practices. (3) The generation of measurable objectives and indicators for CSR to give traditional enterprises a better view on the impact of their co-operation with SEEs.

Recommendation 8 on specific forms of co-operation: Procurement

Access to private and public procurement schemes are important in stimulating the creation of co-operations. In procurement processes win-win options happen when both parties gain from each other's expertise. In procurement non-monetary value is increasingly acting as a driver for procurement co-operation in the private sector.

Including social clauses in public procurement will help SEEs to gain easier access. Public authorities can organise "meet your supplier" events to link SEEs with procurers from regular businesses. At a national and EU level, the focus should shift from procurement contracts to longer term partnerships and service integration between traditional enterprises and SEEs. Fast-track innovation subsidies may help SEEs meet procurers' quality requirements. Public tenders at municipal and possibly higher levels of administration should include social clauses, more for municipalities. Although there have been several actions by the European Commission to stimulate procurement co-operation the study results would indicate these actions are not implemented sufficiently by procurement offices. Furthermore, measurable objectives and indicators for CSR will help both parties to identify the positive impact of their collaboration.

Recommendation 9 on specific forms of co-operation: Access to finance

Governments (local, regional, national) should explore ways to support impact investment intermediaries and promote existing EU instruments more widely. One priority for the EU should be the coordination of EFSI Equity instruments, specifically covering the broad landscape of financial intermediaries, investment alongside business angel funds, and investment alongside intermediaries' establishing and managing payment-by-results schemes. SEEs should be supported through capacity-building to become investment-ready. The public sector should link up different social impact investment instruments and co-invest with the private sector through public-private community partnerships. Social finance and social impact investment instruments are needed to enlarge the access of SEE to resources.

Recommendation 10 on specific forms of co-operation: Management in SEE

SEEs need to build long-term and sustainable partnerships and networks with traditional enterprises (as clients or partners) in which both types of organisations not only develop their businesses but also have the opportunity to exchange expertise, experience, ideas and values of management methods and

practices. Traditional enterprises could learn more about the potential of cooperation through actions taken by industrial associations. A policy tool to stimulate those learning effects might be to incentivise exchange of employees among SEEs and traditional firms.

Recommendation 11 on specific forms of co-operation: Co-creation and co-opetition in circular economy

The regulatory framework at national level needs to be adapted to open up circular economy platforms to SEEs. Furthermore, scaling up and internationalisation of reuse and recycling services offered by traditional enterprises would be beneficial to SEEs. Public bodies at all levels can play a pivotal role in building true ecosystems of cross-sectoral co-operations in the circular economy. **Cities and localities should be further incentivised to engage in international** movements around the circular economy and the SDGs. Cross-sectoral and cross-border co-operations in the circular economy can also be supported within both the IPA (Instrument for Pre-Accession Assistance) and the ENPI (European Neighbourhood and Partnership Instrument).

Recommendation 12 on specific forms of co-operation: Co-creation and co-opetition in sharing economy

Enhancing the co-operation between SEE and traditional enterprises in a sharing economy will require increasing the awareness of consumers, businesses, policymakers, and other stakeholders, on the advantages of a more locally-rooted, socially responsible sharing/collaborative economy. Widespread dialogue and debate around the different models through which collaborative platforms can grow should be promoted. Policy measures to address awareness building will generate more co-operation. A sharing economy action plan as well as further instruments to enhance awareness (e.g. dialogue formats, consumer awareness programmes etc.) are recommended.

Recommendation 13 on lessons learnt from cross-country analysis

The role of social extra-preneurs and intrapreneurs in linking and matching SEEs and traditional enterprises should be supported. Here Member State governments play an important role in setting incentives to form platforms. Across all European countries, **legal formats** and **certification schemes for social enterprises** specifically should be developed as a prerequisite to encompassing legislative frameworks and incentive schemes to further the field of social enterprises. Public funding is needed to kickstart the emergence of SEEs, but efforts should be undertaken to stimulate private funding in order to diversify the funding resources available to SEEs.

Recommendation 14 on lessons learnt from international cross-country analysis

European countries which do not yet have a **legal and support framework** for SEEs in place could study the comprehensive South Korean suite of measures but should build in measures to ensure financial sustainability from the start to avoid creating a sector overly reliant on public subsidies. Co-operation between SEEs and traditional enterprises could be fostered by including social clauses in corporate law as demonstrated in Brazil.

Recommendation 15 on first insights from the social impact model

SEEs and traditional enterprises co-operating with each other should always try to evaluate the value and social impact of their co-operation, to make it more visible and produce strategic learning for the improvement and future development of their activities. A strong evaluation should rely on adequate resources and skill sets, and requires both quantitative and qualitative data, which should be collected from the beginning of the project. To conduct supportive evaluations enhanced skills are required and accordingly programmes to deliver appropriate knowledge transfer is recommended.

1 Introduction

This report is the final report under the service contract for the project "Social Business Initiative (SBI) follow up: Co-operation between social economy enterprises and traditional enterprises". The project was launched by EASME in April 2017 and is being undertaken by Technopolis in consortium with the Austrian Institute of Technology AIT, i-propeller, LAMA Development and Co-operation Agency, Technology Partners and VTT Technical Research Centre of Finland. The Institutul de Prospectiva and Q4I Consulting join the consortium as subcontractors. In addition to the project partners support has been provided by Prof. Dr. Janelle Bassett Kerlin, Georgia State University, United States of America: Dr. Barbara Good, inspireresearch, Austria: Cathering Manning, Social Value, United Kingdom: Prof. Dr. Minjeong Kang, KAIST College of Business, South Korea: Lorenzo Newman, Ashoka and Learn More, Italy: Massimo Previtera, Ensie and GECES, Belgium: Prof. Dr. Luis Rubalcaba, University of Alcalá, Spain: Sara Seganti, European Venture Philanthropy Association, Belgium: Prof. Dr. May Seitanidi, Kent Business School, University of Kent, United Kingdom: Prof. Dr. Ola Tjornby, University of Waterloo, Canada: and Renata Truzzi de Souza, NESsT Brazil, Brazil.

The main focus of the presented study is on co-operation between SEEs and traditional firms. While SEE is a rather fluid concept, for the purpose of this study, it is defined as an enterprise with social purposes and characterised by a range of features from primacy of the social objective over capital (see also detailed definition in Appendix A of the attachment report). In essence, SEEs are hybrid organisations combining aspects of traditional enterprises and non-profit organisations serving a social purpose. This dual identity is reflected in their ownership structure and operating model.

In the desk research as well as in political discussions the fruitfulness of co-operation among the SEEs and traditional firms is frequently highlighted. However, there is still a little empirical knowledge on the size of co-operations, their formats, as well as opportunities and barriers to co-operation. This study attempts to contribute to the discussion on the co-operation between SEEs and traditional enterprises by conducting empirical analyses in 10 European countries. For this study countries from all parts of the European Union have been selected, so the results contain empirical evidence.

In addition, the European results have been validated and compared with the state of the art in non-European states. With Brazil, Canada, South Korea, Switzerland and the US countries have been selected, that represent a broad variety of cultures, legal frameworks and economic ecosystems. Based on the state of the art in these countries the attempt has been initiated to learn from what happens in those countries and what we can implement in Europe to enhance co-operation among SEE and traditional enterprises.

The main argument of the study is that co-operation between SEEs and traditional enterprises will become ever more important given changing social and economic circumstances and has wider benefits for society that justify public support. Currently, various obstacles prevent a scaling up of co-operation. By analysing different forms of co-operation between SEEs and traditional enterprises and the framework conditions in different countries, this report can help European policy makers devise more effective supporting measures to unleash the full potential of co-operation between SEEs and traditional enterprises.

This final report contains the research results conducted in this study. These results were validated during a conference that took place in July 2018. In this conference representatives of SEEs, traditional firms that co-operate with SEEs, as well as stakeholders had the opportunity to discuss our results and to work jointly with us on the final conclusions of the study.

The structure of this final report is as follows:
In section 2, we present the conceptual and analytical framework. The conceptual framework in section 2 is enriched by a comprehensive literature review on co-operation between social economy entities and traditional enterprises. The literature review presents theoretical approaches on how to analyse co-

operation between social economy entities and traditional enterprises. It shows and conceptualises different types of co-operation and derives, on a theoretical basis, aspects that influence co-operative relationships (motives, drivers, enablers, obstacles etc.).

Section 3 discusses the methodology of the study. The study encompasses a set of methods combining quantitative and qualitative methodologies. Desk research was used to develop a conceptual and analytical framework to guide to the empirical study. Quantitative data were collected using an online survey with a closed-ended questionnaire and qualitative data through 110 semi-structured interviews. Finally, a social impact model was constructed.

The empirical data collected were used to obtain a deeper understanding of co-operation between SEEs and traditional firms unfolding in three stages (see section 4).

In section 5, more specific modes of co-operation are analysed, distinguishing between research themes ranging from value chain to new technologies, venture capital availability and modes of intra-preneurship. In total 16 research themes have been analysed.

In section 6 country reports were developed to analyse country-specific modes of co-operation between SEEs and traditional enterprises. Based on the country reports a cross-country analysis was conducted. In that section non-European study results are also included.

Section 7 reports on the main findings from the quantitative and qualitative analysis of impact evaluation practice in the contexts of SEEs' and traditional enterprises' co-operation. The chapter further illustrates the key results of a co-creation process that involved experts, practitioners, and stakeholders, and led to the development of a new framework (the Social Impact Model, SIM) to assess and measure the social value and impact of co-operation. The Social Impact Model is available as a separate document for interested parties.

The final report closes with conclusions and recommendations for policy makers (chapter 8) that were validated during a stakeholder conference in July 2018.

2 Literature review and analytical framework

Acknowledging co-operation between social economy and business sectors as a systemic phenomenon comprising actors, interactions and contextual dimensions, our analytical framework is informed by several strands of academic and grey literature. The review started with academic journal articles in fields such as entrepreneurship, management, policy and public administration and social innovation studies. Then expanded to working papers and reports, and finally extended to include articles in blogs and websites of specific topics (e.g., social accelerators and incubators, hybrid value chain). The review included co-operations patterns and processes, outcomes and value generation as well as intermediation roles and context aspects that influence cooperation in broader ecosystems. The **notion of social enterprise** received particular attention together **new business models** and **a set of topics of interest** such as the role of ICT, digitalisation and emergent technologies[2], and relationships with circular economy[3] and sharing/collaborative economy[4]. The study also comprises a **specific review focused on methodologies for social impact assessment.**

In order to obtain some inside information about **social economy sector** and since the purpose of the study is to provide comparison between countries, the search of secondary data was used as a starting

[2] European data economy' Strategy outlined in January 2017 aims to maximise the potential of digital data for the benefit of economy and society as part of the Single Market. https://ec.europa.eu/digital-single-market/en/policies/building-european-data-economy

[3] European Commission: COM (2017) 33 final, Report from the Commission on the implementation of the Circular Economy Action Plan.

[4] European Commission (COM/2016/0356 final - 02/06/2016) "A European agenda for the collaborative economy"

point. This includes reports, official statistics and previous works on social economy and social entrepreneurship for grasping its weight, size and scope across the European Union. We pursued a variety of theoretical and empirical information sources from the numerous projects undertaken by the European Thematic Network (EMES, EMergence des Enterprises Sociales en Europe) and CIRIEC (International Centre of Research and Information on the Collective Economy) together with a number of other important reports recently published.

This Chapter 2 is structured as follows:
Firstly, we present an introductory Section 2.1 to define some key concepts of the study by establishing a common terminology and conceptual scope. In order to precise the notions of social economy and social economy enterprises, we present a brief overview of current theoretical approaches (Section 2.1.1). We consider the scope provided by publications of the European Commission (Section 2.1.2) and, particularly, the operational definition of social enterprise proposed by the Social Business Initiative (Section 2.1.3). We introduce and compare new forms of social entrepreneurship and their role in cooperation with traditional business (Section 2.1.4).

Secondly, we provide the state-of-the-art and theoretical approaches on the topic under study in Section 2.2 followed by the justification of our analytical framework in Section 2.3. We analyse the regulatory and policy ecosystem, financing support and intermediation as crucial aspects of co-operation interactions (Section 2.3.1), together the drivers, motives and cooperation, aims and purposes (Sections 2.3.2 and 2.3.3, respectively).

Thirdly, in Section 2.4 we focus on the typology of co-operations taking into account the activity sector and the organizational form of collaborative business models.

Fourthly, we summarise the principal factors that may facilitate or impede co-operation.

Finally, in Section 2.6 we present the analytical framework as guidance for the empirical work of the study.

2.1 Key concepts and definitions used in the study

In this study, we define **co-operation** as the formal or informal relation by which two or more actors work jointly to solve a social problem, sharing resources, assets and risks and may create value for mutual benefit and for the society as a whole.[5]

Cooperation can occur between different sectors through bilateral or multilateral agreements. This cross-sectoral characteristic is labelled as **cross-sector social partnership** and **cross-sector co-operation**, which means 'the linking or sharing of information, resources, activities and capabilities by organisations, groups or individuals in two or more sectors to achieve jointly an outcome that could not be achieved by organisations in one sector separately' (Bryson et al., 2006, 44). Although usually cross-sector social partnerships (CSSPs)[6] refer to collaboration between 'government, business, non-profits and philanthropies, communities, and/or the public as a whole' (Bryson et al. (2006, p. 44), we broaden the notion to include social economy enterprises and other social economy actors (e.g., social intrapreneurs).

[5] In the literature and debate the terms co-operation and collaboration are frequently used without a clear distinction. To make reading easier we have decided to use the term co-operation solely. We are quite aware that the usage of both terms might show some differences but those are not homogeneous so that the way we have taken is acceptable. Gray's (1989, p. 5) defines collaboration as "a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible." In this report we define collaboration "When two parties share a vision, commitment, know-how, resources and capacity to develop a social project and/or business. This collaboration may or may not be formalised in partnership agreement.

[6] According to the literature there are four types of CSSPs: 1) NPO-business (Austin, 2000; Wymer & Samu, 2003); 2) Public-private/government-business (Waddock, 1991; Selsky & Parker, 2005), 3) NPOs-public/government (Farrington et al., 1993; Hodgson, 2004), and 4) tripartite social partnerships (Waddock, 1991; Bryson et al., 2006; Babi-ak & Thibault, 2009).

2.1.1 Defining SEE

Since the focus of this study is co-operation between social economy entities and traditional enterprises, a first exercise was to delimit and characterise the actors of co-operation. This task faces the difficulty of defining what is meant by social economy sector and SEE, and mapping the variety of organisational forms that exist under these broad umbrella terms (Dees & Elias, 1998; Borzaga & Spear, 2004; Defourny & Nyssens, 2013, 2014; CE, 2015b; Monzón & Chaves, 2017).

In this study **social economy**[7] names the proportion of the economy that intend to produce social value in addition to economic value, bringing tangible benefits to people and communities beyond the limited group of owners and investors. Overall the **social economy sector** comprises the range of organisations that "trade for a social purpose" and can adopt one of a variety of different legal formats but have in common the principles of pursuing business-led solutions to achieve social aims, and the reinvestment of surplus for community benefit (Haugh, 2006). This broad conceptualisation is the description provided in the report on *Recent Evolutions in the Social Economy in the European Union*, which was commissioned by the European Economic and Social Committee (EESC) and carried out by CIRIEC in order to clarify the state of the European social economy sector (Monzón & Chaves, 2017).

An important model of the social economy is the **social enterprise**[8] also known as "social business", "social-purpose business" and "social-driven business". Social enterprise is broadly defined as an organisation **pursuing a social mission,** trading to tackle social problems and creating benefits for the society or the environment (Haugh, 2006; Defourny & Nyssens, 2008, 2016). A distinctive characteristic of social enterprises is their **orientation to identify social needs** originated in the public sector or market failures and the search and mobilisation of resources to fill them. This aspect is remarked under the label of **social and solidarity-based economy enterprises.** For example, one major type that became dominant across Europe from the 1990s is the namely "work integration social enterprise" (WISE) with a core mission of integrating disadvantaged people (Defourny & Nyssens, 2008).

Historical analysis shows the existence of different schools of thought and roots of social economy and social entrepreneurship in US and Europe (Moulaert et al., 2005; Defourny & Nyssens, 2009, 2010, 2014). Such divergences may explain current preferences in different countries for particular institutional forms[9] (Kerlin, 2006; Defourny & Nyssens, 2010, 2016; Spear, 2010). These narratives include:

- Descriptions of SEs **by comparison with traditional enterprises** in terms of their mission and social goals, ownership structures, governance and accountability, **and from Non-profit organisations** in their pursuit of commercial activity rather than reliance on grants, donations or membership fees (Alter, 2007; DiDomenico et al., 2009). In this respect social enterprises have also been critically interpreted as the forced marketisation of the NPO sector that pushed NPOs to adopt commercial strategies in conflict with their social mission (McKay et al. 2011).
- Interpretation of SEs as **social entrepreneurial phenomena**, involving a dynamic way of doing business that can transform communities and drive profound and lasting social change. Austin (2000, p. 2) defines social enterprise as "the organisational form of social entrepreneurship

[7]For the conceptual evolution of the term see Moulaert et al. (2005), Defourny & Nyssens (2010, 2014).

[8]For the conceptualization of social enterprise see Defourny, J., & Nyssens, M. (2017). Mapping Social Enterprise Models: some Evidence from the" ICSEM" Project". Social Enterprise Journal, 13(4), 318-328. Also Nyssens, M., & Defourny, J. (2014). The EMES approach of social enterprise in a comparative perspective. In Social Enterprise and the Third Sector (pp. 58-81). Routledge.,

[9] For example, whereas in US the tendency is to qualify as 'social enterprise' those social mission-oriented initiatives which tend to be fully self-financed and relying more on market resources, in several European countries the major source of income and support for social enterprises is in terms of grants and subsidies from the public sector (EC, 2015a). Social entrepreneurial ventures in the US are strongly related to the individual entrepreneur's efforts in creating, managing and sustaining the venture more than collective or community efforts that characterises the European view of social economy.

addressing a specific social problem". He maintains that as a form of social entrepreneurship social enterprises are the source of social innovation, creating social value and social change.[10]

- SEs characterised as **hybrid "dual purpose" entities** that **combine aspects of non-profits and for-profits** (Alter, 2007; Billis, 2010; Battilana et al., 2012; Doherty et al., 2014). They "pursue a social mission while engaging in commercial activities that sustain their operations" (Battilana & Lee, 2014, p. 399). As hybrid organisations social enterprises proactively engage sustainability as part of their business models, while, unlike organisations from the non-profit sector, also building upon commercially-oriented business models (Doherty et al., 2014).

More specifically, SEs can be analysed as **"hybrid business"**, i.e. **new business models[11] (NBMs) that often pursue social or ecological goals in addition to or even before economic goals**, i.e. create social, ecological (environmental) and social value. Some "Base of the Pyramid" business models (Prahalad & Hart, 2002), inclusive business models (UNDP, 2010; Tewes-Gradl et al., 2016), the Yunus social business model (Yunus et al., 2010) and sustainability-oriented business models (Jonker, 2012; Boons & Lüdeke-Freund, 2013; Dentchev et al., 2016) are examples of hybrid business. By business model we acknowledge (i) the rationale of how an organisation creates, delivers, and captures value through its value chain (Osterwalder & Pigneur, 2010; Teece, 2010; Schaltegger et al., 2015), and (ii) the design of the "system of interconnected and interdependent activities that determine the way the company does business with its customers, partners, and vendors" (Amit & Zott, 2012, p. 42). The concept of value chain was introduced by Porter (2001) in the context of competitive strategy and how a company needs to align processes and investments behind activities that create value. Porter (2001) introduced the concept of **value chain** to describe this "way to do business" regarding the competitive strategy of firms and how they need to align processes and investments behind activities that create value. Many cases of social business models -including the Yunus model- are usually referred as **inclusive business**[12] alluding to the integration of low-income people or people at risk of exclusion into the value chains as users or consumers, employees, producers or retailers. The organisation behind such inclusive business models ranges from SMEs to MNCs in both industrialized and developing countries

It is worth stressing that social enterprises, as case of hybrid businesses, consider **growth and scalability mainly as a means of extending their societal impact** (Haigh & Hoffman 2012; Hynes 2009; Smith et al., 2013). Other characteristic is that they tend to have a different interpretation of "competition" which seems to be treated much more as "competitive cooperation" or "co-opetition" (Santos 2012).

In the praxis the growing heterogeneity of identities, interests, cultures and values difficult the efforts to identify the boundaries between their "profit" and "non-profit" orientation (Mair et al., 2006; Alter, 2007; Defourny & Nyssens, 2009). Social enterprise adopts different "profiles" to manage tensions, competing demands and ethical dilemmas produced by divergent goals, values, norms, and identities together management and governance imbalances (Di Domenico et al., 2009; Teasdale, 2012; Smith et al., 2013).

The most complex aspect of social enterprise is that it "can occur within or across the non-profit, business or government sector" (Austin et al., 2006, p. 2) and face a mix of institutional logics (Ridley-Duff & Southcombe, 2012; Roy et al., 2013: Defourny & Nyssens, 2016). The International Comparative Social Enterprise Model (ICSEM) identifies three main 'matrixes' for SE: a) the third sector/social economy, grounded in the NPO and cooperative tradition; b) SE rooted in the philanthropic behaviour of the traditional business sector; c) the state/public matrix.

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[10]For the comparison of similarities and differences between the concepts of social enterprise, social entrepreneurship and social innovation see Monzon & Chaves, 2017, p. 25.

[11] The notion of business model in this study describes the rationale of how an organisation creates, delivers, and captures value (Osterwalder & Pigneur, 2010).

[12] The report Social Enterprise UK 2017 maintains that 44% of SEE are disadvantaged from the labour market (https://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=a1051b2c-21a4-461a-896c-aca6701cc441).

This significant heterogeneity is an obstacle to determine **what kind of SE are included under the term "social economy enterprises".** In the praxis the 'label' of SE is used by a plethora of entities with 'social purposes': to describe specific owned organisations (mutual, producer or consumer cooperatives), fundraising ventures (subsidiaries of non-profit organisations to raise funds for a charitable objective), social business ventures, fair trade companies, etc. (Austin, 2006; Nicholls, 2010; Gawell, 2014; Borzaga et al., 2016; Child, 2016). They represent a great range in terms of age, size, legal forms, mission and scope, revenues, location, sector and type of activities. Spanning from owner micro-entrepreneurship and family social firms to large-scale cooperatives and Community Development Corporations, from small social business on the Base of Pyramid (BoP) to big foundations and networked Fair-Trade organisations, SE may operate at local, regional, national and international levels. Additionally, there is also some evidence of 'relabelling' by organizations to self-define as SE as the category becomes more widespread in policy and practice (Teasdale et al. 2013).

2.1.2 Definition and categorisation of SEs and SEEs in the European context

Numerous documents and reports published by the European Commission contributed to clarifying these concepts in dialogue with academic sources. The Regulation (EU) No 1296/2013 on a European Union Programme for Employment and Social Innovation (EaSI) defines "social enterprises" and "social innovations" in its Article 2(1) and 2(5):

> *"A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involve employees, consumers and stakeholders affected by its commercial activities".*
>
> *"social innovations are innovations that are social both as to their ends and their means and in particular those which relate to the development and implementation of new ideas (concerning products, services and models), that simultaneously meet social needs and create new social relationships or collaborations, thereby benefiting society and boosting its capacity to act".*

The Council Conclusions on "The promotion of the social economy as a key driver of economic and social development in Europe" (EC, 2015a) highlight the role of social entrepreneurs as "drivers of change" that "actively contribute to the development and implementation of innovative solutions to the major economic, social and ecologic challenges currently faced by the European Union" affirming that:

> *"Social economy enterprises refer to a universe of organisations based on the primacy of people over capital and include organisational forms such as cooperatives, mutual foundations and associations as well as newer forms of social entrepreneurs and may be regarded as vehicle for social and economic cohesion across Europe as they help build a pluralistic and resilient social market economy, mentioning that the concept is to be understood similarly to the EaSI regulation (OJ L347/238, of 20.12.2013).*
>
> *Social economy enterprises are economic actors whose main purpose is to create a positive social impact. By definition, social economy enterprises use the majority of their possible profits as a means for achieving their primary social objectives, rather than maximizing profits for their owners and shareholders. Their activities rely primarily, but not exclusively, on limited profit distribution business models, whereby most of their surpluses are re-invested in further development of their activity".*

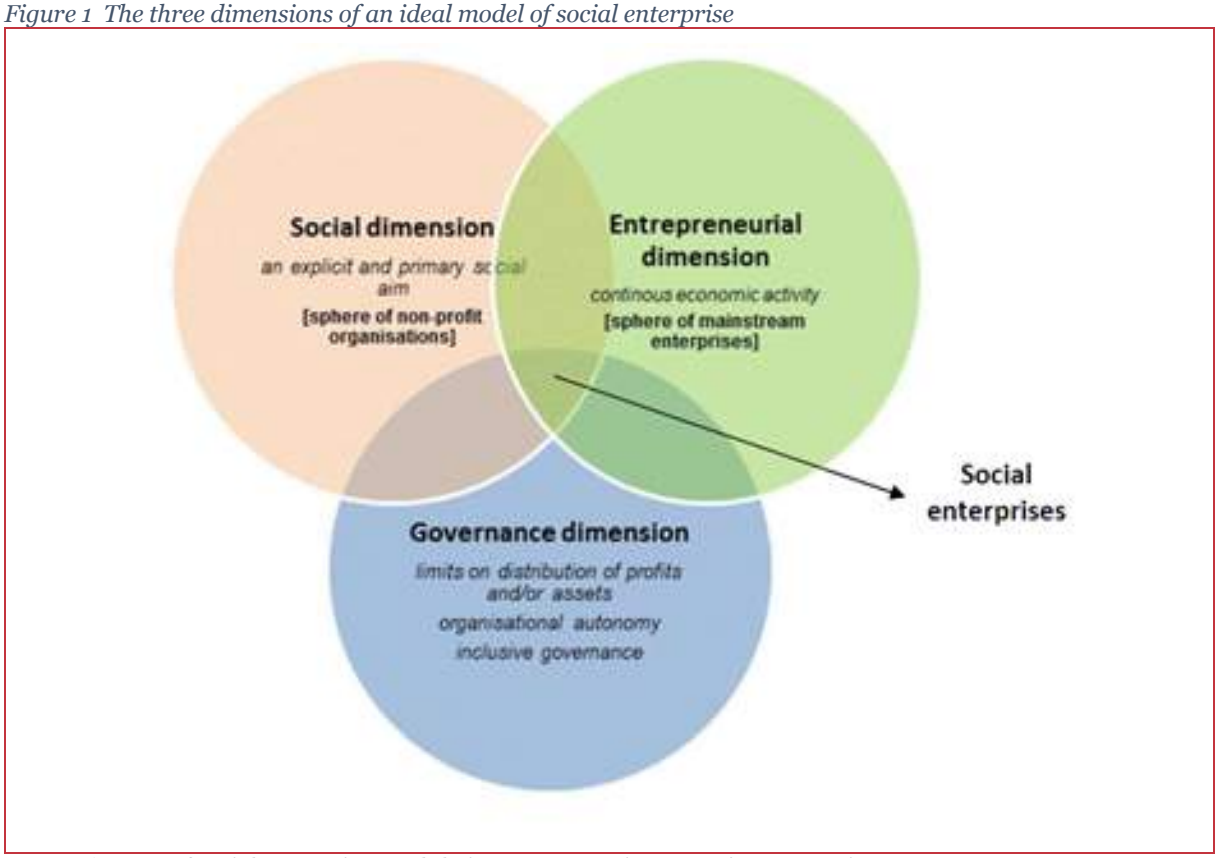
This broad definition contains the same core elements described by academic literature, highlighting the SEEs role in building a resilient social market economy.

2.1.3 The SBI approach

The operational definition provided by the SBI[13] delineate see key dimensions based on the previous body of academic and policy literature (Figure 1).

- An *entrepreneurial dimension*, i.e. **engagement in continuous economic activity** of production and/or exchange of goods and/or services, pursuing a social aim and generating some form of self-financing, but not necessarily engaged in regular trading activity;
- A *social dimension*, i.e. a primary and explicit **social aim** that benefits society and creates social impact. It must have limits on distribution of profits and/or assets, being the purpose of such limits to prioritise the social aim over profit making; and,
- A *governance dimension*, which enables to distinguish SEs even more sharply from mainstream enterprises and traditional non-profit organisations and other social economy entities. A SE a) **must be independent** i.e. has organisational autonomy from the State and other traditional for-profit organisations; and b) **must have inclusive governance** i.e. **characterised by participatory and/or democratic decision-making processes**. Governance dimension is essential to distinguish state-sponsored SEs from the "self-emerging" enterprise that develops from the individual and from non-state initiatives.

Figure 1 The three dimensions of an ideal model of social enterprise



Source: 'A map of social enterprises and their eco-systems in Europe', 2015, p. vi.

[13]According to the SBI initiative (EC, 2011, p. 2) "A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involve employees, consumers and stakeholders affected by its commercial activities"

These dimensions were considered and applied as an ideal model by "A map of social enterprises and their eco-systems in Europe" (EC, 2015b), taking into consideration the national definitions in each country with use of a set of indicators for each dimension.[14] National definition refers to (i) official definitions (or criteria defining social enterprise) as articulated in policy documents or national legislation (that is transversal in nature and does not refer to a specific legal form) or (ii) an unofficial definition which is widely accepted by various social enterprise stakeholders. Similar approaches[15] have been adopted by the projects Social Entrepreneurship as Force for more Innovative and Inclusive Societies (SEFORIS, 2016) and the International Comparative Social Enterprise Models (ICSEM) (2013–2017).

To guide our empirical study we adopted a commitment solution between this operational definition proposed by the EC/SBI of social enterprise, considering the results provided by the mapping study of social enterprise ecosystems in Europe (EC, 2015b) combined with other sources about the legal status and recognition of SEE across Europe, in particular the definition and description of the social economy sector provided by Monzón & Chaves (2017) in the Report "Recent evolutions of the Social Economy in the European Union" and their definition of social economy, with certain restrictions coming from the ongoing debate within the sector, among other aspects.[16]

> *By **'social economy entities' (SEE)** we consider the overall condition of the range of organisations, including those created by individual social intra-preneurs, that trade for a social purpose and can adopt one of a variety of different legal forms within the social economy sector (foundations, cooperatives, mutuals, associations and other social enterprises). They have in common the guiding principles described by the SBI ideal model, i.e. pursue business-led solutions to achieve their social aims in an entrepreneurial way, reinvest surplus for community benefit and are oriented to practices of inclusive governance (democratic decision-making structures).*

This definition includes a variety of organizational forms, e.g., the establishment of a social business unit within a corporation or a large firm, and organisations with a range of governance and democratic decision-making structures. Of particular interest is to analyse the role of social-intra preneurs and social-extra-preneurs in co-operation between SEEs and traditional business.

2.1.4 The emergence of new forms of social entrepreneurship: Social intra-preneurs and social extra-preneurs

In addition to the conceptual clarification of SEE and social enterprise, a 'mixing' of theoretical approaches from social entrepreneurship and social innovation was used to capture the global picture of **co-operation actors and interactions** with business **in broader ecosystems** (Mair et al., 2006; Nicholls, 2006; Defourny & Nyssens, 2013; Edwards-Schachter et al., 2012; BEPA, 2014; EC, 2015b). Accordingly, to Westley & Antadze (2010, p. 3) the concepts of social enterprise, social entrepreneurship and social innovation "are closely related to each other since a social entrepreneur can be a part of a social enterprise and, at the same time, can contribute to the promotion of social innovations". Social

[14] a) Economic indicators: 1) a continuous activity producing goods and/or selling services, 2) a significant level of economic risk, 3) a minimum level of paid work; b) Social indicators; 4) an explicit aim to benefit the community, 5) an initiative launched by a group of citizens or civil society organisations, 6) a limited profit distribution; c) Participatory governance indicators: 7) a high degree of autonomy, 8) a decision-making power not based on capital ownership, 9) a participatory nature, which involves various parties affected by the activity (Defourney & Nyssens, 2014, p. 26).

[15] Also in other recent reports, e.g., "Social Economy in Eastern Neighbourhood and in the Western Balkans" published in 2018 (Source: https://ec.europa.eu/growth/content/social-economy-eastern-neighbourhood-and-western-balkans_en)

[16] The definition of Monzón & Chaves (2017) maintains that social economy is "the set of private, formally-organized enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote, or at all events are decided through democratic, participatory processes. The SE also includes private, formally-organized entities with autonomy of decision and freedom to join that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them" (EESC/CIRIEC, 2017, p. 22). Various aspects of this definition are under discussion, e.g., the inclusion of cooperatives without a clear social objective and the assignation of one vote for each member. See, e.g., criticisms from Bouchard http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_578683.pdf

innovation comprises "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" (Mulgan et al., 2007, p. 8). Many of the most successful innovators operate through effective alliances between small organisations and entrepreneurs (the 'bees' who are mobile, fast, and cross-pollinate) and big organisations (the 'trees' with roots, resilience and size) which can grow ideas to scale (Mulgan et al., 2007). Edwards-Schachter & Wallace (2017) have also shown the evolution and interrelationship of social innovation linking to social economy and economy oriented to sustainable development, including the appearance of CSR and Corporate Social Innovation (CSI) practices in traditional enterprises.

In addition to the conceptual clarification of SEE and social enterprise, a 'mixing' of theoretical approaches from social entrepreneurship and social innovation was used to capture the global picture of **co-operation actors and interactions** with business **in broader ecosystems** (Mair et al., 2006; Nicholls, 2006; Defourny & Nyssens, 2013; Edwards-Schachter et al., 2012; BEPA, 2014; EC, 2015b). According to Westley & Antadze (2010, p. 3) the concepts of social enterprise, social entrepreneurship and social innovation "are closely related to each other since a social entrepreneur can be a part of a social enterprise and, at the same time, can contribute to the promotion of social innovations". Social innovation comprises "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" (Mulgan et al., 2007, p. 8). Many of the most successful innovators operate through effective alliances between small organisations and entrepreneurs (the 'bees' who are mobile, fast, and cross-pollinate) and big organisations (the 'trees' with roots, resilience and size) which can grow ideas to scale (Mulgan et al., 2007). Edwards-Schachter & Wallace (2017) have also shown the evolution and interrelationship of social innovation linking to social economy and economy oriented to sustainable development, including the appearance of CSR and Corporate Social Innovation (CSI) practices in traditional enterprises.

All in all, one central argument underlying the identification of co-operation actors is based on the idea that *various types* of social entrepreneurship can generate social innovations through co-operation with other actors across different economic sectors. In fact, co-operation is triggered by a multitude of social entrepreneurial activities, embedded in society and the economy. In this respect, contributions of Snyder (2005) and the categorization provided by Tracey & Stott (2017) highlight the emergence of new actors and roles of **social intra-preneurs and social extra-preneurs**, whose differences can be observed in Table 1.

Table 1 Different sources of social business initiatives and social innovations as potential sources of co-operation interactions

Source	Social entrepreneurship	Social intra-preneurship	Social extra-preneurship
Definition	Establishing new organisations for social innovation	Social innovation within established organisations	Social innovation across established organisations
	The process of creating and growing a venture, for-profit and/or non-profit, where the motivation of the entrepreneur is to address social challenges	The process of addressing social challenges from inside established organisations	The process of interorganisational action that facilitates alternative combinations of ideas, people, places and resources to address social challenges
Approach to social change	Creates change through the founding of new organisations	Creates changes by leveraging the resources and capabilities of established organisations	Creates change through platforms that support collective effort within and between new and established organisations
Examples	Recicleta is the first carbon neutral project in Romania, which aims at collecting office paper waste for recycling. The project is developed by the Association Viitor Plus. The transport is provided by bicycle cargoes, unique in Romania, run by disadvantaged people. The project aimed exclusively at economic agents that generate small quantities of paper waste (minimum 25kg and maximum 200kg per month) and located in the area.	Unilever, UK. In 2005 Santiago Gowland, and a team led by Unilever CEO Patrick Cescau, implemented an internal strategic programme to engage consumers and market influencers in a "new conversation about sustainability" with the customers and other stakeholders. The execution was a novel organic process that produced change in the core skills of the company and then coupled these skills with a value-chain and analysis completed in conjunction with Oxfam.	Extra-preneurs, France It is a platform that offers opportunities for companies to develop new and sustainable projects by strong assistance from a team of entrepreneurs actively participating in the ongoing socio-economic transition. It functions as an innovative incubator made up of training with focus on the adaptation of the participants and the project to the new economic paradigm, by coaching, by expert forums and an international network of professionals and companies-in-transition.
References	https://www.viitor-plus.ro/recicleta https://www.recicleta.ro	The Social Intrapreneur, A Field Guide for Corporate Changemakers (2008)[17]	http://extrapreneurs.org/en/

Source: Adapted from Tracey & Stott (2016)

As form of social entrepreneurship, social-intra- and -extra-preneurs present common characteristics to social entrepreneurs. Light (2006, p. 50) describes a social entrepreneur as "an individual, group, network, organization, or alliance of organizations that seeks sustainable, large-scale change through pattern breaking ideas" addressing significant social problems. The three categories are relevant to cross-sector collaborations, contributing to innovative projects, creating new products and services throughout the generation of new business models for sustainability (Michelini, 2012; Michelini & Fiorentino, 2012; Jonker, 2012; Carvalho & Jonker, 2015). Many business models embrace the co-creation of product and services as example of multiple-agent social innovations (Edwards-Schachter et al., 2012; Windrum et al., 2015). Austin et al. (2006) describe the role of social intra-preneurs as Corporate

[17] https://www.echoinggreen.org/sites/default/files/The_Social_Intrapreneurs.pdf

Social Intra Preneurs (CSI) and their abilities to transform the internal organisation towards more advanced state of CSR and commitment to sustainability.

This study particularly focused on the role of both social intra-preneurs (and CSI) and extra-preneurs in the co-creation of social value and social impact throughout co-operation and collaborative interactions with traditional businesses.

2.2 Co-operation between social economy and traditional companies: state-of-the-art and theoretical approaches

Co-operation is triggered by entrepreneurial activities as part of the society and not only the economy, taking part of the current view of social entrepreneurs as producers and co-producers of value (social, economic and ecological) and agents of social change. To date literature on this kind of cooperation 'with social purpose orientation' is mostly considered under the notion of social alliances or social partnerships. Waddock (1988, p. 18) defines a **social partnership** as "a commitment by a corporation or a group of corporations to work with an organisation from a different economic sector (public or non-profit)". Similar terms such as cross-sector social alliances and cross-sector social partnerships (CSSP) take part of an ample literature on Interorganisational relationships (IOR)[18] centred in the study of relationships between the public, the private and the NPO sectors (Waddock, 1991; Austin, 2000; Selsky & Parker, 2005; Seitanidi & Lindgreen, 2010), the public and NPO sectors (Bryson et al., 2015) and business and NPO sectors (Seitanidi & Ryan, 2007; Austin & Seitanidi, 2012a,b; 2014). While specific references to social enterprises within CSSPs are rare, some authors point out the shift of NPOs towards hybrid, forms more market-oriented forms as a mean for their survival (Cooley & Ron, 2002; Eikenberry & Kluver, 2004). From this perspective, collaboration is seen as a critical source of competitive advantage built by NPOs and social enterprises, which have distinctive capabilities in addressing social problems (Huxham, 1996). Thus, co-operation between SEEs and traditional enterprises can be framed by the notion of CSSPs, to respond to the irreducible conflict between the satisfaction of human needs and economic objectives. In the European context CSSPs represent an important source of innovation and policymaking at both European and national levels (Nelson & Zadek, 2000). This kind of collaborative partnerships can also lead to participative processes and people's empowerment, which are considered essential to social innovations with an impact on regional and local policies (Prahalad et al., 2009; Edwards-Schachter et al., 2012).

With relevance for our study, Sakarya et al. (2012) define "**social alliances**" as "voluntary collaborations between business and social enterprises addressing social problems too complex to be solved by unilateral organisational action" (p. 30). Such alliances constitute a form of cross-sector partnership, which differs from both philanthropic partnerships between NPOs and corporations and classical business alliances. Nevertheless, evidence of the presence and impact of co-operation between SEEs and traditional firms remain very limited.

Huybrechts & Nicholls (2013) analysed collaboration between corporations and social enterprises looking at the role of collaboration in terms of organisational legitimacy in motivating or hindering the emergence and evolution of cross-sector partnerships. They consider that this type of collaboration is still infrequent due social enterprises constitute a recent and an unusual phenomenon and "their collaboration with corporations is therefore not more "taken for granted" than their very existence". In their opinion, the very concept of social enterprise reflects an evolution towards blurring boundaries between distinct and potentially conflicting institutional orders between the civil society and the market (Tracey et al., 2011). Collaboration may thus be seen as embodying the shift in these institutional boundaries at the same time as they participate in blurring them. By contrast, other authors maintain that co-operation between social enterprises with traditional firms is on the rise, particularly related to the emergence of new model business (NMBs) and a shift in CSR practices (DTI, 2005; Jonker, 2010, 2012; Carvalho et

[18] Gray & Wood (1991) edited two special issues focusing on CSSPs. Seitanidi & Lindgreen (2010) and Van Tulder et al. (2015) revisited the state-of-the-art in two special issues of the Journal Business Ethics and the tenth edition of the Annual Review of Social Partnerships (ARSP) published in 2015

al., 2014). Di Domenico et al. (2009) opine that cross-sector collaborations represent a novel form of political-economic arrangement seeking to reconcile the efficient functioning of markets with the welfare of communities. They suggest that corporate–social enterprise collaborations are shaped by (1) the value that each member of the collaboration attributes to their partner's inputs, (2) competing practices and priorities intrinsic to the corporation and the social enterprise, and (3) expected benefits of the collaboration to each partner.

On the other hand, **co-operation constitutes an instrument for implementing CSR** and achieving sustainable development by traditional firms (Austin et al., 2005, 2006; Hart, 2007; Porter & Kramer, 2011; Crane & Matten, 2016). The notion of "**shared value**" introduced by Porter & Kramer (2011) has broadly impacted in the corporations' CSR and sustainability practices. "Shared value" is defined as "as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates" (Porter & Kramer, 2011, p. 6). The simultaneous generation of value -economic value for companies and social value for the surrounding communities- can be possible in three ways: meeting the needs of communities and companies in the geographical area or of business (e.g., enabling a local cluster development), introducing changes in the value chain or innovating through the generation of new products and services.

In 2011 the European Commission changed the definition and strategy for Corporate Social Responsibility (EC, 2011) with the creation of shared value as a core element. The EC introduced the concept of CSV (Creating Shared Value) with a broader scope on the type of potential stakeholders to cooperation opportunities towards an inclusive and sustainable development (Moczadlo, 2015). Although the concept of shared value is receiving increased criticism among academics (see, e.g., Crane et al., 2014; and Dembek et al., 2016; Voltan et al., 2017), it operates in the praxis as an important transitional vehicle in the transformation of the capitalist system.

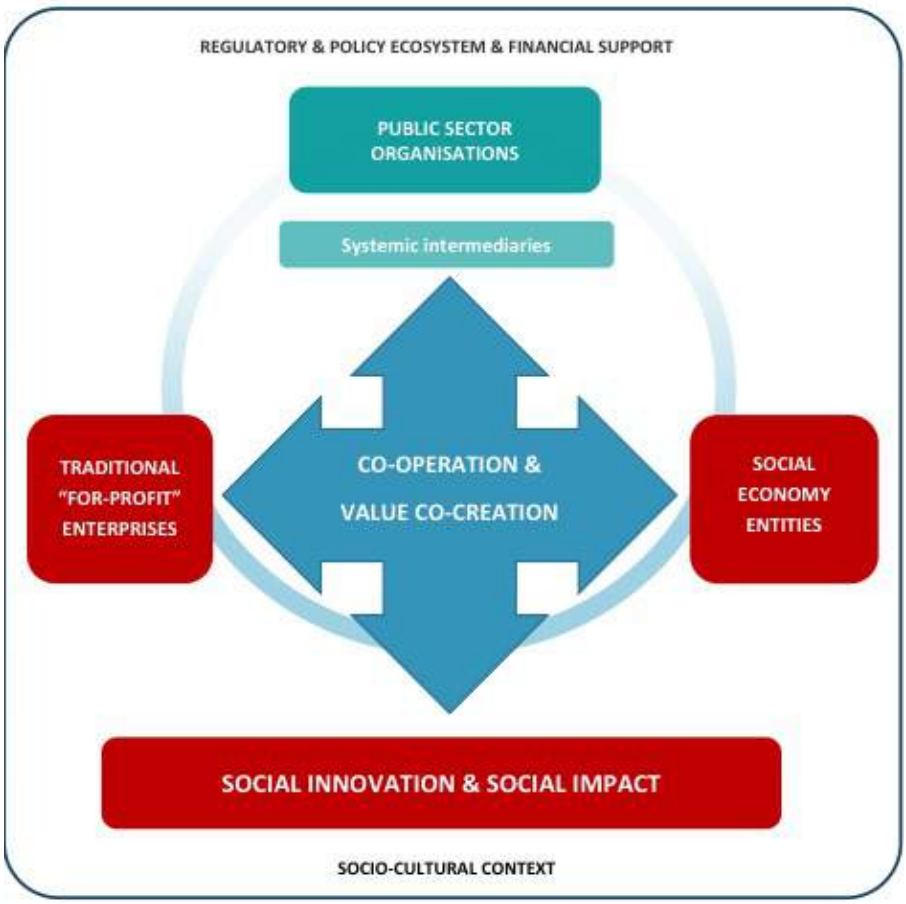
The generation of value -blended, shared and/or co-created- is the core of the co-operation activities and their expected impact and to the analytical perspective of this study. In this respect, we consider the notion of collaborative value and the "**Collaborative Value Creation**" framework proposed by Austin & Seitanidi (Austin & Seitanidi, 2011, 2012a,b; 2014), used to explore different types of partnerships between NPOs and business.

Collaborative Value Creation (CVC) is defined by Austin & Seitanidi (2012a, p. 728) as 'the transitory and enduring benefits relative to the costs that are generated due to the interaction of the collaborators and that accrue to organisations, individuals, and society'. These authors maintain that the collaborative "mindset" of integrating social, environmental and economic value generation into business strategy is central to most companies and specially in the Base of the Pyramid movement. Here the notion goes beyond the creation of "shared value": "BoP strategies aim to incorporate the low-income sector into the value chain as consumers, suppliers, producers, distributors, and entrepreneurs. The fundamental socioeconomic value being sought is poverty alleviation through market-based initiatives". The authors highlight recent research showing a shift from "finding a fortune" *in* the business opportunities of the mass low-income markets to "creating a fortune" *with* low-income actors" (Austin & Seitanidi, 2014, p. 51). Although the framework aimed to NPOs and business collaborations, we select and adapt to our study a set of aspects referred to the co-operation process in order to establish a co-operation typology (see chapter 2.4).

2.3 Analytical Framework

In what follows we integrate theoretical contributions and present the elements of our analytical framework.

Figure 2 The conceptual and analytical framework



Source: Edwards-Schachter & Seitanidi, 2017

Figure 2 shows a general scheme of our analytical framework, where co-operation is considered as part of broader ecosystems related to the "social market" aimed at value co-creation.

- As can be observed the two central categories are the co-operations actors, i.e. traditional "for-profit" enterprises (left side) and "Social Economy Entities" (right side). Both categories are potentially interconnected with the "Public sector" and systemic intermediaries. As we outlined CSSPs can be bilateral or take the form of a multi-stakeholder or a network organisation, e.g. public-private-civil sector partnerships in living labs (Edwards-Schachter et al., 2012).
- Co-operation may be facilitated and supported by a variety of intermediary actors and intermediation activities, which can adopt different forms and complexity levels according to both the actors and organizational forms involved. In this study, we consider the case of intermediaries such as:
  - Incubators and accelerators,
  - Multi-stakeholder platforms, impact hubs and networks,
  - Social extra-preneurs,
  - Networks of intra-preneurs and extra-preneurs,
  - Specific intermediation, such as Social Investment Finance Intermediaries (SIFIs) and crowdfunding platforms,
  - Other.

A crucial component in analysing SEEs and business co-operation is the 'Regulatory & policy ecosystem & financial support' together with the 'socio-cultural context' where co-operation interactions are

embedded. Co-operation may be influenced by a diversity of contextual factors, e.g., regulations and policy making supporting social entrepreneurship linking to supra-national levels (e.g., cluster of European institutions) and the establishment of policy instruments at national, regional and local government levels, e.g. regulations that favour the development of regional clusters connecting business with SEE (Mendell, 2010; Bryson, 2015). Support structures and legal and institutional frameworks contribute to raising the recognition and visibility of social enterprises, fostering favourable conditions for co-operation.

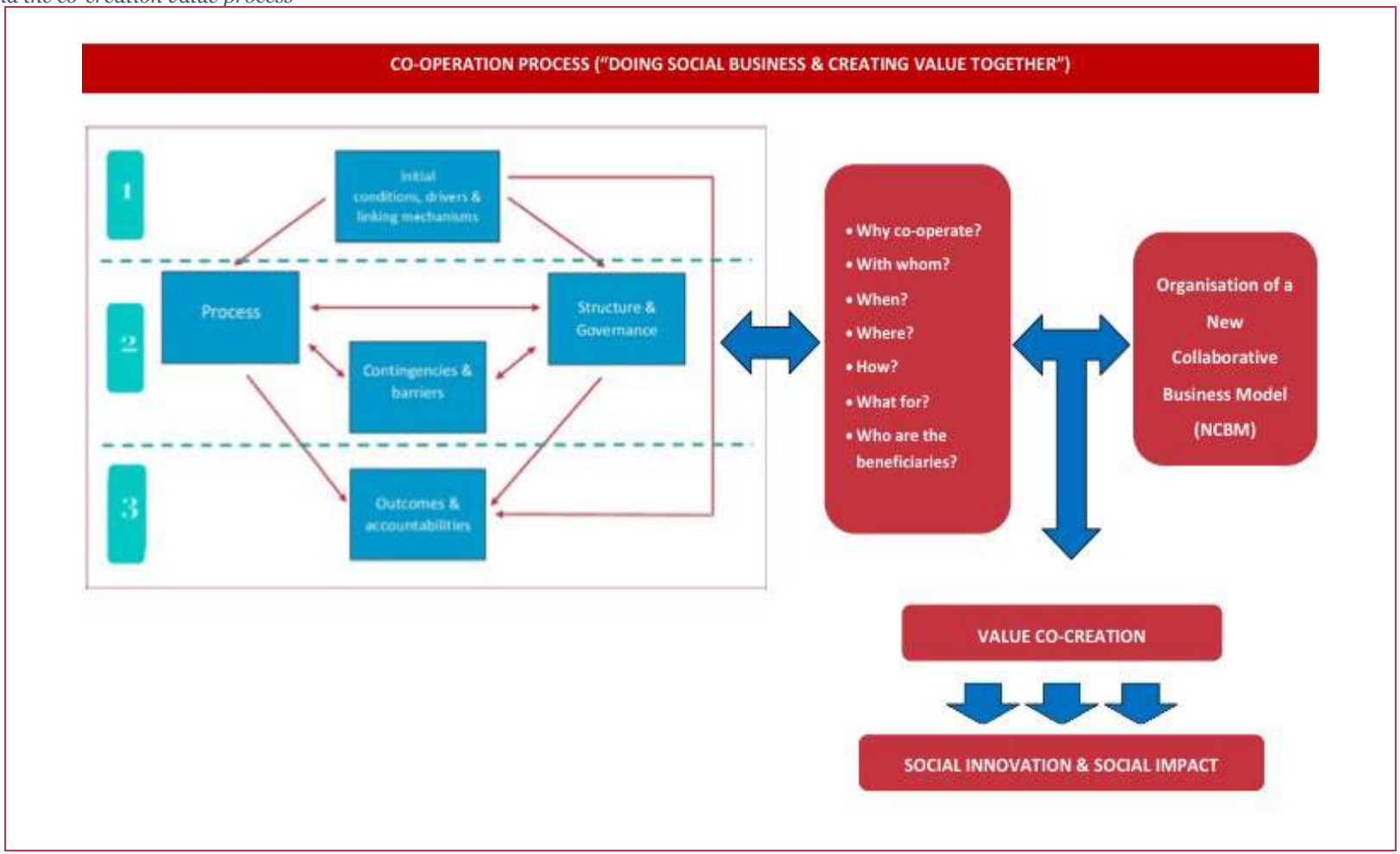
Another aspect that strongly influences the likelihood of co-operation lies in the different political and ideological bases in the development of the SEE across the great diversity of national or regional contexts, whose practical consequences are observed by the major or minor level of visibility and recognition of social economy and SEEs, as well as the terminological divergences between solidarity-economy and social economy (Defourny et al., 2009; Di Domenico et al., 2009; Monzón & Chaves, 2017). In this respect, Defourny et al. (2009, p. 17) maintain that "contrasting with the analysis of market forces or stock exchange movements whose major principles increasingly become universal, the understanding of social entrepreneurship and social enterprises requires a humble approach of those local or national specificities which shape them in various ways".

In creating the analytical framework, we have chosen to focus on:

- Three cooperation "stages" comprising: 1. The initial conditions, drivers & linking mechanisms (why co-operate and with whom?, 2. The evolving organizing process (when co-operate?, where?, which are the enablers and hindrances of co-operation?) and, 3. The co-operation outcomes (What are the outcomes? Who are the beneficiaries? Which is the value, social innovations and social impact generated?)
- And, more specifically, the way by which the partners **"doing social business and create value together"** (Edwards-Schachter & Seitanidi, 2017) and how co-operation trigger the organisation of a New Collaborative Business Model[19] (Jonker, 2012) throughout such different stages (see Figure 3).
- Closely related to the previous aspects and as one specific objective of the present study is the analysis of the cooperation outcomes regarding their replication and/or scalability opportunities and their measurement in terms of the generation of social impact and social innovations.

[19] The example of social business model of Yunus (2010) is comprised under the notion of NBM.

Figure 3 Overall scheme that guide our study: key questions related to the organisation of a NBM involving three stages of co-operation between SEEs and traditional firms and the co-creation value process



Stage I. Initial Conditions, drivers & linking mechanisms (why co-operate and with whom?, what are the drivers and motives of co-operation?). The focus is the study of the drivers and motives to co-operate and the principal linking mechanisms. For example, initial interactions can be favoured by previous experiences that may act as linking mechanisms influencing the likelihood of co-operation. Bryson et al. (2015) highlight the relevance of prior relationships and networks because it is often through these networks that partners judge the trustworthiness of other partners and the legitimacy of key stakeholders. We also check whether the involvement of intermediaries in fostering trust and facilitating co-operation.

Stage II. Process (when to co-operate?, where?, what are the enablers and hindrances of co-operation?). Researchers have emphasised several aspects of process within co-operations, such as forging initial agreement, trust, structure (e.g., bilateral, network), funding and governance, together with the barriers to co-operation.

Stage III. Co-operation outcomes (What are the outcomes? Who are the beneficiaries? What is the value, social innovation and social impact generated?). In this stage, the objective is to analyse the type of value created and the accountability of the obtained results for each partner and broader ecosystems.

This study recognises the **coexistence of co-operation and co-opetition interactions** within the process of co-creation of value, principally due to the existence of possible asymmetries in a relationship (Bengtsson & Kock, 2000; Walley, 2007). For example, there is a strong debate on the explosive increase in business using technologies of peer-to-peer economy that encourage collaborative consumption with strong co-opetition interactions, e.g. between platforms such as Airbnb, Uber or BlaBlaCar. On the one hand, they are considered potentially powerful tools for building sustainability through genuine practices of sharing and co-operation in the production and consumption of goods and services. On the other hand, critics denounce them for being about economic self-interest rather than sharing, and for being predatory and exploitative (Schor, 2014). However, in both the United States and Europe the so-called platforms co-operatives are emerging, being collectively owned and democratically controlled and taking part of the 'co-opetition' dynamics.[20]

2.3.1 The influence of institutional, regulatory and policy ecosystem

Co-operation challenges a landscape of **diversity of legal and regulation systems and socio-cultural, historical, institutional and political contexts across the European countries**. They differ substantially both in the extent which they recognise the social economy notion and SE actors, and in the extent of development of SEE and their patterns of growth (EC, 2012a). Whilst Eastern Europe is facing specific challenges, Northern Europe has different welfare regimes and labour market systems compared with Southern Europe, both of which shape the landscapes for the social economy (EC, 2012a). This heterogeneity also reveals different contexts and co-operation dynamics in which the social economy is called to play a role. Moreover, in the case of emergent strategies of CSR, the ongoing changes experienced in themes and instruments of public policy also contribute to "change the rules of the game", e.g. fostering Socially Responsible Investment (SRI), establishing laws on SRI in pension funds, etc. and shaped by different levels of development across European countries[21] (Steurer, 2010; Steurer et al., 2012).

The locus of co-operation between SEEs and business results from the interplay of external institutional dynamics and organizations' agency, more particularly the "strategic use of institutionalized rules and

[20] Scholz (2016) classified these platforms as follows: (i) labour brokerages (such as Loconomics); (ii) co-operatively owned online marketplaces (Fairmondo, for example); (iii) city-owned platform co-operatives (e.g., MinuBnB or AllBnb); (iv) co-operatives of "prosumer" communities (like Stocksy); e) labour platforms (various examples linked to the taxi sector that are very successful in the US). LAMA and Co-operatives Europe conducted a study of 38 cases from 11 European countries and 3 initiatives from outside the European Union, pointing out both the new opportunities for expansion offered to co-operativism in the area of the collaborative economy and the obstacles and barriers facing it (Co-operatives Europe-LAMA (2016).

[21] See details in a matrix summarizing legal, economics, informational, partnering and hybrid instruments and their impact in terms of raising awareness and building capacity and improving transparency (p. 10).

resources" (Huybrechts & Nicholls, 2013). In fact, one key cited barrier to social enterprises development is a poor understanding of its concept and how it is perceived by different stakeholders, policy makers, public servants, the general public, investors, partners and prospective customers and users. For example, in some countries the public associates the term SEE with the activities of charities and not entrepreneurship or businesses (CE, 2015a, p. xix). The recent study from Monzón & Chaves (2017) shows that in various countries the concepts of social economy, social enterprise and third sector is far to denote institutionalized recognition, with slow level of recognition even in the case of social economy companies and federations[22]. These misunderstandings and stereotypes may constitute a pivotal factor in preventing development of cross-cooperation relationships. In most of European countries the misalignment between perceptions and recognition of social economy and SEEs prevails (e.g., in Spain where there is no a legal form and a clear conceptualisation of social enterprise) (Monzón & Chaves, 2017). Such aspects are also discussed by recent literature (Dart, 2004; Huybrechts & Nicholls, 2013) and have been analysed in detail in each country (see Country reports in the attachment file). On the other hand, organisations that are difficult to categorize suffer disadvantages not only in terms of loss of legitimacy (Brandsen & Karré, 2011; Minkoff, 2002) but, as consequences, in the access to resources and their survival (D'Aunno et al., 1991; Barron et al., 1994). SEEs manage these tensions by striving to balance the positive and negative impacts of hybridity on the acquisition of financial resources. Table 2 provides a comparative overview of publicly funded schemes targeting SEEs and particularly social enterprises in several European countries considered in this study.

[22] For details, see Monzón & Chaves (2017, pp. 35-36).

Table 2 Overview of publicly funded schemes specifically designed for or targeting social economy entities/social enterprises

Aspect	France		Belgium		Austria		Finland		Italy		Germany		Poland		Romania		Spain		UK	
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B
Co-operations and access to markets	□	x	□	x	x	x	x	□	□	x	□	x	n/a	n/a	n/a	n/a	□	x	□	□
Networking, knowledge sharing, mutual learning initiatives	□	□	□	□	□	x	□	□	□	x	□	x	x	x	□	□	□	n/a	□	□
Pre-start support (e.g. incubators)	□	n/a	□	□	x	x	x	□	□	□	□	□	□	□	n/a	n/a	□	x	□	□
Awareness raising (e.g. awards)	□	x	□	□	x	x	□	□	□	□	□	x	□	□	□	□	□	x	□	□
Social entrepreneurship education (e.g. school for social entrepreneurs)	□	□	□	x	x	x	x	□	□	x	□	x	□	x	□	□	□	n/a	□	□
Grants and business support (e.g. business planning, management skills, marketing etc)	□	□	□	□	x	x	x	□	□	□	□	□	□	□	□	□	□	□	□	□
Training and coaching schemes	□	□	x	x	x	x	□	x	□	□	□	x	□	□	□	□	□	□	□	n/a
Investment readiness support	□	□	x	x	in 2017	x	x	n/a	□	□	limited	x	n/a	n/a	□	□	□	n/a	□	□
Dedicated financial instruments	□	□	□	x	x	x	x	x	□	□	□	x	pilot	pilot	□	n/a	□	□	□	□
Physical infrastructure (e.g. shared working space)	□	n/a	□	x	x	x	x	n/a	□	□	□	□	n/a	n/a	n/a	n/a	□	n/a	□	□

Notes: A. Existence of any scheme specifically targeting social enterprises, B. Schemes funded by ERDF/ESF (Source: Mapping Social enterprises and their eco-systems: country reports, 2014 and 2016)

2.3.2 *Why co-operate?: Drivers, enablers, motives and aims of co-operation*

What drives SEEs and traditional firms to be involved in co-operation? Drivers and motives are crucial to trigger co-operation. Drivers can be explained from different perspectives, considering the micro, meso and macro levels, from **global drivers (external) to organisational and individual levels (internal drivers).**

External drivers refer to the contextual forces influencing the organisations' activities, while internal drivers refer to sources of specific motivation, considering individuals and the organisation. The following figures (Figure 4 and Figure 5) illustrate drivers, motives and aims for co-operation.

Figure 4 Drivers, motives and aims

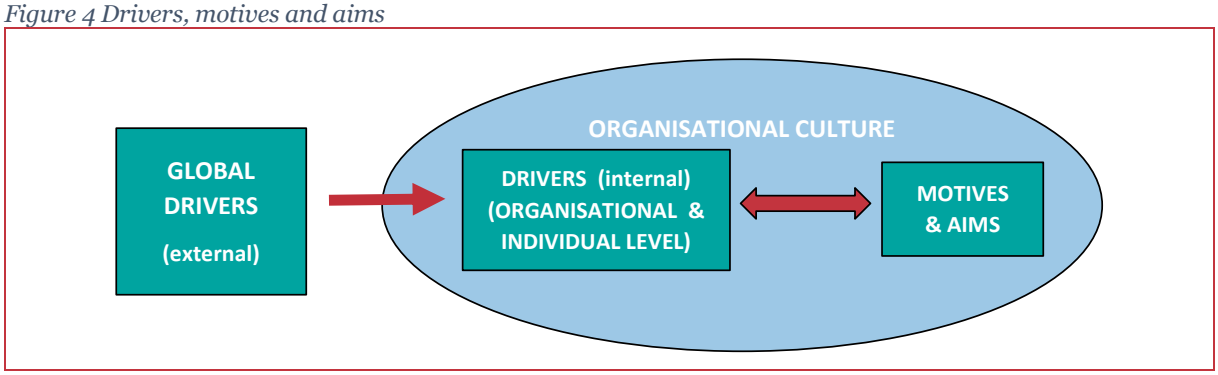
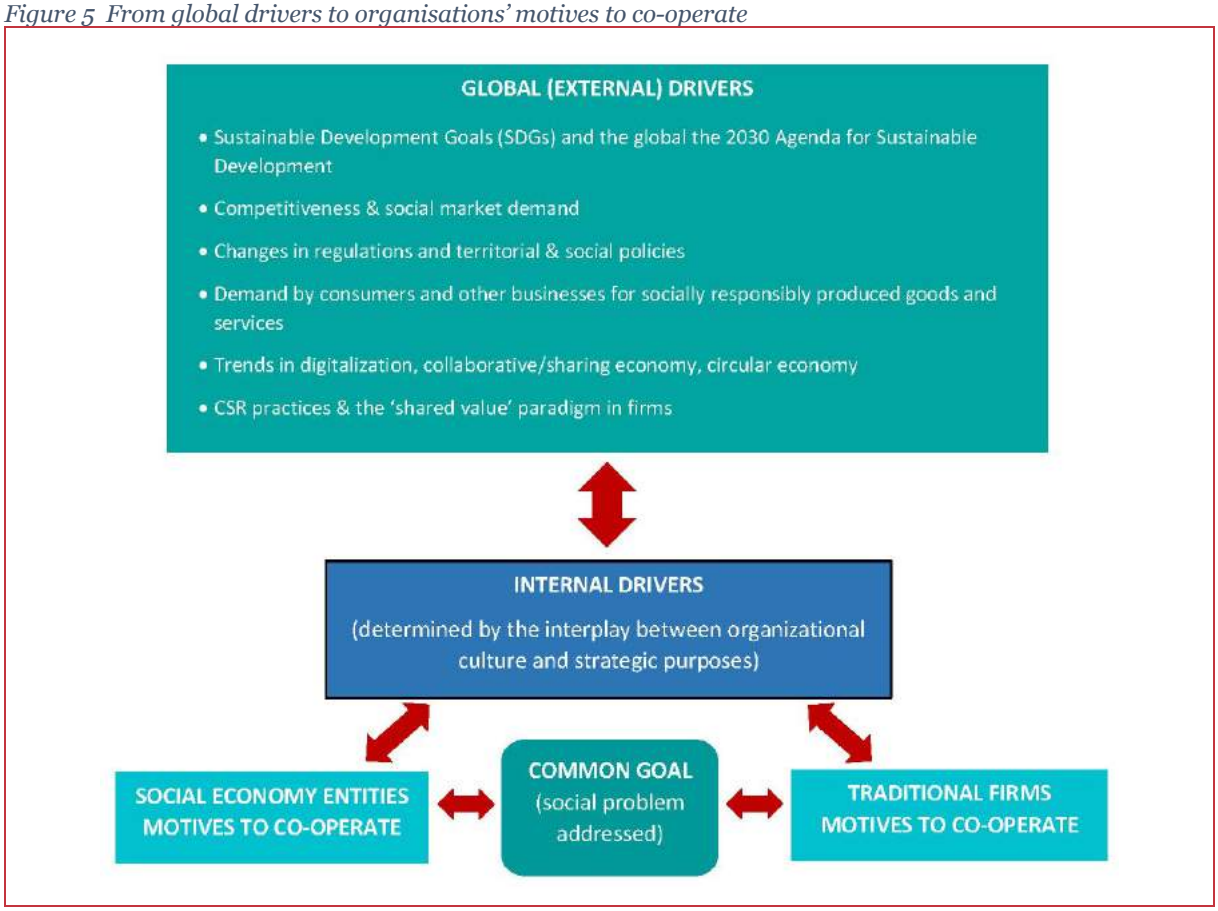


Figure 5 From global drivers to organisations' motives to co-operate



2.3.3 Major global drivers and external driven motives

2.3.3.1 *Grand challenges and the global sustainable development agenda*

Cross-sector co-operation between private, public and civil society is seen as the principal way to address the current grand challenges and wicked problems, which constitutes a worldwide policy concern. In fact, the United Nations (2017) highlights this as a specific objective, the goal 17, oriented to revitalize the global partnership for sustainable development. The global agenda 'Transforming our world: the 2030 Agenda for Sustainable Development' (UN, 2015) renews the attention to collaborative partnership addressing the big 'plan of action for people, planet and prosperity'. In September 2015 in Paris, all 193 UN Member States agreed the seventeen SDGs, adding issues related to sustainable energy, employment, infrastructure, cities and habitation. The 17 SDGs seeks to build on the Millennium Development Goals and complete what these did not achieve on the three dimensions of sustainable development: the economic, social and environmental. The SDGs will stimulate action over the next fifteen years in areas of critical importance for humanity and the planet, opening a multitude of innovation opportunities to co-operation between SEEs and business sector[23]. The recent SI-DRIVE project provided highlights opportunities for cross-sector co-operation (Howaldt et al., 2016b; Millard et al., 2016), especially attending to the growth of social entrepreneurial opportunities in developing countries, e.g., the development of BoP businesses (Contreras, 2004; Waibel, 2012; Pervez et al., 2013).

2.3.3.2 *Competitiveness and social market demand*

The process of globalisation has increased the need for a structural renewal of European economies in order to reach higher levels of competitiveness, innovation, productivity, sustainability and inclusion. Co-operation opportunities emerge from a big demand for innovation answering unmet needs and "social" market failures. Social innovation opportunities have been highlighted in issues such as Europe's demographic growth prospects, ageing population, immigration, energy supply and global environmental concerns, tied to global climate change or consumption and production patterns, among other challenges. Social demands are source of co-operation to tackle problems faced by specific groups on the ground that are traditionally not addressed by the market or existing institutions and often impact vulnerable people much more than others. In some cases, traditional firms may co-operate with SEEs to increase the flexibility and efficiency of service provision (e.g. through the access to target users and customers or community engagement). In other cases, both SEEs and traditional firms may co-operate to gain access to new/broader markets or better reach target beneficiaries.

2.3.3.3 *Changes in policies, laws & regulations*

The policy and institutional environment are an important predictor of how SEEs are able to access resources and be motivated to collaborate. The advances experienced in the establishment of legal frameworks, laws and regulations in the SE act as a powerful driver to the development of social enterprises and potential cross-sector co-operations. Ongoing changes in policies, in particular the reinforcement of European cohesion territorial policies and funding initiatives[24], such as for example, the European Network of Cities and Regions for the Social Economy (Réseau Européen des Villes et Régions de l'Economie Sociale, REVES) to cross-pollination of sectors. A combination of market conditions and regulatory frameworks in a country can motivate traditional firms to co-operate with local SEEs to access broader markets or better reach target beneficiaries. At national level, Cohesion Policy, the European Social Fund (ESF) provision and other instruments like the promotion and development of partnership-based instruments constitute others relevant external drivers. Similarly, the Social Impact Bonds (SIBs) are spreading around and have been increasingly gathering the attention of governments and public authorities, investors and social services providers over the last years.

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[23] Detailed list of the 17 established Goals in https://sustainabledevelopment.un.org/post2015/transformingourworld

[24] http://www.revesnetwork.eu/wp/wp-content/uploads/2017/07/REVES-Declaration-on-the-Future-of-European-Cohesion-Policy-.pdf

2.3.3.4 CSR & CSI practices and the 'shared value' emergent paradigm

Global trends regarding CSR and CSI practices can be seen from different perspectives, e.g. related to altruistic/philanthropic motives as well as a response to normative pressures from supranational organisations such as the United Nations and the Organisation for Economic Co-operation and Development (OECD), or the European recommendations in matters of CSR. Coercive pressures, on the other hand, stem from the other organisations that an organisation is dependent on and/or that have the power to sanction it. The increasing emphasis on Socially Responsible Investment by institutional investors such as some pension funds and insurance companies can be given as an example for coercive pressure particularly on quoted companies to act in a socially responsible way (Sparkes & Cowton, 2004). Porter & Kramer (2011, p. 5) maintain that the notion of "shared value" focuses on the central idea that "societal needs, not just conventional economic needs, define markets" and traditional firms are increasingly cooperatively developing products and services with focus on the social demand.[25] Another powerful driver is represented by the shift in the demand by consumers and other businesses for ecological products and socially responsibly produced goods and services. In this respect, the involvement of SEEs as stakeholders sometimes gives a "social licence" to operate. On the other hand, CSR may be used to create a competitive advantage by imposing the environmental or social regulations of one firm on an entire sector. In this respect, for example, sustainable standards implemented by the regulator may thus represent barriers to entry for competitors that are not already in compliance. In other cases, it can act as an enabler.[26] A recent report on the implementation of the Circular Economy Action Plan (EC, 2017a) maintains that there is a strong business case behind it which enables companies to make substantial economic gains and become more competitive and, at the same time, creates local jobs and opportunities for social inclusion.

2.3.3.5 Trends in collaborative/sharing economy & circular economy

As already discussed, growth in new ways of organising economic activity that is premised on peer-to-peer commercial exchange act as a strong source of motives for co-operation.[27] On the other hand, the advancement toward a circular economy requires fundamental changes throughout the value chain, from product design and technology to new sustainable business models, new ways of preserving natural resources (extending product lifetimes) and turning waste into a resource (recycling), new modes of consumer behaviour, new norms and practices, and education and finance (Dentchev et al., 2016). This shift has significant implications on how value (economic but also ecological and social) is created and captured by various actors as well as on how it flows in broader socio-economic systems. The circular economy provides new co-operation opportunities at the interface of established businesses, new companies and entrepreneurs (green, eco and/or social) who realise untapped potential and opportunities emerging from the use of resources, which were previously considered to be waste (Talmon-Gross & Miedzinski, 2016). At the core circular economy embraces social innovation associated with sharing, eco-design, reuse and recycling that can be expected to result in more sustainable consumer behaviour, while contributing with broader social benefits (Dodick & Kauffman, 2017).

2.3.3.6 Digitalisation and emergent technologies

Digital transformation is disrupting society and generating a fierce debate among policy-makers, economists and industry leaders about how it is affecting issues such as jobs, wages, inequality, health, resource efficiency and security. The recent study "The impact of new technologies on the labour market

[25] Drucker (1984: 55) argued that "only if business … learns that to do well it has to do good can we hope to tackle the major social challenges facing developed societies today".

[26] For instance, Greenpeace has been regularly in contact with the French retailer Carrefour after it launched a new label "Nourri sans OGM" ("fed without GMOs"). The aim of these efforts is to influence the French government to impose a stricter law on GM food

[27] The Communication "A European agenda for the collaborative economy" (EC, 2016d) identifies three categories of actors involved in the collaborative economy: (i) service providers, private individuals or professionals; (ii) the users of these services, and (iii) intermediaries that connect – via an online platform – providers with users and that facilitate transactions between them ("collaborative platforms"). The Communication ends by noting that collaborative-economy transactions do not involve a change of ownership and can be carried out for profit and not-for-profit actors, being potential source of alliances (EC, 2016d; Monzón & Chavez, 2017).

and the social economy" (Dachs, 2018) gives an optimistic perspective on the ICT impact on social economy. The study highlights the adoption of ICT with positive impact in this sector together with the re-emergence of the so-called "tech for good" or social technologies (Bughin et al., 2012) and their role in co-operation opportunities: "Since social networks allow two-way communication, new forms of organisations in the Social Economy may emerge which go beyond the centralised approach of many established organisations" [...] "Social networks may therefore open Social Economy organisations to many of the new forms of innovation such as Innovation Communities, Crowdsourcing, User Innovation or Open Innovation" (Dachs, 2018, p. 41). Such a "window of opportunities" embraces a variety of social and sustainability-purposes oriented business models (Dentchev et al., 2016) where ICT and emergent technologies may play a relevant role.

2.3.4 Internal driven motives

Individual agent's thoughts, values, and attitudes are the main elements and factors affecting the emergence of social entrepreneurial initiatives and social innovations. Different "mindsets" regarding co-operation at both individual and organisational levels can shape and can affect the success of co-operation. We can distinguish between different levels with the collaborating organisation, e.g. a distinction can be made between workers, (middle) management and owners or senior management.

- **Internally-driven motives are seen as the most important drivers of co-operation**, especially for for-profit firms. In the case of MNCs, Bacq & Jansen (2011) maintain that the energetic individual could have a powerful effect to motivate others to discover a creative solution to social challenges. He identifies the role of social intra-preneurs and CSI within corporations, who can develop jointly projects with external partners (e.g., a social business department/unit) or starts a new joint social venture. CSR in companies as co-operation drivers links to: (i) the internal dimension to firms, in relations with employees, investment in human capital, health and safety in the workplace, socially restructuring of production plants, environmentally responsible practices, etc., and (ii) external dimension, which extends to a wide range of stakeholders, partners and others affected by the business activity, suppliers, customers, public authorities, local communities, etc.
- **Self-awareness, the intention to carry out the organisation's CSR policies and strategies, improving the corporate image, getting access to knowledge, skills and networks of the social sector, engaging stakeholders and developing products and services addressing societal needs (social innovations)** are important motives at both individual and organisational levels in traditional firms.

Motives in the case of SEE are more oriented to **obtaining funding, gaining visibility and legitimacy and acceding to knowledge and skills related to business management**. Access to finance[28] has been identified as one of the most important obstacles for the continuous development of the SE sector, particularly in the case of social enterprises (Brown & Murphy, 2003; Wuttunee et al., 2008; Ridley-Duff, 2009; Bugg-Levine et al., 2012; Kickul & Lyons, 2015; Torfs, W. & Lupoli, M. (2017). Recent case studies about business and social enterprise collaborations show similar insights; while businesses contribute funds to the partnership, social enterprises "provide knowledge, expertise, organisational infrastructure and established social networks as complementary resources for co-generation of social value" (Sakarya et al., 2012, p. 1718).

The access to informal networks plays an important role in establishing co-operations between organisations at the local, urban and regional level. Personal social networks **reduce the costs** of searching for and connecting to potential co-operation partners, which are relevant to overcome supply and demand mismatch driven by informational deficiencies or geographical disconnect between both sides of the market. In many cases SEEs that operate in economically and socially deprived areas suffer a spatial disconnection with finance providers (Santos, 2012; Torfs & Lupoli, 2017). In this sense,

[28] A report published in 2017 estimates that the entire European Social Enterprise sector is facing an unmet financing demand of EUR 513.1m per annum (Torfs & Lupoli, 2017, p. 10).

networking is a strong driver of co-operations in providing contact with investors or potential intermediaries that can help integrate them into the co-operation process (Bryan et al., 2007).

The access to skills and partners' expertise of the social sector might be important internal drivers for traditional enterprises. With the impressive growth of the market demand of low-cost, lean and frugal innovations, big corporations and large multinationals (MNEs) are increasingly operating through local subsidiaries co-operating with local companies, NGOs and social entrepreneurs **to develop new products and services** (Williamson, 2010). In other cases, MNEs and corporations take part of Hybrid Value Chains (HVC), co-creating value with Citizen Sector Organisations to scale and **produce broad social impact** (Drayton & Budinich, 2010).

Traditional enterprises that seek to engage in a co-operation with a social economy entity do not necessarily have positive intentions. Instead of jointly pursuing a common goal, traditional enterprises might wish to achieve **"social washing"** (or "green washing").[29] Akinyemi et al. (2013) define "social washing" as the use of misleading marketing messages that create the perception that a company's policies, products or services are based on creating a social value where in reality they are not. Social washing is often used in the context of traditional enterprises' CSR activities, where an advertised claim about the environmental or social benefits of a product is unsubstantiated or misleading (Bazillier & Vauday, 2013). Thus, traditional enterprises may co-operate with SEEs to gain credibility, showcasing social engagement and social values (Defourny & Nyssens, 2016).

Table 3 summarises potential drivers and motives to co-operation as derived from the desk research in this section.

Table 3 Principal drivers and motives to co-operation

What are the most important reasons to co-operate?	
SEE	**Traditional business**
• To access funding and financial opportunities • To access networks and contacts • To share risks and reduce costs (e.g. sharing investment) • To access skills, strategic support and partner's expertise • To increase organisational efficiency or professionalism • To receiving mentoring, coaching or advising • To jointly develop new ideas, strategies, products or services • To increase the range and quality of products and/or services • To access to new markets/Scaling activities • To better reach target beneficiaries • To ensure sustainability and future legacy of their activity	• To acquire or give more visibility to their social action • To achieve "social washing" • To better reach target beneficiaries • To access networks and contacts (e.g. networks of foreign culture or fundraising) • To access skills, strategic support and expertise in social sectors • To access broader markets or better reach target beneficiaries • To share risks and reduce costs (e.g. sharing investment) • To strengthen employee satisfaction and engagement • To jointly develop new ideas, strategies, products or services • To scale social impact and spread social innovation • To ensure sustainability and future legacy of their activity

[29] In the conference in July 2017 that topic was raised as important for CSR in particular. However, our other empirical data does not support that interpretation. Therefore, the topic is not discussed more extensively in this study.

Due to the wide spectrum of sectors of activity and combination of global drivers that may influence the motives, we selected broad categories. As most literature suggests, each organization represents a different system of values and beliefs and may have a common goal but different motives to co-operate (Stafford & Hartman, 2000; DTI, 2005). All in all, in our analysis we also consider some factors that may influence motives to co-operation such as the age and size of the organisation and the previous co-operation experience among others.

2.4 Typology of co-operations

Multiple co-operation forms may emerge according to the type of actors involved, drivers and motives, the sectoral economic activity developed, the social need or problem addressed, the type of agreement and organisational form of the New Business Model and the type and the intensity of value generated.

2.4.1 Co-operation according to the economic sector of activity

The spectrum where SEEs and traditional firms are operating covers a wide variety of economic and social sectors. As we discussed above social innovation applications can be developed in all service sectors, and we found SEEs operating in the creative and cultural industries, tourism industry, food sector, etc. (Howaldt et al., 2016). In this study, we considered the following sectors:[30]

- Affordable housing
- Agriculture
- Democracy, transparency and civic participation
- Education, training and skills development
- Energy, natural resources and clean technology
- Financial services & consulting (e.g., fundraising, crowdfunding, project management, etc.)
- Food and nutrition
- Health and wellbeing
- Poverty and income generation/support
- Social care
- Responsible tourism
- Societal inclusion, justice and human rights
- Sports, culture & recreation (i.e. reading clubs, tourism, access to cultural events, sports clubs)
- Work integration

2.4.2 Typology according to the process of the organising New Collaborative Business Model and value co-creation

In words of Austin (2010, p. 13) "at the heart of effective co-operation is value creation". The notion of "social value" and generation of value in this study is based on the following premises:

- "social" is understood keeping in mind the perspective of sustainability, i.e. social linked to economic and ecological value.[31]
- Multiple value creation emerges from New Collaborative Business Models (NCBMs) generated by collaborative interactions. As we commented before, the concept of business model "describes the organisational logic of the process of value creation and delivery" (Jonker, 2012, p. 14). A business

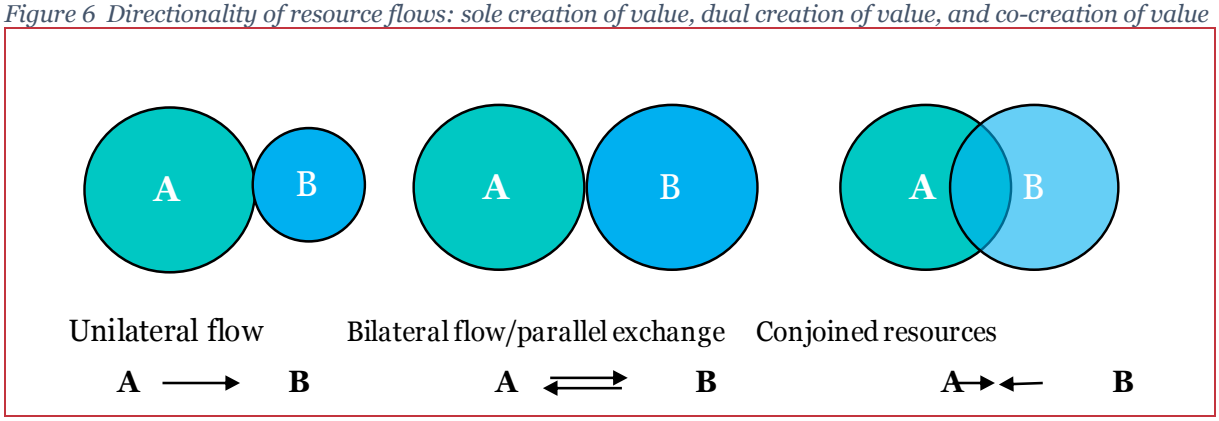
[30] The term sectors used in this study is partly misleading since a clear sector analysis according to NACE is not feasible. In the study application fields rather than sectors are analysed. For ease of terminology however the term sector is used.

[31] Jonker (2012, p. 13) highlights that "in essence, sustainability is about organising that which has value from a societal point of view" and "in this vision of value creation, sustainability is embedded in a systematic and coherent way of thinking and achieved through mutual collaboration, by collectively working on that which is of value".

model gives insight into the value that an organisation or co-operation can offer to different parties and value co-creation lays in what Osterwalder & Pigneur (2010) termed "the architecture of the organisation and the network of partners". Jonker (2012) maintains that collaborating on value creation is, by definition, a collective task of value chains and/or networks. Through NBMs different organisations (in our case SEEs and traditional firms) build a relation of mutual responsibility embracing the values and ideas parties share with each other, their strategic choices and co-operatively organising. In this respect, value-cocreation in NCBMs is shaped by the hybrid characteristics of social business and sometimes requires a complete reconsideration of how a company operates. A distinctive characteristic of many NCBMs is the presence of intermediaries, in particular related to investment. For example, a NCBM can be developed with the involvement of venture philanthropy organisations or social investors that provide financial and non-financial support to social purpose organisations (grant, debt, equity, and hybrid financial instruments).[32]

- Creation of value is a complex phenomenon that evolves across time where, for example, different sources of value and resource flow can be largely unilateral coming primarily from one of the partners or a bilateral and reciprocal exchange; this directionality of resources may change across time (Figure 6).

Figure 6 Directionality of resource flows: sole creation of value, dual creation of value, and co-creation of value

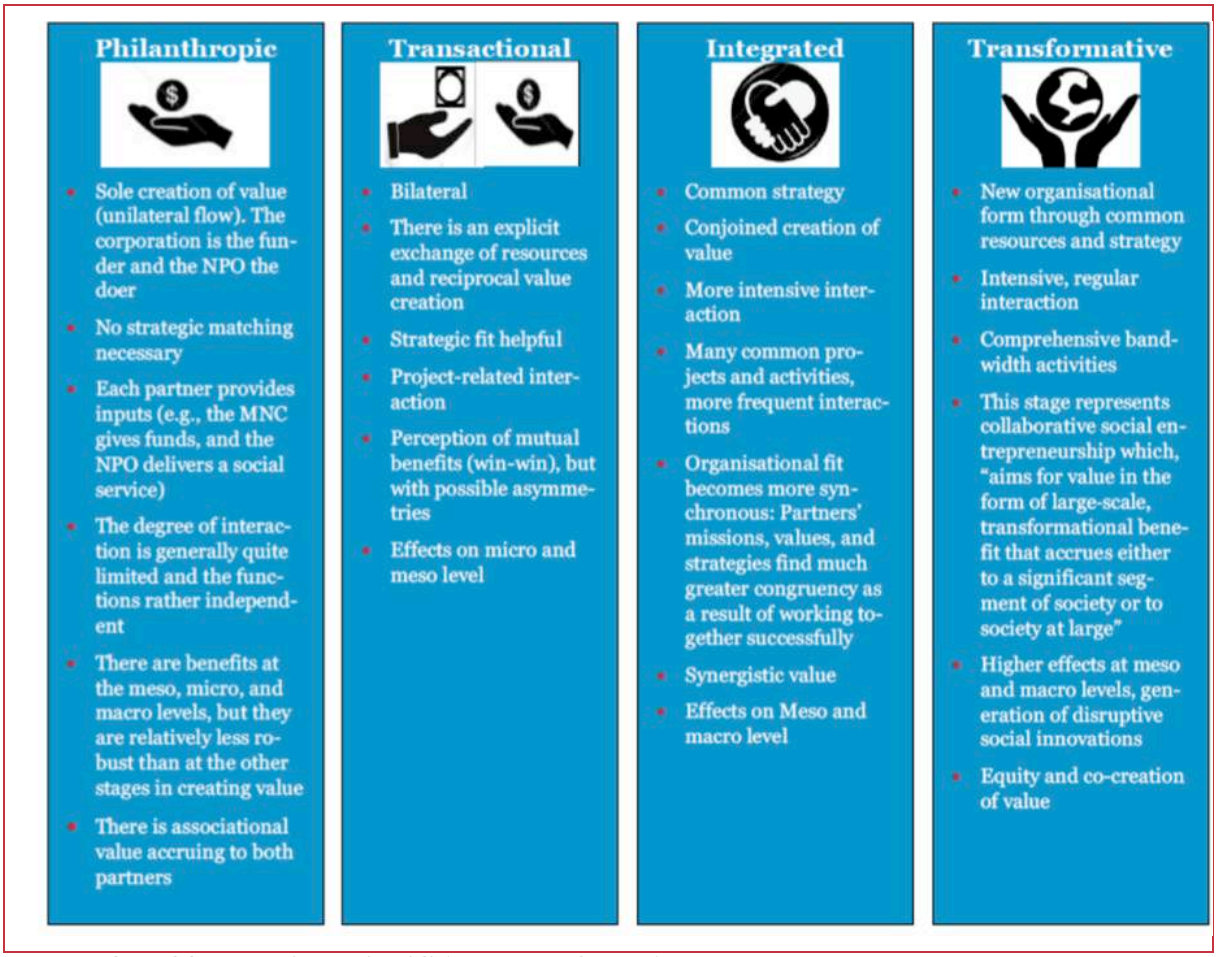


It is to be expected that different partnerships and NCBM configurations result in different processes of value co-creation and social impact. In this study we adapted the CVC framework developed by Austin & Seitanidi (2014) focused on the analysis and categorisation of the value of partnerships between NPOs and businesses[33] (Figure 7). These types are: the philanthropic, the transactional, the integrative and the transformational partnerships, being the last the most evolved where the organisations strongly align their missions and together develop and carry out activities aimed at creating social innovation. In Figure 7 we show the differences between the different partnership types.

[32] https://evpa.eu.com/about-us/what-is-venture-philanthropy

[33] In this study we used some nuclear concepts and adapted the categories developed within the CVC framework, which comprises four components: (i) the value creation spectrum, which provides new reference terms for defining and analysing value creation,(ii) the co-operation stages, which reveal how value creation varies across different types of co-operation, (iii) the partnering processes, which reveal the value creation dynamics in the formation and implementation stages, and (iv) the co-operation outcomes, which examine impact at the micro, meso, and macro levels. ., (Austin & Seitanidi, 2012a,b; Austin & Seitanidi, 2014S,

Figure 7 Four types of partnerships between NPOs and business actors (extended to the case of SE entities and business partnerships)



Source: Adapted from Austin & Seitanidi (2012a, 2012b, 2014)

As the main limitation in the application of the CVC framework we stress that, from the theoretical point of view, the focus is on NPOs and business and we consider the generation of value in the broader field of all SE entities. Nevertheless, an argument for the validity of using this framework is the existence of similarities in the purposes of social enterprises and NPOs to engaging in social partnerships (the social dimension) as "they operate on the bridge of sectorial boundaries, they both emerge where there is government and/or market failure, they aim to address, they potentially can produce change & innovation" (Seitanidi, 2008, p. 52). Additionally, we highlight the incorporation of a new element: the way by which SEEs and traditional firms do social-purpose oriented business together, i.e. NCBMs and how value is created through them.

In Table 4 we propose this typology extended to the case of co-operation between SEEs and traditional firms. However, it is worth stressing that the dynamic of value creation in the praxis is very complex and varies as co-operation interactions evolve, depending on the frequency, trust and commitment level, conflict and power management, among other aspects. According to Bryson et al. (2006, p. 52) the leadership challenge in cross-sector collaboration is "the challenge of aligning initial conditions, structures, processes, outcomes and accountabilities such that good things happen in a sustained way over time". In some cases, the co-operation is limited to a transactional partnership while in others evolves towards integrated and transformative, depending on how the success of co-operation is perceived at both organisational and external level.

Table 4 Types of partnerships between NPOs and business actors (extended to the case of SEEs and business co-operation partnerships)

Issue	**PHILANTROPIC PARTNERSHIP**	**TRANSACTIONAL PARTNERSHIP**	**INTEGRATED PARTNERSHIP**	**TRANSFORMATIONAL PARTNERSHIP**
Description	One partner only provides sponsor-like financial support	Both partners exchange something that contributes to their own separate objectives	Partners have joint objectives and together carry out activities and occasionally produce social innovations	Partners align their missions and objectives and together develop and carry out activities aimed at creating social innovation and produce broad social change
Type of value created	**ASSOCIATIONAL VALUE**	**TRANSFERRED-ASSET-VALUE**	**INTERACTION VALUE**	**SYNERGISTIC VALUE**
Economic, environmental (ecological) and/or social	Associational value is the most common form of value, derived simply for being related to the partner and the social problem or cause Greater associational value accrues depending on the intensification of the relationship	Transferred-asset-value relates to benefits accruing to the receipt of depreciable or durable assets The continuity of co-operation depends on the renewal of the value proposition	Interaction value relates to intangibles, such as social capital, trust, good communication, that emerge from the co-operation process. These intangible outputs are valuable capabilities and benefits applicable outside the co-operation	Synergistic value is the highest manifestation of complementarity, being source of social innovation with transformative effects on individuals, organisations and societal systems
Who creates the value?	Sole creation (unilateral)	Bilateral creation	Conjoined creation	Co-creation
Leverage (who brings resources (source of value)?	The flow of resources is unilateral, usually one partner provides financial support. If each partner provides inputs, they are largely independently of the other	There is an explicit and mutual access to the partner's resources Partners exchange something that contributes to their own separate objectives.	Search and use of resource complementary	Mobilisation of core competencies and specialised assets Mutual learning is a powerful value contribution
Alignment of interests & motivation	Weak	Moderate	Strong	Commonality of interests and synergism
Examples of usual motives of traditional firms	• To carry out the CSR/policy strategy • To acquire or give more visibility to the enterprise social action • To strengthen employee satisfaction and engagement • To achieve "social washing"	• To access skills, strategic support and expertise of social sectors • To access resources (e.g., networks of foreign culture or fundraising)	• To jointly develop new ideas, strategies, products or services (e.g. R&D activities) • To share risks and reduce costs (e.g., sharing investment)	• To put in practice Responsible Business Conduct • To access broader markets or better reach target beneficiaries
Examples of usual motives of SEEs to co-operate and type of value created (examples)	• To improve owns reputation, image or brand • To obtain more recognition and visibility ("legitimacy") • Access to financial or additional funding and/or ensure sustainability of the SEE activity	• To access the partner's knowledge and expertise • To access networks and contacts	• To increase the range and quality of products and/or services • To jointly develop new ideas, strategies, products or services • To better reach target beneficiaries	• To scale social impact and spread social innovation • To jointly develop new ideas, strategies, products or services

Issue	PHILANTROPIC PARTNERSHIP	TRANSACTIONAL PARTNERSHIP	INTEGRATED PARTNERSHIP	TRANSFORMATIONAL PARTNERSHIP
Level of interaction	Quite limited, procedural	Perception of mutual benefits (win-win) but with possible asymmetries	Frequent, with many common projects and activities and mutual assistance	Intensive, regular interaction, high level of trust
Strategy & Management	No strategic matching necessarily	Strategic fit helpful and organisational compatibility is more significant	Common strategy	New organisational form through common resources and strategy, complex co-operation configurations
Examples of benefits to organisation and individuals	• Reputational enhancement • Credibility • Legitimacy • Affinity toward organisation • Employee recruitment, retention and motivation, • Clients' patronage and loyalty • Community support • Government support • Attractiveness to investor and donors	• Assets, which can be depreciable, durable or renewable • Reputational enhancement • Employment recruitment, retention and motivation	• Relational capital • Trust building • Access to networks • Diversity management • Empathy and solidarity • Joint problem solving • Conflict resolution • Collaborative leadership	• Virtuous value circle • Culture of innovation • Synergistic resource combination and efficiency • Synergism processes and pathways
Level of impact	There are benefits at the micro, meso and macro levels but they are less robust than in the other types of partnership	Effects on micro and meso levels	Effects on meso and macro levels	Large scale, with benefits that accrue either to a significant segment of society or to society at large, including generation of disruptive social innovations
Examples of co-operation configurations/types	• Corporate philanthropy • Social franchising	• Structured employee volunteer programmes • Sponsorships • Licensing • Certification arrangements • Ambassadors programmes, Consortium • Integration of SEE into the value chain of a traditional firm	• Joint Social venture (JSV) • Establishment of a social business unit/department within corporation Integration of SEE into the value chain of a traditional firm • Social holding	• Joint Social Start-up • Hybrid Value Chain (HVC) • Formation of clusters between SEEs and traditional enterprises • CSSPs between private, public and civil organisations

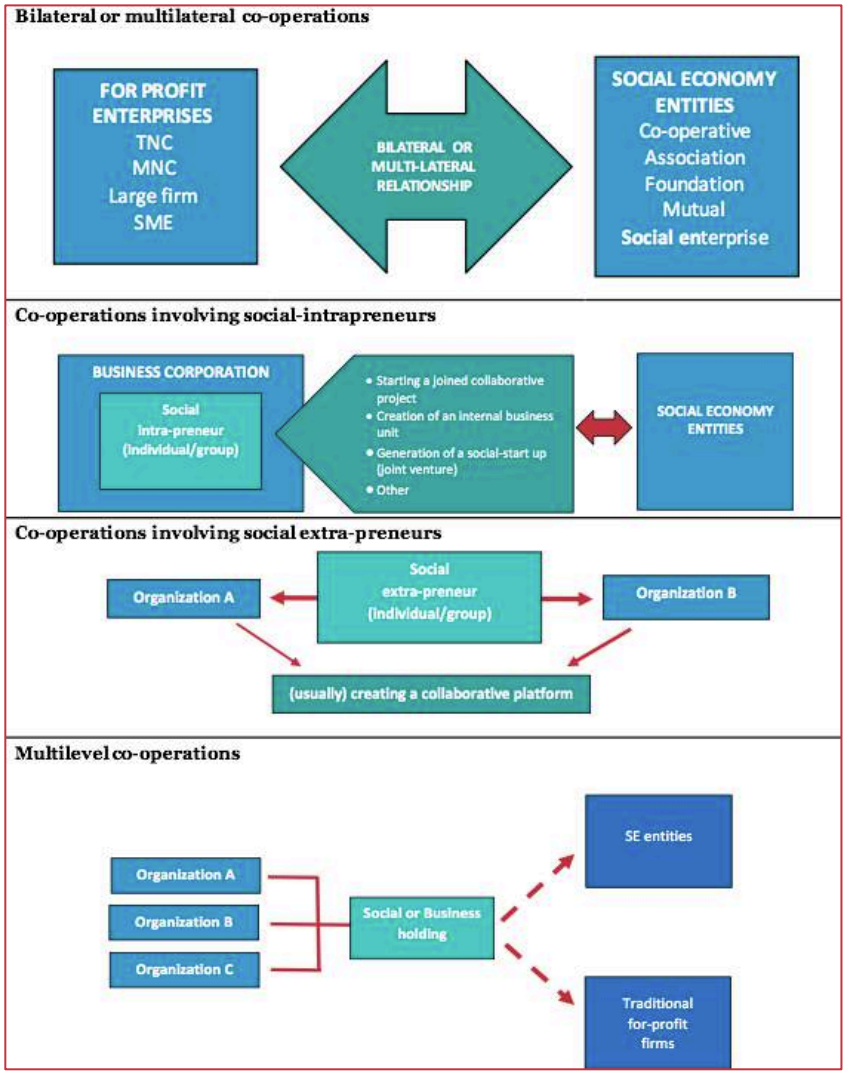
Source: Adapted from Austin & Seitanidi (2014)

Many cases of corporate philanthropy and social franchising constitute examples of philanthropic partnerships while sponsorships and licensing through a consortium usually correspond to a transactional type. The involvement of an association, foundation, cooperative or other social enterprise in the traditional value chain of a traditional firm (e.g. as suppliers) is usually transactional but can also evolve to integrative or transformative partnerships along time (depending on the evolution of the relationship). By contrast, the establishment of a Hybrid Value Chain (HVC), notion (analysed in chapter 5.2), constitutes an example of transformational partnerships.

Another limitation in the CVC framework is that contextual factors such as the role of intermediaries and emergent actors that are crossing organisational boundaries (e.g., the case of intra-preneurs and extra-preneurs) are not considered. This study broadens this construct, including the system that influence co-operation, such as the role of intermediaries and the particularities of the regulatory, institutional and policy context. Regarding this aspect, we analyse how such factors affect the formation of cross-sector co-operations and the generation of "windows of opportunities" to collaborative interactions across the different stages of cooperation (Bryson et al., 2006, 2015).

As the main advantages of the adoption of the CVC framework, we argue that it fits well with the premise that creating value for the partners and society is the central justification for the analysis of social impact. Additionally, it allows greater specificity, dimensionality, and inclusivity, which can be integrated in the development of the social impact model. Finally, our approach emphasizes the value of co-operative types (transactional, integrative and transformative) rather than the philanthropic types with specific configurations of co-operative interactions and NBMs, which can adopt different types of agreements (from formal to less formal or non-formal) and networks, e.g., bilateral or multi-lateral configurations (See Figure 8). Such arrangements include forms of cooperation in traditional value chains, such as vertical cooperation with suppliers and customers and horizontal cooperation, i.e., between organisations operating at the same level in the market.

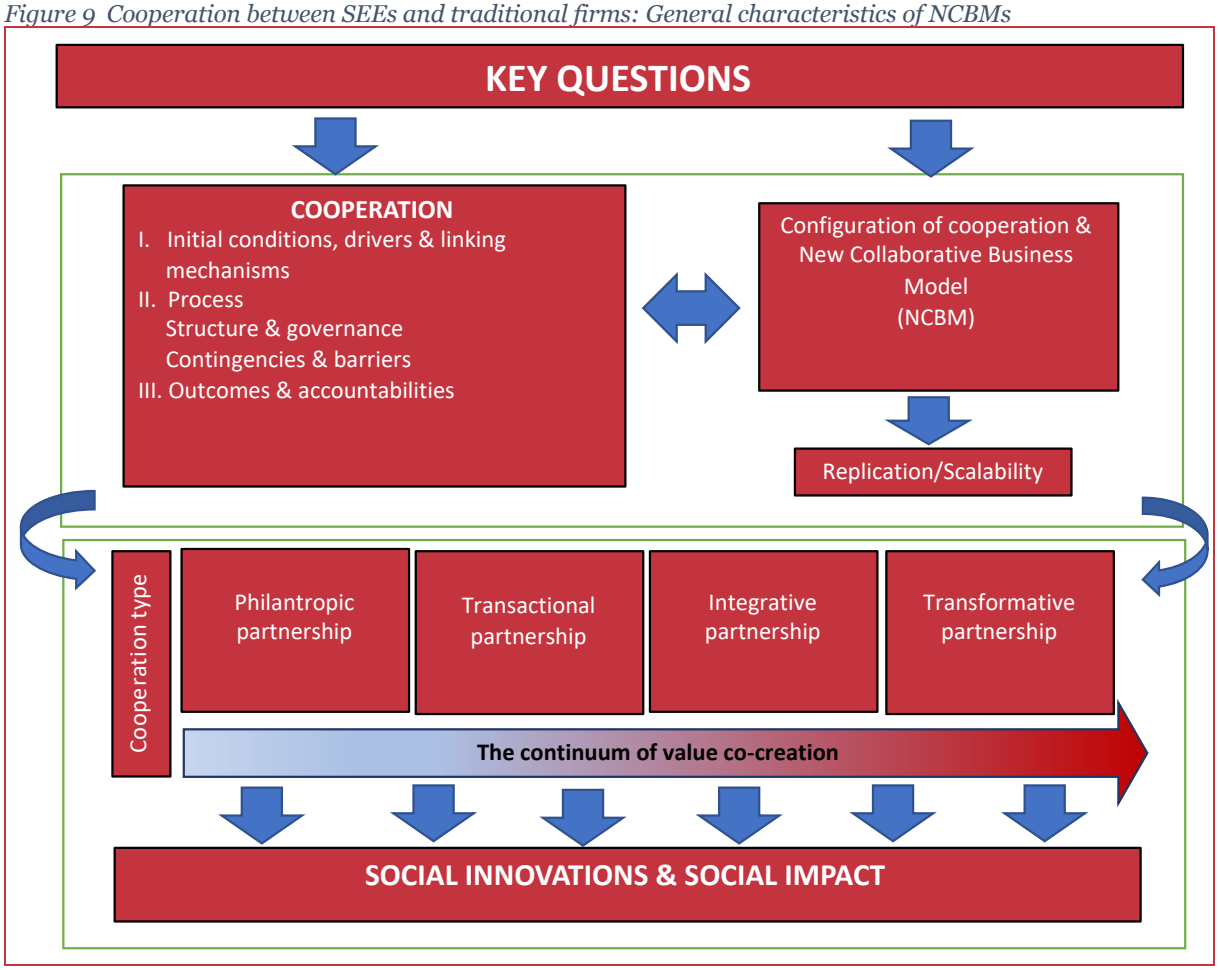
Figure 8 Co-operation configurations between SEEs and traditional firms, depending on the number and types of partners involved



Source: Edwards-Schachter & Seitanidi (2017)

With regard to NCBMs the following figures illustrates general characteristics:

Figure 9 Cooperation between SEEs and traditional firms: General characteristics of NCBMs



Co-operation types and NBMs may involve:

Informal Networks: Established informal relationships that can involve a range of contacts between members of organisations. They provide a means to gather and disseminate information that may not be shared through formal channels. Networks can be a good way to sustain established relationships or to build some common ground before forming a more intense relationship. This level of interaction is appropriate when no finances or major resources are involved, and when there are no significant joint undertakings or goals. They act as social extra-preneurs and do not constitute partnerships but facilitate their formation.

Co-operative Agreement: Formal relationship between organisations that include a signed agreement, such as a MoU (Memorandum of Understanding). The focus of collaborative agreements is working together to achieve operational results and typically includes neighbouring councils and community organisations.

Consortium: A consortium is an association of two or more individuals, companies or organisations with the objective of participating in a common activity or pooling their resources to achieve a common goal. Within the consortium, each participant retains separate legal status and the consortium's control over each participant is generally limited to activities involving the joint endeavour, particularly the division of profits. A consortium is formed by contract.

Funding arrangement/sponsorship: Grant funded or financially sponsored project or activity which include a formal agreement. Arrangement is not characterised by equally shared resources and decision making. Although the budget is provided by one party and would constitute a case of

philanthropic partnership, on occasion it may be provided on the condition that the other party matches funding (transactional partnership).

Temporary union: Similar to Temporary Business Unions (UTE) are a form of co-operation between companies that facilitates competitiveness between large companies and SMEs, in this study social purposes-oriented.

Joint Social Ventures (JSV): Consist in the formation of a company as result of the commitment between two or more economically independent organisations, each one will own a stake in the capital of the new company configured with its own personality. A company created with complementary shareholders (usually private "classic" companies and Social economy enterprises that share their technical, business, entrepreneurial and social expertise.

Figure 10 Example: Formation of a Social Join Venture (SJV) between a NGO and a large firm mediated by an intermediary (SocialCOBizz, http://socialcobizz.com/socialcobizz_sp/)

Log'ins (France, co-operation between a NGO and a large firm, scalable project)

A company owned by ARES (a NPO, Insertion group leader in France) and XPO (a European company leader in transportation and logistics services).

The social mission of Log'ins is to integrate disabled people into the labour market through a logistics economic activity, where ARES holds 51%.

The objective of the partnership is to build on the complementary expertise of partners to leverage and develop an innovative model, robust and with a high social impact.

The partnership is strategic and operational with the presence of professionals from both organisations in the strategic committee, but also in daily support teams (training, payroll, administration ...) for short, medium and long-term balance between social impact and financial strength.

It constitutes an example of integrative partnership.

One year after the launch of Log'ins in Saint Vulbas in May 2016, the joint venture is expanding to other areas, including Saint-Quentin-Fallavier and Satolas. Log'ins serves leading companies in the textile, cosmetics and food industries, and has ambitions to expand its service with a goal of reaching a turnover of one million euros by the end of 2017

Sources: http://log-ins.fr/#projet

Social start-up: Can be defined as "a start-up that produces societal impact" (EC, 1016, p. 10). An entrepreneurial venture aimed at a social purpose designed to search for a repeatable and scalable business model. These newly created social companies are usually highly innovative, typically based on ideas, technologies or even business models that did not exist before. Usually these companies are of 3 years of age or less and participated in investment rounds.

Social franchising: A system of contractual relationships usually run by an SEE that uses the structure of a commercial franchise to achieve social goals. The overarching difference between social and commercial franchising is that social franchising seeks to fulfil a social benefit whereas commercial franchising is driven by profit-oriented purposes.

Hybrid Value Chain (HVC): A process of co-operation involving businesses and CSOs (Citizen-Sector Organisations) that capitalise on the complementary strengths from a mix of sectors. (Drayton & Budinich, 2010). Overall HVC describes an approach that would allow the development of a common value between traditional businesses and social entrepreneurs. By forming HVC the for-profit and citizen sectors can together remake global economies and create lasting social change. Businesses offer scale, expertise in operations, support and mediation in production processes and financing. Social entrepreneurs offer lower costs, strong social networks, and a deeper understanding of customers and communities.

Figure 11 Example of transformative partnerships: Experiences in developing Hybrid Value Chain (HVC) in France and Mexico

Case A: Enercoop and the programme "Énergie Partagée Investissement"

Enercoop (http://www.enercoop.fr), a SCIC (Société Coopérative d'Intérêt Collectif), in 2010 participated in the creation of the "Énergie Partagée Investissement" (Shared Energy Investment) as a funding tool for the development of projects aimed at the energy transition, renewable energy and particularly the attention to deprived populations. Projects are developed by collaboration of different actors: citizens, local communities, SMEs, and public agents.

Case B: "The Social Innovation to Tackle Fuel Poverty" joint programme founded by the Foundation Schneider Electric and Ashoka France

In the summer of 2015, Ashoka and the Foundation Schneider Electric launched a partnership to identify, support and develop the most innovative answers to fuel poverty. For six months, as part of the programme "Social Innovation to Tackle Fuel Poverty", 13 entrepreneurs selected from six European countries, have been supported to develop collaborative projects engaging in different production channels.

Case C: Amanco. Local citizen groups helped to persuade Amanco, a maker of water conveyance products, that small farmers in Mexico represented a significant market opportunity. They partnered with the company to organise farmers into loan groups, promote irrigation technologies, and even install systems. The social entrepreneurs are helping the farmers get financing so that they can afford Amanco's products. This newly created drip irrigation market is worth about $56 million a year – and farmers are enjoying higher yields

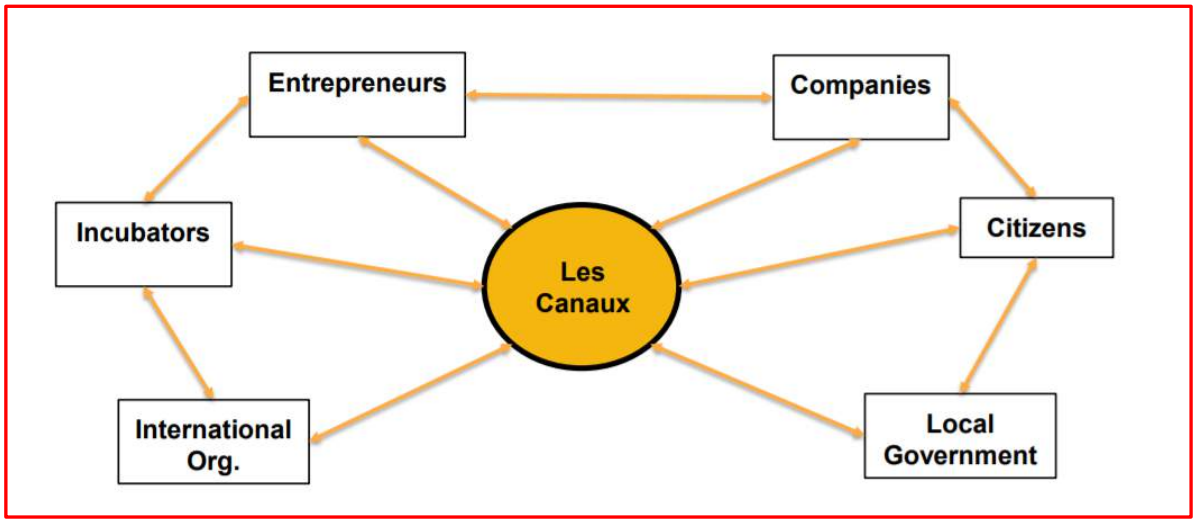
Sources: Budinich et al. (2007); Cholez et al. (2012)

Clusters between SEEs and traditional enterprises. A cluster is defined as an innovative business grouping (AEI) that combines companies, training centres, public or private research units, and other public or private agents involved in collaborative exchange processes in a geographic or industrial space. Benefits arise from the implementation of joint innovative projects developed by SEEs in co-operation with traditional firms and participation of intermediary organisations. This activity will be organised around a market or target market segment or a branch or sector of reference. The object of a cluster will be to achieve a critical mass so as to ensure its international competitiveness and visibility.

Figure 12 Example. Les Canaux: developing a cluster for innovative social economy (Paris, France)

Les Canaux is an organization that creates a network of companies, associations, organizations, foundations, entrepreneurs and citizens. Les canaux involves different programmes supporting the action of social entrepreneurs as well as a network of incubators, offering new tools of collaboration and project development through the cluster process. It also hosts international organizations, such as Cities 40 and Yunus Center, and receive delegations from all over the world.

Since 2017 Les Canaux is placed in a maison at the city of Paris, being a showcase of renovation and landscaping in circular economy (recycling, reuse and repair).



Scheme of Les canaux cluster

In partnership with the Atelier Parisien d'Urbanisme (APUR, Parisian Urban Planning Workshop) Les Canaux developed an interactive map of the economic and innovative actors of Paris involving nearly 1500 projects on fair trade, community organisations, collaborative service, circular economy, solidarity finance and urban agriculture.

Sources: http://lescanaux.com/

- Cross-sector partnerships developed as BoP strategy

Figure 13 Example: ACUMEN. Cooperation between social enterprises and MNC supported by private social investment.

ACUMEN (www.acumen.org) is a large charity founded by Jacqueline Novogratz in 2001, with seed capital from the Rockefeller Foundation, Cisco Systems Foundation and three individual philanthropists.

Acumen is a large collaborative platform in the world of philanthropy to invest in companies, leaders and ideas. ACUMEN works particularly in the development of BoP initiatives, investing patient capital in businesses whose products and services are enabling the poor to transform their lives. Acumen has invested more than $86 million in 77 companies across Africa, Latin America and South Asia. In 2015 Acumen was named one of Fast Company's Top 10 Most Innovative Not-for-Profit Companies.

The three principal models of collaboration are:

Skills partnerships involve one party sharing their skills and expertise with the other, either through structured pro bono or low-bono engagement, through skills-based volunteering, or through informal mentoring, coaching or advising. Typically, it is the global company that shares its skills and expertise to address a specific challenge the social enterprise is facing. Social enterprises benefit from the experience and insight multinationals' employees bring to the table, particularly on issues they face as they work to scale their businesses. For their part, global companies benefit from exposure to new markets and innovative approaches to serving them, which can inform long-term strategy and business development if captured and utilised appropriately – which can be a challenge for many. In addition, by providing opportunities to use their time and skills to help improve the lives of people around the world, multinationals contribute to their employees' sense of purpose and leadership potential, which can increase productivity, retention, and impact.

Channel partnerships: bring support to the scaling-up of social enterprises, helping social enterprises achieve scale and global corporations strengthen their supply chains and/or sales. In channel partnerships, social enterprises and multinational companies serve as sales or supply channels for each other. The multinational may serve as a channel for the social enterprise, with the social enterprise selling products and services to the multinational's suppliers, distributors, or retailers. Alternatively, the social enterprise may serve as a channel for the multinational, providing on-the-ground presence and services that help the multinational reach that "last mile" to procure from smallholder farmers or sell to low-income consumers effectively. The benefits of such channel partnerships – for both the social enterprise and the multinational – can include increased sales and enhanced quality, quantity, and reliability of supply.

Venture partnerships: combine the risk tolerance of social enterprises with the resources of global corporations to develop new products and services and even entirely new business models through investments, joint ventures and acquisitions. These types of partnerships and operating models are proving to be effective in delivering both social impact and new business opportunities, and we believe they can be applied more broadly to link the corporate and social enterprises sectors in new ways.

Sources: Budinich et al. (2007); Cholez et al. (2012)

- Forming partnerships between public authorities, private businesses and SEEs.

Figure 14 Example: Social holding collaborative partnerships in Brazil

Social Holding, also called Favela Holding is an NGO created in 2013 as an association of companies whose main objective is the development of favelas and their residents. It constitutes the first social holding company in the world born with the participation of a community of entrepreneurs, led by the social activist Celso Athayde, also the founder of CUFA (Central Única das Favelas), the largest favelas in Brazil.

This social holding is associated with large corporations, fostering and promoting new business opportunities, entrepreneurship, employability and income. It is a model of partnership created to manage a group of companies of different legal nature, using market mechanisms to provide socio-economic development in less favoured areas and/or communities. In order not to lose the social character, both the holding company and the companies engaged must be managed considering not only maximising profits and minimising costs, but also serving the public interest, represented by interest of the communities involved.

This Favela Holding aspires to implement in practice the ideal leadership and co-management of business by favelas' residents. With this purpose, the holding collaborates with the process of training entrepreneurs in the communities, promoting the development of new business models and the enhancement of existing ones.

In sum, Favela Holding acts as a link between market companies, social movements and residents of favelas, providing social development and improving the quality of life in the favela by economic means (Meirelles & Athayde, 2016).

Sources: http://www.fholding.com.br/

Other co-operation types considered in this study are:

- Co-operation aimed at carrying out R&D activities (e.g. patent licensing agreement)
- Incubation/business unit creation in traditional business by a social intrapreneur
- Co-operation involving intermediaries such as incubators and accelerators and funding intermediation (private and public procurement, Social Investment Finance Intermediaries (SIFIs), among others.

Schemes and common tendencies are also considered, such as for example the establishment of Social Impact Bonds (SIB) based on public-private-social co-operation, which some Member States have supported with help of the ESF, e.g. in Finland (Le Pendeven et al., 2015).

2.5 Factors facilitating and impeding co-operation

Co-operation is affected by a diverse range of factors, some of them related to the specific context in which co-operation takes place and the intrinsic sectoral characteristics in the social economy, sharing and circular economy. Key factors that potentially can enable or hinder co-operation are the overall policy landscapes, including legislative and fiscal frameworks and current policy themes supporting the social economy, and specific policies for social inclusion (EC, 2012a, p. 11). The previous section (chapter 2.3.2) describes the close relationship between some drivers, such as the generation of regulations or the institutional environment, which act as drivers but at the same time as facilitators or obstacles to co-operation. For instance, the recent establishment of the Contrat à Impact Social (CIS) in France is a mechanism that enables the development of hybrid value chains. The novelty of CIS does not lie in the stakeholder public and private co-operation, which already exists. By structuring co-operation around negotiated objectives in advance, the CIS proposes a common thread to the partners, which are encouraged to get involved, exchange and de-compartmentalise at each stage of life of the project. However, the implementation of this kind of instrument is increasingly being criticised by policymakers and academics, considering that far from being a win-win financial instrument, SIBs come with significant technical burdens and exemplify an ideological shift in welfare service provision (Roy et al., 2018)

At the EU level, there are initiatives that aim to foster the inclusion of social enterprises in the public procurement process. Since the adoption of the EU directives on public procurement in 2014[34] there is now a better European framework and a better framework for social and environmental criteria in public procurement. However, the large scale of many public contracts is a barrier for social enterprises as many of them belong to the group of SMEs. Establishing an alliance or a procurement joint venture with a traditional enterprise or another social enterprise to make an offer to public procurers is a way to overcome the problem of large-scale public contracts. Social clauses in public procurement directive may also offer new possibilities in facilitating or driving co-operations for joint procurement activities.

On the other hand, Austin & Seitanidi (2014) highlight that even an aspect such as the organisation size may influence, positively or negatively, communication and power hierarchies. The proximity of the potential partners and the existence of previous relationships can also facilitate co-operation and trust. Embarking on a joint project with another sector implies initiating an unknown road. Therefore, any resource or knowledge that serves to reduce uncertainty and contribute to the alignment of purposes and strategies are key.

Some barriers are associated with the weaknesses of the social economy sector, i.e. difficulties in gaining recognition and visibility (legitimacy) that are more usual in the case of the SEEs and may hinder co-operation because of insufficient visibility. Various authors point to **difficulties in obtain financial resources, tax barriers, obstacles to recruit stakeholders, bureaucracy and institutional unfavourable environment** (Chaves-Avila et al., 2016; Zimmer & Pahl, 2016; Monzón & Chaves, 2017). Additionally, there is often an asymmetry of power and scale in venture partnerships and huge potential when the parties work to create a mutually beneficial exchange. Partnerships are underpinned by a mutual value proposition: SEEs often offer strong local knowledge, more agility and flexibility to innovate, while corporations have global scale in their network, finances and channels. When the exchange of skills, channels and financing all come together, within a context of strategic alignment and shared values, this makes for an ideal relationship.

Besides that, barriers depend on the stage of the co-operation interaction. At the starting phase, the **lack of sufficient on-going engagement, networking and sharing of resources can hamper the survival of the partnership relations**. Mair et al. (2006) maintain that many aspects that may hamper co-operation are related to economic, social, cultural and institutional dimensions.[35] When the motive is the access to new markets the **knowledge of the local market, local culture and availability of trust networks** becomes crucial to successful co-operations and the survival of new social ventures.

It has to be emphasised that public funding can play different roles. On the one hand, funding can contribute to the provision of incentives to private entities for engaging in activities which they would not have carried out otherwise. On the other hand, there might be a danger of false competition among those that provide similar services but that are not eligible for public funding. This can result in competition between funded and non-funded entities, a duplication of services and a misallocation of resources.[36] In the case of false competition, government funding might set wrong incentives or discourage co-operation between those that feel unable to compete with funded market actors

Table 5 provides a summary of potential enablers and barriers to co-operation as derived from the literature review in this section.

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[34] Public Procurement Directive (2014/24/EU)
http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN

[35] Social barriers are the lack of access to local networks of business owners and other social ventures and to pools of labour and talent; institutional barriers relate to government systems, laws, financial markets; community level politics and legislation and lack of knowledge of local norms, values and local institutions, and cultural barriers are the scarce knowledge of the local language, customs and cultural norms and lack of mutual cultural understanding.

[36] A typical example of (potential) false competition is the competition between the publicly funded social housing sector and private landlords (Elsinga & Lind, 2012).

Table 5 Enablers and barriers to co-operation

Enablers	Barriers
• Availability of resources (time, manpower, financing) • Sufficient skills and know-how to collaborate • Alignment of objectives and values • Trust • Good communication • Favourable public policies or incentive schemes supporting co-operation (external incentives) • Public procurement • Public-private-partnership • Support from private investment (e.g. family funding) • Support from an intermediary (incubator/accelerator) • Robust expertise in project management • Monitoring and evaluation of results • Access to IPR/patent (licensing)	• Disagreement in the co-operation purposes or value proposition • Communication problems/bias • Mismatch and/or imbalance of capabilities to co-operate • Lack of access to local networks of business owners and other social ventures • Insufficient venture capital • Lack of transparency in public funding • Lack of willingness to co-operate in the social economy/social welfare sector • Imbalances in skills and adequacy of personnel qualifications in the social sector • Weaknesses associated with scarce management skills in some SEEs • Lack of trust among partners • Lack of cultural fit between partners • Counter productiveness of organisational culture of SEEs • Obstacles in regulation, laws & policies • Scarce knowledge of local norms, values and local institutions • Lack and/or imbalances of resources (time, manpower, financing) • Absence of clear external incentives/support for co-operation • Challenges in external environment (e.g. regulations) • (Feeling of) false competition caused by government funding

2.6 The analytical framework as guidance for the empirical work

The analytical framework served as the guidance for the empirical work of this project. The literature review presented above showed relevant aspects and elements that influence co-operation between SEEs and traditional enterprises. In particular, the literature review identified relevant questions that the study addressed in order to fully understand co-operation that has been considered to implement the selected methodology (Figure 9 above).

Table 6 summarises the set of key questions that guided the empirical analysis in order to identify the general patterns of co-operation taking into account the three co-operation stages: Stage 1 determines the initial conditions of the co-operation relationship. Therefore, we asked why and with whom the entities are collaborating. Relevant dimensions that were addressed are drivers and motives, the number of partners or the type of social economy entity that is involved (third column of Table 6). Stage 2 refers to different aspects of the co-operation process. Here we asked when, where and how social economy entities and traditional enterprises are collaborating. In stage 3, we analysed the outcomes of the co-operation relationship (why for?) and what value is (co-)created by the co-operation. The questions

included also are applied to the analysis of co-operation configurations[37] and New Collaborative Business Models emerging from co-operation.

Table 6 Set of key questions to guide the analysis of Social Economy co-operation relationships

	Key questions to address in analysing co-operation relationships	Sub-questions for co-operation relationships
STAGE I- Initial conditions, drivers & linking mechanisms	**Why?**	• Drivers • Motives • Aims & Purposes (relevance of aligned mission)
	With whom?	• Number of partners • Type of SEE involved • Type of traditional firm involved • Networks of organisations (e.g. a consortium, cross-sector partnerships between public authorities, private businesses and SEE) • Presence of intermediaries (e.g. incubator, social accelerator, extra-preneur) • Frequency of co-operation
STAGE II- Process	**When?**	• Stage of development of the SEE and/or traditional firm during the co-operation interaction
	Where?	• The market (sector) and social needs addressed (societal demand) • Local, regional, national, international • Included or not, formed a cluster
	How?	• Enablers & hindrances • Level of engagement, trust & communication • Main activities undertaken: Organisation, management & governance • Operating structure • Funding structure • Interaction level (frequency) • Internal change
STAGE III- Outcomes	**What for?**	• Products, services, activities and expected • Orientation to start or improve innovative activities • Sharing and co-creation of value • Assessment of Social impact of the co-operation

[37] The expression "cooperation configurations" refers to those cases in which there is no explicit business model, e.g. social and relational capital exchange.

3 The methodological approach

The co-operation between social economy entities and traditional enterprises has not been studied in detail. Even though there have been some publications provided on the subject there are practically no statistics available to analyse the modes, the structure, the objectives and the interest in collaborating. In addition, the subject of barriers and impediments on co-operation has hardly been the subject of consistent analytical work.

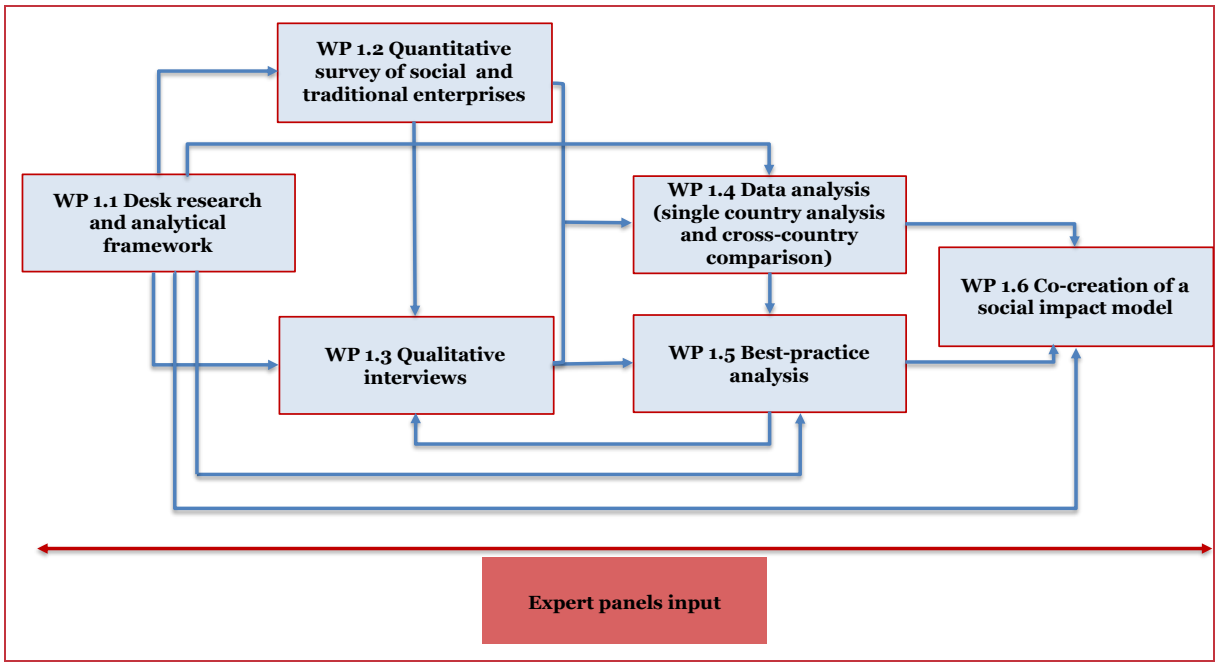
The lack of available data is not surprising at all. As the previous chapter has shown already the co-operation topic itself faces quite some challenges. From a methodological perspective the field is extremely heterogeneous in several aspects:

- The social economy sector shows huge heterogeneity. As previous studies (e.g., EC, 2015b; Monzon & Chaves, 2017) already pointed out there are many obstacles to the identification and comparison of SEE across European countries. The Report of the European Parliament on Social Entrepreneurship and Social Innovation in combatting unemployment (2015) highlights the existence of a wide range of solidarity-based economy enterprises that are not recognised by a European-level legal framework.
- The traditional enterprises come from various fields and it is not always given that the focus of co-operation is in the main objective of the traditional enterprise targets.

To deal with the lack of data, we developed a methodological approach that consists of a mix of different methods. The objective of the mix is to gain additional information with use of complementary strategies which could not have been gained based on a single methodological approach. Moreover, a method's mix allows to triangulate findings which increases their robustness. [38]

Figure 15 shows how the different methods and work packages fit together.

Figure 15 Relationships between work packages



[38] A detailed description of the methodology used in this study is provided in appendix C in the attachment report to this study.

Desk Research:

- Desk Research and analytical framework: In this work (details have been already discussed in chapter 2), the existing literature on the subject was analysed and in a consecutive step the analytical framework for the empirical study was developed.
- Desk research was in dialogue with the empirical study mapping co-operation and with the analysis of 16 research topics and the SIM.

Empirical Research:

- Quantitative Research was conducted according to the analytical framework formulated in Chapter 2 (see above Table 6 and Figure 2). This analytical framework contains a set of key questions to guide the analysis of Social Economy co-operation relationships. In order to perform this analysis a questionnaire consisting of 42 questions was developed. The questionnaire was sent as online survey to a large number of social economy and traditional enterprises via a decentralised network. In total 1,164 social economy and 126 traditional entities filled in the questionnaire. The analysis of the dataset of the questionnaire answers was additionally subdivided into analysis by country and field of activity (as a substitute of sectors) of the co-operating SEEs.
- Subsequently, a special analysis was performed in order to determine the features shared by SEEs satisfied by the co-operation with their traditional business sector partners. These included: size, frequency of co-operation, operation area, gender balance, co-operation motives, roles and means, funding sources, enablers and obstacles. A set of recommendations for successful co-operation was developed based on this analysis.
- Qualitative Research: The qualitative data collection focused on four target groups:
  - Social economy entities
  - Traditional enterprises
  - EU/Non-EU representatives and
  - Stakeholders as associations.

  For each of the target groups an interview guide was developed. The variance among the three interview guides has been set to a minimum by harmonising as many questions as possible. In total 110 interviews were conducted.

Data analysis:

- Data and Cross-Country Analysis: The processing of the data generated by the quantitative empirical work was used in generating a country specific analysis as well as a cross-country analysis that allowed the development of the research themes. Based on that analysis 10 country reports have been generated and a cross country analysis was developed.
- Best Practice Analysis: Based on the empirical data combined with desk research for the 16 research themes best practice was identified and analysed.[39]

Development of a Social Impact Model

Overall, the methodology for the development of the model is based on the following steps:

- Desk review of existing approaches and methodologies for social impact measurement of partnerships and co-operations
- Quantitative and qualitative analysis of the actual use of such methods by SEEs and their business partners
- Analysis of good practice case studies

[39] In the analysis, it became clear that the research theme on usage of dormant patents has not had any importance in any company inquired. Thus, the research theme was not pursued. As a substitute, a third best practice case on "New technologies/Digitalisation" was developed.

- Development of a draft model bringing together all empirical insights and inputs from case studies consulted
- Review of the model with selected experts and realisation of (3) participatory workshops for the final co-creation of the model
- Validation of the developed model by a conference in Brussels on 3–4 July 2018

4 Patterns of co-operations between SEEs and traditional enterprises

This chapter presents the general study findings relating to co-operation between SEEs and traditional enterprises based on the results of the empirical work conducted in this study.[40] It provides empirical evidence on a set of aspects that shape co-operation interactions in line with the conceptual framework and the different stages presented in Chapter 2 (see Table 6 in chap. 2.6 and Figure 3 in chap. 2.3).

The chapter then presents an analysis performed in order to determine the features shared by SEEs satisfied with co-operation with their traditional business sector partners. These include: size, frequency of co-operation, operation area, gender balance, co-operation motives, roles and means, funding sources, enablers and obstacles. A set of recommendations for successful co-operation is developed based on this analysis, generated by the survey, interview feedback and desk research.[41]

4.1 Analysis of co-operation relationships

The analytical framework formulated in Chapter 2 contains a set of key questions divided into three stages. The empirical outcomes of our study in is presented in the following sections in accordance to our analytical framework developed in chapter 2 above. The first section is structured as follows:

- In Section 4.1.1 Stage I: Initial conditions, drivers and linking mechanisms, the dimensions are: co-operation occurrence and frequency; drivers and motives of co-operation; roles in co-operation.
- In Section 4.1.2 Stage II: The process of co-operation, the dimensions are: co-operation area; means of co-operation; funding sources; enablers and obstacles.
- In Section 4.1.3 Stage III: The outcome of co-operation, the dimensions are: effect of co-operations on achieving organisational objectives; opinions on co-operation partners.

For each of the above dimensions an analysis is performed of the SEEs survey responses both according to the country of the SEE and to its field of activity (sector) declared in the survey. Each of the 1,164 SEEs taking part in the survey could declare to belong to as many sectors of the 15 provided as it deemed appropriate.

Each dimension from Stages I–III is analysed in general as well as by country and field of activity (sector) of the SEEs. Detailed data (for all dimensions, countries and sectors) is presented in the form of graphs and/or tables. The most significant items are commented on in the text.

Where appropriate, the analysis of the responses of the SEEs is supplemented with an analysis of a parallel survey of 126 traditional companies. Due to the relatively small number of responses the results for the traditional companies are presented without division into country or sector.

Additionally, where appropriate, the analysis is supplemented with qualitative observations and conclusions from the interviews performed within the scope of the study, and from literature.

[40] All numbers in this chapter come directly from our study. If data have been used from other studies this is directly indicated by the source used.

[41] In the following results from 4 co-creation events have been Integrated. The empirical data from the events is placed in appendix F of the attachment paper.

4.1.1 Stage I: Initial conditions, drivers and linking mechanisms

SEEs strongly engage in co-operation with other entities with, overall, 82% of the SEEs declaring in the survey to have collaborated in the last three years. In Belgium, Finland and the UK the percentage was even higher and reached 92-93%. The countries with the lowest co-operation ratios were: Germany (67%), Poland (69%) and Austria and Romania (73%).

The results of the survey are in line with the results found in the literature review of this report quoting the results of a C&E 2010 survey, which revealed that 87% of NGOs and 96% of businesses consider partnerships with each other important.

Traditional enterprises come in second place as co-operation partners, behind other SEEs. 80% of the respondents indicated that they have collaborated with other SEEs and 61% with traditional enterprises. Less frequent was co-operation with social extra-preneurs (35%) or other types of partners (17%).

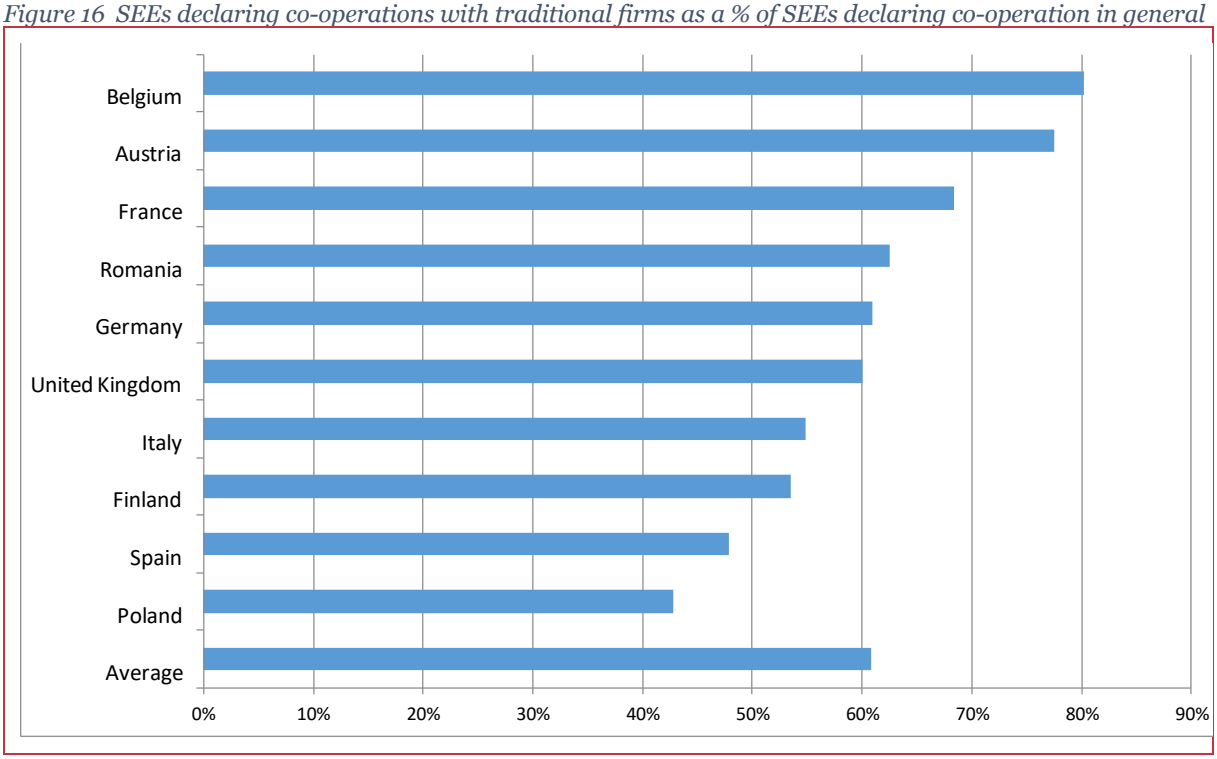
The countries where co-operation with traditional enterprises was noticeably more frequent than average are: Belgium (80%), Austria (77%) and France (68%). At the other end were Poland (43%) and Spain (48%).

In terms of sectors, agriculture was mentioned as that in which co-operation with traditional companies was most intense. 80% of SEEs operating in agriculture declared to have co-operated with traditional companies. Financial services (e.g. crowdfunding or fundraising) and consulting came in second with 78% of positive responses. At the other extreme were social care (52%) and culture and recreation (58%).

These figures[42] indicate that co-operation matters but there is quite a variance across countries and, to a slightly lesser degree, between sectors in terms of the prevalence of co-operation, suggesting that the encounter between SEEs and traditional firms is more difficult than with other SEEs or presents some obstacles. In the long run, this could be of concern to EU policy makers since it may put some countries at a competitive advantage over others should demand for co-operation between SEEs and traditional enterprises increase.

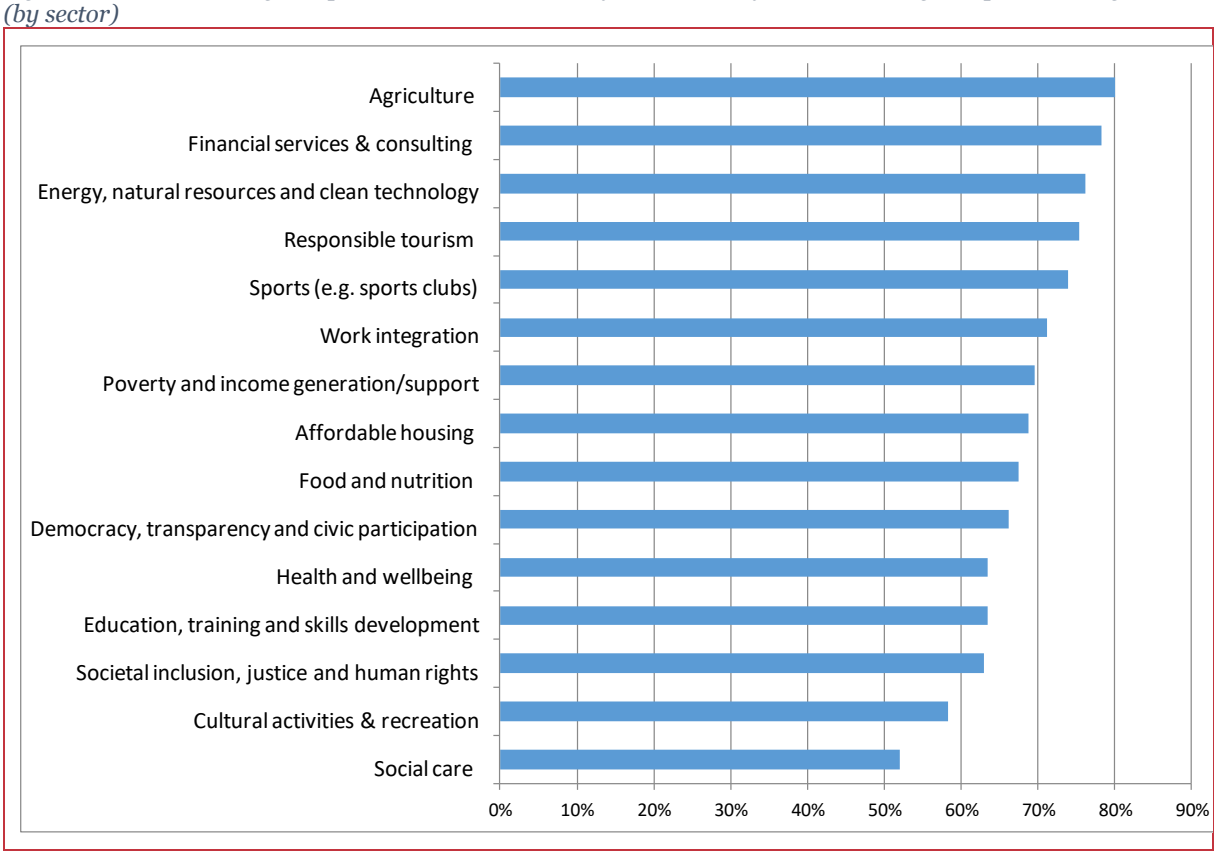
[42] Please refer to Figures 16 and 17 for detailed data on SEE co-operation with traditional firms by country and sector.

Figure 16 SEEs declaring co-operations with traditional firms as a % of SEEs declaring co-operation in general



In a sectoral perspective the data gives some insights into co-operation modes. The following figure indicates the sectoral responses in the data.

Figure 17 SEEs declaring co-operation with traditional firms as a % of SEEs declaring co-operation in general (by sector)



4.1.1.1 Drivers and motives of co-operation

The SEEs surveyed mentioned many motives for engaging in co-operation. Overall, no motive stands out from the others in terms of popularity. The most frequently indicated were those which related to increasing recognition, impact and strengthening resources and capabilities. Access to networks, scalability and visibility seem to be important drivers for engaging in co-operation. This should be recognised by any scheme aiming to facilitate such co-operation.

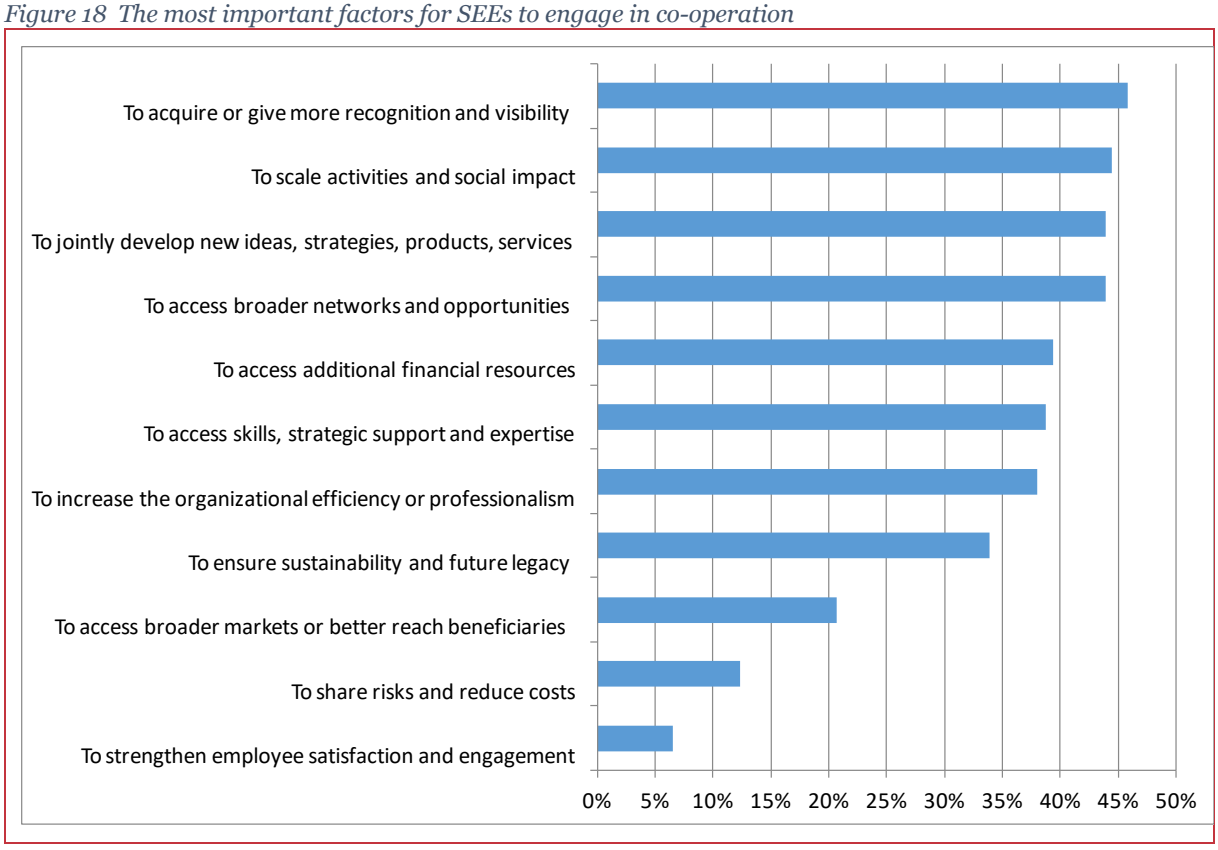
Considerably less frequently mentioned were motives related to cost reduction or employee satisfaction. Making societal impact by contributing to solving a social or environmental issue (externally-driven motive) has been recognised in the literature as the most important motive for co-operation (Spitz & Van Geffen, 2016). This corresponds to the second most frequent response in the SBI study – scaling-up for making impact. The Spitz & Van Geffen study also mentions as important in the context of SEEs internally-driven motives, such as obtaining funding, gaining visibility and legitimacy, accessing knowledge and skills – all of these responses have been frequently recorded in the SBI study as well.

Interestingly, the SBI study revealed considerable differences between countries in terms of the frequency of particular answers. Accessing broader networks and opportunities was the most popular driver in Italy (70%), Austria (54%) and Germany (52%), but much less popular in Poland (14%). SEEs from Poland pointed to the acquisition of recognition and visibility of their organisation and/or action as the most important (53%). This motive was not very popular in Spain (29%), which indicated scaling activities and social impact (52%) as the most important driver to collaborate. It was also the most popular in the UK (53%) and Finland (50%). It was also very important in Italy (59%), for which, however, accessing broader networks and opportunities (70%) was of even of greater importance. In Romania and Belgium ensuring sustainability and future legacy came in first place (61% and 46% respectively). Close to this in Belgium was developing new ideas, strategies, products or services, which was also the most

popular in France (61%). Accessing financial resources was especially important for SEEs from poorer countries – Romania (51%) and Poland (49%), much less for SEEs from richer countries – Finland (28%), Germany (31%) France (32%) or the UK (33%). In all countries, sharing risks, reducing costs or strengthening employee satisfaction received low rates of responses.

Differences in responses between sectors were less marked than between countries.[43] To acquire or give more recognition and visibility was indicated most frequently in: sports (56%), social care (51%), cultural activities and recreation (51%), societal inclusion, justice and human rights (49%), responsible tourism (49%), health and well-being (49%) and food and nutrition (47%). Accessing broader networks and opportunities was an especially popular driver in the financial services and consulting (53%) and social care (50%) sectors. Scaling-up activities and social impact was most popular in the following sectors: democracy, transparency and civic participation (55%) and agriculture (54%). To jointly develop new ideas, strategies, products or services was most popular for: financial services & consulting (58%), affordable housing (54%) and energy, natural resources and clean technology (52%). Strengthening employee satisfaction and engagement was by far the least popular answer provided by respondents from all sectors (4%–8%).

Figure 18 The most important factors for SEEs to engage in co-operation



Traditional companies are mostly driven by visibility motives – 72% of them declared they wanted to acquire recognition and visibility and/or to demonstrate corporate social responsibility. About half of them (48%) declared they wanted to make social impact and spread social innovation. It is interesting that 40% of traditional companies declared they were motivated by the possibility to jointly develop new

[43] Please refer to Figure 18 for an aggregate view on the most important factors for SEEs to engage in co-operation, and to for a detailed country and sector analysis of this issue.

ideas, strategies, products and services and 32%, by the wish to strengthen employee satisfaction and engagement.

Considering the overwhelming positive evaluation of the effect of co-operation on traditional companies (see section 4.3 for more details), a wider recognition among them of the potential of co-operation to innovate and to contribute to employee satisfaction and engagement could be an important trigger to considerably increase the number of co-operations. This recognition could be enhanced e.g. through appropriate information campaigns on EU/national/regional levels pointing to internal benefits traditional companies can achieve through co-operation with SEEs in addition to the more obvious CSR and visibility aims.

Interestingly, traditional companies declared that they initiated co-operation twice as often as the SEEs. Therefore, traditional companies appear to be relatively active in initiating co-operation, provided they are aware of the potential benefits. This awareness could be supported by the information actions mentioned above.

Figure 19 Most relevant factors for co-operation by country, sector and incentive
(Percentage of SEEs in a particular country or sector to have recognised a particular motive to engage in co-operation)

The most relevant factors for SEEs to engage in co-operation	To acquire or give more recognition and visibility	To increase the organizational efficiency or professionalism	To access additional financial resources	To access skills, strategic support and expertise	To share risks and reduce costs (e.g. sharing investment)	To access broader networks and opportunities	To strengthen employee satisfaction and engagement	To jointly develop new ideas, strategies, products or services	To scale activities and social impact	To access broader markets or better reach target beneficiaries	To ensure sustainability and future legacy of our activity
Country analysis											
Austria	46%	31%	43%	27%	9%	54%	0%	43%	39%	21%	37%
Belgium	36%	43%	38%	36%	11%	41%	9%	46%	45%	31%	46%
Finland	47%	20%	28%	25%	15%	29%	8%	38%	50%	10%	42%
France	49%	47%	32%	42%	19%	47%	10%	61%	53%	35%	34%
Germany	41%	23%	31%	38%	14%	52%	2%	45%	36%	5%	27%
Italy	40%	36%	37%	54%	20%	70%	9%	52%	59%	21%	22%
Poland	53%	52%	49%	31%	8%	14%	6%	12%	16%	14%	12%
Romania	35%	41%	51%	33%	14%	45%	16%	35%	33%	35%	61%
Spain	29%	29%	40%	33%	4%	42%	4%	44%	52%	15%	40%
United Kingdom	50%	25%	33%	36%	19%	47%	6%	36%	53%	25%	39%
Sector analysis											
Affordable housing	43%	36%	26%	49%	13%	40%	5%	54%	47%	13%	33%
Agriculture	38%	35%	35%	37%	15%	48%	7%	48%	54%	27%	39%
Cultural activities & recreation	51%	35%	43%	38%	12%	44%	7%	42%	42%	20%	30%
Democracy, transparency and civic participation	44%	38%	38%	43%	11%	49%	8%	48%	55%	17%	32%
Education, training and skills development	44%	39%	44%	40%	12%	45%	6%	44%	44%	21%	33%
Energy, natural resources and clean technology	44%	35%	36%	34%	15%	47%	5%	52%	44%	23%	41%
Financial services & consulting	37%	39%	41%	48%	12%	53%	5%	58%	51%	24%	32%
Food and nutrition	47%	39%	38%	35%	11%	38%	6%	39%	38%	22%	34%
Health and wellbeing	49%	38%	41%	41%	12%	43%	6%	45%	41%	19%	33%
Poverty and income generation/support	42%	41%	39%	33%	9%	42%	7%	36%	43%	17%	30%
Social care	51%	44%	39%	40%	11%	50%	8%	41%	40%	17%	33%
Responsible tourism	49%	42%	41%	36%	12%	43%	4%	43%	43%	16%	38%
Societal inclusion, justice and human rights	49%	38%	41%	42%	12%	44%	5%	43%	43%	19%	32%
Sports (e.g. sports clubs)	56%	36%	47%	38%	15%	37%	5%	37%	40%	21%	34%
Work integration	47%	40%	36%	34%	15%	45%	7%	44%	49%	28%	39%
Average											
Average	46%	38%	39%	39%	12%	44%	6%	44%	44%	21%	34%

4.1.1.2 Characteristics of co-operation partners

The vast majority of co-operations are characterised by the participation of SEEs in the value chain of traditional firms: in 27% of cases SEEs were only suppliers, in 17% only customers, and in 36% both suppliers and customers. Overall, 63% of the SEEs declared that they had the role of a supplier and 53% of a customer. These figures[44] suggest that SEEs are treated by traditional enterprises as peers to some extent, and "conventional" business-to-business relationships are possible between the two types of entities.

57% of the SEEs declared having the role of a collaborator adds value to a third party. Two thirds of them, or 39% of all respondents have had both roles of a collaborator to add value to a third party and a commercial role. 19% of the respondents declared the role of a collaborator to adds value to a third party only. 2% of the respondents did not indicate any of the roles mentioned in the survey.

The role of supplier was the most popular in Romania (80%) and Belgium (73%), and less popular in Germany (44%). The role of customer was the most popular in Finland (64%), Romania (63%) and Belgium (60%), and less popular in the UK (33%). The role of collaborator to add value for a third party was the most popular in Finland (74%), France (73%) and Spain (70%), and less popular in Germany (28%).

Again, when looking at the responses from the sectoral point of view, the differences are considerably less marked. The role of supplier was most popular in work integration (71%), responsible tourism (69%) and energy, natural resources and clean technology (68%) and less popular in democracy, transparency and civic participation (50%). The role of customer was the most popular in food and nutrition (60%), health and wellbeing (58%) and social care (58%), and less popular in responsible tourism (37%). The role of collaborator to add value for a third party was the most popular in sports (74%) and financial services and consulting (70%), and less popular in food and nutrition (50%). In all sectors respondents most often declared multiple roles during co-operation.

[44] Please refer Figure 20 and Figure 21 for an analysis of SEEs roles in cooperation with traditional enterprises by country and sectors.

Figure 20 Role when co-operating with traditional enterprises by countries

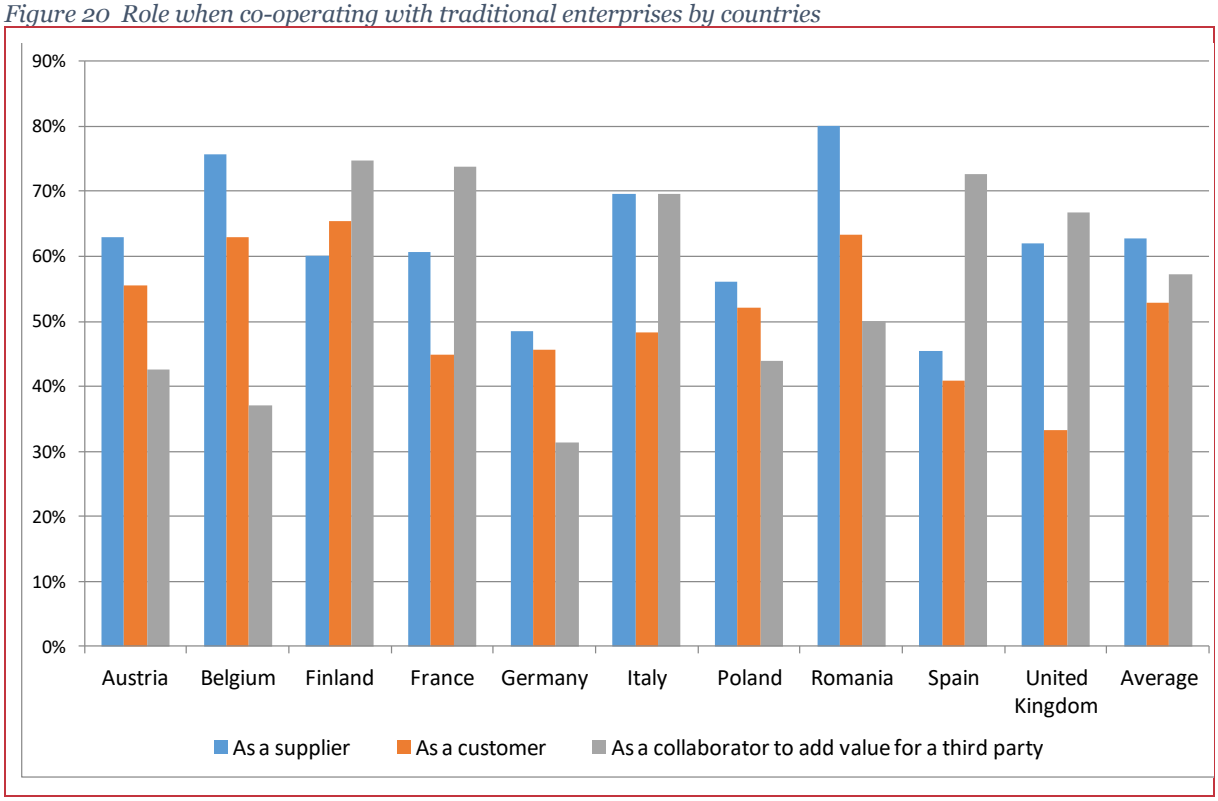
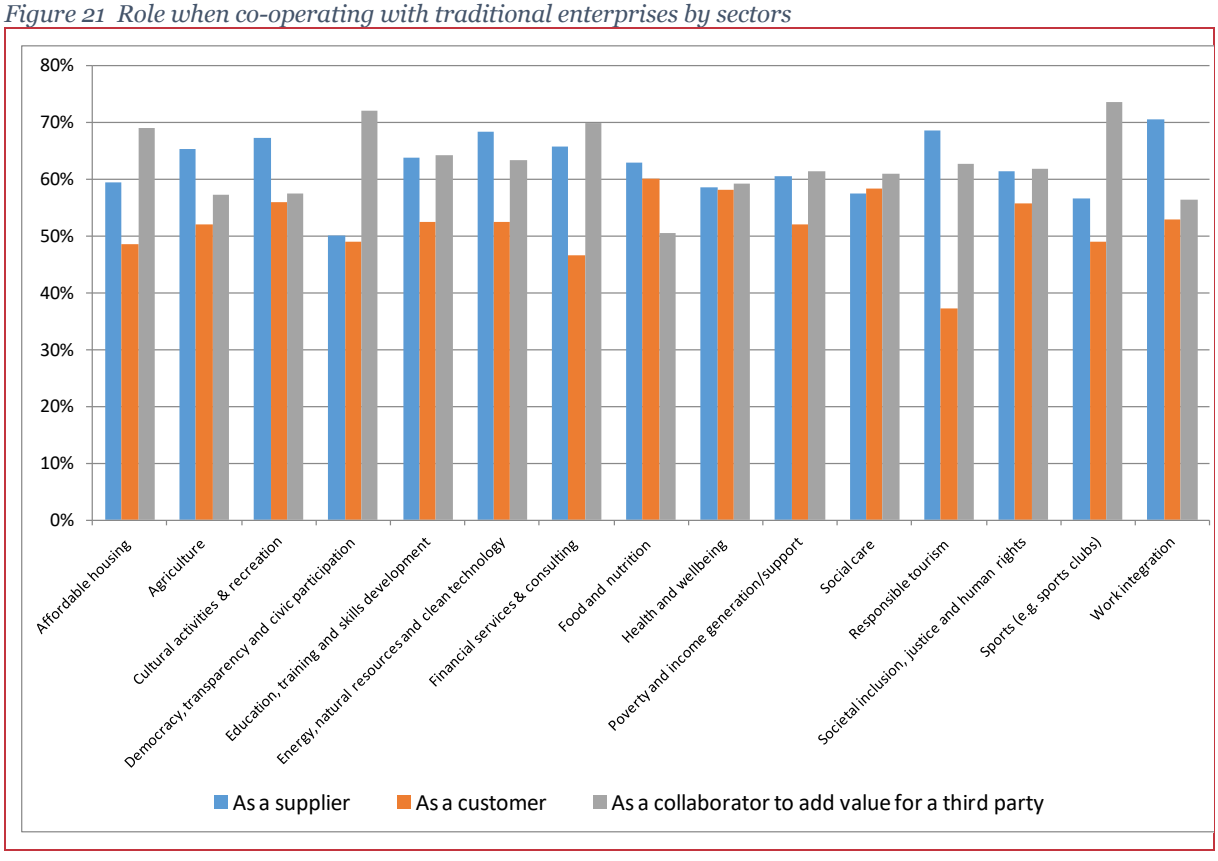


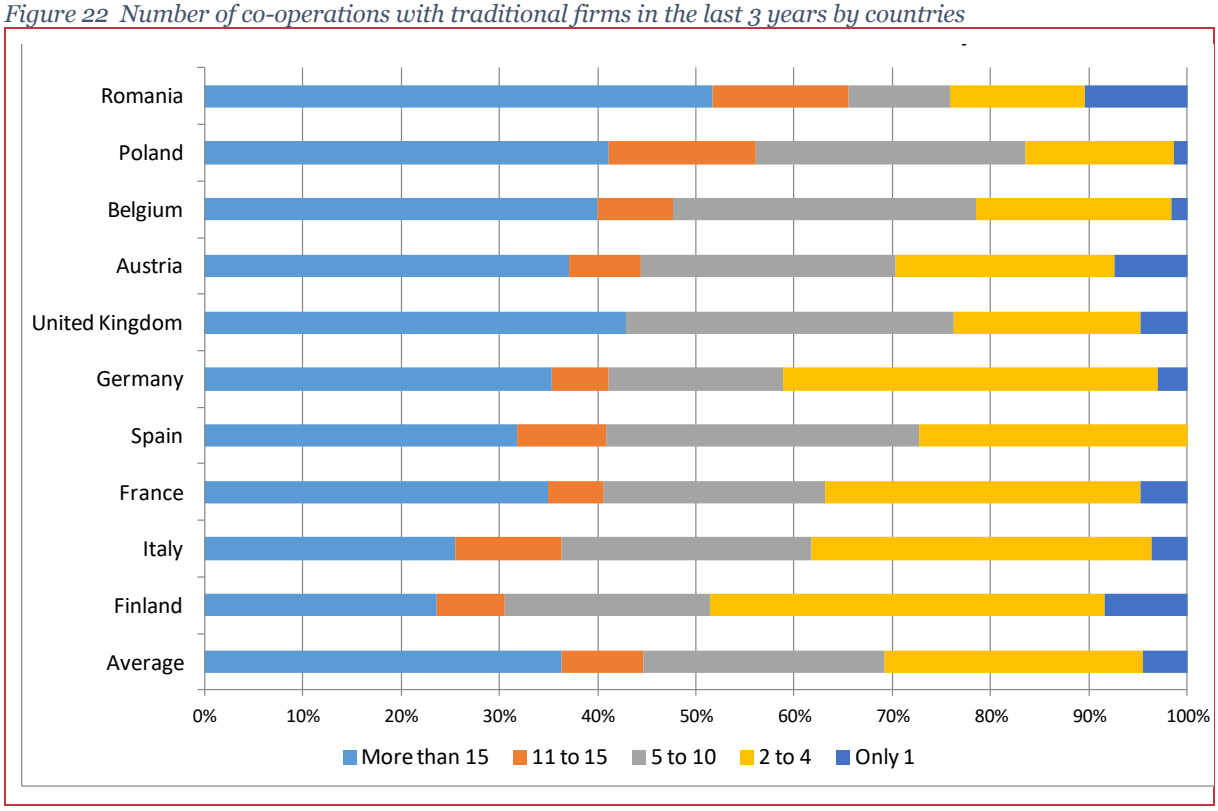
Figure 21 Role when co-operating with traditional enterprises by sectors



The majority of the SEEs co-operate with a relatively large number of traditional companies. 36% of the SEEs co-operated with 15 or more traditional companies, 45% with 11 or more and 69% with 5 or more. Only 31% of the SEEs co-operated with 4 or less traditional companies and 5% co-operated with only one. Poland and Romania are the countries with the relatively highest numbers of co-operations per SEE, and Finland and Italy with the lowest. Sector-wise, food and nutrition and agriculture exhibit the highest number of co-operations, while sports and energy, natural resources and clean technology the lowest. Differences between sectors are much less pronounced than between countries.

The average number of co-operations revealed by the survey[45] is in line with the results found in the literature.[46]

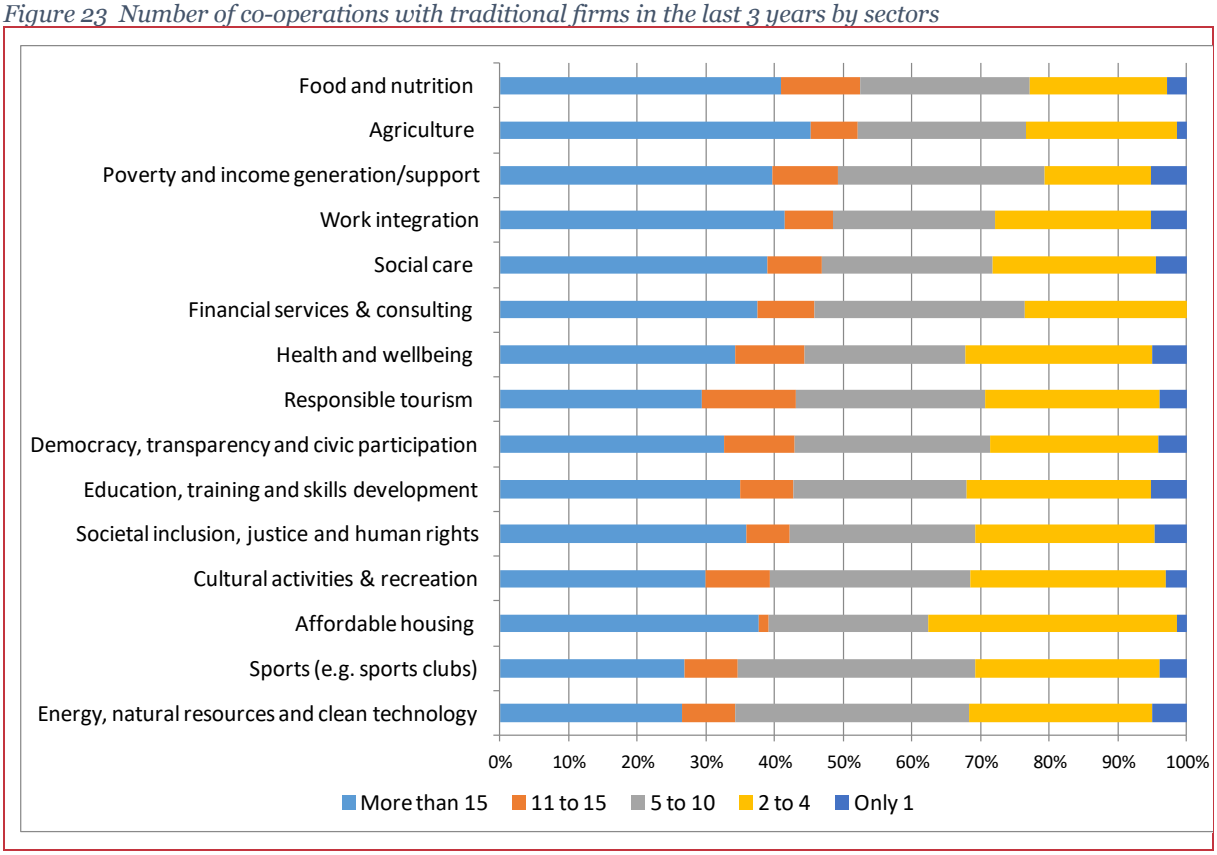
Figure 22 Number of co-operations with traditional firms in the last 3 years by countries



[45] Please refer to Figures 21 and 22 for an analysis of the number of co-operations with traditional enterprises by country and sector.

[46] See chapter 2.1 of this report quoting the results of a C&E 2010 survey, which revealed that most NGOs and businesses were engaged in 11 to 50 or more partnerships

Figure 23 Number of co-operations with traditional firms in the last 3 years by sectors



4.1.2 Stage II: The process of co-operations

4.1.2.1 Time and location of co-operations

The SEEs surveyed operate mainly on a regional (55%) or national (32%) basis. Instances of operation in other European Union countries (5%), other non-EU European countries (1%), countries neighbouring Europe (0%) and in non-EU developing (4%) or developed (2%) countries were very infrequent.

The results from the countries surveyed are consistent with no significant deviations from the overall picture.[47] Worth noting is a relatively high percentage of SEEs operating at EU level in Belgium (9%), Italy (8%) and Germany (7%). To a certain extent these results correspond to the results of studies that show the existence of barriers to the scalability of social enterprises[48] (Keizer et al., 2016; OECD, 2016).

The most noticeable exception were Spanish SEEs, 16% of which operate in non-European developing countries. This is due to strong historical links of Spain with Spanish-speaking Latin American countries. Many of them have the status of developing countries and maintain strong economic relations with Spain. This example suggests that language may be an obstacle for some SEEs to develop international co-operations and that historical links between countries facilitate them. This hypothesis that historical ties to third countries play a role was confirmed during the interviews with the internationally operating SEEs from France and Belgium, which are present mainly in these countries' former colonies.

[47] Please refer to Figures 24 and 25 for an analysis of SEEs operational area by country and sector.

[48] Keizer, A.; Stikkers, A.; Heijmans, H.; Carsouw, R. & van Aanholt, W. (2016). Scaling the impact of the social enterprise sector. Report. McKinsey Co. https://www.social-enterprise.nl/files/9314/7809/5072/Scaling-the-impact-of-the-social-enterprise-sector.pdf; OECD (2016). Policy Brief on Scaling the Impact of Social Enterprises. Luxemburg. https://www.oecd.org/cfe/leed/Policy-brief-Scaling-up-social-enterprises-EN.pdf

Consequently, SEEs in EU Member States without such ties may need special support if they wish to internationalise.

In terms of sectors, responsible tourism (10%) and financial services & consulting (9%) showed the strongest presence in Europe. Poverty and income generation/support (11%) and agriculture (10%) had the most significant presence from all sectors in developing countries. On the other hand, SEEs from the following sectors visibly concentrated more on regional operations: affordable housing (67%), work integration (66%), social care (62%) and food and nutrition (61%).

The overall small range of operations is not surprising as 80% of the entities surveyed are either micro (49%) or small (31%). Many of the interviewees reported not even regional, but a local range of operations.

Figure 24 SEE main operation areas

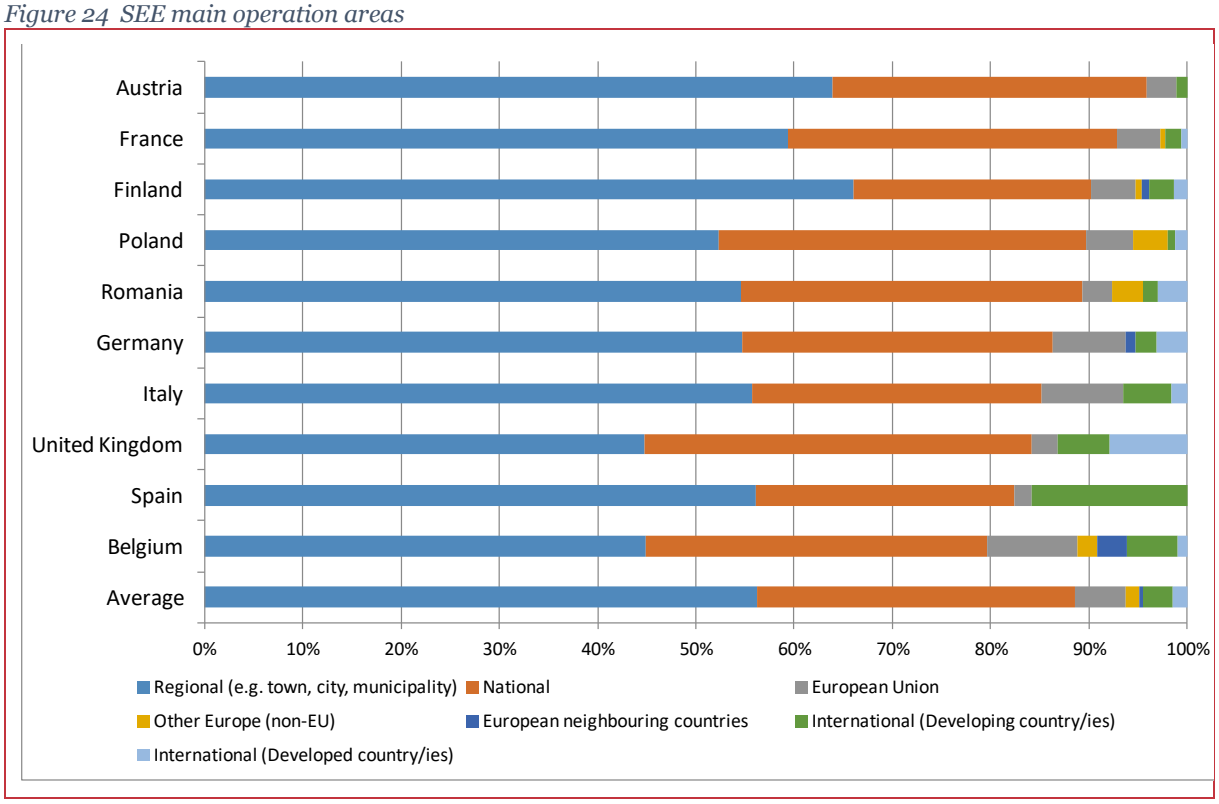
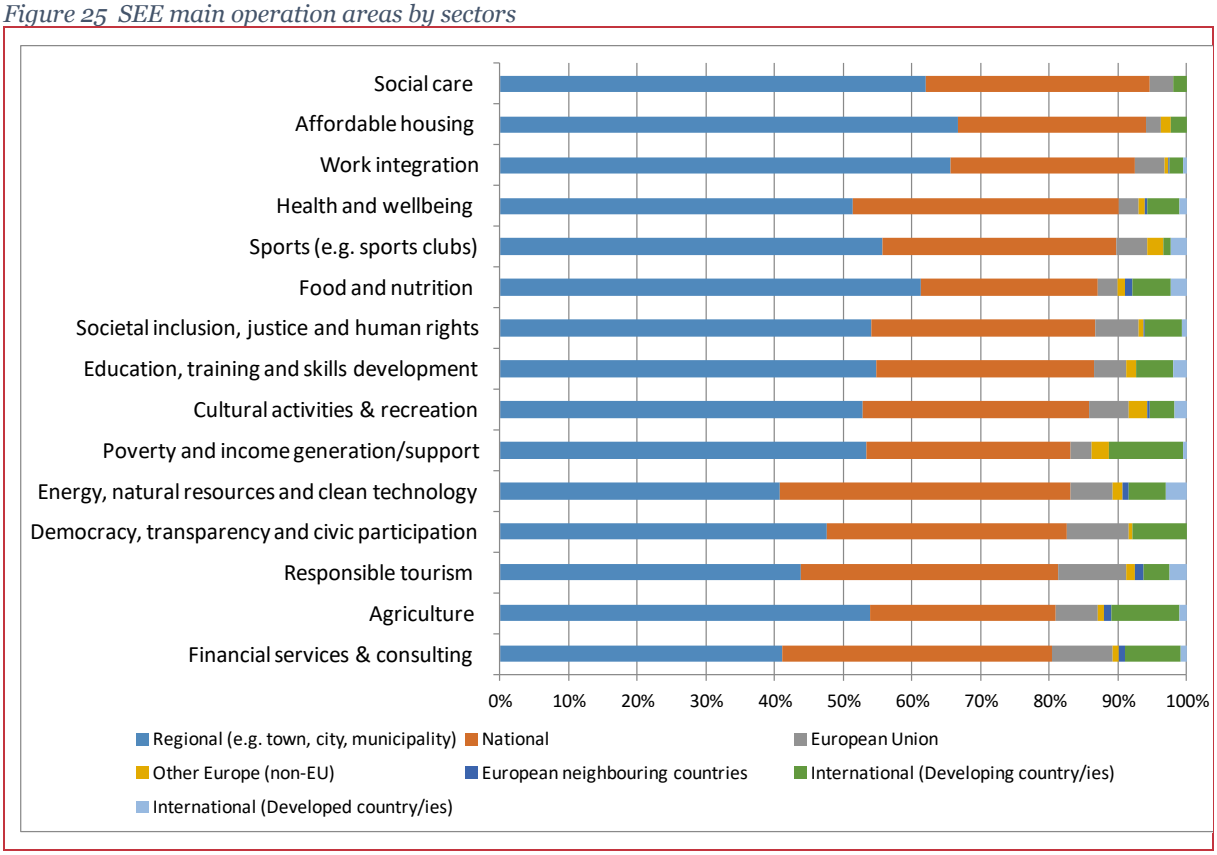


Figure 25 SEE main operation areas by sectors



Traditional companies that engage in co-operation represent all sizes – micro, small, medium and large enterprises. The companies surveyed most often had a national area of operations (54%), followed by regional (28%), European (15%) and international (3%).

The range of operations of the SEE can sometimes be determined by factors other than the size of the SEE, e.g. by the client of the SEE or by regulations. An interesting example is a German non-profit micro enterprise, focusing on advising on the compatibility of work and family from the perspective of men and fathers and developing appropriate company policies in this respect. Their only clients are large companies/corporations which have enough resources to pay for the service and to develop this type of internal policies in a formalised way. On the other hand, the German SEE reported considerable limitations in developing outside their country, as their work is very much based on German labour law regulations, which differ from other countries' regulations.

The SEEs and traditional firms interviewed generally pointed out that good examples of co-operations have a long-term character. This is true e.g. for the mentioned German enterprise, which for the last seven years has been working with its first client, a global bank (though only in Germany). It is also true e.g. for an Italian SEE promoting the social inclusion of disadvantaged women through their involvement in the production of ethical clothes and accessories largely made from the waste of apparel firms. A market-based business model built on long-term relations with clothes manufacturers allowed this SEE not only to secure key supplies, but also to enter into co-branding with traditional businesses.

4.1.2.2 Organisational, operating, and funding structure of co-operations

The co-operations take on different forms. The most popular by far are cross-sector partnerships between public authorities, private firms and social economy entities – 59% of the SEEs conducted this

form of co-operation.[49] This means of co-operation was the most popular in all countries except Poland, where it was second. It was especially popular in Austria (80%). This suggests that co-operation is most attractive when the two parties operate in different sectors and complement each other well.

The second means of co-operation most popular overall was clustering and networking (39%), especially in France (64%) and Belgium (52%), but not so in Italy (17%) or Poland (20%).

Social and relational capital exchange came in third (23%). It was popular especially in Romania (35%) and Finland (31%), and not so in France (13%) or the United Kingdom (17%).

Creation of joint social venture (23%) ranked fourth. Poland (69%) was visibly in the lead among the countries surveyed, while France (6%), Romania (8%) and Spain (8%) closed the popularity ranking for this means of co-operation.

Other reported means of co-operation were: integration with value chains of traditional businesses (22% overall, but 35% in Belgium), links to intermediaries such as incubators and accelerators (15%), recruitment of external stakeholders (15%), R&D alliance (14%) and incubation/business unit creation in traditional business as social intrapreneur (8%). Very few respondents reported any co-operation with VCs (2%) with almost all the positive responses coming from Belgium (5%).

Cross-sector partnerships between public authorities, private firms and social economy entities were by far the most popular means of co-operation in all sectors (58%–68%).

Clustering and networking were especially popular in financial services & consulting (55%), democracy, transparency and civic participation (54%) and energy, natural resources and clean technology (51%).

Social and relational capital exchange was popular especially in the poverty and income generation/support (34%) and sports (30%) sectors.

Integration with value chains of traditional businesses was popular in agriculture (33%), sports (30%), work integration (29%) and responsible tourism (29%).

The sector of sports came as a distinct leader in the use of a joint social venture (44%) while financial services & consulting (44%) visibly lead in the use of links to intermediaries such as incubators and accelerators.

The use of venture capital was almost non-existent overall, but was noticeable in the financial services & consulting (7%) and energy, natural resources and clean technology (6%) sectors.

These results, complemented with the information obtained from the qualitative study, suggest the prevalence of transactional and integrative partnerships.

[49] Please refer to Figure 28 for an aggregate view on the most popular means of co-operation between SEEs and traditional firms, and to Figure 29 for a detailed country and sector analysis of this issue.

Figure 26 Means of co-operation

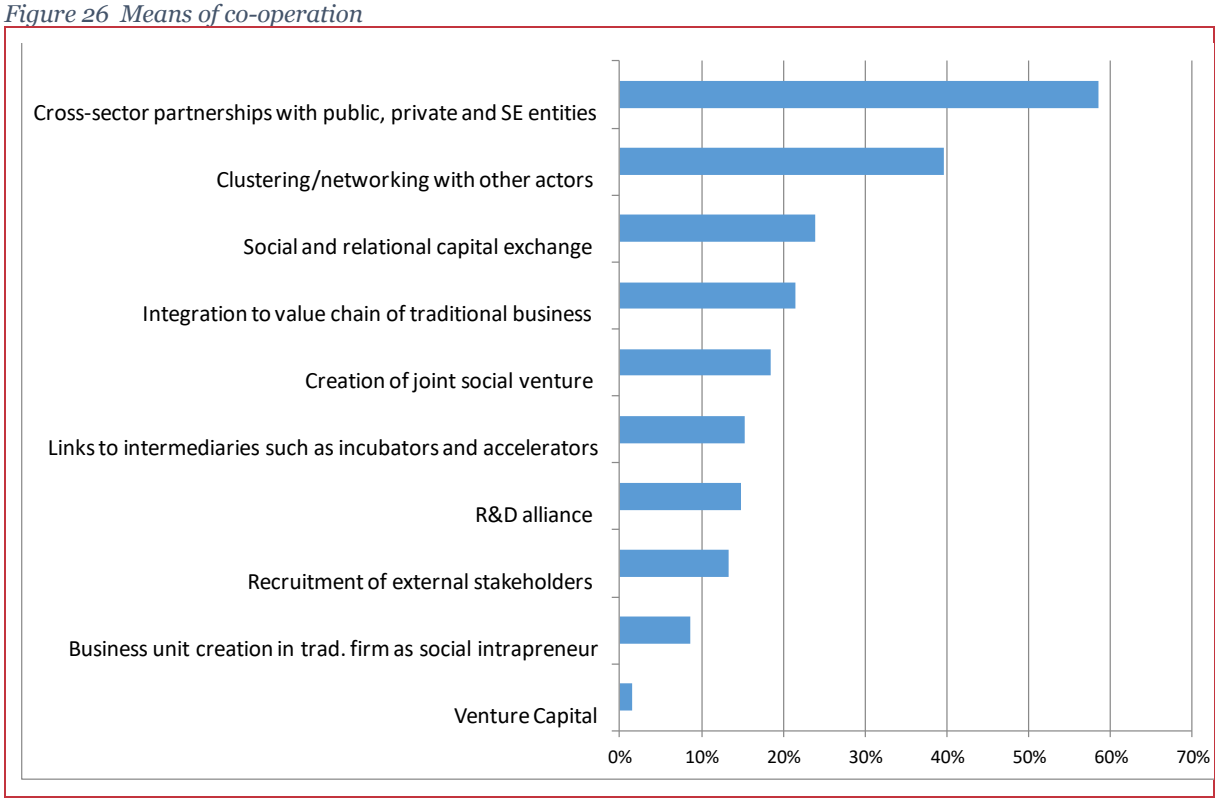


Figure 27 Means of co-operation by country, sector and kind of co-operation
(Percentage of SEEs in a particular country or sector to have recognised a particular means of co-operation)

Collaboration means	Cross-sector partnerships with public authorities, private firms and SEEs	Integration to value chain of traditional business	Creation of joint social venture	Social and relational capital exchange	R&D alliance	Incubation / business unit creation in trad. business as social intrapreneur	Clustering/networking with other actors	Recruitment of external stakeholders	Links to intermediaries such as incubators and accelerators	Venture Capital
Country analysis										
Austria	80%	15%	10%	27%	6%	7%	41%	7%	8%	0%
Belgium	59%	35%	16%	24%	18%	10%	52%	21%	16%	5%
Finland	50%	17%	18%	31%	16%	1%	39%	21%	10%	2%
France	78%	25%	6%	13%	26%	8%	64%	18%	27%	3%
Germany	53%	20%	17%	19%	3%	13%	33%	6%	16%	2%
Italy	58%	19%	9%	24%	15%	8%	17%	15%	14%	1%
Poland	47%	23%	69%	19%	3%	9%	20%	14%	12%	0%
Romania	42%	25%	8%	35%	21%	19%	35%	8%	17%	2%
Spain	56%	19%	8%	29%	23%	13%	46%	10%	10%	0%
United Kingdom	63%	17%	23%	17%	17%	0%	49%	11%	23%	0%
Sector analysis										
Affordable housing	66%	17%	18%	22%	13%	8%	42%	10%	14%	3%
Agriculture	64%	33%	21%	24%	16%	11%	49%	13%	26%	1%
Cultural activities & recreation	60%	23%	27%	26%	16%	8%	38%	16%	18%	1%
Democracy, transparency and civic participation	68%	22%	24%	31%	20%	11%	54%	18%	25%	1%
Education, training and skills development	64%	21%	23%	27%	18%	8%	42%	16%	19%	1%
Energy, natural resources and clean technology	58%	22%	19%	25%	18%	9%	51%	9%	28%	6%
Financial services & consulting	64%	20%	14%	26%	24%	13%	55%	20%	44%	7%
Food and nutrition	62%	24%	36%	23%	17%	12%	42%	19%	23%	4%
Health and wellbeing	58%	21%	27%	25%	19%	9%	42%	19%	19%	2%
Poverty and income generation/support	67%	22%	28%	34%	17%	8%	41%	21%	26%	2%
Social care	63%	16%	30%	26%	15%	10%	39%	19%	16%	2%
Responsible tourism	59%	29%	26%	26%	19%	14%	48%	16%	29%	1%
Societal inclusion, justice and human rights	65%	21%	25%	28%	17%	9%	42%	17%	19%	1%
Sports (e.g. sports clubs)	60%	30%	44%	30%	16%	12%	41%	22%	27%	1%
Work integration	66%	29%	20%	25%	17%	10%	42%	16%	19%	2%
Average										
Average	59%	22%	23%	23%	14%	8%	39%	15%	15%	2%

Many SEEs finance their activities by generating income through business/market relations with traditional firms. This is especially true for SEEs whose main goal is to support disadvantaged people by employing them. They are obliged to build sustainable business models considering their limitations and overcoming them. An example is a Belgian WISE (Work Integration Social Enterprise) which found niche markets for its products and services with low level of competition and offers them at the lowest possible price. Another example could be a Polish brewery employing people with mental health conditions, which targets the premium market, but puts extreme emphasis on internal management and communication with employees. An appropriate business strategy and its successful implementation allow these entities to self-finance their social goal.[50]

However, in some cases SEEs running businesses use complementary sources of financing. These have been examined in the survey together with funding sources provided without the expectation of financial return. The latter are mostly used by SEEs which do not run a business and where the supported social groups are not the employees of the SEEs. The availability of resources, and thus, to a large extent, the acquisition of financing was mentioned in the survey by the SEEs as the third most important criterion to facilitate co-operation. The lack of resources was the most important criterion that hindered co-operation.

The survey revealed[51] that by far the most popular financing source in all countries, except the United Kingdom, was public funding, be it local, national or European. 65% of the respondents declared having benefited from it. It scored highest in Spain (84%) and lowest in Germany (45%). This implies there is quite some way to go before SEEs become self-sustainable. Strengthening financing models that rely on revenue from traditional enterprises through business interactions may be one way for policy makers to help SEEs become self-sustainable. The popularity of other sources of financing also varies across the countries surveyed. Our studies showed that, overall, far behind public funding, charities were mentioned as the second most important financing source (30%). It was the most popular financing source in the United Kingdom (55%), but not so much in Austria (15%) or Poland (19%).

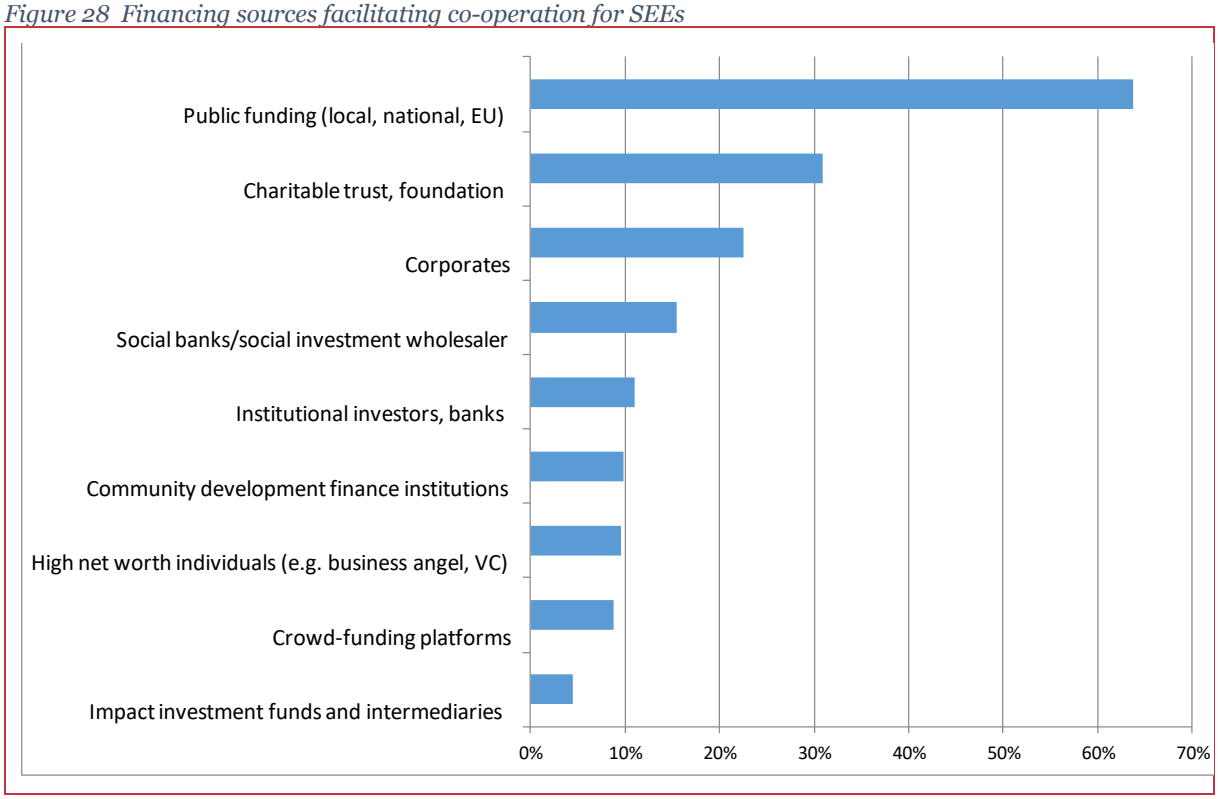
Corporates have provided financing to 21% of the respondents. They were popular in Spain (36%) and Belgium (33%), but not in Italy (2%) or Poland (5%). Social banks (16%) were very popular in Italy (38%), but not at all in Finland (1%) or Romania (4%). Other sources of financing included: institutional investors and banks (11% overall, 19% in Belgium, 18% in Spain, 4% in Romania and Finland), community development finance institutions (11% overall, 35% in Poland, 2% in Spain), high net worth individuals (e.g. business angels, VC) (9% overall, 21% in Poland, 0% in Austria), crowd-funding platforms (9% overall, 14–15% in Belgium and Romania, 4% in Poland) and impact investment funds and intermediaries (4% overall, 16% in the United Kingdom, 0% in Germany, Italy and Spain).

SEEs also reported having received support from traditional companies in the form of: competence voluntary work (43% overall, most popular in Romania 57%), sponsorship (36% overall, most popular in Belgium 53%) and pro bono investment (26% overall, 42% in the United Kingdom).

[50] See best practice cases below in the following chapters.

[51] Please refer to Figure 30 for an aggregate view on the funding sources to have facilitated co-operation between SEEs and traditional firms, and to Figure 31 for a detailed country and sector analysis of this issue.

Figure 28 Financing sources facilitating co-operation for SEEs



The most popular financing source in all sectors was public funding, especially in responsible tourism (75%), work integration (73%) and cultural activities & recreation (72%).

Charities, mentioned as the second most important financing source, were especially popular in the sector of health and wellbeing (40%) and sports (40%), but much less so in responsible tourism (22%).

Corporates provided financing noticeably more often in the sector of sports (38%) than in other sectors (16%–29%).

Social banks were popular in agriculture (30%) and in food and nutrition (26%).

Worth noting is that sports was the most diversified sector in terms of the number of types of financing sources used per SEE (2.3 on average), while social care was the least diversified (1.8 on average).

Figure 29 Financing of SEEs by country and sector
(Percentage of SEEs in a particular country or sector to have recognised a particular funding/financial source)

Funding sources to have facilitated co-operation	Social banks/social investment wholesaler	Community development finance institutions	Impact investment funds and intermediaries	Crowd-funding platforms	Public funding (local, national, EU)	Charitable trust, foundation	Institutional investors, banks	Corporates	High net worth individuals (e.g. business angel, venture capitalist)
Country analysis									
Austria	8%	5%	2%	10%	76%	15%	8%	24%	0%
Belgium	18%	4%	8%	14%	61%	28%	19%	33%	10%
Finland	1%	10%	2%	6%	71%	38%	4%	18%	5%
France	20%	17%	6%	8%	71%	36%	13%	28%	6%
Germany	25%	5%	0%	7%	45%	29%	9%	29%	16%
Italy	38%	9%	0%	10%	55%	25%	13%	2%	8%
Poland	9%	35%	8%	4%	60%	19%	15%	5%	21%
Romania	4%	6%	2%	15%	66%	28%	4%	19%	11%
Spain	18%	2%	0%	9%	84%	38%	18%	36%	4%
United Kingdom	13%	6%	16%	6%	48%	55%	6%	32%	16%
Sector analysis									
Affordable housing	25%	13%	9%	6%	57%	36%	16%	20%	8%
Agriculture	30%	12%	7%	13%	63%	33%	15%	29%	10%
Cultural activities & recreation	14%	12%	4%	12%	72%	34%	13%	20%	10%
Democracy, transparency and civic participation	18%	12%	8%	6%	69%	39%	9%	26%	12%
Education, training and skills development	13%	10%	5%	9%	71%	37%	11%	27%	11%
Energy, natural resources and clean technology	24%	12%	10%	9%	63%	29%	14%	22%	10%
Financial services & consulting	24%	11%	14%	11%	62%	36%	17%	29%	11%
Food and nutrition	26%	14%	7%	11%	56%	32%	12%	24%	18%
Health and wellbeing	17%	13%	5%	10%	66%	40%	12%	25%	10%
Poverty and income generation/support	17%	12%	6%	12%	68%	39%	15%	27%	11%
Social care	17%	14%	3%	9%	69%	33%	11%	17%	8%
Responsible tourism	25%	15%	9%	13%	75%	22%	13%	16%	7%
Societal inclusion, justice and human rights	17%	13%	6%	10%	69%	39%	13%	25%	8%
Sports (e.g. sports clubs)	21%	17%	8%	8%	66%	40%	19%	38%	17%
Work integration	16%	11%	5%	10%	73%	31%	13%	20%	7%
Average									
Average	16%	11%	4%	9%	65%	30%	11%	21%	9%

40% of traditional companies, when asked about forms of investments in SEEs, declared that they provided grants and gifts, which characterises a philanthropic type of partnership. Another 40% declared they did not make any investments which indicates their partnerships with SEEs were not a mere transfer of resources but joint value creation (transactional, integrated or transformational partnerships). 19% of the traditional companies surveyed declared they invested equity in SEEs or joint ventures which is often characteristic of the most elaborated transformational type of partnership.

Regardless of the type of financial involvement, traditional companies reported that co-operation helped them achieve tangible benefits. Interestingly, the most satisfied were companies which did not make any investment – 83% of them reported important or moderate benefits. They were closely followed by companies whose co-operation consisted on providing grants or gifts – 76% of satisfied entities. Less satisfied, though still positively evaluating co-operation, were companies which provided equity – 63% of satisfied entities.

4.1.2.3 Enablers and obstacles

The survey asked the SEEs about the most important factors that facilitate co-operation. The SEEs could choose up to three out of 15 possible answers. Significantly ahead of other answers came trust between partners with 59% respondents overall of respondents recognising it as one of the three key factors. It was the most popular answer in all countries except for Poland and Finland, in which the alignment of objectives was the most popular. The alignment of objectives was in second place in terms of popularity overall (50%). Next came the availability of resources (e.g. time, workforce, financing) (46%), the alignment of values (36%) and sufficient skills and know-how on how to collaborate (35%). The remaining ten factors were much less popular, with participation and engagement of users and communities (17%) coming in sixth place, followed by existence of favourable public policies or incentive schemes (14%), robust project management (13%), public-private partnership (11%) and visionary leadership (11%).

Results from the literature[52] point out that the notion of "shared value" and building hybrid value chains is key for co-operation. This corresponds to such factors mentioned in the survey as: alignment of objectives (No. 2) and alignment of values (No. 4). An interesting finding is a very marked lead of trust between partners as the most important factor to facilitate co-operation, while the literature does not emphasise its importance to such an extent.

These findings[53] imply that policy makers wishing to facilitate co-operation should focus on creating platforms, networks and fora bringing SEEs and traditional enterprises together and allowing them to build an environment of trust, and on targeted financial support to enable parties to co-operate in the first place.

Interestingly, while the alignment of objectives and values was considered key, the matching of organisational cultures was not viewed as very important (8% overall). Significant differences between countries were observed, with Italy and Romania considering this factor as relatively important (23%), while respondents from Austria (3%), Finland (4%), France (4%) and Poland (5%) stated the opposite.

Other less popular answers on factors enabling co-operation included: monitoring and evaluation of results (8%), participation in a common ecosystem or piloting/experimenting platform (8%), public procurement (4%) and access to intellectual property (e.g. patent, trademark) (2%).

From a sector perspective, trust between partners was especially emphasised by SEEs from the agricultural sector (72%). It was less important for responsible tourism (49%), for which the availability of resources was key (55%). Responsible tourism also emphasised, as compared with other sectors, the necessity to have values aligned (45%). The alignment of objectives was most important for the sports

[52] See Drucker, Porter & Kramer, Porter et al.

[53] Please refer to Figure 32 for an aggregate view on the most important factors to facilitate co-operation between SEEs and traditional firms, and to Figure 33 for a detailed country and sector analysis of this issue.

sector (64%), which also emphasised the need to possess sufficient skills (44%), similarly to the social care sector (44%).

The survey findings were confirmed to a great extent during the interviews. As key factors of a successful co-operation, respondents often mentioned mutual trust and support and trust-building factors such as responsibility and professionalism, similar core values and goals, and appreciation of the other party's work.

In some cases, the key driver of a co-operation was the personal motivation of the traditional company's CEO who personally wanted to have a social impact (e.g. the case of a Polish shipping company whose owner, following personal traumatic experience, provides assistance to children with heart defects).

Also significant were pure business reasons – the co-operation happened because it made business sense for both parties. Business rationale was sometimes the motive to engage in co-operation, but creating a win-win situation, also from the business point of view, is required to make it sustainable.

A very important requirement raised during the interviews was the need to know each other, to understand, and to communicate appropriately. The participation in different kinds of networks involving traditional companies and a previous interaction with them was mentioned as a co-operation facilitator.

Figure 30 The most important factors for SEEs to facilitate co-operation

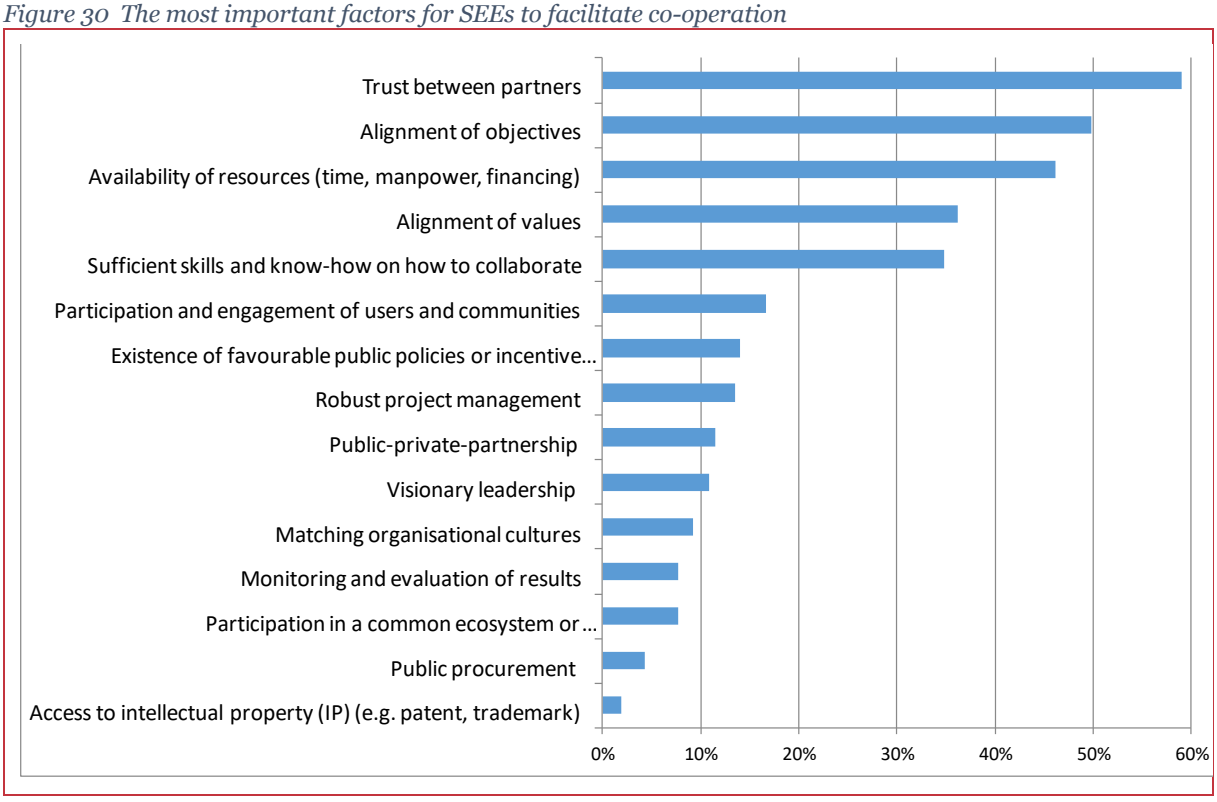


Figure 31 Factors facilitating co-operation
(Percentage of SEEs in a particular country or sector to have recognised a particular factor to facilitate co-operation)

Factors to facilitate co-operation	Availability of resources (time, manpower, financing)	Sufficient skills and know-how on how to collaborate	Alignment of objectives	Alignment of values	Visionary leadership	Trust between partners	Matching organisational cultures	Participation in a common ecosystem or piloting/experimenting platform (e.g. living labs)	Participation and engagement of users and communities	Existence of favourable public policies or incentive schemes that foster collaboration	Public procurement	Public-private-partnership	Robust project management	Monitoring and evaluation of results	Access to intellectual property (IP) (e.g. patent, trademark)
Country analysis															
Austria	59%	31%	46%	25%	10%	62%	3%	7%	14%	24%	3%	8%	10%	1%	1%
Belgium	48%	31%	38%	37%	19%	70%	11%	7%	13%	12%	2%	3%	13%	9%	0%
Finland	29%	41%	65%	35%	7%	59%	4%	8%	20%	2%	3%	18%	7%	5%	1%
France	52%	43%	32%	55%	13%	74%	4%	12%	12%	20%	4%	9%	14%	15%	1%
Germany	39%	30%	53%	27%	5%	53%	6%	9%	13%	20%	0%	5%	17%	8%	2%
Italy	42%	52%	50%	47%	14%	60%	22%	9%	19%	14%	7%	17%	16%	10%	3%
Poland	41%	45%	64%	31%	7%	39%	5%	3%	10%	3%	3%	6%	6%	3%	3%
Romania	54%	21%	52%	31%	23%	67%	23%	8%	27%	29%	8%	15%	23%	15%	6%
Spain	40%	29%	44%	40%	6%	46%	0%	8%	27%	6%	4%	27%	23%	6%	2%
United Kingdom	57%	26%	54%	34%	6%	60%	14%	6%	11%	9%	9%	6%	6%	6%	0%
Sector analysis															
Affordable housing	46%	37%	49%	31%	13%	63%	6%	6%	13%	13%	6%	10%	14%	12%	0%
Agriculture	51%	35%	44%	40%	12%	72%	6%	12%	18%	15%	3%	5%	9%	6%	1%
Cultural activities & recreation	44%	41%	50%	38%	13%	56%	10%	10%	24%	14%	3%	14%	11%	8%	4%
Democracy, transparency and civic participation	47%	42%	46%	41%	13%	62%	8%	12%	17%	15%	3%	12%	12%	10%	3%
Education, training and skills development	48%	41%	49%	37%	12%	58%	9%	10%	17%	16%	4%	12%	12%	8%	2%
Energy, natural resources and clean technology	49%	33%	54%	29%	15%	67%	8%	16%	17%	13%	5%	11%	16%	10%	2%
Financial services & consulting	52%	40%	42%	34%	12%	64%	9%	13%	19%	11%	2%	7%	15%	11%	2%
Food and nutrition	44%	34%	47%	39%	12%	57%	6%	9%	19%	9%	3%	9%	10%	8%	2%
Health and wellbeing	47%	43%	52%	37%	12%	59%	8%	7%	22%	11%	5%	13%	9%	9%	2%
Poverty and income generation/support	52%	42%	52%	37%	14%	54%	7%	11%	16%	18%	3%	12%	11%	10%	2%
Social care	46%	44%	50%	37%	11%	58%	12%	7%	19%	13%	5%	14%	16%	10%	2%
Responsible tourism	55%	39%	45%	45%	14%	49%	13%	10%	14%	16%	3%	17%	14%	10%	3%
Societal inclusion, justice and human rights	47%	42%	49%	39%	11%	56%	8%	11%	19%	15%	4%	12%	12%	9%	2%
Sports (e.g. sports clubs)	45%	44%	64%	37%	12%	58%	7%	7%	16%	14%	5%	19%	8%	8%	3%
Work integration	48%	40%	44%	40%	14%	63%	9%	9%	13%	21%	5%	13%	12%	10%	1%
Average															
Average	44%	39%	51%	38%	11%	59%	8%	8%	16%	13%	4%	11%	12%	8%	2%

In terms of obstacles to co-operation, the lack or imbalance of resources (time, manpower, financing) was clearly mentioned in the survey as the most important (53% overall).[54] This issue was the most important one in all countries except Poland (21%), with Finland (66%) leading in the ranking of the answer's popularity. Once again, this reiterates the potential effectiveness of financial support by policy makers to enable to kick start, which can be reduced once co-operation has reached a degree of sustainability.

Communication problems were mentioned in the survey as the second most important factor hindering co-operation (28%). They were seen as especially acute in Austria (43%), much less so in Finland (10%). For Polish SEEs communication is-sues were the most important in preventing co-operation (33%).

In third place came challenges in external environment, e.g. regulations (26%). They were especially important for SEEs from Romania (43%, this was confirmed during the interviews, e.g. in the case of a social enterprise which reported important bureaucratic hurdles), much less than for those from the UK (12%).

Disagreement in the co-operation purposes or value proposition was reported as the fourth most important factor (25%). It was especially important in Finland (54%). Conflicting needs and attitudes to co-operation (19%) were reported as especially important by Romania (38%). Mismatch and / or imbalance of capabilities to co-operate (21%) was considered an issue in Spain (41%). Other hindrances on the list, in order of popularity, were: the lack of clear external incentives / support for co-operation (18%) and the lack of cultural fit between partners (18%).

Differences between sectors were, again, less pronounced than between countries. The lack and/or imbalances of resources was mainly declared by SEEs from the democracy, transparency and civic participation sector (63%), but they were closely followed by SEEs from other sectors, such as: financial services & consulting (60%), cultural activities & recreation (58%) and agriculture (57%) or food and nutrition (57%).

Communication problems, which the survey found to be the second most important factor hindering co-operation, were acute to a very similar degree for representatives of all sectors (28% +/-3%).

Challenges in external environment, e.g. regulations were most important for the affordable housing (32%), social care (31%), energy, natural resources and clean technology (30%) and responsible tourism (30%) sectors.

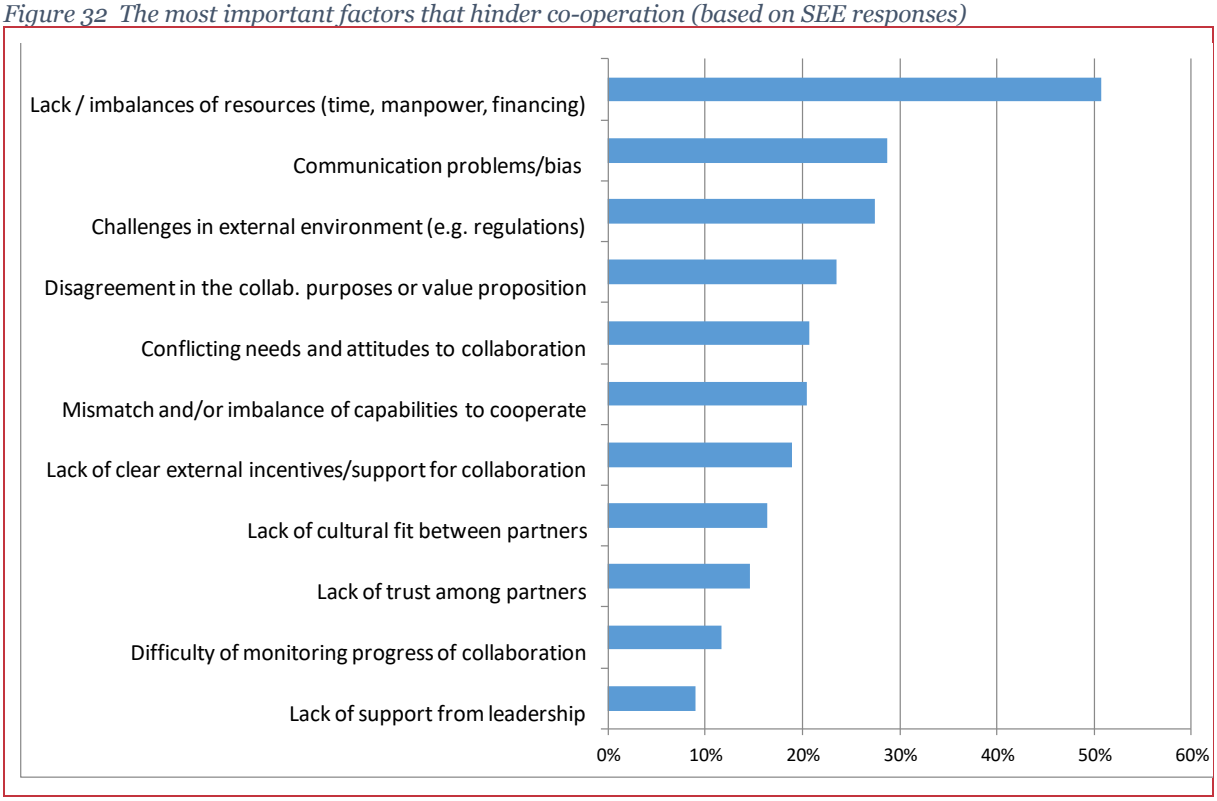
Disagreement in the collaboration purposes or value proposition was mentioned as a hindrance to collaboration especially often by SEEs from the sports sector (32%). This is consistent with the SEEs from the sports sector leading in mentioning the alignment of objectives as a factor facilitating co-operation.

Traditional companies' responses to the question about the most important hindrances experienced largely mirrored the responses of the SEEs. As in the case of SEEs, lack and / or imbalances of resources came clearly in first place (51%). This was followed by challenges in external environment / regulations (29%) and communication problems (22%).

The lack of different types of resources (financial, qualified manpower, management know-how), bureaucracy (affecting such resources as time and financial), misalignment of objectives and a reluctance of traditional businesses to partner with SEEs have also been widely reported in the literature review of this report. Removing these obstacles is an area in which regulation and government at various levels (European, national, local) can help even the playing field for SEEs. It should be borne in mind that this would require long-term concerted effort on many fronts.

[54] Please refer to Figure 34 for an aggregate view on the most important factors to hinder co-operation between SEEs and traditional firms, and to Figure 35 for a detailed country and sector analysis of this issue.

Figure 32 The most important factors that hinder co-operation (based on SEE responses)



In general, the interviews confirmed the findings of the survey in general. Several SEEs and traditional companies pointed to the lack of resources preventing the SEEs successfully developing business activities being e.g. unable to take bigger orders requiring some previous investment. Lack of funding instruments tailored to the social economy where social goals are more important than profit was mentioned by the SEEs.

Communication issues were raised quite often during the interviews. Traditional companies which have never collaborated with SEEs often did not know what to expect from them, in particular whether they could treat them as "normal" business partners. SEE's visibility and recognition were said to facilitate the start of a co-operation, while a careful definition and understanding of each party's role and the development of an appropriate communication model were said to be important for building trust and for the co-operation to develop. Failure or poor results seriously discourage traditional firms from re-trying to collaborate with SEEs.

Regulatory issues were raised several times during the interviews. They have several dimensions. The first one is bureaucracy (raised mostly by Romanian SEEs), the second are inappropriate laws limiting possibilities of finance acquisition (e.g. Poland), and another one is the difference in particular countries' regulations preventing the SEEs from developing in Europe or internationally.

The interviewees also mentioned such interesting barriers as insufficient openness of the public sector to collaborate with the SEEs, or competition between SEEs which fight one another.

Figure 33 Factors to hinder co-operation by countries and sectors
(Percentage of SEEs in a particular country or sector to have recognised a particular factor to hinder co-operation)

Factors to hinder co-operation	Disagreement in the collaboration purposes or value proposition	Communication problems/bias	Lack and/or imbalances of resources	Mismatch and/or imbalance of capabilities to cooperate	Conflicting needs and attitudes to collaboration	Lack of support from leadership	Lack of clear external incentives/support for collaboration	Lack of trust among partners	Lack of cultural fit between partners	Difficulty of monitoring progress of collaboration	Challenges in external environment (e.g. regulations)
Country analysis											
Austria	32%	43%	53%	9%	34%	1%	15%	16%	12%	4%	31%
Belgium	19%	29%	50%	21%	13%	19%	13%	15%	17%	10%	29%
Finland	54%	10%	66%	21%	28%	4%	22%	12%	20%	4%	20%
France	12%	30%	61%	27%	11%	10%	16%	16%	23%	18%	17%
Germany	29%	29%	53%	16%	16%	12%	12%	16%	14%	4%	29%
Italy	13%	37%	44%	15%	2%	3%	20%	8%	21%	20%	32%
Poland	16%	33%	21%	16%	17%	6%	11%	13%	9%	10%	31%
Romania	28%	23%	49%	15%	38%	15%	34%	26%	19%	9%	43%
Spain	11%	35%	59%	41%	15%	4%	20%	15%	13%	17%	30%
United Kingdom	21%	18%	53%	24%	32%	15%	26%	9%	18%	21%	12%
Sector analysis											
Affordable housing	30%	28%	50%	25%	15%	11%	16%	16%	21%	13%	32%
Agriculture	18%	27%	57%	22%	16%	20%	23%	15%	20%	17%	29%
Cultural activities & recreation	26%	31%	58%	23%	23%	9%	26%	16%	20%	14%	26%
Democracy, transparency and civic participation	23%	33%	63%	22%	19%	13%	20%	12%	22%	14%	25%
Education, training and skills development	24%	32%	56%	21%	19%	7%	22%	14%	15%	15%	26%
Energy, natural resources and clean technology	23%	31%	47%	18%	19%	14%	21%	16%	23%	17%	30%
Financial services & consulting	21%	31%	60%	26%	19%	14%	18%	18%	28%	11%	20%
Food and nutrition	21%	26%	57%	25%	22%	17%	18%	16%	18%	14%	25%
Health and wellbeing	26%	26%	53%	24%	18%	10%	20%	12%	19%	13%	28%
Poverty and income generation/support	24%	28%	56%	23%	22%	14%	23%	12%	21%	17%	29%
Social care	24%	28%	46%	22%	26%	10%	17%	16%	17%	9%	31%
Responsible tourism	18%	33%	56%	14%	21%	9%	28%	16%	26%	12%	30%
Societal inclusion, justice and human rights	24%	32%	53%	22%	20%	9%	20%	13%	20%	12%	26%
Sports (e.g. sports clubs)	32%	26%	54%	21%	23%	9%	25%	12%	16%	14%	23%
Work integration	24%	31%	49%	21%	18%	9%	20%	18%	19%	11%	29%
Average											
Average	25%	28%	53%	21%	19%	8%	18%	14%	18%	12%	26%

4.1.3 Stage III: The outcome of co-operations

The SEEs surveyed were asked to evaluate the positive effect of co-operation on the achievement of different organisational objectives. For each of the nine stated organisational objectives the SEEs could provide one of the following five answers: extremely well, well, somewhat, rarely or not at all. Their answers were then weighted: 100% for the "extremely well" answers, 75% for "well", 50% for "somewhat", 25% for "rarely" and 0% for "not at all".

Overall, the effects of co-operation were encouraging for the SEEs, indicating that co-operation is a worthwhile endeavour for them. The overall average weighted score on achieving the nine pre-stated organisational objectives amounted to 58%, being thus between "well" and "somewhat".

Presented below is the impact of co-operation on achieving SEE organisational objectives in descending order of importance for all the SEEs surveyed. The countries in which co-operation had the biggest effect on achieving a specific organisational objective are indicated.

- Co-operations had the biggest impact on accessing skills, knowledge, strategic support and expertise (a 65% overall weighted score), especially in Belgium (71%) and Germany (70%).
- Facilitating access to broader networks and opportunities was close behind (64%). The impact of the co-operation in this area was also especially appreciated in Germany (73%) and Belgium (73%). Accessing networks and opportunities was indicated by the SEEs as the key driver to collaborate, therefore, one can say co-operation effects meet expectations.
- Elevated visibility/publicity (63%) came in third place, being especially recognised in Italy (66%) and Germany (65%).
- Improved credibility (63%) received almost the same recognition. The most favourable opinions in this respect came from Belgium (68%), the United Kingdom (67%) and France (66%).
- Ensured vision and legacy, sustaining social impact (58%) was mainly recognised in Germany (65%), Spain (63%) and Austria (62%).
- A positive impact on accessing financial resources (55%) was especially visible in Belgium (61%) and Romania (59%).
- The positive effect of co-operation on the development of a new product/service/solution to a social need (55%) was especially appreciated in Italy (62%).
- Improved access to markets and/or beneficiaries (52%) received the second lowest score, but was a little bit more appreciated in Belgium (56%) and the United Kingdom (56%).
- Strengthened employee satisfaction and engagement (50%) was the organisational objective to be achieved to the lowest degree in all countries (45%–55%).

Overall, SEEs from Belgium (62%) were especially likely to recognise, on average, a positive effect of co-operations on achieving organisational objectives. They were followed by Germany (59%), the UK (58%), Italy (57%), Austria (57%), France (56%), Romania (56%), Spain (55%), Poland (54%) and Finland (53%).

In terms of reporting that co-operation helped in achieving organisational objectives "extremely well" or "well", Poland (54% of "extremely well" or "well" responses overall), Germany (54%) and Belgium (53%) were the most enthusiastic countries. They were followed by France (48%), Romania (47%) and Austria (47%). The UK (45%), Italy (44%), Spain (42%) and Finland (41%) were below the average (47%).

Interestingly, Poland also leads in the ranking of scepticism with 29% of the respondents declaring that co-operation helped them in achieving organisational objectives "rarely" or "not at all". This is because Poland presented the lowest percentage (17%) of undecided respondents declaring co-operation helped them "somewhat". The countries exhibiting a less definite opinion on the effect of co-operations were Italy and the United Kingdom (36% of "somewhat" responses in both countries).

In all the countries, positive evaluations of co-operation effects significantly outnumbered negative evaluations.[55] On average, for every negative evaluation (co-operation helped achieving organisational objectives "rarely" or "not at all") there were 2.1 positive responses (i.e. co-operation helped "well" or "extremely well"). In Belgium this ratio even exceeded three (3.1), while Spain and Finland were less enthusiastic with a ratio of 1.6.

Looking from a sectoral perspective, financial services and consulting (with a 64% average weighted score on achieving organisational objectives) are by far the sector leading in recognition of the positive impact of co-operations. SEEs from this sector were the most enthusiastic in evaluating the impact of co-operations on achieving eight out of the nine pre-stated objectives.

- The importance of co-operation on achieving SEE organisational objectives in descending order of importance for all the SEEs surveyed is presented below. The sectors in which co-operation had the biggest effect on achieving a specific organisational objective are indicated. The positive effect of co-operations on accessing skills, knowledge, strategic support and expertise was especially appreciated, besides the financial sector (71%) by the sector of affordable housing (68%).
- In evaluating the impact on facilitating access to broader networks and opportunities the financial sector (71%) was followed by energy, natural resources and clean technology (67%).
- In evaluating the impact on elevated visibility/publicity the financial sector (66%) was tied with responsible tourism (66%).
- In evaluating the impact on improved credibility, the financial sector (71%) came distinctly before democracy, transparency and civic participation (66%).
- In evaluating the impact on ensured vision and legacy, sports (63%) and democracy, transparency and civic participation (61%) were followed by the financial services and consulting sector (60%). This was the only case of the financial services and consulting sector not coming in first.
- In evaluating the impact on accessing financial resources the financial sector (63%) was also followed by democracy, transparency and civic participation (60%).
- The positive effect of co-operation on the development of a new product/service/solution to a social need was equally appreciated by the financial sector (59%) and democracy, transparency and civic participation (59%).
- In evaluating the impact on improved access to markets and/or beneficiaries the financial sector (59%) was closely followed by responsible tourism (57%).
- Strengthened employee satisfaction and engagement was evaluated very similarly by almost all sectors (50–51%), while the financial sector evaluated it at 53%.

[55] Please refer to Figure 34 for an aggregate, and Figure 35 for a synthesised view on the effects of co-operation on achieving SEE organisational objectives.

Figures 36 and 37 provide an aggregate analysis of the effects of co-operation on achieving SEE organisational objectives, respectively by country and by sector.

Figure 38 provides a synthesised analysis of the effects of co-operation on achieving SEE organisational objectives by country and by sector.

Figure 34 Effects of co-operation on achieving SEE organisational objectives

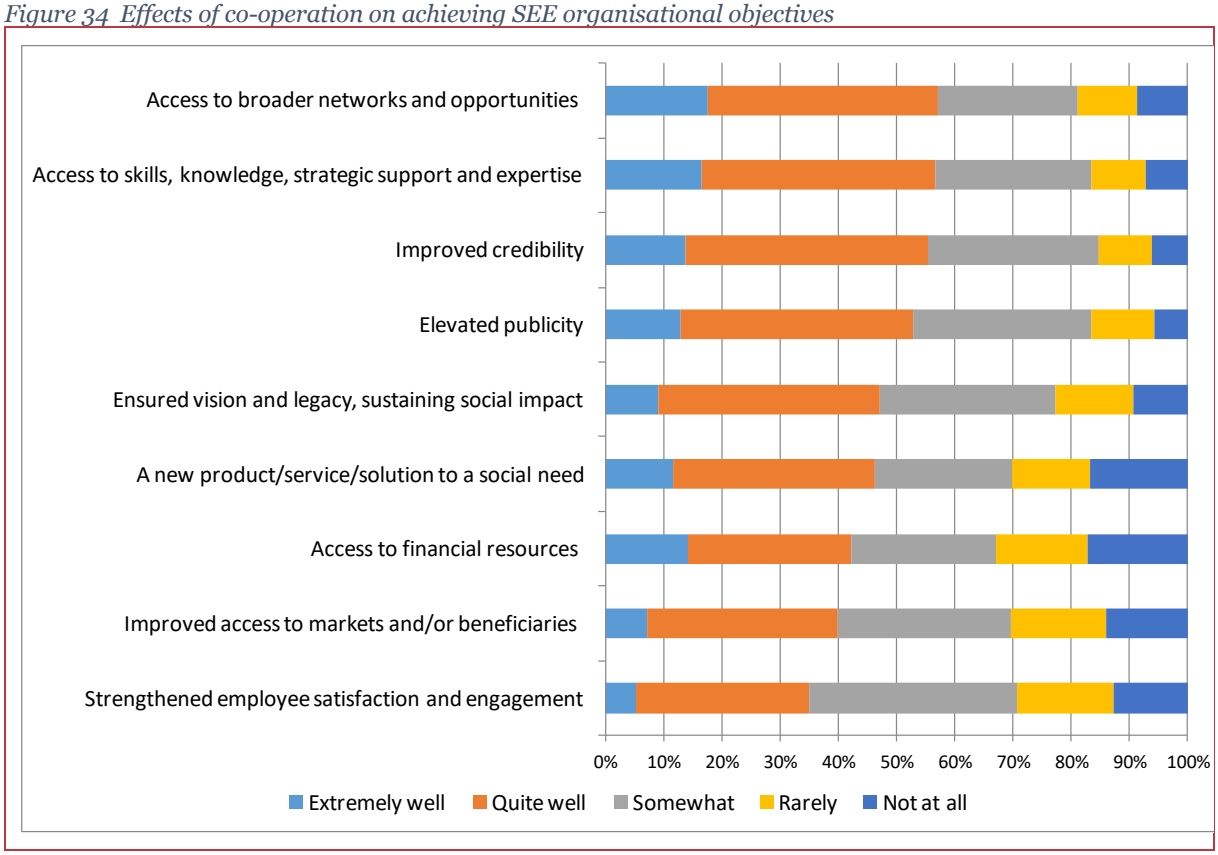


Figure 35 Weighted average effect of co-operation on achieving SEE organisational objectives

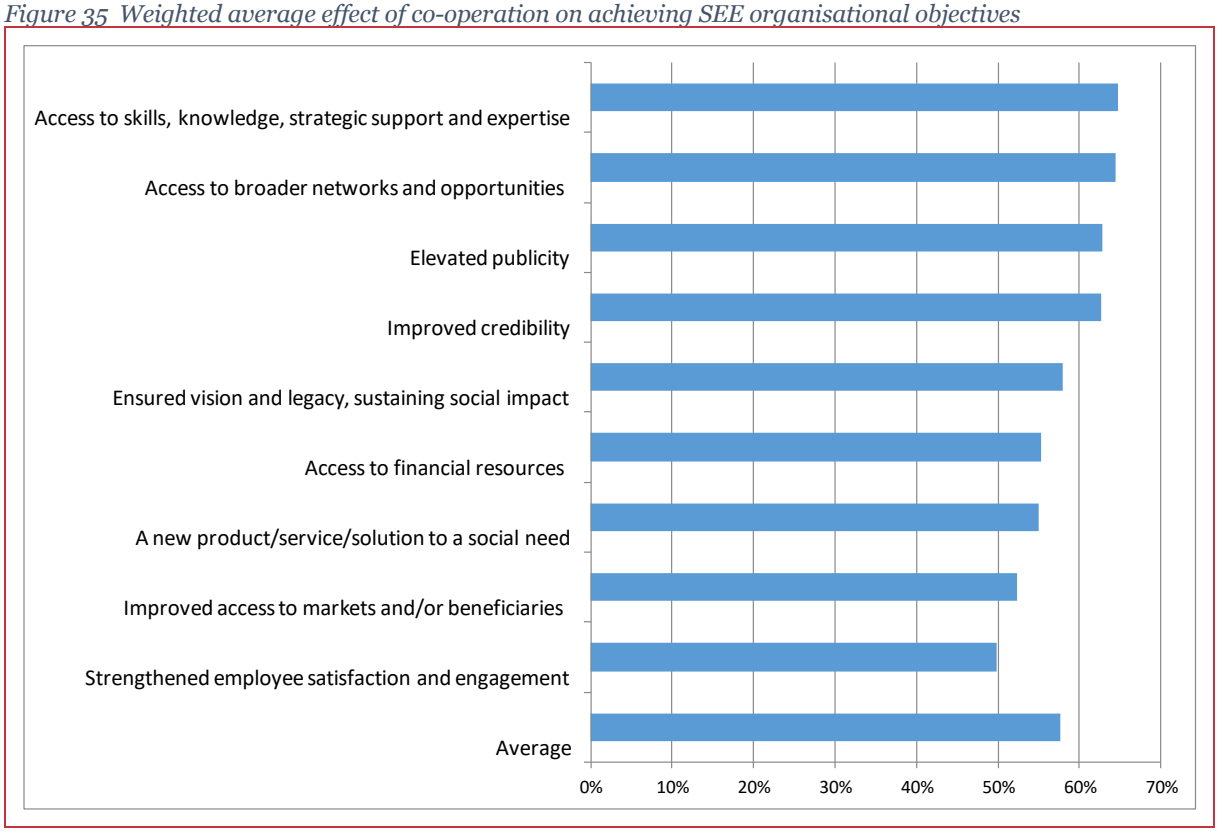


Figure 36 Average effect of co-operation on achieving SEE organisational objectives by country

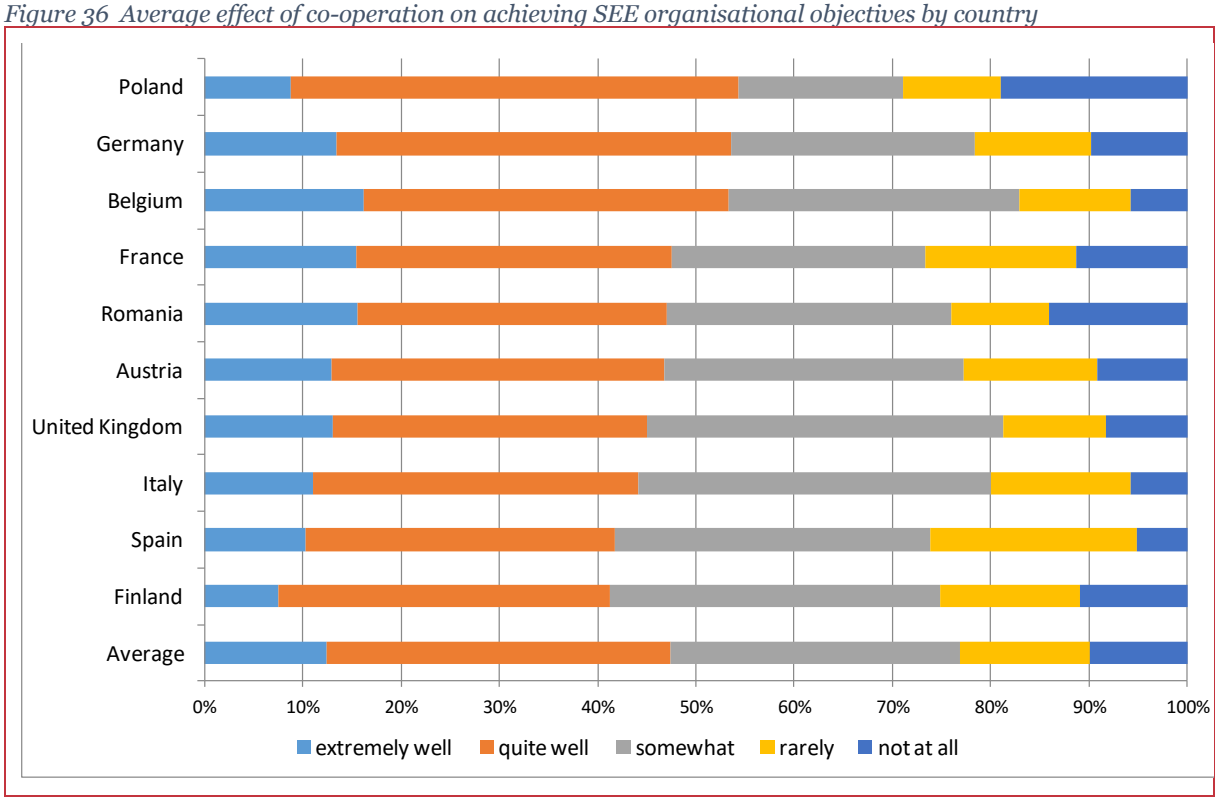


Figure 37 Average effect of co-operation on achieving SEE organisational objectives by sector

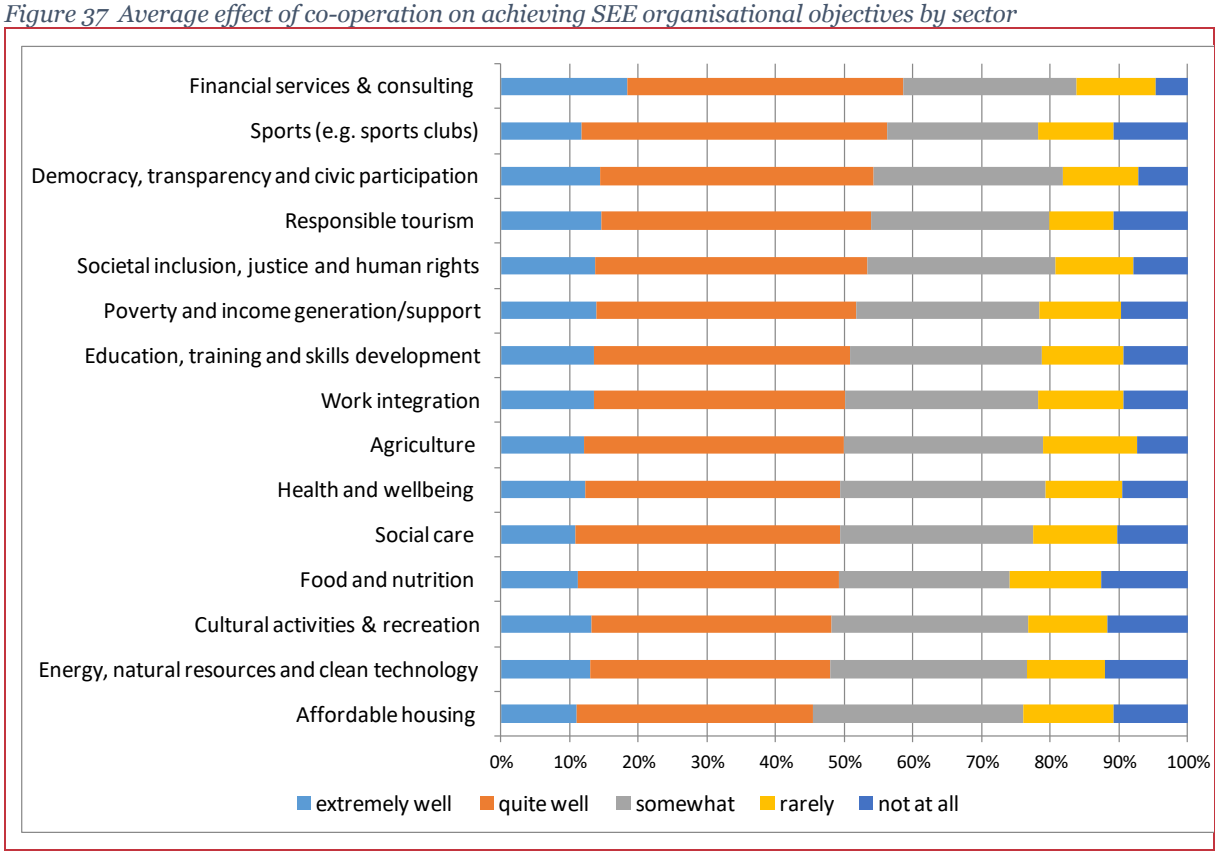


Figure 38 Effects of collaboration on helping SEEs achieving organisational objectives (See above the description of the methodology of calculating the index)

Effect of collaboration on helping SEEs achieving organisational objectives	Access to financial resources	Access to skills, new knowledge, strategic support and expertise	Access to broader networks and opportunities	Strengthened employee satisfaction and engagement	A new product/service/solution to a social need	Improved access to markets and/or beneficiaries	Elevated publicity	Improved credibility	Ensured vision and legacy, sustaining social impact	Average
Country analysis										
Austria	53%	65%	68%	45%	55%	49%	60%	56%	62%	57%
Belgium	61%	71%	73%	50%	56%	56%	60%	68%	59%	62%
Finland	45%	58%	59%	47%	50%	47%	60%	59%	53%	53%
France	51%	64%	66%	49%	55%	46%	59%	66%	49%	56%
Germany	53%	70%	73%	40%	54%	52%	65%	59%	65%	59%
Italy	50%	64%	60%	55%	62%	55%	66%	54%	51%	57%
Poland	51%	53%	45%	52%	47%	51%	63%	64%	59%	54%
Romania	59%	63%	59%	54%	44%	54%	59%	62%	51%	56%
Spain	48%	62%	64%	51%	52%	48%	48%	61%	63%	55%
United Kingdom	52%	61%	69%	45%	45%	56%	63%	67%	61%	58%
Sector analysis										
Affordable housing	51%	68%	64%	45%	51%	47%	59%	59%	56%	55%
Agriculture	60%	67%	65%	51%	53%	53%	59%	62%	55%	58%
Cultural activities & recreation	54%	62%	61%	50%	54%	50%	62%	60%	57%	57%
Democracy, transparency and civic	60%	66%	67%	51%	59%	52%	66%	66%	61%	61%
Education, training and skills devel	56%	65%	66%	50%	56%	51%	61%	63%	58%	58%
Energy, natural resources and clea	52%	63%	67%	43%	54%	54%	61%	60%	54%	56%
Financial services & consulting	63%	71%	74%	53%	59%	59%	66%	71%	60%	64%
Food and nutrition	53%	62%	57%	49%	50%	52%	61%	61%	55%	55%
Health and wellbeing	54%	64%	62%	51%	53%	52%	63%	62%	59%	58%
Poverty and income generation/sup	57%	63%	65%	51%	56%	52%	62%	62%	59%	59%
Social care	51%	64%	63%	51%	54%	48%	62%	60%	59%	57%
Responsible tourism	54%	63%	65%	51%	58%	57%	66%	64%	56%	59%
Societal inclusion, justice and huma	56%	67%	66%	51%	58%	54%	64%	63%	60%	60%
Sports (e.g. sports clubs)	54%	61%	63%	50%	56%	52%	66%	64%	63%	59%
Work integration	55%	64%	66%	50%	55%	52%	62%	62%	58%	58%
Average										
Average	55%	65%	64%	50%	55%	52%	63%	63%	58%	58%

The SEEs surveyed were also asked to provide an opinion on their co-operation partners.[56] For each of the six statements/opinions provided, the SEEs could provide one of the following five answers: strongly agree, agree, neutral, disagree or strongly disagree. Similarly, to the methodology used in analysing the effects of co-operation on achieving organisational objectives, SEEs answers were then weighted: 100% for the "strongly agree" answers, 75% for "agree", 50% for "neutral", 25% for "disagree" and 0% for "strongly agree".

A positive evaluation of the effects of co-operation translated into an even more positive opinion of the SEEs on their co-operation partners. The statement that SEEs' co-operation partners presented alignment or complementarity in goals and objectives received a very high weighted score of 81% (i.e. the average opinion was between "agree" and "strongly agree"). The most appreciative were SEEs from France (88%), the less those from Austria (74%) and Poland (74%). The differences between sectors were much smaller, SEEs from all sectors giving an average ranking of between 78% and 82%.

The statement that SEEs' co-operation partners are effective in working together / cooperatively received a weighted score of 77%. Again, the most enthusiastic in the evaluation were SEEs from Spain (85%) followed by those from Romania (85%). The least enthusiastic were those from Poland (71%). The most appreciative were SEEs from the sports (79%) and work integration (79%) sectors, the least appreciative those from the financial services (73%) and responsible tourism (74%) sectors.

The statement that SEEs' co-operation partners engage in an open and constructive exchange about how to address respective needs and achieve desired results also received a weighted score of 77%. The most enthusiastic in the evaluation were SEEs from Germany (80%), the lease enthusiastic, again, those from Poland (70%). SEEs from all sectors gave an average ranking of between 72% and 77%.

The statement that SEEs' co-operation partners have similar operating philosophies and values received an average score of 68%. The differences in responses between countries were considerable. At one end France (72%) and Finland (72%) were relatively appreciative, while Austria (55%) was much more sceptical. In terms of sectors, agriculture (71%) was most enthusiastic, all other sectors providing an evaluation of this statement of between 65% and 69%.

Finally, the statement that co-operation partners have similar management styles to the SEEs was supported to a noticeably lower degree – 53%. Interestingly, this statement was ranked relatively high in Romania (66%), but much lower in Belgium (46%) and France (46%). This statement received also quite diversified responses depending on the SEEs' sectors. SEEs from sports (55%) and social care (54%) supported it, while those from agriculture (46%) disagreed.

[56] Please refer to Figure 41 for an aggregate, and Figure 36 for a synthesised view on the evaluation of co-operation partners of the SEEs.

Figure 42 provides a synthesised analysis of the opinions of SEEs on their co-operation partners by country and by application.

Figure 39 Opinions of SEEs on their co-operation partners

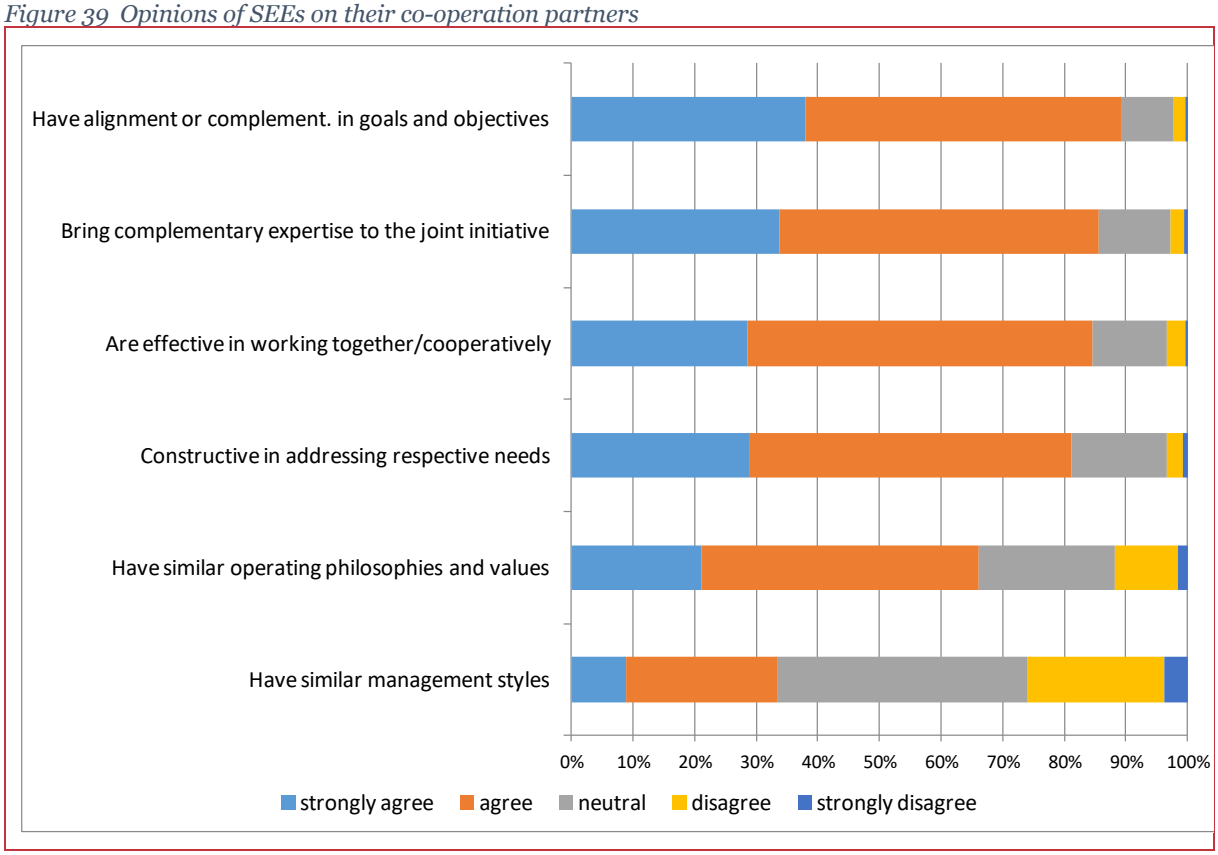
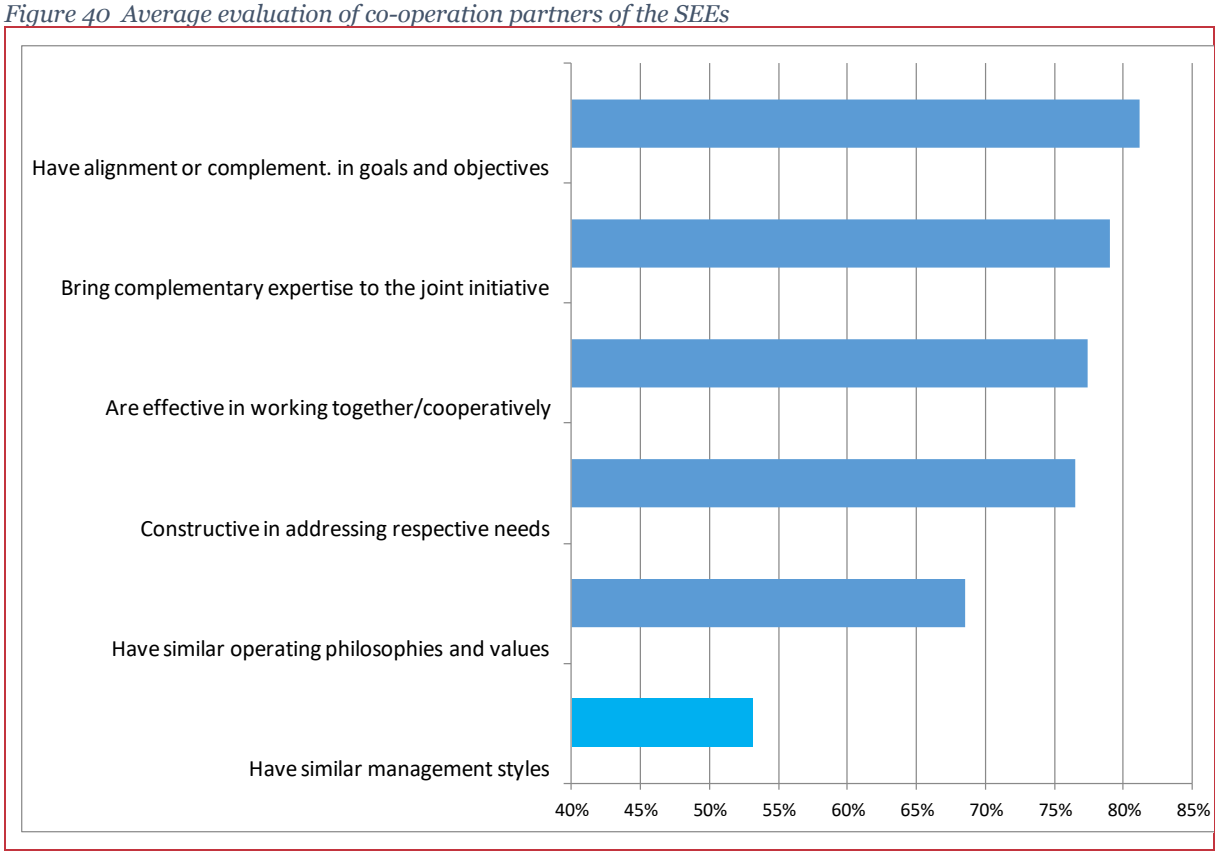


Figure 40 Average evaluation of co-operation partners of the SEEs



The interviews performed largely confirmed the effects of co-operation evaluated in the survey. A feature of co-operation between SEEs and traditional companies that emerged from the interviews and which was worth noting was a drive, on both sides, to turn it into a sustainable model based on a long-term relationship. The precondition for a co-operation to be sustainable is its being a win-win situation in which both sides benefit. In many of the interviews that were chosen as Best Practice Cases because they illustrated a successful co-operation, the win-win motive was especially underlined.

Whether the co-operation was initiated by the SEEs and based uniquely on a business proposition or by a traditional company because it initially thought of making a social impact, all Best Practice Cases were characterised by each party reporting tangible benefits. The first situation can be illustrated by a Polish brewery which employs people with mental health conditions and co-operates with traditional beer distributors. These distributors buy beer produced by this brewery because it is of premium quality and sells well. The second situation can be illustrated by the example of an Austrian retailer which works with a charity in setting up retail food markets where disadvantaged and / or disabled young people are employed and trained. The benefits for the company are a wider retail network and acquisition of qualified and motivated employees.

Sometimes SEEs struggle to demonstrate that co-operation with them will bring benefits to the traditional enterprise partner. This was for example the case of Eau et Vie who builds water networks in poor neighbourhoods in developing countries. Eau et Vie often had problems in convincing existing local large water network companies with which they had to partner to implement their initiative that it would benefit them as well in the long run. Considerable effort had to be expended on building trust and explaining the alignment of objectives, the two most important factors to facilitate co-operation indicated in the survey.

Once co-operation is established, traditional companies are generally very satisfied with its outcome. Interestingly, the feedback received from traditional companies was more enthusiastic than that from the SEEs. 77% of the traditional companies declared in the survey that co-operation had brought them tangible effects, 20% had a neutral opinion and only 3% declared the effects were negative. Even more traditional companies, 86%, declared the co-operation had produced a positive social impact for society or for a specific target group. None of the companies declared the impact was negative.

Figure 41 Opinions of SEEs on their co-operation partners by country and sector
(See paragraph following Figure 38 for the description of the methodology of calculating the index)

Opinions of SEEs on their co-operation partners	Have alignment or complementarity in goals and objectives	Are effective in working together / cooperatively	Bring complementary expertise to the joint initiative	Engage in an open and constructive exchange about how to address respective needs and achieve desired results	Have similar operating philosophies and values	Have similar management styles
Country analysis						
Austria	74%	81%	79%	75%	55%	48%
Belgium	79%	74%	78%	74%	63%	46%
Finland	83%	78%	79%	75%	72%	55%
France	88%	75%	81%	78%	72%	46%
Germany	80%	79%	76%	80%	63%	55%
Italy	80%	76%	80%	77%	71%	56%
Poland	74%	71%	72%	70%	67%	58%
Romania	82%	85%	83%	82%	71%	66%
Spain	86%	85%	85%	82%	73%	59%
United Kingdom	83%	81%	82%	79%	71%	53%
Sector analysis						
Affordable housing	81%	77%	81%	77%	66%	52%
Agriculture	82%	77%	80%	77%	71%	46%
Cultural activities & recreation	81%	77%	79%	76%	69%	52%
Democracy, transparency and civic participation	82%	76%	81%	77%	69%	50%
Education, training and skills development	82%	77%	81%	77%	69%	52%
Energy, natural resources and clean technology	78%	76%	79%	77%	65%	50%
Financial services & consulting	82%	73%	81%	76%	67%	48%
Food and nutrition	80%	75%	77%	76%	68%	47%
Health and wellbeing	81%	77%	78%	76%	66%	51%
Poverty and income generation/support	78%	77%	80%	74%	65%	49%
Social care	78%	78%	78%	75%	65%	54%
Responsible tourism	79%	74%	79%	72%	67%	50%
Societal inclusion, justice and human rights	79%	78%	79%	76%	67%	51%
Sports (e.g. sports clubs)	80%	79%	81%	75%	68%	55%
Work integration	80%	79%	80%	76%	65%	53%
Average						
Average	81%	77%	79%	77%	68%	53%

4.2 Characterisation of SEEs conducting successful co-operation

This section presents an analysis aimed at determining the characteristics of an SEE conducting successful co-operation. This analysis is based on survey results and is followed by a set of recommendations on how to best support SEEs.

4.2.1 Methodological approach

As it was reflected in the survey, the effects of co-operation were encouraging for the SEEs, which indicated co-operations as having the biggest impact on facilitating access to broader networks and opportunities. Other most frequently mentioned effects of co-operation included accessing skills, knowledge, strategic support and expertise, as well as credibility and visibility improvement. In total, SEEs were asked to evaluate the effects of co-operation on achieving organisational objectives in nine different aspects (see Figure 26 for the full list).

In all countries, positive evaluations of co-operation effects outnumbered negative evaluations. Still, the enthusiastic responses were accompanied by moderate and negative ones. We separated the enthusiastic and negative responses from the moderates. We then analysed the "Satisfied" and the "Dissatisfied" groups along different co-operation dimensions to determine correlations in order to be able to describe the features of an SEE satisfied with co-operating with traditional business.

As previously noted, during the survey the SEEs evaluated the effect of co-operation on achieving organisational objectives along nine different aspects. Scores given in each aspect were as follows: extremely well, quite well, somewhat, rarely, not at all. In our further analysis these evaluations were given point values, from 5 to 1 respectively. AN SEE awarding an average score of 3,5 or higher for all nine aspects was classified as "Satisfied" (31% of the total SEE population). On the other hand, those that awarded average scores of 2,0 or below were classified as "Dissatisfied" (29% of the population).

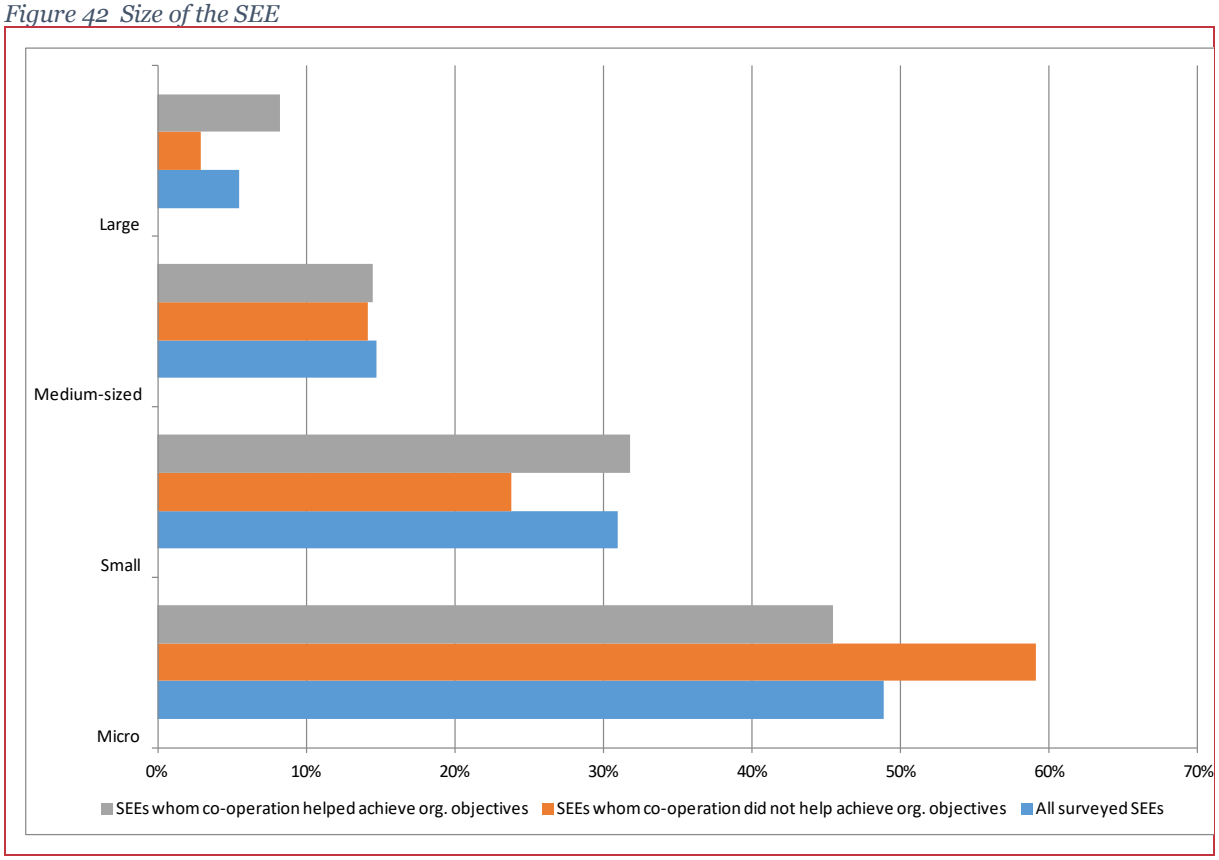
Below we present an analysis of different co-operation dimensions for: a) All surveyed SEEs, b) SEEs which co-operation did not help achieve organisational objectives (the "Dissatisfied" group), c) SEEs which co-operation helped achieve organisational objectives (the "Satisfied" group).

4.2.2 Analysis

4.2.2.1 Size of the SEE

The majority of SEEs are small, 49% of them being of micro size and 80% of micro or small size. Only 6% are large entities. On average, the "Dissatisfied" SEEs are even smaller, with 59% of them being of micro size and 83% of micro or small size. Only 3% are large. The "Satisfied" SEEs tend to be relatively larger than the "Dissatisfied" ones. 45% of them are micro-sized and 77%, micro or small-sized. 8% are large.

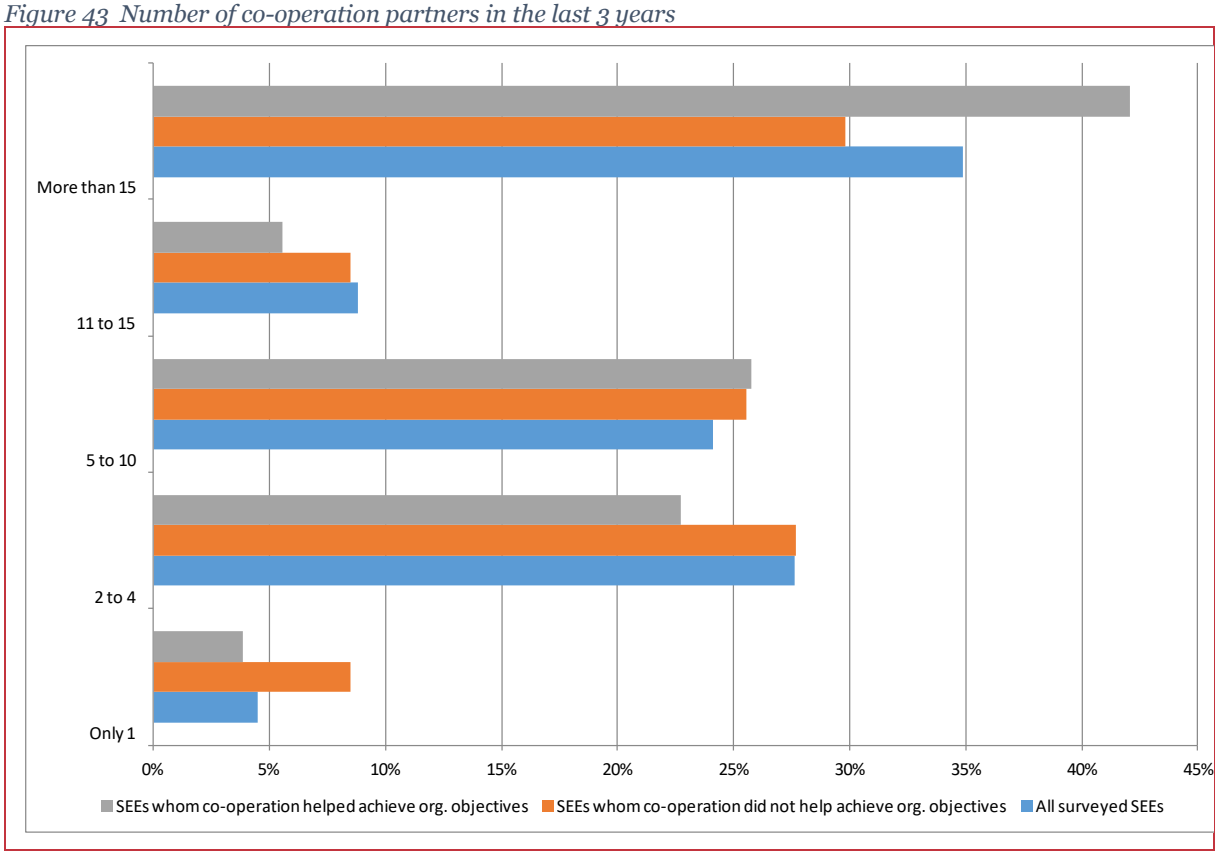
Figure 42 Size of the SEE



4.2.2.2 Number of co-operation partners

The majority of the SEEs co-operate with a relatively large number of traditional companies – 35% of SEEs report co-operation with 15 or more entities, and 68% with 5 or more. "Dissatisfied" SEEs co-operate with a large number of traditional companies less often - 30% of them report co-operation with 15 or more entities, and 64% with 5 or more. Many of them (36%) co-operate with 4 or fewer traditional companies. On the other hand, "Satisfied" SEEs co-operate with a large number of traditional companies more often - 42% of them report co-operation with 15 or more entities, and 73% with 5 or more.

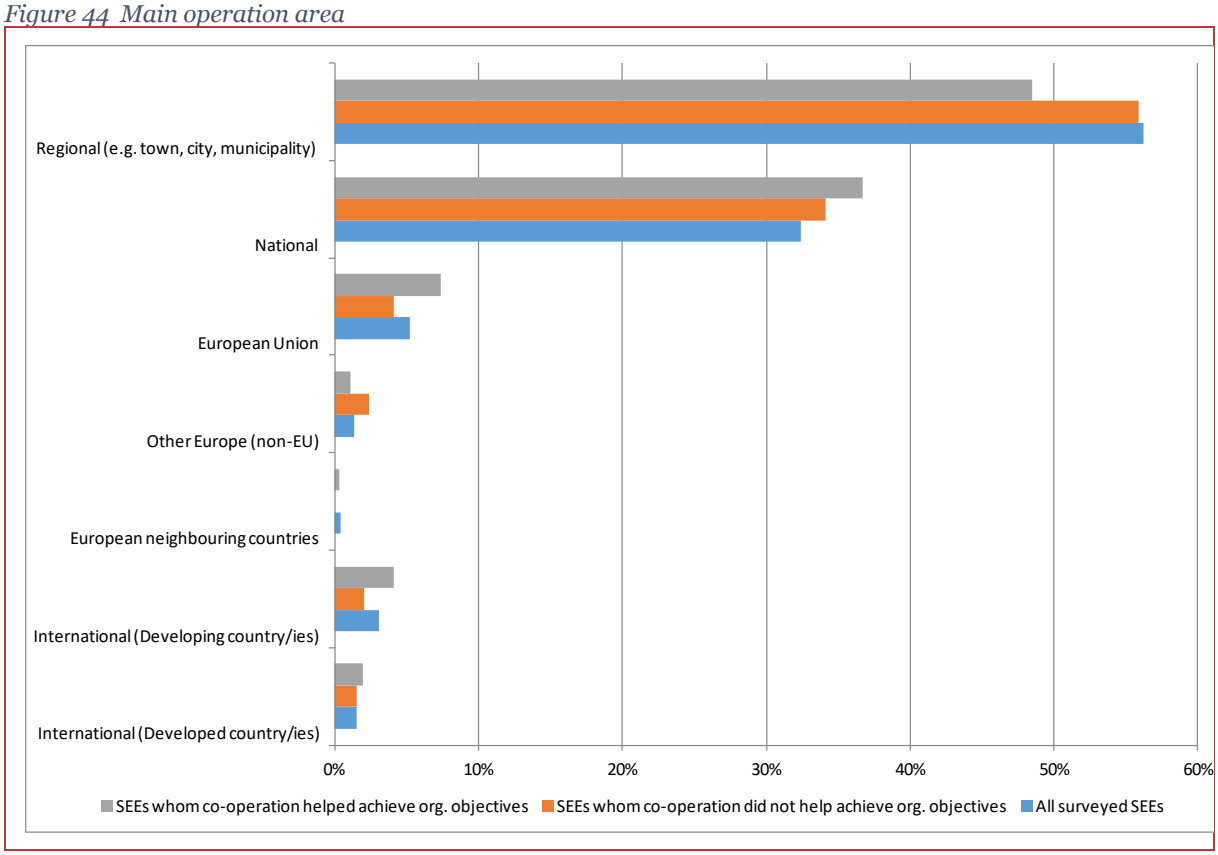
Figure 43 Number of co-operation partners in the last 3 years



4.2.2.3 Operation area

The SEEs surveyed operate mainly on a regional or national level. Some SEEs also operate at EU level, these are located mainly in Belgium, Italy and Germany. A special case are Spanish SEEs which operate actively in non-European developing countries due to Spain's strong historical links with Latin America. The "Dissatisfied" SEEs tend to operate more on a regional rather than national / EU / international levels, as compared to "Satisfied" SEEs. The "Satisfied" SEEs have a relatively larger range of operations.

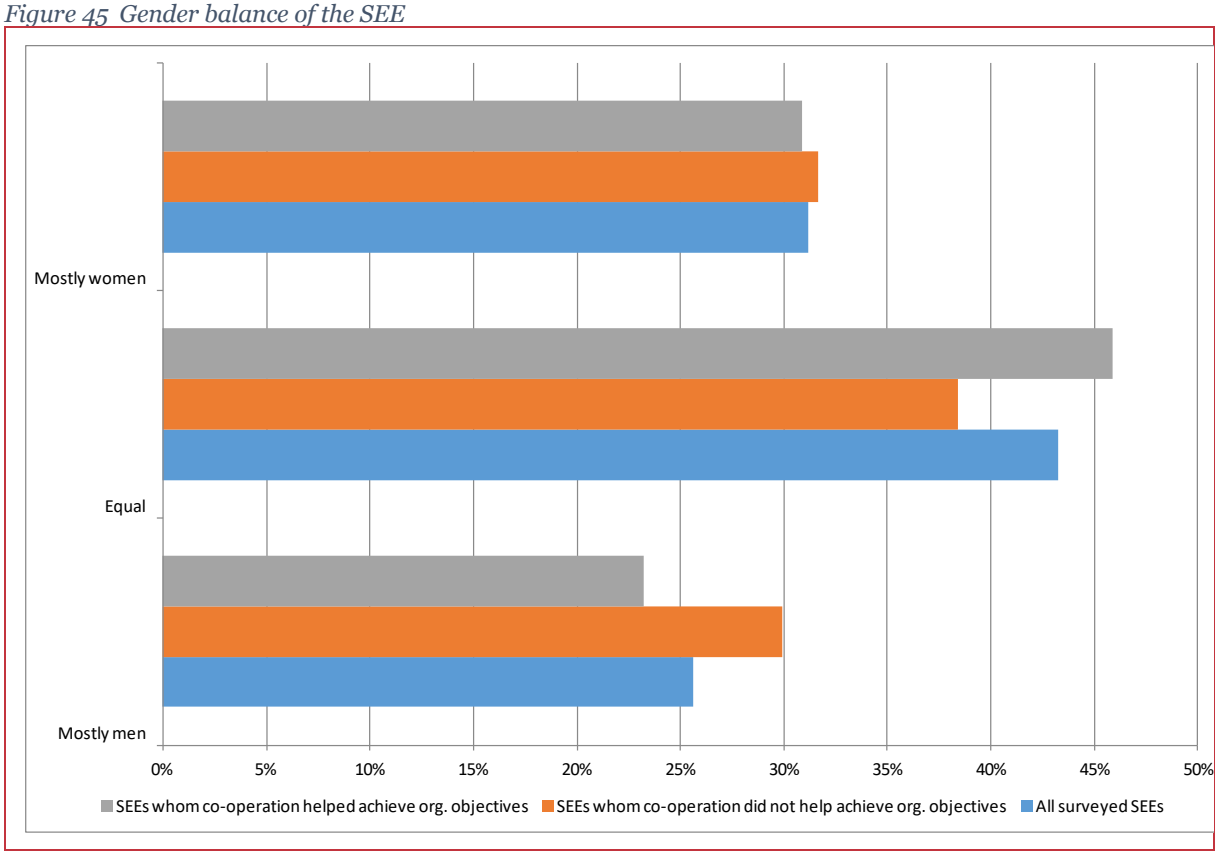
Figure 44 Main operation area



4.2.2.4 Gender balance

SEEs on average employ slightly more women than men although overall the SEEs exhibit a good gender balance. Overall, 31% of the entities declared that they employ mostly women, 26%, that mostly men, and 43% to have approximately equal employment of both sexes. A below-average proportion of "Dis-satisfied" SEEs employed an equal number of men and women. An above-average proportion of them employed mostly men. An above-average proportion of "Satisfied" SEEs employed an equal number of men and women.

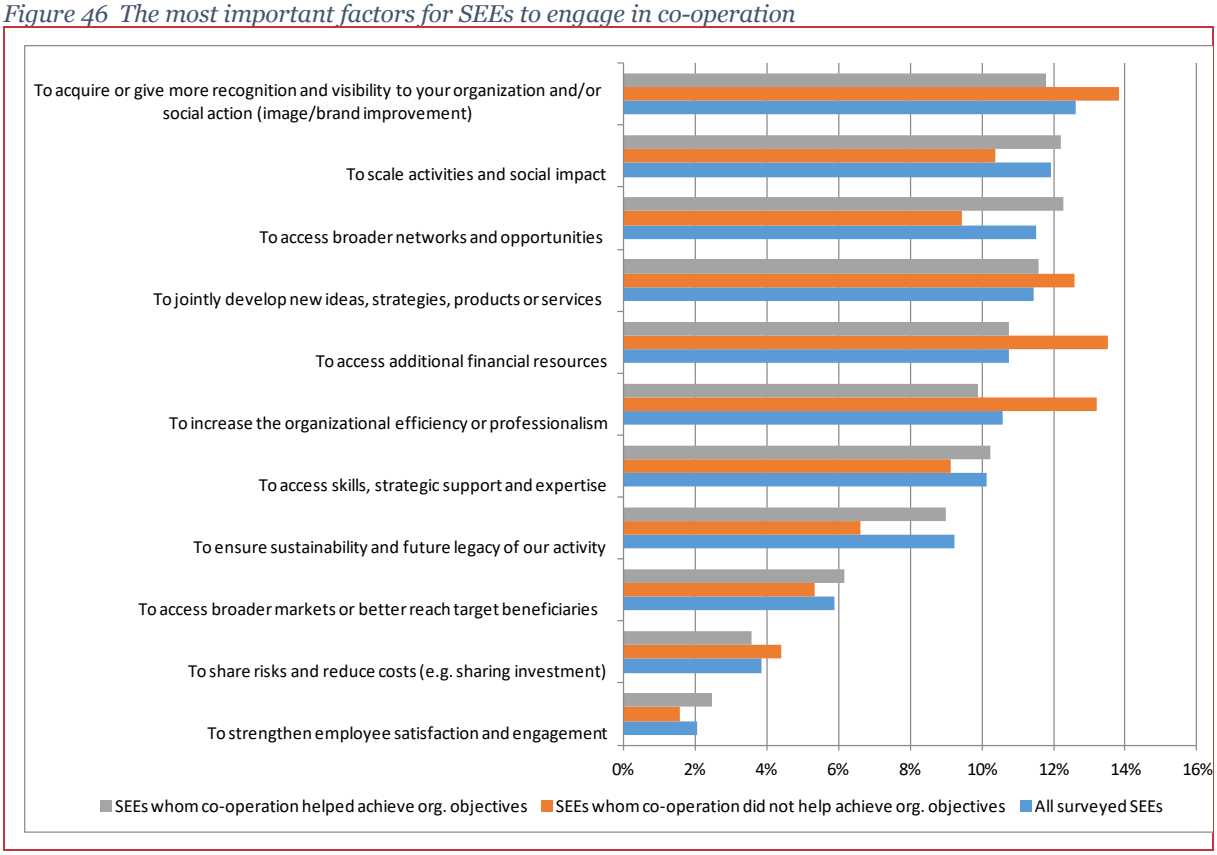
Figure 45 Gender balance of the SEE



4.2.2.5 The most important factors to engage in co-operation

Even though, depending on the country concerned, the most popular motives of co-operation vary, some issues seem to be of big importance for the majority of SEEs – those relating to in-creasing impact, strengthening resources and capabilities and to accessing broader networks and opportunities. The drivers to co-operate of the "Dissatisfied" SEEs are mostly related to gaining visibility, accessing finance, increasing their organisation efficiency and developing new ideas. They seem to be more concerned about developing a business model than with implementing it. "Satisfied" SEEs are relatively more concerned about developing new opportunities, scaling-up activities, making impact and ensuring sustainability. They seem to be at the stage of implementing and using an already developed business model.

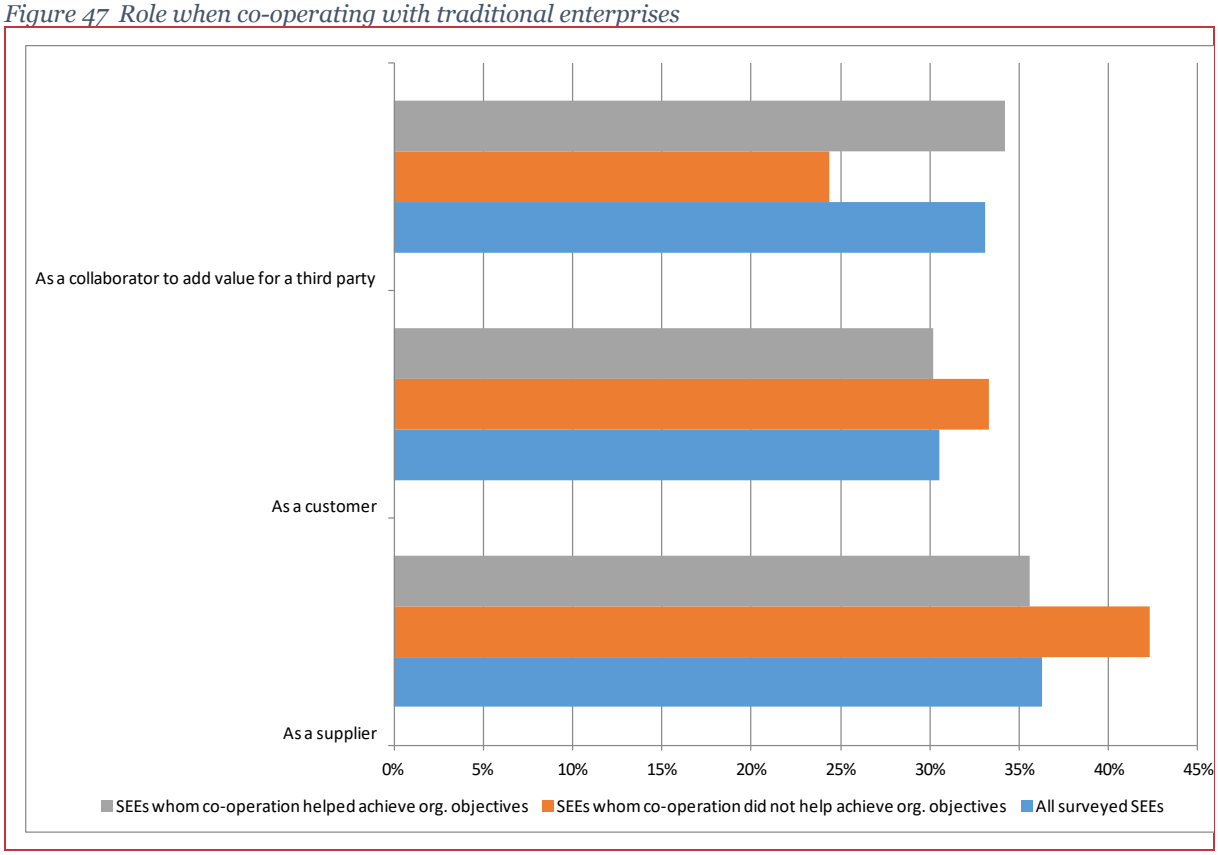
Figure 46 The most important factors for SEEs to engage in co-operation



4.2.2.6 Role when co-operating with traditional enterprises

The SEEs' most frequent relationship with their partners is a commercial one – the SEEs being suppliers or customers of a traditional enterprise. Such co-operation takes place when it makes business sense for both parties, but to make it sustainable, a win-win situation has to be created. The second role SEEs play in such co-operation is that of a collaborator adding value to a third party, and many SEEs declare being a commercial partner at the same time. The "Dissatisfied" SEEs are relatively more likely to play a traditional role of either a supplier or customer of a traditional enterprise. They enter into the more "refined" role of a collaborator to add value to a third party relatively less frequently. Though being a supplier or a customer of a traditional enterprise still occurs very often, the role of a collaborator to add value to a third party is visibly more popular than in the case of "Dissatisfied" SEEs.

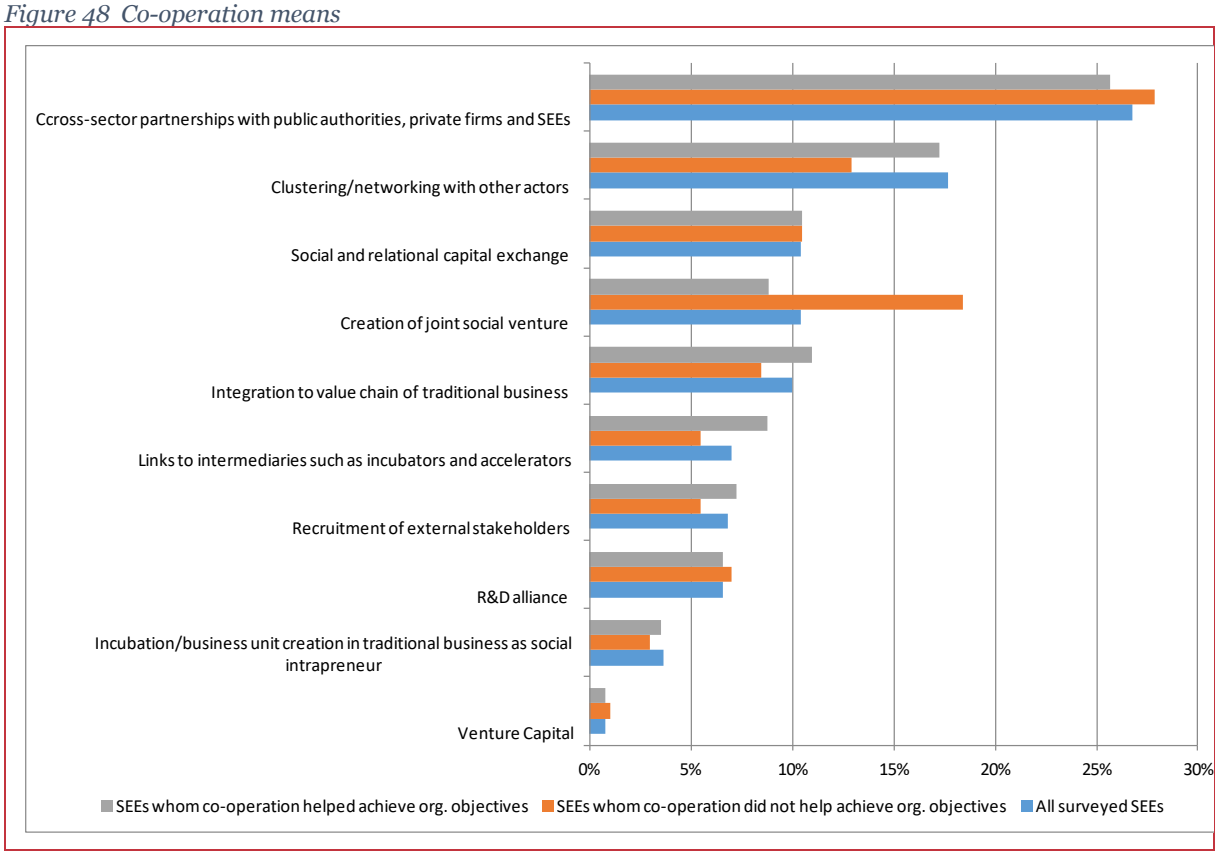
Figure 47 Role when co-operating with traditional enterprises



4.2.2.7 Co-operation means

The most popular form of co-operation between SEEs and their partners are cross-sector partnerships between public authorities, private firms and SEEs (this type of co-operation was the most popular in almost all the countries). The second most popular form of co-operation was clustering and networking. Social and relational capital exchange was the third most popular form. "Dissatisfied" SEEs much more often reported being engaged in the creation of a joint social venture. "Satisfied" SEEs reported relatively more often being engaged in clustering / networking, being integrated to a value chain of a traditional business and having links to intermediaries such as incubators and accelerators. They also reported a much larger number of co-operation means used by each SEE (4 times higher as compared to "Dissatisfied" SEEs).

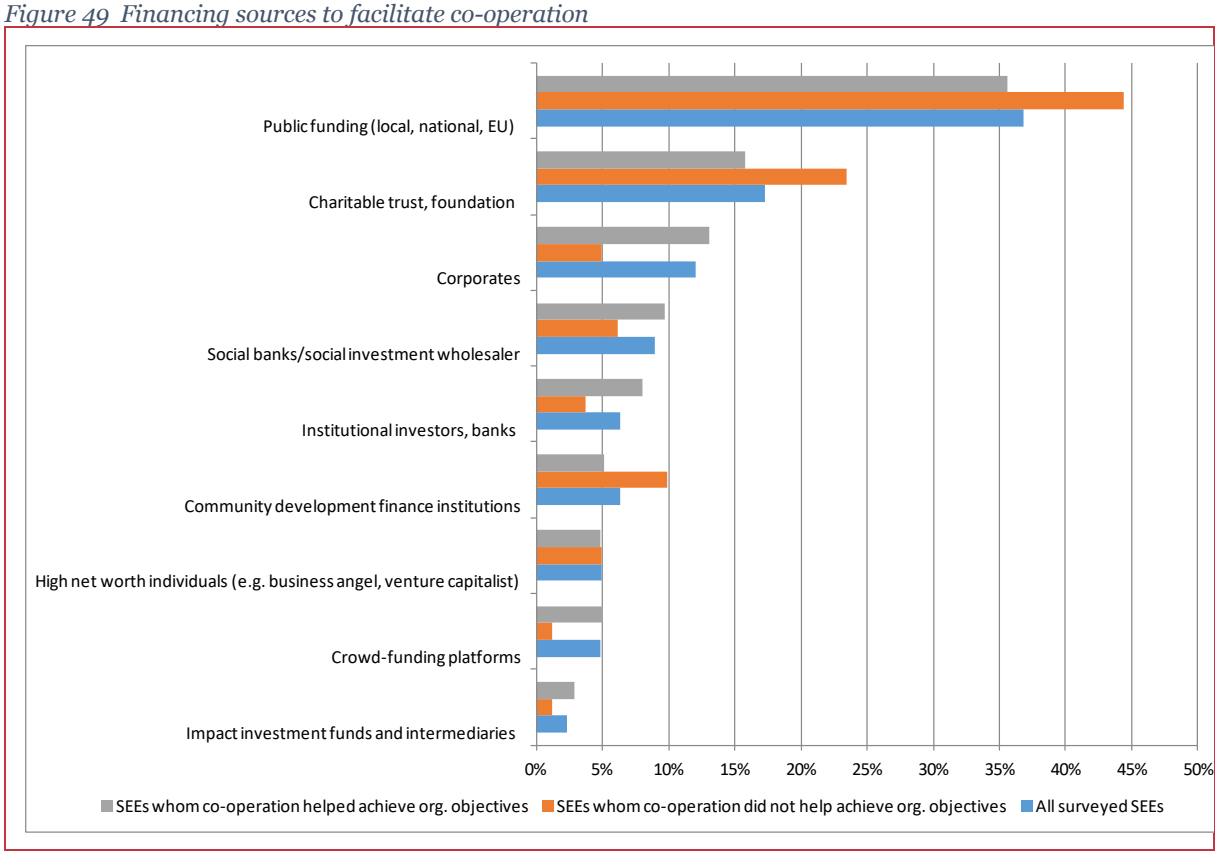
Figure 48 Co-operation means



4.2.2.8 Financing sources to facilitate co-operation

The most popular financing source was public funding (at local, national or European level), charities being the second most frequently indicated but far behind it, and corporates coming in third place. "Dissatisfied" SEEs rely relatively more heavily on public, charitable and community development financing. "Satisfied" SEEs reported using noticeably more often, as compared to "Dissatisfied" SEEs, financing from more innovative sources, such as: corporates, banks, institutional investors, crowd-funding platforms and impact investment funds.

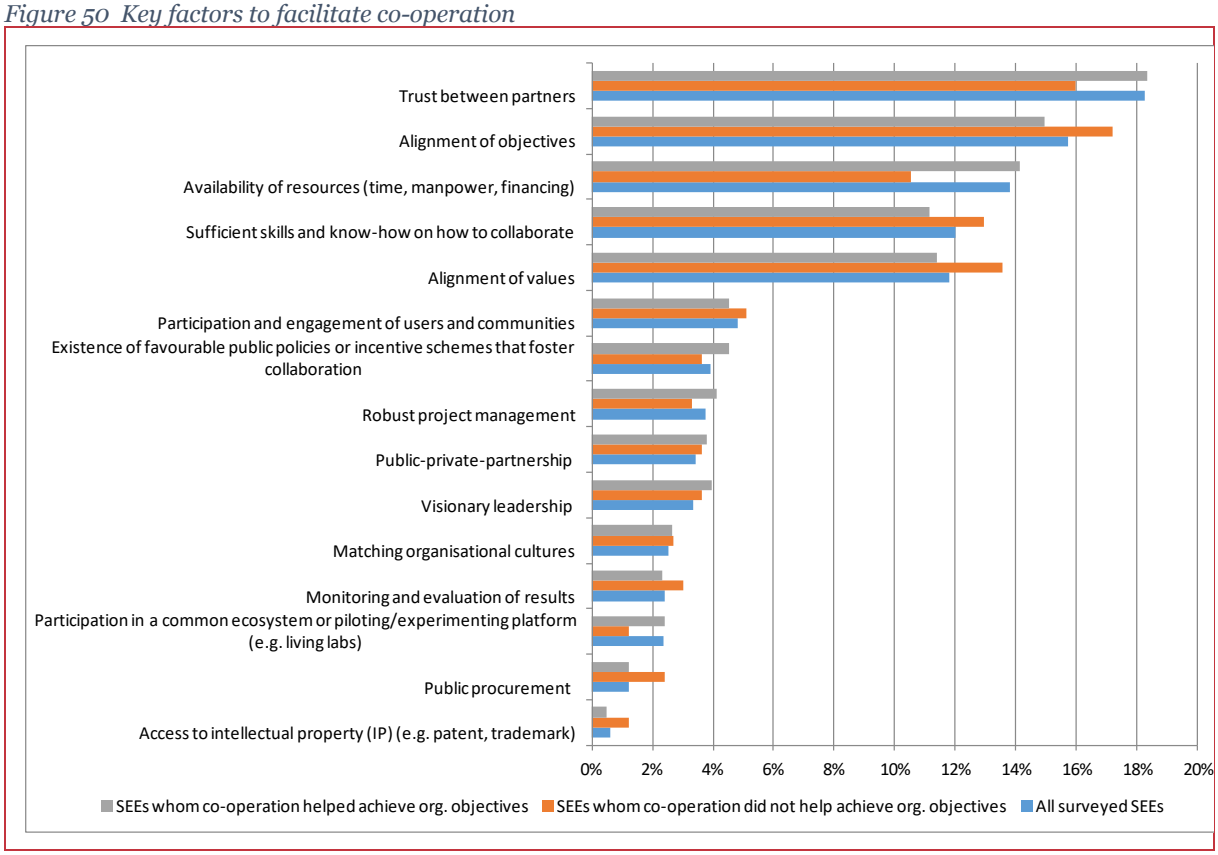
Figure 49 Financing sources to facilitate co-operation



4.2.2.9 Key factors to facilitate co-operation

The most important factors facilitating the co-operation indicated by the SEEs are trust be-tween the collaborating partners and the alignment of values (as well as other trust-building factors), which are reflected in mutual understanding and acceptance. One of the key factors was also the availability of resources (e.g. time, manpower, financing) lack of which affects especially the SEEs which do not conduct business activity. "Dissatisfied" SEEs pointed noticeably more often than "Satisfied" SEEs to such factors as: alignment of objectives and values, sufficient skills to co-operate and public procurement. The first factors are a little bit "theoretical" while the last one suggests the "Dissatisfied" SEEs are more oriented towards a "receiving" than "earning" philosophy, as compared to the "Satisfied" ones. "Satisfied" SEEs mentioned relatively more often two down-to-earth, key business facilitating factors: mutual trust and availability of resources.

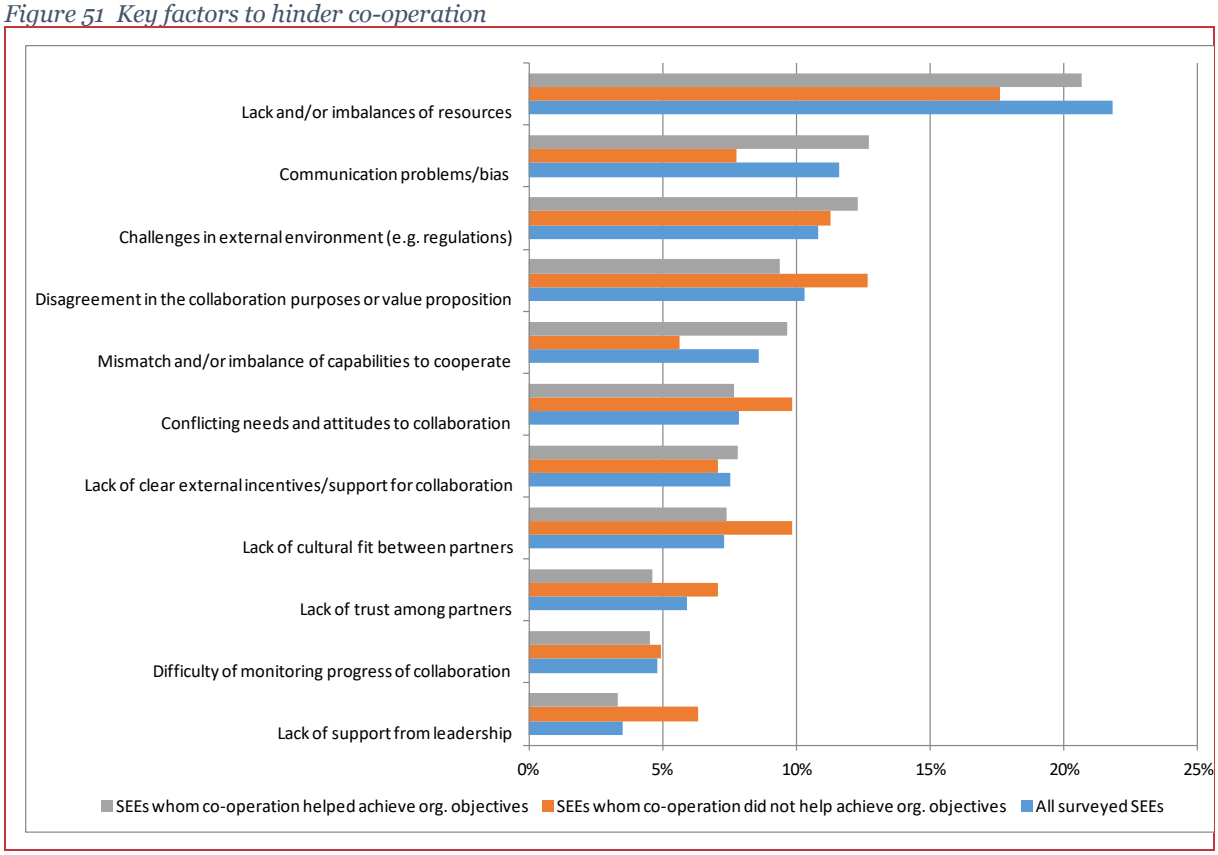
Figure 50 Key factors to facilitate co-operation



4.2.2.10 Key factors to hinder co-operation

The most important factor hindering co-operation is the lack or imbalance of resources (time, manpower, financing). The SEEs consider communication problems to be the second most important factor hindering co-operation. Another factor which was also chosen frequently by the SEEs was the challenges in external environment, especially regulations (inappropriate laws, bureaucratic standards, differences in national regulations limiting SEEs' international operations and partnerships) which make effective co-operation difficult. The "Dissatisfied" SEEs reported relatively more often such negative factors as: disagreement about the collabo-ration purpose, conflicting needs, lack of cultural fit, lack of trust and lack of support from leadership. The relative popularity of these factors suggests the co-operation business model might not have been mature when co-operation took place. On the other hand, "Satisfied" SEEs reported relatively more often more practical issues, such as: lack of resources, imbalance of capabilities, communication bias. This suggests the business model was in place, but the SEEs struggled with its execution.

Figure 51 Key factors to hinder co-operation



4.2.3 Conclusions and recommendations

From the above analysis we conclude that there is a positive correlation between declaring a positive effect of co-operation on achieving organisational objectives and the "Satisfied" SEE:

- Being larger in size;
- Co-operating with a larger number of traditional companies;
- Having a larger-than-regional range of operations;
- Having a good gender balance by employing an equal number of men and women;
- Being driven to co-operate by a will to scale-up its existing business and make it sustainable rather than being in the phase of developing a business model;
- Engaging more often in the role of a collaborator to add value to a third party along with being a supplier or a customer of a traditional enterprise;
- Using a much wider range of co-operation means, more business-related (integration to a value chain of a traditional business) and dealing with a wider range of co-operators (clustering/networking, links to intermediaries such as incubators and accelerators);
- Making greater use of more innovative, rather than public or charitable, financing sources, such as: corporates, banks, institutional investors, crowdfunding platforms and impact investment funds;
- Pointing at down-to-earth, business-related factors facilitating co-operation: mutual trust and availability of resources, rather than alignment of values and objectives;
- Reporting as hindrances to co-operation practical issues, such as: lack of resources, imbalance of capabilities, communication bias rather than disagreement on collaboration purpose, conflicting needs or lack of cultural fit.

All these features indicate that the more mature, developed, close to business and sophisticated in using available financing sources and varying its co-operation means the SEE is, the higher the value co-operation with traditional businesses brings on achieving the SEE's organisational objectives. Referring to the concept presented above, the more developed the partnership between the SEE and traditional business, the more impact it makes.

This could be an indication for regulators and governments at various levels (European, national, local) for developing environments conducive to the SEEs' growing and developing their capacities, as well as supporting the development of more complex types of partnerships. The objectives of the changes in this area could be to:

- Simplify procedures and regulations in order to enable SEEs to dedicate more of their limited resources to their core activity;
- Incentivise SEEs to acquire more partners and to be more active in initiating co-operations;
- Incentivise traditional businesses to enter into partnerships with SEEs using varied means of co-operation. Make them aware of the potential benefits of co-operations, such as: product/service innovation, employee motivation, corporate visibility
- Promote SEEs as reliable business partners and incentivise traditional businesses to enter into long-lasting business relationships with SEEs;
- Focus public funding on supporting SEE entrepreneurship and business performance. Help SEEs bridge the imbalance of resources gap for promising initiatives;
- Incentivise the financial sector to provide financing to SEEs and socially-driven undertakings.

5 Specific forms of co-operations between social economy entities and traditional enterprises

This section builds on the general patterns identified in section 4 and complement the "big landscape" of co-operation between SEEs and traditional firms, looking in-depth at specific themes with a combination of quantitative data and qualitative methodology. Case studies and interviews of relevant actors enabled to capture the realm of co-operation interactions complemented by desk research and information provided by the survey. For each analysed research issue, survey questions were raised, and the feedback was also analysed quantitatively. We developed a common format for each theme where the key takeaways from the interviews have been summarised, followed by a short verdict of the key lessons learned from the specific theme.

The objective of this chapter is to extent our knowledge on specific forms of co-operation and a set of aspects that strongly influence the co-operation environment. It is structured as follows:

- The integration of social entrepreneurship in the production and the value chain of traditional business and promising forms of co-operation such is the case of Hybrid Value Chains as new business models of value co-creation between SEEs and traditional firms (Subsections 5.1 and 5.2)
- The activity of social intra-preneurs as new co-operation actors to the incubation of separate social business units and social start-ups in traditional firms (Subsection 5.3)
- Co-operation driven by CSR and RBC Policy, related to changes in corporations' behaviour towards the generation of shared value and the co-creation of value through new business models (Subsection 5.5)
- Co-operation from a broad perspective in economic and innovation ecosystems through the formation of local competitiveness clusters between SEEs and traditional enterprises (Subsection 5.4). Other topic investigated under the systemic perspective has been the role of social extra-preneurs

as new intermediary actors, combined with the operation of other intermediaries, such as traditional and social incubators and accelerators (Subsection 5.6)

- Issues related to funding and financial mechanisms of co-operation, such as constructive and sustainable private procurement relationships between social and traditional businesses, and between social enterprises themselves (Sub-section 5.7), sponsorship, competence voluntary work and pro bono investments from traditional businesses to SEEs (Subsection 5.8) and venture capital invested by traditional companies in SEEs (Subsection 5.9)
- The analysis of methods of management in SEEs enterprises which are used or mirrored in traditional businesses was considered as a relevant intra-organisational aspect (Subsection 5.10)
- Gender dimension in co-operation interactions, which remains elusive in the analysis of co-operation in general, has been considered analysing co-inspiration between SEEs and traditional enterprises to promote gender opportunities and equal access to decision making positions (Subsection 5.11)
- Interrelationships with circular economy and sharing/collaborative were considered through the analysis of co-creation and coopetition between SEEs and traditional enterprises in these sectors (Subsections 5.13 and 5.14 respectively)
- Exchange and use of dormant patents of traditional companies by SEEs was also considered as potential source of co-operation interactions (Subsection 5.14)
- And finally, and not less important, the role of co-operations for the development/introduction of new technologies and in the digitalisation process of SEEs and traditional enterprises (Subsection 5.15)

In the following the results are presented that show the analysis for each area.

5.1 Integration of social entrepreneurship in the production process and the value chain of traditional businesses

In order to effectively integrate SEEs into traditional value chains, it is firstly important to deconstruct the term 'value chain': "A value chain disaggregates a firm into strategically relevant activities in order to understand the behaviour of costs and the existing and potential sources of differentiation." (Porter, 2001: 50) Value chains develop over time and are hence path-dependent, they are a result of past strategies, their context and success of implementation. What is important is that they are a source of potential competitive advantage over competitors.

It is particularly interesting to see how SEEs and for-profit firms collaborate in creating value, what roles they play and if there can be types of value chains and value chain role be distinguished through the study. For the purposes of our analysis it is of relevance that a value chain consists of nine component parts, and co-operations between SEEs and for-profit firms can belong to different component parts. The component parts are to be clustered into primary and support activities.

There are **five primary activities** involved in any economic sector, but to different degrees depending on the economic activity.

- Inbound logistics: Activities associated with receiving and storing inputs;
- Operations: Transforming inputs into final outputs;
- Outbound logistics: Storing outputs, distributing them to buyers;
- Marketing and sales;
- Services, to enhance and maintain the value to the buyers.

These generic activities link together in a value-adding sequence the input–output structure, products and services. Firms that co-ordinate these activities along the value chain thereby capturing the most value, are referred to as lead firms (Hamilton-Hart and Stringer, 2016). A value chain is characterized by a governance structure based on the power relationships and networks that determine how resources

are coordinated along the value chain. This is a crucial dimension, as access to some markets is only possible through a lead firm's networks (*complementary assets*, Teece (1986)). Value chains may be of different spatial dimension, which examines the geographical spread of production and distribution networks in order to understand how firms use geographical regions to gain access to resources.

Additionally, Porter (2001) defines four support activities in the value chains of firms. These are

- Firm infrastructure: Building up, maintenance, access, tangible and intangible firm infrastructure;
- Technology development;
- Human resources: Acquisition, training and qualification, motivation;
- Procurement: Purchasing inputs.

Waste management or disposal of waste streams is not included in the original value chain model. Depending on the business model, it can be placed in different parts of the value chain. It can be part of the after-sales services, or in a circular economy perspective, part of inbound logistics – using waste materials as inputs for further production and operation.

5.1.1 Interpretation of relevant quantitative indicator

Co-operation in value chains are difficult to grasp in quantitative indicators due to many variations and roles, the length and shapes of the value chains, their geographical spread etc. A simple number will not work. A first proxy may be a basic question in our online survey on any kind of co-operation with traditional enterprises during the last three years. Here co-operation is meant as any formal and informal co-operation that shares common objectives between parties (not just value chain). It turns out that over 60% of all SEEs answering the survey had collaborated with a traditional enterprise during the last three years in some form, and below 40% had not. We assumed that collaboration behaviour of SEEs might vary depending on their size, and indeed a higher proportion of large SEEs had collaborated with traditional firms than small SEEs (Italy even more than all other countries displays this pattern), a higher proportion of small SEEs had not collaborated.

Concerning the roles of SEEs in their co-operation, the various countries differ in their most prevalent roles: In Germany, Poland, Belgium, Romania, and Austrian SEEs in the majority of co-operations with for-profit firms are suppliers which points to some role in the value chains of the traditional firms. In Finland, France and Spain SEEs add value for a third party in the majority of the co-operations with traditional firms. In Italy both roles are equally distributed.

The percentage of SEEs that explicitly state to be integrated in the value chains of for-profit firms varies across countries, starting from around 20% (Finland, Austria, UK), over around 30% (Italy, France, Germany, Spain) to around 40% (Belgium, Poland, Romania). Some countries show a distinct differentiation by size, meaning that the larger SEEs integrate into value chains of for-profit firms (e.g. Finland, France, Poland, Spain). However, by far not all countries follow that model. In Belgium, Austria and Romania rather small SEEs are integrated in value chains of for-profit firms.

5.1.2 Key takeaways from qualitative interviews

Based on the interviews traditional companies collaborate with **SEEs as part of their value chain** in the following formats:

1. SEEs as suppliers (Inbound logistics of for-profit firm**)**
These are often open competitive markets where the traditional firms do not make any difference between SEEs and for-profits as suppliers. SEEs serving these markets will at some point be in touch with private partners, e.g. selling their materials for private companies, but without special conditions or advantages. SEEs have to compete and tend not to be so different from their private partners. **These partnerships can be seen as mainly transactional,** SEEs even tend to remain anonymous in the group of total suppliers**.**

Here SEEs are suppliers of products or components for the core business activities of the traditional firms. E.g. SEEs supply electronic, metal, textile or wood fabric components that are used and integrated in the (finished) products of the traditional companies.

In some cases, SEE also produce the finished products themselves as a sub-contractor for the traditional company (e.g. shoes, clothing). SEEs produce different products, craft products, agricultural products, and also culinary products (different specialties such as juices, jams, noble brandies etc) and supply these to traditional companies like retailers or food industry.

2. Co-operation within the core operations (primary activities) of the traditional company.

There are examples where SEEs are part of the core operations of the traditional company. **In these cases, the partnerships can be seen as mainly integrated**. Co-operation partners interact more intensively and create value in a conjoined way, synergy is important. Partners cannot be exchanged easily, they have aligned their expectations and the investment in aligning would be sunk cost in case one partner drops out. Still, the overall strategic set up of the traditional company is not touched.

- SEEs as franchisers of established (retail) brands. The traditional company implements the retail shop under their brand and the SEEs run the shop, thereby training and employing (vulnerable / disabled) people. As a consequence, traditional companies also recruit people from the SEE franchisers for their regular shops (see Human Resource Management below).
- Co-creation of items that are sold on the market in co-branding (e.g. fashion). The relationship is a business relationship. They have contracts that regulate production, branding, distribution of the partner company. Co-branded items are often accessories.

What is special here is that the SEEs benefit from the supply chains, product ranges, brands and distribution channels of the larger for-profit firms, thereby SEEs grow and generate more impact (mostly jobs for vulnerable populations).

3. SEEs supporting the core business (supporting activities) of the traditional firm.

In many ways do SEEs support the core business of the traditional company, **these types of co-operation are mostly transactional.** Although SEEs do not remain anonymous as under (1) as suppliers the relationship is clearly hierarchical, and one SEE not fulfilling the criteria of the company could often be easily replaced for another.

- *Firm infrastructure* SEEs are service providers that from time to time deliver services on the premises, for the firm infrastructure of the traditional company, like gardening services, or cover work peaks regarding manual, rather simple activities (e.g. unloading trucks).
- SEEs deliver products that are needed through the traditional company, e.g. products for the office, for marketing, catering/food, flowers, gifts.
- SEEs also complement the core business activities of the traditional firm in offering transport for elderly to the retailer or provide low-cost delivery of food to the homes of customers.

4. Work integration SEEs (WISE) and the value chain of for-profit firms

Implementing or supporting WISEs can be a form of human resource management for the traditional company, in that case being a supporting activity in the value chain. SEEs themselves or in co-operation with companies provide training and enable marginalised, vulnerable, disabled people (e.g. youngsters needing individual support, people having been on sick leave for a long time, refugees, elderly, disabled people) that would have problems to find a job in the regular labour market otherwise. This is one of the main support activities of SEEs for traditional companies and at the same time can also be a means of active labour market policy.

There are three basic ways in which WISEs integrate in the value chain of traditional companies. **The types of co-operation vary from traditional to more integrated,** see below[57]**.**

- Clients who see them as providing **low-budget solution** to their needs. WISEs take over some of their activities, just because economically speaking they are a good choice, being it in terms of price (i.e. being additionally funded) or being in terms of the specific services they can provide (e.g. employing people with special needs, thus fulfilling the legal requirements for traditional firms in many countries).
- Then WISEs have clients (often small, local SMEs), which lack the necessary **workforce**, for a couple of specific questions. They turn to WISEs to outsource the manual labour or organise alternative cooperation in terms of insourcing and Work Enclave system (whereby workers from a sheltered employment centre temporarily join the company). [58]
- Traditional firms with whom WISEs establish sustainable partnerships and who want to think along with them in terms of **ecosystems**. They do not only consciously choose to have activities executed by WISEs, but also consciously choose to communicate about that internally and externally. They start also from the question of where in the ecosystem every partner, and thus also the social economy organization, can provide added value. They positively disseminate the message on co-operation towards clients, towards suppliers, towards peers etc. They are WISEs' most important clients.

An important factor for cooperation is the **skills development** and **alignment of processes**. Skills shortages and mismatches currently affect WISE's in several dimensions. Overall and faced by a rapidly changing world, for new production techniques and digital steered processes (such as robotics, AI, big data, etc.) [59], WISE's are indeed reporting difficulties[60]. The participation rate in education for all individuals aged 18-29 in the EU stood at 38.3% in 2014, while the figure for persons with disabilities was 32.5%[61]. There is a need for training modules for staff and to adapt production processes. Pioneering WISE's have setup dedicated process teams that combine engineers, ergo-therapists, HR managers together with employees to find a match between the production need and the ability of the employees. Often technology provides the solution and is developed in a customised way: cobots[62] provide a third arm, digital assistance technology[63] makes the task repeats systematically, adapted software and screen technology improve visibility, accuracy and language support, etc.

These trends show a completely new innovative approach on production and service development where the employee is engaged from the development phase which stimulates sustainable employment and inclusiveness. Improving the application of these practices in the WISE sector will result overall in better employment prospects, a new sense of self-worth and self-determination among them and, more broadly, in improved social inclusion in Europe.

5. SEEs as source of innovation for traditional firms (Supporting activity)

Here SEEs are mediators between groups of people with specific needs and traditional firms. They link relevant stakeholder groups to traditional companies and establish contacts and formats for exchange. Moreover, they might develop specific products together with the traditional companies that are of

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[57] See also https://www.myhandicap.de/jobboerse/arbeitsuchende/arbeitnehmer/jobboersen-handicap/, https://www.wien-work.at/de/ueber-uns, **and the Flemish "encalves" as described in** https://www.jobat.be/nl/artikels/mensen-met-een-arbeidsbeperking-op-de-gewone-werkvloer/

[58] Disability and Labour Market Integration - European Commission 2016

[59] http://www.diesis.coop/blockchain-digital-social-innovation-and-social-economy-the-future-is-here/

[60] The Inno-Wise project (Interreg) showed that regarding production and implementation of technology support, the main obstacles are: lack of specific know-know and skills; unawareness of technological tools; lack of widespread skills for the daily use of technological tools adopted by the enterprise.

[61] https://ec.europa.eu/eurostat/statistics-explained/index.php/Disability_statistics

[62] https://www.flandersinvestmentandtrade.com/invest/en/news/flanders-based-firm-mariasteen-upgrades-industry-50; https://www.sirris.be/cobots

[63] http://www.europarl.europa.eu/EPRS/EPRS-Briefing-559513-Assistive-technologies-support-people-with-disabilities-FINAL.pdf

special value for a vulnerable group of people (e.g. disabled people). For instance, large infrastructure providers (e.g. power grid companies) want to raise acceptance for their infrastructure projects and to create a win-win situation with local communities. SEEs like environmental NGOs establish partnerships with such companies in order to do so as they are trusted by local communities and have a good reputation. Another example are umbrella organisations that represent disabled people, and upon entering co-operation with service and production/technology firms negotiate or show the way for adapting standard services to make them fit for special needs. The type of co-operation is mainly **short-term integration of partial strategies**, again the overall strategy of the traditional firm is mostly untouched.

i) **Open innovation through co-operation with SEEs**
In rare cases, traditional firms establish a department or separate entity as accelerator to innovate through start-ups (i.e. open innovation, outside in), in particular through SEEs to be able to offer products and services beyond standard.

ii) **Co-operation in waste management**
A main form of co-operation between SEEs and for-profit firms is in the area of waste management. Waste management is – depending on the business model of the for-profit firm – either a core activity (i.e. circular economy models, collecting, dismantling, reusing, repairing) or an end-of-life activity (disposal).[64]

Drivers and barriers

What drives cooperation is the opportunity to meet and establish contacts between SEEs and traditional firms, be it through close geographical proximity, through matchmakers (e.g. regional associations) or through promotion events that can serve for matchmaking as well (e.g. Romanian design week, see MBQ Box) etc. Understanding of each partner's role is important to create strong interdependent bonds between co-operation partners. Trust is of course important, what helps here in the beginning of a co-operation is certification (e.g. ISO) and transparency (e.g. annual reporting) in order to communicate responsibility and professionalism. Vice versa one often reported barrier in the setting up co-operation between SEEs and traditional firms is making first contacts with them.

Some SEEs also feel that traditional firms do not co-operate with several SEEs: Once they have found "their SEE mate", they are unwilling to replace it and apparently seem also unwilling to add another SEE. Obviously, this is not always a problem as we see that some traditional firms do ally with several SEEs, also for similar purposes. But it may still be a frequent problem and most probably related to size, and promotion strategy. There are also frequent problems with different approaches and missing mutual understanding which are inherent to diverse partners. What helps here most is a (quick prototype) solution that is in practice and works because it counteracts doubts and helps aligning roles. However, solutions need time to work out, which makes time tolerance on part of the traditional firm necessary. On the other hand, SEEs often have to learn that a value chain co-operation has to be at least self-sustaining, at least in the long run. Failure of cooperation is often due to wrong expectations, i.e. ideas that need more time to develop and progress than expected at the beginning.

5.1.3 Short verdict

Based on our empirical data from the interviews and the online survey we can see a rich variation of relations between SEEs and for-profit firms within value chains. However, there seems to be sectoral variations with more co-operations happening in waste management, fashion and food than in other sectors (e.g. health).

Types of co-operation are mainly transactional or, at the most, integrated. The traditional company does adapt partially. Transformative co-operations would mean a change in the fit between strategy, structure, culture, and processes of the organization. Partial adaptation is mainly adapting processes, giving

[64] We refer here to the Research theme Circular economy, chapter 5.11, for co-operation in this area.

way to some cultural expectations ("feel responsible"), but the original congruence of strategy, structure and culture of the for-profit firm seems to mainly remain the same.

Public funding is important as for-profit firms appreciate the "second financing" and hence the cheaper prices of services and/or the possibility to outsource costly manual work provided by WISEs. This implies that many co-operations are concentrated on activities that are highly labour intensive (repair, maintenance, delivery, cooking, etc). Hence, grants are a way to counteract high labour taxation which often crowds out labour-intensive, yet social and sustainability enhancing activities like e.g. repair services.

Regulations related to employment support the creation of a structured long-term collaboration in value chains. In many countries, firms have to employ a certain number/or fraction of vulnerable job seekers but find it very hard to do so. So, they can delegate this to an SEE. Through collaboration an SEE can then employ a number of vulnerable people that were supposed to be employed by the traditional firm. So, this is a policy element that really fosters collaboration between SEEs and for-profit firms. On the other hand it is solely focused on the recognized group of vulnerable people where there are two kinds of vulnerable people: First, those that are technically recognized as disadvantaged workers and have support and access to the job market from a policy point of view, secondly there are also people with vulnerabilities that are recognized globally but not technically and practically with systematic support: in many countries this applies for refugees, or teenage mothers who had never been part of the job market and hence technically are not unemployed etc. The second group is not officially recognized as vulnerable and hence often does not get support.

Still, co-operation in value chains cannot be called a common phenomenon. Over 70% of SEEs in the online survey say they are not collaborating with a for-profit firm in a value chain. The most frequent reasons for not engaging in a collaboration with a for-profit firm being "we have not thought about is or given it actual priority" and "we are interested but lacked specific opportunities" point to different directions: Parts of the SEE population give it a low priority, other parts would like to collaborate but miss opportunity. Spatial proximity helps to increase opportunities to collaborate, this is why collaboration is often local.

Co-operation in value chains is comparably often characterised by a local dimension, particularly when it comes down to services delivered through the SEE or regarding the recruiting of people. This also can go hand in hand with the perception that informal and personal contacts and reputation between stakeholders play an (extra) important role particularly in rural areas and that entrepreneurs (mainly from SMEs) often feel particularly responsible for their local surrounding. Both can be of high importance for starting a co-operation with an SEE.

Box 1 Company Spar best practice #1 on integration of SEEs in the production process and value chain of traditional businesses

1.	**Case ID** Name of SEE: Single Spar markets, operated as WISEs, managed by Caritas (=charity), and Rettet das Kind (=charity) under the Spar family brand Website: https://www.rettet-das-kind-sbg.at/angebote/spar-markt/, https://www.caritas-wien.at/aktuell/news/information/news/76917-caritas-und-spar-supermarkt-mit-sozialem-mehrwert/ Country: Austria Co-operating traditional enterprise: Spar Website: www.spar.at Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☒ Transformative ☐ Type of organisation: SEE ☐ Traditional enterprise ☒
2.	**Why is this case a best / good practice?** *From the viewpoint of the traditional company* In the Austrian context, Spar is a very large and established food retailer in national ownership. Together with different large charities they implement food retail markets, established as WISEs, as training markets, also in small villages, to offer people with disadvantages on the job market the opportunity of vocational training in the food retail sector. Supervisors/managers as well as employees skilled in retail are

	employed in the market as "permanent staff". In addition, young people with intellectual and / or physical impairments between the ages of 15 and 24 receive sound training as retail merchants. *From the viewpoint of the SEE* The single markets are managed by the charities. They offer a "regular" and not an "artificial" working and training environment (see website Rettet das Kind). The people who have received training are later assisted in their search for a job or taken over by Spar. The benefit for the customers is that local retail is maintained and additional services such as a delivery service are offered.
3.	**What are the most important success factors?** The advantage of this kind of co-operation is that the social organizations, the charities, can take more time because they have a second financing and a mission to provide special support: The single Spar markets are then SEEs, integrated in the Spar supply chains. As WISEs, they are a labour market integration measure via the public employment agency. Furthermore, they have specialized training staff. This is necessary because they train people who need special attention in their daily work due to disabilities etc.- this could be difficult besides routine work in a regular retail. Spar has several such single food retail markets that are organized as WISEs with different charities. They stand for long-term partnerships at eye level. Freedom of manoeuvre on part of Spar affiliates is an important ingredient: the single initiatives and co-operation are operated decentral by single Spar markets and their employees there. The individual food retail stores benefit from the whole Spar supply chain including branded goods, and the family brand "Spar". The product range in Austria includes up to 140,000 items, the largest markets offer up to 50,000 items, but with large regional differences. These kinds of co-operations are seen as co-operation activities that should be financially self-sustaining, at least in the long run. Among the motives on part of Spar are the acquisition of qualified and motivated employees, and additional services that can be offered through co-operation with SEEs.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The causal relation is the qualification of - possibly future - employees who, for various reasons, cannot find employment in the regular labour market. It may be due to disability, mental or physical, age or inadequate education (school dropouts). Here Spar works intensively together with different charities and refugee organizations, etc. Then these organizations act as retailers, sourcing the goods, setting up the market and hiring young people, elderly people or disabled people, offering them partial qualifications or apprenticeships. Upon finishing the training, often these persons are then taken over in the regular Spar supermarkets or they are supported in finding a job in another company.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The focus of the co-operation activities is on creating a win-win situation, both for Spar as a for-profit firm and the SEEs. Over the long run, initiatives should be self-sustaining. Setting up Spar retail markets together with SEEs is an interesting form of providing the Spar supply chain and brand for making the SEEs serving better their target populations which often also results in qualified and motivated employees for Spar.

Box 2 Company MBQ best practice #2 on integration of SEEs in the production process and value chain of traditional businesses

1.	**Case ID** Name of SEE: MBQ Website: http://mbq.ro/ Country: **Romania** Cooperating traditional enterprise: IKEA Website: : https://www.ikea.com/gb/en/ideas/changing-lives-with-hand-crafted-collections-1364651801016/ Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** MBQ [Mesteshukar ButiQ] is a Bucharest based social enterprise working on revaluing traditional Roma craftsmanship. The Romanian organisation Romano ButiQ has the aim of reviving traditional Roma handicraft and has existed since 2011; it created the Meşteshukar ButiQ (MBQ) brand having this goal in mind. A broad network of people who have learned trades such as copper embossing, blacksmithing or tailoring has since developed. These cultural competences can both contribute to changing attitudes towards the Roma population and provide an opportunity to help families escape the economically difficult situations in which so many of them live. Founded in 2011, they did not start by identifying a need in the market, but a need in the Roma community In 2015 the social initiative opened stores in Romania. Previously, the manufactured products have been sold on an online platform. The Romano ButiQ association supports the development of cultural and educational activities with numerous other projects and campaigns to help the integration of Roma in Romania. Romano ButiQ investigates, develops and promotes the cultural heritage of vulnerable and multi-cultural communities and helps people suffering from all forms of discrimination and social exclusion. MBQ collaborates with IKEA which is actively looking to collaborate with social businesses. MBQ is the first SEE working with them in Europe. IKEA is working together with social enterprise Mesteshukar ButiQ in Romania, to create job opportunities for the Roma population.
3.	**What are the most important success factors?** Since 2015, MBQ is a social enterprise. They are not legally authorized as an SEE under the Romanian Law, since they did not see the point in doing all the bureaucracy without having a benefit. In the last 2 years, they have also worked with Erste Foundation in Vienna for the product development and with SSV Foundation from France for the community development part. Another partner is NESST which is helping them with loans and grants to further develop. Professionalisation through previous collaborations: Through the Erste Foundation MBQ received support and achieved professionalisation, e.g. they worked with internationally established designers (coming from Calvin Klein etc.) Erste Foundation organised two events at the Wien Museum together with its partner NGOs. Romano ButiQ showcased brand new collection of Meşteshukar ButiQ (MBQ) products created by Roma artisans from Romania jointly with the renowned Austrian designers as pro bono experts. It is likely that this phase of professionalization with Erste Foundation paved the way for the co-operation with IKEA that followed. IKEA had participated in the Romanian Design Week for several editions and at some points approached MBQ. IKEA now ordered the first 10.000 products.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Craftspeople with special skills and products are encouraged and trained to found small enterprises. MBQ supports the establishment of co-operatives to facilitate access to resources and legal aid and help tackle the many challenges facing small companies. Professionalisation through previous collaborations helps MBQ and craftspeople in being partners more on eye level. Events like Romanian Design week support making contacts between Ikea and MBQ.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** • Good quality ethnic products, skilled craftsmen provide the basis for the cooperation with IKEA because they are the subject of the collaboration. The MBQ products become part of the IKEA supply chain. • Professionalisation in consultancy with international designers as pro bono experts helps MBQ becoming a professional partner in collaboration and overcoming its small-scale structures.

Sources: Interview with MBQ and http://www.erstestiftung.org/en/zerunian-weisz-interview/ , last accessed 17/05/18

5.2 Hybrid value chains as new models of co-creation between social enterprises and traditional firms for the EU development and neighbourhood policy

Overall the Hybrid Value Chain (HVC) is an approach that would allow the development of common value (co-created value) between traditional firms and social entrepreneurs (Citizen Sector Organisations) with the purpose of solving grand challenges. The HVC can be described as a 'transformative partnership' within the 'continuum' of the CVC framework (Austin & Seitanidi, 2011; 2012 a, b; 2014). HVC is built on the equally important (and different) strengths from traditional firms and SEE, respecting citizens' value in the partnering process as equal stakeholders (Drayton & Budinich, 2010).

Compared with the classical notion of value chain in the traditional firm sector, HVC provides a more sustainable and efficient solution to societal needs, bridging the divide between business and citizens. The principal characteristics and core criteria as differentiators of HVC are:

- **Produce social benefit**. The HVC provides efficient solutions that have meaningful impact on an intractable social problem affecting millions of people, thereby accessing new markets
- **Citizen partners**. The HVC involves trusted citizens and organisations who can link communities and individuals to the HVC process and help unleash new and untapped market demand and resources.
- **Corporate partners**. The HVC requires companies with the motivation, resources and ability to execute collaborative solutions, involving the participation the users and communities. In doing so companies also change their corporate culture and sustainability practices. HVC can be an instrument to the purposes and actions of intra-preneurs as corporate "changemakers".
- **Business model.** HVCs differs from charity and/or CSR projects, usually dependent on donations or subsidies. Sustainability and scalability must rest on profitability and sometimes generate profits to both sides, companies and citizens.
- **Scalable solutions and growth potential combined with 'transformative' purposes.** HVCs impact on the company's bottom line, change industry practices and, at the same time, improve millions of lives.
- **Co-creation of value.** Creation of value is not limited to sharing resources, require an active citizen participation in the process and the 'sum' of all stakeholders' inputs.
- **Multi-stakeholder and open innovation practices.** To companies HVC is an opportunity to put in practice open social innovation strategies. Chesbrough et al. (2014, p. 170) defines Open Social Innovation (OSI) as the "application of either inbound or outbound open innovation strategies, along with innovations in the associated business model of the organisation to social challenges".

One of the most valuable contribution of HVCs is the potential synergies that may generate **for development and neighbourhood policies.** The HVC implementation in several countries has shown that they may be an instrument to a better alignment between traditional firms, social economy entities and policy objectives (Drayton & Budinich, 2010). At the same time, regulation, policy and institutional environment (e.g., tax incentives, public sewage systems and municipal services) are critical in enabling or hindering the aspired HVC purpose of creating transparent and competitive markets so consumers and producers benefit not just from having access, but from better prices, products and services. In this respect, HVC is not limited to serving low-income populations. It enables 'user-driven' and grass-rooted innovations coming from the citizens' awareness of unmet needs and their capacity to propose innovative solutions in both developed and developing countries. Policy-makers and government agents, together other intermediary actors, such as experts, university researchers, etc., play valuable roles in an HVC framework, accordingly to the local contexts where HVCs are implemented. At some point in an HVC's growth, regulations or laws, roads or tax incentives, public sewage systems and municipal services, significant amounts of capital investment or capacity-building will be needed.

5.2.1 Interpretation of relevant quantitative indicator

According to the objective of the study we focus on HVC co-operations between SEEs and for-profit companies that try to serve previously unserved/underserved markets *beyond* the EU, especially in developing countries.

From the qualitative analysis (see chapter 5.2.2) we know that hybrid value chains show a multitude of variations in order to bridge the social and the economic goals, plus the local and the global areas of operation. So counting hybrid value chains seems unlikely in the near future. For the HVC approach we can only use proxies from the quantitative survey. For concrete forms of hybrid value chains, we refer to examples form the qualitative interviews. One proxy is the area of operation of the SEEs. Overall, the vast majority (more than 50 per cent) of all SEEs in the quantitative survey have a regional area of operation, just over 30 per cent a national area of operation. Only around 5 per cent operate within the European Union, and with 3 per cent even smaller proportions in international developing countries. There is some variation across countries with e.g. Belgium being more visibly more open than other countries. Belgium is above average in all international areas of operation – Romania, Spain and the UK are above average in some international areas of operation, mainly in developing countries. This means that our survey found more SEEs active in developed countries for Belgium, Romania, Spain and the UK.

The 3 per cent of SEEs that state their area of operation being international developing countries may be taken as the upper limit, and we may assume that actually below 3 per cent of SEEs operate in hybrid value chains in international developing countries.

5.2.2 Key takeaways from qualitative interviews

Hybrid value chains add layers of an even higher complexity to the value propositions of SEEs in not only combining the social and the economic goals inherent to the SEE nature. They also combine local (European) operations with global ("glocal") ones.

In our interviews, we can see different approaches to tackle these challenges, the three main approaches to HVC seem to be:

1. A hybrid value chain of two globally acting organisations

A multinational with a number of subsidiaries in different continents has set up some reuse scheme together with an SEE. The SEE as well is a globally acting organization with an elaborate organization structure over several continents. The advantage of both is that they have local actors within their own organization in the form of their subsidiaries/local suborganisations and a global structure that makes it easier to diffuse a scheme once it runs successfully. Together they are able to join forces to use education and vocational training and reuse/renovation to impact positively on youth unemployment or employment of other vulnerable groups.

The multinational thus collaborates with the charity/social enterprise in a value chain in order to be able to offer this. For the multinational it is a CSR activity, it is a benefit ("we see they are putting this in their activity report"), and it is geographically diffusing over several countries and continents. One crucial ingredient to make this work is the reputation of the worldwide acting SEE, its transparency and reporting.

2. A hybrid value chain through dual structure.

As an HVC has to tackle even more challenges than a "regular" SEE in operating in high cultural diversity there seems to be a tendency to vertically integrate the HVC in accommodating different organisational forms and different fields of operation. For instance, for one Spanish SEE the core idea is 'to sell a main product and allocate all the profits obtained to bring good quality potable water to those in selected African/Asian communities who do not have it'. The firm aims at the production, commercialization and distribution of their products either through own commercialization activities or through third parties. Then it invests 100% of its profits in financing and developing co-operation projects to alleviate water needs in deprived populations with scarce resources. Taking water as the fundamental focus of action,

the firm facilitates access to water for people living in situations of poverty and through any other activity that contributes to improve their living conditions. To do this, the firm seeks alliances with local partners (including corporation and large firms) and with local beneficiaries and pursues the realization of projects with impact in the long term. Thus, the social enterprise does not act as a mere funder, but is involved in the selection of the projects, their management and their follow-up, with the intention of applying business management, and criteria and efficiency in all processes. In turn, in the SEE's country of origin the clients of the SEE's original product commit themselves through sponsorship projects developed as part of their CSR strategies. In other cases, traditional companies are customers with a social commitment, and offer the SEE's primary product in their offices, events and press fleet. Another example is a French SEE that is set up as a traditional, for-profit enterprise and in parallel as local SEEs providing the social services in the countries, they operate in. Both, the traditional and social enterprise work hand in hand on a daily basis. They even work in the same office in the community where they are active. Over 70% of the employees are from the local community or the country. In the countries they operate in, in Africa and Far East, they co-operate with large infrastructure companies in order to provide access to basic services for the local populations. "Setting up only a traditional enterprise to grant services without the assistance of the social enterprise might not have been as successful."

3. An SEE bridging the hybrid value chain

In this form, which has multiple variations too, the SEE forms the bridge between some investing corporation and the local beneficiaries – often with positive environmental outcomes as well. An illustrative example is that of an SEE that collaborates with a large retailer at the level of its value chain. The co-operation's purpose is to make the link between small farmers in developing countries with retailers in Europe for several product categories (bananas, coffee, cocoa, etc). The SEE provides support towards the farmers in grouping them in co-operatives and helps them to professionalise in terms of quality, management, financial management, logistics, training, etc. Once the farmers meet the required level of professionalism, the SEE links them to the large European retailer, which will in turn sell their products at a decent price that supports the co-operatives. The co-operation established is a structural co-operation (not just on a project-basis) aiming to make the supply chain in the South more sustainable.

The bridge can also be organized in the form of an additional layer, a foundation, to scale up a multinational's environmentally conscious procurement ambition and ensuring integrity and transparency in its supply chain. The multinational provides the entire knowledge of the supply chain and connects its suppliers to the foundation. The foundation staff participate in supply chain meetings. Thus, there is the opportunity for the foundation to make the suppliers aware about the sustainability issues in the industry. The drivers on part of the multinational are long-term targets: it has sustainability targets including keeping procuring sustainable materials, security of organic material supply. They need to continue to be a leader in sustainable products. Furthermore, the foundation supports awareness building, and education and training among farmers together with local partners. The work of the foundation is open source, which means that the offerings of the farmers in their programs should be accessible to the whole industry. The aim is to build up resilience amongst farmers so that they can realize a fair value for their products. The foundation is financed via the private charitable investment of the family that owns the multinational.

5.2.3 Short verdict

From the quantitative survey we may infer that below 3 per cent of SEEs are active in hybrid value chains. This points to it being a rather rare phenomenon. We can see from the qualitative interviews that organisations – be it SEEs or traditional companies – have to achieve a considerable strategic stretch to meet all goals as contingency factors multiply in the culturally diverse settings.

However, because of the multitude of forms that HVCs seems to have, boundaries to other concepts like social innovation, global value chains, open (social) innovation are fuzzy. Also, frugal innovation is a close concept which means to sell at comparably low-cost products with good functionality and quality to social groups with low income, based on products originally developed for groups with more income. SEEs are often active in the "translation" and exchange processes between the corporation and the local needs.

It is a prerequisite for this type of co-operation that either new markets are created, or people are served better whose needs had previously been neglected. Hence, in this sense, the co-operations are transformative as markets have been transformed to fulfilling new needs. However, we can see that these new or adapted markets are introduced in a way that does not completely transform **established** organisations at once. Either organisations (especially SEEs) are newly founded with the explicit aim of addressing new markets (see above, especially with dual structure). And if established for-profit firms enter the co-operation, they do it in a way that first leaves their organizational strategy, structure and culture untouched. They do this either by adding an additional layer, i.e. a separate organization that organizes the co-operation (e.g. a foundation) that aligns the local partners until they fit the existing scheme (see SEEs as a bridge) or, by admitting co-operation at first in some peripheral region, not a core region (see two globally acting organisations). Some co-operation that we had in the HVC sample may have the **potential of being transformative** in an organizational sense as well, at the given moment of observation all can be seen as **integrated forms of co-operation,** however.

Box 3 Company C&A Foundation best practice #1 on hybrid value chains

1.	**Case ID:** Name of SEE: C&A Foundation Website: http://www.candafoundation.org Country: United Kingdom Cooperating traditional enterprises: C&A, H&M, Tchibo, Eileen Fisher, Inditex etc Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☐ Transformative ☒ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	***Why is this case a best / good practice?*** The signature program of sustainable cotton by C&A Foundation aims at scaling up the production of sustainable cotton. This means that cotton is produced in a way that improves livelihoods of farmers and does not have an adverse impact on the environment and the health of communities. This program includes support to farmers' capacity building partners, advocacy with governments and supporting collaborative precompetitive working amongst industry stakeholders. Whilst supporting all sustainable cotton standards the emphasis is on organic cotton. There are eight capacity building partners across five countries working with approximately 44,000 farmers helping them to convert from conventional to organic practices. The partners include Cotton Connect India & China, WWF India & Pakistan, The Aga Khan Foundation, Action for Social Advancement, Esplar and RARE. Together with C&A and brands like H&M, Tchibo, Eileen Fisher, Inditex etc, the C&A Foundation supported the creation of the Organic Cotton Accelerator (OCA), a precompetitive agenda in order to establish organic cotton in the value chains of the participating firms/brands. Through last 3 years, there has been a positive: • Environmental impact: since it doesn't contain chemicals, fertilizers and pesticides, it consumes less water and it builds up biodiversity and soil health, the organic production is good for the soil and people's health. • Socio-economic impact: cotton is produced largely by very small farmers (owning less than one hectare of lands) who are sometimes organic by default – since they cannot afford expertise or buy expensive chemicals. The foundation partners help these farmers with training - and aggregating them into farmer collectives enabling them to obtain certification. In the course of converting conventional practices to organic practices, the farmers initially experienced dropping yields (15% lower than conventional farmers even after three years) but at the same time there is a decrease in their input costs because they aren't buying any chemical products. Due to these savings they are actually better off. The womenfolk in the village work together to produce organic inputs like pesticides which are collectively used by the communities. • Impact on the cotton industry practices.
3.	***What are the most important success factors?*** On C&A side, it is its long-term drivers that determine success. It has sustainability targets including keeping procuring organic cotton, security of organic cotton supply. They follow the best practices for GMO testing and help farmers into certification. They need to continue to be a leader in organic cotton. On the foundation side, for this partnership, the aim is having the largest brand connected with its farmers, that they have regular market access, and that in long term when the yields start matching up after 7-8 years with conventional farmers, they can experience better livelihood, better economic value of their outputs.
4.	***What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?*** Innovation in business models is being explored by Organic Cotton Accelerator (OCA). It is important to create a business case both for the farmers and the industry. The farmers need better economic value and the brands need more integrity and transparency. Innovative solutions are also being explored to address the issue of non -availability of non-GMO seeds. As the cotton supply chain is very long and complex, it is extremely difficult to build transparency. Economic value is not often equitably shared in the value chain. In industry initiatives such as the OCA, new business models are being explored as it is needed to develop traceability solutions.
5.	***What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?*** For C&A and the other partners, the co-operation results in a win-win situation for both the farmers and the traditional firms. The C&A business has a higher visibility about where its cotton is coming from and is able to benefit from improved integrity in the supply. The co-operation is very much communicated in C&A's sustainability reports.

Box 4 Company Eau & Vie best practice #2 on hybrid value chains

1.	**Case-ID** **Name of SEE:** Eau et Vie Website: http://eauetvie.fr Country: France Year founded: 2008 Cooperating traditional enterprises: Water infrastructure providers in the areas of operation in Philippines, Bangladesh and Côte d'Ivoire Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** The mother company Eau et Vie is a social enterprise under French law and sets up networks of traditional and SEEs delivering water services in disadvantaged communities. Therefore, by its very structure, Eau et Vie makes SEEs and traditional enterprises cooperate on a daily basis. Eau et Vie works in the urban slums of the Philippines, Bangladesh and Côte d'Ivoire. Since 2008, Eau et Vie has been promoting the inclusion of those living in precarious neighbourhood's in cities by facilitating a clean water network, access to sanitation, fire prevention, training and community mobilization. Eau et Vie contributes to the improvement of the living conditions of the inhabitants. Eau et Vie wanted to set up local "traditional" enterprises and not just a subsidized NGO or social enterprise in order for their model to be sustainable, and for being able to deliver qualitative water provision services in the long run, free of subsidies. For this reason, Eau et vie established a dual business model where the Eau et Vie local traditional and social enterprises co-operate on a daily basis and share the same offices. They are fully engaged in each other's day-to-day activities. Co-operation partners are the big infrastructure providers that provide water services to the local communities in the areas of operation in Philippines, Bangladesh and Côte d'Ivoire. The water services offered by the Eau et Vie traditional enterprises are not free. However, the social enterprise that intervenes alongside the more practical service of the traditional enterprise is strictly non-profit: it is designed to educate locals on the benefits of clean water for health.
3.	**What are the most important success factors?** The drivers of the successful set-up of the Eau et Vie local social and traditional enterprises are largely related to the trust of the beneficiaries who pay for the water services. Probably also the dual traditional/social model has been very attractive. Setting up only a traditional enterprise to grant water services without the assistance of the social enterprise might not have been as successful. The model of Eau et Vie is unique, the existing water networks in the countries considered Eau et Vie more as a competitor than a partner to begin with. But Eau et Vie does not have the ambition to substitute these big local companies or make a lot of profit. It simply wants to help local communities who currently do not have access to the traditional water networks gain access to them. These communities pay Eau et Vie for the water they receive, at a fair price. The objective is for them to one day join the big national water networks. Originally, the large water networks viewed Eau et Vie with a degree of suspicion, but not anymore.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** What is unique about this particular organisation is that Eau et Vie was thought-through from the perspective of two professionals who had experience both in the traditional and social sectors of the economy. The organization runs on a structural traditional/social co-operation model. This co-operation is proof that the traditional and social co-operation model enables some economic activities that would not be possible purely from a traditional sector perspective (because too risky) and not sustainable in the long run from a social perspective (or running solely on subsidies).
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Bring in the complementary of both worlds. The risky element coming from the private sector, by investing in slums where the traditional water networks don't want to go, but at the same time, providing education, which is a social purpose. The traditional sector brings in more entrepreneurial ideas, which are essential to accomplishing projects, but the social enterprise allows to work with communities which are usually excluded from more traditional parts of the economy.

5.3 Incubation of social start-ups and of separate business units in traditional firms (social intra-preneurship)

Social intra-preneurs (also labelled as Corporate social innovators) are people "who works inside major corporations or organisations to develop and promote practical solutions to social or environmental challenges where progress is currently stalled by market failures. Someone who applies the principles of social entrepreneurship inside a major organization" (The Social Intrapreneur. A Field Guide for Corporate Changemakers, 2008, p. 3). Other authors refer to the concept of Corporate Social Entrepreneur (CSE), an employee of the firm who operates in a socially entrepreneurial manner; identifying opportunities for and/ or championing socially responsible activity and attempting to introduce a social agenda in addition to helping the firm achieve its business targets. o attempts to advance a social agenda in addition to a formal job role as part of a corporation. CSE may or may not operate in organisational contexts that are predisposed toward CSR and their formal job may not necessarily be connected with CSR (Heminway, 2002; Idowu et al., 2013).

There is a consensus in identifying social intra-preneurs as employees that act as **internal or external intermediaries** through a variety of specific activities:

- initiating or fostering a novel CSR strategy
- connecting a traditional firm/corporation with SEEs for their integration in the value chain, which can be part of the CSR or CSV (Creating Shared Value) strategy[65]
- introducing ideas to develop a new social unit within a corporation
- creating a social start-up, with support of the corporation or jointly participation of external actors
- establishing a social incubating program or being part in the creation of a social corporate incubator/accelerator

Grayson et al. (2014, p. 22) highlight that a social intra-preneur is "an agent of change" who takes "direct initiative for innovations that address social or environmental challenges while also creating commercial value for the company". For example: leroymerlin.communities is a programme established by a social intra-preneur in the firm Leroy Merlin. The program is an "internal incubator of ideas" and functions as a space of co-creation that is open to all the employees to innovate and participate in finding solutions for sustainable development on a large scale.

Social-intrapreneurs usually act as intermediaries between the corporation and external organisations to the implementation and development of the corporation CSR strategy. In fact, one distinction between social intra-preneurs from traditional intra-preneurs is that they usually collaborate with a range of SEEs, NPOs, development organisations, and other external partners in their innovation projects through the implementation of specific CSR or CSI programmes.

Social intra-preneurs are considered key actors in the race towards a new kind of economy because they act as **corporate change makers, developing scalable solutions to some of the world's most intractable problems**. Social intra-preneurs work from inside major corporations, and combine innovation, opportunity and resources to drive changes in corporate practice, and simultaneously develop and promote practical solutions to social or environmental challenges (Cahill, 2010; Grayson et al., 2014). The principal difference regarding social entrepreneurs is that they are innovating from within some of the world's largest companies (The League of Intrapreneurs[66], p. 171).

[65] CSR strategy differs from Creating Shared Value (CSV) strategy, which operates by reconceiving products and markets or redefining productivity in the value chain (Porter & Kramer, 2011). Instead of CSR that usually is being pushed by external factors and focus on reputation, CSV is internally generated and not confined to financial budget as CSR is.

[66] http://www.leagueofintrapreneurs.org/

More specifically, social intra-preneurship embraces the **incubation of social business ventures within big companies**, generating **new social ventures and social start-ups**[67] with support of the corporation and other external actors. A social start-up differs from a traditional one in their explicit orientation to a social aim, the satisfaction of a social need (a social dimension) and the search of replication or scalability to produce broad social impact rather than economic one. One example is "A better Habitat", which was implemented in Spain within the Leroy Merlin CSR Framework with the main objectives to support the generation of sustainable business models at an economic, social and environmental level. The program is aimed at social entrepreneurs who want to start a green and/or social project, NPOs or young legally constituted companies that have a socially responsible business line. In addition to fitting into any of these legal definitions, all participants must aim to contribute to the resolution of some of Spain's environmental and/or social challenges, such as energy efficiency and housing accessibility.

Social incubation is one of the trends we identified in this study as an expanding phenomenon that foster social innovation through a variety of models. The term social incubation or incubation with social purposes is used to label programmes or a collection of techniques to prove a new idea, develop a team and de–risk ventures for investors.

A corporation can establish an **internal social incubator** (a program) in similar way to traditional incubation, where an idea arises within the company and when it is mature enough, it will take its own path as an independent company (what is known as a 'spin-out'). In this model, the incubator plays a fundamental role, since it provides financial, logistical and business resources (portfolio of first clients, real test environments) so that the start-up can consolidate. The company that supports these charges usually receives shares of the social start-up in order to recover part of the investment or, simply, diversify its business model with new legs of activity in which they are not directly involved.

Social Start-up incubators support entrepreneurs since the creation of the organisation, being relevant in pre-seed and seed phases. The characteristics that define the social incubators are the following:

- It helps to set up the company to the entrepreneur from 'zero'
- They look for business ideas with growth potential to produce broad social impact
- It provides mentoring to support and guide entrepreneurs.
- It helps to build the team that will be part of the company
- They provide support by fitting the idea with the market
- It helps the social entrepreneurs to close their first rounds of investment
- They become part of the shareholders of the social start-up

It is worth stressing that start-ups (both traditional for-profit and social purpose-oriented) are characterised as temporary organisations designed to search for a repeatable and scalable business model (Blank, 2005; Ries, 2011).

Social accelerators are organisations (can be corporate social accelerators or external organisations) that offer limited programs (in time and resources) specifically oriented to **enable scalability to established social start-ups.** The social start-ups can access benefits such as a free workplace, expert and legal advice, potential clients, being the principal functions (or services) support in raising capital, mentoring and collaboration with other companies in the process of acceleration. Once the acceleration period is over, the social start-ups again recover their initial status as an independent company, since it depends on each specific case (and the program conditions) if the accelerator obtains any participation in the accelerated company or not.

[67] A social start-up is a start-up that produces societal impact (EC, 1016, p. 10). An entrepreneurial venture aimed to a social purpose designed to search for a repeatable and scalable business model aimed to produce broad social impact)

Example of a mixed incubator and accelerator is Startarium[68], a program launched by Impact Hub Bucharest and ING Romania. Startarium is a 12-month incubator program for operational start-ups in various fields that offers mentorship, learning opportunities, financing options (including the Startarium's own crowdfunding platform) and access to business angels.

Other recent terms related to social incubation and social-start-ups are **Company Builders** and **Social Venture Builders**. The term company builder is not so widespread or used so much, and can be linked to corporate venture builder, but is currently used synonymously with venture builder. This type of initiative comes from experienced entrepreneurs, who helps in creating companies based on copy-cut other successful start-up, usually in more developed countries. Social Venture Builders characteristics are:

- They do not accept ideas or external projects
- They usually define previously ideas to develop
- They look for the founding team with which to launch them at specific events
- They validate the business model until it works autonomously
- They invest time and resources in the first months of the company's life
- They are oriented to efficient process to scale and produce high social impact

For example, Impaccta2[69] is the first Social Venture Builder established in the Andalusia region in Spain in order to replicate successful models of other places. Impaccta2 is a program that aims to contribute to the development and strengthening of an ecosystem of entrepreneurs (both traditional and social) that solve some of the most pressing social and environmental problems of the region.

The identification and measurement of social intra-preneurship activities and corporate social incubators are becoming increasingly difficult because of the rise and diversification of social venture incubation. In the praxis some incubation programmes run in organisations and networks created with this objective but also in co-working spaces, social venture academies and even learning programmes, competitions. Over the past five years a lot of different incubation models -both external and internal regarding corporations- are emerging across the world[70].

These difficulties are reflected in this study, being the quantitative results obtained in the survey very limited. In order to obtain some complementary information to our qualitative study we consider as indirect approach indicators obtained by desk research.

5.3.1 Interpretation of relevant quantitative indicator

Overall, to estimate the degree of the social intra-preneurial activity we considered information provided by a study published in 2016 by the Global Entrepreneurship Monitor (GEM) in partnership with the World Economic Forum to explore the Entrepreneurial Employee Activity (EEA). truth behind the perception that Europe lacks entrepreneurship. The "Europe's Hidden Entrepreneurs: Entrepreneurial Employee Activity and Competitiveness in Europe" Report provides indicators about EEA, which can be considered as a "broad" estimation of both traditional and social entrepreneurial activities, i.e., the percentage of social intra-preneurs are included in the overall EEA.

The Entrepreneurial employee activity (EEA) represents the proportion of the population aged between 18 and 64 actively involved in and playing a leading role in idea development or in the preparation and

[68] https://www.startarium.ro/inc/program

[69] http://impaccta.com/sobre-impaccta2-2/

[70] A report from NESTA published in 2014 (p. 4) describes five models of incubation to support early–stage social ventures: 1. Co–working spaces – offering work space and opportunities for founders to access co–founders, networks and, increasingly, training, 2. Social venture academies – offer training for social venture founders and access to mentoring, 3. Impact accelerators – offer finance, training, access to networks and usually office space, 4.Social venture prizes and competitions – offer finance, profile, mentoring and often access to expertise and staff of larger organisations and 5. Impact angel investor networks – offer finance, mentoring and access to growth expertise. (Source: https://media.nesta.org.uk/documents/good_incubation_wv.pdf)

implementation of a new activity for their employer, such as developing or launching new goods or services, or setting up a new business unit or subsidiary (World Economic Forum, 2016, p. 3).

Table 7 Entrepreneurial employee activity EEA

Germany	**Poland**	**Finland**	**Romania**	**Italy**
< 3.50% of enterprises	< 2.60% of enterprises	< 5.50% of enterprises	< 3.40% of enterprises	< 0.70% of enterprises
Spain	**France**	**Austria**	**UK**	**Belgium**
< 2,0% of enterprises	< 3,3% of enterprises	< 4,2% of enterprises	< 6,5% of enterprises	< 5,80% of enterprises

Source: Europe's Hidden Entrepreneurs Entrepreneurial Employee Activity and Competitiveness in Europe (Bosma et al., 2016a)

This indicator suggests that EEA (and consequently social intra-preneurship) is not a widespread phenomenon. Only about 4% of the working-age populations in the sample of European economies are currently involved in EEA, but its prevalence differs markedly across individual countries, from slightly more than zero to almost 10% (World economic Forum, 2016). Consequently, social intrapreneurial activity is minor to these percentages

5.3.2 Key takeaways from the qualitative interviews

Social intra-preneurs usually act as catalyst agents of change or, "change-makers", within companies. As one of them said: "they search to be the image of the change you want in the world". One example commented the establishment of a social business project, acting as a "social unit" within a large corporation to bring services in co-operation with SEEs in developing countries with ten years of successful experience. In this example the first years partnering with local SEEs and local government organisations were principally **transactional and integrative, but interactions were changing to more transformative partnerships** (in this example, the formation of HVCs).

However, the activities of social intra-preneurs may also be part of the strategy of the corporation to reinforce for-profit purposes or gain reputation rather than developing a more committed conduct or higher levels of CSR. In words of an interviewee, "my job is also part of the strategy to open a new market" and "the implementation of this social programme helped to achieve the objectives of the company" and "in this sense, I'm happy to contribute because of my own values and ideas are there … and at the end we are contributing to produce a change in the life of the people". Co-operation mediated by social intra-preneurs is in the focus on internationalisation in many big corporations, attending to the sectoral diversification of their activities and with increase trend towards practices of lean, frugal and social innovation. Social intrapreneurs support the co-operation in the both directions, to the internal staff and with external partners, where "to dialogue with local NGOs and enterprises, public authorities is crucial for the identification and targeting of local needs".

Other example is the case of a chemistry research scientist, who proposed to generate a new social business within a big corporation to develop cheap diagnostics kits to be used by untrained health workers in rural villages of Kenya, sometimes miles from hospital. This example shows that social intra-preneurs usually have specialised knowledge to solve the social problem that help them to identify the solution in collaboration with the users and consumers and, at the same time, many of them had "air-cover" in the shape of senior management in their respective organisations. In some cases, the social intra-preneur decides to create a new own social business or a social start-up, with support of the corporation acting as social incubation platform, and in other cases with co-operation of external partners.

Social intra-preneurship is not only challenging to the "mindset" of corporations but also at individual level. Social intra-preneurs face numerous internal and external barriers and have different perceptions and opinions regarding their activities and their influence in the corporations and the society. One interviewee affirms that "to operate as a social entrepreneur within an established corporation often

requires getting management to treat you, and your definition of success in a different way", many times you are considered "disruptive" and more "a troublemaker" than a "changemaker". Social intra-preneurship is seen as a new form of work: in fact, you are "creating a new job, your own job". One of the interviewed consider that "social intra-preneurs are part of a "silent revolution within companies" combining two different forces: on the one hand, "the commitment of individuals with sustainable development and aspiration to produce change in the society" and, on the other hand, "a new way to see jobs", identifying as a new trend in some companies to recruiting "social entrepreneurial" employees with the specific objective to implement CSR policies, in particular in developing countries.

Other interviewee highlights that the role of social intra-preneurs "are changing the traditional CSR strategies" and they are acting as a "critical mass" in creating a more socially conscious within the organization as well "a better alignment between intentions and participation, looking at the well-being of the staff and the customers". At the same time, he considers that "opportunities to link social intra-preneurs with external organizations are still limited and depending on the quality of the person, personal contacts and leadership". In this sense, "the profile of the social entrepreneur" is critical to obtain the support of the company and the respect of the colleagues. He also refers to various platforms and programmes offered by academic institutions to prepare employees as social intra-preneurs.

5.3.3 Short verdict

From the interviews and indirect quantitative estimation, we may infer that social intra-preneurship as a mechanism to co-operation with traditional firms is a recent phenomenon. Desk research informs about social intrapreneurship in the United States a decade ago, but the social intrapreneurship movement started to gain its momentum around 2012. Two middle managers from Vodaphone and Safaricom launched the mobile payment product from within their established companies in 2007 and popularized BoP models with high social impact. These initiatives in 2012 had over 17 million customers, many of whom previously did not have bank accounts. The role of social intra-preneurs acquired visibility since the establishment of the League of Intrapreneurs[71], a global network of corporate changemakers, in 2013. Other contributions have been the first Social Intrapreneurship Conference in 2013 in Barcelona (Spain) and the announce of Ashoka in 2014 of their Social Intrapreneurship Europe Program. The League of Intrapreneurs Canada "Opens its Doors" was established in 2015 and the growth of networks and platforms supporting social intra-preneurship also suggests the expansion of this phenomenon worldwide.

Most of the cases we investigated are examples **of integrative partnerships and in some cases also of transformative partnerships.**

[71] http://www.leagueofintrapreneurs.com/, https://twitter.com/SocIntLeague?lang=es

Box 5 Company Wayra best practice #1 on social intra-preneurship and social incubators

1.	**Case ID** Name: Wayra UK Website: https://wayra.co.uk/ Year founded: 2013 (is a branch, Wayra was created in Colombia in 2011) Country: UK Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☐ Traditional enterprise ☒ Social business unit founded as a social-start-up by intra-preneurs, corporate social business unit
2.	**Why is this case a best / good practice?** Wayra UK is a social accelerator that is part of Telefonica corporation (acting as a business unit). It was conceived in 2011 as an independent platform for social-oriented start-ups, supported with venture capital from Telefónica. It is an example of intrapreneurship, being established itself as a new social business unit that emerged as part of the corporate culture (Corporate Social Entrepreneurship, CSE). The purpose of this social unit was to establish a platform (a corporate business incubator) to help the start-up process in corporations attending to the specific characteristic of start-ups that look at innovation differently and need more flexibility. The Wayra program allows start-ups to grow much faster and, at the same time, facilitate a fast access to markets. The acceleration program lasts one year and helps Telefonica to be more agile by working with start-ups, using them to bring innovation and even reselling of the start-ups through Telefonica. Wayra has also contributed to improve the brand and reputation of Telefonica and, at the same time, to favour the establishment of both traditional and social ventures.
3.	**What are the most important success factors?** The closely co-operation with other investors and venture capital companies and other actors (government) in the ecosystem. For instance, Wayra has an acceleration program related to the public sector and facilitate the co-operation with universities to the establishment of partnerships. Social benefit is a goal and motivation for every member of Wayra with a strong leadership oriented to social innovation as an important driver. The establishment of a foundation (Telefonica foundation) supporting the activities of Wayra that favour the creation of networks and investment around the world (e.g., in the healthcare sector).
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** In November 2012, Wayra became part of Telefónica's corporate strategy division, reporting directly to the company chair. By 2013, Wayra had created 14 academies in 13 countries, incubated 297 start-ups and evaluated around 20,000 projects. One of the principal impacts lies in the own corporative culture. The Wayra branding broke all Telefónica's corporate guidelines, replaced the traditional communication channels and launching instead through social media networks, which saw 581 project submissions within its first month of going live. The idea of corporates collaborating with start-ups and supporting social ventures produced a big cultural change within the company, with the ambition to produce broader social impact. Some branches, as is the case of Wayra UK has contributed to reinforce the orientation to social mission into the business favouring societal impact.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The first Wayra emerged in Colombia and then moved from Latin America to Europe. Within a year, Wayra established a presence in the Czech Republic, Germany, Ireland and the UK.

Box 6 Organisation NESst best practice #2 on social intra-preneurship and social incubators

1.	**Case-ID** Name: NESsT Website: https://www.nesst.org/ Year founded: 1997 Country: Operates in 10 countries in Europe and Latin America Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☒ Transformative ☒ Type of organisation: Type of organisation: SEE ☒ Traditional enterprise ☐ Social business unit. Social incubator and accelerator
2.	**Why is this case a best / good practice?** NESsT was founded in 1997 by US based social entrepreneurs with an idea of supporting social enterprise movement in Europe. It supports incubation and acceleration processes specifically oriented to social business. Its portfolio includes services at pre-start-up and start-up stages, as well as on-going support and investment for scaling up. Through competitions, NESsT identifies potential social enterprises and provides support, including training and mentoring for around 9 to 12 months in which the organisation or individual can develop their business idea. In 2010 the organisation creates NESsT Consulting, a social business unit focused on helping corporations, foundations, and governments to achieve their strategic social impact objectives, providing to measure both economic and social impact of social enterprises.
3.	**What are the most important success factors?** A strong territorial scope, working on networks within regional hubs (three regional hubs in Europe (Poland & the Baltics, Visegrad, and Romania & the Balkans) and two hubs in Latin-America. Public funding support (e.g., social banking, pro-bono helps, etc.) Participation in broader networks and umbrella organisations, such as for example Ashoka, EVPA (European venture Philanthropy Association) Development and use of own management and measurement methods
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** NESsT Consulting was aligned with the previous consulting experience of the corporation. Since 1997, NESsT has provided consulting services to 120 clients in 55 countries and has supported more than 166 early-stage enterprises, improved the lives of 542,000 low-income individuals, NESsT has invested $11.5 million in entrepreneurial coaching and financing across 11 countries and trained 12,000 entrepreneurs in business planning and social enterprise start up and management. NESsT Consulting contributed actively in the generation of jobs, particularly in emerging market countries.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** NESsT opened its first office in Hungary, and then activities were launched in Croatia (2005), Czech Republic (1998), Slovakia (1998), Romania (2007), and Poland (2013). Parallel it has been operating successfully in Latin America since 1999 (Andean Region, Brazil) and is considering entrance into Mexico and Central America. Today the organisation operates from and two regional hubs in Latin America (Andean Region, Brazil) and is considering entrance into Mexico and Central America. NESsT Consulting is integrated with the organization, following the replication of the model in different regions and countries.

Box 7 Social Impact gGmbH best practice #3 on social intra-preneurship and social incubators

1.	**Case-ID** Name: Social Impact gGmbH Website: https://socialimpact.eu Year founded: 2011 (founded in 1994 but is incubator from 2011) Country: Germany Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☒ Transformative ☐ Type of organisation: Type of organisation: SEE ☒ Traditional enterprise ☐ Non-profit organisation
2.	**Why is this case a best / good practice?** For over 20 years, Social Impact has been developing products and services that contribute towards securing future viability and social equity. It was founded in 1994 under the name 'iq consult'. Since then, Social Impact has been instrumental in designing and implementing innovative qualifications and start-up support for socially disadvantaged groups. Since 2011 has been developing labs offering the start-up programs with focus in solving social challenges in an entrepreneurial way. Social Start-ups are given grants that fund up to eight months of professional consultancy, coaching, workshops and co-working workplaces. Social Impact also offers start-up programs for special target groups.
3.	**What are the most important success factors?** Previous expertise in the social sector and co-operation in networks with private and public actors Strong leadership, the CEO Norbert Kunz was, for example, made an Ashoka Fellow and won the 2010 Social Entrepreneur of the Year award by the Schwab Foundation.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Around 400 teams were taken on and 200 teams set up a social enterprise in programs supporting social start-ups (Social Impact Start, AndersGründer, Impact Starter, Sozial & Gründer, Lab Stuttgart etc.) in the period between 2011 and 2017 Just over 20 teams discontinued their business activities and teams won over 170 national and international awards. Social Impact won many awards from BMAS, BMWi, The German Council for Sustainable Development, the EU, the OECD and the initiative "Germany - Land of Ideas".
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** There are already Social Impact labs in Berlin, Hamburg, Frankfurt, Leipzig, Duisburg, Stuttgart und Potsdam. The labs provide scope for co-working, networking and events in addition to the specific incubation programmes.

5.4 Local competitiveness clusters between social and traditional enterprises

SEEs and clusters may interact in two various ways: either creation of specific SEE clusters or participation of SEE in existing « traditional » competitive clusters.

SEE clusters

The "cluster" dimension could imply a variety of forms, ranking from an informal network of stakeholders to a specific association, with permanent staff, legal status, etc. SEEs often work in partnership with individuals, communities and a range of organizations (private, public and voluntary sectors) to achieve their goals. These partnerships could be settled through partnership agreement or through the creation of a dedicated association. France has created the so-called PTCE (see below) and some of the French regions as Britany have created poles dedicated to social economy[72] but the majority of European countries do not have such a specific label.

[72] https://www.ess-bretagne.org/uploads/files/cress_ressources/RA_synthétique_Pôles17.pdf

The creation of the Territorial Economic Co-operation Centres (Pôles Territoriaux de Coopération Economique – PTCE) in France, as developed by a thinktank in 2009 and defined in the July 2014 ESS Act[73], aiming to prioritise socio-economic innovation. A PTCE is a group of stakeholders within a specific region – enterprises and people belonging to the social and solidarity-based economy associated with small and medium-sized enterprises (SMEs), local authorities, research centres and training providers – which implements a joint ongoing strategy of co-operation and sharing, at the service of innovative business projects promoting local sustainable development.

The common element of the clustering dimension is thus the **gathering of stakeholders with different forms, different objectives, different activities, etc. but sharing a common goal when they involve in the cluster**.

The idea of "competitiveness" could be controversial. Indeed, competitiveness is not a traditional value for social economy entities, where it is of major importance for traditional enterprises. For instance, when the French PTCE have been created, the traditional French "poles de compétitivité" (competitiveness clusters) were a reference (for the idea of co-operation among different local stakeholders sharing common goals) but the idea of "competitiveness" (seen as competition among actors) was rejected and the terms "territorial economic co-operation" have been selected instead. The main goal of the PTCE is indeed sustainable local development to foster employment. Generally speaking, in all the interviews we have carried out, competitiveness is not an objective or even a mean to reach economic and social development.

Regarding the composition of these "clusters", traditional companies and social entities are the two core components; the third major type of stakeholders is public authorities (with respect to the above-mentioned local dimension of these clusters, ***local* authorities** are the third partner in this clustering model).

In these very different forms of clustering, the local dimension is a major key success for clustering. Indeed, in the majority of our interviews, the various stakeholders put the emphasis in this local element as being decisive in different ways:

- identification and targeting of local needs by the members of the clusters,
- use of local and adapted strengths on the territory,
- knowledge and trust among the stakeholders,
- common goals to foster economic and social development,
- etc.

Furthermore, speaking about local dimension of the French PTCE, they have often been created in rural areas or in suburban underprivileged areas, in order to promote economic and social development for the inhabitants.

Besides, in countries where the local level plays a major role, the involvement of local public authorities could be a strong asset. One of our interviewees in Belgium for instance quoted the food strategy rethinking of the City of Ghent as a positive element of context to develop their actions.[74] Another example is the Flemish Brabant Province. The Economy Department for instance is working on ways to create visibility for all types of organisations and businesses that employ disadvantaged target groups with a distance from the labour market (see below for other aspects of the involvement of local public authorities).

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[73] LOI n° 2014-856 du 31 juillet 2014 relative à l'économie sociale et solidaire, https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000029313296&categorieLien=id

[74] https://www.esf-vlaanderen.be/sites/default/files/attachments/products/blauwdruk_sociale-economie-cluster-gent.pdf. Rikolto is an association, that aims to enable and support smallholder farmers to take up their role in rural poverty alleviation and to contribute to feeding a growing world population in a sustainable way

If clusters in the traditional economy rely on a triple-helix model based on the co-operation of Universities and research centres, industries and public authorities, the triple-helix model for our study relies on social entities, traditional companies and (local) public authorities. **Research is, so far, not a major player in social economy clusters**. Of course, it can play a decisive role and some clusters have been working efficiently with researchers. Benefits of the cooperation with researchers includes development of research-actions, strengthening of the transformative focus and greater visibility, credibility, legitimacy (recognition of the usefulness of the projects by actors). But more generally speaking, research is not major stakeholder in these clusters. A 2017 study on research and PTCE[75] comes to the conclusion that researchers (a majority of social sciences researchers) - and not research centres - are often taking part into these clusters' projects. Thus, research have less visibility and partnerships are less structuring.

Participation of SEE in existing « traditional » competitive clusters

The co-operation between SEEs and traditional companies can also occur in traditional competitive clusters, i.e. clusters dominated by traditional enterprises. This type of cooperation seems to be rarer and none of our interviewees mentioned this type of co-operation. The first objective of cluster is to foster technological innovation, research and development projects, collaborative projects between companies and research centres. In that sense, SEEs are not the first target group for clusters. SEEs are often smaller than traditional companies, have less means dedicated to research and innovation than other businesses.

Participation of SEEs into traditional competitive clusters can occur thanks to schemes and tools dedicated to social entities in these clusters. For instance, in France, the cluster Finance Innovation has created a labelling committee for social economy projects. These projects face innovation challenges as any other enterprise (financial and technological innovation challenges) but also social and societal challenges.

Besides, participation of SEEs into traditional competitive clusters can be favoured in some sectors or along some specific aspects of collaborative projects. In the circular economy sector for instance (see Lapland circular economy cluster for instance[76], where environmental and social challenges often meet, the participation of SEEs can be an asset. Furthermore, in collaborative projects integrating issues of use, SEEs can find a role (for instance, digital use, energy poverty, etc.) in linking companies and research centres to social targets groups and providing explanation on use.

5.4.1 Interpretation of relevant quantitative indicator

An estimate for the number of local competitiveness clusters between social and traditional enterprises in each country covered is taken from the individual country reports of the study "A map of social enterprises and their eco-systems in Europe". The results are depicted in Table 8.

Table 8 Number of local competitiveness clusters, associations and federations in each country covered

Austria	Belgium	Finland	France	Germany
4 national level networks There are two main networks in Austria bdv austria (Bundesdachverband für soziale Unternehmen) and Sozialwirtschaft Österreich which represent WISEs and	While there is no single national network of social enterprises as such, but there are a number of umbrella organisations and industry networks for social enterprises (or specific types of social	3 national level networks • Social Enterprise Coalition /Union of Social Enterprises (yhteiskunnallistenyrittäjienkoalitio / liitto);	8 national level networks The French eco-system is characterised by a richness of various networks and support initiatives. • The Commité National des	4 national level networks • Social Entrepreneurship Academy" (Social Entrepreneurship Akademie) was as a co-operation network between 4

[75] http://www.lelabo-ess.org/IMG/pdf/etude_laurent_fraisse_ptce_2017.pdf

[76] https://www.lapland.fi/uploads/2016/11/circular-economy.pdf

social services providers, respectively. Newer types of social enterprises do not have a comprehensive network representing them, although some umbrella networks do exist, at a global level e.g. Ashoka and the 'Architects of the Future'. • Impact HUB Vienna runs several programmes addressing different target groups and has notably co-founded an investment readiness programme. • Ashoka. with an Austria's country office. founded in 2011. is also responsible for operations in Poland, Czech Republic. Slovakia and Hungary.	enterprises such as WISE) in Belgium. • The more extensive are Ashoka Belgium and Oksiden Lab • Every sub-type within the WISE sector has an umbrella association. • There are numerous regional networks acting as umbrella of organisations on the Flemish side and in Wallonia.	• Social Entrepreneurs' Association of Finland (SuomenYhteiskunnalistenYrittäjienyhdistys); • Finnish Social Enterprise Research Network, FinSERN.	Entreprises d'Insertion is a network of social enterpreneurs. It gathers more than 600 reintegration enterprises representing 37,.000 jobs in 15 different sectors. • CEGES • Ashoka France • AVISE • Mouves • LesCop • France Active • Centre des Jeunes, des Dirigeants, des Acteurs, de l'Economie Sociale • There are numerous networks at regional level.	Munich universities • Ashoka and the Schwab Foundation help social enterprises with research, general information, advice, matchmaking, networking, funding and other support. • The Social Impact Lab in Berlin, Hamburg, Frankfurt, Leipzig and Köln offer coworking infrastructure, consultancy, financial matchmaking. • The Impact HUBs in Munich and Berlin offer coworking space, meeting rooms and other business infrastructure.
Italy	**Poland**	**Romania**	**Spain**	**United Kingdom**
3 national level networks: • CGM brings together 78 territorial consortiums involving over 1,000 individual social co-operatives • The confederation 'Confco-operativa-Federsolidarietá' has over 5700 social co-operatives as members • Association 'Legacoopsociali' has about 2250 co-operatives as members • The association 'Impresasociale.net' has over 1,000 member social enterprises. • 450 local level consortiums (they can also be members of the national level networks) across	3 national level networks • Union of ZAZ Employers and Other Social Enterprises grouping around 40 organisations. • National Audit Association of Co-operatives of Disabled and Co-operatives of the Blind grouping around 180 co-operatives. • National Audit Association of Social Co-operatives grouping 44 social co-operatives.	2 national level networks: • The 'Societal' which promotes the introduction of social responsibility indicators for the management and monitoring • The Romanian network of work integration social enterprises ('Asociatia RISE Romania'21) operating with the objective of supporting work integration of disadvantaged individuals	6 national level networks 405 local level consortiums (they can also be members of the national level networks) • CEPES is an umbrella organisation integrated by 28 organisations developing various economic activities in the field of social economy. • The Spanish Business Confederation of Social Economy (CEPES) • ASCES (Association for the Co-operation of social economy) • FAEDEI (Federation of Associations of WISE) • FEACEM (Business Federation of Associations of Sheltered Employment Centres)	4 national level networks There are a large number of networks and mutual support mechanisms for social enterprise in the UK. These include: • Social Enterprise UK (SEUK); • Social Firms UK, • Co-operatives UK • the Locality • In addition to these major representative bodies, a large number of networks and mutual support mechanisms operate at regional (e.g. Social Enterprise North West) and local levels (e.g. SEN – Social Enterprise Network for Liverpool). New networks are also forming around the 39 Local Enterprise Partnerships (LEPs) created since the closure of

the 12 Italian regions.			• REAS (Network of Alternative and Solidary Economy).	the UK's nine Regional Development Agencies in 2011. • Other notable networks include the Global Social Entrepreneurship Network (GSEN) and the Guardian Social Enterprise network.

Source: A map of social enterprises and their eco-systems in Europe - Country Reports.

Besides, the quantitative indicator for the research theme "local competitiveness clusters between SEEs and traditional enterprises" developed by the electronic survey for this study is the share of entities who quote « Participation in a common ecosystem or piloting/experimenting platform (e.g. living labs) » as one of the most important factors to facilitate the co-operation. Only 6% of the respondents (i.e. 84 out of the 1 442) to the survey quotes it. One of the explanations for this low figure could be the fact that local clusters as such do not exist in the majority of countries and that participation of SEE in traditional clusters is quite rare.

5.4.2 Key takeaways from the qualitative interviews

The relevant interview questions were:

- **In general**: How is the research theme assessed in the qualitative interviews? What are the major judgements, opinions about the research theme coming to the fore from the interviews?
- **In particular**: What are the factors that foster this form of co-operation? What are obstacles? What is the potential impact of regulations and policy measures?

Regarding the qualitative analysis of local competitiveness clusters between SEEs and traditional enterprises, the following elements come to the fore:

The **main outcomes of these co-operation networks and clusters** are the following:

- Employment and work integration of people with a distance from the labour market (see for instance the Flemish Brabant Province, the Pôle Sud, etc.), with a two-fold interconnected dimension: i) quantitative (more jobs have been created in some areas or more job opportunities target people aside from the labour market) and ii) qualitative (with an increased acceptance of these population among the labour market for instance);
- Greater awareness of consumers on CSR and sustainability;
- Impact on the transformation of the industry practices and on the management practices in companies (related to the above-mentioned integration of people with a distance from the labour market);
- Better organisation of win-win relations that already exist on the territory and that were facing visibility or scaling problem.

As **key driver for success**, the interviewees quote the following elements:

- Mix of competences and interests: clustering people and structures makes it possible to gather skills, expertise, networks, legitimacy of the various components in the service of the common goals. For instance, on that issue, philanthropic foundations explain that they gathered businesses and government around the issue of poverty and integrating inclusiveness. This way, they can have a mix of skills and expertise from different organizations. Co-operation is part of their business model.

- Innovation is often mentioned as a decisive aspect. Of course, innovation in that case is not disruptive and technological innovation but social innovation[77]. For instance, social innovation can concern method of delivering education and training to childcare professionals, integrative activities for job-seekers over 50 years or sustainable agricultural systems through a focus on smallholder farmers.
- The personal and interpersonal dimensions: in several cases, interviewees put the emphasis on the role played by one or a couple of persons in the creation of the network/cluster. Heads of social entities or of traditional business engaged in this kind of clusters are often socially engaged people, able to inspire and motivate their colleagues and partners. In the same way, interpersonal relations are a key driver for this kind of co-operation. In that perspective, the local dimension of the cluster is decisive as people often know each other, even if they are working in different fields.
- The creation of a specific legal framework for clusters can foster the development of clusters. Indeed, for France, PTCE have been created before the law on ESS creates this kind of clusters. But the law helps: i) to create a label for the PTCE (that means more visibility, easier communication, recognition by the public authorities and various types of stakeholders, etc.), ii) to create a "model" that can be further developed by different forms of partnerships and co-operation, iii) to attract public funding.

Regarding the **main obstacles** that have been faced by the interviewees, clustering and networking are facing the same difficulties than other forms of co-operation, namely the lack of resources, the lack of opportunities to collaborate and the lack of knowledge about partners to collaborate with.

Regarding barriers and possible actions at the EU level, one of the interviewees cites the state aid regulation. They experience the position of the European Union as somehow ambivalent: on the one hand their communication is that social inclusion and social entrepreneurship are of paramount importance, on the other hand e.g. the European state aid regulation is not adapted to the specificities of the social economy. When it comes to those rules, it does not matter whether you are an SEEs or traditional business, they are treated as the same. The state aid rule makes it impossible to give extra support to SEES and is a major barrier for local authorities to support the social economy to its full extent and as they actually require.

5.4.3 Short verdict

What did we learn about this research theme within the context of SEE-traditional enterprise co-operation?

There are two options regarding SEE and clusters: either specific SEE clusters or participation of SEE in existing « traditional » competitive clusters.

Regarding specific SEE clusters, the context for local competitiveness clusters between SEEs and traditional enterprises is very different among the European countries. Whereas France created a dedicated status for it (the Territorial Economic Co-operation Centres / Pôles Territoriaux de Coopération Economique – PTCE) which goes with possible dedicated finding from national and regional authorities), most of the European countries do not have such a "label". Still, co-operation and networking take place in different non-formal ways.

The **local** dimension is a major key success for co-operation (identification and targeting of local needs by the members of the clusters, use of local and adapted strengths on the territory, knowledge and trust among the stakeholders, common goals to foster economic and social development, etc). On the contrary, the idea of "**competitiveness**" is controversial as competitiveness is not a traditional value for SEEs, where it is of major importance for traditional enterprises. Finally, the "**cluster**" dimension

[77] See OECD definition "Social innovation can concern conceptual, process or product change, organisational change and changes in financing, and can deal with new relationships with stakeholders and territories". Social innovations can therefore be seen as dealing with the welfare of individuals and communities, both as consumers and producers. Social innovation deals with improving the welfare of individuals and community through employment, consumption or participation, its expressed purpose being therefore to provide solutions for individual and community problems.

implies a variety of forms, ranking from an informal network of stakeholders to a specific association, with permanent staff, legal status, etc.

Benefits from these forms of co-operation corresponds to the benefits of traditional forms of networks and clusters, i.e. exchange of experience, mix of skills, innovation, etc. Barriers are also mostly the same for clusters than other forms of co-operation (lack of resources mainly).

Finally, of course, if regulations and policy measures could be a strong incentive for co-operation and clustering (they create the legal form for the co-operation, they ease the creation of financial support by local, regional or national entities, they create a "label", a framework in which other types of co-operation could fit in, etc.), they are not a decisive and "sine qua non" condition.

Regarding the participation of SEE in existing « traditional » competitive clusters, this type of co-operation seems to be rarer. The first objective of cluster is to foster technological innovation, research and development projects and social entities are not the first target group for clusters. Participation still occurs, either thanks to specific tools targeting social economy of in specific sectors such as circular economy where environmental and social challenges often meet.

Box 8 Company PTCE Pôle Sud best practice #1 on networks and clusters

1.	**Case-ID** Name: Archer / PTCE Pôle Sud Website: https://www.archer.fr/pole-sud/ptce Year founded: 1992 for Archer, 2012 for the PTCE Country: France Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☐ Traditional enterprise ☒
2.	**Why is this case a best / good practice?** The pole has a strong economic and social local impact. Of course, the impact of the activities of the PTCE is hard to assess. You can quote facts and figures on the activities and the outputs of the Pôle but, is the Pole responsible (and the only responsible) for it? At least, the Pole has launched a strong dynamic where stakeholders get involved on a common objective and that the outcomes have to be shared among all stakeholders. For instance, on the shoe industry project, Archer was one of the stakeholders at the beginning of the project but was not the only one. They received strong support from structures as AFPA (vocational training) for instance and the "shoe project" gathers now 25 partners. Besides, the impact of the pole is not only social. Economic development is their main objective and the pole manage to have an economic impact (job creation, enterprise recovery, etc.). One can assess that there is an impact on the development of new products (in the shoe industry but also in the automotive supply industry, industry relocation, job maintained, job created, etc. but, as for social impact, the interviewee wonders if they are attributable to the pole and the co-operation.
3.	**What are the most important success factors?** The interviewee says that the key factor for success is the fact that the Pole is leaded by entrepreneurs, by local recognized entrepreneurs, who know how to run a business, how to invest, how to act – and not only how to talk – Besides, they have been supported at the early stage of the project by economic public local authorities who wanted to ensure "endogenous local economic development". Medias have also been a key factor in the PTCE's success (reports on the Pole, their members, their activities)
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The fact that the pole is steered by entrepreneurs has led to very concrete and operational priorities, to "social business-oriented" actions (and not to high-level strategic action plan, disconnected from the need and capacities of the enterprises and the other actors). Thanks to the support of local authorities, complementary expertise and networking but also public funding has been made available for the cluster. These means were of great importance for the launch and the development of the cluster's activities.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The Pôle Sud was created as a PTCE (territorial pole of economic co-operation) in 2007, that means before the creation of the concept by a French think tank dedicated to SEE and before the creation of the legal status by the law. That means that of course, if the support of national authorities is important, there is no need to have a legal status to build partnerships and networks. (A PTCE is a group of actors (local authorities, companies, research/training actors), anchored on a territory which aim to develop joint innovative economic projects, by a strategy of co-operation and mutualisation. The PTCE's mission is to boost territories by promoting the development of social and solidarity economy projects that have a strong local impact and create jobs that cannot be relocated, while respecting people and the environment. It has been created in 2009 by a French think tank dedicated to Social economy (Lab'ESS) and found a legal status with the 2014 French law on Social economy. The objective is to implement a common ongoing strategy of mutualisation, co-operation, or partnership in the service of socially or technologically innovative economic and social projects that are bearers of sustainable local development (article 9 of the Law of 31 July 2014 on the SSE)

Box 9 Cooperation between a cluster dedicated to finance and SEE - best practice #2 on networks and clusters

1.	**Case-ID** Name: Finance Innovation Website: https://finance-innovation.org/filieres/ Year founded: 2007 Country: France Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☐ Traditional enterprise ☐ Other: cluster
2.	**Why is this case a best / good practice?** Finance Innovation is one of the major clusters in France. Founded in 2007 by the French Public Authorities, Finance Innovation has directed concrete actions to accelerate the creation and development of innovative projects devoted to economic, societal and environmental challenges in the service of growth and employment. With over 500 members (primarily innovative SMEs, bank and insurance corporation but also major universities, research labs, public authorities), Finance Innovation seeks to address the key barriers and opportunities in the financial ecosystem: i)Promote and support the French Fintech ecosystem locally and internationally, while building bridges with the other Fintech hub, ii) Advocate for a democratic and inclusive financial services industry, iii) Support SMEs of the territory in their search for capital and funding and iv) Attract greater investment. Finance Innovation has set up a funding scheme dedicated to social economy, in order to support SE projects including technological, financial and social innovation. A recent call for projects supported for instance i) support / financing of the SSE sector, ii) accompaniment / financing for young people, seniors and start-ups (including a "market place" for employment), iii) health risks and research (for beneficiaries at increased health risk and rare diseases), iii) marketplaces for the accessibility of services to all (including deaf people) or iv) Performance and support of organizations (employee well-being through empowerment). The interest of this collaboration, in comparison to the case of PTCE (See previous box) is that SE is integrated in tools of the traditional economy. It reflects the mainstreaming of SE in traditional economy and the recognition if the weight and the potential, but also the needs of social economy.
3.	**What are the most important success factors?** The most important success factors are: • The involvement of a broad network of stakeholders representing two ecosystems that usually rarely meet, namely the SE ecosystem and the finance ecosystem: the “comité de labellisation” of the cluster that provides a label and a support to the project is composed of these two types of stakeholders in order to gather all the required skills for the project; • The adaptation of a funding scheme to the specificities of SE, both in the objectives, the types of projects or impacts; • Public support to the cluster; • The win-win aspect of this collaboration as SEEs are profitable companies.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The causal relationship between the success factors and the impact of this measure is two-fold: • The definition of tools dedicated and adapted to SEE and to the specific needs of SEEs’. Thus, entities can develop their action plans and have the social impact they have been created for; • The scaling up of SEE projects. Sur to lack of resources, SEE projects are often limited. The access to funding schemes can support a decisive scaling up of these activities, and thus, have a strong social, societal or environmental impact. Thanks to this initiative, projects such as staff buyouts of (large and profitable) businesses, development of new activities having a strong impact on the territory
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** One of the major interests of this initiative, that makes it replicable in other countries is that it relies first and foremost on traditional economy’s tools and stakeholders, interested in the potential of social economy and willing to open their funding schemes to new companies. Contrary to the case of PTCE, there is no need for a special legal status to promote cooperation between traditional companies and SEE.

5.5 Corporate Social Responsibility (CSR) and Responsible Business Conduct (RBC) policy

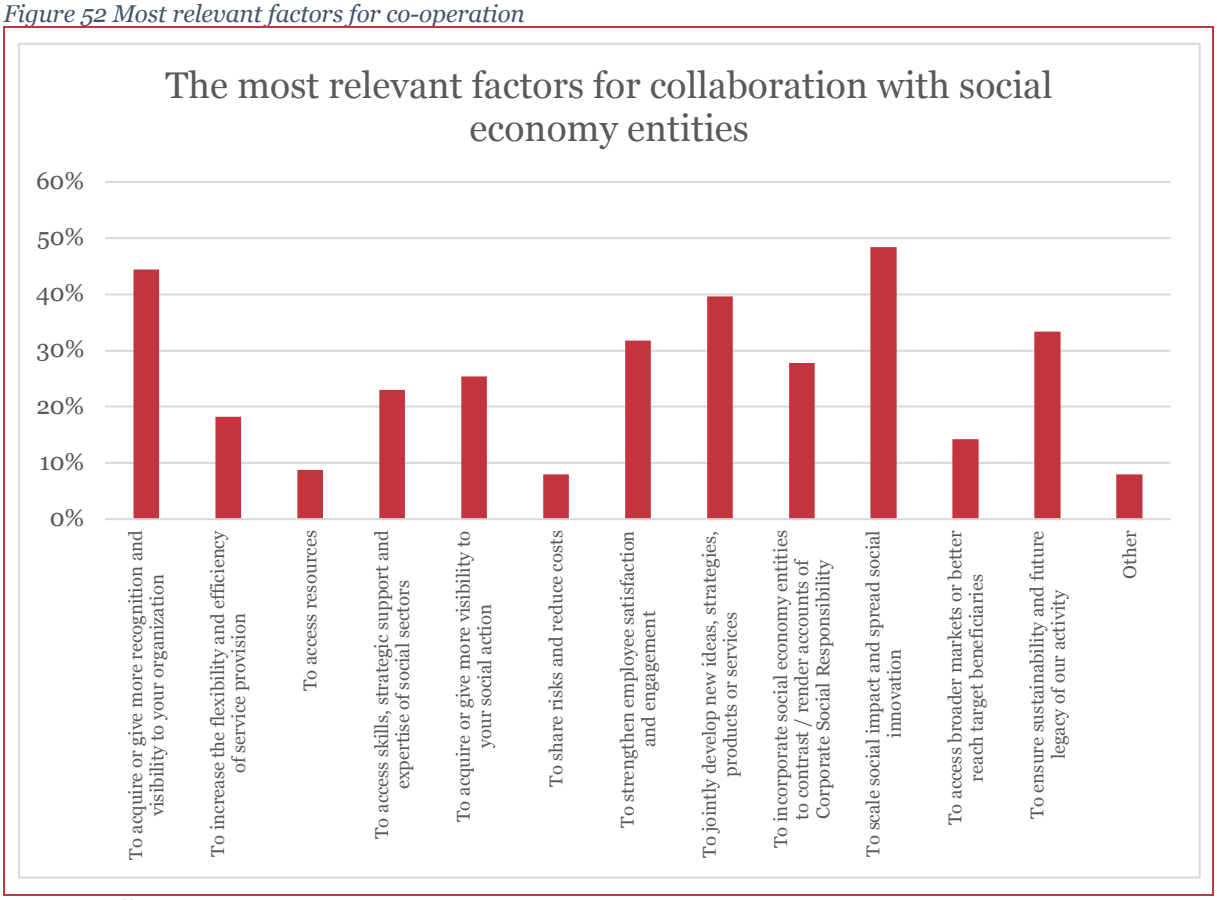
The research theme is focused on Social Economy Entities as part of Corporate Social Responsibility (CSR) defined as "the responsibility of enterprises for their impact on society" by the European Commission in 2011. The creation of shared value is a core element in the European Commission's approach and includes a broad scope on the type of potential stakeholders to cooperation opportunities towards an inclusive and sustainable development (Moczadlo, 2015). As stated before, various academics and practitioners remark, **cooperation is seen** as **an instrument for implementing CSR** and achieving sustainable development by traditional firms (Austin et al., 2005, 2006; Hart, 2007; Porter & Kramer, 2011; Crane & Matten, 2016).

The Responsible Business Conduct (RBC) is centred on the 2011 unanimous endorsement by the United Nations Human Rights Council of the Guiding Principles on Business and Human Rights (the UN Guiding Principles). Following their adoption, the EU began to promote the implementation of the Guiding Principles among EU countries and enterprises. RBC mainly refers to the aspect of complying with laws, such as those on respecting human rights, environmental protection, labour relations and financial accountability, even where these are poorly enforced. There is a common understanding that in order to achieve the United Nations Sustainable Development Goals (SDGs), responsible business conduct is required and a large-scale private sector support. Companies addressing aspects of RBC are often referring to corporate social responsibility (CSR). The CSR and RBC relate to more or less committed behaviour in corporations, observing recent trends to co-operate to generate "shared value" (Porter & Kramer, 2011) and/or co-create value (economic, ecological and social) through new business models (Jonker, 2012). The range of activities, level of co-operation and type of partnerships vary, from sponsorship activities with SEEs very similar to philanthropic partnerships to transactional and integrative partnerships, especially with the integration of SEEs in the value chain of corporations and firms.

5.5.1 Interpretation of relevant quantitative indicators

Within the framework of our study, the survey of the traditional businesses inquired which are the most relevant factors for the company to engage in co-operation with SEEs. 28% of respondents answered they want incorporate SEEs (e.g., NGOs, social enterprises) as stakeholder to contrast / render accounts of CSR. This comes on the 6th place, after scaling the impact (49%), acquire recognition and visibility (44%), developing new ideas and strategies (40%), ensuring sustainability (32%) and strengthen employee satisfaction and engagement (31%). Results agree with previous findings showing that the drivers for private sector partners are largely commercial, i.e., enter into partnerships because they present new business opportunities, they could not realise without the SEE partner, who "speaks the language" of the market or communities they are trying to reach, providing access to new markets and favouring scalability. Partnerships are also beneficial to the staff motivation, deepen loyalty to the business and contribute to improved performance (DTI, 2005). Most of the companies that answered they want incorporate SEEs (e.g., NGOs, social enterprises) as stakeholder to contrast / render accounts of CSR (Corporate Social Responsibility) are between 1M Euro and 5M Euro (30%), followed by big companies with average annual turnover more than 50M euro (25%).

Figure 52 Most relevant factors for co-operation



Source: Online survey

5.5.2 Key takeaways from the qualitative interviews

The qualitative interviews conducted for the study show that CSR is an instrumental component for developing co-operation between SEEs and traditional enterprises. Expectations towards social impact /sustainability have increased in society and these expectations also tend to grow within companies. There are several motives and drivers why companies chose to collaborate with SEEs.

The interviews show that SEEs need to have clients, networking opportunities and receive pro-bono help. Many companies have powerful brands, so by collaborating with big companies, SEEs get to improve their visibility and work. In the same manner, companies are looking to align themselves to responsible practices for acquiring and consuming products and services. This might be part of their PR, CSR strategy.

These ideas were emphasized during the interviews in all countries. Traditional companies, SEEs, and stakeholders have shared their perspective on how SEEs became part of CSR programmes and started to have access to markets.

One of the motives to collaborate encountered among the interviews was the responsibility of private companies to be socially involved. Companies like Bosch, Toyota or Ikea were mentioned in the interviews as having specific CSR policies to encourage the collaboration with SEEs. Also, in one of the interviews, a traditional bank from France, which has the core business very far from social economy, stated is had engaged in a strategy “for responsible banking”. Co-operating with SEEs is a business activity for the bank as it gains new clients in tailoring a social business offers. Pro bono, volunteering and technical assistance are supported by the bank, as part of its CSR policy.

Another aspect of collaboration between companies and SEEs, as part of CSR, is the valorisation of employees’ experience in social activities. As stated in some interviews, SEEs have developed specific

approaches in order to offer companies and their employees the experiences they are looking for. AN SEE from Belgium adopts a double approach when it comes to partnerships with companies. They bring a CSR aspect to the partner company, both internal (valorisation of the employees' experience) and external (involvement in a project whose values match the company's CSR communication). IPSOS Interactive Services, a Romanian company is actively involving its employees in the activities of EDUCAB, an SEE that was founded by one of the employees from the CSR department. As a result, many of the employees involved in the program were more motivated in the workplace.

Shared values and important common priorities are also mentioned in the interviews as drivers from cooperation. One of the SEEs in Spain talked about the social commitment in a partnership with Toyota which follows the Toyota CSR philosophy of sustainability and respect for the environment through an agreement where both companies promote a responsible use of water through social networks.

Business relations and the capacity of SEEs to become suppliers is another type of cooperation mentioned in the interviews. A social co-operative from Italy, works with the CSR departments of the partner traditional companies. The relationship is a business relationship, they have contracts that regulate production, branding, distribution, etc. Regarding the business partners, they observe their interest in social impact and ethical aspects, and at the same time they think that companies improve their image and reputation by developing CSR and ethical projects.

There are also, unique drivers to cooperation. For example, a traditional company from Poland got involved in co-operation with SEEs, while they were becoming quoted on the stock exchange and consequently being required to report non-financial data. That was the moment when they included CSR policy in their company structure. They are interested in co-operation with SEEs which allows them to respond to social needs.

Some of the interviews with stakeholders, mentioned the importance of intermediaries and networks to facilitate the cooperation between SEEs and companies. These kinds of networks are having a stronger role in improving co-operation between traditional companies and SEEs. They educate companies in topics that are novel and forthcoming in CSR field and can create better communication systems between companies and SEEs. This was mentioned in some cases in UK, Finland, and also at European level.

In some interviews it is also mentioned the importance for companies to have a good local reputation. If they are creating social value as part of an agreement to do business in a community, often they will work in partnership with established charities in a local area, sometimes they will create a partnership, designing some common programmes. Co-operation with SEEs can be a form of success for businesses because it provides better understanding of the community that triggers their responsibility (CSR), better reputation that leads to higher sales, better product/service, license to operate, awareness of social issues, employee engagement through the opportunity for the employee to volunteer (well-being, job satisfaction, motivation.)

5.5.3 Short verdict

There are many forms in which companies use their CSR strategies to co-operate with SEEs. Some involve helping SEEs to access new markets, some can include non-financial support given by the company to the SEE and other can involve giving grand to establish new programs in co-creation. **The diversity of partnerships can occur within a continuum from philanthropic to integrative and, exceptionally, transformative partnerships.**

Some of the CSR programs can turned into social intrapreneurial initiative, which can evolve and become new organizations or entities, growing to attract new partners. Many traditional companies still tend to be at the stage of exploring different ways of implementing social impact strategies, still using CSR in a traditional way.

Co-operation with SEEs can enable traditional companies to develop and enhance their work of integrating social impact into their core business, thus moving from a more traditional corporate social responsibility (CSR) approach to a shared value, integrated strategy.

The context for co-operation between social and traditional enterprises, as part of CSR Strategy is similar among the European countries. There are similar struggles and barriers and also similar form of success.

Box 10 Company ABC-Czepcznski best practice #1 on corporate responsibility

1.	**Case-ID** Name: ABC-Czepczyński Website: www.abc-czepczynski.pl Year founded: 1997 Country: Poland Type of co-operation: Philanthropic ☒ Transactional ☒ Integrated ☒ Transformative ☒ Type of organisation: SEE ☐ Traditional enterprise ☒ Cooperating SEEs (beneficiaries of ABC's financial support): UNICEF Polska (international humanitarian organisation supporting children) https://www.unicef.pl/, WOŚP (foundation collecting donations to support health initiatives, mainly for children; more than EUR 200 million collected since 1991), https://www.wosp.org.pl/, Fundacją A-kogo Ewy Błaszczyk (foundation running a clinic focused on bringing children out of coma) http://www.akogo.pl/, Fundacja TVN nie jesteś sam (foundation supporting children with chronic diseases) https://fundacja.tvn.pl/, and several other
2.	**Why is this case a best / good practice?** ABC-Czepczyński is a shipping company serving mostly the FMCG and automotive sectors. The company was founded in 1997 as a sole proprietorship and currently employs around 200 people. It operates throughout Europe and focuses on EU markets. Due to the founder's dramatic personal history, it entered into multi-level co-operation with the social economy sector. The company established a large CSR department. The assistance provided by ABC-Czepczyński primarily targets children with heart defects but also other groups and includes education of disabled children and adults. The company promotes the idea of economic education, philanthropy, responsible purchasing practices and the sale of regional products. It also supports local and employee initiatives. ABC-Czepczynski is engaged in social activities in multiple ways and through multiple partnerships with SEEs. It supports SEEs or public organisations through philanthropic activities. Whenever possible, it purchases its supplies (goods, services) from SEEs. It encourages its employees to participate as tutors / mentors in the ABC-Economy initiative aimed at providing economic education at schools. It implements internal policies aimed at promoting women. It is an example of a traditional company which, due to its owner's internal motives, pursues social objectives in a very intense way. One may say ABC-Czepczynski is a traditional company which transformed itself into an SEE while still conducting its traditional business.
3.	**What are the most important success factors?** • Professional and persistent business approach. • Openness and personal charisma of the owner. • Dedicated staff through, inter alia employing people sharing common values and social sensitivity.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** ABC-Czepczynski puts a great emphasis on involving its entire workforce in activities related to social needs, employing persons who are sensitive to those needs. It organises training courses and workshops - many as volunteer work - throughout Poland. Women make up ca 70% of the workforce and have wide access to decision-making positions. Interestingly, the owner does not promote women as part of its social mission, but because he has a much higher opinion of them as workers than he has of man. The employment of a large number of women also increases the employees' sensitivity to social needs which is a key element of the company's mission.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Assurance of the highest standards in the enterprise's primary activity coupled with a clear definition of social objectives. Sensitivity to the needs of others and distributing the enterprise's profits as widely as possible in line with the idea of giving back as much as you have received Trust toward women as employees and providing them with good working conditions and pay, which gives them a feeling of security and stability. Such conditions make them want to be involved not just in the enterprise's primary activity but its social activity as well.

Box 11 Company Hyundai Motor Europe best practice #2 on corporate responsibility

1.	**Case-ID** Name: Hyundai Motor Europe Website: http://www.hyundai.com/eu/en/Main/index.html http://jumpsp.org/project/%EA%B5%90%EC%9C%A1%EB%B4%89%EC%82%AC/h-jump-school/ Year founded: 2013 Country: Korea Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐ Type of organisation: SEE ☐ Traditional enterprise ☒
2.	**Why is this case a best / good practice?** **Hyundai Motor Europe** is developing a CSR program inside Hyundai Motor Group focused on education in Korea, a **program called H-JUMP School**. Hyundai Motor Group developed the CSR programme in order to raise the level of education in Korea, as being part of their long-term vision, a well-educated society will become a wealthy society and therefore a society where people will become conscious consumers. Also, looking at the Korean society, the company acknowledged the importance of having education as a national priority and also a key field to invest and contribute. The H-Jump project is a partnership between Hyundai Motor Group, JUMP social enterprise and Seoul Scholarship Foundation which aims to ensure that youth with multicultural/disadvantaged background can have greater opportunities for quality education. Over 2801 students were trained within H-JUMP program in 5 years. For Hyundai Motor Group this program is not only a way to achieve external and internal legitimacy for their CSR activities, but also an important opportunity for their employees to engage in the program and to empower and help disadvantages children, by becoming mentors in the program.
3.	**What are the most important success factors?** The program is the result of the cooperation between Hyundai Motor Group, JUMP social enterprise and Seoul Scholarship Foundation, which means many resources are put in place by each partner: • Hyundai Motor (company): Massive resources; financial, human, management knowledge • JUMP (social enterprise): Expertise in running social programs; better knowledge of local problems • Seoul Scholarship Foundation (public): Government credibility; strong Government and University network. This partnership is giving an important comparative advantage, which contributes to the success of the H-JUMP program.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** For Hyundai Motor Group and the partners, the cooperation results in a win-win-win situation. Hyundai Motor Group achieves external and internal legitimacy for its CSR activities, gains enhanced brand preference and creates a new business model through CSR. JUMP Social Enterprise is focusing more on the core business by guaranteed funding for certain period (5yrs). It also increases the employee confidence and is scaling up business opportunities to other areas. Seoul Scholarship Foundation is attaining public credit for saving public resource by transferring financial burden to the private partner.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case** It is challenging to replicate certain models from different continents in Europe, because the realities and the needs are diverse and specific in different countries. In this perspective, partnerships and CSR interventions should have a more local approach. To anchor certain activities in communities there is a need to have a business model to facilitate and share the cooperation between companies and social economy entities. The partnership between Hyundai Motor Group, JUMP social enterprise and Seoul Scholarship Foundation has developed a business model which can be replicated in other countries, where every partner brings on the table the expertise, knowledge and resources.

5.6 The role of social extra-preneurs

Social extra-preneurs are intermediary actors, change agents solving societal problems by moving between companies, organisations and sectors that contribute spreading ideas and solutions between organisations that would not otherwise be shared (Snyder, 2005; Tracey & Stott, 2016). According to Tracey & Stott (2016) social extra-preneurship is one type of social innovation, defined as 'the process of inter-organisational action that facilitates alternative combinations of ideas, people, places and resources to address social challenges. Thus, individuals or organisations create change through platforms that support collective effort within and between new and established organisations.

As we have already highlighted in the background analysis and conceptual framework, social extra-preneurs can be both individuals and organisations. They are basically new actors that act as sort of intermediaries, either by actively creating connections between organisations, or by more broadly providing a platform and shared environment were different actors (including social economy and traditional enterprises) can spontaneously meet, interact, collaborate or co-creates new solutions to address a social challenge. In both cases, social extra-preneurs play a key role because they create a much-needed space for the generative encounter between otherwise separated people and can prove of crucial importance to enable the emergence of new partnerships and co-operations, which in this specific case (of social extra-preneurs) ultimately have the potential to address and solve societal challenges.

The relevance of social extra-preneurs contrast with the lack of awareness and understanding of the label and the own notion of social extra-preneur. Unlike entrepreneurship and intrapreneurship, the concept of extra-preneurship is not common in the literature. It was originally introduced by practitioners as a term for corporate 'spin-outs'; i.e. when a company splits off part of itself to create a new, independent company, as distinct from intrapreneurship (the creation of new opportunities within an organization), and entrepreneurship (the creation of a new venture outside an extant organization) (Tracey & Stott, 2017). Algoso (2015) highlighted the rise of extra-preneur in the international development sector, working beyond organizational boundaries.

Social extra-preneurship includes a variety of individuals, organisations, networks and 'networks of networks' that basically transcends any one agency through co-operation with at least two parts, e.g., a corporation placed in a European country and a social enterprise connected with a local deprived community in Latin America, connecting the 'voices' and enabling the share of information to jointly solve a societal need. Social extra-preneurs pull ideas, people and resources together to create or facilitate the environment to ensure traditional and social entrepreneurs and intrapreneurs are stimulated, supported and sustained.

Some models of social incubators and social accelerators can be social extra-preneurs, if they offer a platform that may link organisations from different economy sectors with social entrepreneurs and SEEs. The principal difference with respect traditional incubators is that **they act as a bridge or an interlocutor that facilitate the dialogue and resource flow between different parties and the development of social innovation across established organisations** rather being limited to the provision of incubating services (Tracey & Stott, 2016).

For example, Bluebox Ventures[78] is the biggest firm of Corporate Venturing in Latin-America, oriented to traditional business with a strong component of CSR and purposive social impact. Under the slogan "We love creating valuable connections", some of the projects of the company aim to develop responsible products in the food sector and other sectors, linking corporations with partners from public and civil society sectors.

Tandemsocial[79] is a Spanish cooperative that favour inter-cooperation and contribute to the launching and growing of social enterprises, with active participation in projects of high social impact.

[78] https://www.blueboxmx.com/ventures
[79] https://www.tandemsocial.coop/en/intercooperacio/

Tandemsocial offers a variety of "linking" activities such as mentoring, talent search, co-design and implementation of support programs for social entrepreneurs, the social economy and the Third Social Sector.

In the praxis the term may design other intermediary actors, such as the case of financing and crowdfunding platforms, which is a worldwide trend but is not focused on facilitating cross-sector collaboration.

5.6.1 Interpretation of relevant quantitative indicators

The information obtained in our survey (see Table XXX) shows that most of SEE cooperate with social-extra-preneurs, being the percentage of co-operations similar for different organizational forms (associations, foundations, cooperatives, limited companies, social enterprises).

Table 9 Percentage of collaboration of SEEs with social extra-preneurs according to the number of cooperation developed in the last three years

Nº of co-operations	Association	Foundation	Cooperative	Limited company	Limited partnership	Social enterprise (can be one of the previous ones also)	Other
Only 1	3%	1%	3%	3%	5%	4%	4%
2 to 4	13%	10%	13%	9%	9%	14%	18%
5 to 10	6%	5%	7%	9%	0%	5%	6%
11 to 15	1%	2%	1%	0%	0%	1%	0%
More than 15	2%	3%	2%	3%	9%	2%	3%

This information should be taken with caution due the conceptual fluidity of the term and inaccuracies when considering cooperation with "third parties", for example a financial incubator, which does not strictly respond to the social extra-preneur concept and were considered in some interviews.

5.6.2 Key takeaways from qualitative interviews

Interviews enable to appreciate the variety and amplitude of social extra-preneurship as well as there is a case of an evolving term. One example is Social Impact Award (SIA), founded in 2009 by Peter Vandor at the Institute for Entrepreneurship and Innovation at WU Vienna. It was set-up as competition to empower student social entrepreneurs in Austria and it soon became a community of young social extra-preneurs and innovators that transform intention to action, connecting "third parties" through a network present in 23 countries.

In Romania, as commented one interviewee, it was established in 2010 and is grew at an educational programme but also a network of young entrepreneurs that *'actively connects social entrepreneurs with traditional companies'*. SIA works with social businesses in their initial phase, operating in four areas: providing education & training (in 2017, they ran 220+ workshops & events for 6.000+ participants in 72 cities across 18 countries), giving awareness and support of social entrepreneurship initiatives (over the year 2017, they supported 1.000+ young teams to create and implement innovative social business ideas), creating community (connecting participants with an international community of entrepreneurs, peers and experts) and financing support (the best 55 ventures with the Social Impact Award along with seed funding of 100.000+ EUR in total). The interviewee provided as example '*the connection between ENEL Romania (Energy Company) and Policy Center for Roma and Minorities, where ENEL was helped to communicate with the vulnerable clients from a very poor neighbourhood in Bucharest and through Policy Center they became part of the community'*.

Other example from France that shows the role of social extra-preneurs as connectors of 'different worlds' is Eau et Vie. This NGO was created in 2008 (statut d'association loi 1901), whose mission *'is largely to improve the access to drinkable water of the most disadvantaged populations on a lasting basis'*. To do this, the Founders wished to create local traditional enterprises (for profit) that would provide water services to disadvantaged populations situation in communities where they had no or very poor access to water. The original idea was to create these local enterprises under the model of the French "*entreprise d'insertion*[80]", but as this status does not exist in the countries where Eau et Vie operates, the local enterprise was set up as a traditional, for-profit enterprise. In parallel to these local enterprises providing water access, an NGO was set up to "*accompany the local community through this process of change*".

Many social extra-preneurs are used to label broad networks or umbrella organisations as a meeting place for SEEs and business together other actors. This is the case of SAW-B ASBL, Solidarity of Walloon and Brussels Alternatives, which is a pluralistic federation of social enterprises and social economy. It was founded at the end of 1981 and currently has more than 134 members, including 13 sectoral federations, representing more than 300 social enterprises in Wallonia and Brussels. More than a federation, SAW-B functions as an agency-consultant by Wallonia and has been moving from an association to a movement for SEEs connected with other actors of the ecosystem.

5.6.3 Short verdict

Social-extra-preneurship -combined with the social incubation and acceleration phenomena- constitute one of the most promising form of intermediation and a powerful instrument for the development of "mixed" sectoral clusters, as can be evidenced in numerous cases we found using desk research and qualitative interviews. Social extra-preneurs capture the process of inter-organizational action that facilitates alternative combinations of ideas, people, places and resources to address social needs and favour the development of social innovations. They develop a range of support mechanisms and platforms for enhancing clusters and broader innovation ecosystems and ultimately contribute to social change.

Box 12 Extra-preneurs best practice #1 on social extra-preneur organisation

1.	**Case-ID** Name: Extrapreneurs Website: http://extrapreneurs.org; http://wiseholding.net/en/ https://www.lecho.be/dossier/siliconbelgium/extrapreneurs-accouche-de-ses-premiers-projets/9990464.html Year founded: 2017 Country: Belgium Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☒ Stakeholder ☐ Community Organization
2.	**Why is this case a best / good practice?** Extra-preneurs is an example of a "social-extra-preneur" incubator that is placed in Brussels (Belgium) with strong orientation to business models for social impact. It was created by Michel De Kemmeter to provide opportunities for companies to develop new and sustainable projects that gives them strong assistance from a team of entrepreneurs (both traditional and social) actively participating in the ongoing socio-economic transition. Extra-preneurs is "the laboratory for the economy of tomorrow", made up of training that adapt the participants and their project to the new economic paradigm by coaching, expert forums and an international network of professionals and companies-in-transition. The platform also offers the Extra-preneurs programme, where participants can acquire the fundamentals to build ecosystems of companies and create community-based businesses.
3.	**What are the most important success factors?** Being of recent creation Extra-preneurs incubated the fast development of four projects with participation of unemployed people in partnering with corporations. One of the projects wants to decentralize waste recycling to small units where the product would be resold and used locally. The team, which mixes all generations, claims that the loss of profitability due to decentralization would be offset by the transportation savings and the resale of the recycled raw material. Other project is focused on building affordable housing on a human scale while defending a return to a simple way of life. The three entrepreneurs behind the concept are developing a pilot project in Walhain, in Walloon Brabant. It will include several houses as well as a community space and a short circuit store. The expected success of Extra-preneurs is the model of incubation, being that the "excubation" model allows entrepreneurs to mount their project by backing a company and constitutes a win-win process. The entrepreneurs have access to the company's networks and resources and limits the risks for themselves while from the perspective of the corporation the innovation processes are faster.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Note: As this case has been developed by desk research the answer has obtained from secondary sources (websites). A strong focus on the technology for social good.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Wise Holding, the Club of Brussels, a think tank of experts on the economic transition, was launched as part of Extra-preneurs programme. The model of Extra-preneurs can be replicated in other places.

Box 13 Extra-preneurs best practice #2 on social extra-preneur organisation

1.	**Case-ID** Name: RREUSE (NGO) Website: http://www.rreuse.org Year founded: 2001 Country: Belgium (secretariat opened in this city in 2003) Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☒ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** RREUSE is a Brussels-based association (NGO) representing interests of social enterprises working in the field of reuse, repair and recycling from a perspective of circular economy and strong focus on inclusiveness (inclusive circular economy). RREUSE constitutes a 'federation of federations' financed by membership, foundations and the EC. It has 29 members from 24 countries, being most of the members umbrella organisations either national or regional and involving around 1000 social enterprises. Its primary focus is on supporting the role of social enterprises in a circular economy, promoting a policy framework to their integration within policy strategies. More specifically, RREUSE activities include to encourage and strengthen collaboration between the member organisations, in order to promote good practice, research and development activities, new initiatives and partnership in waste management. Based on the Directive on Waste Electrical and Electronic Equipment (WEEE)[81], RREUSE advocates for the adoption of social clauses in tendering procedures of public procurement and promotes criteria for innovation and eco-design of products to ensure that products are more easily repairable, beyond mere energy efficiency. RREUSE also acts as intermediary by promoting partnerships that support the professionalism and development of social enterprises working in environmental services with high potential for inclusive job creation (e.g., cooperation between traditional firms and WISEs in training programmes to support specific and professional skills in the field of circular economy). An example is Ecosystèmes[82] (France), a longstanding consortium of major companies and more than 4.000 producer members in WEEE industry working under an Electronic Producer Responsibility (EPR) scheme. Ecosystèmes cooperate at national levels with two French RREUSE members, Emmaus France and Envie, integrating SEEs from these two federations in value chains in order to develop efficient and effective collection, treatment and reuse of electronic waste, providing appliances for reuse to the SEEs, and supporting their professionalization, e.g. monitoring systems and traceability of flows to meet certain standards. Another different example of cooperation is BIOHEC-LIFE[83] (2016/19), a pilot innovation project led by RREUSE France and a consultancy firm together other partners aimed to produce competitively-priced advanced biofuels derived from used cooking oils using an innovative process. The proposed model of the production chain will be assessed in the city of Lille and Nord-Pas-de-CalaisPicardie region and replicated in further French and European territories.
3.	**What are the most important success factors?** • The strong commitment of the volunteer members as a catalyst in generating trust and synergies between traditional enterprises and SEEs operating in circular economy. • Transparent accountability and the absence of a bureaucratic structure is important because it enables organisational flexibility. • The closely connection with the EU strategic priorities and policies in the field of circular economy and the global sustainability agenda at both global and local levels, with strong focus on inclusiveness. • Leadership on policy support is very relevant in facilitating to overcome barriers related to legislation that may hinder setting up reuse and repair business models in collaboration or even act as a driver of partnerships (e.g. in the case of Ecosystèmes). • The promotion of best practices and emergent new business models with a more efficient use of products such as sharing, leasing or renting, serving to many different economic sectors.

[81] https://www.eea.europa.eu/policy-documents/waste-electrical-and-electronic-equipment

[82] https://www.eco-systemes.fr/en/all-about-eco-systemes

[83] http://ec.europa.eu/environment/life/project/Projects/index.cfm?fuseaction=search.dspPage&n_proj_id=5681#PD

	• In most of partnerships is relevant to clarify stakeholders' interests and common objectives from the beginning to avoid conflicts.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** REUSE is the first European umbrella organisation of SEEs with activities in the circular economy that puts the three pillars of sustainability at an equal level. The RREUSE activities simultaneously produce impact attending to global and local contexts, e.g., from fostering the citizens' awareness on their role as consumers and changemakers for a sustainable development to boosting the creation of jobs and innovations in the circular and social economy sectors. Many activities of RREUSE contribute to the reinforcement of European strategies on clustering in the circular economy, sustaining new businesses that create environmental (ecological), economic and social impact attending to the different waste streams (electronics, textiles, furniture, construction materials). By 2017 the activities of RREUSE members involved around 160.000 employees, volunteers and trainees, serving to many different economic and environmental industrial sectors. The federation also comprises over 7.000 shops[84]. In the example of Ecosystèmes the growth of successful partnerships has been strongly influenced by the France legislation and control over producer schemes since 2006 onwards as well as the rise of alliances between manufacturers and distributors[85].
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Since 2001 RREUSE shows a progressive consolidation as a relevant social-extra-preneur platform, being key in providing a variety of cooperation opportunities between SEEs and traditional firms. In some cases, RREUSE has also participated as a cooperation partner. In 2017 two new members joined the RREUSE federation. The social cooperative Insieme, which was set up in Italy in 1979 and has since created over 1000 jobs for disadvantaged and marginalized People and Emmaüs, a federation of 309 groups from 17 European countries. In 2017 the southern Belgian region of Wallonia introduced a separate target for the re-use of waste electrical items following a pioneering move by Spain in 2015. Its key role has benefited from other recent initiatives: RREUSE is one of four civil society representatives in the High-Level Steering Group of the European Innovation Partnership on Raw Materials held on 2016 and takes part of the European Circular Economy Stakeholder Platform, created by the EC and the European Economic and Social Committee in 2017. Examples such as Ecosystèmes can be replicated in other countries as well as other initiatives generated by intermediation of RREUSE, in particular the integration of SEEs in value chain and building of HVCs.

[84] http://www.rreuse.org/wp-content/uploads/RReuse-AR-draft4-FINAL.pdf

[85] http://twinningweee.com.ua/sites/default/files/media/eco-system_ecobodies_in_france.pdf

Box 14 Social Incubator Fund (SIF) best practice #3 on networked social-extra-preneurship (financing intermediary)

1.	**Case-ID** Name: Social Incubator Fund (SIF) Website: https://www.bigfund.org.uk/global-content/programmes/england/social-incubator-fund Year founded: 2012 Country: UK Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐ Other: local authorities
2.	**Why is this case a best / good practice?** Funded by the National Lottery and delivered by Big Fund, the SIF is a fund to support social incubators in providing investment and intensive support to early stage companies. The fund is looking to invest in projects that can bring about the following programme outcomes: (i) Improved quality and quantity of early stage social ventures going on to seek financial support from the Investment and Contract Readiness Fund and/or social investment intermediaries, (ii) Improved signposting between social investment intermediaries for early stage social ventures, enabling further investment to scalability if appropriate, (iii) Increased numbers of social investors making investments into early stage ventures. The launch of the SIF should be seen in the context of a number of other initiatives designed to improve both the supply of and demand for social investment, as part of the Government's Investment Readiness Programme to support social ventures; and the social investment tax relief with a reduction of 30 per cent of that investment in their income tax bill.
3.	**What are the most important success factors?** • Most SIF programmes were established and run by private sector partners. Prominent partner organisations across programmes included (but were not limited to) large multinationals (e.g. healthcare, telecommunications), financial institutions, professional services providers, small to large research companies, technology companies, social enterprises and charities. • Most incubator support programmes were offered to social ventures free of charge with no repayment (capital must be invested within either two or four years, depending on size of grant, and all capital must be match funded). • Most SIF programmes were 'regional', targeting social ventures in specific locations. • Variety of investment models across programmes (equity, quasi-equity, debt finance, convertible debt and bridge financing). • Engagement of targeted groups and local communities.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** A total of ten incubator programmes were supported by the SIF: 1. Bethnal Green Ventures (BGV); 2. Big Issue Invest (BII); 3. Dotforge Impact (DI); 4. Health Social Innovators (HSI); 5. Hub Launchpad (HL); 6. Seedbed; 7. Cambridge Social Ventures (CSV) (formerly Social Incubator East); 8. Social Incubator North (SIN); 9. Wayra UnLtd (WU); 10. Young Academy (YA).
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Although currently the platform is not incubating more projects, is a good example of networked social-extra-preneurship support in a critical aspect (financing) that can be replicated to connect private and public investment and at the same time to strengthen territorial connections.

Box 15 Community Interest Company (CIC) The Green Valleys (TGV) best practice #4 on social-extra-preneur organisation

1.	**Case ID** Name: The Green Valleys CIC Website: http://www.thegreenvalleys.org Year founded: 2009 Country: UK Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☐ Transformative ☒ Type of organisation: SEE ☒ Traditional enterprise ☐ Other: local authorities
2.	**Why is this case a best / good practice?** The Green Valleys (TGV) is a social enterprise (Community Interest Company, CIC) based in Wales that started out as a handful of committed communities developing their own micro hydroelectric power stations to reduce CO2 emissions in the round the Brecon Beacons National Park. TGV, which participated on the activity spurred by Nesta's 'Big Green Challenge' in 2008, won the Welsh final of the British Gas 'Green Streets' project for which they received funding to invest in their targets. TGV was set up by community members in and around the Brecon Beacons National Park in 2009. In 2010 the social enterprise owns TGV Hydro Ltd, a trading subsidiary company to provide technical expertise, being a registered installer of micro-hydro schemes. TVG has also invested in part ownership of Hydrolite Ltd, a company that manufactures turbines and components for the hydro generation equipment, both based in Wales. Llangattock Green Valleys (LGV) was the first CIC supported by TGV, which also intermediated in the creation of 'LGV Ventures', the trading subsidiary and in obtaining secured funding for projects and installations through other key financial partners. LGV supported a growing number of initiatives and created new entities in order to fulfil the diversity of activities that they have set out to achieve, from the independent local woodland charity to the Industrial & Provident Society established for their micro-hydro schemes. Six feasibility studies in the Llangattock area, both on private and public land have been carried out to date, with the intermediation of TGV. The TGV social enterprise model is unique as it can design, install and maintain micro-hydro systems, as well as providing detailed support for communities to identify potential sites for a hydro scheme, assist with landowner negotiations, support local community engagement and advise on grants and capital raising for construction. The overall scheme currently represents a Hybrid Value Chain where TGV act as a regional social extra-preneur. The core activities of the TGV trading arm, TGV Hydro Ltd., offers the complete package of technical legal and financial expertise required to launch a micro hydro scheme. However, its core value proposition to community groups relates specifically to its role as facilitator and mediator for the necessary investment finance. The key to this is the loan finance facility TGV has secured. Up to £500,000 can be drawn down on behalf of community groups from Finance Wales where TGV acts as intermediary for the five year pay-back period.
3.	**What are the most important success factors?** TGV addresses all three dimensions of climate change by combining a charitable focus on community engagement and business orientation. TGV has a strong ethos of running on business principles and this has streamlined the group's vision and collaborative activities. An ample expertise and know-how of technical, managerial, regulatory and policy aspects in the micro-hydro-systems together a high commitment with sustainable development. Focus on possible means of financial sustainability and interaction with local government actors from the outset. Collective leadership with focus on share locally generated renewable electricity, supporting local generators, keeping money within the local community and aiming to reduce the electricity cost to consumers.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** TGV aims to make the Brecon Beacons region a net exporter of energy by developing community renewable energy schemes and supporting communities to reduce their carbon emissions. To date, TGV contributed to the creation of several SEEs, some of them Community Interest Companies (CICs), Joint Ventures and hydro-cooperatives (in 2013, 2015) that have successfully maximised the potential of the natural assets that their locality has to offer. TGV and its founders have completed 16 installations (as of January 2015) in the Brecon Beacons and more widely across Wales. They are in the process of constructing a further 7 schemes, and have worked to obtain permissions and licences for over 70 schemes in total with a combined potential output of 1.5MW.including food and woodfuel, and retrofitting its built assets such as community buildings and homes.

5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The model can be replicated in other similar contexts. TGV contributed to the development of an Energy Local Model with associated Energy Local Clubs as instruments to replicate its purposes. TGVis also participating in broader networks and projects involving partners from several countries. One example is ECCO[86] (Creating new local Energy Community Co-Operatives), a collaborative project that seeks to give innovative solutions to energy challenges through cooperation involving established community energy groups in Wales, Ireland, France, Belgium, Germany and The Netherlands, where TGV is the Welsh partner. By working together to share experiences, financing models, engagement methods, technical skills and policy developments, the ECCO project partners aim to accelerate the growth of local Energy Community Co-Operatives (ECCOs) and produce wide ecological, economic and social impact.

Box 16 Circular Economy Club (CEC) best practice #5 on social extra-preneur organisation

1.	**Case ID** Name: Circular Economy Club (CEC) Website: https://www.circulareconomyclub.com/ Year founded: 2014 Country: UK, with a branch in Boston (USA) Type of organisation: SEE ☒ Traditional enterprise ☐ Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ NPO, network
2.	**Why is this case a best / good practice?** The Circular Economy Club (CEC) is an international network of over 3,100 circular economy professionals and organisations from over 85 countries. This NGO was created by Anna Tarí, a Spanish young social extra-preneur as an open platform open to anyone to join the club for free. The club's main goals are: (i) Connecting different professionals to foster opportunities and collaboration, and (ii) Providing them with the tools and resources needed to bring the circular economy to life. Those goals are achieved by the implementation of three main programs: • CEC Mentors program - for members with expert skills to give free advice to the most promising circular talent • CEC Organizers program - for circular leaders to bring the circular economy to live in their cities • CEC Global events - for members to work collaboratively to solve local and global challenges Her founder realized that there were a number of great initiatives in the circular economy sector but lacking visibility, the right tools, funding and connections in order to have an impact. CEC was set up to bridge this gap and to establish strong connections amongst the circular economy community, and at the same time connect with individuals and organisations working in the social economy and sharing economy sectors to share best practices aimed to have an impact at a local and global level. CEC is managed by a team of 22 volunteers based all over the world and supported by the work of engaged club members who volunteer as CEC Mentors to give free mentorship to the youngest members, and a set of CEC Organizers who bring the activities of the club to their cities, universities and organizations.
3.	**What are the most important success factors?** The openness of the platform and the clear mission to build a community of circular economy professionals to ensure we are sharing knowledge and initiating collaborations that will accelerate the transition towards a circular economy. A strong leadership and high level of commitment of volunteers that closely cooperate in developing the CEC activities. The Prime Minister of Spain hands Youth Award to CEC Founder on November 2018 for the contribution of the club to give visibility and promote cooperation and environmental sustainability.

[86] http://www.nweurope.eu/projects/project-search/ecco-creating-new-local-energy-community-co-operatives/

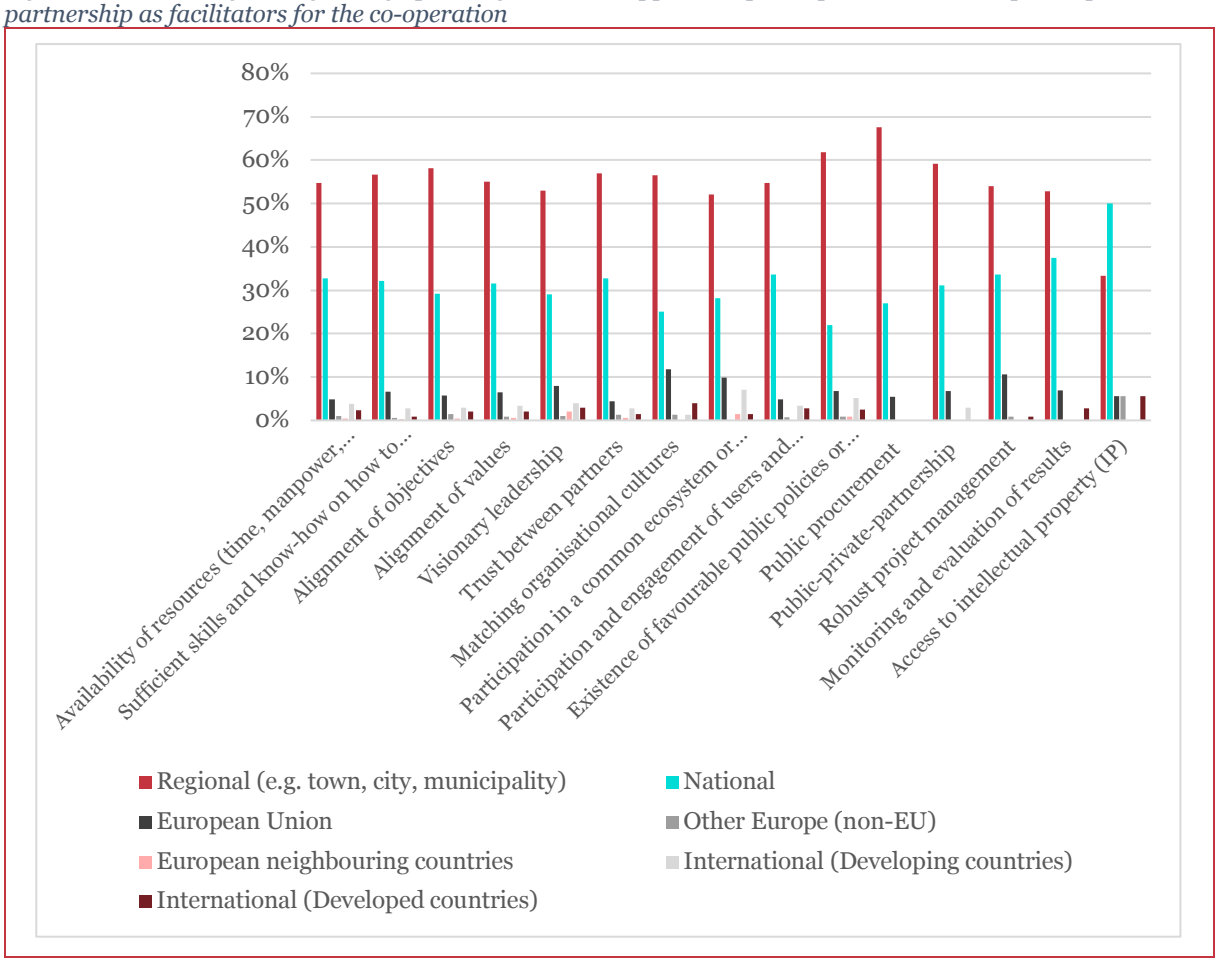
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** CEC constitutes the first global open source exercise of its kind in the circular economy sector. On April 2018 CEC announced the launch of the largest open-source database on circular economy-related initiatives in the world. This database derived directly from the CEC's efforts to "map" circular economy activities around the globe earlier this year. That project, dubbed "Circular Economy Mapping Week," entailed workshops coordinated by CEC organizers in more than 65 cities and 40 countries from February 5-11, 2018. The database includes more than 3,000 circular economy initiatives ranging from fashion to real estate to energy (62% were based in Europe, 12% came from North America, 11% Latin America, 10% Asia and 6% Africa. Most initiatives (71%) are associated with the private sector, while the fewest initiatives (5 percent) represent educational institutions.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** With a clear international scope, the network is being extended to include projects from all the world.

5.7 Constructive and sustainable private procurement relationships between social and traditional businesses, and between social enterprises themselves

5.7.1 Interpretation of relevant quantitative indicators

Public procurement is a less popular factor for facilitating co-operation between SEEs and traditional enterprises. Only 4% of SEEs selected it as one of the most important factors that ease co-operation. Among the studied countries, public procurement seems to play the most important role in the United Kingdom, Romania and Italy. On the other hand, none of the German responding SEEs considered it an important factor. They are typically the regionally operating SEEs that appreciate public procurement and public-private-partnership as facilitators for the co-operation.

Figure 53 It is mainly the regionally operating SEEs that appreciate public procurement and public-private-partnership as facilitators for the co-operation



5.7.2 Key takeaways from qualitative interviews

Procurement was not centrally assessed in the qualitative interviews. Instead, the theme could be derived from interviewees' statements about their operating model or could be reflected in statements about the nature of SEE's co-operation with traditional enterprises or stakeholders.

In a number of cases, it can be seen that the procurement of SEE's services or products by traditional enterprises is often needed in order for the SEE's to be able to fulfil their mission, such as realizing job assignments to the benefit of their target group. In some cases, the procurement of SEE's products/services becomes a central part of a traditional company's operating model because the procurement has evolved into an ongoing, deeper co-operation between the organisations.

A number of fostering factors for procurement were observed as well. In general, the ongoing fostering driver of procurement relationships between SEE's and companies has been cost savings, and still remains an important motivator of traditional companies to procure from SEE's. However, some interviewees stated that they could see that traditional companies are more and more willing to improve their responsible business initiatives and to position themselves accordingly to achieve higher social acceptance and improved reputation. It thus appears that non-monetary value is increasingly acting as a driver for procurement co-operation.

Another driver, on the side of SEE's, came forward from the interviews as well which is that SEE's themselves are motivated to establish procurement relationships with traditional firms in order to acquire

insights and build expertise, which helps them to be more successful and viable, for example in terms of improving internal businesses processes, or organisation.

Another fostering factor for boosting for SEE's seeking procurement from the traditional economy has been the decline in some government budgets, leading some SEE's to reduce their subsidy-dependency by seeking new sources of revenue.

Lastly, another driver behind successful procurement relationships that surfaced is the social network and personal connections between SEE managers and traditional firms. This driver is important because of the frequent lack of trust by traditional companies in the 'business viability' of procuring from SEE's.

A few relevant obstacles to procurement relationships for SEE's were observed in the interviews. Firstly, when SEE's are faced with a potential procurement opportunity, they are sometimes faced with the challenge of having to meet certain quality requirements set by the traditional company, which necessitates new investments before the procurement can take place. This is challenging especially because the procurement opportunity is time-sensitive, and the investment is not risk-free. How to finance the required investments that allow SEE's to remain attractive and/or competitive suppliers to for-profit businesses in a timely fashion is thus a major challenge. This is somewhat compounded by another challenge: often when a regular business inquiry about procuring form an SEE, they ask only one question: what cheaper price can you offer us? While cost-motives act as a driver for traditional firms seeking SEE procurement, this often is perceived as a challenge on the side of SEE's.

Another challenge impacting procurement from SEE's is that from the side of regular businesses there is prejudice and stereotyping – the quality delivered by the social economy sector would supposedly be less. Also persistent is the idea that the SEEs engage in 'unfair competition since their activities are partly subsidized.

A final barrier to procurement that was observed, is that policy and regulation are perceives as ambivalent. For example, one interviewee mentioned that the EU on the one hand communicates that social inclusion and social entrepreneurship are of paramount importance, on the other hand e.g. the European state support rules (from DG Competition) are not adapted to the specificities of the social economy.

Also, as regards public-procurement, rules and regulations are sometimes seen to be too constraining and stifle the innovation needed to create social value. Not only the regulation as such, but also the manner in which it is implemented has been noted as a critical barrier, because "people don't use [rules] creatively, do not use them imaginatively". One interviewee suggested that moving from contracts to stakeholder partnerships (project partnerships, public service partnerships, and continuity partnerships) could be a much more refined process to create social value. Thus, the impact of regulation for public procurement are sometimes seen as overly constraining.

One attractive policy example in support of procurement that was mentioned in the interviews is one where the regional/local government organized 'meet your supplier' events, putting SEEs together and inviting purchasers from regular businesses which led to networking, image building procurement deals. This is a good approach, as purchasing frequently happens by coincidence – through personal networks and word-of-mouth. One national and EU level, opportunities seem to exist to address the problems with procurement rules, which start from the notion of the contract and not from the broader picture of how to build partnerships and integrate services. Also, fast-track innovation subsidies were favourably viewed as a policy opportunity to meet the ad-hoc funding requirements in some cases where SEE's need to invest and renew to obtain new procurement orders or partnerships. Generally, there seems to be a latent need to promote enduring partnerships as opposed to short-term contracts as SEE's expressed the interruption of procurement co-operations as problematic or disruptive for them.

5.7.3 Short verdict

Traditional enterprises can find in SEEs partners for the fulfilment of their own corporate social responsibility. As witnessed in interviews, these partnerships can be a means to tackle issues related to both

employees' health, integration of vulnerable groups to the society, improvement of workability/employability by means of training, environmental protection and sustainability, just to name a few examples.

A decline in government budget or shift of focus in social programs may bring traditional companies in more direct contact with SEEs. This may provide to both entities a win-win situation. One (traditional enterprise) fulfilling social responsibility by means of outsourcing activities and the other one (SEE) acquiring and improving expertise in internal business processes and managerial practices. A more focused approach to impact evaluation and financial sustainability for the SEE may be as well outcomes of the co-operation.

Box 17 Company Mariasteen best practice#1 on procurement

1.	**Case-ID** Name: Mariasteen Website: https://mariasteen.be Year founded: 1963 Country: Belgium Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☐ Transformative ☒ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** Mariasteen belongs to Group GID(t)S. Out of 860 employees 700 show disabilitiesThis SEE, even so its financing is still based partly on funding, is a good example in the case of procurement, because the company has a high-level of professionalization, and consciously uses procurement contracts as one of two main forms of co-operation with traditional firms as e.g. AUDI car manufacturer. The SEE is very focused on innovation and improvement in order to remain competitive in a focused procurement market in their niche area. This is not often seen in SEE's, which sometimes struggle with innovation for their competitiveness.
3.	**What are the most important success factors?** The SEE's focus is very strongly on innovation and co-engineering with clients. They even have a dedicated R&D unit. Also, on the level of ICT and digitalisation, they are advanced to ensure that the questions that certainly large clients have towards the automatisation of processes are addressed and skills of their employees with disabilities are developed to fulfil the requirements of the production process. This has a very extensive commercial value. In support of this, the SEE also engages in co-operations with educational institutions and research centres. As for the initiation of the co-operations, this SEE has a commercial department within the enterprise working on this, which is another success factor.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The SEE does not really conduct impact measurements, because it does not have sufficient resources and expertise. However, with help of stakeholder analysis their own assessment is that their strong focus on innovation and co-engineering and advanced digitalisation are the main cause of their success in procurement and in general, creating extensive commercial value to prospective clients.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** • This case suggests that a strong dedication to and investment in innovation and improvement of processes, products and service can help an SEE to be competitive on the procurement market. • The focus on innovative production processes requires learning features for their employees with disabilities. Therefore, they team-up engineers, ergo-therapists, HR managers together with employees to find a match between the production process and the ability of the employees. • Production processes also need to take use of modern technologies to make the workplaces suitable for employees with disabilities.

Box 18 Company KIDE Foundation[87] best practice #2 on procurement

1.	**Case-ID** Name: Kide Foundation Website: http://www.kidesaatio.fi/english/ Year founded: 2016 Country: Finland Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☐ Transformative ☒ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** The Kide Foundation is an independent foundation that supports vulnerable individuals and groups in society. It co-operates with different partners from both public and private sectors to strengthen the conditions that facilitate dignified lives, encourage participation and promote social responsibility and social justice. The foundation supports and carries out projects that provide opportunities for housing, work, education and hobbies, and that serve to advance services, research and technical solutions. It also participates in social debate as a means of promoting the objectives of the foundation and also provides grants and assistance.
3.	**What are the most important success factors?** One specific example of how Kide Foundation works with traditional enterprises is the project it has implemented with Lassila & Tikanoja (L&T). This case refers to a collaboration which started a year ago, when L&T decided to support rehabilitation of people who are on long sick leave for problems related to mental disorders, additions, etc., and most likely going on early retirement. Realizing that often these are young people, average age about 30 years-old, an that may go on early sick-pension. For these cases of erlay pensions, the Finnish law states that companies have to pay for the pension themselves through own insurance policies. First idea was to open own L&T social organization. In talks with pension insurance company,it learned about Kide Foundation and decided to establish a co-operation project with it. Besides having a way to outsource the delivery of a project important for L&T, for the initiation of the co-operation, this SEE has a commercial department, which is another success factor for the establishment of the co-operation.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Dimensions of impacts to be evaluated depend on each type of project. In the case of Kide's project with L&T, they agreed to measure impacts related to individual's cases. Regarding the financing of the collaboration, evaluations are in regard to the scalability of the project, which shall include the value of the collaboration for other stakeholders, in the case of the collaboration with L&T is the insurance company, and can be other stakeholders, such as municipality, affiliated companies, etc. From L&T's perspective, it expects impact in the workability of own employees. There is a high confidence that they can solve the problem with the collaboration with SEE better than the insurance company could do, and at same time L&T is to reduce own payment related to pension costs. It is also motivated to show that collaboration between SEE and traditional enterprise can solve it better than the traditional organisation would do alone.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Extrapolating the issue to other countries, and especially to Nordic societies (welfare societies), it is being observed there is too big trust in the government but there are growing areas of societal problems that are not being solved properly. These societal problems are related to decreased workforce ability to do menial jobs, such as facilities management, and to the integration of non-skilled immigrants to European societies. These kinds of partnerships, which focus on the employability, workability and societal integration can be a good means of companies becoming more active and delivering benefits from cooperation with SEE.

[87] This case is based on interview with Lassila & Tikanoja and informal interview with Kide Foundation.

5.8 Sponsorship, competence voluntary work and pro bono investments from traditional businesses to SEEs

First off, it is important to distinguish so-called Corporate Social Impact Strategies (CSIS) from sponsorship, competence-based voluntary work and pro bono investments[88]. The former are defined as **investment-oriented approaches** by companies to build sustainable value creation models while also generating strategic social return. CSIS typically takes the form of Inclusive Business models, Corporate Impact Venturing and Strategically Aligned Corporate Foundations. Companies have been found to employ one or a combination of these strategies in order to fuel growth and innovation, build an enabling eco-system for future business, attract and retain top talent, strengthen brand value and to improve supply chain efficiency. Investment in CSI strategies is still small in absolute terms, but is on the rise and carries great potential.

Sponsorship, competence-based voluntary work and pro bono investments qualify as **more traditional approaches**. In the literature, **pro bono investments** are typically considered **corporate philanthropy**. That is, contributions by enterprises that benefit stakeholders and the community, often through financial or in-kind donations to various non-profit organizations[89]. There is **no intended nor expected return** – branding or otherwise – for the donor. **Corporate sponsorship** and **competence-based voluntary work**, on the other hand, are generally integral to a companies' **Corporate Social Responsibility efforts**. They represent actions taken by a firm to **achieve certain (CSR) goals (and thus, yield a certain return)** in response to demands made by specific stakeholder groups. Indeed, corporate sponsors often characterize their sponsorship activities and their benefits as "doing well by doing good". For competence-based voluntary work - referring to the employees' investment in sharing their professional knowledge and skills - the benefits typically reside at the level of **greater employee satisfaction and engagement**.

In 2013, European philanthropic donors gave a total amount of €22.4 billion.[90] European philanthropic capital is extremely concentrated, mainly as a result of very large corporate foundations: in Germany, the Robert Bosch Foundation holds assets worth €5 billion. European member states **recognise the role of private philanthropy in works that benefit the public interest**, as demonstrated by the introduction of tax incentive mechanisms. While some countries have a long philanthropic tradition, European foundations today are primarily characterised by their youth, a sign that the philanthropic culture is continuing to make progress and the result of changes to legal and fiscal frameworks. Corporate philanthropy is usually not integrated within the core business; it is not directly tied to the business units and the team managing it usually reports only to the Executive Committee or CEO.[91]

The purpose of CSR strategies is to implement environmentally and socially responsible corporate behaviour. True CSR strategies are integrated within most activities of the business; they aim to reduce financial and operational risks ('risk mitigation'), responding to the business needs and the geographies in which the company operates. CSR is also used to manage a corporation's image and reputation, typically reporting into the Corporate Communications or Public Relations or Public Affairs department[92].

Research suggests that firms are more likely to enjoy **business benefits** from relationships with SEEs when they go beyond simple cash donations – as comprised by pro bono investments or corporate

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[88] Varga (2015) Corporate Social Impact Strategies – New paths for collaborative growth, EVPA report, 2015, https://www.lgtimpact.com/.content/downloads/knowledge/6005_Downloads_Knowledge---EVPA-Report-Corporate-Social-Impact-Strategies_2015.pdf

[89] D. Chandler & W. B. Werther Jr., Strategic Corporate Social Responsibility: Stakeholders, Globalization, and Sustainable Value Creation, Sage, third ed. 2014

[90] Observatoire de la Fondation de France / CERPhi (2015) An overview of philanthropy in Europe

[91] Varga (2015) Corporate Social Impact Strategies

[92] Varga (2015) Corporate Social Impact Strategies

sponsorship - and include **expertise, access to strategic knowledge, and in-kind resources**.[93] In other words, more business benefits appear to accrue when **competence-based voluntary work,** even a **two-way exchange of resources and expertise** between the firm and the SEE, are integrated**.**[94] As reported in the qualitative interviews, the same accounts for SEEs.

At a more conceptual level, this tallies with research on the '**co-operation continuum' in co-operation partnerships.**[95] The co-operation continuum consists of the philanthropic, transactional, integrative, and transformative stages of partnership. While value is always exchanged among partners, partners achieve greater value as they deepen their relationship, i.e. move to the right-hand side on the continuum: "When partners collaborate more closely, they employ resources and capabilities that are key determinants of their respective success, which may lead to resource complementarity and greater co-creation of value."[96]

When companies move from traditional Corporate Social Responsibility approaches towards more investment-oriented ones (CSIS), they enter integrative or transformative models of co-operation that take a long-term sustainability view resulting in win-win situations for all stakeholders, i.e. for corporates as well as SEEs[97]. Also, the qualitative interviews with SEEs conducted in the framework of this study attest that **strategic win-win partnerships** do indeed take shape once the co-operation moves from being spurred solely by pro bono or CSR motives to integrating investment-, shared value-oriented objectives.

5.8.1 Interpretation of relevant quantitative indicator(s)

From the quantitative survey, 3 separate indicators have been extracted: one for sponsorship, one for competence voluntary work and one for pro-bono investments. They represent the percentage of SEEs from each country that responded to the survey and claimed to have benefited from one of these types of support from a traditional company. To get an estimation for the absolute number of SEEs that are involved in such co-operations, the percentages were multiplied with the SEE population number of each country.

This percentage is the highest in the UK, with 64% of responding SEEs being involved in one of the three types of relationships. Italy, Austria and Finland follow with 55%, 51% and 49% respectively. After them, Poland, Romania, Germany and Belgium score similar results, all between 39% and 37%. Finally, France features the lowest score with only 23% of responding SEEs featuring sponsorship, competence voluntary work or pro-bono investments.

When multiplying these percentages with the total SEE population of each country, we observe that the largest population of SEEs featuring any of the three is still in the UK (623 962 SEEs), followed by Germany (81 014) and Italy (80 623). The smallest figures feature in Austria (5 504) and Finland (4 590). Obviously, these absolute numbers are highly dependent on the total SEEs size of each country, which can explain partially the difference between the different countries.

Further insights from the survey include the fact that these relationships are more or less equally distributed according to organisational size, although most cases can be found in micro-organisations since these represent the largest sub-population.

Associations and foundations are the two types of SEEs where sponsorship, competence voluntary work and pro-bono investment, taken separately, are most recurrent. Social enterprises come in the third

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[93] Hess et al. (2002) The Next Wave of Corporate Community Involvement: Corporate Social Initiatives, California Management Review 44, cited in Peloza and Falkenberg (2009) The Role of Collaboration in Achieving Corporate Social Responsibility Objectives, California Management Review 429

[94] Austin (2000) Strategic Collaboration Between Non-profits and Businesses', Non-profit & Voluntary Sector Quarterly, 29/1

[95] Austin and Seitanidi (2012)

[96] NSI (2014) The Value of Cross-Sector Development Partnerships

[97] Note that companies often embrace these new co-operation forms in addition to their established CSR or philanthropic activities

place. The sectors that benefit the most from these co-operations are education, societal inclusion, work integration and health & wellbeing.

Among the three different types of support, competence voluntary work is the most developed according to the survey with around 31% of SEEs benefitting from it, 26% from sponsorship and 17% from pro-bono investment.

While sponsorship is most developed in Belgium (53%), Romania (49%) and Austria (45%), competence voluntary is more frequent in Romania (57%), Austria (55%), Germany and Poland (51% each). Pro-bono investment is much rarer as all countries feature frequencies ranging from 21% in Austria to 33% in Belgium, except from the UK that stands out with 44%.

5.8.2 Key takeaways from the qualitative interviews

In the qualitative interviews, one can notice that sponsorship, competence voluntary work and pro bono investments are activities that transpire very regularly, among all the different countries. For some countries (Belgium, Poland and the UK), these topics are even addressed by the majority of the interviews. It confirms the idea that European countries have a long philanthropic tradition, even if these activities still have potential to grow.

Very **diverse forms of such co-operations** can be observed, from the way the co-operations are set up (the 'how') to its rationales (the 'why'). The interviews provide illustrative evidence of this variety of 'competence voluntary work': some co-operations consist of mere ad-hoc help for strategic decisions while others consist of weekly-basis support, e.g. of employees from the traditional company working in the SEE as part of their regular work schedule. This attests to the fact that these philanthropic or CSR actions are already quite developed and that they have been **adjusted to the context of the companies** integrating them.

On the whole, three major topics come to the fore from the qualitative interviews: 1. Diversity of rationales and the need for a win-win partnership, 2. Transparency as a key factor, and 3. The encountered barriers on both sides.

1. Diversity of rationales and the need for a win-win partnership

The interviews attest of diverse rationales for co-operations between SEEs and traditional companies under the form of sponsorship, competence voluntary work or pro bono investments. This section will have a further look, more specifically, at the advantages or benefits that both sides perceive.

On the traditional company side, two major benefits are identified:

1. Improved reputation: companies investing expertise, time or money in SEEs are traditionally looking to improve their reputation and brand image. The engagement will be used to communicate externally and internally. This potentially enables the company to enhance its public perception which can lead to a better acceptance of its activities. Ultimately, it can be useful to prospect new clients or attract new employees.
2. Sense-making for employees: employees want to feel positively engaged with their company's decisions and thus co-operations. In case of a co-operation with an SEE, they can take a sense of being proud of it, that is, from its values and the meaningful and dynamic projects it is invested in. As for the company's advantage, productivity will indeed increase with strong employee engagement. However, this type of co-operations does not only reflect on people's motivation, they are additionally about creating new opportunities for employees and about continuously training your talent by exposing them to enticing work environments. The qualitative interviews repeatedly mention that employees taking part in competence voluntary work in SEEs, return to the company with an improved sense of autonomy and creativity, which is very beneficial to the company itself.

On the SEE side, equally two main advantages – less attested in the literature – are perceived:

1. Better visibility: by partnering with a traditional company, SEEs can potentially **get access to internal exposure,** e.g. be invited to events where they might present their activities and gain some

recognition. But also **exposure to the outside world** may be an ensuing benefit: SEEs may be given the opportunity to showcase their activities during external events they get introduced to by the traditional enterprise they are engaged with. Their visibility is thus improved both internally and externally.

2. Improved ways of working: SEEs can **get inspired** by working closely with traditional companies. Usually, a traditional company relies on a more **structured and professional way of working** (including digitalisation) and on more **efficient internal processes**, which can be a great source of inspiration for (especially young) SEEs.

Regardless of the precise advantages each partner will gain from the co-operation, the need for a **win-win partnership**, i.e. one characterised by clear mutual benefits, is of critical importance to sustain the co-operation over time. Even more, at its best, the co-operation should generate value for the individuals working on the project, the supporting companies, and society in general.

2.Transparency as a key success factor

The qualitative interviews stressed that, in order for co-operations under the form of sponsorship, competence voluntary work and pro bono investments be successful, they have to be characterised by as much transparency and openness as possible. This will help to build and reinforce **the trust required to maintain the relationship over time**. Equally, it will allow the partners to understand each other's 'reality' much better. For the traditional company, understanding the constraints SEEs face, for example financial and ethical ones, can be the main challenge. On SEEs' side, it will be required, without losing sight of the SEE's values and mission, to integrate efficiency and other corporate values prominent to the co-operating company. Obviously, both entities have to be aware that this usually requires some time but ultimately, it will help in articulating common and shared objectives for the co-operation.

Transparency can be achieved by mutual capacity building and co-creative strategic decision-making of partners. One example is the project 'Wanted: Food for the Future'[98] where Rikolto Belgium, founded as a merger of three different NGOs[99], co-operates with Colruyt Group, a retailer (together with other partners from the public sector) in building HVCs with small farmers by setting up three sustainable food chains (in the Andes region, Indonesia and East Africa). Rikolto provides support to farmers in grouping them in cooperatives and helps them to professionalise in terms of quality, management, financial aspects, logistics, etc. Training programmes are also supported by the retailer hand in hand with the formation of the sustainable production chains. Instead of establishing a pull-market for responsible products Rikolto decided to establish a push-market in coordination with retailers' activities and CSR strategies[100]. Other initiative in favouring transparency developed by Rikolto with other enterprise is 'The inclusive business scan'. It is an innovative app[101] based on the collection of large amounts of micro-narratives that offers insight into real-time issues and fast-response measures in different value chains around the world, capturing the voice of more than 2000 farmers in Nicaragua (Cacao), Senegal (Rice), Congo (Coffee) and Indonesia (Cacao).

3.The encountered barriers on both sides

Even if sponsorship, competence voluntary work and pro bono investments are co-operations already well established, some barriers are still encountered, both at the traditional company side and on the SEE side.

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[98] https://www.rikolto.be/en/project/wanted-food-future#tab-story

[99] Internationally the organisation was mainly known as VECO because the programmes were run through 7 VredesEilanden Country Offices (VECO). In 2016-2017 the organisation became an international network organisation and was rebranded into Rikolto.

[100] https://www.colruytgroup.com/wps/portal/cg/en/home/about-us/sustainability; https://issuu.com/colruytgroup/docs/colruyt_group_sustainability_report?e=29882345/63482505

[101] https://d2vmpwbfz8sj1e.cloudfront.net/sites/default/files/paragraph/attachments/rikolto-ibscan.pdf

First, SEEs are often reticent to such co-operation because they **perceive philanthropy since as an unstable revenue source**. They hence often decide to opt for another business model.

Secondly, the **reputation** of each partner should meet mutual expectations. Co-operation can be counter-intuitive to or not aligned with the primary mission of each enterprise. For example, SEEs do not want to be associated with social/greenwashing. For the traditional company, it can also be challenging to convince the upper-management about the value of such co-operation[102].

Finally, there should be a clear agreement on the **resources** invested in the project from both sides. If a project is interrupted in the middle of its execution due to lack of money or time invested, it will lead to inverse effects such as a loss of motivation among engaged employees. Expectations should therefore be explicitly stated. Indeed, also in those matters' transparency is key.

5.8.3 Short verdict

- Sponsorship, competence voluntary work and pro bono investments are already **well implemented forms of social and regular economy co-operation** in Europe. They take **various forms and are engaged for different reasons**. Nonetheless, there is still room for development as for what concerns their conditional factors such as required transparency, mission-alignment, pre-agreements on resources engaged, the definition of benefits for both partners. Only with the fulfilment of these conditions, will this type of co-operation debouch into long-term win-win partnerships.
- However, it is concurrently attested in the interviews that true **strategic, win-win partnerships** in fact only take shape once the co-operation moves from being spurred solely by pro bono or CSR motives to **integrating investment-, shared value-oriented objectives.**

[102] We don't assume where it comes from, but we do affirm that convincing upper-management is of big importance for successful co-operation.

Box 19 Company SaferGlobe Arms Exports Report best practice #1 on Sponsorship, competence voluntary work and pro bono investments

1.	**Case ID** Name of SEE: SaferGlobe Website: www.saferglobe.fi Country: Finland Cooperating traditional enterprise: Futurice Website: www.futurice.com Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** Futurice, a digital service creation company, established an official *pro bono* program called the 'Spice Program' as there was an opportunity to create positive social impact. Through the 'Chilicorn Fund,' the company supports its employees in dedicating time to social causes. Pro bono-projects carried out by the Chilicorn Fund go through a rigorous selection process beginning with a web-based application. The projects are chosen on the basis of the potential to generate value for society, Futurice's employees and the company itself. An outstanding project supported by the Chilicorn Fund is the digitalized *Finnish Arms Control Report* https://saferglobe.fi/armsreport/ created in collaboration with SaferGlobe, a peace and security think tank. Through visualizing Finnish arms export data, the digitalized report creates easily understandable and comparable information. The project has been a real win-win partnership in the sense that both partners engaged in an exchange that contributed to their own separate objectives. SaferGlobe inspired the Futurice team with their strong dedication to their work, boosted motivation with an entrepreneurial spirit and shared expertise on how to give visibility to one's actions. Futurice provided software expertise to implement an interactive weapon export map, which amplified the utilisation and the impact of the report, as well as provided business insight on creating value and impact.
3.	**What are the most important success factors?** **View of traditional enterprise:** According to Futurice, one of the most important success factors was SaferGlobe's professionalism through the entire project, including realistic expectations of project outcomes and the process itself. All projects yield challenges, which will need to be faced and trade-offs must be made. The 'right team,' which is passionate about the project and thus delivers excellent work, is crucial for success. Interestingly, gratitude for work done is a strong motivational driver for Futurice employees taking part in the pro bono program. Other factors essential for success include sufficient financial resources, management support and the project's potential of generating significant value. **View of social economy entity:** For SaferGlobe, a shared mindset and similar ways of working between SaferGlobe and Futurice created a good foundation for cooperation. SaferGlobe also understood the importance of providing knowledge and expertise in such a way that they could be used by Futurice. Acknowledging the partner's particular incentives for collaborating seems crucial in ensuring a successful partnership. In addition, SaferGlobe mentions that the Finnish system allows for true multi-actor partnerships and that Finnish actors are often open to collaboration.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The impact generated by the program is increased awareness of Finnish arms exports and disseminating knowledge more generally. The high-quality interactive tool developed makes the data much more accessible to users. View of social economy entity: SaferGlobe's work has been reported more widely especially because of the online tool. Moreover, the organisation has received very positive feedback from journalists and other stakeholders. View of traditional enterprise: For Futurice, the main benefit has been employee engagement and the employees being proud about the personal contribution they make to creating valuable impact. Interestingly, Futurice's interest in peace and security areas also increased along the project timeline. This type of partnerships can clearly lead to the partners targeting new markets.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** First, it is important to be ambitious, but also realistic about the project to be implemented. The partners will have to make trade-offs, be flexible and will need to be able to face challenges throughout the

	cooperation. Understanding each other's incentives and objectives will help in preventing and overcoming any obstacles. Second, it is paramount to adopt a professional attitude throughout the project and to be respectful at all times towards the other organisations involved. Third, there are the following additional ingredients for a successful project: 1) dedication, 2) organisational support, 3) sufficient time and financial resources being invested. Last, it is all about creating value for your partner and to use this as leverage towards the project's potential of generating social impact.

Box 20 Company Elia & Be Planet best practice #2 on Sponsorship, competence voluntary work and pro bono investments

1.	**Case-ID** Name of SEE: Be Planet Website: http://beplanet.org/ Country: Belgium Cooperating traditional enterprise: Elia Website: http://www.elia.be Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** The 3-year structural partnership between Elia and Be Planet goes beyond a traditional 'sponsorship' relationship. Elia wanted to go further, not simply financing Be Planet's relevant projects. It also wants to interact with stakeholders in the field via Be Planet, to increase acceptance at local level regarding their own business activities as operator of the high-voltage electricity transmission system in Belgium. Consequently, Be Planet is building bridges between Elia and local actors or citizens' initiatives. The main reason why this case is a good practice is because it is a strong example of how a partnership between a corporate and an SEE can create significant value for both partners involved. The partnership clearly shows how the activities of both actors can, in a complementary manner, generate economic, social and environmental impact. Reason being that the essence of the partnership is strongly connected to both actors' core activities.
3.	**What are the most important success factors?** The most important success factor is that Elia and Be Planet acknowledged their respective weaknesses and strengths in working on something bigger. Hence, the value that both partners can bring for each other is very clear in this particular case. While Elia is an interesting brand to partner with and has the financial resources for Be Planet to help unlock the potential of impactful projects, Be Planet is strongly anchored at local level and has the network that Elia wishes to tap in order to enter into a dialogue with its (in)direct stakeholders in the field.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Elia's collaboration with Be Planet enables the company to better serve society by their mission. Elia aims to have social, environmental and economic impact, while reducing any negative impact to the extent possible. The company considers the partnership successful because it allowed Elia to increase acceptance of their activities at local level and to ensure a smooth transition to the power system of tomorrow – one that is reliable, sustainable and affordable. All of this is done in close consultation with the relevant parties and, where possible, by creating win-win situations. Apart from the societal impact generated by the projects selected (most often related to energy transition and the required paradigm shift in Belgium), the perception by the general public of Elia as a company also positively affected the employees' motivation level.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** SEEs and traditional enterprises most often still represent two different worlds that do not or at least insufficiently communicate. Two entities like Elia and Be Planet need to find a common language in order to enter into a transparent dialogue that is 'real' and built on trust. It is such a dialogue based on good intentions on both sides that will create the right spirit for the partnership to be successful. Worth mentioning is that Elia is currently in the process of establishing itself as a company focusing on sustainability, integrating the SDG framework step by step. The company believes that its main mission as a company has a social objective, namely bringing electricity to the people, to society. Although it admits

	not to be the 'best-in-class' in Europe, Elia can still be an example for companies on how to increase societal engagement and move from traditional philanthropy towards more sustainable, impactful partnerships.

5.9 Venture capital invested by traditional companies in SEEs

We understand 'corporate impact venture capital (or CIV capital)' as 'the financing practice of corporations investing in inclusive business with the expectation of financial, strategic, social and/or environmental returns'.[103] Equity investments and loans are the most common forms of CIV capital. Overall, there are **three main models of CIV capital**[104]:

1. **Direct investments¨**
   The corporate assigns relevant business units to manage the venture cycle, extract strategic advantages and investigate value add opportunities. Direct investments provide funds from the corporation's primary accounts with the investment listed on its annual balance sheet. The capital may come from the corporate business unit most closely aligned with the SEE. Such direct investments, while **still quite exceptional**, are most common at technology and finance firms.
2. **Self-managed funds**
   In a self-managed fund the corporate sets up an investment company or creates a captive fund, i.e. a fund funded entirely by the corporate. The corporate exercises control by holding a position on the fund's board, by appointing the fund's management team, or by doing both. The fund or firm may invest in multiple projects that align with its investment strategy and the corporate's core business. This model of corporate impact venturing is the **most common and long-standing approach** to corporate social investment.
3. **Third-party funds**
   Corporations can also invest CIV capital through third-party funds such as venture philanthropy organisations and impact investment firms (impact investment funds).[105] In most third-party funds, a general partner seeks investment capital with limited partner investors that support the fund's investment strategy. Therefore, the corporate is one of several investors in the limited partnership. Third-party funds use fund managers to select and manage investments so very little internal expertise is required. Corporate investment via intermediaries is **still very often indirect** (e.g. investors are in fact very often high-net-worth individuals).

The financing practice of traditional companies investing venture capital in social enterprises – in short 'corporate impact investing' – is an **emerging practice 'gaining traction'**.[106] For example, it is starting to reach classical mainstream investors such as pension funds. Still, in comparison to the charitable approach stemming from more traditional CSR programmes kept at arm's length from business strategy, it remains rather limited in amplitude in absolute terms. As with many emerging fields, no consolidated data on the precise value of venture capital invested by traditional enterprises in SEEs are available. Moreover, the typology of what constitutes corporate impact investing varies with different sources consulted:

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[103] Endeva (2016) Capturing BoP Markets. Corporate Impact Venturing with Inclusive Businesses, after Landström and Maso (2012) The Handbook of Research on Venture Capital

[104] Endeva (2016) Capturing BoP Markets. Corporate Impact Venturing with Inclusive Businesses, after Landström and Maso (2012) The Handbook of Research on Venture Capital

105 According to EVPA (2016) The state of Venture Philanthropy and Social Investment (VP/SI) in Europe. The EVPA Survey 2015/2016 "Investment funds are becoming an increasingly important part of the venture philanthropy landscape, making up 30% of respondents in this year's survey, i.e. 32 VPOs representing 43 funds. The 2016 industry survey included some specific questions for those organisations with investment funds, in order to better understand the dynamics of this sub-group. The largest number of investment funds is found in Benelux, followed by France and the UK. Our research into the size of these investment funds yielded an average size of €13.6 million for FY 2015, comparable to the average size in FY 2013 (€13.8 m). The median for FY 2015 was €10 million, a 33% increase compared to FY 2013. This result suggests that although there are a few larger funds and the majority are much smaller, there is a tendency towards convergence in fund size."

[106] See the overview of 'corporate social impact programmes' in Oliver Wyman (2016) Corporate Social Investment Gaining Traction, Big Society Capital

- The recent study by **Oliver Wyman** commissioned by **Big Society Capital** lumps **'venture capital'**, together with 'social funds' and 'social impact bonds', together under the blanket term of 'corporate social investment strategies'.
- **EVPA**, the leading network in venture philanthropy in Europe, speaks of **'Corporate Social Impact Strategies' (CSIS)**, a term that covers 'a whole range of investment strategies and approaches that corporations use to build and invest in sustainable value creating models that generate social (or environmental) as well as strategic return.'[107] EVPA considers three different CSI strategies: Inclusive Business models, **Corporate Impact Venturing**[108] and Strategically Aligned Corporate Foundations.
- The **European SRI Studies of Eurosif** (see e.g. the SRI Study 2014 and 2016) start from the notion of **'impact investing'** and view it as being engaged by impact investors who seek to generate both a financial return alongside social impact, thereby transcending different asset classes (e.g. fixed income, equity).[109] Among the asset owners Eurosif counts high-net-worth individuals who operate via private banks (e.g. Belgian Banque Degroof) and family offices, non-corporate and corporate foundations (e.g. Axa Group's 'Impact Investment' initiative) as well as specialised impact investment funds (e.g. Belgian SI²Fund). Eurosif does not account for philanthropic and public money, but only for actual investments made by **professional private investors**.[110]

While corporate impact investing is on the rise, European investors still perceive challenges as reported in the Eurosif studies of 2014 and 2016[111]:

- A lack of viable investment opportunities – institutional investors in particular are looking for scale and scalability to match institutional investment sizes; track record (in terms of financial performance); investment characteristics matching their asset allocation constraints (liquidity, volatility, investment style etc.)
- Lack of knowledge and expertise of institutional investors (need support to understand how impact investing works and how investment risks can be managed)
- The need to further strengthen the impact investing intermediary and brokerage ecosystem (capacity should be built around existing and new specialised intermediary structures and platforms)
- The need to refine and develop widely accepted and comparable social impact performance standers (impact measurement is a key feature of impact investing and required by investors)
- Fostering financial innovation and a broader range of financial instruments, allowing SEEs to attract capital at the various stages of their development[112]
- Suitable exit options, innovative deal/fund structures to accommodate investors' or investees' needs
- Common understanding of definition and segmentation of the impact investing market

For impact investing to reach its full potential and not remain a peripheral strategy, The European Union envisions to build a more conducive environment. In line with the Commission's Single Market Act, the policy makers are exploring how private investment funds might help investors and social businesses

[107] EVPA (2015) Corporate Social Impact Strategies

[108] Again understood as 'an investment in impactful outside ventures aiming for social or environmental, as well as financial return'

[109] The leading European association for the promotion and advancement of sustainable and responsible investment across Europe and the European counterpart of the GIIN, the Global Impact Investing Network www.eurosif.org/sri-study-2016/europe-breakdown/

[110] Also Eurosif acknowledges in its 2016 study that 'In the absence of an EU SRI (Sustainable and Responsible Investment) framework, market players in different countries may have different understandings of SRI [and thus also of impact investment], its different shapes and forms, as well as its application. In addition, as the SRI market grows increasingly diversified and complex, often involving combinations of approaches, the risk of inconsistency in measuring SRI across markets grows accordingly.'

[111] See also the report 'Impact investing in Europe – extract from European SRI Study 2014'

[112] See also the EVPA (Gianoncelli, A. and Boiardi, P) (2017) Financing for Social Impact – The Key Role of Tailored Financing and Hybrid Finance

better reap the benefits of the single market. This involves a specific focus on removing any unintended barriers within EU fund rules to the efficient channelling of investments into social businesses. As part of the Capital Markets Union, the Commission has focused its attention on speeding up and scaling up such investments. Currently the amended regulation (Regulation (EU) 2017/1991) on the European Venture Capital Funds (EuVECA) regulation and on the European Social Entrepreneurship Funds (EuSEF) regulation is in force. The changes are intended to encourage a greater uptake in these fund types, designed to support and further alternative investment funds that focus on start-ups and early stage companies (EuVECA regulation) on the one hand, and alternative investment funds that focus on social enterprises (EuSEF regulation) on the other hand. Concretely, the main objectives of the reforms are, to extend the range of managers eligible to market and manage both funds to larger fund managers (that is, those with assets under management of more than EUR500 million); expand the ability of EuVECA funds to invest in small mid-caps and SMEs listed on SME growth markets; decrease costs by explicitly prohibiting fees imposed by competent authorities of host member states where no supervisory activity is performed; and simplify the registration process and determine the minimum capital necessary to become a manager. Next to that there are also the EFSI equity social impact investment instruments, specifically targeting financial intermediaries pursuing social impact.

From the qualitative interviews conducted within the context of this study, it transpires that also SEEs perceive corporate impact investing as an important funding source. With more common sources such as public funding, donations from charitable trust and foundations, loans from institutional banks etc. under pressure, the scarcity of available funds is becoming an important barrier for SEEs. Especially social enterprises understood as social impact enterprises with an integrated business model as well as social start-ups, often face a funding gap. In various EU territories, there is anecdotal evidence that lacking financing is preventing social enterprises from expanding operations and scaling, even with a well-articulated business plan and viable business and operating model.

However, in accordance with this study's perspective, corporate impact investing is also more than a financing practice: it is a **specific form, a type of co-operation between social economy and traditional enterprises**. This stems from the fact that for companies, corporate impact investing is a 'strategy', it yields 'strategic return'. More specifically, companies applying corporate impact investing are generally looking for **external innovations** they could invest in to consequently grow their own business.[113] Similarly to the corporate venture capital model, these corporates invest in enterprises with outstanding social innovations. This approach helps identify and grow social (business) innovations without having to deal with the short-term profit pressures of the core business. If the investments are successful, companies can later integrate them into their business and provide a platform for further growth. Being thus embedded in the corporate's strategy, investees reap the benefits of a **long-term, strategic engagement**.

It also bears underscoring that corporates often do not limit their support to the investment of venture capital. They are also likely to contribute in other tangible ways, by e.g. applying and leveraging knowledge networks, skills and knowhow. The same applies to impact investment funds, like the Belgian SI²Fund. As one of its team members said: "[…] in impact investing, investors are active investors – they will bring a non-financial value." When the investment is managed via a fund, it may even entail taking a seat on the board of the enterprise, thereby intervening in governance and strategic decision-making. Similarly, OltreVenture, a well-established Italian impact investment fund, states to provide not only capital but also bring to bear managerial knowhow. In that perspective, the French social association Manageur l'enchanteur has been created with the objective to promote new and "enchanting" management solutions, to identify and share the best managerial practices at work, particularly in start-ups and in the social and solidarity economy. The activities of this association rely on the fact that employees tend to take more and more distance from the enterprise and from their commitment to the enterprise. In the meantime, start-ups and SEE are growing very fast and this growth partly relies on the strong commitment of their employees. Start-ups and SEE entities are now attracting young high-level

[113] EVPA (2015) Corporate Social Impact Strategies

professionals (in spite of lower wages). The idea of the association is thus to study the managerial practices of these start-ups and SEE in order to see how they can influence traditional companies' managerial practices. [114]

This active engagement – whether via direct investments, self-managed funds or intermediaries such as impact investment funds – carries an additional consequence: the rather explicit expectation of measurable social impact via application of robust measurement & evaluation techniques. Needless to say, the application of impact measurement helps SEEs to not only manage their social impact, but also enhance their processes and service offering(s), as well as their credibility.[115]

5.9.1 Interpretation of relevant quantitative indicator(s)

As stated above, retrieving the value and number of venture capital invested by traditional companies in SEEs is highly dependent on how the impact investing market is segmented.[116] For this study, the values of venture capital for each country are directly derived from the 2016 Eurosif SRI study, which takes a very broad scope (see above). The 7th edition of the study highlights the scale of Sustainable and Responsible Investment (SRI) practices and trends across 13 European countries. One of the key takeaways from the study is that impact investing is the fastest growing SRI strategy with a market value that went from about €20 billion in 2013 to about €98 billion in 2016. However, while being the fastest growing strategy, comparatively, impact investing remains the smallest.

Looking at a breakdown per country, impact investing seems to be very developed in following countries: the Netherlands, Denmark and Switzerland. Among the European countries included in this study, the UK, Germany and, to a lesser extent, Italy seem to be at the forefront. Each of them deploys more than €2 billion of venture capital towards SEEs. France follows closely with over €1 billion. The smaller players are Belgium, Austria, Spain and Poland. Bracketing discussions regarding the accuracy of these figures, the Eurosif data do provide insight into the relative development of the impact investing market. Our survey results, while perhaps not fully representative for the overall SEE population, do seem to align with the results of the Eurosif study. Germany and the UK indeed emerge as the countries with the highest proportion of SEEs funded by venture capital, followed by France and Poland.

As for the number of venture capital investments, the UK appears to be in a vanguard position. This can partly be explained because of the high SEE population in the UK. Further insights from the survey data include the fact that venture capital relationships occur most within small, young enterprises and decreases inversely with size and age. The substantive areas that score highest are education, energy, food and nutrition, work integration and financial services. Finally, venture capital relationships according to our survey are mostly found within co-operatives and associations.

5.9.2 Key takeaways from the qualitative interviews

In line with the above observations that corporate impact investing is still an emerging financing practice and form of co-operation, the qualitative interviews that mention corporate impact investing explicitly are not numerous. Also, it transpires that corporate impact investing is still bound to a specific type of SEEs: social enterprises understood as social impact enterprises with an integrated business model as well as social start-ups. One impact investment fund states to invest in "different types of social businesses", comprising "the start-up of a social entrepreneur" or "a joint-venture set-up with a corporate".

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[114] See http://www.managerlenchanteur.org/

[115] Emphasised also in the interview with Social Finance UK

[116] The indicators of this study corresponding to the venture capital research theme seek to give an estimate of the 'value' and the 'number' of venture capital invested by traditional companies including via investment funds (such as European Social Entrepreneurship Fund – EuSEF- labelled instruments) in social economy enterprises in each country covered. Three figures can be observed per country: 1. The value of venture capital invested as taken from the Eurosif SRI Study 2016, 2. The frequency of occurrence of venture capital investments by traditional companies, directly derived from the quantitative survey analysis The percentage reflects the percentage of responding SEEs in each country whose co-operation has been facilitated by venture capital, 3. The number of venture capital investments by traditional companies computed as the country's SEE population retrieved from the study multiplied by the corresponding percentage from the quantitative data.

The fund in question, does not appear to invest in non-profits nor corporates as such. Investing in co-operatives is seen as an option be explored.

Overall, four major themes come to the fore from the interviews: 1. Investment readiness and the role of intermediaries, 2. Corporate impact investing as a lever for impact at scale, 3. The potential of the specific impact investing form of the 'Social Impact Bond', 4. Exploring the future: ecosystems for impact investing.

1. Investment readiness and the role of intermediaries

The Eurosif studies report "a lack of viable investment opportunities" as a challenge perceived by European (corporate) impact investors. They often wish to see e.g. a track record in terms of financial performance. In more encompassing terms, investment readiness is critical for SEEs – as one interviewee phrases it, taking the perspective of the corporate investor: "If you think of the tremendous amount of SEEs out there doing good things, how do you assess which one you are going to work with?"

The qualitative interviews indeed hint at investment readiness as a critical point of attention. More concretely, interviewees see this potential barrier epitomized in the passionate social entrepreneur, who is an inspiring leader and incarnates the values of the enterprise, but often lacks the required managerial skills. To be considered investment-ready, this type of social enterprise will have to become more rigorous in the attention for daily management practices as well as financial viability.

The role of the **impact investing intermediary and brokerage ecosystem** proves to be critical in that sense. E.g. SI²Fund supports their investees not only in evaluating their social impact (via the Social Return on Investment method), but also in building their understanding of the financial indicators proving their enterprise's financial health. Similarly, much of Social Finance's work in the UK is around supporting SEEs to become investment-ready. Support is provided in different ways: from building business cases and models to demonstrate the SEE is investable, over raising capital and introducing SEEs to investors, to eventually assisting the SEE to integrate the investment into their model. Social Finance UK reports to work increasingly with social investors, currently with about 30 different funders.

2. Corporate impact investing as a lever for impact at scale

Making a case more investible is also critical for scaling. And, the latter is precisely what both SEEs and investors are looking for in the field of corporate impact investing: SEEs look for investment to scale their impact, and vice versa, investors are looking for social enterprises with high-impact potential. That 'scale' – whether it involves scaling up or scaling deep – is the quintessential driver for this type of co-operation is acknowledged by all interviewees. The impact fund OltreVenture, established out of the need to bring more innovative entrepreneurial models to the Italian social economy, even states that "an enterprise is creating social impact only when it is able to replicate and scale the solution provided."

Another specific form is testified by Wayra, the UK accelerator of Telefonica, the multinational telecommunication company. The Head of Investment at Wayra states that the goal of the accelerator is to bring innovation to Telefonica in a different way, by investing in (and also reselling) small start-ups and supporting them in a one-year acceleration program. Through this accelerator a lot of social ventures receive support. For example, together with the Fair by Design Fund, an initiative of a.o. Big Society Capital and the Joseph Rowntree Foundation, Wayra set up the The Wayra Fair By Design programme, supporting start-ups and entrepreneurs tackling the poverty premium. Start-ups accepted to the programme receive the equivalent of £70,000 in cash and business services.

3. The potential of the 'Social Impact Bond'

Social Impact Bonds (SIBs) feature prominently in the interviews. They represent a relatively new corporate impact investing vehicle, where pay-off is dependent on (a) specific social outcome(s). SIBs enable governments to fund programmes without incurring the risk of failure. For SEEs, they represent a valuable source of potential funding; for investors, they represent an opportunity to generate

uncorrelated returns with the market.[117] SIBs are interesting forms of public-private partnerships and an innovative way to translate socially desirable outcomes into measurable economic returns. This explains why SIBs have gained significant momentum in recent years and captured the attention of some investors.

One of the interviewed SEEs states that working according to the social impact bond-model has yielded several benefits: it has given access to networks, which could not have been gained through a traditional partnership (since the model intrinsically brings together all stakeholders at once); it has given an enormous financial boost to the organisation (representing 10% of its total budget); it has brought increased credibility and visibility (due to the rigorous impact measurement), also towards new investors. In short, this 'unconventional financing mean', has enabled 'a rapid growth that is quite rare'.

An UK intermediary organisation reports that there has been important policy changes and measures in the UK regarding social impact bonds.[118] Clearly, governments see a big gain in the stimulation of this market which starts from an eco-systemic, place-based[119], co-operation between investors, SEEs, governments, beneficiaries and supporting intermediary organisations.

Notwithstanding the ample positive voices, also critical observations by stakeholders and researchers regarding SIBs have transpired. See e.g. how these observations are captured in the OECD report of 2015, *Social Impact Bonds: Promises and Pitfalls*, ranging from being inappropriate in situations where it is difficult to measure outcomes, over the risk of perverse effects such as cherry picking when identifying target groups or clouding the importance of direct state investment in long term approaches to mitigate social problems, to the challenge of properly measuring social outcomes.[120]

4. Exploring the future: ecosystems for impact investing

Lastly, the interviewees emphasise the need to create 'ecosystems' for impact investing, to better coordinate the different actors (that could be) involved. This is most emphatically articulated by the impact investment funds Oltre Venture and SI²Fund, and the accelerator Wayra.

SI²Fund elaborates that there is a huge willingness to work more closely together with different stakeholders such as foundations and public actors. Doing this would provide better support to their investees. For example, some investments in R&D will not be repaid within 5 or 10 years. If foundations or public actors could provide resources to cover such costs during a transition period while preparing the enterprise to access equity, it would again contribute significantly to their investment readiness. The accelerator Wayra already operates accordingly: "We work closely with other investors in the ecosystem to help start-ups. We also help start-ups to get introduced to corporates. We work with governments too: we have an acceleration programme related to the public sector. And lastly, we also collaborate with universities, especially with students bringing in good ideas." Another example mentioned in the interviews is the 'Danone ecosystem', in which several SEEs active in the agro-food industry are supported by Danone, propelled again by their business strategy. Again, Danone also shares resources and skills.

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[117] Oliver Wyman (2016) Corporate Social Investment Gaining Traction, Big Society Capital. The Social Impact Bond is also extensively referenced in the Eurosif SRI Studies.

[118] See e.g. The Centre for SIBs, which aims to catalyse the development of SIBs at scale. As part of the Office for Civil Society at the Department for Digital, Culture, Media and Sport, the centre provides expert guidance on developing SIBs, shares information on outcomes-based commissioning and supports the growth of the social investment sector. They work in partnership with a range of stakeholders, including local commissioners, service providers, academics, social investors, intermediaries and departments across government. They launched the £20m Social Outcomes Fund in 2012 and the £80m Life Chances Fund in 2016 to promote the local development of SIBs.

[119] Working place-based, provides a more collaborative approach to supporting beneficiaries and is receiving increasing emphasis also in the UK voluntary sector.

[120] OECD (2015) OECD LEED expert seminar in cooperation with the netFWD, *Social Impact Bonds: Promises and Pitfalls*, https://www.oecd.org/cfe/leed/SIBsExpertSeminar-SummaryReport-FINAL.pdf

This type of ecosystem-approach, the interviewees state, could benefit from governments creating fiscal incentives and more innovative financial schemes (e.g. equity schemes). E.g. the EFSI Equity social impact investment instruments appear to be not widespread and perceived as very resource-intensive.

5.9.3 Short verdict

- Social impact investing or the investment of venture capital by traditional enterprises in SEEs is **on the rise and** in full development as testified by **the specific models experimented with (e.g. acquisition, the social impact bond).**
- Nonetheless, the potential of corporate impact investing seems still to be **underexploited and bound to certain types of social economy organisations only (social enterprises, social start-ups)**. This notwithstanding that social impact investing presents an integrated, strategic form of co-operation, which yields considerable benefits for the social economy as well as the traditional enterprises involved.
- Crucial for the further development of the field, is **government support for impact investing intermediaries and the brokerage ecosystem at large**. Moreover, impact investment funds as well as accelerators are exploring and requesting an **eco-systemic approach**, which could enable e.g. strategic co-investment schemes.

Box 21 Company Duo for a Job best practice #1 on venture capital

1.	**Case-ID** Name of SEE: Duo for a Job Website: https://www.duoforajob.be/en/home/ & https://ssir.org/articles/entry/social_impact_bonding Country: Belgium Cooperating traditional enterprise: (A group of social impact investors investing via) social economy (intermediary) entity Kois Invest Website: www.koisinvest.com Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** Duo for a Job is a non-profit organization based in Brussels that helps young migrants make their way through the city's job market. Their core intervention is a program that enables intercultural and intergenerational job coaching, by pairing young migrant workers with older native Belgians who serve as career mentors. It was the first project in continental Europe to be financed with a social impact bond. At the end of the investment period (in this case 3 years), an external evaluator has measured the social impact to accordingly define the reimbursement to the private investor. The social impact appeared successful for all three parties involved: Duo for a Job received funds and became an up-and-running organisation, the investors received a return on their investment and the public authorities saw an increased employment rate among young people with a migration background, and this involving low governmental cost.
3.	**What are the most important success factors?** In order for the social impact bond to be attractive to investors, the project itself has to be promising with regard to the potential return. In this case, the potential return depends on the social impact that will be created, which will determine how much will be reimbursed by the public entities. An innovative idea (such as the one of Duo for a Job) can also help to convince investors.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** In this case, a successful launch of the social impact bond has generated multiple positive outcomes. First of all, the social impact bond has given Duo for a Job an access to networks that would not have been possible through a traditional partnership. Furthermore, it has enabled Duo for a Job to gain credibility and access to new investors (companies, foundations) and funding as well as generating impact measurement data and improved visibility. Moreover, the social impact bond was so successful that not everyone could subscribe for it. In turn, Duo for a Job proposed to the unlucky organizations to collaborate with them in another way. All these positive outcomes have helped Duo for a Job in its core activities and hence spurred the creation of societal impact, which consists of the increased working rate of young people with a migration background.

5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** This case principally relies on the framework of the social impact bond and is thus dependent on the existence of such a framework in the enterprises' country. However, this case is a good example of how businesses can contribute to the financing of SEEs while expecting a return, leading the way for kindred SEE financing models. Conversely, Duo for a Job showcases a relevant example of an SEE that generates scientifically substantiated societal impact, which considerably bolsters income generation to be reinvested in the activities of the organisation.

Box 22 Company SI2 Fund best practice #2 on venture capital

1.	**Case-Study** Name of SEE: SI² Fund Website: http://www.si2fund.com/ Country: Belgium Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** SI² Fund is a European social impact investment fund that focusses specifically on businesses that have an integrated impact/business model. The fund offers social investors access to qualitative impact-driven entrepreneurs and the opportunity to help scale social impact on the long-term, alongside a fair financial return. Entrepreneurs are provided access to (quasi-)equity financing and access to network, business and impact measurement expertise as well as coaching opportunities. The Fund operates in Belgium, the Netherlands and the United Kingdom. When considering investment opportunities, there is one criterion that stands out in SI² Fund's screening process. SEEs must have an integrated impact/business model, which means the societal impact is sealed in the commercial activity of the enterprise. Having the societal impact linked to the core revenue streams increases the value added from measuring impact and protects against risks of mission drift (e.g. upon exit).
3.	**What are the most important success factors?** • Develop a solid understanding of the competitive edge of an enterprise, why customers buy their product and verify whether that source of competitive edge is also the source of societal impact creation. This is checked during the due diligence process. • Support SEEs in measuring and managing the societal value they create, using the SROI framework and the impact map. SI² Fund helps SEEs in assessing the societal value they create and embedding societal KPIs into a management dashboard to inform progress and decision-making.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Investing in integrated impact/business models increases the likelihood that the particular solutions proposed will create lasting and high societal value.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Having the societal impact embedded in the business of the SEE is something that is replicable by both parties to generate impact together in a sustainable way. Moreover, having a measure for the societal impact in an organization's dashboard ensures that it becomes one of the KPIs and that it will closely be monitored even after being taken over.

5.10 Methods of management in SEEs which are used or mirrored in traditional businesses

Social enterprises are specific and complex organisations whose activity is often guided by both social and economic objectives. Like other enterprises operating on the market, social enterprises cannot function effectively without a modern management adapted to the organisations' characteristics and including strategy and work organisation planning. The management of such an organisation is necessarily more challenging than the management of a traditional enterprise. The main challenges include:

- The SEEs offering services or products must operate according to the same rules and in the same conditions as the traditional enterprises, even though their mission and objectives are more socially-oriented. Managing SEEs which are less oriented toward social mission doesn't differ significantly from traditional companies. In particular similar factors affect methods of their management (e.g. market and competition, customers, products/services offered, size of a company, its strategy, etc.). However, a predominant social focus of an SEE can significantly influence the management methods used.
- Significant management challenges occur in the case of WISE's which require a larger effort to effectively manage the persons employed, who frequently belong to excluded or marginalised groups. A special case are SEEs employing disabled persons. Even though they may appear very similar, the main difference between management methods specific to such SEEs and traditional enterprises is the relation of the company strategy to the employees and how they affect each other. Traditionally, the company strategy defines the role and tasks of the employees, but in the case of SEEs the strategy is defined based on the specific requirements related to employment of disabled persons. The SEEs operate largely according to their mission (as do traditional enterprises), but this mission is much more focused on the employees and their capabilities. The strong emphasis and conformance to social objectives and values may weaken thinking of the good of the enterprise.
- The socially-oriented SEEs may face difficulties in defining indicators providing a precise and measurable way to assess the attainment of the objectives, if these objectives are partly related to such areas as e.g. improvement of health or quality of life.
- In some specific cases of SEEs operating within networks of partners it is difficult to reconcile the interests of stakeholders (who are frequently the decision-makers, also as partners co-financing the activities undertaken) which may lead to an excessively complex organisational structure while the stakeholders' diverging motivations (political, social, educational, personal, philanthropic, etc.) may adversely affect the coherence of the SEE policies.
- A special case are cooperatives, especially those where the employees are also members of the cooperative, which use more democratic or participatory governance models which in turn may impede the entity's agility. Cooperatives are an important part of the SEE sector. They are established to achieve the objectives of their members, frequently social objectives (as in the case of disabled persons' co-operatives). The cooperative form of activity– in addition to undeniable benefits for the cooperatives' members – also has certain disadvantages. They are related to the fact that a cooperative's members – its owners – are also its employees and frequently its managers. This can lead to a conflict of the members' personal interest with the interest of the organisation, particularly its business objectives. Therefore, cooperatives exhibit a focus on consensus-building activities. They can be a source of inspiration for traditional enterprises in implementing participatory management models.

5.10.1 Interpretation of relevant quantitative indicator(s)

Within the framework of our study, the survey inquired whether the SEEs considered their management styles to be similar to those of their traditional enterprise partners. The study showed an important divergence in the responses given, with one-third the respondents overall agreeing or strongly agreeing, one-third disagreeing or strongly disagreeing, and one-third not having a clear view.

There are considerable differences at country level. While Romania, Poland, Spain and Italy mostly agree with the statement on the similarity of management styles, France, Belgium and Austria led in thinking the opposite. This may be due to the fact that in the former countries both running a traditional business and an SEE is more associated with the same type of entrepreneurship, while in the latter cases a more mature SEE environment allows for highlighting the differences.

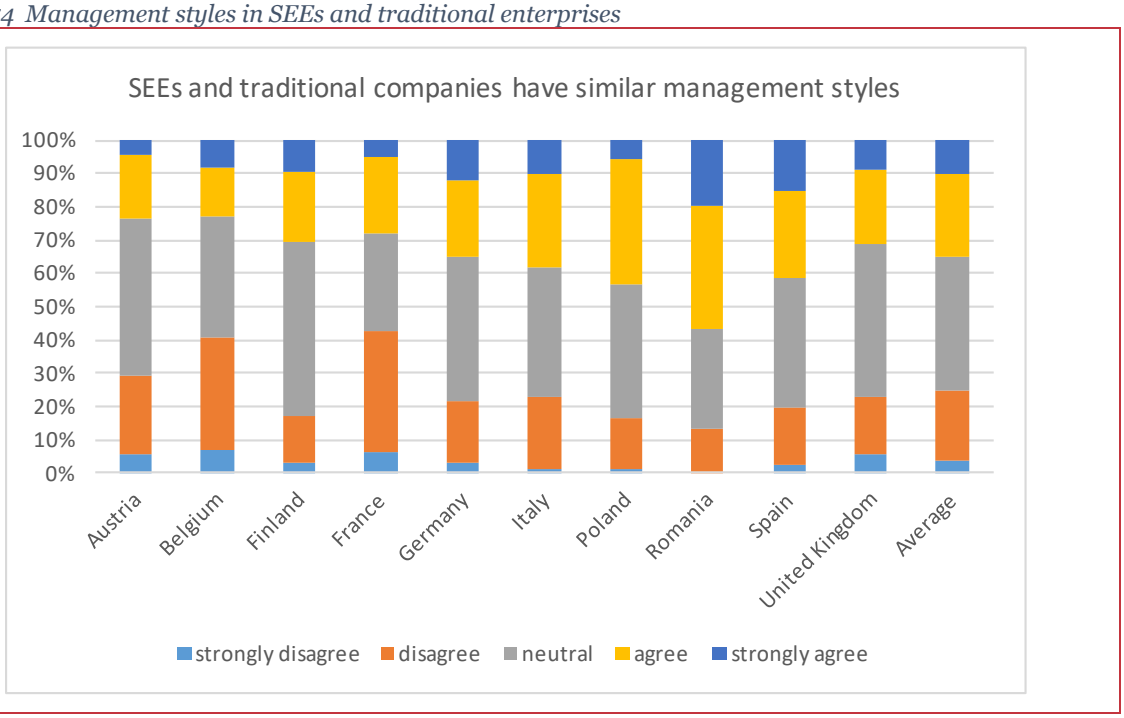
In terms of fields of SEE activities (sectors), sports, social care and work integration reported the highest ratio of statements on the similarity of management styles. At the other end were agriculture, food and nutrition. In the former group one would find sports clubs and WISEs, which in many aspects are run similarly to traditional enterprises. The latter group would include many co-operatives in which, as

already stated, the roles of owners, managers and workers are often mixed, which sometimes leads to conflicts of interest and makes management more challenging. (Detailed data of country- and sector-based analysis is presented in Figure 37)

An analysis of the size of the SEEs responding to the survey showed that the micro entities (the most numerous groups representing 44% of respondents to this question) exhibited the most significant difference between the "agree" or "strongly agree" and the "disagree" or "strongly disagree" responses, with 39% of them marking the former and 23% the latter. In the other groups (small, medium-sized and large entities) the distribution of responses was more uniform. This is no surprise, as management models in smaller entities tend to be more direct, considerably based on the personality of the leader, and less refined / distinguishable from other entities.

Worth noting is that interviewees from some of the countries with the highest rate of "agree" or "strongly agree" responses reported in the interviews a complex and challenging bureaucracy environment requiring from them to devote relatively large amounts of management effort to address. The character of this effort is similar for SEEs and traditional enterprises.

Figure 54 Management styles in SEEs and traditional enterprises



5.10.2 Key takeaways from the qualitative interviews

Based on the qualitative interviews, the most important issues in the context of the "Identification of special/specific methods of management in SEEs which are or can be used/mirrored in traditional businesses to better manage their team and hence 're-enchant' their management models" research theme are:

- The SEEs running businesses have to develop and implement a robust business strategy and policies to succeed. This should be preceded by a careful identification and definition of the competitive advantages the SEEs are able to develop in a given market. The competitive advantages developed by the SEEs interviewed were of different types and included, depending on the market strategy adopted: premium quality, lowest price, flexibility, short deadlines or other. In these aspects SEEs were managed like traditional businesses.

- SEEs are using different methods of management, taking into account, among other factors, the needs, abilities and requirements of their employees.
- A distinct feature of WISEs employing disadvantaged and disabled people is the management of human resources. Special care is taken in staff acquisition, definition of roles / job positions, communication and management and supervision of the employees. Staff capabilities (physical and intellectual potential, experience) define the internal management model and heavily influence the possibilities of developing the competitive advantages of the SEEs, hence their strategy. This approach differs from the top-down "command and control" approach often used by traditional enterprises, where the definition of roles / job requirements precedes recruitment.

Such an approach, where a position is tailored to the unique skills and talents of the individual with disabilities to meet the needs of the individual as well as increase business efficiency is called job carving[121]. Job carving is a specific development of supported employment[122] whose other distinctive features are integrated work settings, competitive employment, and ongoing support services aimed at job retention.

- Besides their own organisations, SEEs are also promoting the hiring of persons with disabilities in traditional enterprises by implementing supported employment mechanisms. This leads to the disabled employees gaining new job opportunities. One significant example is the partnership between Specialisterne (Denmark) and IT giant SAP (Germany) that aims to harness special skills of people with autism spectrum disorder (ASD) and provides them with IT training (Specialisterne) and work-integration opportunities at SAP[123]. Specialisterne is contributing to recruitment, training and retaining new employees with autism whereas SAP is implementing the „Autism at Work Programme". Attention is paid to assigning the employees tasks which they are capable of performing – often better that employees without disabilities – and conducting socialisation/integration activities which have an additional therapeutic benefit. As a result of the programme the persons recruited by Specialisterne have become valuable contributors to the labour market and solid taxpayers no longer reliant on social-welfare contributions. This joint experience has clearly demonstrated how partnerships between innovative companies and social enterprises can boost quality job creation for people whose disabilities would have excluded them from the labour market. It also shows how traditional organisations are changing their HR paradigm and exploiting new opportunities of recruitment and the related development of new methods of management.
- Considerable management effort is devoted to the identification of possible sources of financing and to the acquisition of financing from such sources as public funds (including EU or national support programmes), private funds (including partners, clients and donors), and others, e.g. crowdfunding schemes. The involvement of public sector institutions at all levels (local, regional, national and European) brings crucial advantages. These institutions can provide funding to conduct feasibility studies and develop (local/regional) strategies, use social clauses in public procurement procedures to benefit employers of disadvantaged people, assist in identifying and training people, and support awareness-raising efforts.
- The SEEs see a clear benefit in building long-term and sustainable partnerships with their clients, suppliers and partners. It allows them to provide solid grounds to their business activities, but also to exchange expertise and experience. Long-term partnerships with traditional companies increase the awareness of the potential (and acceptance for the weaknesses) of the disadvantaged or disabled staff (or supported target groups) among the SEEs' partners. Partnerships within network structures facilitate the mobilisation of the different actors whose joint effort is needed to achieve a

[121] Griffin, C., Targett, P. S. (2001), Finding jobs for young people with disabilities, in P. Wehman (Ed.), Life beyond the classroom: Transition strategies for young people with disabilities (3rd ed.). Baltimore, MD: Brooks

[122] Wehman, P., Brooke, V., Lau, S., & Targett, P. (2013), Supported employment, in: M. L. Wehmeyer (ed.), The Oxford handbook of positive psychology and disability (pp. 338-364), New York, NY: Oxford University Press

[123] Boosting Social Enterprise Development. Good Practice Compendium, OECD/EU, OECD Publishing Paris 2017, ch.19

particular social goal (e.g. an SEE supporting the unemployed needs to mobilise different partners to provide professional qualification training, coaching, job contract negotiation support, etc.). Therefore, careful management of relations with external partners is a distinct feature of the SEEs. Not surprisingly, mutual trust was indicated by them in the survey as the most important factor to foster co-operation.

- One characteristic of managing SEEs which is also becoming more popular in traditional enterprises is building a sense of community between the workers. Such activities may focus on publicizing the company's results among its staff and building a sense of pride in the effects achieved but may also be completely detached from the company's operations and focused on simply having a good time together, as e.g. reported during an interview with a WISE which held scuba diving classes for its employees.

5.10.3 Short verdict

The results of the survey and of the interviews clearly show that there are many similarities between managing an SEE and a traditional company, especially in the case of SEEs running businesses. However, there are also some differences, the management of the SEEs requiring in some respects more refinement.

In spite of the many differences between SEEs and traditional enterprises, there is a large potential to transfer management methods and concepts. In addition, each side can learn from their partner's experience, although the ability to use that experience and the types of benefits obtained may differ.

Traditional enterprises can teach SEEs advanced traditional management methods, technology transfer and marketing and assist them in gaining access to distribution channels. This should be preceded by identification of possible sources of the competitive advantage of which SEEs can and should make use in a given market. The management methods used by SEEs have to take into account not only the social objectives which are more important than the business objectives, but also the potential, capabilities and needs of their employees.

Traditional enterprises, on the other hand, can follow the example of SEEs in shaping their policies to more effectively resolve the social issues that exist within them, putting greater emphasis on social goals, their employment policies and practices, work organisation adapted to the employees' requirements and abilities, HR management, entrepreneurship development etc. An especially significant contribution to HR management that SEEs can bring to traditional enterprises is job carving, which consists of tailoring positions to the unique skills and talents of individuals to meet their needs as well as to increase business efficiency.

Cooperation between SEEs and traditional enterprises is a circumstance that promotes the exchange of experience and the transfer of management methods. It often takes the form of cooperation within a value chain in which SEEs become suppliers of traditional companies. Therefore, they have to adapt to the procedures of the value chain participants, acquiring from them knowledge, experience, good practices, etc. Often such cooperation takes place on a commercial basis, which requires SEEs to achieve an adequate level of productivity, quality and production costs.

SEEs also seek to establish long-term relations with traditional enterprises allowing for the promotion of the potential and possibilities of enterprises employing disabled persons, overcoming the negative stereotypes about them that sometimes exist.

Box 23 Company DALBA best practice #1 on management methods

1.	**Case-ID** Name of SEE: DALBA Website: www.browarspoldzielczy.com/ Year founded: 2014 Country: Poland Cooperating traditional enterprises (clients – buy DALBA's products): Międzynarodowe Targi Gdańskie (International Gdansk Fair) http://mtgsa.com.pl/, Lotos (oil company) www.lotos.pl, Scalac (IT company) https://scalac.io/, Made In Kaszebe (delicatessen) https://madeinkaszebe.com.pl/ Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** The DALBA social co-operative manufactures premium beer. DALBA is a social brewery that employs intellectually disabled persons in maintenance and gardening jobs as well as in the brewing itself. The co-operative began operations in 2015, when it also opened a company shop in Gdansk. The brewery currently employs 20 persons, 18 of whom are intellectually disabled, enabling them to function independently and preventing their social and professional exclusion. The co-operation partners of DALBA are traditional companies, suppliers of raw materials, and clients – beer wholesalers and restaurants. The majority of DALBA's partners are not aware the company follows a social goal. They co-operate with DALBA purely because it makes business sense for them. DALBA is an example of successful implementation of job carving. It creates jobs that fit the capabilities of people with disabilities and has developed skills to manage them effectively. These competences may be attractive for and applicable by traditional companies as solutions tested in practice. On the other hand, DALBA learns from traditional companies – friendly breweries from various European countries, who share with this SEE their business experience. Business experience is also shared with other SEEs.
3.	**What are the most important success factors?** • Professionalism in product manufacturing – the beer is brewed according to tested and legally protected recipes, thanks to which it is appreciated on the market, making it relatively easy to distribute and sell. • Making use of the experience of other firms that employ the disabled (the brewery cooperates with similar enterprises from abroad, including Great Britain, Spain and Denmark) and traditional enterprises from the brewing industry in order to improve production, sales and distribution processes. • Effective management of employees with special needs and predispositions, taking special care to assign tasks in line with the capabilities of individual persons and to communicate them clearly and precisely. This ensures a strongly supportive environment which motivates the employees and promotes business objectives. • Clear definition of the target customer group – development of a premium product which in view of its price is sold exclusively through pubs and restaurants in larger cities, which is a success for DALBA as well as the traditional enterprises making up the sales network
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** • The DALBA social co-operative uses management methods taking into account the needs of its workers and their physical and intellectual potential, thereby promoting the idea that intellectually disabled persons can be regular employees, with an appropriate manner of managing their work, to function independently in society. • Disabled workers are employed throughout the production chain. • DALBA's highest value is the idea that motivated its founders, who believe that every human being has some disabilities, although not everyone wants to admit it. Management consists of ensuring the achievement of the overall objective, i.e. brewing a high-quality beer.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** • Ensuring the highest quality standards in production, sales and distribution processes and definition of the co-operative's mission and strategic objectives (definition of product type and target customer group).

	• Suiting the management methods to the specific characteristics of its staff, taking into account the type of their disabilities and their needs, potential, and requirements and making use of other experience of other companies employing disabled persons.

Box 24 Company Vlotter best practice #2 on management methods

1.	**Case-ID** Name of SEE: VLOTTER Website: www.vlotter.be Year founded: 1967 Country: Belgium Co-operating traditional enterprise: Telenet Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☒ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** Vlotter manufacturing enterprise ('Vlotter maakbedrijf') is a WISE, a Work Integration Social Enterprise, employing more than 140 disadvantaged employees at four different sites. Vlotter provides work in 5 different domains: (1) Bicycle and wheel construction, (2) Service & solutions (packaging, building displays, recycling activities, manual labour), (3) T.R.IM (electro-assembly, testing of digital applications and appliances, etc.), (4) Services (mobile teams who can flexibly act as a team for a variety of tasks executed in the company on-site), (5) Metal (processing of metal materials, e.g. saws, drills, etc.). Vlotter provides its employees with extensive assistance in areas going beyond job-related matters. This allows these people to achieve a higher degree of integration, both in their work and in society in general.
3.	**What are the most important success factors?** • Creation of an image of an enterprise that employs and supports disadvantaged people and provides good quality products/services at a reasonable price – clients see Vlotter as competitive provider solution to their needs. • Adaptation of the company offer to a specific target group – clients are often small, local SME's which often lack the necessary workforce; in specific situations they turn to Vlotter to outsource their manual labour. • Establishment of a permanent and growing customer network – businesses with which Vlotter established sustainable partnerships communicate about the company and its activities; clients disseminate the positive message on their co-operation among other clients, suppliers, peers, etc.; a perfect example of this ecosystem approach is Vlotter's co-operation with its biggest client, Telenet (see BOX for TELNET), and their adjacent organisations which also became Vlotter's clients. • Suiting the management methods to the specific needs and opportunities on the market, taking into account the type and level of employees' disabilities, their potential and requirements. Vlotter offers a wide range of services to meet the specific needs of employees. These include legal services (e.g. solving problems with indebtedness), psychological services (solving personal problems, family problems, etc.), help in finding a job in third companies, training, preparation for job interviews, supervision over employees in a new job and possible help. In carrying out these tasks, Vlotter cooperates with other SEEs (including social assistance centeres) and traditional companies, which enables the exchange of experience related in particular to co-operation with people with disabilities.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** • Work integration of disadvantaged employees (related to Vlotter's mission as a WISE). • Confirmation - by the partners transferring the message on co-operation with Vlotter to other partners - that in the created ecosystem every partner, including a social economy organisation, can provide added value. • Local anchoring of labour (and local creation of jobs) without outsourcing it beyond the region, country or Europe. • Capacity development of Vlotter's target group.

5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** • Focusing on areas where the clients' needs are the largest (due to a lack of competences or workforce) and in which workers with physical or intellectual limitations can be employed without detriment to quality. • Maintaining close co-operation with clients (shared work environment, team building activities, mutual expertise building) • Providing a transactional model under which clients co-participate in investments in infrastructure, hardware or software, as well as in training of the new employees. • Setting quality targets - activities follow the standards expected by clients; Vlotter tries to always attain the ISO standards for delivered activities, but also monitor daily KPI's that should be reached.

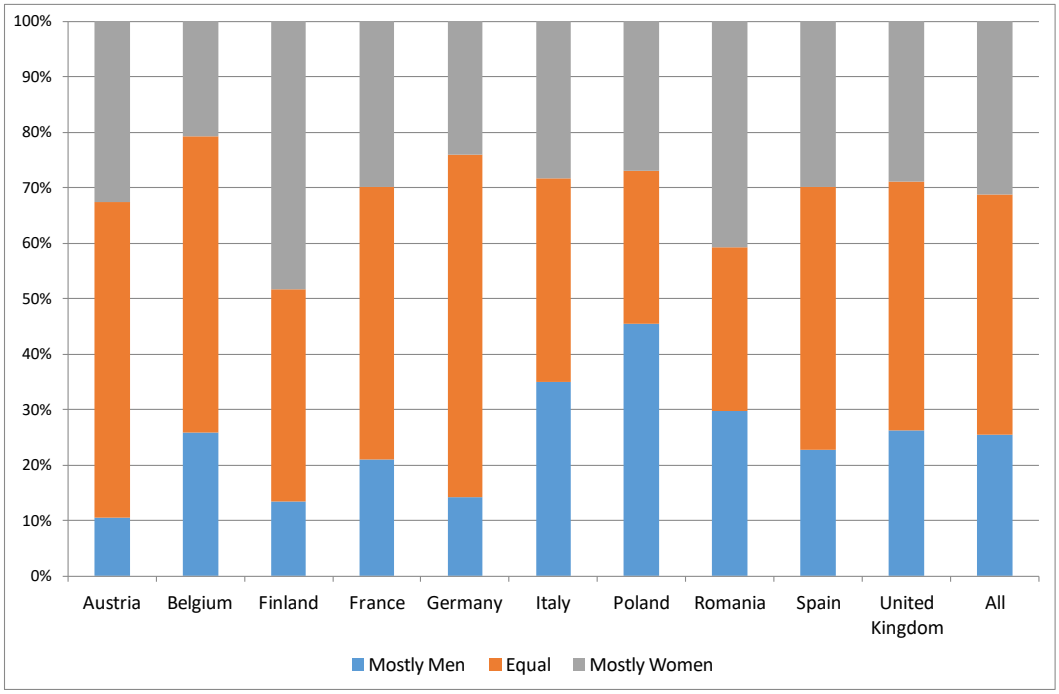
5.11 Co-operation between SEEs and traditional enterprises to promote gender opportunities and equal access to decision making positions

Unequal employment and promotion opportunities, unequal pay and dual roles of workers and mothers lead to unequal access to decision-making positions and are still recognised as problems facing traditional enterprises. On the other hand, the proportion of women leading or initiating SEEs is higher. The study examines various aspects related to gender such as SEEs' and co-operating traditional enterprises' gender balance, their focus on women's issues and the co-operation and co-inspiration between SEEs and traditional enterprises to promote gender opportunities and equal access to decision making positions.

5.11.1 Interpretation of relevant quantitative indicator(s)

Within the framework of our study, the survey addressed to SEEs showed that they on average employ slightly more women than men although overall the SEEs exhibit a good gender balance. Overall, 31% of the SEEs declared that they employ mostly women; 26%, that mostly men; and 43% to have approximately equal employment of both sexes. In terms of comparison between countries, Finland, Romania and Austria exhibit the highest ratio of women employed (respectively, 48%, 41%, 33% SEEs declared that they employ mostly women), while Poland stands out in terms of the number of entities declaring that they employ mostly men (46%). Overall, in seven out of ten countries there were more SEEs that declared that they employ mostly women than those that declared to employ mostly men. Poland, Belgium and Italy declared the opposite, although the difference was minimal.

Figure 55 Gender share in SEE

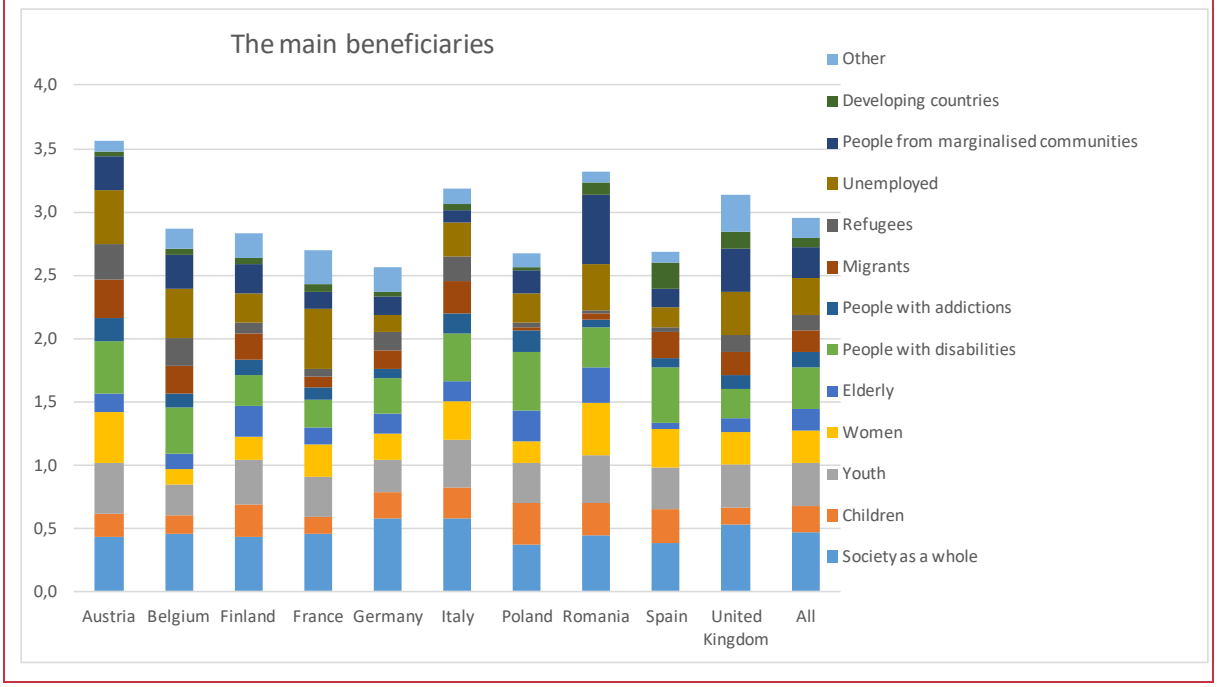


Similarly, to the SEEs, traditional companies which have co-operated with SEEs and took part in the survey, similarly to the SEEs, exhibited a good gender balance. Overall, 25% of the entities declared that they employ mostly women; 15% that mostly men; and 60% to have approximately equal employment of both sexes. Interestingly, though co-operating traditional companies and SEEs exhibited a very good gender balance, they both employed slightly more women than men. Taking into account that on average in the EU there are more men (54%) than women (46%) in the labour force[124], one may conclude that co-operations between SEEs and traditional companies are positively correlated with the presence of women.

The survey showed that many SEEs are focused on resolving issues related to women. SEEs were asked to indicate their social aims with the possibility to choose among 12 issues and / or to indicate "other" (multiple choice was possible). "Women" was one of the 12 topics mentioned, and 26% of the SEEs declared that they addressed women's issues. Out of the 12 possibilities, "Women" was the 5th most frequent answer, which shows that it is a very important topic in the activities of the SEEs. A focus on women's issues is relatively important in Romania, Austria, Italy and Spain (respectively, 41%, 40%, 30%, 31%), which also exhibit a high ratio of women employed in the SEEs surveyed. Interestingly, in Finland, which exhibits the highest ratio of women employed in the SEEs, the focus on women's issues is relatively less important, with only 19% of the SEEs declaring to be dealing with them. The countries relatively least concerned about women's issues are Belgium and Poland (respectively, 12% and 17% of SEEs dealing with this topic), and also provided the highest ratio of declarations of employing mostly men in the SEEs. However, the quantitative data does not allow any judgement on the position's women take in SEEs as opposed to traditional companies.

[124] EUROSTAT, EU28, 2017

Figure 56 Importance of gender issues for the work of SEEs



5.11.2 Key takeaways from the qualitative interviews

The qualitative interviews conducted for the study show that gender issues are often a significant aspect of the SEE and traditional enterprise objectives and operational model. The interviewed SEEs usually ensured a gender balance internally, emphasising the importance of gender equality in job opportunities – especially managerial and decision-making positions – and in their hiring practices. Some of the SEEs focused their activities on equalising the opportunities of men and women on the traditional labour market and in society. Several examples of SEEs co-operating with traditional enterprises on promoting gender opportunities and entrepreneurship are commented below.

In many SEEs, women make up an equal part or even the majority of the company staff, including the decision-making positions. This is usually due to conscious decisions of the management acting in accordance with the enterprise's socially-oriented policy or strategy. The gender ratio of SEE employees has also been reported in the interviews to be determined by: the nature of the activities carried out by the SEE (e.g. arts and crafts) or the specific type of partners / target groups (e.g. women and/or children). It is also sometimes determined by the opinion or assessment of the management, which sees women as better / more effective employees in specific positions. In addition, some interview respondents believe that women are seen as being more sensitive, a characteristic associated with SEEs. The women employed in SEEs in general enjoy the trust of management, often dominated by women, which offers them good working conditions and fair remuneration, giving them a feeling of security and stability.

In the context of gender equality several of the SEEs interviewed conduct activities to support men and women in their professional and family life. Certain SEEs deal with the professional activation of women and support them in finding employment (e.g. promoting social inclusion of disadvantaged women through work integration), but a new field of activity is advisory services provided to corporates on establishing policies supporting a better family life and work balance for both men and women (see example presented in Box 24). Such solutions not only increase work comfort but also work satisfaction, which translates into better efficiency and commitment to the company. Importantly, the improvement of this balance has a positive influence on both genders – the possibility to contribute more actively to family

life decreases the burden on the partner who, also finding a balance, can be more active in developing his/her career.

An interesting and successful example of an SEE inspiring traditional business is Karenz und Karriere (see Box 23), an Austrian co-operation platform. Karenz und Karriere was a 2-year regional development program of 16 organisations within a framework of the EU funded EQUAL 2 program. Karenz means temporary absence of employees in the enterprise due to their personal – family, health, educational etc. reasons. Karenz also means a break in their professional career and concerns mostly women. This can have and often has significant personal, economic, social and political consequences. The Karenz und Karriere Program enables continuing professional career or easy return to work of employees after their temporary absence from an organisation.

Some of the programmes/experiences offered to traditional enterprises by SEEs aimed at development/improvement of "soft" competences. SEEs are naturally more focused on achieving social objectives which requires soft competences such as empathy, communication skills, entrepreneurship, leadership, conflict resolution etc. Soft competences are becoming an attribute which commercial enterprises seek and appreciate in their employees. Cooperation with SEEs allows for these competences to be acquired by the traditional enterprises' employees who develop them in their various social roles outside the workplace (e.g. in the family).

An interesting example of co-operation between SEEs and traditional enterprises to promote women's entrepreneurship, additionally supported by governmental funds, is the Girls go start-up! Academy[125]. It is an initiative of two Polish SEEs whose aim is to support female students and graduates of STEM (Science, Technology, Engineering, Mathematics) studies in gaining knowledge and skills in creating start-ups and implementing them in practice. The initiative addresses the fact that women create only one out of four Polish technological start-ups, though every fourth female STEM student is interested in doing that, but often lacks skills and/or self-confidence. Girls go start-up! Academy offers to selected students with attractive start-up ideas training and mentoring provided on voluntary basis by experienced female business practitioners: SME owners, corporate or RTO managers. Facilities for meetings are provided by Google.

An example of innovative initiatives undertaken by SEEs supporting, but also taking advantage of parenthood, is the MAAM[126] (maternity as a master) programme offered to traditional businesses, developed and implemented by Life Based Value, which focuses on the use of the energy and strength, productivity and creativity, and soft competences of young employees who become parents. New parents are invited to put the skills they learn with parenthood into practice at work through a dedicated digital tool. MAAM is a social venture funded by Ashoka Fellow Ricarda Zecca. The programme offers parents new possibilities as part of their current professional roles and professional development. It has been implemented in many traditional enterprises in Italy and it has attracted interest from other countries in Europe, the USA, Southeast Asia and Australia. Another Ashoka Fellow is Mariana Costa from Peru who identifies young women from underserved backgrounds, equips them with skills for the digital economy, and connects them to the rapidly growing tech sector job market. Unlike other education and training approaches, her organization Laboratoria also prioritises personal growth and the development of social and emotional skills such as perseverance, self-confidence, and teamwork. Over 800 web developers have graduated from Laboratoria across Peru, Chile, and Mexico, with placement rates of over 80% in their latest cohorts.

5.11.3 Short verdict

As confirmed by the survey responses and interviews conducted, SEEs are an example of organisations which understand the importance of ensuring equal job opportunities and equal access to decision-making positions and implement them in practice. This is apparent in SEEs' missions, strategies, personnel

[125] http://girls-startup.pl/

[126] https://www.maam.life/en/

policies and attitudes toward women, resulting in a balanced gender structure and overcoming the discrimination they may experience in other types of organisations. In general, there is a good gender balance in SEEs, many of them even employ slightly more women than men.

The SEEs and traditional enterprises co-inspire each other, and jointly initiate activities aimed at supporting, promoting and implementing gender equality initiatives and programmes (in such areas as gender diversification, equal job opportunities, support for female entrepreneurship). This, as a value shared with traditional enterprises significantly helps to integrate SEEs into value chains with traditional businesses. In the SEE survey, the alignment of values was mentioned as the fourth most important criterion to facilitate co-operation. Such co-operation sometimes takes the form of direct financial support (or in-kind provision or fair price selling of inputs for production) to SEEs involved in the professional integration of women.

SEEs also actively co-operate with other organisations, including social incubators and accelerators, or other socially-oriented entities, such as women's associations, sharing with them experience in this area and following best practices.

Worth noting in addition to the above-mentioned activities are innovative initiatives, one of the examples of which are services offered by one of the companies presented in the best practice box below to corporate clients, aimed at achieving a balance between work and family life of fathers, which has a positive influence on both genders and both professional careers and family life.

Box 25 Karenz und Karriere best practice #1 on gender

1.	**Case-ID** Name: Karrenz und Karriere Website: http://www.karenzundkarriere.at/ Year founded: 2005 Country: Austria Type of co-operation: Philanthropic ☐ Transactional ☐ Integrative ☒ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** Karenz und Karriere is a regional development initiative for Vienna, which was coordinated in the years 2005-2007 as part of the EQUAL European initiative. As part of this initiative, the Karenz und Karriere platform was created for enterprises, parents and all those who deal with the issue of reconciliation of work, family and private life: The platform offers: • information on how to plan mater-(pater)nity leave for both spouses before, during and after starting work breaks, • possibilities to integrate mater-(pater)nity leave management with human resources management.
3.	**What are the most important success factors?** • Addressing an important social and economic issue neglected in the majority of European countries so far. • The Karenz und Karriere program enables employees (parents) to continue their professional career or easily return to work of after their temporary absence • Promoting gender equality by facilitating taking care of children not only by mothers but also by fathers and then returning to work. • Initial financial support from EU within the EQUAL program.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** • Increase of wellbeing of the employees and increase of their productivity and work-satisfaction. • Promoting more frequent paternity leave and at the same time making it easier for the wives (mothers) to continue their professional life and thus providing equal professional opportunities for both spouses

5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** • Karenz und Karriere developed a knowledge platform which perhaps after adapting to local conditions, could be used by SEEs and enterprises in other countries. • The model of reconciliation of mater-(pater)nity duties with professional work • The way to encourage fathers to take care of young children as part of their paternity leave, and thus enable their wives (mothers) to continue working although this aspect is strongly conditioned by other factors (local tradition, culture, labour market, etc.)

Box 26 Company Väter gGmbH best practice #2 on gender

1.	**Case-ID** Name: Väter gGmbH Website: www.vaeter-ggmbh.de Year founded: 2001 Country: Germany Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐ Type of organisation: SEE ☐ Traditional enterprise ☒
2.	**Why is this case a best / good practice?** Väter gGmbH is a small company (4 permanent staff and 20 freelancers) focusing on advising large enterprises on the compatibility of work and family from the perspective of men and fathers. Their work is funded through a membership fee, currently from 17 companies / clients who have access to a dedicated knowledge platform and additional consulting services. Väter develops long-term, sustainable solutions aimed at improving the wellbeing of the working fathers and their commitment to their company.
3.	**What are the most important success factors?** • Addressing an important social issue neglected in the majority of European countries so far. • Recognition of the high importance and potential of the issue by the clients resulting in the projects being led on clients' side by executives - organisational leaders. • Success cases in working with leading German companies resulting in clients' recommendations. • Initial financial support from another SEE - a foundation who granted Väter a loan.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** • Increase of wellbeing of the employees and increase of their productivity and loyalty reported by clients. • Invitation to take part in the advisory body to the Federal Ministry of Family Affairs to advise on such issues as the reform of appropriate laws to make them less rigid in order to allow for a better work balance of fathers. • A wider application of the solutions related to improving the reconciliation of work and family life for men would also improve the position of women, as they would be relieved of some of the obligations in a partnership and would get improved access to management positions.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** • Väter developed a knowledge platform which could be a centrepiece of a future pan-European hub or could be modelled by SEEs in other countries. • The model of a network membership where clients share the costs of developing solutions could be commonly applied to all of them. • Väter concentrates solely on the issue of work balance of men and fathers. Possibly, in other countries such work could be performed by already existing SEEs focusing on other issues, and which would extend their range of activities.

5.12 Co-creation and coopetition between social economy and traditional enterprises in the circular economy

While the world population is growing at high speed - with estimations that point at 8.5 billion of people by 2030 (UN 2015) - the key resources on which we all depend to live and thrive are shrinking relentlessly. As globalization intensifies, environmental challenges become *global in scope and interconnected by nature*, prompting the urgent need to reduce the impact of human activities.

The circular economy has emerged in the past decade as a transitional model from a linear economy based on the mainstream take-make-dispose pattern, to a circular one in which waste can be transformed into resource through practices of reuse, repair, refurbishing and recycling. The Ellen MacArthur Foundation defines the circular economy as 'an industrial economy that is restorative and regenerative by intention. It aims to enable effective flows of materials, energy, labour and information so that natural and social capital can be rebuilt. It seeks to accelerate the shift to renewable energy by design, treating everything in the economy as a valuable resource'[127].

The European Commission developed detailed proposals for a circular economy in 2014[128], on the basis of supporting studies that estimate savings of up to €630 billion per year for European industry, and an increase of EU GDP by up to 3.9% by better using resources and creating new markets and jobs. In 2018, the Commission has further renewed its commitment to the circular transition, introducing a new set of measures including a new strategy for plastics which shall lead, by 2030, to full recyclable plastics packaging[129].

Major consultancies and think tanks worldwide have contributed to outline the broad range of opportunities stemming from circular approaches, highlighting the extent to which they can work **at the crossroad between environmental sustainability, social change and disruptive innovation in almost all industries**. Furthermore, the ongoing debate around the so-called **Industry 4.0** can be added to the pot, as it is increasingly seen as a leverage for smarter, more efficient and eco-friendly industrial systems. Indeed, the circular economy offers promising patterns of business model innovation. Circular supplies, product life extension, resources recovery, sharing platforms and *servitisation*[130] are some key fields where circularity can bring radical new innovations, prompting new business lines and reconfiguring business alliances towards network-based systems (Accenture, 2015).

The circular economy and the social economy have indeed several points of connection: as far as circular models are deeply rooted in environmental and social sustainability, they can represent unedited levers to develop human capital, boost social cohesion and help restore and regenerate cities and regions. Social agriculture, territorial protection and contrast to poverty are some amongst many other examples of fields where firms and SEEs can achieve meaningful synergies, whether through hybrid value chains, mixed business models, joint initiatives of awareness-raising, and strategic use of CSR activities. Moreover, within the emerging trend of servitisation, SEEs may benefit from increased opportunities to cooperate with traditional firms, especially within new business models that expand goods and materials consumption through integrated services of renting, swapping and bartering, among others. In this respect, SEEs may operate as strategic partners to reach out to 'new' targets such as young people and local communities particularly wakeful to environmental issues. Furthermore, the typical dynamics of

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[127] Ellen Mac Arthur Foundation, Towards the Circular Economy, 2013.

[128] European Commission, Towards a circular economy: A zero waste programme for Europe, 2014. In 2015, the Commission further released the EU Action Plan for the Circular Economy, which establishes an ambitious and comprehensive programme of measures covering the whole cycle from production to consumption. It is also worth mentioning the renewed EU Industrial Policy Strategy presented in late 2017. See: http://ec.europa.eu/environment/circular-economy/index_en.htm

[129] See: http://ec.europa.eu/environment/circular-economy/index_en.htm

[130] The term 'servitisation' points to a deep transformation of the structure, processes and organization of enterprises in the digital era. Shifting well beyond the selling of products, servitised-based business models are true systems that surround products with a plethora of services connected to or integrated in the product itself, adding value to the latter. Therefore, enterprises become integrated and adaptive systems, able to interact with multiple clients with different needs, thanks to a number of potentials linked to the pervasiveness of digital technologies: virtual design, remote product servicing and control, etc. (Lombardi & Fadda, 2018).

consumption and production prompted by the sharing economy may also add further layers of innovation, based on a smart use of digital technologies to unlock peer and distributed exchanges in the circular economy that can be B2B (business-to-business), C2C (consumer to consumer) and B2B2C (business to business to consumer).

However, despite growing interest in the circular economy from almost all walks of society, little is known about the current extent of cross-sectoral co-operations in the field across Europe. Much attention has instead been paid on **social innovation as ground for initiatives tackling environmental challenges,** and on the use of circular and/or collaborative models as engines for the engagement of local communities in sustainable production and consumption approaches. In this context, the recent EU-funded projects SI-DRIVE[131] and BENISI[132] help get some insights about types of actors involved in circular initiatives; both projects provide hints of **non-governmental and non-profit organisations as frequent initiators of circular-inspired initiatives,** and suggest a possible **key role played by private companies**[133].

5.12.1 Interpretation of relevant quantitative indicator(s)

Within the framework of our study, the survey addressed to SEEs showed that **16.2% out of total respondents are active in the circular economy. Belgium, France** and **Romania** emerge considerably (with percentages of engagement in circular initiatives between 39% and 28%), while the other countries targeted (UK, Finland, Austria, Spain, Poland, Italy and Germany) all fall under 20%. It is worth noting that such results may depend on the specific composition of the sample in each country, and on the types of national and regional networks involved in the distribution of the survey.

The results of the survey also show that the most recurrent legal forms/actors in the circular economy are **limited partnerships** (30.4%), followed by **limited companies** (23.4%), **social enterprises** (21.6%) and **associations** (19.8%). Instead, the engagement of co-operatives and foundations in the field appears to be less relevant (slightly below 10%).

Interestingly, the circular economy seems to be a ground of action primarily for **organisations with a consolidated history**, and particularly for those that are **medium and large** in size; this might be connected to the investment capacity needed to shift to circular approaches (especially when they entail major changes over production processes and products), which in turn could be harder to achieve for micro and small size organisations. As for sectors, those most affected by SEEs in circular economy are **energy, natural resources and clean technology** (43%), **agriculture** (35%), **responsible tourism** (30%) and **work integration** (26.6%). Nevertheless, almost all areas covered by the survey show levels of engagement in the field between 10% and 20%, reflecting the wide potential of applicability rooted in circular models and approaches.

Similarly, to the collaborative economy field, the survey's findings clearly depict **the circular economy as a conduit of cross-sectoral co-operations**: 93% of respondents declaring active involvement in the field affirm to have established external co-operations in the last three years, while this same data decreases to 75% for SEEs that are not active in the circular economy. Moreover, relationships with traditional enterprises emerge as the most widespread and considerable in numbers (40.7% of respondents active in the circular economy declare more than 15 co-operations with traditional businesses in the last three years, against 31.5% of SEEs that are not active in the field), followed by co-operations with other social entities, and with social extra-preneurs. Lastly, it is worth noting the **prevalence of European neighbouring countries** as the geographical area of intervention, which may let assume an **international feature of partnerships and co-operations** in this field.

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[131] See: https://www.si-drive.eu/

[132] See: http://www.benisi.eu/

[133] https://www.si-drive.eu/wp-content/uploads/2018/03/SI-DRIVE-D6_4-Final-Policy-Field-Report-Environment.pdf

Indeed, interviews with SEEs, companies and stakeholders realized for this study helped shed light on a number of different approaches to cross-sectoral co-operation in the circular economy.

C&A Foundation[134] (UK) is a corporate foundation committed to transform the fashion industry into a 'force for good'; amongst many other initiatives in place, the Foundation runs the Organic Cotton Accelerator (OCA), which seeks to catalyse efforts and investments among leading global retailers for achieving more sustainable supply chains in the organic cotton sector. **Quid Co-operative**[135] (Italy) promotes the social inclusion of disadvantaged women through their involvement in the production of ethical clothes and accessories largely made from waste by apparel firms. **Kinomé**[136] is a French social enterprise whose mission is to protect and restore forests and natural ecosystems through strategic partnerships and projects with firms; a recent project with the Swiss chocolate producer Barry Callebaut brought about a more sustainable organization of the cocoa harvesting in a number of African countries.

On the business side, **Lassila & Tikanoja**[137] is a large Finnish company that fully embeds circular approaches in its own mission and model: the company provides services specifically dedicated to maintaining materials, facilities and properties in use as long as possible, and it runs several co-operations with SEEs mainly in the field of work integration of marginalized people. **Salvatore Ferragamo**[138], a global leader in high-end fashion, has pioneered an innovative collection based on the Orange Fiber, an Italian patent and enterprise that makes it possible to produce the first fabric in the world with citrus fruits. The Austrian company **Altstoff Recycling Austria** (ARA) runs the 'ARA Innovation Space', which consists of a platform and a physical space where civil society, artists, researchers, students and industries can connect, exchange knowledge and jointly realize creative ideas related to the circular economy.

5.12.2 Key takeaways from the qualitative interviews

The positive effects of such cross-sectoral co-operations are certainly broad and connected to a number of different dimensions.

In first instance, most respondents from both sides (i.e. firms and SEEs) reported **spill-over effects** beyond positive social and environmental impacts. In fact, shared and prolonged investments in the field often enable **increased positioning** for all parties involved, and in turn stronger power to advocate for social and environmental issues vis-à-vis policy-makers and stakeholders, and generate further cascade initiatives. Mutual inspiration and learning have also been mentioned, resulting - from the business side - in improved attention to employers' working conditions and, in some cases, in **corporate welfare initiatives**.

Interestingly, some interviews (particularly with stakeholders and SEEs' representatives) highlighted the valuable role played by SEEs in convening different firms around shared purposes, hence activating true ***clusters* of co-operation**. Coherently, they also commented outcomes of **rapid growth and expansion** in terms of activities, networks and meaningful relationships, as well as internal capacity building. Positive outcomes have also been mentioned with respect to **production practices**; partnerships with SEEs have often helped firms to **better anticipate consumption trends**, relying on mechanisms of engagement of users and local communities that somehow blend circular and collaborative dynamics.

Lastly, we shall report a positive contribution of cross-sectoral partnerships to the spread of alternative 'cultures' and approaches to innovation in the circular economy, based on openness and crowdsourcing to gather new ideas around products and product development. The Fashion for Good Plug and Play

[134] http://www.candafoundation.org/

[135] http://progettoquid.it/

[136] http://en.kinome.fr/

[137] https://www.lt.fi/en/

[138] https://www.ferragamo.com/shop/eu/en/sf/collections/orange-fiber--37542

Acceleration Programme[139] or Bridging the Gap[140] are examples of initiatives that use open innovation and cross-sectoral collaboration to scout and support product and process innovation in the circular economy.

Doubtless, the transition to a full circular economy in Europe demands systemic change in business culture and approaches, value chains organisation, consumption behaviours, research and innovation activities, capacity building, funding and policy-making. In this context, as confirmed by many interviews and indirectly by the survey's findings, cross-sectoral partnerships are often pivotal in several dimensions.

First, they can be a powerful leverage for working out market-based initiatives, so to ensure their self-sustainability. In this respect, it is worth noting that business model innovation and the identification of specific circular business cases were reported as key motives to co-operation also by many firms. Second, market-based models also appear crucial when work integration is a key purpose of any initiative; in this sense, co-operation with firms is largely perceived as means to achieve social impact at scale and make it sustainable over time. Lastly, cross-sectoral co-operations allow SEEs to acquire new capacities and knowledge and gain in professionalization.

On the other hand, companies' engagement in circular initiatives is largely driven by goals of **better reputation, increased transparency and trust** with partners, suppliers and consumers, while also representing an opportunity to **operate in new markets**. In this respect, some respondents commented the use of partnerships with SEEs as 'ethical arms' of their own businesses.

When it comes to the main drivers and enablers underpinning cross-sectoral co-operations in the circular economy, **shared values and mutual trust** generally emerge as predominant from both the survey and interviews. The large majority of respondents underlined the need to converge around common purposes and meanings, overcoming the '*intrinsic distance that there can be in languages and mindsets*. In this respect, it is worth stressing how some interviews reported cases of cross-sectoral co-operation that also entail the **sharing of working premises**, and/or reciprocal **staff secondment approaches, as means for boosting hybridization of knowledge, skills and working cultures.**

Another important aspect relates to the presence of **opportunities of funding and investment**, which in many cases allowed to kick off specific projects or initiatives of co-operation in the circular economy. However, it is worth mentioning how most interviews with SEEs stressed the essential role played by the **inner motivations and attitudes** of the promoting team, which is often a crucial factor of success.

When it comes to policies, opinions and perceptions become instead much more fragmented and varied: while some respondents recognized their crucial role in boosting change across industrial practices, concerns have been nonetheless raised about the **administrative and bureaucratic burdens** that such policies may entail, especially when not conceived and designed in an integrated way.

The European Commission has indeed provided a broad set of measures to boost the shift to circular models, including innovative financial instruments, specific funding streams, Green Public Procurements (GPP), proposal for environmental reporting, and a dedicated monitoring framework. If such measures have contributed to create a favourable environment for the rise of circular models across Europe, a number of barriers still exist. Uncoordinated or insufficient policies, lack of information and dedicated infrastructures, widespread difficulties in making investments, knowledge and skills mismatches, cultural resistance to change are certainly amongst the major factors hindering the circular transition.

Interviews with SEEs, firms and stakeholders have further suggested additional barriers, such as high labour taxes rates, differences in motivations and values, low levels of professionalization by SEEs, and

[139] See: http://fashionforgood.plugandplaytechcenter.com/

[140] https://www.candafoundation.org/latest

the long time needed to achieve stable and meaningful co-operations. Interestingly, some interviews highlighted the difficulty to achieve full transparency in sectors where the value chain is particularly articulated and complex; in this respect, emerging technologies 4.0 have been mentioned as potential enablers of better and smarter value chain management. Finally, some respondents from traditional firms reported the crucial need to increase capacity to assess and report the outcomes and tangible results of co-operation initiatives, something which is instead often underestimated or even not embedded in the design of the interventions.

Though probably still at an emerging stage, the circular economy in Europe generally appears as a vibrant landscape for cross-sectoral co-operations. Further research is needed to better seize the phenomenon and achieve in depth understanding of related opportunities and risks; nonetheless, the results of our study certainly contribute to put the spotlight on a number of promising insights.

5.12.3 Short verdict

All in all, we can observe a clear evolution in CSR and community engagement activities, towards models of co-operation that are more and more rooted in the creation of shared value. This indeed pushes SEEs towards the development of new, more business-oriented capacities and skills, while prompting innovative ways to organize and valorise key assets such as their own communities and reputation. On the other hand, firms are increasingly looking at these types of co-operations not only for compensative or marketing reasons, but rather for strategic objectives of innovation over business models, value chain management and product development. This may suggest that the near future of cross-sectoral co-operations in the circular economy will take widespread hybrid shapes, blurring borders across sectors, business models, organizational forms and knowledge/skills domains.

Opportunities of transformative circular actions are indeed there, especially if we consider the presence of a number of existing assets that are still largely untapped. New and emerging technologies, the industrial districts that characterize many regions across Europe, as well as the widespread presence of social and hybrid incubators, hubs and living labs, could all represent opportunities to design enabling infrastructures based on a larger and interconnected mobilisation of knowledge and assets. For this to happen however, integrated policies at all levels are increasingly needed, able to drive a shift from top-down approaches and innovations in silos, towards a system transition able to prompt massive movements of change that are place-based rather than sectoral driven.

Box 27 Company QUID Co-operative best practice #1 on circular economy

1.	**Case ID** Name of SEE: QUID social co-operative Website: http://progettoquid.it/ Country: Italy Cooperating traditional enterprise: Various co-operating partners including Calzedonia Group Website: https://it.calzedonia.com/home.jsp Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** Quid Co-operative promotes the social inclusion of disadvantaged women through their involvement in the production of ethical clothes and accessories largely made from waste by apparel firms; part of production and selling is also made in co-branding with traditional businesses. This case provides a meaningful example of circular economy developed through hybrid and integrated value chains, where co-operations with firms have been established and pursued from the very beginning. Among the first partners of the social cooperative Quid, there has been Calzedonia, an international leading company in the leg-ware and beachware sector.
3.	**What are the most important success factors?** • The co-operation between Quid and their business partners is based on a number of success factors: • The inner motivation and passion of the founding team; • The sustainable, market-based business model that combines both social and economic purposes; • The capacity to use intellectual property as an asset; indeed the SEE developed a specific trademark "Progetto Quid" for its ethical fashion products; • A clearly stated and pursued gender approach; • Heavy investment in networking and showcasing activities; • Clear benefits for the traditional enterprise partners, who access new markets (ethical consumers) and improve their sustainability thanks to the co-operation with Quid.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The adoption of a market-based model allowed the co-operative to rapidly scale and grow, ensuring stable working conditions. Besides, this led the co-operative to increase reputation and credibility towards firms, allowing to widen the networks of co-operation. Quid's rapid growth also contributed to the development of ethical fashion in Italy and promoted a circular economy approach through the reuse and recycling of textiles and fabrics from traditional made in Italy firms.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Potential elements of replicability may include the business model, use of patents, and strategic use of co-branding activities as communication and marketing levers.

Box 28 Company AfB social & green IT gGmbH best practice #2 on circular economy

1.	**Case-ID** Name of SEE: AfB group Website: www.afb-group.de Country: Germany, France, Austria, Switzerland Cooperating traditional enterprise: several enterprises in various sectors, including Siemens in Germany and Switzerland. Website: list of partners is indicated at www.afb-group.de/en/partner/referenzen/ Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** AfB Social and Green IT is a non-profit IT company specialised in the recovery, remarketing and ecologically-sound disposal of decommissioned IT hardware from traditional businesses and public institutions. It is based in Germany with sites in Germany, France, Switzerland and Austria. AfB retrieves various types of devices from these partners, removes their data in a certified manner, takes care of any necessary repairs, and finally resells the devices with up to three years warranty. When devices cannot be recovered, these are recycled under highest ecological and security standards, with particular attention to data security. This recycling takes place in European facilities, resulting in the production of new resources in Europe. It partners with leading companies in data security, software, hardware and retail, in order guarantee high standards in all parts of the process. For instance, AfB is certified as an Authorised Refurbisher for Microsoft as well as a service provider for hardware refurbishing and recycling for Fujitsu. For data removal, they collaborate with Blancco, using their certified and highly recognised software. Distribution channels for their hardware sale are the AfB Online Shop, Amazon and eBay as well as the 19 AfB retail shops. AfB guarantees maximum transparency towards the original device owners, who receive a certification that all their data has been successfully erased. AfB has created around 380 jobs in four countries since its founding in 2004, 47% of which for people with disabilities. In Germany, these jobs profit from the dual education system (*Ausbildung),* through which employees certify their specialization in their area, be it within the technical or the sales part of the process. The company also works together with social workers and social institutions to increase awareness within the disabled community. In 2018 AfB refurbished 240 000 IT devices, collected from 723 partners and could therefore save 11 600 tons CO_2 Eq., 16 400 FE Eq. and 37 000 MWh in comparison to primary production.
3.	**What are the most important success factors?** • Value chain integration allowing to align both business and sustainability goals; • Combination of both environmental and social goals (e.g. employment of people with disabilities and recycling of non-usable hardware with high standards); • Transparent and certified processes (for instance, regarding the removal of data from refurbished devices or the specialised training employees receive); • Application of highest ecological and ethical standards in the treatment of IT products.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** • Responsible behaviour with regards to the data cancellation process constitutes a high value for the partner companies who can trust AfB as a reliable and serious partner for decommissioning their IT equipment. • By taking care of all logistical and operational aspects, AfB makes cooperation efficient and more burden-free for its partners, who are incentivised to co-operate to improve sustainability. • Sharing of a vision and commitment to sustainability and circular economy brings partners closer and creates a win-win situation in which shared goals can be achieved • By making ecological sustainability and inclusion core parts of their behind-the-scenes and retail operation, they manage to win customers that value these elements highly
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Main elements of replicability may include value chain integration, logistical and organisational models, employee training, partnership with key industry players, and the adoption of certified processes for data removal from the recovered devices or for the recycling of unusable hardware in an ecologically-sound manner.

Source: Case has been mainly developed by desk research. It is evaluated by the company

5.13 Co-creation and co-opetition between social economy and traditional enterprises in sharing/collaborative economy

The 'sharing' or 'collaborative' economy is a relatively recent phenomenon, born in a context of widespread economic crisis, population pressure, shrinking of resources and massive urbanization processes that have brought about deep changes in consumers' awareness and behaviours.

Sometimes also referred to as **peer economy**, **gig economy**, **mesh economy**[141], among others - depending from time to time on the specific lens and focus of analysis -, the collaborative economy has been defined by the European Commission as 'business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods or services often provided by private individuals' (European Commission, 2016).

To many extents, such evolution in production and consumption patterns has been accompanied - if not triggered - by innovations in ICT marked 2.0: by connecting distributed groups of people and mobilizing information to an unprecedented level and scope, digital platforms and social networks allow to share assets that are diffused in society but often underused, enabling their valorisation and maximization, and the shift from traditional individual ownership to accessibility-based models. Besides, as far as the collaborative economy defines **radical new ways to infrastructure relations among individuals,** it goes well beyond the borders of an economic trend, opening rooms to explore and experiment with **disruptive social innovations**.

In 2016, with the 'European Agenda for the collaborative economy', the European Commission marked its first official step in this complex landscape, acknowledging an impressive growth in a number of sectors[142]. It also highlighted the potential of the phenomenon for the creation of **new jobs and businesses**, for **innovation**, and for boosting the **transition towards the digital economy**. Earlier in 2016, a study realized by NESTA[143] put the spotlight on the social purpose collaborative economy in Europe, showing vibrancy in terms of actors involved, approaches, societal objectives tackled and scales of action, while identifying a number of key opportunities for SE entities such as increased **efficiency** and **flexibility**, **reduction in costs**, **higher participation** and **scaling up**. Similarly, an exploratory study promoted by Co-operatives Europe and realized by LAMA Agency in the same year[144], pointed at the opportunity for co-operatives to drive **brand new collaborative models from within**, providing '*valuable examples and inputs to the collaborative economy sustainable and positive development'*. From a different perspective, this is also exemplified by the recent debate about **platform co-operativism**, whose focus on the co-operative ownership of platforms is seen as a possible shield against the risks of monopolies, misuse of personal data and privacy, deregulation of labour rights and *people farming* brought by some initiatives - often Silicon Valley-based - of collaborative economy (Scholz, 2014, 2015, 2015a).

5.13.1 Interpretation of relevant quantitative indicator(s)

Today's collaborative economy is certainly an arena of both **encounter and collision**. The rapidly evolving nature of the phenomenon and the variety of existing approaches make it difficult to fully embrace its complexity, both in terms of regulation and supporting measures. This controversial relation

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[141] For a full recognition of these terms, see Stokes et al., 2014.

[142] In 2015, the collaborative economy in Europe achieved a gross revenue of around 28 billion euros, and an index of growth that for sectors like accommodation and transports almost doubled compared to 2014. See Vaughan and Daverio, Assessing the size and presence of the collaborative economy in Europe, PwC UK, 2016.

[143] NESTA, More than profit: a collaborative economy with a social purpose, 2016. This study was commissioned by the DG Growth of the European Commission in order to achieve in depth understanding of the kind of opportunities and challenges brought about by the collaborative economy, with the view to orient policy recommendations in the field.

[144] Como et al., Co-operative Platforms in a European landscape: an exploratory study, 2016. The study was realized with the goal of providing an overview of the kind of existing relations and synergies between co-operatives and the collaborative economy across Europe.

between the demand of clear rules and standards on the one hand, and the need for experimentation and learning by doing on the other hand, is what actually makes the collaborative economy as an emerging domain for co-operations and synergies across sectors and knowledge domains.

In this context, our survey addressed to SEEs shows that **16% out of total respondents are active in the collaborative economy field**. Of course, such data shall be interpreted considering the emergent nature of the phenomenon, vis-à-vis the (more historical) social economy phenomenon in Europe. Indeed, it is widely acknowledged that despite some recent evolutions, we still lack a clear and comprehensive regulatory framework on the collaborative economy at EU level, able to ensure a level playing field for all actors operating in this field. At the same time, the collaborative economy has been recently the ground of fragmented and inhomogeneous institutional interventions at national and local level[145], which have threatened the European Single Market and in turn hampered an intrinsic precondition of scalability rooted in many collaborative economy's models[146].

When looking at the distribution of answers among the countries covered by the survey, the landscape seems quite diversified: **Italy, Germany** and **Poland** all attest between 23-24% of respondents declaring active involvement in the collaborative economy field, followed by **Spain** (17.5%) and **France** (16.5%). Except for **Austria** (11.3%), all the other countries (**Belgium**, **Finland**, **Romania,** and the **UK)** fall under 10%. It is worth noting that such results may depend on the specific composition of the sample in each country, and on the types of national and regional networks involved in the distribution of the survey. Moreover, the variety of legal forms considered as social economy across Europe, and the differences among countries in terms of numerical and historical presence of specific actors, make it difficult to define fully reliable criteria of comparison. This considered, from the survey's findings **co-operatives emerge considerably** as the most engaged actor in this field (29.5%), followed by **social enterprises** (20%) and **limited partnerships** (17.3%). On the other hand, associations appear less active in the collaborative economy (9%), despite being the most represented typology in the sample.

If we look at the characteristics of SEEs operating in the collaborative economy, **no significant differences emerge between micro, small, medium and large organisations,** although some interviews with representatives of SEEs and stakeholders suggested that mid and long-term investments may be difficult in the case of small size organisations. More insightful seems instead the information about the year of foundation of respondents, which depicts a higher engagement in the collaborative economy of entities founded from 2011 onwards (23.7%), particularly in Italy, Germany, France and Poland.

Sectors affected by SEEs in collaborative economy, as resulting from our survey, are mainly **energy, natural resources and clean technologies** (23.8%), **responsible tourism** (23.8%), and **democracy, transparency and civic participation** (22.8%). All in all, almost all SEE sectors prove to be ground for collaborative models, confirming the potential of the latter to apply to different societal challenges, and revolve around both tangible and intangible assets.

When shifting to the core topic of our study, results provide hints of **the collaborative economy as enabler of cross-sectoral co-operations**: comparatively, 87% of SEE organizations active in this

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[145] In this respect, we can mention the well-known case of Uber, that has increasingly experienced legal disputes across European cities. While at the beginning Uber has been operating almost freely in the market pointing to its nature of digital intermediary, recent judgments have instead highlighted its actual features of provider of urban mobility services (ref. Judgment of 20 December 2017, European Court of Justice). The relevance of this sentence essentially consists of identifying the service of brokerage provided by Uber as a transport service, which therefore falls under the common policy of transportations. However, collective transport systems in urban areas are not yet regulated at the European level; according to the European judge, such regulation therefore falls under the Member States, who shall nonetheless respect the general norms of the European Union Treaty. As a consequence, Uber is not regulated uniformly across EU countries, with Countries that show severe restrictions while others leave it almost free to operate.

[146] In 2017, a resolution of the European Parliament on the 'European Agenda for the collaborative economy' called the European Commission to increase efforts and commitment in the regulation of the phenomenon, in order to develop 'a dynamic, clear and, where appropriate, harmonised legal environment and a level playing field as an essential precondition for a flourishing collaborative economy in the EU' (European Parliament, 2017). See also Cousin and Martelloni, 2017.

field affirm to have established external co-operations in the last three years, against 75% of SEEs that are not active. Moreover, **co-operations with traditional enterprises emerge as the predominant ones**, followed by those with other SEEs, and then with social extra-preneurs.

The number of co-operations reflects a promising picture as well, with 40% of respondents who declared more than 15 co-operations with traditional businesses. Such results may confirm the need to build collaborative models leveraging on the knowledge, skills, financial capacity and approach to market brought about by companies, as repeatedly underlined during interviews with SEEs.

Means of co-operation also help shed light on the kind of existing relationships and co-operations: the large predominance of **tripartite partnerships** including private companies, public authorities and SEEs tend to suggest a possible use of the collaborative economy as ground for the **co-creation and co-production of services of general interest**, at the crossroad between social innovation and open innovation (Chalmers, 2012; Edward-Schachter, 2016). Amsterdam Sharing City[147], Innovillage in Finland[148], Abitare Solidale[149] in Italy are some examples of initiatives that combine practices of peer sharing, cross-sectoral partnerships and digital technologies to create innovative services for citizens.

Furthermore, if we consider the slight prevalence of European and international-oriented scales of action, we may also infer the presence of dynamics of **co-operation and partnership at European and international levels**. In this respect, it is worth stressing that the collaborative economy is characterized by models that, thanks to network effects, naturally tend to cross geographical and sectoral boundaries. While this is often an enabling aspect for centralized for-profit platforms able to scale up rapidly, when it comes to SEEs, the landscape changes somewhat. In their being locally rooted, SEEs may have an intrinsic difficulty in evolving as true international platforms without losing their profound nature. This may let assume a potential configuration of international networks of local SEEs that integrate their own activities via shared technological assets. Fairmondo[150], Fairbnb[151] and SMart[152] are some examples of this trend, which in turn could help explain the results mentioned above.

5.13.2 Key takeaways from the qualitative interviews

In terms of motives underpinning co-operation, both the survey and interviews with representatives of SEEs and stakeholders highlighted the crucial importance of SEEs-business co-operation. This is largely perceived as a **carrier of financial, knowledge and skills assets** that could hardly be achieved in other ways, also considering the fragmentation or even lack of seed funding opportunities in this field across Europe. Besides, the relationship with businesses is also relevant for shaping **economically viable and impactful interventions at scale**, while helping to better seize opportunities of innovation and growth.

On the other hand, interviews with firms brought the emphasis mainly on the opportunities, provided by collaborative economy partnerships with SSEs, to **better reach and meaningfully engage local communities**, while also achieving **better reputation and trust**. Some respondents also commented the potential of cross-sectoral partnerships to develop **new opportunities for young people and the so-called *Millennials***, as means to tackle youth unemployment and exclusion, while also meeting the new demands of the market deriving from changing behaviours in accessing and using assets.

All in all, the majority of actors interviewed commented a large yet fully untapped opportunity - especially from the SEEs side - to experiment with hybrid business models to tackle societal and territorial

[147] See: https://www.sharenl.nl/

[148] See: https://www.innokyla.fi/about-innovillage

[149] See: http://www.abitaresolidaleauser.it/il-progetto-abitare-solidale/

[150] See: https://www.fairmondo.de/global

[151] See: https://fairbnb.coop/

[152] See: https://smart-eu.org/

challenges via collaborative models, an opportunity which has been better embraced by start-ups and other new organisations.

Crucially, most interviews stressed the importance of **mutual trust, reputation** and the **sharing of values and motivations** as enablers of meaningful co-operations in this field, which nonetheless also require time and may be favoured by geographical proximity and direct relationships. In this respect, many stakeholders particularly emphasized the positive role played by social extra-preneurs as levers for networking and establishment of new connections: The Impact Hub network, Generation 2, the Social Impact Award initiative and SAW-B are examples of innovative co-working spaces and/or accelerations initiatives that exploit cross-sectoral community-building processes as ways to foster impactful social innovations. Moreover, the **shared governance of co-operation initiatives** is largely perceived by SEEs as key for broad and long-lasting impact, as it encourages all parties to operate on equal levels and seek the synergistic combination of different strengths. In terms of externally driven enabling factors, the presence of **funding opportunities** and **supporting schemes** emerge considerably as the most relevant ones from both the survey and interviews.

When it comes to the barriers, respondents mostly highlight the **lack of a clear and reliable regulatory framework** on the collaborative economy at EU and national levels, and the subsequent **fragmentation of existing approaches to decision-making and supporting measures**. Indeed, this might hamper investments in the field, also considered the presence of dominant and consolidated positions by large for-profit platforms on the one hand, and the often-widespread difficulty of SEEs to make international alliances on the other hand.

Second, the **digital gap** that often characterizes the third sector across Europe may impede a full understanding of innovation opportunities by SSEs and hamper the development of a shared language. In turn, this could hinder the construction of solid relationships able to reinforce and evolve over time. In this respect, a number of interviews with both SEEs and firms reported a certain '**historical mistrust**' that still persists from both sides, albeit with 'less and less relevance'.

Finally, some interviews reported a number of **technical and legal barriers** that would prevent SEEs from collaborating, such as for example the lack of a suitable framework for the development of shared and jointly-owned innovations stemming from common R&D activities.

5.13.3 Short verdict

Doubtless, the engagement of SE organisations in the collaborative economy and, more broadly, the development of cross-sectoral partnerships in this field may still appear at an emerging stage. Nonetheless, the results of our study generally point to the presence of positive signs.

Potential advantages stemming from cross-sectoral co-operation are there for both parties and let even envision an **opportunity of transformational partnerships** (Austin, 2000; Austin & Seitanidi, 2012a, 2012b, 2014) directed towards a combination of community-based local development, public-private alliances, renewed social participation and engagement, and sustainability. However, this requires a change of perspective (also in cultural terms) especially from SSEs, which sometimes tend to perceive the innovation challenge in purely technological terms, missing out on the opportunities that the collaborative economy may bring in terms of **service design, user experience, value chain management and infrastructuring of information**.

On the other hand, the growing tensions witnessed by several strikes occurred in many cities across Europe since 2015 - protesting against predatory and unfair market behaviours of platforms like Uber, Airbnb and TripAdvisor, among others - reflect the urgent need to **define clear and reliable regulatory frameworks.** Similarly, they open to the need of **designing widespread relational platforms** where traditional firms, SEEs, public bodies, new intermediaries, social extra-preneurs and other stakeholders can meet and collaborate meaningfully, so to transform the collaborative economy into a real opportunity of growth embedded in social innovation and social change. Otherwise, the risk is to remain stuck in a collaborative economy shaped in silos, where centralized platforms and

decentralized ones develop at different speeds, with different impacts and narratives, missing out on the chance to create a vibrant and diversified 'collaborative' ecosystem.

Lastly, we should not forget that the collaborative economy is rooted in, and to many extents has contributed to shape, a new language based on emerging values, motivations and meanings: this implies that most of the near future challenge will be played at the level of awareness-raising, education, training and co-creation of knowledge, not only at managerial and decision-making levels, but also at the level of educational and cultural institutions preparing the next generations of (social) entrepreneurs, workers, change-makers and citizens.

Box 29 Company MyFood best practice #1 on sharing / collaborative economy

1.	**Case-ID** Name of SEE: Myfoody Website of social economy entity: https://myfoody.it/ Country: Italy Cooperating traditional enterprise: Various companies in the food distribution sector, including Sigma and U2 Website: https://www.supersigma.com; http://www.unes.it/aziendau2.php Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** MyFoody is an innovative social start-up founded in 2015. MyFoody is the first Italian marketplace dedicated to reducing food waste in the large retail sector, and it operates through a combination of digital technologies and community engagement in order to facilitate better management of surplus food or food at risk of expiration. Through MyFoody's app, consumers are geo-localized, and they can get real time and personalized information about food items at risk of expiration in the network of supermarkets that adopt the service. These include the cooperative supermarket Unicoop Tirreno, but also supermarket chains run by traditional enterprises such as Sigma and U2. Besides, not-for-profit associations belong to MyFoody's network, and they can receive money donations from users. Finally, MyFoody participates to a number of EU and local working groups including research centres, universities and sectoral associations, specifically dedicated to the circular economy topic. MyFoody combines both circular and sharing economy approaches to tackle a major socio-environmental challenges, and it has been awarded with several national and international prizes. This case provides a valuable example of win-win cross-sectoral co-operations established with traditional firms, social extrapreneurs and other SEEs, that are actively pursued as both strategic levers of business development and growth, and engines for the promotion of more aware consumption patterns.
3.	**What are the most important success factors?** • Acceleration path developed within an Impact Hub, that provided MyFoody with the opportunity to establish contacts and connections with a broad variety of actors; • Presence in the founding team of a person with solid experience of business development, which proved crucial to engage in valuable conversations with large retailers; • Adoption of an incremental approach based on small scale testing's and iterative loops; • Sharing of values and inner motivations with firms, clear social orientation; • Adoption of social measurement approaches and reporting towards the network of clients, supporters and stakeholders.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The acceleration path developed within a social extrapreneur (Impact Hub) provided the team with the opportunity not only to better understand the complexity of the food value chain, but also to establish a broad network of relationships useful for the development of the different aspects of MyFoody. This approach to cross-sectoral partnerships and connections has been heavily embedded within MyFoody's business model and is driving its further development. The adoption of an incremental approach combined with social impact measurement methods helped MyFoody gain increased accountability and recognition by firms, leading in turns to stable co-operations with large retailers. The start-up currently employees 3 persons, with plans to expand the team in the near future.

5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Main elements of replicability may include the use of circular and collaborative approaches as strategic levers embedded in the business model, adoption of social impact assessment methods and reporting, the adoption of an incremental and modular approach to the business development.

Box 30 Company AirBNB Italy best practice #2 on sharing / collaborative economy

1.	**Case-ID** Name of SEE: Refugees Welcome Italia and Comunità di Sant'Egidio Website: https://refugees-welcome.it, https://www.santegidio.org Country: Italy Cooperating traditional enterprise: Airbnb Italy Website: https://www.airbnb.it/ Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐ Type of organisation: SEE ☒ Traditional enterprise ☐
2.	**Why is this case a best / good practice?** Airbnb is a global travel community that offers end-to-end trips, including where you stay, what you do and the people you meet. Airbnb uniquely leverages technology to economically empower people around the world to unlock and monetize their spaces, passions and talents to become hospitality entrepreneurs. **Airbnb Italy** runs several collaborations with SEEs. Amongst them, **Open Homes** is an international programme that involves several SEEs across the world. This programme aims at supporting people facing housing shortcomings, especially in situations of humanitarian emergencies. In Italy, Open Homes has been particularly targeting refugees. In this type of collaboration, Airbnb makes its digital infrastructure and community available for peer to peer dynamics of collaboration (a person who want to host another person in housing need for a limited period), without charging any transaction. Thanks to its own assets, Airbnb is able to mobilize its broad community and leverage on its digital infrastructure to achieve positive social impact at scale. On the other hand, SEEs provide the key expertise and knowledge needed to work with vulnerable groups. Open Homes is born after Katrina's hurricane; many hosts contacted Airbnb in order to make their own properties freely available to people in situations of housing emergency. Indeed, Open Homes is a 'bottom-up' programme that emerged from the community itself. In Italy, Open Homes involves Refugees Welcome Italia and Comunità di Sant'Egidio.
3.	**What are the most important success factors?** The Open Homes programme shows a number of success factors. Among these: • The smart integration of assets and specific expertise, which are combined together to achieve social impact at scale; • The global scale of the initiative, with several SEEs involved across the globe; • The community-based approach that valorises the engagement of citizens as providers of solutions. • The increased professionalization of SEEs
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** **One of the key impacts of this initiative has been to empower citizens** in directly providing solutions to social problems. This in turn leads to strengthened social cohesion and solidarity. This has been achieved thanks to the sharing economy model put in place by Airbnb.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The collaboration developed through the Open Homes programme presents several elements of replicability. In first instance, the collaboration model may be transferred to other fields. This has been done for example in the programme for Health hospitality developed in collaboration with the City of Milan and a local association, aimed at supporting people and families in need of temporary residency for health treatments in hospitals. Furthermore, this collaboration may inspire other types of alliances and synergies between platform-based firms and SEEs, matching needs related to food, care, education and other types of both material and immaterial goods.

5.14 Exchange and use of dormant patents of traditional companies by SEEs

While the emergence of the collaborative economy, as described in the previous sub-section, rests on open source information and technology, many enterprises and business sectors still – for the time being – rely heavily on intellectual property rights, and most notably on patents, in order to innovate and develop new products and services. Indeed, according to an OECD survey 2003 - 2005, almost 5 % of all companies in the EU are based on patents.[153] The OECD also reports that around 35% of unused patents are so called dormant patents or sleeping patents. These are existing patents that are not used, though they are registered and protected[154]. About half of all unused patents are dormant patents not used by firms without a strategic reason to do so. The other half are blocking patents kept strategically by companies to deter entry by competitors. According to the European Commission, the stock of dormant patents held by enterprises represents an untapped "pool of inventions and of improvements of products or processes that have not yet been introduced in the market."[155] For the owner, dormant patents represent missed opportunity and lost value. According to the Patal-EU Survey 2003-2005, the share of unused blocking patents in eight EU countries was 16.9%, and the share of unused sleeping patents 17.1%.[156]

However, most SMEs/innovators are not aware of dormant patents.[157] Even if they are aware of dormant patents, there are significant obstacles for the use of dormant patent. The main obstacle is the transaction cost involved with the negotiations with the owner[158].

Dormant patents are problematic insofar as some of them concern (oftentimes technological) inventions and improvements that, if shared by patentholders, e.g. through a patent licensing agreement, could enable SEEs to become more effective or efficient and thus improve their products and services. Easier access to intellectual property rights (IPR), including patents, could, conversely, be an enabler for co-operation between SEEs and traditional enterprises. One example is that of an unused patent for mosquito nets that prevents SEEs from distributing such nets in Bangladesh, which could generate a high social impact.[159] The European Commission in a Communication in 2011[160] committed itself to researching the extent to which social enterprises could access dormant patents to assist their development. In 2021, the Commission called for enhanced patent valorisation for growth and jobs. [161]

Before taking any further policy action, it is important to understand to what extent dormant patents pose a problem in co-operation between SEEs and traditional enterprises.

5.14.1 Interpretation of relevant quantitative indicator(s)

The survey results show that 66% of SEEs have never exploited any **dormant IPR** developed by a traditional enterprise. Out of the remaining third of respondents, 46% could not specify what kind of IPR they had exploited, whereas 16% stated they had exploited a *copyright*, followed by 13% for a *trademark*, 12% for a *utility model*, and 7% for a *copyright of design*. Actual *patents* were only mentioned by 6% of the respondents that had ever exploited IPR developed by a traditional enterprise. The fact that

[153] Groupe d'experts de la Commission sur l'entrepreneuriat social (GECES), 3rd meeting – Thursday 06 June 2013

[154] Reitz, H. (2013), Creativity in Social Economy – Use of Dormant Patents, Presentation held on the 3rd GECES meeting, Brussels, 06.06.2013, http://ec.europa.eu/internal_market/social_business/docs/ expert-group/contributions/130618-reitz_en.pdf

[155] COMMISSION STAFF WORKING DOCUMENT SWD(2012) 458 final. Towards enhanced patent valorisation for growth and jobs

[156] Creativity in Social Economy. Use of dormant patents. 6 June 2013. The Grameen Creative Lab.

[157] Deléarde, P. & Ouvry, S. (2015), Exploitation of IP for Industrial Innovation, final report. http://ec.europa.eu/docsroom/documents/13441/attachments/1/translations/en/renditions/native

[158] European Commission (2012), Towards enhanced patent valorisation for growth and jobs, Commission Staff Working Document, SWD (2012) 458 final, Brussels.

[159] Groupe d'experts de la Commission sur l'entrepreneuriat social (GECES), 3rd meeting – Thursday 06 June 2013

[160] European Commission (2011), Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation, COM(2011) 682 final

[161] European Commission (2012), Towards enhanced patent valorisation for growth and jobs, Commission Staff Working Document, SWD (2012) 458 final, Brussels.

copyrights and trademarks were mentioned more frequently than patents may reflect the 'low-tech' nature of many SEEs. The low share of respondents that ever used a patent developed by a traditional enterprise suggests that **dormant patents are only a minor issue for SEEs**.

The distribution of responses to the question of usage of dormant IP **varies by country**. SEEs operating in Poland stick out with 57% of respondents stating they had exploited IPR, followed by Italy and Romania where in each case 35% of respondents confirmed the same. In the other countries within study scope, the respective figures are lower than 25%, with the lowest share reported by UK-based respondents (3%). Moreover, most respondents could not specify what kind of IPR they had used, with the exceptions of respondents from firms operating in Italy, Poland and Romania. This may somewhat distort the findings at aggregate level. For instance, 27% of Polish survey respondents stated they had exploited copyrights before, and 14% of Italian respondents stated the same for utility models. Neither copyrights nor utility models were mentioned by many respondents from other countries.

When differentiating by **firm size**, the findings do not differ much. Small enterprises were slightly less likely to have used IPR (only confirmed by 18% of respondents representing small enterprises) than micro (22%) and large enterprises (25%).

When distinguishing respondents by **sector**, it appears that IPR was most frequently used in enterprises operating in, among others, *responsible tourism* (31%), followed by *agriculture* and *cultural activities* (26% each). It was used the least in *work integration* (17%) and *affordable housing* (18%).

Another survey finding is that **access to IPR** (including patents and trademarks) **is only a minor issue for survey respondents**. Only 2% selected this as one of the most important factors to facilitate co-operation between SEEs and traditional enterprises – the lowest share for eight different response options. This confirms the findings discussed above. A notable exception are survey respondents from Romania, of which 6% considered IPR as one of the most important factors facilitating co-operation between SEEs and traditional enterprises – for the remaining countries, the respective share is between 1 and 3%.

Even if IPR in particular does not seem to pose a major issue for most survey respondents, **obstacles** in regulation and supporting policies were cited as a problem by 9% of respondents, and for substantially more so in Romania (18%). Given that Romanian respondents also indicated using IPR more often than those from other countries, it could be the case that (lack of) regulation of IPR is more of an issue there. Moreover, even though the majority of survey respondents had not used dormant IPR to date, 40% of respondents stated they engaged in co-operation because they wanted to develop new ideas, strategies, products or services, and these can potentially be protected against competition through IPR. Furthermore, 36% of respondents stated they want to access skills, strategic support and expertise, and expertise may come in form of patents, licenses and IPR. Finally, 14% of respondents stated that for them co-operation with traditional enterprises meant an R&D alliance. This once again underlines the potential importance of IPR which is often the driver behind R&D activities that would not be feasible if results were shared publicly. Overall, these figures suggest that there is a **potential for IPR to play a role in co-operations between SEEs and traditional enterprises**.

5.14.2 Key interview takeaways

Qualitative interviews were used to assess the importance of IPR to SEEs in their co-operation with traditional enterprises. The limited interview feedback provided to this question confirms the survey findings according to which **IPR is not a major obstacle to co-operation between SEEs and traditional enterprises**. Some interviewees expressed openness to sharing IP. A British corporate social entrepreneurship accelerator (part of a traditional enterprise) interviewed supports the concept of open innovation but stated that IP and the patents that their parent company holds were not linked to it and did not play a role in their investments in innovative start-ups. Similarly, a British SEE stated they operate on an open source basis and share material with partners through cross-learning seminars and meetings, also on a cross-border basis. An Irish stakeholder stated sharing their IP is in line with their organisation's values.

An **interesting example of the use of IPR** is provided by an Italian healthcare SEE that established a trust to fund a team of individual researchers for a patent on a new pharmacological procedure for cancer therapy. The SEE made a conscious decision not to involve any external partners, including traditional enterprises, at the development stage of the patented innovation to avoid the project being driven by profit considerations early on. Now, the SEE will make this patent available to hospitals while at the same time trying to commercialise it with the help of a traditional enterprise partner which it had not found yet at the time of the interview. Interestingly, the interviewee from the SEE maintained that co-operation with traditional enterprises was easier on a national level than on a local level due to issues around scale, funding, and popularity. At the same time, and somewhat in contradiction to the previous statement, the interviewee argued that proximity is an important factor for their SEE in establishing co-operations with traditional enterprises.

An EU level stakeholder maintained that **IPR can pose a barrier to or limit the extent of co-operation between SEEs and traditional enterprises** due to diverging views as to its purpose: Where SEEs tend to share their intellectual property (IP) with others when this creates social impact traditional enterprises tend to guard their IP more carefully. As a result of a lack of co-operation in this area, SEEs may not be able to capitalise on new technologies to scale up their operations and accelerate partnerships, in view of the EU level stakeholder. A German regional stakeholder, in contrast, was not aware of any IPR-related issues that SEEs in their jurisdiction face, stating that such issues may be limited to enterprises with a client relationship.

In view of the EU level interviewee, this problem could be overcome since both sides are interested in developing and nurturing partnerships. In the interviewee's view, SEEs need to learn – possibly with external help – how traditional businesses work in order to have more successful partnerships.

A German stakeholder who had never heard of any patent applications submitted by SEEs stated that non-disclosure agreements are important when collaborating with technology-driven firms. The same **interviewee proposed regulating IPR in co-operation between SEEs and traditional enterprises** and raising stakeholders' awareness of these.

5.14.3 Short verdict

There is a potential for IPR to play a role in co-operations between SEEs and traditional enterprises but dormant IPR plays only a minor role and relatively few survey respondents report issues around the use of IPR. One interesting example of successful sharing of IPR between a traditional enterprise and an SEE could be identified.

Box 31 Company Nio per Voi best practice #1 on patents

1.	**Case-ID** Name: Noi per Voi Website: http://www.noipervoi.org Year founded: 1986 Country: Italy Cooperating traditional enterprise: Not yet established but looking for one in the pharmaceutical sector Type of organisation: SEE ☒ Traditional enterprise ☐ Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice?** This is an **interesting example of the use of IPR** by an Italian healthcare SEE that established a trust to fund a team of individual researchers for a patent on a new pharmacological procedure for cancer therapy. The SEE made a conscious decision not to involve any external partners, including traditional enterprises, at the development stage of the patented innovation to avoid the project being driven by profit considerations early on. Now, the SEE will make this patent available to hospitals while at the same time trying to commercialise it with the help of a traditional enterprise partner which it had not found yet at the time of the interview.
3.	**What are the most important success factors?** Interestingly, the interviewee from the SEE maintained that co-operation with traditional enterprises was easier on a national level than on a local level due to issues around scale, funding, and popularity. At the same time, and somewhat in contradiction to the previous statement, the interviewee argued that proximity is an important factor for their SEE in establishing co-operations with traditional enterprises.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The SEE does not measure social impact but regards the development of a new cancer therapy to be in line with their organisation's mission.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The case suggests that it may be possible to combine an ambition to do good with the recognition that some form of protection of an organisation's achievements are necessary in order for the organisation to sustain its activities in the long-term. This is the approach taken by the SEE in question which seeks to both make the results of its research activities available to hospitals while at the same time trying to find a commercial partner and protects the IP it acquired as a result of the research.

5.15 The role of co-operations for the development/introduction of new technologies and in the digitalization process of social and traditional enterprises

Digitalisation typically refers to the **introduction of new technologies** such as Big Data, artificial intelligence, machine-to-machine communication and the digitalization of processes within organisations. Digitalisation of business processes is both a challenge and an opportunity for many social and traditional enterprises alike, and for small and medium enterprises (SMEs) in particular. There may be **synergies** for social and traditional enterprises in collaborating on this matter: SEEs can take inspiration from how traditional businesses make use of new digital technologies to improve their products and services and make their operations more efficient, which in turn improves their competitiveness. SEEs can also learn from traditional enterprises how to use social media and digital marketing tools to raise their visibility and profile in the public. Vice versa, traditional enterprises can learn from SEEs what the ethical implications of an increased use of and reliance on digital technology could be. This concerns in particular the increased processing of personal data and the increasing power of algorithms in shaping public opinion. These mutual learning opportunities suggest that **digital technologies can be a driver of co-operation between SEEs and traditional enterprises.**

There is increasing recognition of this potential. **Digital social innovation** describes the increasing importance of collaborative innovation using digital technologies and exploiting the network effect of

the Internet to create solutions for social needs.[162] Innovations introduced this way to various economic sectors and society as a whole include open access to data, collaborative production, and awareness networks enabling sustainable behaviours. This transformative potential of new technologies for social entrepreneurship was recognised by the European Commission when it launched a Social CHAlleNGEs Innovation Platform[163], which incentivises social enterprises to team up with other types of enterprises to co-develop solutions to societal challenges. Two other relevant EU-level initiatives are the European Social Innovation Competition prize[164], which in 2017 was awarded at the Digital Social Innovation Fair[165] and the Blockchains for Social Good prize which is awarded to innovative solutions social challenges using distributed ledger technology solutions such as Blockchain[166].

A few examples of successful use of digital technologies to cooperation between SEEs and traditional enterprises were identified through desk research: *MolenGeek*[167] represents a social project teaching coding to young people from diverse backgrounds in Molenbeek, a deprived district of Brussels infamous for being the origin of several terrorist attacks in recent years. The project is supported by Google.org. Another example concerns a partnership between the software company SAP and *Specialisterne*, a Danish SEE running a scheme training people with autism skills needed at the workplace and advocating for work environments suitable for such people. SAP is incorporating neurodiversity into its global HR policy so that it no longer needs a special on-boarding process for people with autism.[168] More examples were provided in the interviews and are described below.

5.15.1 Interpretation of relevant quantitative indicator(s)

The survey only provided very limited and indicative feedback in relation to this research theme.

Only one survey respondent stated they had collaborated with another organisation in the last three years to exchange technology, keeping in mind that the survey did not explicitly asked whether respondents did so or not. More generally, 40% of respondents stated they engaged in co-operation because they wanted to develop new ideas, strategies, products or services, and 37% wanted to increase organisational efficiency or professionalism. Both the development of new products and services and improving organisational efficiency can be greatly facilitated by using new technologies and digital innovation. Finally, 14% of respondents stated that for them co-operation with traditional enterprises meant an R&D alliance. R&D usually results in the emergence of new technologies, suggesting that for some SEEs this is important.

5.15.2 Key interview takeaways

The interview feedback on the role of co-operation between traditional enterprises and SEEs for the introduction of new technologies and digitalisation is fairly limited, too. This mostly relates to **examples of the successful use of technology** in co-operation between SEEs and traditional enterprises and some **limited indications of social impact** of such co-operation. No feedback was provided on the specific barriers and facilitators in relation to using technology in such co-operation.

A French bank (traditional enterprise) stated that they support social start-ups based on digital innovation, showing that co-operation between traditional enterprises and SEEs can go hand in hand with digital innovation.

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[162] NESTA (2014), Digital Social Innovation. Interim Report

[163] https://ec.europa.eu/growth/content/social-challenges-innovation-platform-0_de

[164] https://ec.europa.eu/growth/industry/innovation/policy/social/competition_de

[165] https://dsifair.eu/wp-content/uploads/DSIFAIR2017_Report.pdf

[166] https://ec.europa.eu/research/eic/index.cfm?pg=prizes_blockchains

[167] https://www.blog.google/around-the-globe/google-europe/teaching-coding-changing-lives-googleorg-supports-molengeek/

[168] https://ec.europa.eu/epale/sites/epale/files/boosting_social_enterprise_development_good_practice_compendium.pdf

An Austrian SEE supporting older job seekers in the circular economy and operating a repair café stated that they provide the opportunity to conventional firms to showcase their ICT projects. They also use social media to raise awareness of their work.

A Finnish co-operative operating in the field of mobile health offers customised and interactive communication solutions. These are so-called Patient Engagement Services offered to patients and covering prevention, treatment and care. The system the SEE developed is compatible both with private and public hospitals and healthcare systems. To integrate its solution into the value chain of healthcare providers, the SEE needs to work with for-profit system integrators and IT systems providers.

Another interesting example of successful co-operation utilising technology is that of a French SEE providing free training in coding to unemployed individuals and those employees of traditional enterprises such as the postal services company that have little qualifications. The SEE also helps those it trains find a job in traditional enterprises, thus actin as a receiver and supplier for traditional enterprises.

In yet another example mentioned by an interviewee, co-operation with a traditional enterprise resulted in significant improvement of the reliability, quality and documentability of results and an overall improvement of operational processes of an SEE. The social impact is comparatively small. A care home for the elderly received a software solution they could not afford for financial reasons otherwise than through the co-operation. No methodologically reliable evaluation was carried out, but the care home provided positive feedback.

The examples above illustrate the potential of SEE-traditional enterprise cooperation using digital technologies. Typically, a traditional enterprise helps an SEE modernise its operations or teach digital skills. In return, the traditional enterprise gets social recognition and may win future business with the SEE.

5.15.3 Short verdict

Overall, only **limited evidence could be obtained as to the importance of new technologies** and digitalisation in facilitating co-operation between SEEs and traditional enterprises. The feedback suggests that rather than acting as a facilitator, new technologies may be the motivation for SEEs to reach out to traditional enterprises in the first place. The literature, and some examples of successful co-operation suggest there is great potential in using new technologies in the future to draw the social and traditional economies closer, but for now there is insufficient awareness or interest in this among many of the stakeholders consulted for this study.

Box 32 Company Simplon best practice #1 on new technologies / digitalisation

1.	**Case-ID** Name: Simplon Website: https://simplon.co/category/economie-sociale-et-solidaire/ Year founded: 2013 Country: France Name of cooperation partner: La Poste (logistics), Microsoft (software) Type of organisation: SEE ☒ Traditional enterprise ☐ Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice?** This French SEE providing free training in coding to unemployed individuals, refugees, and employees with little qualifications of traditional enterprises such as the postal services company demonstrates successful co-operation utilising technology. At the same time the SEE also helps those it trains find a job in traditional enterprises. The firm also recently opened a school for artificial intelligence with Microsoft. The company has also launched programmes in Belgium and Switzerland, thus expanding internationally.
3.	**What are the most important success factors?** To some extent, Simplon relies on large professional organisations providing it with pro bono services related to fundraising, legal services, corporate structuring, and information systems. Staff exchange between Simplon and other enterprises, both from the traditional and social sectors, also helps them share best

	practices in management. As a result, Simplon now has put modern human resources practices in place that it can now share with traditional enterprises such as the national postal services company in France. Putting an emphasis on mutual learning and strategically searching for expertise outside its own organisations, rather than trying to develop it internally, can be regarded as the success factors of Simplon's approach to co-operation. The fact that its relationships with traditional enterprises go both ways, with Simplon being the customer and the provider in different circumstances may also contribute to the sustainability of its co-operation model.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The impact can be quantified: To date, Simplon has trained more than 2,000 professionals, and three quarters of its students find employment immediately after completing the training. The firm has thus provided employment opportunities for unemployed persons and those with little professional qualifications. It has also helped introduce new managerial methods in traditional enterprises. To some extent, the positive impact may also be owed to external circumstances, particularly the strong demand for professionals with coding skills in traditional enterprises.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Since the model of Simplon's work was itself inspired by similar schemes in the US, it should be replicable in other countries. At the same time, the environment to such social innovation may be particularly conducive in France, where the government tries to make co-operation between SEEs and traditional enterprises easier.

Box 33 MFore best practice #2 on new technologies and digitalisation

1.	**Case-ID** Name: MFore Website: http://mfore.fi Country: Finland Cooperating traditional enterprise: Regency Healthcare, India Type of organisation: SEE ☒ Traditional enterprise ☐ Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice?** An interesting example of an SEE using digital innovation is the Finnish MFore. This co-operative working in the field of mobile health offers customised and interactive communication solutions. These are so-called Patient Engagement Services offered to patients and covering prevention, treatment and care. The system MFore developed is compatible both with private and public hospitals and healthcare systems. To integrate its solution into the value chain of healthcare providers, MFore needs to work with for-profit system integrators and IT systems providers. They may also collaborate with health insurance providers, and with pharmaceutical companies on clinical trials to verify patient's compliance with treatment specifications. The most successful co-operation they had to date was in form of a pilot project with an Indian hospital. The project was funded by the World Bank's Techemerge programme.
3.	**What are the most important success factors?** Positive impact of the co-operation extends to a decrease in instances of wrong medicine dosage, improved compliance and an increase in desired treatment outcomes. Patients also provided positive feedback. The social impact thus relates to improving patients' well-being – as opposed to conventional enterprises which may only focus on costs saving and the recovery rate of patients.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The impact described above can be linked directly to the co-operation since patients provided feedback on the usefulness of the tools MFore provided.

5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** MFore already operates in four different countries around the world and the fact that its first pilot project was implemented in India suggests that cultural, regulatory or other barriers would not prevent it from implementing similar measures elsewhere. At the same time, MFore stated that in its home market, Finland, it was not able so far to engage in similar co-operation due to the country's public organisation of the healthcare system.

Box 34 Elderbrook best practice #3 on use of new technologies

1.	**Case-ID** Name: Elderbrook Website: www.elderbrook.de Country: Germany Cooperating traditional enterprise: Local assisted living facility Type of organisation: SEE ☐ Traditional enterprise ☒ Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice?** This is a best practice example of co-operation being initiated by a traditional enterprise. It is also a good example of a technology-focused project kickstarting a longer-term, sustainable co-operation between a traditional enterprise and an SEE. The firm, Elderbrook, developed a custom-built software solution to improve the internal operational procedures of a residential care home for the elderly. The software provides the possibility to manage data of living arrangements for people with disabilities and helps caregivers spend more time with these persons by reducing daily bureaucracy. The firm also takes care of the software maintenance for the care home which could not have afforded such a solution outside the form of co-operation they entered into with Elderbrook. The traditional enterprise did not make any profit (the care home only made a symbolic financial contribution) from this project but regarded it as a more meaningful and sustainable way to demonstrate corporate social responsibility than by making a donation to some external project. Moreover, they incurred fewer financial losses due to implementing this project than they had initially expected. The product they developed was also outside their core business, allowing them to develop their capacities. The next step planned by the enterprise is to transfer the system to a web platform.
3.	**What are the most important success factors?** The interviewee emphasised the importance of personal relationships when engaging with SEEs which are less focused on structures than traditional enterprises, in his experience. Personal communication also helped overcome initial scepticism at the care home as regards the motives of Elderbrook for pursuing this project. The project itself has kickstarted a long-term co-operation between the two organisations, implementing one or two projects per year. Another success factor identified by the interviewee was patience and the willingness to learn from each other. It was also necessary to develop a tolerance for errors due to miscommunication initially.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The co-operation resulted in significant improvement of the reliability, quality and documentability of results and an overall improvement of operational processes of an SEE as opposed to the previous, paper-based system. The social impact is comparatively small. No methodologically reliable evaluation was carried out, but the care home provided positive feedback.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** In view of the interviewee, collaborating in this form is not easy in Germany due to the different mindsets of employees of traditional enterprises and SEEs and their different business models and cultures. Resources are also an issue, making it easier for larger firms to engage in such co-operation than smaller ones. In view of the interviewee, platforms and networks need to be established to facilitate co-operation between the two types of enterprises, and this could also inspire other to replicate the model of co-operation they have established.

6 Country reports and cross-country analysis

The country analysis follows our theoretical approach in which distinction among various stages is the platform. The situation in 10 European countries as well as in five non-European countries has been analysed. The following table illustrates our approach:[169]

Table 10 Methodological approach for the country analysis

	Key questions to address in analysing co-operation relationships	Sub-questions for co-operation relationships
STAGE I- Initial conditions, drivers & linking mechanisms	**1. Why do SEEs co-operate with traditional enterprises?**	• Drivers • Motives • Aims & Purposes (relevance of aligned mission)
	2. With whom do SEEs mostly co-operate?	• Number of partners • Type of SE entity involved • Type of traditional firm involved • Networks of organisations (e.g., a consortium, cross-sector partnerships between public authorities, private businesses and SE entities) • Presence of intermediaries (e.g., incubator, social accelerator, extra-preneur) • Frequency of co-operation
STAGE II- Process	**3. When do SEEs co-operate?**	• Stage of development of the SE entity and/or traditional firm during the co-operation interaction
	4. Where do SEEs co-operate?	• The market (sector) and social needs addressed (societal demand) • Local, regional, national, international • Included or not, formed a cluster
	5. How do SEEs co-operate?	• Enablers & hindrances • Level of engagement, trust & communication • Main activities undertaken: Organisation, management & governance • Operating structure • Funding structure • Interaction level (frequency) • Internal change • Type of co-operation according to sharing of resources and value creation (CVC framework)

[169] Per country 12 main indicators are placed as appendix D in the attachment to this study.

STAGE III- Outcomes	**6. What do SEEs co-operate for?**	• Products, services, activities and expected • Orientation to start or improve innovative activities • Sharing and co-creation of value • Assessment of Social impact of the co-operation

The survey process

The quantitative analysis of co-operation between SEEs and traditional enterprises relies on survey data collected via two on-line surveys in ten target member states. Two questionnaires were created – one questionnaire for SEEs and a second questionnaire for collaborating traditional enterprises. The development of these questionnaires was guided by the conceptual framework and the literature review.

Prior to its full launch we piloted the study. The pilot interviews were intended to test the questionnaire according to three criteria: length of the interview, completeness and understandability. Methodologically our approach to piloting the survey was to select three countries. The three countries represented different European regions and different environments for SEEs. Ultimately, we chose Germany as a central European country, Italy as a southern European country and Finland as a Nordic country. In total, eight face-to-face interviews were conducted.

The eight interviews were conducted with representatives from different types of SEEs including a limited company, a mutual and associations. Moreover, we ensured that the interviewed SEEs operate in different areas of the social economy and that the eight interviewed entities were of different size. To cover a wide range of the social economy was important because not all questions included in the questionnaire had been relevant for all types of SEEs and all types of collaborations. During the pilot interviews, respondents reported on very different collaborations with traditional enterprises. In this way, we confirmed that the questionnaire was actually able to cover very different forms of collaborations.

The final questionnaire was sent to the individual country teams that translated the questionnaire into their national languages. This approach guaranteed that on questions in the questionnaire are identical across the 10 target countries of the study. This approach allowed us to produce aggregated statistics and carry out cross-country comparisons.

The survey was implemented online through the Questback Essentials survey tool (https://www.questback.com/). The tool supports over ten user languages that allows it to be used in several language areas. The Questback Essentials survey tool also supports collecting answers from multiple platforms, including mobile phone and tablet. The national teams served as contact in case of questions related to the survey.

The implementation of the survey was accompanied by a strong marketing and reminding procedure by the team. In order to reach the full population of SEEs in each target country, it was important that all relevant networks and umbrella organisations were contacted. Therefore, for each country we contacted national experts and asked them to provide feedback on the completeness of the list of networks and umbrella organisations. Based on the feedback the national teams received from the consulted experts, the list of networks and umbrella organisations was amended or corrected. In this way, the research team ensured that all networks and umbrella organisations that have been relevant at the time the survey was conducted were included and that the survey was spread to as broad a population as possible.

Survey to collaborating traditional enterprises

Given that the focus of the study is on inter-organisational collaboration, we used a two-stage "snowball" sampling technique. In the first stage, a questionnaire was sent to the target population of SEEs. In the second stage, we identified the hidden population of traditional enterprises that are engaged in collaboration with the former group. Thus, in the first questionnaire we asked the SEEs to identify their traditional co-operation partners.

A target sample for traditional enterprises was impossible to make a priori because of the snowball sampling technique. In general, there were challenges in a number of participating countries to get collaborating traditional companies to answer the survey. Therefore, it is not meaningful to make any cross-country comparisons from this data. However, there is enough data to compare the motivations and challenges of SEEs and of traditional businesses for the collaborations.

The two surveys collected altogether almost 1,300 responses. These divide between the countries as presented in the following table.

Table 11 Number of respondents to SEE and collaborating traditional business questionnaires

Country	SEEs	Company Collaborators
Austria	97	18
Belgium	98	25
Finland	153	24
France	182	12
Germany	95	16
Italy	122	11
Poland	252	7
Romania	66	1
Spain	57	6
United Kingdom	38	6
Total	**1,160**	**126**

Source: VTT

The majority of SEE respondents to the questionnaire are associations (over 40%), followed by co-operatives (over 20%) and then, with each having an equal share of about 10% of responses, social enterprises, limited companies and foundations. Almost 60% of the responding SEEs are fairly young, that is, they have been established after the year 2000. On the other hand, only 10% of the respondents were established before 1970's. Considering the short life-span of the many SEEs, it is not surprising that almost half of the organisations employ less than ten persons. Moreover, over 30% of the participating SEEs are "small", that is, they employ from 10 to 50 persons. On the other hand, there were SEEs that employ thousands of persons that participated in the survey.

Assessment of achieved responses with respect to original estimates

The target sample for the larger countries – France, Germany, Italy, Poland, Spain, and the UK – was 100 responses for companies, 70 for associations and 30 for welfare organisations. For smaller countries – Austria, Belgium, Finland, and Romania – we aimed for 70 companies, 20 associations and 10 welfare organisations. From the Table 11, we can see that the bigger nations had difficulties in reaching their targets with Poland being the only exception. The situation was particularly poor for the United Kingdom with only 38 responses. Despite considerate survey distribution efforts for the UK, we were unable to reach the target number of SEEs. This is illustrated by one distribution network's experience of: it reported that the distribution via their newsletter received 500 clicks but only 20 actual openings.

During several conversations with coordinators of distribution networks following potential causes were articulated:

- An important reason seems to reside in the looming Brexit negotiations and the consequent low interest / priority to participate in EU-relevant evidence gathering.

- Unwillingness of distribution networks to distribute surveys to their direct contact list due to communication policy, e.g. 'The ventures in our network ask us not to send them surveys or requests for information as they cannot cope with the volume'.
- A personal contact from the Social Investment Consultancy reported that certain questions in the questionnaire were related to information that companies are not always allowed to share externally because of confidentiality issues, which may have impacted the response rates.

On the other hand, the smaller nations reached their targets quite well. Only Romania had difficulties in it and even they were able to reach two third of their target. On the other hand, one must say that the ambition to reach 70% of responses from companies was too ambitious and it was not reached. However, we were told by national commentators that this particular target did not really take into account the national characteristics of the SEE population, For example, for Finland, it is not particularly surprising to have many responses from associations as Finland might have the highest number of associations per capita in the world. If not stated otherwise, all numbers and numeric comparisons referred to in this chapter are based on the survey carried out in this project.[170]

6.1 Austria

6.1.1 SEE population and respondents' characteristics – Legal form, operation model, gender

The total population of SEEs in Austria is estimated to be over 5000. This is a composed indicator estimated from the assumed proportion of social enterprises in different legal forms. Mainly the current number of associations in Austria (over 120.000) and the assumed proportion of SEEs therein drive (4 per cent) drive the total sum. We have sent the survey to around 800 Austrian SEEs, of which the address was available. 97 SEEs have responded to the survey, which results in a response rate of around 14 per cent and reflects around 2 per cent of the assumed total population.

Most SEEs in Austria are organized as associations, hence most survey responses come from associations (56 per cent). The number of socially oriented co-operatives in Austria is estimated with around 200, which is only a fraction of the total number of co-operatives in Austria (1.865, according to Roessl, 2015). However, in Austria most co-operatives cannot be seen as being part of the social economy, as they are governed by for-profit motives only. [171] The number of mutuals in Austria consists of 6 large mutuals and around 50 small ones (Holzer and Stickler, 2011). Both types of organisations in Austria play a minor role in the Austrian social economy.

What is not included in the general list of legal forms are social limited companies (gGmbH). In the present survey, depending on their self-perception they are on the one hand reflected in the numbers on social enterprises and on the other hand in the numbers of limited companies, as they are a special form of a limited company in Austria. Foundations are an outlier, considering their starting year. However, this is due to the small number of responding foundations (n=2) which seem to be two very established organisations. Foundations are regarded as "untapped potential" in the Austrian social economy (see Mathis et al., 2014: 20).

Women working for SEEs in Austria are overrepresented compared to the gender distribution of people working for SEEs in all other countries. This reflects the fact that in Austria socially oriented jobs and caring activities are to large extents carried out by women. This is relevant as Austrian SEEs operate in larger parts than all other countries in the areas of work integration, social care, and education, training and skills.

[170] If not stated otherwise, all numbers and numeric comparisons referred to in this chapter are based on the survey carried out in this project.

[171] See Mathis et al (2014) "They [cooperatives] are regarded as pure commercial organisations providing a primarily material kind of support to their members and their importance has decreased over the last decades." (p25). This view was verified with a national expert's interview in the course of this study.

6.1.2 *Why? – Drivers, motives/objectives, aims & purposes*

Motives and objectives for engaging in co-operation with for-profit enterprises differ depending on the sizes of the SEEs. Micro SEEs in Austria tend to enter co-operations in order to either acquire more recognition and visibility to their organization or to access broader networks and opportunities. In contrast, large Austrian SEEs enter co-operations with for-profit enterprises in order to access additional financial resources. This seems counter-intuitive at first, but in the qualitative interviews we do actually see more Austrian examples of large SEEs entering long-term and financially fruitful co-operation agreements with traditional firms (e.g. setting up a supermarket store together with the SEE receiving additional financing from the Austrian WISE scheme) than of smaller SEEs. Instead, low-size SEEs report small wins in achieving co-operation with traditional firms at all, and if so indeed more in terms of gaining visibility (e.g. an SEE co-operating with a shopping centre in order to have premises and be visible).

It seems noteworthy that Austrian SEEs do never engage in co-operation with for-profit enterprises with the motive of strengthening employee satisfaction. This has not been ticked by a single Austrian survey respondent, in contrast to responses by other countries. Austrian SEEs seem to unanimously think that satisfaction of employees has to be achieved in ways other than from collaborating with for-profit firms.

Considering the starting of new separate legal entities (start-ups) resulting from the co-operation between SEEs and for-profit firms, Austrian seem to perform substantially lower than the overall mean over all surveyed countries. However, looking at enterprise birth rates in general across the European Union. The number of newly born enterprises is notoriously low in Austria, being among the three countries with the lowest birth rates for in 2013 as well as in 2014 (see Eurostat (2016)[172]).

6.1.3 *With whom? – Type of SEEs, type of partners, role, co-operation frequency*

Overall, SEEs in Austria collaborate clearly more with other SEEs than with for-profit companies. This particularly true for the legal forms of limited (social) enterprises, and co-operatives. To a lesser extent for associations which seem to equally collaborate with for-profit firms and other SEEs. A considerable part of the SEE population in Austria are non-profit, labour market policy driven socio-economic companies. They often collaborate with other SEEs, social/community-based services and charitable organisations that deal with the same/similar targets groups. On a personal level, the people they co-operate with are socially committed, are e.g. social-workers by profession, work in public services that deal with social policy, have a health-care or charitable background and/or work on a voluntary basis (e.g. in the management board of the SEEs).

However, once SEEs collaborate with for-profit companies it seems to be on a rather regular basis (more than 15 co-operations). The roles of SEEs vary in their co-operations, with traditional enterprises they collaborate mostly as suppliers. The SEEs are also a part of the value chain: They sell (mostly crafted) (pre-)products to traditional firms and/or co-operate as a subcontractor (e.g. on a construction site) Traditional firms (e.g. production and trading companies) are also business customers for services offered through the SEEs (e.g. maintenance of green areas, maintenance and repair e.g. of sports equipment, flattening of workload peaks). These products and services of the SEEs are characterised by a relatively high level of labour intensity and actual manual input into the product/service provided.

However, the main form of co-operation between SEEs and for-profit firms are related to qualification and job placement: SEEs mostly co-operate with for-profit companies in the search for suitable jobs (outplacement) of contemporary workers and advise them on issues of equality, diversity and social integration. SEEs also offer consulting services for traditional companies, particularly on issues of qualification, equality, live long learning, informal competences of employees, diversity, work organization, maternity leave and social integration.

A regional perspective of how SEEs collaborate with for-profit firms in a network and in doing so strengthen local competitiveness are [regional] tourism initiatives. Tourism initiatives are organized by

[172] http://ec.europa.eu/eurostat/statistics-explained/index.php/Business_demography_statistics , last accessed April 9th, 2017

a local tourist umbrella organization (= social extra-preneur) and as an instrument provide one example of a measure to strengthen local competitiveness by a social extra-preneur with regional focus. A tourism initiative has a thematic focus (e.g. food & culinary art) and represents a number of co-operations between enterprises in the region. SEEs can be integrated in the network of collaborating firms if they fit in the thematic focus of the tourism initiative. They produce different products, craft products, agricultural products, and also culinary products (different specialties such as juices, jams, noble brandies etc), which come from the region and can be integrated in the regional specialisation on food & culinary art. At the same time, they employ people coming from long-term unemployment and have socially difficult backgrounds. What is produced by the SEE is then provided to all 90 partner companies making up this tourism initiative. This adds to product diversity and quality of the region as a whole.

In terms of the numbers of co-operations with for-profit companies, Austrian SEEs show no particularities compared to the overall mean of the surveyed countries.

6.1.4 When? – Stage of development of the SEE during co-operation

The Austrian responding SEE population seems to come from more mature organisations compared to the overall means of survey respondents. In particular, many co-operatives have been established in the first half of the 20th century. But also associations that answered the survey were founded between 1970 and 2000 to large extents. Correspondingly, micro firms are less represented in the Austrian response population (25 per cent) in contrast to the overall respondents (50 per cent) and the proportions of larger organisations are higher in the Austrian response than the overall means

From the qualitative interviews we know that there are two basic differences in co-operation behaviour depending on the maturity of the SEEs:

1. *Resource constraints:* The overarching need of young SEEs has often been to find physical (cheap space) and infrastructure, and (scientific) knowledge. For example, an association active in recycling asked for support in finding premises. Another example is a start-up that needed space for the production of textiles with biodegradable materials.
2. *Differentiation:* These are long-term co-operations of more mature SEEs in order to offer differentiated products/services or to better meet needs of the target groups. Co-operations of large established SEEs with well-known supermarkets in Austria fall here under. Training markets, restaurants, hotels (under the commercial brand) offer young people with disabilities or other people distant from the regular job markets the opportunity of vocational training in the food retail, hotel and gastronomy sector.

6.1.5 Where? – Geography, area of operation and social needs (beneficiaries)

The majority of SEEs in Austria (over 60 per cent) see themselves as socially driven entity/business in which social objectives are as central as economic objectives - this is in accordance with the overall survey results. However, the area of operation of Austrian SEEs is even more than others regional or national and there is almost no variation across types of legal forms.

Areas of operation of Austrian SEEs are mostly directed towards unemployed, people with disabilities, youth, women, migrants (beyond 40 per cent each) and refugees (27 per cent) as beneficiaries. And they operate in the areas of work integration (65 per cent vs. just over 30 per cent), social care (50 per cent vs. just over 20 per cent), and education, training and skills (1 per cent vs. 48 per cent) more than all other countries. This accounts for the large proportions of women in Austrian SEEs as especially Health and wellbeing, social care and education are areas where in Austria women are overrepresented.

Most SEEs in Austria operate under the SÖB (WISE) scheme implemented through the Public Employment Agency (AMS). The start of the network of SÖBs and the establishment of such companies as a means of active labour market policy on a local level were enabled through explicit national labour market policy design ("Aktion 8.000") has started under the responsibility of a social democratic minister in the 1980ies. The Austrian public employment service (AMS) is the public agency that defines and

operates the relevant national policy framework for Austrian WISEs. This explains the explicit orientation of many Austrian SEEs towards work integration.

The overall objective WISEs as a form of socio-economic companies is to support (long-term) unemployed men and women to re-enter into "regular" working life, to get a permanent employment relationship on the first labour market and to personally consolidate or further develop themselves. This focus maybe neglects a supra-regional or international focus which may be why Austrian SEEs are so nationally oriented.

6.1.6 How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances

Austrian firms are to a higher extent than all others in the survey forming cross-sectoral partnerships between public authorities, for-profit firms and social economy entities (80 per cent). This also points to the main institutional framework of establishing SEEs in Austria – the SÖB (WISE) scheme implemented through the Public Employment Agency AMS. To a lesser degree than all others Austrian SEEs are integrated in the value chains of for-profit firms (AT 20 per cent, all others 30 per cent).

Barriers that are more prevalent in Austria compared to all other participating countries are rather at the beginning of the life cycle of a co-operation: Austrian SEEs had never thought of collaborating or given it an actual priority. Furthermore, they lack knowledge about potential co-operation partners. And more than double the number of SEEs in Austria compared to the overall means lack resources for co-operation in terms of time, manpower and/or financing.

The main enabler for co-operation between SEEs and for-profit firms in Austrian seems to be that different types of organisations be able to work together effectively and co-operatively. This can indeed not be taken for granted as another important enabler/driver is to bring complementary expertise to the joint venture.

Motives for co-operation that seem stronger in Austria than in other countries are to access broader networks and opportunities, to lesser degrees also to ensure sustainability and future legacy of the activity, and to access additional financial resources. Motives do differ between micro SEEs and large SEEs in Austria, access to broader networks and opportunities is more relevant as a motive for micro SEEs as well as increased visibility/recognition of the SEE. Importantly the motive of accessing additional financial resources is more of a motive of large SEEs for co-operation with for-profit firms than for small ones. In the qualitative interviews we indeed had several examples of co-operation between large established charities and for-profit firms that accessed additional financial resources for qualification on the job of underprivileged through the SÖB (WISE) financing scheme.

What facilitates co-operation in Austria more than any other factors are availability of resources, trust between partners, and, which seems more of a topic in Austria than in other countries, the existence of favourable public policies. This may point to two contrasting conclusions, one, the favourable policies in Austria exist and have benefits (SÖB/WISE scheme) (this is rather confirmed by the survey which shows that public funding is a major facilitator of co-operation between SEEs and for-profit firms in Austria, more than in other countries). And two, quite contrarily, the favourable public policy in Austria does not exist which is a barrier to co-operation – and indeed there is a lack of SEE favouring schemes in Austria like there are in France and Belgium, where they have laws concerning support for social enterprises not only schemes to establish them.

The main barriers for co-operation between SEEs and for-profit firms in Austria are lack and/or imbalance of resources, communication problems, conflicting needs or attitudes towards co-operation. Especially the latter was confirmed through the qualitative interviews where for-profit firms worry that those co-operations with SEEs, which focus on the social aspect rather than the economic one, show that the long-term survival is endangered.

A general barrier are legal considerations of e.g. repair cafés, where the correct functionality after repair cannot be guaranteed by the association. Here, guilds may try to hinder these activities. This can make

co-operation difficult in legal terms. Associations have experienced situations in which the guilds have successfully prevented the set-up of repair cafés.

6.1.7 What for? – Outcomes, assessment of social impact

The outcomes of the co-operations do reflect the motives above. Co-operations particularly helped large SEEs to access additional financial resources. Access to broader networks and opportunities has also been achieved through co-operation.

In Austria, for SEEs to measure the outcomes of their co-operations is slightly more common than in the other surveyed countries (30 per cent compared to 22). Social return on investment and statistical methods seem most popular. Finding and putting in place the necessary resources (time, manpower, finances) seems to be the most important barrier to measuring social impact.

6.1.8 Short verdict

Austrian SEEs are active in co-operations with for-profit companies, mainly in the form of cross sectoral partnerships of a social private-public nature. This corresponds to the SÖB (WISE) scheme under which many SEEs in Austria were established.

Austrian public frameworks as a facilitator of co-operation are strong and weak at the same time.

- Strong as the WISE scheme fosters work integration, and training and education which often also results in collaborative activities with for-profit firms.
- Weak because beyond the implementation and financing of work integration social enterprises, there is no public law in Austria to support SEEs e.g. in repair and reuse activities.

Integration in value chain seems hard for Austrian SEEs. Qualification and labour-intensive work (integration) are on the fore.

6.2 Belgium

6.2.1 SEE population and respondents' characteristics – Legal form, operation model, gender

The total population size of SEEs in Belgium amounts to almost 16.600.[173] The 99 SEEs that participated to the survey almost unanimously state to operate as a 'socially driven enterprise in which social objectives are as central as economic objectives. In most of the cases, there is an equal gender distribution across their employees.

Almost half of the Belgian survey respondents still dominantly adopt the 'association' as legal form. To a certain extent these tallies with the observation that in Belgium 'the non-profit world (i.e. mainly associations financed by public bodies) represents more than 90% of the whole social economy'.[174] The survey results could however also be interpreted as indicative of a slight shift from that observation. After all, it is the share of older, more mature SEEs that is mainly distributed across the legal forms 'association' and 'foundation'. The younger, mostly micro- to small-sized SEEs[175] tend to adopt the 'limited company' or the 'limited partnership' legal form, or rather self-identify as a 'social enterprise'. The

[173] Based on the stratification of social economy enterprises and respective absolute numbers of the 'CIRIEC report', European Economic and Social Committee (2016) Recent evolutions of the Social Economy in the European Union, by CIRIEC. Social enterprises under the form of regular private companies that emphasis a social mission, were added to these numbers based on the SEFORÏS country report for Belgium of 2014: '15% of all social enterprises, total population size estimated between 2210 and 3170'.

[174] From Benjamin Huybrechts et al. (2016) *Social Enterprise in Belgium. A Diversity of Roots, Models and Fields*, ICSEM Working Papers No. 27. This is due to: a) the flexibility of the legal form (asbl/vzw) allowing for the development of commercial activities as long as they are subordinated to the social mission (in other countries you have to resort to the 'co-operative'), b) central role of associations in development of the welfare state.

[175] Respectively established from 2011 and 2001 onwards.

latter, incidentally, is in Belgium still largely understood as a mission-driven organisational typology and not as a legal form notwithstanding the existing legal 'statute' of the 'social purpose enterprise'.[176]

In comparison to other European countries included in this study, only 10% of survey respondents comprise co-operatives. This may be due to co-operatives considering themselves as 'traditional enterprises'.[177] The four Belgian mutuals that participated seem to signal that co-operation with traditional enterprises is also becoming part of their agenda.

From the qualitative interviews it transpires that from a government perspective SEEs in Belgium are still largely understood as 'work integration social enterprises' (WISEs).[178] Two additional observations are:

- First, an increased albeit 'explorative' interest in 'social enterprises' as understood and serviced by the emerging field of social impact investing and social business innovation networks and intermediaries;
- Second, a budding acknowledgment that some regular businesses are adopting a 'profit first' orientation that integrates more pronounced social impact-driven components in their business model and operations. This observation, in turn, works to blur the traditional dichotomy between 'social' and 'traditional' economy. The recently published *Everyone to be Social 3.0: Can entrepreneurs save the world?* offers an extensive description and analysis of this emerging trend.[179]

6.2.2 Why? – Drivers, motives/objectives, aims & purposes

Compared to the overall mean of all countries surveyed, a slightly higher proportion of Belgian SEEs seems to **jointly develop new ideas, strategies, products and services** (mostly middle-sized SEEs) and the **scaling of activities and social impact** (mostly micro-sized SEEs) as the prime factors for engaging in co-operation with traditional enterprises. These drivers reveal that Belgian SEEs aspire to integrated and co-creative forms of co-operation, i.e. forms that go beyond the more one-dimensional objectives of accessing broader markets, better reaching target beneficiaries, or sharing risks and reducing costs. More considerably deviating from the mean of survey results, Belgian SEEs report that 'ensuring sustainability and future legacy of our activity', is an equally important driver for co-operation.

While it appears to be mostly middle- and large-sized SEEs reporting the latter, this motive of sustained activity may have become more salient especially for well-established WISEs. According to the qualitative interviews, they have recently become more preoccupied with long-term, transactional supplier-relationships with regular businesses, since they notice that government budgets are under pressure. Reducing subsidy-dependency by increasing income from activities geared towards the regular economy thus appears to become more pronounced. Regular businesses in their turn may see an opportunity in that too in view of the effects of a tight labour market, i.e. a current mismatch between supply and demand. This development tallies also with the observation that contrary to other European SEEs overall,

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[176] Despite the establishment of the legal statute of social enterprise, 'the social purpose enterprise' ('vennootschap met sociaal oogmerk', created in 1995), taking a variety of legal forms, the majority of self-defined social enterprises operate as not for profit organisations (associations), participatory co-operatives and regular private companies.

[177]Or at least positioning themselves at the interstice of the 'social economy' / 'traditional economy'-distinction adopted in this study. Information retrieved from personal exchange with umbrella organisation Coopkracht.

[178] Different governments, however, may hold different views on the organizational continuum comprised by WISEs. E.g. there exist different viewpoints on whether so-called 'labour care initiatives' ('arbeidszorg') should emphatically be included. The focus on labour care initiatives corresponds to a quite recent policy phenomenon, because the relevant decree to target people who are (and will) not be employable in the regular nor social economy has only been approved in 2015. These labour care initiatives exist in social and protected sheltered workplaces themselves for example, but also in the mental healthcare sector as well as the sector of persons with disabilities under the form of labour rehabilitation.

[179] Piet Colruyt, Marieke Huysentruyt, Johan Moyersoen, Steven Serneels (2016) *Everyone to be Social 3.0: Can entrepreneurs save the world?*

it is especially large-sized SEEs that seek for co-operation to increase their own professionalism and to access skills, strategic support and expertise.

Remarkably, more than 60% of the small-sized SEEs (20% more than the European average) report that accessing additional financial resources – which may consist of a one-off investment to cover the funding gap between having a vision and business plan, and operationalisation – is a major driver for co-operation.

In sum, while public funding is still the main funding source for Belgian SEEs in general (see section 5 of this report), Belgian SEEs – whether small or large – have next to innovation, co-creation, realisation of social mission, the economic security of their organisation high on the agenda when engaging with regular businesses.

Compared to other European SEEs, significantly less Belgian SEEs (almost 10% less), regard the factor of 'acquiring or giving more recognition and visibility to your organisation and/or social action (image, brand improvement)' as a driver for co-operation. Indeed, qualitative interviews corroborate that mutual stereotyping and a historically embedded perception of the social and regular economy as 'dichotomous worlds', often withholds partners from playing up this type of co-operation externally. Concurrently, European SEEs overall rate strengthening employee satisfaction and engagement as the least important driver for co-operation – and this while businesses, to the contrary, increasingly engage this type of co-operation especially with the latter objective in mind.

6.2.3 With whom? – Type of SEEs, type of partners, role, co-operation frequency

Overall, Belgian SEEs report to co-operate **almost as much with traditional businesses as with other SEEs**. The qualitative interviews may provide a somehow more refined picture, i.e. one better fitted to the Belgian context. For the well-established sub-sector of WISEs, co-operation with regular businesses is very often intrinsic to their mission and business model. That said, social enterprises (understood as social impact organisations with an integrated business model) reveal a proclivity for co-operation with 'like-minded people', i.e. individuals who share similar value patterns. Especially that segment of social enterprises that focus predominantly on societal mission are often hesitant to transgress the so-called 'safe circle' and engage with profit-driven companies.

When Belgian SEEs work with traditional enterprises, most of them report to have been **involved in more than 15 co-operations within the last three years**. When they work with other SEEs, the frequency of co-operation tends to be much lower: only two to four co-operations within the last three years. In line with the European trend, co-operating with social extra-preneurs is the least common. Looking at a further breakdown from a legal organisational typology, it is the **foundations and co-operatives that appear to co-operate the least** with other parties. When they co-operate, it is mostly with SEEs. In comparison to the European mean, Belgian **associations** appear to work much more often with traditional companies. This may of course also be due to the high sample representation of associations in Belgium.

Again, compared to the survey average, Belgian SEEs do not often take the role of 'collaborator to add value for a third party' when co-operating. Mostly they co-operate in the role of **supplier** or, second in importance, of customer. If we differentiate according to type of partner, it appears that SEEs work mostly as supplier for **traditional companies and SEEs**. It is only when they collaborate with a social extra-preneur, that it is in the role of collaborator to add value for a third party.

6.2.4 When? – Stage of development of the SEE during co-operation

Among Belgian survey respondents most SEEs appear to be established between 1971-2000 and are middle- to large-sized. Of the enterprises established between 2001-2010, most are small-sized. And of those established after 2011, most are micro-sized. Overall, the **proportions of more mature, larger SEEs are higher** and the **proportions of the early development-stage, smaller SEEs lower** in the Belgian responses vis-à-vis the overall mean.

As described in section 1, the level of maturity appears to match, at a more granular level at least, with distinct drivers for co-operation: more mature SEEs envision sustained activity and legacy (together with the potential of mirroring the corporate's professionalism), younger SEEs look for purely financial 'investment'.

6.2.5 Where? – Geography, area of operation and social needs (beneficiaries)

A focus on the **local & regional level** within the context of co-operation with traditional businesses transpires from the qualitative interviews. Three factors appear to account for that:

- The intricacy of WISEs with businesses in their region, thus ensuring that production remains locally embedded (see the concept of the 'local industrial anchoring value' of WISEs[180]);
- The fact that many co-operations come about via personal, local networks, often word-to-mouth;
- The experience and conviction that 'getting things done' – i.e. creating impact – works best, either at the local level of cities and municipalities, or at the European level.

This focus on the local & regional level does correspond with the survey results: Belgian SEEs operate mostly at a regional level, to a lesser extent at a national level. Additionally, compared to the survey mean, Belgian SEEs work more often at the level of the **European Union, European neighbouring countries and international 'developing' countries.** In sum, Belgian SEEs seem to work locally and regionally mainly, while at the same time taking a more than average European/international outlook.

With a deviation of about 20% from the European survey mean, **work integration** is still the predominant operation area/sector of Belgian SEEs. Concurrently, the **unemployed** are still the most important beneficiaries. Nonetheless, also **other sectors come to the fore**. In contrast to the findings of the SEFORÏS country report of 2014, respondents to the survey mention **'education, skills and development'** and **'health and wellbeing'** as second and third-placed sectors. **People with disabilities** and **people from marginalized or underserved communities** are then seen as prime beneficiaries. Possibly SEEs are starting to recognize the enormous problems Belgium faces of unequal outcomes by socio-economic status in these domains of education and health.[181]

Lastly, Belgian SEEs seem to be **more active in the circular economy** compared to other countries. This may be due to several ambitious governmental support programs and networks that were launched in recent years. For example, 'Vlaanderen Circulair' in Flanders, which represents various partnerships between authorities, businesses, social economy entities, and academic institutions with a common agenda to boost meaningful advances in the field of circular economy. Or, the Marshall Plan 4.0 of the Walloon Government, which intends to re-focus the priorities of economic redeployment around the circular economy. And, the Circular Economy Regional Plan adopted in 2016 by the government of the Brussels Capital Region, that lays out a strategy for transition from linear to circular economy by 2025. Belgian SEEs appear to be less engaged in areas like the sharing, collaborative economy or collaborative consumption.

6.2.6 How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances

Co-operation between SEEs and traditional enterprises in Belgium follows the overall survey trend in terms of type and form of co-operation. That is:

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[180] See e.g. POM West-Vlaanderen and 4Werk vzw (2017) Verankeringstudie 2017: 'Verankeringswaarde maatwerkbedrijven' – Translation: 'Local anchoring study 2017: the local anchoring value of WISEs'

[181] See SEFORIS (2014) *First Impressions. How Social Entrepreneurship differs in 8 EU countries, China and Russia*: 'Few Belgian social enterprises are active in the domain of education, health or social work in comparison with other European countries. Yet we face enormous problems of unequal outcomes by socio-economic status in these domains.'

- They predominantly engage in forming cross-sector partnerships between public authorities, private businesses and social economy entities;
- They work in clusters/networks with other actors;
- They work to integrate their activities into the value chain of traditional businesses.

When they collaborate with social economy entities and social extra-preneurs, the forms of co-operation are similar, also in terms of prevalence. When it comes to levels of engagement while co-operating, Belgian SEEs state more explicitly than SEEs from other European countries that their partner and their organization bring **complementary expertise to the joint initiative** and that they **engage in an open and constructive exchange** about how to address respective needs and achieve desired results. They agree least however on their partner and them having similar management styles (almost 10% more Belgian SEEs than the European survey mean). From the qualitative interviews, we gather that SEEs may stand to benefit from a more strategic approach towards partnerships, which also entails finding a 'common language'.

While these types of co-operation and the reported level of engagement hint at well-established, co-creative partnerships[182] (i.e. go beyond other less integrative forms of co-operation such as 'R&D alliance' or the 'recruitment of external stakeholders'), there are important factors and barriers that prevent co-operation. Compared to the survey mean, approx. 10% of the non-co-operating Belgian SEEs report that the primary barrier consists of **not having thought about co-operation or not having given it actual priority**. In terms of importance, this is followed by: 'We are interested but **lacked specific opportunities** to collaborate' (little below the mean) and 'We **lack resources** (time, manpower, financing) to engage in co-operations' (significantly above the mean). These findings are corroborated by qualitative interviews: once SEEs find access to traditional enterprises, co-operation may thrive; it is *getting there* that appears to be difficult. In short, there still exists a need for more awareness generation and match-making (the brokering of the co-operation), as well as for additional (financial, time, manpower) resources.

In regards co-operating SEEs, the following factors are seen as important: **'trust between partners'**, **'availability of resources'** and **'alignment of objectives'**. Asked for experiences with hindrances, co-operating SEEs list not only 'lack and/or imbalances of resources (time, manpower, financing)' but also 'challenges in the external environment' and 'communication problems/bias'.

When we look at funding sources facilitating co-operation, more than 50% of the Belgian SEEs report **public funding (local/regional, national, EU)**, in line with overall European survey results. Next, Belgian SEEs turn to foundations and corporates (especially for sponsorship). Belgian SEEs appear to rely **least on impact investment funds and intermediaries, nor high net worth individuals** (next to community development institutions). If they do, however, Belgian SEEs reveal again a country-specificity: almost 90% of micro-sized SEEs indicate that impact investment funds and intermediaries have facilitated co-operation; the European mean reports that this type of funding has facilitated co-operation for only 50% of micro-sized SEEs. Whether impact investing in Belgium has a stronger focus on early-stage SEEs compared to other European countries may be worthy of further assessment.
What for? – Outcomes, assessment of social impact

When it comes to results (objectives) achieved through co-operation, Belgian SEEs do not present significant deviations from the overall European survey results. Belgian SEEs report that co-operation has helped them 'quite well' with, consecutively: **'access to skills, new knowledge, strategic support and expertise'** (just over 50% of the SEEs) and **'access to broader networks and opportunities'** (just below 50% of the SEEs). Noteworthy is that when we compare their responses on drivers for co-operation (see section 1 of this report) with the reported achieved objectives, 'developing a new product/service/solution to a social need' (corresponding to a main driver), has been achieved 'extremely well' by almost 20% of the SEEs, 'quite well' by almost 30%, 'somewhat' by almost 30%, 'rarely' by just above 10% and 'not at all' by about 15% of the SEEs. 'Access to financial resources', 'improved access to

[182] Be it no to the extent of setting up joint social ventures for which the response rate is quite low

markets and/or beneficiaries' and 'strengthened employee satisfaction and engagement' seem to have been least achieved through co-operation.

Overall, Belgian SEEs are not prone to conduct an evaluation to measure and manage the social impact of co-operation efforts. When they do, they do not adopt (unlike other European SEEs) SROI (Social Return on Investment) or statistical methods. Rather, they appear to use 'other standard methodology not mentioned'. In line with earlier identified barriers and hindrances, the difficulties expressed in conducting social impact evaluation are **finding and committing the necessary resources** (time, manpower, financing). This seems to be a bigger issue for Belgian SEEs vis-à-vis European counterparts. For those SEEs that did conduct an evaluation, **identifying an appropriate measure or metric** seemed to have been the major roadblock.

6.2.7 Short verdict

- **Preliminary preconditions for (engaging in) co-operation are not always fulfilled,** and this accounts for SEEs as well as traditional enterprises. More initiatives are needed that target the extremely important **preparatory phase of co-operation**, consisting of (i) enabling SEEs and traditional enterprises to assess what such a co-operation could consist of, (ii) the matching of a priori engagements, and (iii) translating them into operational co-operation. Hence, the role of social extra-preneurs as well as social-intrapreneurs should receive more attention. Also government could play a more active role in facilitating co-operation between SEEs and traditional enterprises.
- When Belgian SEEs do manage to co-operate with traditional enterprises, they favour strategic, integrative, co-creative, win-win type of partnerships, working towards new products and services and/or reaching impact at scale. In line with the above, these **good practices and their success criteria should get more visibility**.
- **Finding the required resources (time, manpower, financing)** to set up the actual partnership and measure and manage its social outcomes presents an important barrier that needs to be addressed.
- Within the field of SEEs itself, **WISEs and social enterprises** understood as social impact enterprises with an integrated business model, **do not seem to be very acquainted with one another.** Moreover, they are still serviced by and/or receive support from the seemingly distinct worlds of government and impact investment and social business intermediaries. A positive evolution nonetheless is that at regional government level, the financing and support of a broader field of social start-ups, social companies, social enterprises etc. is being explored and engaged.
- **Local governments** require more information on the recently changed legislation on public procurement including social clauses. WISEs advocate for more opportunities to **public procurement** tendering.

Additional supporting evidence for the key findings and claims of this Belgian country report can be found in the study *Partnering for a better Belgium. How do profit and non-profit collaborate for the greater good in Belgium?*[183], based on a survey among 205 Belgian respondents of corporates and non-profits, conducted by i-propeller for The Shift, the Belgian meeting point for sustainability. The main conclusions of this study resonate well with the above:

- Skills, knowledge and resources remain important reasons underpinning co-operation. Especially non-profits pursue co-operation with corporates for such 'tangible' reasons, including the realisation of the mission.
- Non-profits attach great importance to the alignment of objectives and crystallisation of the value case of the partnership.

[183] The Shift and i-propeller (2016) *Partnering for a better Belgium. How do profit and non-profit collaborate for the greater good in Belgium?* Available online via www.sustainablepartnerships.be

- Profit and non-profit organisations struggle most with keeping focus and committing resources (most important barrier). Importantly, lack of trust is still perceived as an obstacle.
- Success measurement (in terms of business value and impact) is not (yet) perceived as an important activity when initiating and executing partnerships and hence constitutes an improvement area.
- Emblematic success stories ('proof of success') and outspoken visionary leaders are required to further propel sustainable partnerships in Belgium.

6.3 Finland

6.3.1 SEE population and respondents' characteristics – Legal form, operation model, gender

According to Russel et al.[184] (2014) there are two institutionalized forms of social enterprises in Finland:

- Work Integration Social Enterprises offering employment to the disabled and the long-term unemployed which are provided for by the law (Act on Social Enterprises, 1351/2003), and
- Social Enterprise Mark holders: The Mark is administered and granted by the Association for the Finnish Work.

Russel et al. inform as well that there are social enterprises also among third sector organisations owned by businesses, which can be in the form of foundations and associations operating as separate trading arms to provide services for a fee. Many of these organisations provide services in the social care, welfare and health sectors.

Regarding the number of social enterprises in Finland, there is not a registry that allows for a clear estimation of their number. According to Russel et al (2014) some estimates put the potential number of social enterprises in Finland vary from 5,000 to 10,000 to less than 3,000. The estimates entirely depend on the definitions used.

We identified around 650 SEEs that were approached for the survey, which was responded by a total number of 153 SEE. The majority of SEEs respondents to the questionnaire were associations (over 60%) with foundations, co-operatives and limited companies each claiming about 10% share of responses. Few respondents identified themselves as SEEs. This is not surprising as "social enterprise" has a special legal status in Finland and there are just about thirty such organizations in the country (see above, Act on Social Enterprises, 1351/2003). On one hand, there were fewer micro organisations answering the survey as in the other countries. On the other hand, there were more small organisations taking part in the survey. Moreover, many of these micro and small organization were established between 1970 and 2000. In general, organisations that were established in other participating countries during that time have nowadays more than 50 employees. It can be said that, within this sample, Finnish SEEs are rather old but have not grown as fast as those in the bigger economies. In addition, compared to other countries, Finnish foundations are rather old, dating back to pre-1970's and even before WW II. In co-operatives and companies, the age distribution is quite similar to that in the other countries.

In terms of operational model, the Finnish sample presents, compared to the international one, a higher proportion of social economy entities acting as a "socially driven entity", i.e. "socially driven entity/business in which social objectives are as central as economic objectives". The Finnish sample also shows a comparatively lower share of organisations acting as "trading charities", in which solidarity organisations use commercial activities to meet their primary mission or as a tool to raise funds.

Looking at the gender distribution of respondents, we can observe that the Finnish social economy entities seem to employ much more women than the international sample. Indeed, 47% of organisations employ mostly women. In contrast, only 15% of them employ mostly men, compared to 30% in the overall sample.

[184] Russell, S., Pattiniemi, P., Koivuneva, L. A map of social enterprises and their eco-systems in Europe, Country Report: Finland. European Union, 2014.

6.3.2 *Why? – Drivers, motives/objectives, aims & purposes*

According to the survey results, the main reasons for Finnish social economy entities to engage in co-operations with traditional businesses is the desire to scale activities and social impact (50%); acquire or give more recognition and visibility to the organization and/or social action, that is, image/brand improvement (47%); and to ensure sustainability and future legacy of the activity (42%).

If we consider the social economy entities' size, we may also notice some differences in their reasons to collaborate: for example, we find that over 50% of micro and small SSEs are motivated to collaborate with companies in order to scale activities and social impact, while the main motivation for medium-sized and large SSEs is to jointly develop new ideas, strategies, products or services. These survey findings are in line with the national stakeholders' interviews, which stated that by co-operation social economy entities seek to achieve better their objectives and goals.

The propensity to direct co-operation at the creation of a start-up or a separate legal entity is quite low in Finland. Indeed, according to the survey results, this propensity is lower in Finland than on average in the other countries, 6% against 13%. In general, social economy entities that collaborate with social extra-preneurs show the highest propensity to work for the creation of a start-up (10%). Similarly, to other countries, the SEEs that have been established in 2010's are the most likely ones to head towards establishing a start-up (11%).

6.3.3 *With whom? – Type of SEEs, type of partners, role, co-operation frequency*

Overall, Finnish social economy entities seem to be among the most collaborative ones in Europe together with Belgian and English SEEs. According to the responses to our survey, over 90% of the respondents have collaborated with one or more other entities in the past three years, against the average of around 80% in the overall international sample. There are no big differences in the propensity to collaborate when we consider both the size and the age of the SEE - with perhaps the only exception that the very small social economy entities are less likely to collaborate with other parties (11% not collaborating). Similar to other countries, the most co-operation takes place with other social economy entities (67%). Co-operation with traditional companies comes second (54%) and 33% with social extra-preneurs. The most likely sub-groups to collaborate are social enterprises, associations and foundations whereas only 76% of co-operatives said they collaborate with any other party.

Similarly to other countries, the number of co-operations that each social economy entity has with other organisations tends to be relatively low; about 60% of organisations have less than five co-operations. The organisations that have developed the highest number of co-operations are those that collaborate with traditional businesses.

6.3.4 *When? – Stage of development of the SEE during co-operation*

Across all types of Finnish social economy entities, a vast majority have been established between 1971 and 2000 (ca. 40%), which is much higher than the other countries' average of less than 30%. Almost all Finnish large and middle-sized social economy entities were formed between 1941 and 2000. None has been formed after the year 2000. On the other hand, almost 50% of micro and 25% of small SEEs have been established after the year 2000.

6.3.5 *Where? – Geography, area of operation and social needs (beneficiaries)*

Across all types of social economy entities, a majority of Finnish SEEs are regional organisations, 66% compared to the general average of 56%. On the other hand, compared to European social economy entities, there are less Finnish SEEs that operate on a national level (24% vs 32%). About 10% of the Finnish social economy entities operate in international level, which resembles the European average. Not surprisingly, it is the large organizations that tend to have cross-border operations.

The main beneficiaries of Finnish social economy entities activities are the general population (43%), close to the EU average, followed by the youth (35%, slightly higher than the EU average). Compared to the other European countries, Finnish SEEs are more likely to be turned towards elderly and migrants and less likely towards people with disabilities and unemployed.

The areas of operation of the Finnish social economy entities are mainly in education, training and skills development (44%), followed by health and wellbeing (35%). In the latter area, the Finnish participation is quite much higher than in the other sample countries (around 25%). On the other hand, Finnish SEEs are less likely to operate in work integration and social care than their European counterparts.

Similarly to other countries, health and wellbeing; societal inclusion, justice and human rights; and social care are areas that are typically taken can of social economy entities that employ predominantly women. On the other hand, sports is an area where there are quite many SEEs in Finland that employ mostly men (almost 40%).

While for the circular economy Finland presents the same share of active social economy entities as the average of the other countries (16%), the country seems less active in the sharing economy, with 5% of SEEs active in this field (against 16% of other countries).

6.3.6 How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances

Typically, Finnish social economy entities engage in external co-operations with the aim to form a cross-sectoral partnership that involves multiple entities, from public, private, and social economy sector. This is the first reason to collaborate also for the majority of other countries, and in Finland concerns mainly small and medium-sized organisations similarly to their urge to network with other actors. The latter objective is of interest to large social economy entities also. On the other hand, the study showed a very low propensity of Finnish SEEs to collaborate with companies or social extra-preneurs to promote venture capital investments or incubate/create a business unit in a traditional business as social intrapreneur.

An area in which Finland stands out is the social and relational capital exchange (31% against European 23%). In this area, small organisations seem to be comparatively more active than other size of SEEs.

For the organisations that did not collaborate, the main reason lies in that it was never given actual priority (36%) and in the difficulty of identifying a suitable partner (27%). There were no SEEs in Finland that had to face a lack of interest from their potential partners (against 8% in the EU) nor a difficulty to actually start a co-operation once the first agreements were in place (against 9% in the EU).

Similarly, to what emerged in the rest of the investigated countries, Finnish social economy entities seem to perceive good alignment with their partners in terms of goals and objectives (over 90% agree or strongly agree), as well as are effective in working together/co-operatively (85%) and reach s good complementarity of expertise (82%). Despite the success in collaborating together, a minority of the respondents (30%) perceive to have an overall similar management style with their partner.

The alignment of objectives emerges from the research as the single most important factor to enable the co-operations for the Finnish social economy entities (65%). The second most selected factor for Finnish SSEs, and the most selected one in overall sample (both 59%) is the existence of trust between partners. These are by far the most important factors to enable the co-operations, followed by the availability of the necessary skills to engage in external co-operations (selected by 41% of respondents, against 38% of the general sample). On the other hand, the existence of favourable public policies or incentive schemes that foster co-operation has been an enabling factor for just 2% of Finnish SEEs, against 13% in other countries. In general, the factors that enable the co-operations does not seem to depend on the size of the organisation. One can say, though, that Finnish micro organisations emphasized the importance of the participation of users and communities, while large organisations emphasized monitoring and evaluation.

In Finland, as well as in the other countries, the most frequent way of funding co-operations is through public funding (61% of Finnish SEEs and 53% in the overall sample). Charitable trusts and foundations are the second most important funder of co-operations in Finland (33% vs 25% in general). On the other hand, social banks or social investment wholesalers play almost no role in Finland, compared to 13% in the general sample. Corporate funding and funding from business angels and other high net worth

individuals seems to be relevant sources of funding for younger organisations, born after 2010. These are also the SEEs that take advantage of crowdfunding.

Finnish social economy entities seem to receive more sponsorship form traditional companies (40%) than their European counterparts (36%). However, support given through the provision of competence voluntary work seem to play a smaller role in Finland, concerning about 30% of Finnish SEEs (vs 43% in general).

The main difficulty encountered by the Finnish SEEs that engaged in some type of co-operation concerns, in line with other countries, the lack or inappropriateness of resources for the co-operation (selected by 62% of respondents), followed by the disagreement in the co-operation purposes or value proposition experienced by 51% of respondents. These two reasons are more frequent in Finland than in other countries. On the other hand, Finnish SEEs suffered comparatively less from the presence of communication problems and bias with partners (experienced by 10% of the respondents vs. the general average of 23%).

6.3.7 What for? – Outcomes, assessment of social impact

Overall, in Finland as in the other countries the co-operation eventually helped SEEs achieve a number of objectives. In particular, for the majority of them (54%), the co-operation improved external image and publicity. For half of Finnish SEEs, on the other hand, the co-operation helped gain access to new skills and strategic support, and to broader networks and opportunities. In general, there were no differences due to the size of the Finnish SEE in how they stated they had reached the different goals of their co-operations.

On the contrary, the areas in which there were fewer benefits are access to financial resources (for around 40% of SEEs the co-operation did not help or helped too little) and development of a new product, service or solution to a social need (35%).

In Finland, similar to the other countries, social impact evaluation is still practiced by a minority of organisations. Indeed, this study found that a smaller share of the Finnish SEEs (16%) have evaluated the impact of their co-operations compared to what has been reported for the SEEs of other countries (23%). The majority of them (82%) have carried out evaluations with a self-made methodology. Secondly, 42% reported to have used statistical methods. The main challenges for those who evaluated have been in identifying and developing an appropriate metric or measure for the impact evaluation (ca. 40% of respondents) followed by the difficulty to find the necessary resources, that is, time, manpower or financing (ca. 30% of respondents). In particular, the difficulty to identify an appropriate metric for the impact evaluation seem to be significantly higher for Finnish organisations compared to other countries (28% of cases). Consistently, the organisations who did not evaluate declared to have not done it due to a lack of resources, selected by 72% of this group. Interestingly, fewer perceived a barrier in accessing the necessary data (5%).

6.3.8 Short verdict

There are historically various types of organisations operating as social economy entities in Finland, but with a strong representation of associations and foundations among them. It seems that, compared to other countries, Finnish social economy entities are rather old but have not grown as fast as those in the bigger economies. In addition, Finnish foundations are rather old, dating back to pre-1970's and even before WW II.

Finnish social economy entities seem to employ much more women than the international sample. Indeed, 47% of organisations employ mostly women. On the other hand, only 15% employ mostly men with sports being an area where there are quite many SEEs employing mostly them.

Finnish social economy SEE co-operate with traditional businesses as a means to scale activities and social impact; acquire or give more recognition and visibility to the organization and/or social action; and to ensure sustainability and future legacy of the activity. The most co-operation takes place with other social economy entities. Co-operation with traditional companies comes second. About one third

of SEEs collaborate with social extra-preneurs. The alignment of objectives is the most important factor to enable the co-operations, the existence of trust between partners being the second. These are by far the most important factors to enable the co-operations for the Finnish SEEs.

Typically, Finnish social economy entities engage in external co-operations with the aim to form a cross-sectoral partnership that involves multiple entities, from public, private, and social economy sector. On the other hand, for the organisations that did not collaborate, the main reason lies in that it was never given actual priority (36%) and in the difficulty of identifying a suitable partner.

In Finland, the most frequent way of funding co-operations is through public funding. Corporate funding and funding from business angels and other high net worth individuals seems to be relevant sources of funding for younger organisations, born after 2010. These are also the SEEs that take advantage of crowdfunding.

The main difficulty encountered by the Finnish social economy entities that engaged in some type of co-operation concerns the lack or inappropriateness of resources for the co-operation, followed by the disagreement in the co-operation purposes or value proposition. These two reasons are more frequent in Finland than in other countries. On the other hand, Finnish SEEs suffered comparatively less from the presence of communication problems and bias with partners.

6.4 France

6.4.1 SEE population and respondents' characteristics – Legal form, operation model, gender

A total number of **182 French SEEs** participated in the survey.

The **majority** of SEE respondents to the questionnaire are **associations** (60%) and **co-operatives** (20%). Historically, SEE emerged as associations in France, under the "loi de 1901". Few respondents are foundations, limited company organisations or social enterprises. Most associations were created in the 1970's, when the social economy first emerged as a societal topic in France. The co-operatives broadly follow the European trend, with an important number of creations between 2001 and 2010. Limited companies and social enterprise mainly emerged after 2011. Associations are mainly middle sized and large enterprises, whereas co-operatives, limited companies are mainly micro and small sized companies. Social enterprises count a large number of large organisations. The respondents indicate a **strong equal gender representation**, higher than the EU average (just above 50%). Regarding the operational model of the enterprises, a majority are "socially driven entities in which social objectives are as central as economic objectives" (70%), which in our sample is higher than the EU average (50%).

6.4.2 Why? – Drivers, motives/objectives, aims & purposes

The three most relevant factors given by French respondents for engaging in co-operation with traditional enterprises are "to jointly develop new ideas, strategies, products or services" (61%), "to scale activities and social impact" (52%) and "to acquire or give more recognition and visibility to your organization and/or social action" (49%). Micro and small enterprises largely responded in the same way, as did middle-sized and large enterprises. Micro and small enterprises placed a specific focus on acquiring more visibility and recognition, accessing broader networks and jointly developing new strategies. Large enterprises placed a focus on accessing broader markets or better reaching target beneficiaries. One interview conducted with the organization Eau et Vie underlines this trend; SEEs and traditional enterprises enable each other to mutually access new markets. Increasing the efficiency and professionalism of a social organization has also been given as a reason for entering into co-operation by the Accenture Foundation during an interview.

With respect to creating new legal entities, France follows the European trend. Few respondents replied that their co-operation had led to the creation of a new entity (below 10%). This result was the same across all type of social economy entities, whether it be a foundation, an association, a co-operative, etc.

6.4.3 *With whom? – Type of SEEs, type of partners, role, co-operation frequency*

French social organisations have engaged with a majority of other social enterprises, across all types of enterprise (micro, small, middle-sized, large), and more importantly than the EU average. They are also many to have engaged in co-operations with traditional enterprises. Fewer enterprise have engaged in co-operation with social extra-preneurs. Most frequently, French social economy entities reply that they **engaged as collaborators to add value as a third party**. It is less frequent for them to engage as a supplier and even less so as a customer. Qualitative interviews with French SEEs provide a more nuanced pictures, with social economy entities engaging with traditional enterprises as suppliers notably (Simplon, Eau et Vie, Kinomé…) French social economy entities engaged frequently with social and traditional enterprises (over 50% of SEE's engaged with social and traditional enterprises more than 11 times), and less frequently with social extra-preneurs (30% of SEE's engaged with social extra-preneurs more than 11 times).

6.4.4 *When? – Stage of development of the SEE during co-operation*

Across all types of French social economy entities, a vast majority were established after 2011 (over 37%), which is slightly higher than the EU average (30%). Between 1971 and 2000, just over 30% of social enterprises were also set up. An important number of large and middle-sized enterprises formed between 1971 and 2001. In the years 2001-2010 and later after 2011, mainly micro and small sized enterprises were created. This is in accordance with the general European trend.

6.4.5 *Where? – Geography, area of operation and social needs (beneficiaries)*

Across all types of social economy entities, a majority are regional organisations. Compared to European social enterprises, respondent **French SEE's are comparatively not as European or international**. Few or hardly any French social enterprises are engaged in international countries in developed countries. Few are engaged in activities in international developing country activities, out of which there are some limited companies and some limited partnership companies.

The **main beneficiaries** of French SEEs activities are the **general population** (45%), close to the EU average, followed by the **unemployed** (46%, slightly higher than the EU average). Compared to the European scores, French social economies are comparatively less turned towards children and people with disabilities.

The areas of operation of the French social entities are mainly in education, training and skills development, followed closely by work integration. France has better gender parity representation on the whole than the European average in all the areas in which social entities operate. All types of social economy structures (micro, small, middle-sized and large) engage in the areas of co-operation underlined by the survey. In education, training and skills development, the main area of co-operation of social economies in France, middle-sized companies are slightly better represented (53%) than micro, small and large enterprises (respectively 50, 49 and 38%).

French organization respondents were numerous on the whole to engage in **circular economy activities** and more numerous than European countries (28% compared to 16% at European level). French organisations engaged in sharing/collaborative economy organisations were on par with the European trend (just over 15%).

6.4.6 *How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances*

Forming cross-sector partnerships between public authorities, private businesses and social economy entities is the first co-operation social economy entities are said to engage with (over 70%), with traditional enterprises, social economy entities and social extra-preneurs alike. This is similar to the general European trend. Micro, small, middle sized and large enterprises engage in similar co-operations, the two most important being forming cross-sector partnerships between public authorities, private businesses and social economy entities and cluster/networking with other actors.

The most commonly cited factors preventing co-operation by French respondents were a lack of resources (37%), a lack of opportunities to collaborate (37%) and a lack of knowledge about partners to collaborate with (33%), well above the EU average for all three. Across all factors preventing co-operation, it is interesting to note that French respondents were above the EU average, which underline they are encountering more barriers than their European colleagues when engaging in co-operation. Unlike other European respondents however, no French respondents replied that they had never thought to collaborate or give it priority.

Regarding the level of engagements, French respondents on the whole "strongly agreed" and "agreed" with most statements. There were high rates of disagreement (40%) with respect to the statement "our partners and organization have similar management styles". This is a point also raised by social enterprises during the qualitative interviews. For instance, social organisation Simplon has argued that management styles are very different between SEEs and traditional enterprises. Simplon receives delegations of traditional enterprises looking to learn about social managerial styles of instance.

Regarding factors facilitating co-operation, **trust between partners**, similar to European replies, emerged as the most important factor facilitating co-operation for French respondents (over 70%). Also of importance are the **alignment of objectives** (30%) as well as the **availability of resources** (time, manpower, etc). EU countries gave the alignment of objectives a stronger priority than French respondents.

French respondents rely heavily on **public funding to facilitate their co-operation** (over 60%), which is higher than the EU average (over 50%). Charitable trusts and foundations are the next most important source of during to facilitate their co-operation (32%), again above EU average. France relies comparatively less on high net worth individuals (e.g. business angels) compared to the EU average, but the difference is slight (5% for France and 7% for EU partners).

All funding sources confounded are used by French SEE respondents to facilitate co-operation, at least up until 2011. From 2011 onwards, it appears that **impact investment funds and intermediaries** start to play a bigger role, which is similar to the European trend (58%). **Public funding and community development finance institutions** also represent an important contribution. Corporate funding and charitable trust funding represent a less important contribution to funding co-operations. Across all types of enterprises (micro, small, middle-sized and large), the type of funding used is equally represented. For large enterprises, it appears that high net worth individuals play a particularly important role in financing co-operation.

French respondents received **comparatively less forms of investment from traditional businesses** compared to the European average (sponsorship, competence voluntary work and pro bono investment).

Regarding hindrance, French respondents replied **lack and or imbalances or resources** (time), **communication problems/bias** and **mismatch an or imbalance of capabilities** as the main hindrances they encountered when entering into co-operations. This is slightly above the EU average. Hindrances encountered in other European countries but that were less important for France include conflicting needs and attitudes to co-operation and challenges in the external environment. All sizes of enterprises in France encountered similar difficulties, although small enterprises noted a lack if trust among partners and a lack of clear eternal incentive support for co-operation as a main hindrance, which was less obvious among middle sized and large enterprises.

6.4.7 What for? – Outcomes, assessment of social impact

A majority of French respondents replied that co-operation helped their organizing in achieving its objectives "quite well" overall. The most **positive reply concerned access to broader networks and opportunities** (close to 25% of respondents replied "extremely well"). Access to financial resources, improved access to markets, strengthened employee satisfaction and engagement as well as improved access to markets and beneficiaries received more mitigated results.

Access to broader networks and opportunities ranked high among large enterprises, whereas access to skills, new knowledge, strategic support and expertise as well as improved credibility ranked higher among micro and small enterprises.

A majority of French respondents **have not produced any structured evaluations** to measure the social impact produced by the co-operation (close to 80% replied no). For those that have, a majority of French respondents replied they used the Social Value Criteria and/or score cards (47%). Other popular replies among French respondents were statistical methods (28%) and singular methods that do not refer to specific methodology (28%). The main challenges in measuring the social impact of the co-operations are broadly related to finding the necessary resources (time, manpower, financing) (80%). France seemed to find this particularly difficult compared to the EU average. Another important difficulty mentioned by respondents were related finding and putting in place the necessary skills/knowledge/expertise to measure impact.

6.4.8 Short verdict

Where does the country stand today in terms of co-operations between SEEs and traditional enterprises? What are the challenges for the future?

- There are historically various types of organisations operating as social economy entities in France, but with a strong representation of associations and co-operatives among them. Social enterprises seem to be on the rise since 2011, now that the definition and role of the social economy has been clarified with the Loi Hamon on the social economy[185] (2014).
- France has a good gender balance in its social economy entities and does consistently better with respect to this than its European partners. French SEE respondents are comparatively less European and international than European SEE's. they engage in fewer international activities on the whole.
- The main reasons cited by SEE respondents for collaborating are to jointly develop new ideas, strategies, products or services, to scale activities and social impact and to acquire or give more recognition and visibility to your organization and/or social action.
- The main barrier in the way of boosting co-operations between social economy entities and traditional enterprise is mainly related to a lack of time and resources, lack of opportunities to collaborate and a lack of knowledge about partners to collaborate with. Lack of time and resources is something that was also underlined during the qualitative interviews, namely with the Accenture Foundation. Some of these challenges are being overcome as the social economy is gaining more recognition in the public scene.
- French respondents indicate a high dependence on public funds to finance their co-operations compared to European SEEs. There is a need to expand to other sources of funding to ensure the sustainability of the co-operations in the future, notably at a time of decrease in public spending.

6.5 Germany

6.5.1 SEE population and respondents' characteristics – Legal form, operation model, gender

Based on desk research, we assume that the total population of SEEs in Germany is around 213,196 entities. The baseline information for this assumption is taken from the CIRIEC report (2016) which covers co-operations, mutuals and non-statutory welfare associations only. However, as this classification does not completely depict the actual landscape of German SEEs further groups were added to the respective CIRIEC groups. These were taken from other studies[186] and include associations, foundations

[185] https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000029313296&categorieLien=id

[186] For instance, ICF Consulting services (2014); Priemer et. al. (2017).

and new style SEEs[187] considered to be important for the German SEE-landscape too. We thus arrive at the following estimate of the total population of SEEs in Germany:

- Co-operatives and similar accepted forms (include co-operatives and new-style social enterprises): 8,240 entities.
- Associations, foundations and other similar accepted forms (includes associations, operational foundations and non-statutory welfare associations): 203,778 entities.
- Mutuals and similar accepted forms (includes mutual only): 1,178 entities.

A total number of 95 German SEEs participated in the survey. The distribution of survey respondents across these categories does not match the distribution in the total population of SEEs in Germany. Also in comparison to the overall sample of the survey (following: EU-average), there are several deviations in the German sample with co-operatives being overrepresented and associations underrepresented. With respect to age, the specific types of SEEs present in Germany do not fundamentally differ from the EU-average, with the exception of foundations which in the German sample were either very old or very young.

Compared to the EU average of 40%, respondents in Germany report much more often that the gender distribution in their organization is equal, namely in 60% of the entities.

6.5.2 Why? – Drivers, motives/objectives, aims & purposes

For German SEEs, accessing broader networks and opportunities is the most relevant factor motivating them to collaborate with traditional enterprises as this aspect has been chosen by 52% of the respondents compared to the overall EU-average of around 41% (slide 30). To jointly develop new ideas, strategies, products or services (45%) and acquiring or giving more recognition and visibility to the organization and/or social action (41%) were the other two most often mentioned factors for German SEEs to engage in co-operations. The fact that these figures are all in the same rather small range suggests that most SEEs are motivated by more than one factor when collaborating with traditional enterprises, suggesting that such relationships can be quite complex and extend to more than one transaction or co-operation mode. When accounting for firm size, the results show that accessing broader networks is especially important for SMEs, which also shows that only 25% of the large enterprises surveyed consider this to be a relevant factor. Furthermore, engaging in co-operations to ensure sustainability and future legacy of their activity is only mentioned as a relevant factor by micro (18%) and small (55%) SEEs. Large and middle-sized SEEs instead are more often collaborating to access skills, strategic support and expertise and/or to acquire or give more recognition and visibility to their organization.

The interviews provided some more nuanced feedback as to the reasons why SEEs in Germany collaborate with traditional enterprises. For some, developing innovative funding models for social projects are key, whereas others are driven by improving human resources policies in traditional enterprises or by creating regional, self-sustainable energy networks. Some SEEs interviewed deliberately co-operate with traditional enterprises to exchange information and ideas whereas others would prefer to deal only with other SEEs but need to engage with traditional enterprises to obtain products or services not yet offered by any SEEs.

Interview feedback moreover suggests that, as is the case for large and middle-sized SEEs responding to the survey, larger traditional enterprises are motivated to collaborate with SEEs by an intention to improve their image in the public. One interview also suggests that many traditional SMEs do not need a specific reason to co-operate with SEEs per se but simply deal with them the same way they would with other traditional enterprises. The latter in general may also regard a co-operation project as more meaningful and rewarding than simply donating to a social cause. Engaging in such projects can also motivate

[187] The term ‚new-style social enterprises' was taken from the Country Report: Germany (European Commission, 2014: ii): „i.e. enterprises with a social mission - or civil organisations with an entrepreneurial spirit and strong economic activities - established in the past 15-or-so years, independent from the state, often with participatory governance structures, mostly innovative, and applying sustainable business models based to a relatively large extent on market revenues."

staff in traditional enterprises, and make such firms more attractive employers, thus helping them with recruitment.

Regarding the creation of a new (separate) legal entity, there are no major differences between Germany and the other countries as in most of the cases (85%) there was no aim to create a new legal entity in the framework of a co-operation.

To conclude, the survey data indicates that larger social and traditional enterprises in Germany are using their co-operations more for strategic purposes than smaller enterprises which are rather interested in co-operations to access broader networks and opportunities and ensure sustainability and future legacy of their activity.

6.5.3 With whom? – Type of SEEs, type of partners, role, co-operation frequency

Regarding the overall co-operation pattern, small and large enterprises in particular were engaged in co-operations with (any) other organisations during the last three years. Micro (57%) and middle-sized (60%) German SEEs in contrast are less engaged in co-operations compared to the EU-average of 74% and 82% respectively. This may be explained by a lack of capacity to engage in partnerships in smaller firms, an issue that was brought up in one of the interviews. Around 67% of the small enterprises in Germany collaborate with traditional businesses which is higher than the overall average of small SEEs collaborating with traditional businesses of 55%. At the European level, especially large SEEs are collaborating with traditional enterprises. In the German sample, all (100%) large enterprises are collaborating with other SEEs[188] and less with traditional enterprises and social extra-preneurs. German micro enterprises are comparatively less often engaging in co-operations, once again possibly due to lack of capacity.

As regards the role played by SEEs in their relationship with traditional enterprises, this is less frequently characterised by conventional customer-supplier relationships and more often by co-operation to add value for a third party.

Similar to the European level, engaging in co-operation is a question of company age for German SEEs. SEEs founded in or after 2011 more often report co-operations with all types of co-operation partners. This especially applies to the co-operation with social extra-preneurs: 52% of the German SEEs which were established 2011 or after were collaborating with social extra-preneurs compared to the EU-average of 38%.

Overall, there does not seem to be a distinct co-operation-model for German SEEs. However, the data shows that the younger the SEEs in Germany, the more often they start co-operations (with SEEs, traditional Enterprises, Social Extra-preneurs).

6.5.4 When? – Stage of development of the SEE during co-operation

Similar to the overall sample, the German SEEs are rather young with only 15% of the organisations in the sample having been founded before 1970. However, 10% of the entities in the German sample were established before 1940 which is higher than the 4% EU-average. Older SEEs in Germany are also the largest ones as 50% of them were established before 1940. Another 42% of the participating German enterprises were established in or after 2011 which is higher than the EU-average of 34%. Those companies are mostly small enterprises as 57% of them are in this age class.

63% of the German respondents indicate that they are working in a micro-sized SEE. This is clearly above the average of 49% of the respondents of the overall sample.

6.5.5 Where? – Geography, area of operation and social needs (beneficiaries)

Regarding the area of operation of the single types of SEEs, the patterns in Germany do in several cases deviate from the overall sample. Thus, 27% of the German associations mainly operate at the European

[188] It has to be noted that the sample contains only 4 large enterprises in Germany.

level, compared to an overall average of only 4%. This points to comparatively large degree of internationalisation among German associations. In contrast to associations 78% of the co-operatives in Germany mainly operate at the regional level which is different from the EU-average of 58%. The elevated importance of the regional level for co-operations may reflect the federal political structure of Germany. Limited companies and social enterprises in Germany more often operate at the national level compared to the other countries. Some SEEs interviewed mainly operate on a local level, albeit with some degree of coordination at a regional level, whereas others operate on a national level.

With respect to the main beneficiaries, 58% of the German respondent's affiliated entities are targeting the general population as a whole compared to the overall average of 45% in Europe. Especially in the areas of unemployed people, German SEEs are less involved. However, these results may be due to the fact that 54% of the respondents belong to co-operatives which often operate in more general areas and can hence often not be classified into more specific target groups used in the survey. Hence, 29% of the German respondents operate in the field of affordable housing, a field which is predominantly worked on by co-operatives compared to the overall average of 12%. In education, training and skills development, German SEEs are less prone to work in as only 27% of the Germany SEEs mentioned this as an area they are operating in compared to 47% of SEEs in the overall sample.

Large companies in Germany seem often to operate in several areas at the same time as the areas health and wellbeing, poverty, social care, societal inclusion and work integration were each chosen by over 70% of the large German SEEs.

The SEEs described in the interviews tend to be motivated by social and/or environmental considerations in setting up their operations. Circular economy topics however seem to play a rather minor role for German SEEs as only 6% of the German respondents mentioned to operate in this field compared to 16% of the European SEEs. In the field of the sharing/collaborative economy or collaborative consumption, German SEEs have a higher involvement as 23% of them operating in these field compared to the European average of 16%.

6.5.6 How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances

Regarding the means of co-operation, Germany is following the mean among the sample of European countries as forming cross-sector partnerships between public authorities, private businesses and social economy entities are by far the most often mentioned co-operation means the respondent's entities are engaged in. Thus, for all types of stakeholders this item has been ticked by around 70% of the respondents. In the interviews, it was mentioned that joint ventures and sponsorship are popular ways for SEEs to collaborate with traditional enterprises. This way, SEEs can benefit from traditional enterprise's financial resources and management expertise. In the survey however, the creation of joint social venture was less relevant as only 21% to 24% of the respondents were choosing this item as co-operation means their entity is engaged. Interview feedback suggests that co-operation takes place either on a temporary basis in relation to specific, one-off project, or on a continuous, long-term basis.

An interesting example of a successful co-operation is provided by a medium-sized German city which launched a 'social innovation city' initiative. Under this umbrella, the city set up a social investment fund to facilitate technology transfer from traditional enterprises to SEEs. It also supports a social entrepreneurship hub and works with business associations to support social projects. This suggests that public intervention at a local level with the aim of creating a cluster of social entrepreneurships can foster co-operation between SEEs and traditional enterprises. The city is already working with partner cities in Poland and Lithuania to understand what aspects of its policy can be replicated elsewhere, and which ones cannot. Public support at a local level was also suggested by a traditional enterprise interviewed which collaborates with an SEE.

Factors which prevented respondent's entities from engaging in co-operation depict interesting findings for Germany. "*We never thought to collaborate or gave it actual priority*" is with 35% of the German respondents much higher than the European average of 19%. Together with the other three items which were ranked as comparably more important factors for German SEEs (such as the *lack of knowledge*

about partners to collaborate with, the *try to establish some co-operations but did not manage to those started in practice* as well as *the intention to collaborate, but the partner was not interested in co-operation*) is leading to the assumption that there seem to be a lack of general knowledge on the possibilities of co-operations. This is supported by the findings that especially German companies seem not to *lack opportunities to collaborate* (13% of the German respondents in comparison to the EU-average of 30%) nor have a *lack of resources or lacking capabilities to enter those co-operations*. Hence, input and opportunities are available but apparently no knowledge on the benefits or possibilities of co-operations. This is somewhat supporting the statements of the stakeholders interviewed which were often referring to a lack of awareness on social businesses and possible co-operations. One interviewee for instance claimed that the corporate culture in Germany discourages partnerships with SEEs. It would take courage on both sides to enter into such a relationship but often, at least one side is lacking knowledge on the benefits of those co-operations.

Despite the rather less often noted external factors such as regulations, in the interviews also regulatory and other specific barriers were mentioned as specific to Germany. Those would hinder SEEs in their operations in general, or specifically in collaborating with traditional enterprises. According to one interviewee for instance, a legal obstacle to co-operation between SEEs and traditional enterprises in Germany is the working time law which usually restricts working time to eight hours per day. Many workers want more flexibility to reconcile work with family life. According to the interviewee, men suffer from the traditional social expectation that they should be the breadwinner of the family and work long hours. The interviewee sees a case for EU intervention here to harmonise regulations across Member States regarding the compatibility of work and family life. Another SEE mentioned different rules around insurance obligations for volunteers in different regions in Germany as impeding their work. More generally, in view of the interviewee, volunteer work should be recognised more by policy makers. For instance, time spent volunteering should improve one's educational prospects and should be reflected in one's pension claims. Another interviewee criticized the charitable law in Germany which made it impossible for their SEE to be registered as a limited liability company. The same interviewee also claimed there was a lack of funding instruments supporting social entrepreneurship in Germany. Furthermore, the public sector was described as not supportive enough of social enterprises, and the interviewee stated there were regional gaps in terms of funding available to SEEs.

Germany is following the mean among the sample of European countries with regards to statements on level of engagement as having alignment or complementarity in goals and objectives is a factor around 40% of the German as well as the European SEEs strongly agree to. Engaging in an open and constructive exchange about how to address the respective needs and achieve desired results seems to be slightly less important for German SEEs as only 43% of the respondents strongly agree on that compared to the European average of 52%.

Regarding drivers and motives which are enabling the co-operation, the German respondents highlighted the same issues that also rank high in the overall European sample starting with *trust between partners*, followed by *alignment of objectives*. Another factor facilitating co-operation in view of one SEE interviewee are similar values shared by the SEE and the traditional enterprise (e.g. both supporting the spread of renewable energy). However, in the survey, this factor has only been selected by 27% of the German respondents giving it lower importance than the overall European average of 38%. Trust and easy communication were also considered important factors during the interviews. This explains why many co-operations mentioned in the interviews emerged from personal contacts between the SEE and traditional enterprises. Another factor mentioned by interviewees is openness and willingness to learn from the partner and understand their different perspective. A tolerance towards making mistakes is also needed, as suggested by one interviewee. In view of one traditional enterprise interviewed for this study, a key success factor for co-operation with SEEs is to initiate a project keeping in mind the needs of the beneficiaries rather than the partners involved.

One stakeholder believed no further public support to facilitate co-operation between SEEs and traditional enterprises was needed. Another interviewee however, was highlighting a possible involvement of politics supporting social businesses in becoming more visible and hence facilitating to be better

understood by traditional stakeholders such as banks etc. Another stakeholder stated that a contact point for SEEs could help them reach out to traditional enterprises and find partners for co-operation. As things stand, there is a lack of platforms and networks to exchange information and to acta s a neutral intermediary.

For German SEEs – similar to the EU- average – public funding is the most important funding source to facilitate co-operations as this item has been selected by 40% of the German SEEs and 53% of the European SEEs. German SEEs however, seem to be more successful in financing their co-operations by social banks/social investment wholesalers (22% compared to the EU-average of 13%), corporates (25% compared to 17%) and high net worth individuals (e.g. business angel, venture capitalist) (14% compared to 7%). Crowd-funding platforms play an important role for micro enterprises in Germany as 100% of these German SEEs stated that these platforms were facilitating their co-operation. Institutional investors, banks have facilitated the co-operation of 80% of the German small companies compared to the European average of 32%.

The most important form of investment German SSEs received from traditional businesses is competence voluntary work as 51% of the respondents were mentioning this. Only 22% of the German SEEs received sponsorship from traditional businesses in contrast to 36% of the European sample.

German SEEs seem to face similar main hindrances as the European average, mentioning the lack and/or imbalances of resources, disagreement in the co-operation purposes and communication problems as mayor problems. One interviewee suggested that a factor **hindering co-operation** can be a lack of staff in SMEs and small SEEs to engage with external partners in a consistent manner. Also, survey data show that hindrances are mostly experiences by micro and small enterprises whereas middle-sized and large enterprises are hardly facing hindrances in initiating and executing co-operation.

6.5.7 What for? – Outcomes, assessment of social impact

German SEEs seem often to be relatively more satisfied with the achievement of objectives supported by the co-operations. Regarding the objectives *access to skills, new knowledge, strategic expertise* and *access to broader networks and opportunities* around 52% of the German SEEs stated that the co-operation helped to achieve these goals compared to the EU-average of around 40%.

Above it was described that access to broader networks and opportunities was especially important achievement of co-operation for SMEs. With respect to the outcomes of co-operation, the achievement of objectives was rather successful as around 70% to 83% of the SMEs mentioned this objective helped to be achieved by co-operation compared to lower values for the European sample of 52% to 65%. Large and medium-sized SEEs – as described in chapter 1 – put a higher importance on strategic aspects such as elevating their visibility and access to skills. The data of the survey illustrate that those objectives have been largely achieved by co-operation as 75% to 83% of the German medium and large SEEs considered that *publicity has increased* due to co-operation (compared to a EU-average for large and medium-sized SEEs of 44% to 50%): Also, especially the objective "access to skills, new knowledge, strategic support and expertise" was helped reaching by co-operation as stated by 100% of the middle-sized and 75% of the large German SEEs.

Structured evaluations to measure the social impact produced by co-operations are very rarely in Germany as only 13% of the survey-respondents were doing so (compared to the overall European average of 23%). Also, the interviews provided little information on social impact evaluation. One SEE interviewed carries out annual evaluations of their partnerships by surveying their network members. In another example mentioned by an interviewee, co-operation with a traditional enterprise resulted in significant improvement of the reliability, quality and documentability of results and an overall improvement of operational processes of an SEE. In case such evaluations were conducted, German SEEs were very much focused on methodology based on theory of change/logic model as stated by 35% of the German SEEs in comparison to 16% of the overall means. Statistical methods were only used by 13% of the German SEEs in comparison to the European average of 29%.

6.5.8 Short verdict

The first enterprises to co-operate with SEEs in Germany, as laid down by one interviewee, were the big companies included in the DAX stock market index. This was followed by business schools that integrated social entrepreneurship in their professorships. Today, other important players include savings banks. Traditionally, the German model of a 'social market economy' can be considered as quite conducive to co-operation between SEEs and traditional enterprises, many of the latter are family run and have adopted a long-term perspective prioritising sustainability over short-term profitability. These family-run businesses also engage in social projects and tend to be open to partnerships with SEEs. The co-operative system of local banks also helps promote local, responsible entrepreneurship. SEEs are also becoming more popular as employers – in line with CSR playing a more important role in traditional enterprises. This is partly driven by a desire to improve a business's branding. Furthermore, some feedback suggests that public procurement in Germany is already open to SEEs.

Having said that, in view of one SEE interviewed, co-operation between SEEs and traditional enterprises in Germany is still a relatively new phenomenon and as of now there are no easy, established ways to establish such partnerships. At the national level, while the government appears to have recognised the importance of social entrepreneurship, this topic has not yet been mainstreamed into funding mechanisms the same way as has been done for technology and creative industry, for example. One SEE interviewee criticised the chambers of commerce for not being supportive of SEEs in general. One chamber of commerce interviewed did indeed prove to be highly sceptical of SEEs and stated that these should still aim to make a profit in order to be successful.

One specific issue in Germany is the role that SEEs play in integrating refugees through pilot projects and to address the issue of skills shortage which is more urgent in Germany than in most other Member States.

6.6 Italy

6.6.1 SEE population and respondents' characteristics – Legal form, operation model, gender

In Italy the **SEE population** is highly rich and diverse. We can estimate the presence of around 150.000 SEEs entities, including around:

- 62.2016 co-operatives (of which 16.125 are social co-operatives,[189] and 46.081 are other co-operatives that can be included in the social economy group according to the criteria established by CIRIEC (2016); [190]
- 80.343 associations producing and selling goods and services;[191]
- 2.257 foundations producing and selling goods and services;[192]
- 855 limited companies acting as ex lege or de facto social enterprises[193]

[189] Data from the National Census of Non-profit Institutions (ISTAT, 2017).

[190] Source: CIRIEC (2016) "Recent evolutions of the Social Economy in the European Union".

[191] This figure is obtained by updating the estimate contained in the report of the European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2016), with the new data on associations of the National Census of Non-profit Institutions (ISTAT, 2017).

[192] This figure is obtained by updating the estimate contained in the report of the European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2016), with the new data on foundations of the National Census of Non-profit Institutions (ISTAT, 2017)

[193] Social enterprises in Italy are defined by Law 155/2006 and by the Legislative Decree 112/2017 (reforming the Italian Third Sector). Their definition is based on specific economic, social, and governance criteria. The social enterprise label in Italy can be attributed to any legal form (limited company, association, cooperative, etc) provided that the criteria are met. At the time of writing of this report, 413 limited companies were already registered as legally recognised social enterprises (ISNET, 2017). However, existing studies on social enterprises in Italy (see for eg. ICF, 2014) assume that additional companies, operating in the sectors identified by Legislative Degree 112/2017, are acting as "de facto" social enterprises, although they have not asked for formal recognition. Our estimate assumes that at least 10% of the limited companies acting in the social enterprises sectors (estimated in 8545 by ICF, 2014) would actually meet the criteria to be considered in this study.

- 185 limited partnerships legally registered as social enterprises according to Legislative Degree 112/2017;[194]
- 1002 mutuals.[195]

As highlighted also by our interviews, the **internal diversity** of the Italian social economy constitutes one of its main strengths, and there is an increasing desire of SEEs to come together and collaborate with one another. This is also reflected in the continuous efforts to build and sustain broad SEEs and multi-stakeholder networks, both at local and national level.

Our **quantitative survey** collected direct experience from a total of 122 SEE entities in Italy. These represent mainly three types of organisations, that are the most prominent in the country's social economy: social co-operatives (43%), other co-operatives (27%), and associations (20%). Other groups that, to a smaller extent, are represented in the sample are limited companies that act within the social economy (4% of the sample), foundations (3%), sole traders (2%) and mutual (1%). It is worth noting that the **cooperatives group** tends to be over-represented in our sample, while the associations tend to be under-represented compared to their actual weight in the Italian social economy. In order to adjust the results, and better represent the reality of the social economy, in the analysis we applied specific weights for each group, and normalized the results eliminating any possible bias. Another element worth noting is that, compared to other countries, Italy saw the participation to the survey of mainly "young" organisations, founded after 2001, and even more after 2011. This is consistent with a view that the, despite the long tradition of third sector and social economy in Italy, the value of corporate partnerships and more generally collaborations with traditional businesses is only coming to be acknowledged in recent years, and young organisations feel more the urgency to connect with the mainstream economy. Regarding the size of the organization, the Italian sample is broadly similar to the overall international sample, with a higher share of micro and small organisations.

In terms of **operational model**, the Italian sample presents, compared to the international one, a higher proportion of social economy entities acting as "trading charities", i.e. "solidarity organisations that use commercial activities to meet their primary mission or as a tool to raise funds". On the other hand, the Italian sample shows a comparatively lower share of organisations acting fully as "social businesses", in which both economic and social objectives are central to the same extent. **Spin-off** organisations (born from a parent organisation) are also quite common in the Italian sample.

Looking at the **gender distribution** of respondents, we can observe that the Italian sample shows a slightly more imbalanced distribution compared to the international sample, with 36% of organisations that employ more men than women (against 31% in the overall sample), 29% that employ more women than men (same share as the overall sample), and 35% that employ equally both sexes (compared to 40% in the overall sample).

6.6.2 Why? – Drivers, motives/objectives, aims & purposes

According to the survey results, the main reasons why Italian SEEs engage in co-operations with traditional businesses is the desire to access broader networks, opportunities, and ideas (70%), beyond their usual practice. In addition, Italian SEEs seem to be attracted into such co-operations by the desire to scale (59%) their activities and increase their social impact, having indicated this motivation more often than the average of respondents from other countries (42%). If we consider the SEEs size, we may also notice some differences in their reasons to collaborate: for example, we find that over 70% of micro, small and medium SEEs are motivated to collaborate with companies by the need to access broader networks, while 80% of medium-sized SEEs indicated among their higher motivations the desire to access skills and strategic support.

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[194] Source: ISNET (Osservatorio ISNET sull'impresa sociale in Italia), XI Edition, 2017, key data available at http://www.impresasociale.net/osservatorio/presentazione_del_xi_rapporto_dell___osservatorio_isnet_sull___impresa_sociale.php.
[195] Source: CIRIEC (2016) "Recent evolutions of the Social Economy in the European Union".

These survey findings seem to be generally in line with the views expressed by **national stakeholders** interviewed (from both civil society and governmental sector), which argued that, for social economy actors, co-operation is first of all a strategy to improve their mission, expand their horizons, and achieve better results at scale.

The **creation of a start-up or separate legal entity** can be also one of the objectives and outcomes of the collaboration between an SEE and a traditional enterprise. In Italy, the propensity to direct collaboration at the creation of a start-up seems to be relatively high (19%) according to the survey, and interestingly, this propensity increases among the SEEs that collaborate with a social extra-preneur (33%).

6.6.3 With whom? – Type of SEEs, type of partners, role, co-operation frequency

Overall, Italian SEEs seem to be among the most collaborative in Europe. According to the survey responses, **over 85% of the respondents have collaborated** with one or more other entities in the past three years. Looking at the different legal types, we find that social cooperatives have particularly high collaboration rates (83% of them collaborate with other SEEs, 48% collaborate with traditional companies, and 19% with social extra-preneurs, resulting in 92% of all social coops that collaborate with at least one of the three types of partners). Limited companies and foundations also collaborate significantly, as well as associations.

Overall, **collaborations with traditional businesses** seem to be more frequent among SEEs that are established under a limited company form: this may be the result of a higher similarity among partners, or also a higher facility to interact in the context of existing practices and legislations. **Collaboration with social extra-preneurs** in Italy is slightly lower but almost in line with the EU average (32%). In the survey, the groups that showed a highest propensity to collaborate with a social extra-preneur are limited companies and associations.

In general terms, **SEEs founded after 2011** tend to collaborate with a higher number of partners compared to organisations born in the previous decades.

Similarly to what we observe in the other countries, the **number of collaborations** that each SEE has with other organisations tends to be relatively low (often between 2 and 4 collaborations), but there is also a significant share of SEEs that has developed between 5 and 10 collaborations. The SEEs that have developed the highest number of collaborations are those that collaborate with traditional businesses.

6.6.4 When? – Stage of development of the SEE during co-operation

In order to understand the motivations and impact of the co-operations that SEEs have with other organisations, it is necessary to take into consideration also the **stage of development of the SEE** itself. The co-operations illustrated above have been reported mainly by "young" SEEs, 52% of which have been founded after 2011. Another 20% of the sample have been founded between 2001 and 2010, and 21% between 1971 and 2000. Only a marginal share of the sample represents organisations born before 1971 (2%).

6.6.5 Where? – Geography, area of operation and social needs (beneficiaries)

The **geographical scale of operation** of the Italian SEEs reflects their specific mission and business models, **linked to the organization typology**. We notice for example that co-operatives and social co-operatives tend to be locally rooted (77% of social co-operatives, 48% of other coops), while foundations tend to operate at a national scale. Associations are often very local (38%) but an interesting part of them operates in extra European countries, usually developing countries (17%). Neither the associations or the co-operatives have a European focus, while foundations in some cases do operate with an EU focus.

In terms of "size", we notice that small and medium organisations tend to operate more often at regional level (65% and 80% respectively), while micro organisations are split among the regional (44%)

and national (33%) focus. Large organisations tend to operate at national level (57% of them). Italian organisations tend to operate less often in international extra-European regions.

In terms of targets, most Italian SEEs show a broad focus (indeed, 57% declare to work with society in general). Specific targets that receive attention by Italian SEEs (more than other countries) are: refugees (25% of SEEs), migrants (20%), and women (31%). On the contrary, Italy shows lower number of organisations focusing on other types of marginality (11% against 21% international average).

The Italian **SEEs operate** mostly in education sector (51%), in line with the international sample. The second sector is cultural and recreational activities (35% of SEEs) and social inclusion. The study also found a relevant number of SEEs operating in agriculture (15%) and a lower number in nutrition (9%). These trends seem to be reflected across the different size groups.

In terms of **gender distribution**, the sectors that present a prevalence of women compared to men are education (63% of organisations), social care (43%) and "societal inclusion, justice and human rights" (40%). Other sectors present fairly balanced presence of men and women, while others show a relatively higher prevalence of men (agriculture and work integration, the latter in contrast with European trends).

While for the **circular economy** Italy presents the same share of active SEEs as the average of the other countries (16%), the country seems particularly active in the **sharing economy**, with 24% of SEEs active in this field (against 16% of other countries).

6.6.6 How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances

Most times, Italian SEEs engage in external collaborations with the **aim to form a cross-sectoral partnership** that involves multiple entities, from public, private, and social economy sector. This is the first reason to collaborate also for the majority of other countries, and in Italy concerns mainly medium and large-sized organisations. On the other hand, the study showed a **low propensity** of Italian SEEs to create **joint social ventures** (9%), and a **very low propensity** to interact through **venture capital investments** (1-2%). Despite what was said above regarding the interest in networking, in practical terms fewer Italian respondents (around 22%) declared to collaborate for the creation of networks and clusters compared to the other countries, with a particularly low interest from medium-sized SEEs. However, this is still a relevant area of collaboration for small and large organisations, who appear more active in networking. An area in which Italy stands out is the creation of interorganisational **R&D alliances**, based on the role Overall, in Italy as in the other countries the **collaboration eventually helped SEEs achieve a number of objectives**. In particular, for the large majority of them (59%) the collaboration improved external image and publicity, and this is reported particularly by middle-sized SEEs (62% of them). However, it is not just a matter of "appearance": for 54% of Italian SEEs the collaboration also led to the creation of new products and services to respond to a social need, and it is striking that micro organisations in Italy experienced this result more often than their European "sisters". For 52% of Italian SEEs, on the other hand, the collaboration helped gain access to new skills and strategic support, and to broader networks and opportunities.

On the contrary, the areas in which there were fewer benefits are access to financial resources (for around one third of SEEs the collaboration did not help or helped too little) and future sustainability (26%), intended both in terms of ensuring the organisation's legacy, and ensuring sustainability of its social impact.

Lastly, in Italy, similarly to the other countries, **social impact evaluation** is still practiced by a minority of organisations. If it is true that the majority of these evaluations (40%) have been carried out with a self-made methodology (i.e., without referring to any recognized methods), one third reported to have used social value criteria or scorecards, 27% a quantitative/statistical method, 20% a method based on the logic model approach, and 13% a method based on the SROI methodology. The **main challenges** for those who evaluated have been in finding the necessary skills and financial resources (both selected by 40% of respondents), followed by the difficulty to access the data (27%). In particular, the difficulty

to access skills seem to be significantly higher for Italian organisations compared to other countries (40% against 24% of cases). Consistently, the organisations who did not evaluate declared to have not done it due to a lack of resources (time, finance, manpower, selected by 61% of this group) and a lack of actual expertise (40%). Interestingly, only 9% perceived a barrier in accessing the necessary data.

6.6.7 Short verdict

Italy presents a **rich and diverse social economy**, made by a plethora of different actors that work in various sectors to produce positive impact for society and its most disadvantaged or vulnerable groups. Social economy entities in Italy show a **high propensity to collaborate**, with one another and with traditional business, indeed, they see collaboration as a **means to expand their networks, opportunities and ideas**, and ultimately improve their mission and social impact at scale. Most times Italian **SEEs are satisfied**: they perceive good alignment with partners and effectiveness in the collaboration, and report that the collaboration has brought about new ideas, solutions, and also an improved image for their organisation. According to them, trust is the single most important factor to enable the collaboration, although other factors play a role, such as shared values and availability of resources. Management styles between partners are often different, but this does not seem to be a reason not to collaborate.

Collaborations are often with other SEEs, however, they involve also a high number of **traditional businesses** and increasingly the **social extra-preneurs**, although these are still less common than in other countries of the EU. Younger organisations, born after 2011 are the ones that collaborate with the highest number of partners, and that manage to access the most innovative forms of funding, including venture capital and crowdfunding.

Looking at the future, there are a number of **challenges that need to be addressed**:

- Too many organisations do not have a chance to collaborate with others despite their willingness to do so: they are unable to find suitable partners, or to establish a collaboration with them. More networking and technical support needs to be put in place to support these organisations to improve their opportunities.
- Many organisations that did collaborate, faced challenges due to the lack of resources, both for running the operations and for evaluating the results and impacts achieved. Indeed, Italian SEEs seem to be still quite dependent on public funding for activating and sustaining collaborations, and only few of them (mainly limited companies, and/or young SEEs born after 2011) are able to access additional sources such as crowdfunding or venture capital. The latter still appears as a distant dream for most Italian SEEs. Additional financial support, or support to identify new business models and forms of funding, need to be provided in order to enable the collaborations that SEEs could and wish to do for the future.
- SEEs also reported communication problems or bias with their partners, although cases of conflict were very rare and overall, they perceive good alignment with the partner. A new shared language needs to be in place to enable collaborations.

6.7 Poland

6.7.1 SEE population and respondents' characteristics – Legal form, operation model, gender

There are almost 168 500 SEEs in Poland. The largest group are associations (75%), followed by foundations (15%), volunteer firefighting services (9%), cooperatives (1%) and different other forms, such as organisations established based on state-church agreements or non-profit companies (1%).

Among the survey respondents' co-operatives were the largest group (almost 40%), followed by associations (36%), foundations (17%), social enterprises (2%) and other (7%). According to survey responses, recent years showed a very dynamic growth of the number of co-operatives - 80% of those which responded to the survey were created after 2011, while 80% of the associations and foundations were established before 2011.

Polish SEEs that took part in the survey were very young, 76% of them were established after 2001 and 41% only after 2011. In general, they were considerably smaller in size than the average for the countries surveyed: 69% were micro, 21% small, 8% medium and only 2% large. This distribution of sizes remained relatively constant for all legal forms of the SEEs.

Poland stands out in terms of the number of SEEs declaring that they employ mostly men - 46%. 27% of respondents indicated they employ mostly women and 28% they have a gender balance. Respondents from other countries exhibited a much more pronounced gender balance or presence of women.

The two most popular SEE operating models of in Poland are mutuals formed to meet the needs of a particular group of members (39%) and a socially driven entity/enterprise in which social objectives are as central as economic objectives (34%).

6.7.2 Why? – Drivers, motives/objectives, aims & purposes

In Poland the most popular motives to engage in co-operation between SEEs and traditional firms are to acquire or give more recognition and visibility (53%), increase the organisational efficiency or professionalism (52%) and gain access to additional financial resources (49%).

The first motive was indicated mainly by micro and small SEEs. Increasing organization efficiency or professionalism is important mainly for micro, small and large organizations. Regarding access to additional sources of funding, the involvement of the different categories is practically equal. Accessing skills, strategic support and expertise was mentioned as a motivating factor by 31% of respondents. Scaling activities and social impact constitute a cooperation driver for 16% of Polish respondents, significantly below the European average.

Most of the Polish SEEs (82%) are not guided by the objective of creating a new legal entity (start-up) when cooperating with traditional businesses. Compared to other European countries, Poland does not diverge from the general trends in this area.

6.7.3 With whom? – Type of SEEs, type of partners, role, co-operation frequency

83% of small-sized SEEs collaborated with other organizations during the last three years. In a close second position, 75% of medium-sized SEEs gave an affirmative answer to this question. Micro SEEs (63%) were decidedly the smallest group to conduct such co-operations, with the number of large SEEs being slightly larger (66%). Co-operation was carried out most frequently with SEEs (55%) and least frequently with social extra-preneurs (42%) and traditional enterprises (43%). Regarding the specific types of SEEs, co-operation was carried out by 100% of social enterprises, 78% of co-operatives, 72% of foundations, and only 54% of associations.

In Poland, SEEs co-operating with traditional enterprises as well as with other SEEs usually took on the role of suppliers of goods and services. They took on the role of collaborator to add value for a third party or customer only slightly less often.

The co-operation had already become noticeable in 2001 and it intensified markedly after 2011, which is due to the growing number of SEEs during the last decade.

Regarding instances of co-operation with traditional enterprises, similarly to other European countries, most SEEs recorded 2 to 4 collaborations in the last 3 years. On the other hand, there are SEEs with more than 15 collaborations.

6.7.4 When? – Stage of development of the SEE during co-operation

Compared with other European countries, SEEs in Poland have recorded the fastest growth starting in 2010 and continuing until the present day. Development in Poland in those years has been decidedly greater than in other European countries. The survey records a growth in the absolute number of large SEEs during 1941-1970. Subsequently, the period of 1971-2000 saw the rise of micro, small and medium-sized enterprises, although large organisations continued to predominate. However, from 2001 other

SEEs from the micro, small and medium-sized categories began to flourish, and the survey results show that the youngest SEEs are the most often engaged in collaboration.

6.7.5 Where? – Geography, area of operation and social needs (beneficiaries)

Similarly to other European countries, most SEEs in Poland operate at regional (52%) or national level (37%). The operating model of a large majority of SEEs is one based on responding to the needs of specific social groups by organising various types of activities and associations for them. The category that dominates in the regional extent are micro and small sized SEEs. Nationwide extent is achieved mainly by large SEEs. Polish SEEs taking part in the survey declared most of their activities to be aimed at disabled persons and society in general. Much attention was also devoted to work with children, young people and the unemployed. Poland ranks far ahead of other European countries in actions targeting persons with various types of dysfunction, as well as the work for children and the elderly. Persons with dependencies also have a more important position in SEEs' activities than in other EU countries. Many actions are implemented in the area of education, training and competence development, with somewhat fewer dealing with culture and recreation, health and medical services, health food, social care, social integration and human rights. The fewest actions are initiated in the area of financial and consulting services.

Large SEEs operate in the area of culture and recreation, while all sizes of SEEs are involved with issues of education. Interest of SEEs in renewable energy, affordable housing, agriculture and financial services is very low in Poland and this concerns all sizes of SEEs.

Polish SEEs stand out in the area of sharing economy and shared work. However, very few of them declared to be active in the area of circular economy in comparison with the EU average. This may be due to the fact that circular economy is a new term in Poland and hard to translate into Polish in a way that retains its original sense. This means that a Polish organisation may be a part of the circular economy value chain without being aware of it.

6.7.6 How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances

In Poland, establishing joint social ventures is the principal form of co-operation (69%) indicated by the surveyed SEEs. A high level of involvement can also be noted in the area of establishing cross-sectoral partnerships between public institutions, traditional companies and SEEs. Micro, small and medium-sized SEEs are definitely the most involved in establishing cross-sectoral partnerships. Establishing networks with other partners and integration to the value chain of traditional business is mainly pursued by large SEEs.

13% of SEEs in Poland said that the factor preventing them from engaging in co-operation was the lack of specific opportunities to cooperate. Also, many SEEs never thought to collaborate or gave it actual priority (10%) and other SEEs are not keen to collaborate with for-profit companies. It is worth noting that factors like lack of knowledge about partners, lack of resources or necessary capabilities, attempt to establish co-operation but unsuccessful in practice, play a significantly smaller role in preventing organizations from engaging in co-operation than is the EU average.

In the case of Poland, the enablers for co-operation between social entities and traditional enterprises are mainly similar to the European trends. The most important factors that respondents mentioned most often based on their experience were the alignment of objectives (64%), sufficient skills and know-how on how to collaborate (45%), availability of resources (41%) and trust between partners (39%).

The factor that turned out to be the most important for large SEEs in undertaking co-operation was availability of additional resources; for medium-sized SEEs as well as for micro and small SEEs, it was alignment of objectives. The next most important factor encouraging large SEEs to initiate co-operation was the visionary leadership and the participation and involvement of the users and communities; for medium-sized SEEs, it was the availability of resources and for micro and small SEEs, the availability of resources and trust between partners.

In general, in Poland, like in Europe, the funding source facilitating the collaboration the most which the surveyed SEEs indicated are public funds (60%). Community development finance institutions and high net worth individuals are also considered to be important facilitators of collaboration and were mentioned by 35% and 21% of SEEs, respectively.

The form of investment from traditional business that has been helpful in developing and conducting operations in Poland has been competence voluntary work (51%) and sponsorship (28%). The smallest but still important contributors have been pro-bono investments (23%).

The biggest common barrier to initiating and maintaining co-operation between SEEs and traditional business for the whole population of Polish SEEs were problems in communication (33%). However, the main barrier was different depending on the size of the SEE: for the micro SEEs it was the lack of clear external incentives/support for co-operation, for the small ones it was the conflicting needs and attitudes to co-operation, for the medium-sized it was the disagreement in the co-operation purposes and finally for the large ones it was the lack or imbalance of resources.

6.7.7 What for? – Outcomes, assessment of social impact

Generally, it can be stated that the co-operation of SEEs with traditional business has brought quite good results in each of the studied areas, although strengthened employee satisfaction and engagement as well as the improved access to market and/or beneficiaries were mentioned somewhat more frequently.

In the case of large SEEs, the collaboration mainly helped to access to new skills, knowledge, strategic support, new products, services and solutions to a social need. The advantage of collaboration mentioned by the biggest number of micro and small SEEs is improved credibility.

In Poland, similarly to other European countries, social impact is rarely evaluated in a structured form, only 19% of surveyed SEEs declared that they measured it in this way. On the other hand, this impact has been clearly perceived through the number of persons reached and the improvement of their quality of life. However, when measuring this impact, statistical methods (35%), personal data collection methods (28%) and Social Value Criteria (21%) were most often used.

6.7.8 Short verdict

The social economy is deeply rooted in Poland, but it only began to develop, especially by involving co-operation with traditional business, ca 10-15 years ago. Due to this, it is at the stage of learning the concepts, acquisition of cross-sectoral experience, establishing the law and increasing social awareness in the areas of equal treatment of all citizens regardless of their wealth, knowledge or fitness.

The establishment of CSR departments at traditional businesses is proof of the increasing role and importance of the social economy in Poland. We expect co-operation between traditional enterprises and SEEs to develop in the future to the point where social enterprises' products and services are perceived as valuable by society as a whole. This will require support to ensure the mutual adaptation of the ways of communication, management methods, work efficiency and funding forms.

6.8 Romania

6.8.1 SEE population and respondents' characteristics – Legal form, operation model, gender

A number of 66 Romanian SEEs participated in the study. The majority of SEEs responding in the questionnaire are associations (42%) and limited companies (39%). They are followed by social enterprises (12%), foundations (6%) and co-operatives (1%). Social enterprises[196] are recognized in Romania under the Law no. 219 on social economy which was adopted on 23/07/2015. SEEs can obtain a legal certificate for being social enterprise or work integration social enterprise from the National Agency for Employment. There are 102 such entities in Romania at this point. There were fewer co-operatives that answered the questionnaires than in any other country and more limited companies than in any other

[196] As defined by the Romanian Law no 219/2015

country. This is not surprising as many SEEs in Romania started up using European funds, where the requirement was to become either a limited company or an association. Moreover, many of the associations, limited companies and social enterprises were established after 2011, following the European trend. Within this sample, Romania's SEEs are rather new and many of them are micro and small organisations.

In terms of operational models, the Romanian sample indicates the majority is "socially driven entity/business in which social objectives are as central as economic objectives" (70%), which is higher than the EU average (50%). This is followed by "trading charities where commercial activities are established to meet the charity's primary mission" (16%), also higher than the European average (14%).

The respondents indicate a strong men and women gender representation. Most Romanian SEEs hire either mostly women (39%), higher than the European average (29%), or mostly men (32%).

6.8.2 Why? – Drivers, motives/objectives, aims & purposes

According to the results, the most relevant factors given by Romanian respondents to engage in a co-operation are "to ensure sustainability and future legacy of the activity" (62%) and "to access additional financial resources" (51%), followed by "to access broader networks and opportunities". Middle-sized entities responded mostly in the direction of accessing broader networks and opportunities and develop new ideas, strategies or products, while micro and small entities answered that are more motivated to collaborate for ensuring sustainability and also to access additional funding. These results are in line with stakeholders' interviews, especially with the one from NESsT Romania where it was stated that social economy entities have different motives for co-operation, according to the stage of their development.

Regarding the creation of new start-up or separate legal entities as the purpose of co-operation, Romanian respondents are following the European trend, with a low rate for positive responses (20%). Few respondents had positive responses, mostly SEEs working with social entrepreneurs (30%).

6.8.3 With whom? – Type of SEEs, type of partners, role, co-operation frequency

Romanian SEEs are engaged in co-operation (70%), but compared to the other European countries, Romania has a lower percentage. Also, Romanian SEEs seem to collaborate more often with micro, small and middle-size enterprises. According to the responses, 50% of the SEEs have collaborated with only 1 entity in the past three years. This is the lowest percentage among European countries. Most of the respondents are engaging with similar organisations, like other SEEs (78%) and traditional companies (70%). Fewer answered that they engage in co-operation with social extra-preneurs. In relation with traditional enterprises, the SEEs replied they play a role as supplier (80%) – interviews showed several cases MBQ and Ikea, Concordia Bakery and Suisse Restaurant, etc. In relation to other SEEs and social extra-preneurs, the respondents answered they act more as collaborators to add value for a third party. There are no differences in co-operation regarding the age of SEEs.

Overall, Romanian SEEs seem to be at the beginning of exploring co-operations. Interviews (especially the one with Ashoka) showed that Romania is still in the phase of exploring the concept and the means of collaboration with SEEs.

6.8.4 When? – Stage of development of the SEE during co-operation

Across all types of Romanian SEEs, a vast majority was established after 2011 (more that 71% of all respondents), which is much higher than the European average (35%) and the other countries. A large majority of micro enterprises were founded after 2011 (85%) and most of the small enterprises were founded between 2001 and 2010 (39%). Regarding middle-sized social entities most of them were formed during 1941 -1970 and 2001-2010.

6.8.5 Where? – Geography, area of operation and social needs (beneficiaries)

Across all type of SEEs, most of the Romanian SEE are regional organizations (54%) similar to the European average 56%. Also, compared to other countries, the Romanian SEEs are engaging at national

level more (35%), but less at European and International level, which resembles the European average. Few SEEs are engaged at international developing countries activities.

The main beneficiaries of Romanian SEEs are the people from marginalised or underserved groups (54%) – much more than the European average (21%), followed by the general population/society as a whole 44%, similar to European average. The next categories are women (41%), youth (39% and unemployed (38%). Compared to the European countries, Romanian SEEs are turning less to refugees and migrants.

The areas of operation of the Romanian social entities are mainly education, training and skills development (35%), followed by social care (34%) and work integration (36%). On the other hand, Romanian SEEs are less likely to operate on sports, responsible tourism, agriculture and responsible houses. Micro and small SEE are engaging more in education, training and skills development, while middle-sized SEES are mostly operating on cultural activities and financial services (almost 50%).

There is a strong equal gender balance in terms of SEEs that work on social care (52%) and work integration (48%), in both cases for than the European average.

For the circular economy, Romania presents numerous SEEs operating (39%), more than the European average (16%). This is not the case for sharing economy or collaborative consumption, where Romanian SEEs are operating at 6%.

6.8.6 How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances

Forming cross-sector partnerships between public authorities, private businesses and SEEs is the form of co-operation that Romanian SEEs entities are most engaging in, followed by integration to value chain of traditional businesses. This is also the case for the majority of European countries. Among these, micro and small SEEs consider cross-sector partnerships a main co-operation form, while middle-size SEEs consider R&D alliances and clustering.

Regarding the main factors that prevent SEEs to engage in a co-operation, 50% of the Romanian SEEs responded encountering external factors (obstacles, regulations, supporting policies), much more than the European average. This is followed by the lack of specific opportunities to collaborate (45%). There are no Romanian SEEs that intended to collaborate, but partners were not interested, or SEEs that are not keen to collaborate with for profit companies. Also there are no respondents that said they never thought to collaborate.

In relation to the level of engagement, Romanian respondents answered with agree or strongly agree overall. There was high level of agreement (51%) on effectiveness in working together/co-operatively. The most important factors for facilitating the co-operation for Romanian SEEs are the trust between partners (68%), the availability of resources (53%) and the alignment in objectives (51%). The factors are similar to the European trend, except for the case of sufficient skills, where Romanian respondents did select this option as much as the other European respondents.

Romanian respondents answered public funding as the main source for facilitating co-operation. Over 60% of Romanian SEEs consider that, which is higher than the European average 50%. The next option that Romanian SEEs are relying on are charitable trusts and foundations (27%), also above European average. Romanian SEEs rely less on impact investment funds and social banks, both with less than 10% response rate. Most of the funding sources were available that have facilitated co-operation for Romanian SEEs from 2011 onwards are community development finance institutions and impact investment funds and intermediaries. This is very similar to the European trend. Institutional investors, banks also play an important role and contribution. Across micro SEEs in Romania the most common funding sources seems to be public funding and charitable trust, while for small SEEs, impact investment is the first option. For middle-size SEEs, institutional investors/banks have an important role in financing co-operation.

Regarding the main hindrances, the Romanian SEEs responded that lack and/or imbalance of resources and challenges in the external environment are the main hindrances they experienced in initiating and executing a co-operation. In almost all options presented, Romania scores more the European average, except mismatch and/or imbalance of capabilities and difficulty of monitoring the progress of co-operation. All sizes of SEEs in Romania encountered similar difficulties, but micro SEEs pointed out the lack of support from leadership, which is less encountered in the other categories of SEEs – small and middle-sized.

6.8.7 What for? – Outcomes, assessment of social impact

Overall, the Romanian SEEs responded that co-operation helped in achieving results quite well. More specifically, 40% improved access to skills, new knowledge, strategic support and expertise, 30% have strengthened employee satisfaction and engagement.

For middle-size SEEs, the answers showed that co-operation helped them achieve improved credibility and access to broader networks and opportunities, and also access to skills.

Less than 10% of Romanian SEEs participating in the study has conducted any evaluation to measure the social impact of their co-operations, and more than 90% did not do this at all. Among those who measured impact, 60% used their own approach to data collection and did not refer to any specific methodology, while only 10% used a methodology based on theory change/logic model.

The main challenge for those, who measure impact, is finding and committing the necessary resources (time, manpower, financing). It is the same for SEEs not measuring their impact. In both cases the responses are higher that the European average.

6.8.8 Short verdict

Where does the country stand today in terms of co-operations between SEEs and traditional enterprises? What are the challenges for the future?

- There are several types of SEEs in Romania, but with a strong representation of associations and limited companies.
- Compared to other countries, Romanian SEEs are rather new. SEEs seem to have developed more since 2011, since European funding was given to boost the social economy sector, but also after the legislation was put in place.
- Romanian seems to employ more women in certain SEEs and more men in other types.
- Romanian SEEs engage more at regional and national level. There are rare cases on European or international development.
- The main reasons to co-operate are to ensure sustainability and to have access to resources.
- The main barriers for engaging in a co-operation are external factor, including public policies, and the lack of opportunities.
- Romanian respondents have a high dependence of public funding for their development and the co-operations they engage in.
- The vast majority of Romanian SEEs do not measure the impact of their co-operations.

6.9 Spain

6.9.1 SEE population and respondents' characteristics – Legal form, operation model, gender

With a long tradition of social economy, Spain currently has approximately 65,000 Social Economy Enterprises (SEEs). The ecosystem of social economy in Spain is sufficiently mature and constitutes a reference in Europe. Spain is a pioneer in terms of regulation of the sector, in 2011 approved the first European national law on the social economy and recently established the National Programme to foster the social economy (2014-2020).

The sample of 57 SEEs complemented with the information obtained by qualitative data and desk research reveal the existence of several models of SEEs:

- "Co-operatives and other similar accepted forms": 35.071 entities (~54%)
  - Co-operatives (worker, credit, agro-food, consumer, etc.): 22.766 entities (~35%)
  - Labour societies: 10.213 entities (~16%)
  - WISE-type enterprises: 2092 entities (~3,3%), This category includes employment integration enterprises (Empresas de inserción, EIs) and special employment centres of social initiative (Centros especiales de empleo, CEEs)
- "Associations, foundations and other similar accepted forms": 29.739 entities (~45%)
- "Mutual Societies and other similar accepted forms": 371 entities (~0.6%)

The term "social enterprise" is increasingly used in policy discourses, media and society in general, but has no a specific definition and legal form. In this respect, there is an intense debate on the concept and the relationship between social enterprise and social economy. The study identified emerging forms of social enterprises in sectors like consultancy, creative and cultural sector, services, etc., which adopt other forms instead those that are traditionally related to the social economy. For example, a liability company, as the case of Auara, which reinvest the 100% of their profits in their social mission. Other examples are communitarian cooperatives promoted or supported by public institutions, introducing public-private partnerships in other business (e.g., the Valencian community, named a "public services co-operative" where the public administration is a member).

Most of the respondents have indicated that their organisations operate as a "socially driven entity in which social objectives are as central as economic objectives". In particular, co-operatives emphasize their governance dimension, such as democratic participation and decision making, as a differential characteristic regarding emergent forms of social enterprises.

As for the percentage of women working in SEEs in Spain, the survey demonstrates that there is a clear gender balance, even with a greater tendency towards a higher presence of women.

6.9.2 Why? – Drivers, motives/objectives, aims & purposes

According to the survey results, the main reasons for Spanish SEEs to engage in co-operations with traditional businesses is the desire to scale activities and social impact (52%) and, in second place, to jointly develop new ideas, strategies, products and services (43%) and in third place to access broader networks and opportunities (41%). However, we noticed some differences in their motives to cooperate according to the social economy entities' size: to access broader networks and opportunities (82%) and the access to additional financial resources (68%) are the first motives to cooperate in the case of large and middle-sized SEEs while for small and micro SEEs is to acquire or give more recognition and visibility to their organization or their social action and improving their image /brand (47%), followed by the access broader networks and opportunities and obtaining financial resources (over 41%). The access to skills, strategic support and the partner expertise show a similar percentage for SEEs, independently of their size (over 42%).

As a general rule, co-operations do not aim to create a new legal entity in the form of social start-up. The propensity to co-operation aimed at the creation of a social start-up or a separate legal entity is over 11% in the case of traditional firms and 5% for SEEs. This difference can be explained -according to comments of interviewees- by changes that are being introduced in the CSR practices and the inclusion of incubating programmes oriented to the generation of social impact. As for traditional entities, most of them consider that co-operations provide more recognition and visibility in terms of branding, among others, and give them the opportunity to improve their products and services given that SEEs are closer to the real needs of end users.

6.9.3 *With whom? – Type of SEEs, type of partners, role, co-operation frequency*

Most of the organisations responding to the survey have indicated that they have already been engaged in co-operation with other entities both SEE and traditional no matter the size of the organization. All SEEs cooperated with one or more other entities in the past three years (over 98%). Associations and foundations usually cooperated more with traditional firms (all the respondents affirm they cooperated at least one time) while co-operatives show a minor propensity (over 60%).

As for the type of partner to engage in co-operation, the survey indicates that foundations and limited partnership collaborate frequently both with traditional entities and SEEs while associations and co-operatives do it with other organisations of the social economy sector. Both SEEs and traditional firms engage in cross-sector partnerships between public authorities, private businesses and SEEs (62% and 60% respectively).

6.9.4 *When? – Stage of development of the SEE during co-operation*

The stage of development of an entity can be relevant not only to open co-operations with third parties but to make those co-operations sustainable in the long-term. Among Spanish survey respondents most SEEs appear to be established between 1971-2000 and are middle- to large-sized and cooperate more with traditional firms (over 52%) than most of SEEs and enterprises established between 2001-2010, which are small-sized and less propense to cooperate (around 30%). Interviewees consider that a similar level of development or age together the knowledge of the specific activity sector may contribute to successful cooperation. Although a high level of development does not always mean that the entity has been founded many year ago, mature entities (20-40 years of operation) often engage in co-operation more easily than the new ones. They usually have sufficient experience and a consolidated brand image in the market that help them convince potential partners. Nevertheless, it happens that social start-ups tend to open co-operation space with third parties to consolidate their position and to increase their social impact. The level of maturity appears to match, at a more granular level at least, with distinct drivers for co-operation: more mature SEEs envision sustained activity and legacy (together with the potential of mirroring the corporate's professionalism), younger SEEs look for purely financial 'investment'.

6.9.5 *Where? – Geography, area of operation and social needs (beneficiaries)*

The main areas of operation of the entities are regional and national except for a few numbers of enterprises and SEEs which operate at international level. Over 16% of SEEs operate in non-European developing countries. In part this is due to strong historical links of Spain with Spanish-speaking developing Latin American countries that maintain strong economic relations with Spain. This also suggests that a common language may be an enabler for some SEEs to develop international co-operations. Most of the entities which operate at regional level are between micro and middle-size organizations, while those which operate at national usually are large enterprises. One identified trend is the orientation of large co-operatives to internationalization and even diversification of their activities (e.g., Mondragón[197] and Florida Universitaria[198]).

The principal beneficiaries of cooperation are people with disabilities (44%), general population (as a whole, 38%) and specific groups such as youth (34%), women (30%), children (26%) and migrants (22%). As for the sectors of operation, education and training, societal inclusion, justice and human rights, work integration, health and wellbeing are the most relevant in Spain. Besides, all those sectors are well balanced in terms of gender issues. Furthermore, most of the entities working in the different areas of operation tend to be middle-sized or large organizations, except for those focused on poverty and in-come generation/support which are mainly micro or small entities. An interesting trend is the active involvement of SEEs and traditional firms cooperating in the collaborative economy field (17,5%) and less in circular economy (over 7%).

[197] https://www.mondragon-corporation.com/experiencia-cooperativa/historia/

[198] http://www.floridauniversitaria.es/es-ES/Paginas/FloridaUniversitaria.aspx?Perfil=Florida%20Universitaria

6.9.6 *How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances*

When engaging in co-operations, entities usually integrate value chains as suppliers or customers (large and middle-sized SEEs) and less in R&D activities (mostly in the case of large SEEs). Also forming cross-sector partnerships between public authorities, private businesses and SEEs, which is the prevalent type of cooperation (over 50%, with slightly differences according to the size of the entities).

Among the main reasons that have prevented entities to engage in co-operation, it is worth highlighting the lack of resources (time, manpower, etc. (57%), mismatch and/or imbalances in capabilities to cooperate (39%) and communication (33%). From the interviews carried out in Spain we can conclude that successful cooperation depends on trust, e.g., personal relationships, and expertise, being necessary to overcome certain prejudices regarding what social enterprises are (their differences with NPOs) and suspicions about the motives in case of big corporations (e.g., social washing), which may strongly influence the starting stages of cooperation.

The main difficulty encountered by the Spanish SEEs that engaged in some type of co-operation concerns, in line with other countries, is the lack or inappropriateness of resources to cooperate and lack of cultural fit between partners (68% and 65%, respectively in the case of small and micro SEEs), followed by a weak leadership and conflicting needs and attitudes to collaborate (over 50% and 43% for large and small SEEs respectively).

Interviewees commented the strong influence of the external environment -the surrounding ecosystem and supporting mechanisms- as crucial to enable cooperation. In this respect, also desk research informed about trends in the generation of platforms and networks and an incipient clusterisation phenomena together the role of social extra-preneurs and intra-preneurs in cooperation interactions. Examples are the growth of social innovation labs and hubs such as Denokinn (http://denokinn.eu), La Noria Social Hub (http://www.malaga.es/lanoria/), SIC4Change (https://www.sic4change.org), Monday Innovation Lab (http://mondaybarcelona.com) , Upsocial (https://upsocial.org/es), etc.

One recent initiative was the creation in 2018 of the Social Impact Cluster[199] (Cluster de Impacto Social) by Forética. It involves 60 large enterprises and SEEs (Endesa, Grupo Cooperativo Cajamar, ILUNION, Ibercaja, etc.) and constitutes a meeting point to gain knowledge, leadership and dialogue about social impact and its measurement, with focus on the Sustainable Development Goals and the 2030 Agenda for Sustainable Development.

Public funding is one of the main founding sources to finance social projects in cooperation (at regional, national and European level). Particularly, Spain has developed several initiatives and programmes, mainly at regional level, to foster social entrepreneurship rather than the co-operations as such. Funding schemes have worked very well to engage traditional companies in projects aimed at achieving social impact. Other funding sources in Spain are crowdfunding platforms, impact investment funds, institutional investors/banks (i.e. Caixa Foundation), sponsorship and voluntary work. Additionally, it is worth stressing that the number of social incubators and accelerators remains scarce (e.g., SocialNest[200], a social incubator created in 2010) regarding traditional ones. Similarly, the access to funding to develop social ventures and social start-ups (e.g., the Bolsa Social[201] and CREAS[202], which wants to become the reference financial market for investors with social impact and companies with positive values.) is very limited. show the highest propensity to work for the creation of a start-up (10%). Another trend identified is the shift of investors towards the social demand and social entrepreneurial initiatives, focusing on projects involving people affected by the crisis such as groups of risk, unemployed people, etc. At the same time, there is a growth in projects oriented to the circular and collaborative economy attracting

[199] https://foretica.org/proyectos-y-soluciones/cluster-de-impacto-social/

[200] http://socialnest.org/

[201] https://www.bolsasocial.com/what-we-do/

[202] http://www.creas.org.es/

investment. Nevertheless, such investment is not yet specifically oriented to favour cooperation across sectors.

On the other hand, recent initiatives in the regulation of public procurement (following the Guide published by the European Commission) are being applied by government at national, regional and local levels, such as the inclusion of social clauses in the procedures for awarding public contracts. However, it is still too early to assess the implementation of this new EU regulation on public procurement and its impact on cooperation.

6.9.7 What for? – Outcomes, assessment of social impact

The main benefits obtained by Spanish entities engaged in co-operation have been access to broader networks and opportunities and the access to skills, new knowledge, strategic support and expertise (over 85%), followed by the access to financial resources (67%, in the case of middle and small sized SEEs). Most of partnerships and cooperation types are transactional, but various examples of integrative and transformational partnerships with high social impact can be found trough the integration of SEEs in the value chain of corporations and the emergence of Hybrid Value Chains (e.g., the case of Auara).

Although survey respondents have that usually put in place evaluations procedures to measure social impact generated by co-operations (95% declared to measure the social impact produced by cooperation), the reality is that indicators related to co-operation as such are not sufficiently developed. There is no consensus in the methodologies and 35% used own approach to data collection and did not refer to any specific methodology and over 98% affirmed not used sufficient resources (time, manpower, financing to cooperation impact measurement. There are several studies developed by social economy representatives (e.g. CEPES) in which there is a deep analysis in terms of social impact but applied to overall figures in social economy field rather than to co-operations.

6.9.8 Short verdict

- Social economy in Spain is a mature sector that is acquiring high visibility and relevance in the overall economy. The Spanish Confederation of Entities of Social Economy (CEPES), established in 1992, is the largest network representing the social economy in Spain, integrating 28 organisations, all state and regional confederations and specific business groups, and could strongly contribute to expand the social economy's borders towards cooperation with traditional business. It is necessary to establish action plans attending to the variety of SEEs, their characteristics (size, sector of activity) and their potential for different forms of cooperation.
- Information for better understanding of the concept and profile characteristics of social enterprises should be provided together examples of successful cooperation involving different SEEs
- There is a huge potential for cooperation with traditional business, acknowledging the increased demand of social innovations that still remain unexplored. Some trends are observed in cooperation of SEEs and traditional business in the collaborative and circular economy sectors but there are many opportunities in "tech-for-good" to be considered.
- Differences in the access to funding opportunities (public or private funds, mix of public/private funds, guarantee schemes, financial intermediaries, etc.) and supporting mechanism for SEEs constitute a barrier to cooperation. In similar way that other countries, more attention should be paid at this aspect and the preliminary preconditions for engaging in co-operation that are not always fulfilled. The generation of "spaces for dialogue and information about the pool of opportunities" attending to the specificities of both SEEs and traditional enterprises is extremely important as well as the diffusion of best cooperation practices.
- Finding the required resources (time, manpower, financing) to set up cooperation management, need to be properly addressed. In particular, one specific area to improve is the monitoring and measurement of social outcomes and impact, which are not perceived as relevant to successful co-operation in terms of the generation of value (economic, social, ecological).

- The emergence of new modes of collaboration and collaborative business models is calling for the development of new skills and capabilities, i.e., professionals who understand both traditional businesses and SEEs. Such demand is reflected in the recent offer of platforms and consultancy to prepare social intra-preneurs and social extra-preneurs.
- The intermediation of both social intra and extra-preneurs seems to be key for the reinforcement of cooperation interactions and the formation of new "hybrid" or "mixed" clusters. However, these notions are not clearly understood.
- Government could play a more active role in facilitating co-operation between SEEs and traditional enterprises. e.g., creating specific incentives to cooperation with SEEs through the supporting mechanisms for traditional business, attending to current examples of best policy practices.
- Targeted public support for structures as hubs, accelerators or incubators is crucial to ensure the sustainable development of social ventures and social start-ups, which require business support through their developmental phase. Incentives for the participation of traditional firms SEEs across territories and activity sectors

6.10 United Kingdom

6.10.1 SEE population and respondents' characteristics – Legal form, operation model, gender

In the UK, the total population of SEEs is about 974.941 entities. This number includes 77.797 'co-operatives and other similar accepted forms', 897.000 'associations, foundations and other similar accepted forms' and 144 'mutuals and other similar accepted forms'.

In comparison with the other countries studied, these numbers are exceptionally high and testify of the importance of the social economy in the UK. Besides other reasons, this could be attributed to the **'Public Services (Social Value) Act'**. This legislation came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. The Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems. This particular legislation could have been a particular boost in the creation and maintenance of SEEs in the UK.

It is worth mentioning that the Act featured prominently in numerous qualitative interviews that were conducted, suggesting it has indeed been an important contributing factor to SEEs in the UK.

However, it is also important to note the rather low response rate in the quantitative survey: only 38 answers from UK SEEs. An important reason seems to reside in the looming Brexit negotiations and the consequent low interest to participate in EU-relevant evidence gathering. As a result, the observations expressed here serve an anecdotal purpose. Finally, we underscore that legal forms in the UK differ from legal forms in other European countries[203]. To fit the overall sample segmentation, UK SEEs had to choose for themselves which form[204] they were the closest to.

Comparing the legal forms adopted in the UK with the overall mean, we observe a number of deviations. On the one hand, the shares for 'limited company', 'limited partnership' and 'social enterprise' are higher in the UK than the mean. One the other hand, the shares for 'associations', 'foundations' and 'co-operatives' are lower. The high figure for 'business oriented' forms may be explained by different reasons.

[203] Most often adopted legal forms are: Limited Liability Partnership, Community Benefit Society (IPS-BenCom), Company Limited by Guarantee. Others are: Charitable Incorporated Organisation

[204] Among the following: Association, Foundation, Co-operative, Limited company, Limited partnership, Social enterprise, Other, please specify and Don't know

First, the UK social economy is quite developed already compared to other countries of the sample[205]. Therefore, SEEs may have become autonomous and financially viable and chose legal forms that allow them to earn money and reinvest it. Secondly, regulatory changes may have affected the shift from non-profit to for-profit. For example, recent modifications in social protection regulation have negatively affected mutual health entities, in some cases, conditioning the transformation of their legal status into a for-profit entity. A third reason surfaced in the interviews. More concretely, the relation between social economy and the market is historically different in the UK from continental Europe, as one member of a UK SEE explained us: "In the UK we have quite a strong idea, and this idea is sometimes different from other European countries, that public services are developed within a market and not solely by public authorities. So, that is the environment in which the social economy organisations operate alongside the commercial ones."

Concerning operating model, UK SEEs follow the sample's mean except for 'trading charities in which commercial activities are established to meet the charity's primary mission, or as a secondary activity to raise funds'. The percentage for this category is higher than the overall mean. Again, this deviation seems to indicate that UK SEEs link commercial activities to social impact, by integrating impact in the core of the business model. This is not as prevalent in other European countries, where SEEs rely more on donations or public funding.

For the gender distribution, we don't observe a significant deviation for the UK. From the answers to the qualitative survey, around 40% of SEEs count as many men as women as employees, 30% of SEEs count more men than we men and the 30% remaining count more women than men.

6.10.2 Why? – Drivers, motives/objectives, aims & purposes

For the three most relevant factors to engage in co-operation, we can only notice two significant deviations from the sample's mean. The number of SEEs engaging in co-operation 'to increase organizational efficiency or professionalism' is lower in the UK than in other countries, while the number of SEEs collaborating **'to scale activities and social impact'** is much higher. Indeed, SEEs in the UK are already quite mature and have proven efficiency and professionalism, due to the strong and particular legacy of the UK social economy. Therefore, efficiency and professionalism have already been embedded in the majority of UK SEEs and these entities are now looking to expand their impact. Among others, co-operation with traditional companies might be an effective way to achieve it.

6.10.3 With whom? – Type of SEEs, type of partners, role, co-operation frequency

The number of co-operations between SEEs and other organisations (e.g. traditional enterprises or social extra-preneurs) is similar to the sample's means.

UK SEEs partner more with 'co-operatives' and 'limited companies' than in other EU territories studied. For other types of partners, the UK follows the mean of European countries in the sample. For partnerships with 'foundations' and 'limited partnerships', there is no data available.

The role UK SEEs take in co-operation differs in two ways. Firstly, in collaborating with traditional enterprises, they are less often 'supplier' vis-à-vis the sample. Interviews revealed a number of barriers. Firstly, SEEs are often perceived as "more expensive" and/or "not affordable", according to one interviewee from a UK SEE. There are also doubts as to their level of service quality and professionalism. Also, another UK SEE stated that in the UK there exists "an important number of mature, commercially scaled social enterprises with a proven track record. [As a result] at a certain point the distinction between social economy and traditional businesses starts to become irrelevant." The large UK SEEs can in fact be considered as genuine competitors to traditional enterprises. Hence SEEs are not prone to adopt

[205] The study "Recent evolutions of the Social Economy in the European Union" published by CIRIEC International mentions that the UK is one of the first countries that has transposed the new European regulations on public procurement (Directives 2014/23, 2014/24 and 2014/25). These directives aim to foster the social economy by facilitating its access to the public sector.

a purely supplier role. Finally, when collaborating with social extra-preneurs, UK SEEs more often take the role of 'customer' vs. SEEs in the sample.

6.10.4 When? – Stage of development of the SEE during co-operation

The year of establishment of UK SEEs differs from the overall mean. In the period 1971-2000 and after 2011, less SEEs were created in the UK, while between 2001 and 2010, more SEEs were launched. Here, we can point to evolutions in the regulatory fabric for social organisations sine 1998. That year, the Compact, an agreement between the government and the voluntary and community sector was established. It sets out key principles and establishes a way of working that aims to improve the relationship in a mutually advantageous way. This was also an important launch pad towards increased recognition of the social economy at policy-level in the UK. From early 2000s onwards, social enterprises have been high on the national policy agenda and different additional regulatory and administrative interventions were made. For example, in 2001 a dedicated Social Enterprise Unit within the UK Department of Trade & Industry was created.

6.10.5 Where? – Geography, area of operation and social needs (beneficiaries)

We observe a rather small difference in the geographical area of operation of UK SEEs and continental SEEs. The former ones are more often operating 'nationally' and 'internationally' (vs. 'regionally' for continental SEEs). This difference is perhaps due to the fact that SEEs have had more time to develop their activities and expand out of their region than in other countries.

As far as beneficiaries are concerned, UK SEEs focus less on 'children' and 'people with disabilities'. Rather, they focus on 'people from marginalized or underserved communities'.

Regarding the social needs addressed, SEEs in the UK tend to operate in 'education, training and skills development' and 'health and wellbeing'. In regards 'work integration', it seems that UK SEEs operate less in this field compared to the sample. The social economy sector in many other countries is probably more focused on the integration of disadvantaged people in the labour market due to the implicit perception of social economy and its role. In Belgium, for example, SEEs are still largely seen as 'work integration social enterprises'.

UK SEEs operate less in the 'sharing/collaborative economy or collaborative consumption' field. For 'circular economy', the results don't show a significant difference. We should be careful to read definite conclusions from these numbers. For example, we know that Sharing Economy UK is a respected trade body championing the interests of the sharing economy, from very influential sharing economy businesses to innovative and industry-defining start-ups[206]. In the field of circular economy, the Ellen MacArthur Foundation has emerged as a global thought leader, establishing the circular economy on the agenda of decision makers across business, government and academia[207]. The Parliamentary Office of Science and Technology[208] has made available online documents to promote the design and implementation of circular economy.

6.10.6 How? – Type/form of co-operation, main barriers, level of engagement, enablers, funding structure, hindrances

The most common forms of co-operation are 'forming cross-sector partnerships between public authorities, private businesses and social economy entities' and 'clustering/networking with other actors'. Least frequent are 'incubation/business unit creation in traditional business as social intrapreneur' and 'venture capital'.

Factors preventing SEEs from engaging in co-operation with traditional companies vary. On the one hand, we find, for the UK compared to other countries of our sample, as prominent answers: 'we are

[206] See http://www.sharingeconomyuk.com

[207] See https://www.ellenmacarthurfoundation.org/about

[208] See http://researchbriefings.files.parliament.uk/documents/POST-PN-0536/POST-PN-0536.pdf

interested but lacked specific opportunities to collaborate' and 'we lack resources (time, manpower, financing) to engage in co-operations'. On the other hand, the following factors are less encountered in the UK: 'we are not keen to collaborate with for profit companies', 'we never thought to collaborate or gave it actual priority' and 'we lack knowledge about partners to collaborate. As one UK interviewee noted:

> *"[b]arriers include limited resources: more and more budgets are being cut. Whilst collaboration in various different areas could be really beneficial, you can see that there are less and less resources to do so. If you think about the tremendous amount of SEEs out there doing good things, how do you assess which one you are going to work with? It's a huge investment of people's time and efforts to make sure the relationship stays collaborative. This should be taken into consideration and is a reason for which collaborations often don't work as people are not putting in that time. It is hard to quantify the impact of collaboration and therefore hard to get people understand the value of time and efforts into building relationship for partnerships."*

In regards factors facilitating co-operation, there exists a difference in relation to two factors. First, the factor 'availability of resources (time, manpower, financing)' is more important for UK SEEs than for the rest of the sample. As explained earlier, this is likely due to budget reductions and the decrease in available resources for SEEs. Second, the factor 'sufficient skills and know-how on how to collaborate' appears less significant for UK SEEs.

The funding sources contributing to co-operation are quite different in the UK. 'Impact investment funds and intermediaries', 'charitable trust & foundation' and 'corporates' are more important. The answers for the overall sample are higher for 'public funding (local, national, EU)'. Again, budget cuts play a role. But also, the concurrent strong development of the social finance and social investment market in the UK in recent years plays a role[209]. As another prominent interviewee noted:

> *"In the UK, we have a well-developed social finance market, which is a certain form of social economy and commercial co-operation [*social finance *is an approach to managing money which delivers a social dividend and an economic return], with investments being made in social enterprises. There are more traditional, philanthropic ways of funding of course, which are well established in the UK. Lots of corporations will have associated charities and foundations and support their charitable activities. You also have commercial participation arrangements, which are basically sponsorship agreements between commercial organisations and public benefit organisations. The idea there is that the corporations provide philanthropic support and in return they get recognition for that. Those two types are basically CSR-philanthropic types of arrangements"*

Strikingly, social impact bonds (SBI) did not feature prominently in the quantitative survey. In the qualitative interviews, however, they did surface. The SBI mechanism is an example of a very pure co-operation between SEEs and other actors on the market. This mechanism was explained by one of the UK interviewees ':

> *"The investor invests against outcomes to be delivered; they pay in advance. The government then pays once the outcomes have been delivered and that is how the investor gets returns. The impact bond is an innovative payment-by-results mechanism to fund public services and a very clear way in which the public benefit and commercial sector collaborate. You get to the point where it is good business. The world's first social impact bond, the prototype, was developed in Peterborough*

[209] See http://www.eurosif.org/sri-study-2016/united-kingdom/. The amount for impact investing in the UK went from 1,4 billion euros in 2013 to 4,6 billion euros in 2015.

[Implemented in a prison in Peterborough in eastern England, this first SIB aimed to reduce reoffending by prisoners who have served short custodial sentences]."

The mechanism (and prominence) of social impact bonds in the UK underpins the shift in funding from public to private actors. It bears also repeating that equivalent mechanisms have been (or are in the process of being) set up elsewhere in Europe[210].

Finally, as for barriers to co-operation, 'conflicting needs and attitudes to co-operation', 'lack of clear external incentives/support for co-operation' and 'difficulty of monitoring progress of co-operation' register as important in the UK. The qualitative interviews add insight that public contracts tend to be awarded to large commercial providers that then subcontract to social economy organisations. It results in an unbalanced relationship between the large commercial providers and the SEEs, which creates an inequality of bargaining power. Obviously, this is detrimental to create positive attitude towards co-operation.

6.10.7 What for? – Outcomes, assessment of social impact

In the UK, it appears more SEEs engage structured evaluation to measure the social impact of co-operation vs. the sample. In terms of methodology employed, UK SEEs more often used a 'methodology based on theory of change/logic model, …'. Conversely, less UK SEEs adopt their 'own approach to data collection and did not refer to any specific methodology'. It is safe to hypothesise that the greater level of development (maturity) of UK SEEs means they can dedicate more resources to impact evaluation than SEEs from other countries. Moreover, sees in the UK appear more so familiar with recognized tools, techniques and methodologies for impact evaluation, such as theory of change. It is, in this respect, worthwhile to note that various UK organisations are specialised in the field of social impact measurement[211].

6.10.8 Short verdict

Where does the country stand today in terms of co-operations between SEEs and traditional enterprises? What are the challenges for the future?

- From early 2000s onwards, social enterprises have been high on the national policy agenda (with regulations such as the 'Public Services (Social Value) Act'). Its developments has been fostered and it explains why UK's social economy is today well implanted, with regulations.
- SEEs in the UK are shifting from non-profit to profit legal form for several reasons, such as new regulations, ability to compete with traditional businesses and maturity of the sector.
- Co-operation with traditional enterprises is a mean to scale up their impact for UK SEEs.
- The development of the social finance and social investment market in the UK in recent years has been impressive. Just for impact investing, the amount of money invested in the UK went from 1,4 billion euros in 2013 to 4,6 billion euros in 2015[212].

[210] For example in Belgium, the first SIB has been structured in 2014 as followed: an innovative social services provider (i.e., Duo for a Job) based in Brussels has received funding from a consortium of social investors to finance its operations for 3 years. The social services provided consist of intensive intergenerational and intercultural coaching to help unemployed young individuals from immigrant families to successfully reintegrate the Belgian job market. After a period of 3 years, an independent evaluator has assessed the success of the social services provided. Depending on the success of the program, investors are reimbursed (or not) by the Brussels Employment Agency and perceive a financial return that varies according to the social performance of the program. At all levels of social performance, the amount paid back by the Brussels Employment Agency to the investors is only a marginal proportion of tax-payer money savings generated by the program (i.e., reduced unemployment benefits and increased tax revenues).

[211] Such as Social Value UK, Simetrica, Social Value Lab and many more.

[212] See http://www.eurosif.org/sri-study-2016/united-kingdom/

- In the UK, SEEs have usually used recognised tools and methodologies, such as SROI or methods based on the theory of change, to measure their impact.

6.11 Cross-country analysis

Next to the European country reports, 5 non-EU experts[213] were asked to produce **concise country reports for 5** non-**EU countries** (Brazil, Canada, South-Korea, Switzerland, the US) as a benchmark to the results that we produce for the ten European target countries of our study, as well as in view of the identification of **enterprise-level best practices from non-EU countries**. The information collected from the benchmark countries is based on the experts' knowledge, complemented with secondary data and information. Concretely, for non-EU countries (see the Annex to this report for a more detailed benchmarking) are compiled by collecting insights on the following questions:

- Where and to which degree does the non-EU country deviate from the mean of the EU SEEs survey results?
- What are the forms of co-operation SEEs and traditional enterprises are engaged in?
- To which degree and how does the country-specific environment (regulatory and legislative framework, policy measures, industry structure etc.) affect these co-operations?
- What are the 5 'research themes' (see above) on which the non-EU country has something to teach and why?
- Which enterprise-level best practices could best illustrate the non-EU countries' exceptional performance vis-à-vis the selected research themes?

The cross-country comparison in this chapter serves as a synthesis of the European and non-European country reports. It consists of two sub-sections (the second one can be found in the Annex to this report):

1. **A non-EU benchmarking analysis** (Where does Europe stand compared to non-EU countries?), based on an expert comparison of the European SEEs survey mean with non-EU countries as well as an expert elaboration on the 5 research themes on which the non-EU country has something to teach and why.
2. **A cross-country comparison focusing on the European countries** targeted with this study, in which we look for potential correlations between the **12 quantitative indicators** calculated in this study and the **initial criteria for country selection** (see also below). The 12 quantitative indicators are available in the attachment report.

6.11.1 Non-EU benchmarking analysis: where does Europe stand compared to non-EU countries? Initial conditions, drivers and linking mechanisms

In terms of general characteristics, according to the survey results, **European SEEs** mostly adopt the **legal form 'association'**. In terms of prominence, this form is followed consecutively by that of the **'co-operative'** and the **'social enterprise'**. When it comes to size, 80% of the SEEs surveyed are either micro (49%) or small (31%). The European SEEs in our survey sample report a **high co-operation incidence with traditional enterprises**: 61% do collaborate. Overall, these co-operations are characterised by a **commercial aspect**: 79% of the SEEs take the role of supplier or customer. Also, most of the SEEs collaborated with a relatively **large number of traditional companies**: 36% of the SEEs collaborated with 15 or more traditional companies, 45% with 11 or more and 69% with 5 or more.

As stated further in chapter 4 of this report, 'Pattern of co-operations', the **motives/drivers** of European SEEs to engage in co-operation **vary** and are often **country-specific**. The **most frequently** indicated ones are: **'having access to broader networks and opportunities'**, **'scaling activities**

[213] Renata Truzzi for Brazil, Ola Tjronbo for Canada, Minjeon Kang for South-Korea, Barbara Good for Switzerland, Jane Arlene Bassett for the US.

and social impact'. The **least frequently** indicated ones are: **'sharing risks and reducing costs'**, **'strengthening employee satisfaction and engagement'**.

In **Brazil**, the 'association' is currently the predominant legal form in what the country knows as the 'solidarity economy', which consists also of a huge body of NGOs.[214] While the associative and co-operative movement are well-established in Brazil, the field of **social enterprises**, which is the focus of the country report delivered by country expert Renata Truzzi, is still **emergent.** The most commonly adopted legal form by social enterprises - *Negócios de Impacto Social* - is that of a **for-profit enterprise** (a limited company or a micro-enterprise (MEI)). Like European social enterprises, Brazilian ones are quite young and often micro-sized. Also in terms of co-operation partners (SEEs and traditional enterprises) as well as co-operation frequency, there does not appear to be significant differentiation from the European survey results.

What appears to be country-specific, however, is the fact that when SEEs and traditional enterprises engage in a supplier-client co-operation, this often is **driven from the side of the traditional businesses themselves**, since they are supposed to comply with their **'social impact goals'**. More concretely, often SEEs are *hired* by traditional companies because they possess the social or environmental expertise that companies require **to comply with specific legislation obliging companies to take urgent societal issues into consideration**.[215] These motivations on the companies' side tally well with the primary driver for co-operation of Brazilian SEEs: **finding access to financial resources – also the primary driver for European SEEs**. In contrast to what surfaces from the overall European study results, traditional companies in Brazil are legally bound to engage with the most urgent societal needs of the country. This type of tailored law enforcement provides a clear legal framework for social and traditional economy co-operation. As often reported also in the qualitative interviews, European countries could do much more effort to integrate e.g. social clauses in company law.

In **Canada**, according to country expert Ola Tjornbo, the social economy takes different shapes in the francophone province of Québec and in the anglophone provinces of British Columbia and Ontario: while in the first the social economy has a strong **co-operative tradition**, in the latter it is tied to the **charitable sector**. Partly as a response to cutbacks in government funding for not-for-profits and charities, many of these charitable organizations began to look to establish **profit making businesses as an alternative revenue source to support their main activities**. At first, these new businesses often faced regulatory challenges, but more recently both the provincial governments in B.C. and Ontario have taken steps to recognize and support the social economy, through the establishment of new **legal forms**.

Country expert Tjornbo states furthermore: "In all three provinces, **the social economy makes substantial contributions to the overall economy**." Compared to Europe, this statement certainly applies to the **UK**, where SEEs understand themselves as **embedded in a market** and **overtly compete with traditional companies**. For what concerns the other European countries targeted in this study, study results reveal that only a selection of SEEs (mostly WISEs, i.e. work integration social enterprises who mostly co-operate in the role of supplier with traditional companies) live up to the required quality and professional standards to do so. Also, in a similar vein, not many SEEs in Europa emphatically acknowledge or play up their contribution to (anchoring) the local / regional / national economy.

Looking back at Canada, it is remarkable however, that in **terms of partnering**, "it can be said overall that partnering with traditional for-profit businesses has not been very common among social enterprises anywhere in Canada." Tjornbo attributes this mainly to scepticism of the motives of for-profit

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[214] Gaiger et al. (2015) Social Enterprise in Brazil: An Overview of Solidarity Economy Enterprises. ICSEM working papers 10.

[215] Such as the Lei do Aprendiz (Apprentice Law), Lei de Cotas (Quota Law), Politica Nacional dos Resíduos Sólidos (National Solid Waste Policy), which includes important measures to address environmental, social and economic problems resulting from the inadequate management of solid waste, Programa de Aquisição de Alimentos (Food acquisition Program) provides support to small farmers (family farming) and addresses hunger and poverty in Brazil, National Plan to Eradicate Slave Labor, implemented in march 2003.

enterprises. The SEEs that *do* partner are young and relatively small social enterprises that look for accessing additional resources, skills and expertise, i.e. have motivations similar to European SEEs for co-operation with traditional enterprises.

In **South Korea**, the elaborate government scheme targeting SEEs has proven to be very determinant for SEEs overall organizational characteristics and collaborative behaviours. The most significant milestone for South Korea's social enterprise ecosystem development was the **"Social Enterprise Promotion Act"** adopted in 2007.[216] In order to solve growing social issues such as aging population, increasing income disparity, and especially rising youth unemployment, the country could no longer rely solely on the government and the private sector. The Act aimed to create social enterprises that can create jobs as well as provide social welfare services to vulnerable populations. In this context, the South Korean government developed a **legal format for recognizing social enterprises and a certification system**. Once certified, a social enterprise can have preferential access to various kinds of support: 1) expert support in human resource management, tax affairs, and accounting etc.; 2) loans for renting land and facilities; 3) public procurement bidding; 4) tax benefits and subsidies for social security premiums; and 5) subsidies for personnel and operational expenses. Since the social enterprise certification system was launched in 2007, 1606 social enterprises have been certified in South Korea. In the past few years, about 260 social enterprises on average have been certified every year. Although the certification system shows the **South Korean government's strong commitment** to promoting social enterprises, it also has **some adverse effects.** Some criticize that the certification system is damaging social enterprises' sustainability by directly subsidizing their personnel expenses. Indeed, **some social enterprises face difficulties in continuing their businesses** after they graduate from the three-year payroll subsidy program. According to official data, 131 certified social enterprises have discontinued their businesses since 2007. Consequently, the government has shifted its focus to support social enterprises in being **less dependent on government subsidies**, more **financially sustainable**, and **more competitive with private corporations**. For instance, the government now promotes the following activities: **business partnerships between social enterprises and private corporations**; **capacity-building of intermediaries** that support social enterprises; **social investments** in social enterprises; and **social entrepreneur development programs** in academic institutions. In South Korea, the **government** is the biggest player as well as a contributor in the ecosystem for social enterprises.

According to country expert Minjeong Kang, and despite recent government efforts to shift focus on SEEs' financial sustainability through, among others, supporting business partnerships, co-operation between SEEs and traditional businesses **does not seem to be so prominent** yet.[217] However, when both parties do co-operate, the co-operations tend to be structured according to a client-supplier relationship, the SEE almost invariably taking the supplier role. Interestingly, and again despite government efforts regarding the capacity-building of intermediaries, the **"social extra-preneur" is generally not recognized as a pertinent social economy entity** at all. Country expert Minjeong Kang nonetheless is convinced that the current social economy field in South Korea would benefit strongly from playing up the role of these intermediary actors.

When it comes to drivers and motives for co-operation, SEEs in South Korean SEEm to seek partnerships with traditional enterprises **"to access broader markets or better reach target beneficiaries"**. This motive appears to be of little importance for European SEEs in their co-operation with traditional businesses. Rather conversely, in Europe it is businesses that envision to reach untapped markets through SEE co-operation. In contrast to European accounts of SEEs precisely having a very direct

[216]Tamako Watanabe and Fumi Sugeno (2016) Ecosystem for supporting social business in South Korea, https://www.fomin.org/en-us/Home/News/article-details/ArtMID/18973/ArticleID/7098/Ecosystem-for-supporting-social-business-in-South-Korea.aspx

[217] See the survey data mentioned in the country report for South Korea: "According to the survey data in Korea, 76% of SEEs collaborate with 1 entity, 16% do with 2 entities and only 8% do with more than 3 entities"

connection to beneficiaries / end consumers, **market accessibility** appears to be a very difficult task for SEEs in South Korea. Equally in contrast to the survey trend among European SEEs, Korean SEEs valorise **"acquiring or giving more recognition and visibility to your organization and/or social action"** as a major driver. European SEEs, as well as regular businesses, on the contrary, are still often reluctant to play up this type of co-operation due to the legacy of a perceived divide between the social and the regular economy and mutual stereotyping.

In **Switzerland**, very often the concept of 'SEE' depends on the (linguistic) region of the country. This reflects in the **absence of a unifying legal framework for social enterprises**, and a **diversity of local approaches and practices** observed among social enterprises, social enterprise networks and government support. Nonetheless, in line with many other European countries targeted with this study, social enterprise is currently still most frequently associated with work integration social enterprise (WISE) activity, while the Anglo-Saxon concept of social entrepreneurship is making an entrance.

In Switzerland, as reported by country expert Barbara Good, it is mostly **established WISEs**, in an advanced stage of development and with the objective of a **transformative co-operation (value creation for both partners)**, that cooperate with traditional firms. Cooperation between start-up social enterprises and traditional firms, which ranked high in the survey, seems to be less frequent in Switzerland.

Also deviating from the European survey results according to which **public funding** remains a major financial resource, available information suggests that (work-integration) social enterprises in Switzerland typically have **hybrid business models** based on public subsidies but also **heavily on income generated from market sales, mostly to private clients**. Nonetheless, reliance on market sales constitutes a thin line for WISE. If too much income is generated through the market, there is a danger that the public sector will withdraw its financial support, arguing that is not actually necessary. Experts estimate, however, that this would lead to the collapse of the whole WISE sector.

With regard to the survey, the main reasons for WISEs to collaborate with traditional firms are threefold:

1. financial independence by **accessing additional financial resources** (see above),
2. exploiting **synergies with existing activities** (i.e. competence sharing, diversification of work complexity spectrum) **and know-how** and
3. **identifying meaningful jobs and lines of work for WISE clients in traditional enterprises**, with the aim to offer them more permanent work opportunities and ensure an adequate matching between worker and workplace.

These three motives all score high in the European survey too. However, the **motives scoring highest in the European survey** - scaling activities and social impact and acquiring or giving more recognition and visibility to the social enterprise – **do not seem to present a driver** for Swiss social enterprises.

In the US, the **legal forms** adopted by SEEs show a strong resemblance with the European situation. However, **three new legal forms for SEEs** have been developed at state level: **B corporations, low-profit limited liability corporations (L3C),** and **benefit corporations**. The US departs from the EU survey results in that the drivers behind co-operation relationships in the US likely more often include: **"to strengthen employee satisfaction and engagement"** as well as **"to access broader markets or better reach target beneficiaries"**. For what concerns the EU survey results on with whom SEEs mostly co-operate, according to country expert Janelle Arlene Bassett, SEEs in the US likely align with the results in terms of the number of co-operations, though the type of entity is **likely more often another SEE than a traditional firm**

6.11.2 The process of co-operations

The **SEEs surveyed in Europe** operate mainly on a regional (55%) or national (32%) basis. The most popular form of co-operation are **cross-sector partnerships** between public authorities, private firms and social economy entities - 59% of the SEEs is or has been involved in this form of co-operation.

Other dominant forms of co-operation overall are **clustering and networking** (40%), **social and relational capital exchange** (24%), **integration into value chains of traditional businesses** (22%). **Very few respondents** reported any co-operation in the context of **venture capital investment** (2%). Many SEEs finance their activities by generating income through business / market relations with traditional firms. This is especially true for SEEs whose main goal is to support disadvantaged people through employing them. However, in most cases SEEs running businesses use complementary sources of financing. The survey revealed that by far the most import funding source for SEEs to facilitate the co-operation was **public funding,** be it local, national or European. **64%** of the respondents declared having benefited from it. Second in line is funding from a **charitable trust or foundation**. Third is funding received from **corporates**.

The survey asked the SEEs about the most important factors that facilitate the co-operation. Significantly ahead of other answers was **trust between partners,** with 59% of the overall respondents recognising it as one of the three key factors. The **alignment of objectives** was second in importance (50%). Next came the **availability of resources (e.g. time, manpower, financing)** (46%). In terms of hindrances to co-operation, **the lack or imbalance of resources (time, manpower, financing)** was clearly mentioned in the survey as the most important one (51%). **Communication problems** were mentioned in the survey as the second most important factor hindering co-operation (29%). In the third place came **challenges in external environment, e.g. regulations** (27%).

Also in **Brazil**, co-operation is mainly regionally and locally structured, be it that most SEEs are concentrated in the country's richest state. Next to that, while Brazil has a regulatory framework in place for companies to meet certain societal and environmental goals (see above) and the country's legislation equally gives recognition of the 'social and solidarity economy', the sector of social enterprises still does not feature significantly in public and policy agendas. Hence, a primordial barrier for Brazilian social enterprises is the **lack of formal recognition, legally but also scientifically**. Additionally, the country faces a **structural lack of dialogue between the public and private sector** in the context of solving the country's most urgent societal issues. These two country-specific facts explain perhaps why **cross-sector partnerships** are, in contrast to Europe, **not the most prominent form of co-operation** and why the **social economy funding structure** in Brazil appears to be quite different. Remarkably, 42% of the social enterprises have never received external funding whatsoever, and if they have, then **mainly from FFF** ('family, friends and fools'), accounting for 25%. They are followed by **incubators and accelerators** (25%). The most frequent forms of co-operation in Brazil then are rather, in order of importance, the **integration into the value chain of traditional businesses**, **societal and relational capital exchange**, and **clustering/networking with other actors.** When looking at the factors preventing, enabling and hindering co-operation, no major differences surface compared to Europe.

In **Canada**, the vast majority of SEEs operate **regionally** or **provincially** and not nationally **due to the regulatory differences between provinces** and the sheer geographic distances involved. **Regulatory barriers** remain a challenge for social enterprises who wish to partner in Canada. The great majority of social enterprises in the country are still registered as not-for-profits (e.g. 88% in Ontario[8]) and are **constrained in the kinds of financing they can accept**. Overall, in common with the European SEEs, the **largest barrier** to partnerships is probably **access to resources and / or time** to foster such co-operations.

In **South Korea**, co-operation is also mainly **regionally** and **locally** anchored. A bit in contrast to European expectations vis-à-vis government support, the South Korean government support **does not lead to the "forming of cross-sector partnerships between public authorities, private businesses and social economy entities"** to be the most prominent co-operation form in South Korea. Public authorities rather focus on supporting SEEs directly with funding and consulting services and initiating programs on social economy and traditional enterprise co-operation. **"Clustering / networking with other actors"** could be seen as the most prominent form of co-operation, i.e. a rather loose form of co-operation.

While government support in terms of the direct funding of SEEs and the set-up of programs for co-operation seem to exist, the country expert states that a **lack of opportunities and resources** (note that the SEE funding drops after a given period, see above) do seem to hinder co-operation. Moreover, again according to country expert Minjeon Kang, the question of finding resources and setting up the co-operation should be two sides of the same coin. A final interesting observation is that, when SEEs do receive support from companies, in South Korea competency voluntary work does not appear to be part of it.

In **Switzerland**, like in EU member states, the geographical perimeter of cooperation is mostly **local** or **regional**. However, given the country's decentralized nature and different linguistic regions, the national level is not well developed; only a handful of WISEs in Switzerland operate at national level. Collaborative relationships arise from existing local or regional networks and contacts.

Alignment of values is an important enabler of cooperation in Switzerland, as it is in EU member states. An enabler more specific to Switzerland is that cooperation is facilitated **if WISEs are not too specialized in their activities or client base**, as this reduces the number of cooperation opportunities. Finally, an indirect enabling factor in Switzerland is the **existence of managers and/or members of management boards who are open to cross-sectoral cooperation**. It is usual for Swiss WISE to hire managers and/or members of management boards from traditional enterprises in order to benefit from their network and expertise. Cooperation is more likely if manager or board members have collected work experience in traditional firms rather than exclusively in the field of social work.

An important barrier to cooperation is **prejudices in each of the spheres** against the other and different sectoral logics. This may be subsumed as a **lack of cultural fit between partners**, which was mentioned by approx. 15 % of respondents in EU member states. **Lack and/or imbalances of resources, which was the most prominent barrier in the EU survey, seems to be less of an issue in Switzerland**.

The most typical **outcomes** of cross-sectoral cooperation in Switzerland seem to be **in line with outcomes of collaborations in EU member states** (the outcomes of collaborations in EU member states are mentioned in brackets).

- More permanent work opportunities for WISE clients, including successful integration in the regular labour market (a solution to a social need).
- The identification by WISEs of lines of work/activities/sectors which would otherwise be abandoned or delocalized by traditional, more market-oriented firms (improved access to markets)
- The establishment of a wide network of actors in order to foster mobility and provide opportunities in the work integration system (access to broader networks and opportunities)
- Financial independence of WISEs (access to financial resources)

That said, like in EU member states, the **measurement of social impact** is often still an issue as there is no coherent system and not many social enterprises, if any at all, that measure and report their impacts. This is even more true for the impact of collaborations with traditional businesses. However, there is an increasing pressure to demonstrate measurable social impacts.

In **the US**, there is again alignment with the EU survey results in that most SEEs co-operate on the **regional level** followed by the **national level**. There may be more instances however of co-operation at the **international level** in the US. For what concerns co-operation in the field of the circular and sharing economy it appears to be low but growing. The US does not seem to align in terms of the forms of co-operation engaged: the US likely has more co-operation taking the form of the **'recruitment of external stakeholders'** and much less the **'forming of cross-sector partnerships between public authorities, private businesses and SEEs**. Also **'clustering/networking with other actors'** may be a quite prevalent form of co-operation. In terms of funding sources for co-operation, US SEEs are most likely **less dependent on public funding**. In terms of investment, the US has **more competence voluntary work.** Moreover, this competence voluntary work may consist of an investment rather from the SEE into the traditional company as suggested by the phrasing in the country

report: "In terms of investment the US may be higher for competence voluntary work because non-profit board members are often recruited for their expertise/connections they can offer the organization".

6.11.3 Specific research themes from which European countries have something to learn

Brazil

Since public support and funding for social enterprises is underdeveloped in Brazil, a **bottom-up, eco-systemic approach towards growing the social finance/impact business** has recently taken off. This initiative is termed the **'Social Finance Task Force' (SFTF)** and is explained in the country report provided by Renata Truzzi as follows:

> *"Created in May 2014, the Brazilian Social Finance Task Force (FTFS) is composed of representatives from different sectors engaged in the advancement of the field of Social Finance in Brazil. Inspired by similar initiatives developed in Canada and the United Kingdom, FTFS emerged from a mobilization promoted by ICE (Corporate Citizenship Institute) with the support of FGV (Getúlio Vargas Foundation), which involved a working group composed of 20 organizations including representatives of supply and demand of capital as well as intermediaries of the ecosystem. These organizations worked for one year to map and prioritize critical issues and opportunities for the field growth, and to recommend the names of members to make up the Social Finance Task Force. Today the Task Force (FTFS) can be defined as a movement created to identify, connect and support organizations and strategic themes to strengthen the field of Social Finance and Impact Business in Brazil. In October 2015, the FTFS launched 15 recommendations to advance the field, with goals for 2020. This content was a co-creation process among many actors involved in this agenda. After its initial years of action, the Task Force is already collecting positive results regarding the progress of Social Finance in Brazil."*

An important role in the context of the ambitions of the SFTF is attributed to **accelerators and incubators**, who, while building the social impact investment field, concurrently contribute by making social enterprises **investment-ready**. The study results on **European SEEs**, reveal that these kind of **coordinated approaches** – whether they arise from the field or start from government initiative – **towards building the field of social impact investing, are generally lacking** (the UK being an exception). Interviewees (especially stakeholders and intermediaries) nonetheless often voice the need to create 'ecosystems' for impact investing, to better coordinate the different actors (that could be) involved. Comprised is **the role of intermediaries such as impact investment funds, but also incubators and accelerators who focus on investment readiness**, which should receive more emphasis from a European perspective.

Secondly, since the creation of the Brazilian *Política Nacional dos Resíduos Sólidos* (National Solid Waste Policy – Law 12.305/10) in 2010, which includes important measures to address environmental, social and economic problems resulting from the inadequate management of solid waste, Brazil has seen **a new and growing industry** mainly composed of social enterprises that are helping traditional business to accomplish legal stipulations. This has been a **huge opportunity for SEEs that focus on the circular economy.**

While findings from the **European SEEs'** survey clearly depict **the circular economy as a conduit of cross-sectoral co-operations,** little is known about the current extent of cross-sectoral co-operations in the field across Europe. **Improving information** and **making work of coordinated policies** are just two things that could foster the quintessential role of social and regular economy co-operation within the field of the circular economy.

Box 35 Best practice #1 on Venture capital invested by traditional companies including via investment funds (such as EuSEF) in social economy enterprises in Brazil.

1.	**Case ID** - Name of SEE (intermediary): Vox Capital - Name of traditional enterprises: non-disclosed - Website: http://www.voxcapital.com.br/ - Year founded: 2009 - Country: Brazil - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** Founded in 2009, Vox Capital is the first impact investing firm in Brazil. The company invests in businesses that incorporate innovative technologies with the potencial of transforming society in a positive way. They strengthen the impact businesses ecosystem and inspire people to take part in this transformation. They provide financial and intellectual capital in exchange for equity. Their investment targets are businesses developing scalable solutions for real problems in the low-income brackets of Brazil, seeking both social impact and financial return. It manages more than R$ 120 million (USD 33 million), it has more than 50 investors and 11 equity investments. Only in 2017 its investees benefited more than 1,8 million low income people. Vox Capital was listed for the fifth consecutive year in IA50, an independent list selected by Impact Assets. IA50 highlights the 50 most relevant impact investment companies in the world. Also recognized as a 2017 Best for the World Fund by B Lab. As the first impact investing firm in Brazil, they are also showing a great impact and are the best representative to be highlighted in this study.
3.	**What are the most important success factors?** The success factors of this impact investors and its investees are related to: • A good due diligence process (including social and financial analysis) focusing on explicitly scalable solutions to material societal issues • Internal knowledge regarding the social impact challenges (education, health and financial services) of the portfolio • Providing additional services next to investment via a strong network of investors, i.e. investing also intellectual capital in the SEEs
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** • The success factors mentioned above guarantee the best investments to Vox Capital, with the best social and financial returns. Once materialised, their participation in the business (usually 20-35%) will grow and both companies (investor and investee) will gradually achieve their results.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Vox Capital is the pioneer in impact investing in the country. As a thought leader, they share their experience in several national and international events and publications. Specifically their 2017 impact report is a publication that can inspire similar companies all over the world. It can be downloaded here: http://www.voxcapital.com.br/english The firm has also been adopted as a case study for the Harvard Business School, as covered in following local media publication: http://www1.folha.uol.com.br/mercado/2017/09/1921228-primeiro-fundo-de-impacto-social-brasileiro-vira-caso-de-estudo-em-harvard.shtml

Box 36 Best practice case #2 on Local competitiveness clusters between social and traditional enterprises

1.	**Case ID** - Name of SEE (intermediary): **Força Tarefa de Finanças Sociais** - Name of traditional enterprise: not applicable (FTFS is an intermediary social economy entity facilitating cooperation at large by promoting and furthering the social finance and impact investment field) - Website: https://forcatarefafinancassociais.org.br/ - Year founded: 2014 - Country: Brazil - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☒ ☐
2.	**Why is this case a best / good practice for the chosen research theme**Created in May 2014, the Brazilian Social Finance Task Force (FTFS) is composed of representatives from different sectors engaged in the advancement of the field of Social Finance in Brazil. Inspired by similar initiatives developed in Canada and the United Kingdom, FTFS emerged from a mobilization promoted by ICE (Corporate Citizenship Institute) with the support of FGV (Getúlio Vargas Foundation), which involved a working group composed of 20 organizations including representatives of supply and demand of capital as well as intermediaries of the ecosystem. These organizations worked for one year to map and prioritize critical issues and opportunities for growing the field, and to recommend the names of members to make up the Social Finance Task Force. Today the Task Force (FTFS) can be defined as a movement created to identify, connect and support organizations and strategic themes to strengthen the field of Social Finance and Impact Business in Brazil. In October 2015, the FTFS launched 15 recommendations to advance the field, with goals for 2020. This content was a co-creation process among many actors involved in this agenda. After its initial years of action, the Task Force is already collecting positive results regarding the progress of Social Finance in Brazil. The field of social finance and impact business has developed in the world and in Brazil with the purpose of seeking new resources to finance innovation models that can generate positive changes, with products and services, for the low-income population. As financial resources from traditional sources, such as government, international organizations, private social investment and philanthropy, prove to be insufficient, social finance emerges as an opportunity to increase the available capital to finance social enterprises in education, health, financial services, cities (housing and mobility), green technologies (water, recycling, waste, energy, agriculture) and citizenship (accessibility, safety, employment, women, fashion). The field of the social impact enterprises lacks detailed mapping and data, but recent studies show that we have only a few thousands of social enterprises in the country. The number looks small, but this field is very young in the country. The business with social purpose or the NGO with a business model just started less than 10 years ago, while the non-profits are working for more than 30 years in the field of social impact. For that reason, while the philanthropic capital is well developed in the country, the social finance (impact investment, venture philanthropy, patient capital instruments, hybrid capital) is still growing year by year to achieve the social enterprises' goals and needs. This is the scenario that the Task Force (FTFS) founded in 2014 faced, when it started its work. Inspired by Task Forces in other countries, the Brazilian Task Force puts together hundreds of key players in the filed in order to further its agenda. The idea is to use the force of this group to unlock capital, to communicate case studies, to change/influence policies and to make the social impact sector a relevant and productive sector in the country.
3.	**What are the most important success factors?** The most important success factors were: • The key actors chosen by the FTFS to lead the initial discussion in the country. The first group was composed of thought leaders and important business people who bring attention to whatever they discuss. • The successful leadership of ICE – a non-profit founded by business people – that works for the social finance field development. • The engagement of different players, from different sectors with different roles in the field: investors, business directors, social entrepreneurs, intermediaries, university, government. • The engagement of government representatives since the beginning of the process, guaranteeing that the recommendations would also make sense for these players.

4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The multi-stakeholder structure as the organizational backbone of the Task Force. The impact to date is an increasing number of people connected to the Task Force, new investment tools being launched every year, some influence on the public agenda.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** This case is about systemic change and about convening the right ecosystem of actors, and was inspired by Task Forces from other countries, hence is totally replicable. The results will allow (and are already allowing) all the different players to grow their business (investors, intermediaries and social enterprises). To date they have promoted: • 15 recommendations geared towards investors, governments and intermediaries as guidelines for future strategic/action plans: https://forcatarefafinancassociais.org.br/recomendacoes/ • Social finance knowledge: https://forcatarefafinancassociais.org.br/ecossistema-de-financas-sociais/ • Database including more than 10 publications: https://forcatarefafinancassociais.org.br/publicacoes/ • Dozens of new action plans over the country, in 2017, as demonstrated in this publication: https://forcatarefa-assets.s3.amazonaws.com/uploads/2018/05/Relato%CC%81rio-2017-Forc%CC%A7a-Tarefa-de-Financ%CC%A7as-Sociais.pdf As the Task Force in Brazil was inspired by other international chapters, NESsT has started to lead the movement in Peru and Europe, through NESsT local teams. In 2018 we accomplished: • The launching of the Peruvian Social Finance Task Force (co-led by NESsT in Peru) • The launching of the CEE Social Finance Task Force (co-led by NESsT in Romania)

Box 37 Best practice #3 on Integration of social entrepreneurship in the production process and the value chain of traditional businesses in Brazil.

1.	**Case ID & description** - Name of SEE: **Bota na Mesa (Put in the table)** - Name of traditional enterprises: Citi / Citi Foundation as initiators and funders / many Brazilian agricultural businesses for project implementation - Website: http://www.gvces.com.br/projeto-bota-na-mesa-agricultura-familiar-e-grandes-centros-urbanos/?locale=pt-br - Year founded: 2015 - Country: Brazil - Type of co-operation with Citi / Citi Foundation: Philanthropic ☒ Transactional ☐ Integrated ☐ Transformative ☐ - Type of co-operation with Brazilian agricultural businesses: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** Initiated by GVces (Center for Sustainability Studies of the School of Business Administration of São Paulo of the Getulio Vargas Foundation) in partnership with Citi and sponsored by the Citi Foundation, the Bota na Mesa project is an initiative that seeks to include family agriculture in the food chain in large urban centres, considering fair trade, environmental conservation and food nutritional security. Through the project, GVces hopes to contribute to more transparency in food systemic relationships and to the social and environmental role of the smallholder being reflected in a fairer and more inclusive food chain. São Paulo and the 38 surrounding cities make up the largest metropolitan region in the country, with more than 20 million inhabitants. To supply so many consumers with fresh food on a daily basis, a wide and complex distribution chain is formed. Involved in this plot - but not always visible - are family farmers. Its products carry important social, environmental and economic attributes. Knowing little of the reality of the field, consumers and most of the links involved in the supply chain have difficulty in valuing them. In practice, this is reflected in an imbalance in the distribution of gains along the chain, in food compromised from the point of view of food and nutritional security, and risks to environmental conservation. The barriers encountered by small(er) family-owned agriculture for creating a sustainable business are a reality. .. The current project is providing a step by step-approach, which is needed in order to create good cases of co-operation between small producers (social enterprises) and the main industries (traditional business). The project focuses on solutions, capacity building and documentation at once, which allows concrete co-operations to be scalable. This case was chosen because of its potential to be replicated all over the country.
3.	**What are the most important success factors?** Having started in the second half of 2015, the Bota da Mesa led, in its first two years, intense co-training work with nine family agriculture organizations located in and around the city of São Paulo. The central objective was to support them in accessing new marketing channels, working on management tools and providing business interactions with potential clients and partners. In this period, the project also contemplated work oriented to the retail sector, believing that any systemic change of this chain must pass through this important actor. Thus, in partnership with the St. Marche Group, it held a series of workshops aimed at identifying challenges and buying opportunities to include small farmers in their supply chain. The most important success factors are for sure the participation of both sides of the value chain: supply (small producers/families) and demand (retail sector).
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The support from Citi (private corporation) and Citi Foundation (private foundation), mediated by GVces (university), allowed the small producers to learn and prepare themselves to work for big retail companies. Without these key actors intermediating the relation, firsts conversations with big retail companies would not have happened. Usually small producers are not very well connected, so they could not reach the demand side of the value chain without external support. They know how to produce good quality food but they don't know how to achieve greater levels of sales or how to grow. Now, through this project they can both talk with these key players as well as provide sales to them.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** A quintessential and replicable element consists of the different types of partners involved and how they specifically contribute to the cooperation. Also, securing replication means has been embedded in the

	project. Since this case has been managed (it did not finish its cycle yet) by an university player, every step of the process has been documented and shared. For that reason, the replication process will be easy and incentivised by the documented value for different partners. The overall project: http://www.gvces.com.br/projeto-bota-na-mesa-agricultura-familiar-e-grandes-centros-urbanos/?locale=pt-br The participants of the trainings: http://www.gvces.com.br/bota-na-mesa-jornada-de-co-formacao-com-agricultores-as-organizacoes-participantes/?locale=pt-br The content: http://www.gvces.com.br/bota-na-mesa-temas-prioritarios-para-atuacao/?locale=pt-br Current timeline: http://www.gvces.com.br/bota-na-mesa-ciclo-atual-diretrizes-para-a-inclusao-da-agricultura-familiar/?locale=pt-br

Box 38 Best practice case #4 on Co-creation/coopetition between social economy and traditional enterprises in circular economy (especially in reusing, repairing and recycling activities) in Brazil.

1.	**Case ID & description** - Name of SEE: Retalhar - Name of traditional company: Brazilian textile companies - Website: www.retalhar.com.br - Year founded: 2014 - Country: Brazil - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** The textile industry is one of the most significant and important sectors of the Brazilian economy. Every year, the industry produces 175,000 tons of textile waste, which causes a negative impact on the environment. Retalhar is a social enterprise that specializes in recycling used textiles to make corporate gifts and blankets. The firm offers corporations (traditional businesses) with an easy way to dispose of their used uniforms and other textiles, helping them to meet environmental regulations. At the same time, Retalhar trains and contracts women from low-income communities to produce the upcycled corporate gifts and blankets, increasing their household income and livelihoods. Some results to date are: 15.7 tons of textile waste recycled; 231 tCO_2 emission avoided; 117,67 m^3 of landfill avoided; 38 local women receiving income; BRL 89,649 (EUR 21,000) of income generated by low income women; 2,956 underserved individuals reached. Since the creation of Política Nacional dos Resíduos Sólidos (National Solid Waste Policy – Law 12.305/10), in 2010, which includes important measures to address environmental, social and economic problems resulting from the inadequate management of solid waste, Brazil has seen a new and growing industry mainly composed of social enterprises that are helping traditional businesses to accomplish their environmental goals. While reaching the goals stipulated by the policy is still a far objective, the initiative has been a good opportunity for new businesses that are focusing on the circular economy. Some social enterprises are proving their model and are growing in Brazil, while increasing their social and environmental impact. Some examples are: Retalhar, Descarte Correto, You Green. Retalhar is a good case to share because this is a new social enterprise that is growing year by year, with NESsT support, and it represents a solution for the textile waste of many traditional businesses. In this case we can both highlight the relationship between NESsT (NGO) and Retalhar (social enterprise) as well as the relationship between Retahar and is clients (traditional businesses) that goes beyond the supply-demand relationship.
3.	**What are the most important success factors?** The most important success factors to cooperation (to be deemed cooperation-ready) in case of Retalhar are: • To count on a strong network of supporters in order to achieve and surpass the financial, social and environmental goals of a start-up in its early stage. • To be ready to pivot the business model if something goes wrong on the strategy level. • To build a strong team, committed enough to face big challenges and barriers.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** As a start-up in its early stage, Retalhar needs to be surrounded by experts on business, investments and the market. When open to external help, they can guarantee strategic feedback that will allow the company to grow in the right direction bringing more clients, more investments and providing greater social and environmental impacts. On the supply-demand side, Retalhar is also very open to change paths when a client brings a new challenge. A good example is the popular blanket created for Fedex, by transforming old Fedex uniforms into very resistant blankets that are now distributed to homeless people of São Paulo. The creation of this product was so successful that today it is one of the most important products in the Retalhar Portfolio. It brought more clients and increased the social enterprise revenue.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Some key aspects of Retalhar could easily be replicated by other companies and countries: • The business model and its lessons learnt

	• The success factors that are common for most social start-ups in many countries. • The social element embedded in the business model, which should be followed by all types of traditional business around the world.

Box 39 Best practice #5 on Co-creation of a social impact model to measure the social value of the partnership between social economy enterprises and traditional businesses and ultimately promote social entrepreneurship and open new markets to social enterprises in Brazil

1.	**Case ID & description** - Name: Return on Investment (ROI) of Sustainability Projects: redefining the value of multinational investments in Brazil; initiative and publication by FGV, GIZ and EMM, including several cooperation case studies[218]. - SEEs: Several Brazilian NGO's and social enterprises - Traditional enterprises: AES Brasil, Grupo Boticário, Odebrecht Defesa e Tecnologia, Construtora Norberto Odebrecht, Siemens Healthcare, Siemens Foundation, Adidas Brasil, CPFL Energia and Votorantim Cimentos - Website: http://bibliotecadigital.fgv.br/dspace/handle/10438/18490 - Year founded: 2016 - Country: Brazil - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** This study was developed by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), a German international co-operation agency, in partnership with the Center for Sustainability Studies (GVces). The study is the result of a year of the initiative for economic and financial analysis of sustainability projects carried out under the Emerging Market Multinationals Network for Sustainability Program (EMM), an initiative with 250 leaders of multinational companies, headquartered or operating in economies to improve the standards of sustainability in the market. This initiative was called "ROI Sustainability" in reference to the financial term ROI - Return on Investment. The objective of the ROI initiative is to measure the economic-financial return of sustainability projects in companies. As a result, the initiative hopes to: assist participating companies to identify and simulate the return of certain aspects of sustainability while creating an environment conducive to the exchange of learning and experience between these enterprises; create an environment of dialogue on the subject of finance and sustainability, contributing to the integration and engagement of different areas of the participating companies; provide elements so that the decision makers can measure the returns of projects and / or sustainability actions, implemented or potential; contribute to Emerging Market Multinationals Network for Sustainability (EMM) initiatives to turn sustainability challenges into successful business solutions. In order to meet the general objective of the work, eleven case studies were developed in seven participating companies (traditional business) located in Brazil, with three companies conducting more than one case study. The cases refer to the following traditional business in co-operation with NGOs and social enterprises: AES Brasil, Grupo Boticário, Odebrecht Defesa e Tecnologia, Construtora Norberto Odebrecht, Siemens Healthcare, Siemens Foundation, Adidas Brasil, CPFL Energia and Votorantim Cimentos. The content is very relevant to the country, since we lack a common language for partnerships between the traditional business and social enterprises. If you can prove the financial return of a social investment it can allow the social sector to grow focusing on a future with more effective cross-sector co-operation.
3.	**What are the most important success factors?** The key aspect of this study was to use the traditional business language (profit, income, revenues, finance) to discuss the social impact. Besides the language chosen, we can highlight the importance of the actors interviewed. All the eleven case studies are relevant for the country and can be replicated. The 7 participating companies are all big and multinational companies with important social investments to share. The NGOs and social enterprises that were supported by the traditional business were also interviewed and this was key to produce a good report.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The model created to represent the social impact of the initiatives in financial terms, will positively impact the current and future relationships between social enterprises and traditional business. More concretely, the positive effect will be the increasing number of contracts of co-operation between the social enterprises

[218] Retorno econômico de Projetos de sustentabilidade: Redefinindo o valor dos investimentos de multinacionais no Brasil. Centro de Estudos em Sustentabilidade – Gvces, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH – GIZ, Emerging Market Multinationals Network for Sustainability – EMM. August, 2016.

	and traditional business, as well as the increase of the revenue of the social enterprises. They can learn from this study how to better charge their social services, by proving to the traditional businesses the real cost of their work. The ROI Sustainability is a great way to price the social costs of the social enterprises, which sometimes are neglected.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The ROI Sustainability framework itself. This case was conducted by a university player: FGV. The process has been documented and shared, since its first edition in 2016. For that reason, the replication process will be easy and incentivised by the partners. One of the social enterprises interviewed, Fundação Iochpe, that runs the Programa Formare that is one of the cases, informed us that a new edition of the research is been conducted and the results will be also shared in few months. This social enterprise will implement this measurement in all of its social programs, as well as to use the results in their materials, in order to bring in more partners/funders.

Canada

Very few respondents to the EU survey, reported any co-operation in the context of **venture capital investment** (2%). Indeed, while the impact investment market in Europe is emerging, it is still quite small in absolute terms and in urgent need of growth to respond to the increasing needs of SEEs in terms of lack of financial resources. Country expert Tjornbo then is quite right when he states that "Probably the single research theme where Canada has the most to teach the rest of the world is in the provision of investment funds to SEEs **by traditional financial firms**". In Canada, it is **credit unions** who act as major **non-governmental for-profit funders of social enterprises**. The EU survey results indicate that few European social enterprises receive funding from similar institutions. Moreover, as reported by Tjornbo, these credit unions have been economically successful while performing this role. One of the keys to Vancity's – one of the mentioned credit unions – success, has been the **diversity of financial instruments** it offers to social enterprises.

Another interesting take-away from the Canadian country report is that **sponsored capacity building programs** for **social intra-preneurs in both the social economy and traditional economy field**, have been set up by the Waterloo Institute for Social Innovation and Resilience (WISIR) at the University of Waterloo. Recruiting trainees from both the social and traditional economy, the establishment of cross-sector co-operation is one of the objectives. As the European survey results attest, there is a huge need in Europe to organise support and capacity building networks for social intra-preneurs, precisely considering furthering social and traditional economy co-operation.

A final theme on which Canada certainly has something to teach, is the **stimulation of clustering at local level by the government**. More precisely, the government of Québec created a support network to foster the social economy locally, the *Chantier de l'économie sociale du Québec*. This network was a partnership of previously unconnected groups, including unions, government, faith organizations and co-operatives. Tjornbo concludes by emphasizing that:

> *"Key to this success has been the support of local government. Provincial policy in Quebec has given local authorities **more leeway in actively tailoring their procurement practices** to support community and co-operative efforts with the result that community development and the social economy in Quebec has become closely interlinked."*

Box 40 Best practice case #1 on Venture capital invested by traditional companies including via investment funds (such as EuSEF) in social economy enterprises in Canada.

1.	**Case ID & description** - Name of SEE: Many non-defined SEEs in Canada - Name of traditional enterprises: VanCity and Desjardins (credit unions) - Website: https://www.vancity.com/BusinessBanking/Financing/SpecializedSectorSolutions/SocialEnterprise/ - Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** Probably the single research theme where Canada has the most to teach the rest of the world is in the provision of investment funds to social economy enterprises by traditional financial firms. Admittedly, both VanCity and Desjardins are credit unions and thus not typical financial service providers, nonetheless they are non-governmental for-profit lenders. The survey results indicate that few European social enterprises receive funding from similar institutions. In Canada, both of these organizations are major lenders to social enterprises[219], in B.C. in particular 26% of social enterprises receive funding from banks or credit unions with VanCity being the major funder[220]. Vancity reports that the amount of assets managed or advised on using a social finance approach is $47 million or 32% of the total portfolio of their managed or advised assets.[221] Moreover, VanCity has been economically successful while performing this role, a recent analysis indicates that their performance compares favourably with that of TD, the most successful bank in Canada[222].
3.	**What are the most important success factors?** One of the keys to Vancity's success has been the diversity of financial instruments it offers to social enterprises. They offer a wide range of support from small grants with maximums of 500-10,000 dollars, to high investment programs of up to 15 million dollars. In their own words: "Experience tells us that sometimes social enterprises need grant support as well as financing, in order to progress from concept to growth"
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Traditional companies who are interested in providing funding to social enterprises need to recognize the unique supports such start-ups need. VanCity has been successful in its social enterprise because it has recognized that social enterprises may take longer to become financially sustainable. Because social enterprises are not only serving a market and driven by established market demands, it may take longer to connect with potential customers. VanCity has been patient in its investing and even prepared to offer grants to help social enterprises launch, but in the long term their return on investment has still been good.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The overall approach towards investing in/funding social enterprises by atypical financial services providers. The tailored financing approach (different instruments for different stages).

[219] https://www.vancity.com/BusinessBanking/Financing/SpecializedSectorSolutions/SocialEnterprise/; https://www.desjardins.com/ressources/pdf/d50-rapport-sociale-2017-e.pdf?resVer=1521726447000

[220] https://www.ryerson.ca/content/dam/cvss/AODAforms/datedPapers/WP%202014.1.OConnor-Social %20EnterpriseRegRegime.FINAL.Working%20Paper.%20Oct.21.2014.pdf

[221] https://uwaterloo.ca/canadian-index-wellbeing/sites/ca.canadian-index-wellbeing/files/uploads/files/lessons_in_operationalizing_social_finance-the_case_of_vancouver_city_savings_credit_union.pdf

[222] Ibid.

Box 41 Best practice case #2 on Incubation of social start-ups / separate business units in traditional firms (social intrapreneurship, including addressing bottom of the pyramid population in developing world) in Canada.

1.	**Case ID & description** - Name of SEE (intermediary): MaRS - Name of traditional enterprises: many non-specified for-profit start-ups - Website: https://www.marsdd.com/ - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** While there are many social innovation hubs in Canada, the vast majority of these follow a model whereby new startups operate independently while exchanging skills, resources and ideas with other social enterprises in the same location, following the template established by the Centre for Social Innovation. However, the MaRS innovation incubator in Toronto offers some important lessons. As a not-for-profit, MaRS was initially established to support traditional enterprises trying to commercialize the outcomes of publicly funded medical research. In 2016 such enterprises employed over 6,000 people, had raised over $3.5 billion in capital (2008-2016) and generated $1.8 billion in revenue (2008-2016). But social impact has also been central to the MaRS mission and the organization works to provide a social impact lens to its venture clients in each of their four key sectors[223].
3.	**What are the most important success factors?** MaRS has been vital for its ability to act as a network node for several different partners. For example, they have attracted 1m in funding from RBC Bank[224] and set up roundtable discussions with provincial government in 2011 to create new social innovation policy[225]. MaRS also offers a comprehensive range of supports to social enterprises, including investment capital and training and support for social entrepreneurs.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Social enterprise hubs need not only focus on social enterprises. Many social enterprise hubs only cater to social enterprises. They offer tools and resources to their clients that may come from the for-profit sector, but their clients and those inhabiting their paces are not traditional organizations. MaRS has turned this on its head by catering to traditional for-profit start-ups, but helping them to see the social impact that their businesses can have and encouraging them to make this part of their core mission.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The strategic focus on not solely supporting social enterprises, but also helping for-profit start-ups to see the social impact they can have.

[223] 16https://www.marsdd.com/about/social-innovation/

[224] http://www.rbc.com/newsroom/news/2012/20121108-MaRs.html

[225] https://www.marsdd.com/mars-library/ontarios-social-innovation-policy-paper/

Box 42 Best practice case #3 on Social "extra-preneurs": change agents solving societal problems by moving between companies, organisations and sectors, spreading ideas and solutions from one to another, helping to build consensus about big problems and to share information between organisations that would not otherwise be shared, in Canada

1.	**Case ID & description** - Name of SEE (intermediary): WISIR / Suncor Energy Foundation - Name of cooperating partners: many change agents in both the social economy and traditional economy sector - Name of traditional enterprises: Suncor Energy - Website: - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** The role of individuals in social entrepreneurship has received a fair deal of attention in Canada in part because of the research at the Waterloo Institute for Social Innovation and Resilience (WISIR) at the University of Waterloo which has highlighted their role226. Through a number of graduate and professional programs WISIR has been training individuals in both the social economy and traditional sector to act as change agents and form networks that cross sectoral and geographical boundaries. One of the recent notable programs of this type has a. This program is a one month intensive for social change agents to help them advance projects and build their personal capacity.
3.	**What are the most important success factors?** The programme recruits individuals from different sectors, both not-for-profit and traditional businesses, and the intensive nature of the work means that closely bonded networks are created that have led to ongoing co-operations between extra-preneur alumni. Many employees of Suncor, the energy firm which is the parent of the foundation, also attend the program, and help to carry social innovation ideas and values back to the company.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Social intra-preneurs need particular training, skills and support in order to help combat burnout. One of the challenges that the social economy faces is that it typically asks a lot of entrepreneurs – also intra-preneurs - who must cope with the normal pressures of starting a business as well as their own feelings of accountability to the social challenge they are trying to solve, which frequently leads to burnout. The Getting to Maybe Residency was created in part to tackle this problem by giving mid-career social intra-preneurs the tools and confidence to take care of themselves and be successful in their projects. One of the most frequently cited benefits of the program is the confidence it gives participants, particularly through their realization that they are not alone and that there is a network of like-minded peers active in all sectors of society that they can look to for support.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The overall set-up of the programme and the recruitment of change agents from both the social economy and the traditional economy.

[226] https://uwaterloo.ca/waterloo-institute-for-social-innovation-and-resilience/

Box 43 Best practice case #4 on Integration of social entrepreneurship in the production process and the value chain of traditional businesses, in Canada

1.	**Case ID** - Name of SEE: Social Capital Partners - Name of traditional enterprises: Active Green + Ross and Mr Lube - Website: http://socialcapitalpartners.ca/ - Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** One of the few ways that social enterprises in Canada work with traditional firms in their production process and value chain is in bringing in new workers to the traditional labour force. A number of social enterprises in Canada focus on bringing marginalized workers back into the mainstream economy in partnership with traditional firms. Pioneering work in this sector has been performed especially by Social Capital Partners. Social Capital Partners is a not-for-profit run started by Bill Young. One of its aims is to encourage employers to hire disadvantaged workers. It began by working with not-for-profits, but is increasingly now partnering with traditional businesses. Some of its earliest clients were auto-mechanics Active Green + Ross and Mr Lube. Social Capital Partners offered loans to franchisees to start new branches of these companies in exchange for committing to participating in community hiring programs. This program not only provided a route to employment for disadvantaged workers, but also provided the companies with access to a broader talent pool of often loyal workers.
3.	**What are the most important success factors?** Treat traditional businesses as a client. Bill Young realized that in order to convince traditional businesses to integrate disadvantaged workers into their workforce, he needed to convince them of the benefits. Social Capital Partners put together profiles of the kinds of employees their partners were looking for and was careful only to match them with attractive job prospects. Moreover, they chose careers paths that had relatively low barriers to entry but offered clear routes of advancement. In short, they ensured that their model provided benefits to all the people they engaged in it.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The result was that many franchises continued to work with community hiring programs even after the terms of their financing ended, and Social Capital Partners has gone on to partner with 3 Fortune 500 companies[227].
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Adopting a clear strategic model with precise and tangible benefits tailored to the different partners.

[227] https://www.theglobeandmail.com/report-on-business/investing-in-the-people-others-ignore/article4613472/

Box 44 Best practice case #5 on Local competitiveness clusters between social and traditional enterprises / co-operation between national and regional policies and local actors, in Canada

1.	**Case ID & description** - Name of SEE (intermediary): *Chantier de l'économie sociale du Québec* - Name of traditional enterprises: diverse local SEEs including unions and cooperatives - Website: https://chantier.qc.ca/ - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** Although both provinces had established social economies dating back decades, Quebec and Ontario have been leading the way in Canada in recently by demonstrating how provincial policies can help to foster social innovation locally in communities throughout these regions. In Quebec, explicit recognition of, and support for, social enterprises became prominent in 1996 when the provincial government held a Social Economic Summit. The aims of the summit were to tackle rising unemployment in the province and to respond to pressure to balance the budget. A central plank of this strategy was to recognize and stimulate the already strong social economy sector in the province. The government created a support network, the *Chantier de l'économie sociale du Québec* to help promote and organize these efforts. This network was a partnership of previously unconnected groups, including unions, government, faith organizations and co-operatives. Over the first ten years of the initiative, the social economy strategy helped to create 60,000 full time jobs in the social economy[228].
3.	**What are the most important success factors?** Key to this success has been the support of local government. Provincial policy in Quebec has given local authorities more leeway in actively tailoring their procurement practices to support community and co-operative efforts with the result that community development and the social economy in Quebec has become closely interlinked.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Recognize the social economy you already have. Quebec's social economy policies have been successful not because the province has built a social economy, but because it has recognized the organizations that were already active.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The organization of place-based support networks in combination with giving local authorities more leeway in actively tailoring their procurement practices to support the various and multidefined SEEs already locally active.

South Korea

Notwithstanding the reported potential detrimental effects on the financial sustainability of SEEs in South Korea, the **social enterprise legal format and certification scheme developed by the government**, is a prerequisite for the development of the social (economy) enterprise field that has **not been met in all European countries targeted with this study**. In the case of certain European countries, this has prevented the creation of encompassing legislative frameworks and incentive schemes. Moreover, the government initiatives in South Korean SEEm to be driven by two critical elements: 1. They start from **urgent societal needs in specific fields and sectors** potentially enabling **tailored approaches**, 2. They appear to result in integrative, transformational forms of co-operation, i.e. in '**hybrid value chains** as new models of co-creation', as attested by the country expert. Moreover, South Korean companies are starting to set up their **own social start-ups**, a model not often (sufficiently?) engaged by European companies.

Worth emphasizing is also the **government initiative** mentioned above, **promoting co-operation between SEEs and traditional businesses**, called "Campaign for One Company and One SE". Since 2011, the programme has been organized by the 'Korea Social Enterprise Promoting Agency'; by July 2014, 110 companies participated in the programme. An effective programme bridging the social and

[228] https://ccednet-rcdec.ca/en/toolbox/local-development-and-social-economy-quebec

regular economy and carving out the road to co-operation, has often been voiced during our qualitative interviews as an urgent requirement to foster co-operations between social economy and traditional enterprises in Europe. European governments should set up or, alternatively, **engage the support of such.**

Box 45 Best practice #1 on Incubation of social start-ups / separate business units in traditional firms (social intrapreneurship, including address-ing bottom of the pyramid population in developing world) in South Korea.

1.	**Case ID & description** - SEE: Happy Narae - Traditional enterprise: SK / MRO Korea - Website: http://www.happynarae.co.kr / http://www.sk.co.kr/ - Year founded: 2011 - Country: South Korea - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☐ Transformative ☒
2.	**Why is this case a best / good practice for the chosen research theme?** Short description: In 2011, SK changed 'MRO Korea' (which used to be a 100% owned daughter company of SK and provided office supplies for mainly SK family companies), into an SEE, called 'Happy Narae', which buys goods from other SEEs and sells those to other traditional companies, also beyondSK family companies. This was sensational as Happy Narae was established in 2000, and sales were up to 9.5 million euro in 2014, Happy Narae becoming the largest SE in Korea. Happy Narae has supported other SEEs with training programs, management mentoring, etc. as 2/3 of its profit should be reinvested by law (Social Enterprise Promoting Law). While there are many cases in which large companies have established SEEs, this case is quite unique in terms of the size of the company.
3.	**What are the most important success factors?** The fact that it was by management decision that SK t committed to the promotion of SEEs. And subsequently that they decided to do so by establishing a separate unit (transforming in fact a daughter company) within the mother company.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The immediate economic and social impact scale of the SEE (see above), by being embedded within the traditional business mother company.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Happy Narae can be a role model for those large companies that try to establish an entity or a separate business unit to support SEEs.

Box 46 Best practice #2 on Constructive and sustainable private procurement relationships between social and traditional businesses, and between social enterprises themselves in South Korea.

1.	**Case ID & description** -- SEE Bear Better - Traditional enterprise: Korea Fuji Xerox - Website: http://www.bearbetter.net - Year founded: 2012 - Country: South Korea - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** Short description: 'Bear Better', who employ disabled people (mainly with a developmental disability) and whose main products are printing, bakeries, flower design & delivery, collaborate with Korea Fuji Xerox, who use Bear Better for outsourcing and provide them with a training program for digital printing. Throughout this co-operation, the quality of Bear Better's products has been improved, and subsequently product quantity has been increased. Korea Fuji Xerox certainly needs outsourcing companies to meet its own product quantity and quality. By providing a training program and technical guidance, Korea Fuji Xerox found a sustainable outsourcing company and Bear Better was able to provide to a sustainable buyer.
3.	**What are the most important success factors?** Korea Fuji Xerox established a collaborating relationship with Bear Better starting from a CSV (Creating Shared Value) approach, which included ensuring that Bear Better was able to produce good product quality and quantity and thus became a competent company even while working with disabled people.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The investment made by the traditional company paid off in economic terms as well as social terms.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Co-operation between traditional companies and SEEs can be more sustainable when it is based on the respective business interests of the cooperating partners.

Box 47 Best practice #3 on Co-creation of a social impact model to measure the social value of the partnership be-tween social economy enterprises and traditional businesses and ultimately promote social entrepreneurship and open new markets to social enterprises in South Korea.

1.	**Case ID & description** - SEEs: tool developed for many Korean SEEs (used by about 100 SEEs until today) - Traditional enterprise: SK - Website: http://www.sk.co.kr/ - Year founded: SK- since 1953, SPC - since 2015 - Country: South Korea - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** SK started SPC, Social Progress Credit, an initiative to measure the social value that SEEs create as well as to provide financial incentives for SEEs. Ultimately, SK aims to reflect blended values in the corporate value of mainstream companies, including through cooperation with SEEs. Concretely, SK has tried to make a tool to measure social values together with SEEs and experts. Having started in 2015, 101 SEEs have participated in this initiative and proven to create social value calculated as 1.6million euros in money value, and accordingly received incentives by 2016.This is a unique approach in both Korea and in the world.
3.	**What are the most important success factors?** SK has tried to establish a consortium in which a government agency, academia, and SEEs collaborated to create a sound social value measurement framework and method, including a sound incentive system to which SEEs willingly participated in its creation phase.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** While the tool was co-created with SEEs themselves and received academic validation, there was a big willingness to rapidly adopt the tool at scale.

5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The approach of the tool itself (monetizing the social value of SEEs), but also the co-creative process that buttressed its creation. (The tool is however not publicly available yet).

Switzerland

There is a considerable number of **funding possibilities** for social enterprises available in Switzerland. Access to finance in Switzerland is generally easier than in many EU Member States and this clearly benefits all types of organisations including social enterprises. Unlike many EU Member States, **commercial banks** are keen to invest in social enterprises. Moreover, **private foundations** are quite important in supporting social enterprises in the country. **Specialist investors, intermediaries or financial instruments for social enterprises are therefore limited.**

Moreover, **hybrid value creation** is often instigated from the **corporate side** itself, i.e. without the requirement of mediation by social extra-preneurs or SEEs themselves. Multinational corporations have their **own programmes and foundations to address social problems, not least at the bottom of the pyramid**. UBS Global Visionaries is a programme established by the Swiss multinational investment bank and financial services company UBS. It aims to contribute to finding innovative solutions to the world's most pressing problems by bringing together like-minded employees, partners and clients. Themes the programme is active in are: health and nutrition, education, environment, economic opportunity and equality. In a similar vein, LGT Bank, which has been managed by the Princely Family of Liechtenstein for over 80 years, runs a Swiss-based foundation, LGT Venture Philanthropy which addresses bottom-of-the-pyramid problems, and operates LGT Impact, which invests growth capital in companies with scalable solutions to societal challenges, aiming to generate financial returns for investors and at the same time positively impact upon the lives of millions of underserved people.

Equally specific to the Swiss situation, is that **many Swiss SMEs** show **strong social ties** and **care for the common good of the local community**. They feel they are part of society and as such have social responsibility - although this non-economic logic is bounded by economic reality. Their owners are involved in local associations and their business resources, such as vehicles and offices, can sometimes be used by these associations.

Various **platforms** exist in Switzerland to foster exchanges between (local) businesses and NPOs. One such platform is www.verantwortung.lu (Verantwortung=responsibility), which operates in central Switzerland and tries to bring together socially responsible business leaders with NPOs. **The social responsibility** expressed by regional businesses has **very little to do with the modern CSR** (Corporate Social Responsibility) movement, which many experts and stakeholders judge sometimes not to be much more than a marketing strategy.

Box 48 Best practice case #1 on Integration of social entrepreneurship in the production process and the value chain of traditional businesses, in Switzerland.

1.	**Case ID & description** - Name of SEE: Not specified - Name of traditional enterprises: Chrigubeck - Website: https://chrigubeck.ch/ - Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** *Outsourcing production steps in chocolate production:* A social enterprise and a regional SME, a producer of pastries and chocolates, work together in the production of so-called Gold Nuggets. Gold Nuggets are chocolates sprinkled with gold powder, therefore called "Gold Nuggets" [229]. The WISE gives the chocolates the finishing touches by rolling them in gold powder, packaging and labelling them. The WISE has its own bakery and pastry production, that is it has know-how and skills in related areas, but it has no experience in the production of chocolates. By working with the regional chocolate producer, it can offer its clients meaningful and productive jobs.
3.	**What are the most important success factors?** They are part of a value chain and can see the product they produce in the shops. Success factors appear to be the regionality of both partners and the WISE's experience in related areas.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Not specified.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The tradition of the Swiss manufacturing industry to outsource specific production steps to WISEs. This is a phenomenon where a great deal of experiential knowledge and anecdotal evidence exists, however, there are hardly any systematic empirical studies.

[229] https://chrigubeck.ch/confisserie/ (in German only)

Box 49 Best practice case on Incubation of social start-ups / separate business units in traditional firms (social entrepreneurship, including addressing bottom of the pyramid population in the developing world, in Switzerland.

1.	**Case ID & description** - Name of SEE (intermediary): *Schwab Foundation for Social Entrepreneurship* - Name of traditional enterprises: not applicable - Website: https://www.schwabfound.org/ - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** *Schwab Foundation for Social Entrepreneurship:* The Schwab Foundation for Social Entrepreneurship[230] was founded in 1998. In partnership with the World Economic Forum (WEF), the Schwab Foundation for Social Entrepreneurship is a global platform that aims to accelerate outstanding models of social innovation. The aim is to scale solutions to support millions of vulnerable and low-income people in need. Every year, the Schwab Foundation confers the Social Entrepreneur of the Year Award on outstanding founders and CEOs of social enterprises. The Foundation defines social enterprises as for-profit, hybrid, or non-profit organizations with an explicit mission of solving a social or environmental problem to benefit society in general, with an emphasis on low-income, marginalized, or vulnerable populations.
3.	**What are the most important success factors?** The Schwab Foundation gives a platform to social enterprises, and includes social entrepreneurs in the meetings, discussion platforms and research projects of the World Economic Forum. In addition, the Schwab Foundation has developed a community of interaction and experience exchange.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Not least through its close links with World Economic Forum, the Schwab Foundation has provided social entrepreneurship with higher visibility on the global scene, has given them a voice in the WEF and paved the way for them to collaborate with the other stakeholders of the World Economic Forum.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Not specified

[230] https://www.schwabfound.org/

Box 50 Best practice case on Constructive and sustainable private (procurement) relationships between social and traditional businesses, and between social enterprises themselves, in Switzerland.

1.	**Case ID & description** - Name of SEE (intermediary): Businesses and responsibility - Name of traditional enterpris: not applicable - Website: https://www.verantwortung.lu/startseite.html (in German only) - Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** The regional network "Businesses and responsibility"[231] links businesses and business leaders with NPOs and was established in 2011. The network facilitates the provision of in-kind contributions and free services and consulting to NPOs, organizes Social Days whereby employees of a traditional business work in an NPO, supports business projects and events with social activities and aims to provide work opportunities to handicapped people in traditional businesses. The network is also linked to the University of Applied Sciences and Arts in Lucerne (HSLU), which provides expert knowledge to businesses. Among others, the network is based on a project with the University of Applied Sciences and Arts in Lucerne, funded by the Swiss innovation agency CTI (now Innosuisse[232]).
3.	**What are the most important success factors?** Central Switzerland has a long tradition of social responsibility of businesses and charitable initiatives. It is not surprising then that the first such network was established in Central Switzerland. An interviewee pointed out that, while the network had been in operation for a number of years, which in itself is a success, it is not always easy to get business and NPOs working together. Shared values can be seen as a success factor
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Adopting a 'shared values' perspective strengthens the longevity of the network.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Build local networks first there where they can build on a social economy tradition.

[231] https://www.verantwortung.lu/startseite.html (in German only)

[232] https://www.innosuisse.ch/inno/en/home.html

Box 51 Best practice case on Venture capital invested by traditional companies including via investment funds in social economy enterprises, in Switzerland.

1.	**Case ID & description** - Name of SEE (intermediary): Innovation Fund of ABS Alternative Bank Schweiz - Name of SEEs: Different types of "businesses or projects need to have social-ethical, ecological or innovative-sustainable objectives." - Website: https://www.abs.ch/de/die-abs-wirkt/innovationsfonds/ueber-den-fonds/ - Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** *ABS Alternative Bank Schweiz (Swiss Alternative Bank)*[233]**:** The Swiss Alternative Bank (ABS) is a social bank established in 1990. ABS operates as a normal retail bank for private clients and businesses, with more than 30,000 clients. Its balance sheet total exceeded one billion Swiss francs in 2010. It has four branches, employs more than 80 people and has approximately 4800 shareholders. Its main business is loans, where it applies strict criteria regarding social impact.[234] In addition, the bank has its own Innovation Fund[235], funding innovation among social enterprises, or in the words of ABS "… projects, institutions and enterprises that have convincing business models and viable structures but little money". The Innovation Fund provides seed capital of up to CHF 50,000. The business or projects need to have social-ethical, ecological or innovative-sustainable objectives. The Fund is funded by shareholders donating (parts of their) dividends and by ABS itself.
3.	**What are the most important success factors?** Interestingly, a representative of Swiss Alternative Bank indicated that revenue uncertainty for many entities which have strong social orientation is lower than for mainstream enterprises because social enterprises often have business models which are stable and dependent on the public sector. (However, the representative also pointed out that business expertise is generally lower among social enterprises as compared to mainstream enterprises.[236])
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Not specified
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Making commercial banks keen to invest in social enterprises by focusing on less revenue uncertainty when sufficiently co-financed with public funding/backed by a stable business model.

[233] https://www.abs.ch/de/

[234] https://www.abs.ch/de/ueber-die-abs/das-abs-geschaeftsmodell/unsere-grundsaetze/

[235] https://www.abs.ch/de/die-abs-wirkt/innovationsfonds/

[236] ICF, A map of social enterprises and their eco-systems in Europe, country report: Switzerland, European Commission, 2014.

Box 52 Best practice case on Co-creation/coopetition between social economy and traditional enterprises in circular economy (especially in reusing, repairing and recycling activities), in Switzerland.

1.	**Case ID & description** - Name of SEE: Mr. Green - Name of traditional enterprise: not applicable, works together with WISEs such as also! - Website: https://mr-green.ch/ - Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** Mr. Green is a recycling service, selling subscriptions to households and companies in Zurich and nearby cities to pick up their recyclable waste, such as aluminum, batteries, plastic bags, old electric and electronic goods, glass etc.[237] It was founded in 2010 and is an example of social entrepreneurship. Since its beginnings it has worked with WISEs to sort and process recyclable waste. It currently offers the service in Zurich, Winterthur and Uster (all cities in the canton of Zurich). In Uster, the municipality, the WISE also! and Mr. Green work together to offer the service; it is free for people over 75 and non-mobile people. In many Swiss cities, residents pay for the collection and combustion of trash by the amount of trash they produce. Therefore, they not only have a moral or ecological incentive to recycle but also a financial incentive as it reduces the cost of the trash they produce. This is where Mr. Green comes in, which makes recycling easy. Households or businesses put the trash they want to be recycled in a bag, which gets collected one or twice per month depending on the subscription. A text message the night before reminds households or businesses that the recyclable waste will be collected the next day. Mr. Green has founded a subsidiary in Nairobi, Mr. Green Africa.[238] Mr. Green Africa buys plastic waste from so-called waste pickers at a fixed price, thus helping them to make a living. Afterwards, the plastic gets sorted, washed and processed and can be reused in the manufacturing industry.
3.	**What are the most important success factors?** In the reusing, repairing and recycling sector, co-creation and co-optation between social economy enterprises and traditional firms is quite common. Generally, the firms involved try to "up-cycle" their products, i.e. add value through their production process or service delivery. Such as smart business model allows cooperation of even social enterprises with WISEs for the outsourcing of specific tasks.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Not specified.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Social enterprises could investigate how smart business models allow mutual integration in each other's value chains.

United States

The US appears to be exemplary in how traditional companies engage different co-operation strategies with SEEs at once. First, many US corporations are involved in the **sponsorship of SEEs** and in **providing in-kind donations and technical support** for them. This trend has only increased over time as corporations attempt to positively frame their business as a socially responsible actor in order to engage and maintain consumers and increasingly younger employees (millennials). Concurrently, US companies are increasingly engaging the **incubation of social enterprises and social start-ups**. Large US corporations often establish **corporate foundations** that partner with and fund the work of SEEs to promote specific social initiatives. At times this can include funding for SEEs in developing countries.

[237] https://mr-green.ch/

[238] https://www.mrgreenafrica.com/

Box 53 Best practice #1 on sponsorship, competence voluntary work and pro bono investments from traditional businesses to social economy enterprises in the US

1.	**Case ID** - SEEs: many nongovernmental humanitarian relief organisations - Traditional enterprise: UPS (United Postal Service) - Website: https://www.ups.com - Start: 1951 - Country: USA - Type of co-operation: Philanthropic ☒ Transactional ☐ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** For-profit corporation involved in domestic and international shipment services provides nongovernmental humanitarian relief organizations with philanthropic, in-kind and technical support to facilitate delivery logistics for humanitarian crises. Comprehensive leveraging of all its resources to assist nongovernmental humanitarian relief organizations in areas that closely align with its expertise and skill set on a global level.
3.	**What are the most important success factors?** • Broad based co-operations that facilitate the transfer of the latest technological solutions for disaster preparedness internationally. • Humanitarian relief and resilience program work streams which have helped UPS define specific areas of concentration and enabled direction of philanthropic and human capital. • Skill based volunteering involving the dispatching of UPS skilled logisticians based all over the world to help support humanitarian and relief partners in times of crisis. • Community tracking system that provides inventory visibility and valuation from the time an order is placed until goods are distributed in the field during crisis. • Hosting of international humanitarian relief organizations at UPS humanitarian supply chain workshop. • Campaigns designed to increase public grassroots readiness like "BE Safe America" and "Text First. Talk Second".
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** • Since 2007, over $36 million in grants awarded to preparedness, response and recovery initiatives under humanitarian relief and resilience program. • Since 2007, over $16 million toward in-kind shipping provided by UPS for disasters. Examples of specific impact: • Winter clothing kits transported to Syrian refugee children (courtesy of UPS and US fund for UNICEF volunteers) • Facilitated shipments of relief supplies to combat the Ebola epidemic
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** UPS's approach is replicable with the appropriate knowledge and skill base. Replicable components include program work streams for humanitarian relief and resilience, skill-based volunteering, shipment tracking systems, humanitarian supply chain workshops for non-profit partners and the creation of a web platform for disaster risk reduction (resilience.org).

Box 54 Best practice #2 on Incubation of social start-ups / separate business units in traditional firms (social intrapreneurship, including addressing bottom of the pyramid population in developing world) in the US

1.	**Case ID** - SEE: The Coca Cola Foundation (a corporate foundation with a non-profit legal status) - Traditional enterprise: The Coca Cola Company - Website: https://www.coca-colacompany.com/our-company/the-coca-cola-foundation - Start: 1984 - Country: USA - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** Non-profit organization supported by the Coca Cola corporation with a mission to "provide scholarship programs and enrichment opportunities in support of exceptional young peoples' thirst for knowledge and their desire to make a difference in the world" empowers women with entrepreneurship knowledge and skills in developing countries (among other activities) through work with partner non-profits and networks. Highly focused, ambitious, and well-funded initiative that facilitates the sustainable generation of income for women through leveraging the expertise and reach of often local nonprofits and international networks on a global scale.
3.	**What are the most important success factors?** • Goal to enable the economic empowerment of 5 million women entrepreneurs across the globe by 2020, through the initiative 5by20. • Support of women's entrepreneurship programs through partner nonprofits that provide business skills training, financial services, and mentoring and networking opportunities. • Establishment of women's clubs and other initiatives. • Partnerships with global development networks like UNDP to open women's resource centers which serve as public platforms to plan and coordinate women's economic and social initiatives, and provide opportunities for capacity building, entrepreneurial activity, vocational education and gaining public voice.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** By the end of 2016, the above success factors resulted in the Coca Cola system and its partners reaching 1.7 million women entrepreneurs with business training, mentoring and improved access to capital.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Coca Cola's approach is highly replicable by large corporations. Important replicable components include ambitious goal setting, leveraging the use of a corporate foundation, partnerships with nonprofits that have like-minded goals, values, and approaches, and partnerships with far-reaching international networks.

Box 55 Best practice #3 on Constructive and sustainable private procurement relationships between social and traditional businesses in the US.

1.	**Case ID** - SEE: Greyston Bakery - Traditional enterprise: Ben & Jerry's - Website: https://www.benjerry.com - Start: 1978 - Country: USA - Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** A for-profit corporation that sells specialty ice cream procures the chocolate brownies (cake) for its ice cream from Greyston Bakery, a social enterprise (B Corporation) that provides training and jobs for the hard-to-employ including ex-convicts, drug addicts and the homeless. Its procurement practices with a social enterprise provide a double social impact by not only supporting jobs for the hard-to-employ but also all the profits from the social enterprise are channeled into a foundation that supports community programmes .
3.	**What are the most important success factors?** • Dedicated to a sustainable corporate concept of linked prosperity that includes quality product + sustainable financial growth + social mission to make the world a better place. • The board maintains and strengthens the company's three-part mission. • Social mission includes the goal to create economic opportunities for those who have not had access to them by leveraging the company's purchasing power. • As a Certified B Corp it must satisfy a rigorous set of social standards to maintain its certification which include procurement practices • Chooses to work with and expand Value-Led Sourcing Suppliers. It adopts the B-Impact Assessment Tool to benchmark their collaborators. • All of the suppliers for Ben & Jerry's ice cream are expected to follow practices consistent with the Code of Business Principles of its parent company, Unilever.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** Due the above success factors supporting Ben & Jerry's procurement relationship with Greystone Bakery: • Greyston Bakery has helped 2,000 people find work they may not have and those jobs helped put an estimated $15 million into the poor economy of southwest Yonkers. • The 84% of Greyston Bakery employees that are from low-income communities have a liveable wage • All profits from Ben & Jerry's supplier, Greyston Bakery, help support the bakery's parent organization, the non-profit Greyston Foundation, which provides child care, housing, health care, job training, a computer learning centre and more for low-income people in the community of Yonkers, New York.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Highly replicable if there is dedication to and support for constructive procurement practices throughout the corporation including its board and parent company where applicable. Achievement and maintenance of B Corp certification, which also helps keep businesses aligned with their social missions, is available in all European countries through B Lab Europe.

Box 56 Best practice #4 on Co-creation/coopetition between social economy and traditional enterprises in circular economy (especially in reusing, repairing and recycling activities) in the US.

1.	**Case ID** - SEE: re:loom/ Initiative for Affordable Housing - Traditional enterprise: Delta airlines - Website: www.reloom.org - Start: 2009 - Country: USA - Type of co-operation: Philanthropic ☐ Transactional ☐ Integrated ☒ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** re:loom, an employment program for homeless women housed within the non-profit "Initiative for Affordable Housing", recycles the safety vests and old uniforms of Delta airline employees by weaving them into products that Delta then buys back to give to its employees. Products include passport holders, key chains, and travel toiletry kits. Delta has also commissioned the weaving of rugs from its recycled uniforms to give to Habitat for Humanity homes it has sponsored as well as an orphanage in Peru that its "Caring Crew" flight attendants helped build. This initiative provides a triple win scenario for the environment, the non-profit, and Delta. Used uniforms and vests are saved from landfills, homeless women have employment and the ability to support their families, and Delta demonstrates to its employees and customers that it cares about the earth and the community.
3.	**What are the most important success factors?** • Alignment of values around sustainability and caring for the environment due to recycling. • Delta was proactive in cultivating the relationship. • re:loom has the capacity to make a variety of products for Delta which led to an ongoing relationship. • Mutually beneficial relationship: Delta can show its consumers and 80,000 employees that it is a responsible steward of the environment and is helping women overcome homelessness by providing them with weaving jobs which also achieves the mission of the non-profit.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The above success factors provide the basis for re:loom employees to earn a stable salary, access 100% healthcare coverage, learn leadership skills, and have a sense of purpose and accomplishment. Delta employees, an increasing number of whom are millennials, feel good about working for a company that cares about the environment and the community when they receive a tangible product that embodies those values.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** The partnership is highly replicable. Companies often have textile refuse from uniforms and other materials, looms can be acquired, and people taught to weave and recycle the material into products desired by companies and others.

Box 57 Best practice #5 on Co-creation/coopetition between social economy and traditional enterprises in sharing/collaborative economy in the US.

1.	**Case ID** - SEEs: CommonBond / Pencils of Promise - Traditional enteprise: cooperation is not established with a specific traditional enterprise, but with institutional and individual investors. - Website: https://commonbond.com - Start: 2011 - Country: USA - Type of co-operation: Philanthropic ☐ Transactional ☒ Integrated ☐ Transformative ☐
2.	**Why is this case a best / good practice for the chosen research theme?** CommonBond, a student loan lender, draws on money from institutional and individual investors, many of whom are alumni who want to give back to other students, to provide loans to creditworthy borrowers at a rate lower than the federal government. The company also has a 1-for-1 social promise: for every student loan it funds, it funds the education of a child in a developing country through the non-profit Pencils of Promise https://pencilsofpromise.org/ This sharing economy organization not only helps students in the U.S. with lower student loan rates, it also funds the education of students in developing country through its partnership with an international non-profit.
3.	**What are the most important success factors?** • Draws on institutional and individual investors, including alumni of graduate schools, to support loans for creditworthy students making it possible to offer lower loan rates. • Offers students a way to leverage their student loans to also help other students in need. • Makes use of an online platform on the cutting edge of financial technology. • Offers superior customer service. • Offers a diversity of loan options. • Facilitates career networking through events for its community of like-minded individuals.
4.	**What is the causal relationship between the success factor(s) and the (societal and non-societal, economic) impact (according to the self-assessment of the interviewee)?** The above success factors have led to a fast-growing company with: • Over $1 billion in total loans funded • Average savings on loan refinancing is $24,000 annually • Average savings on an MBA student loan is $20,000 • Over two thousand students in developing countries with their education funded by CommonBond.
5.	**What are potentially replicable elements / components for other cases (in other countries), i.e. what can other enterprises learn from this case?** Easily replicable success factors if technology for the online platform is available.

7 Social impact model (SIM) for measuring the social impact created by co-operations between social economy and traditional enterprises

Special attention is given in the context of this study to the issue of social impact measurement. It is indeed of key importance not only to understand and promote the collaborations between SEEs and traditional businesses, but also to ensure that such collaborations actually produce a positive social impact, and that this impact is analysed and continuously enhanced.

The following chapter illustrates the state of the **art of social impact measurement in the context of social economy and traditional businesses collaborations**. It starts from a desk research of existing approaches and methodologies for measuring social impact of collaborations and continues with an empirical (quantitative and qualitative) analysis of the actual use of such methodologies by SEEs and business partners, highlighting the main drivers and challenges encountered by actors in this field.

As a result of this study, the team developed a social impact model (SIM) to fill gaps and needs identified during the research. The impact model is provided in a separate annex to this study.

7.1 Social impact measurement in the literature

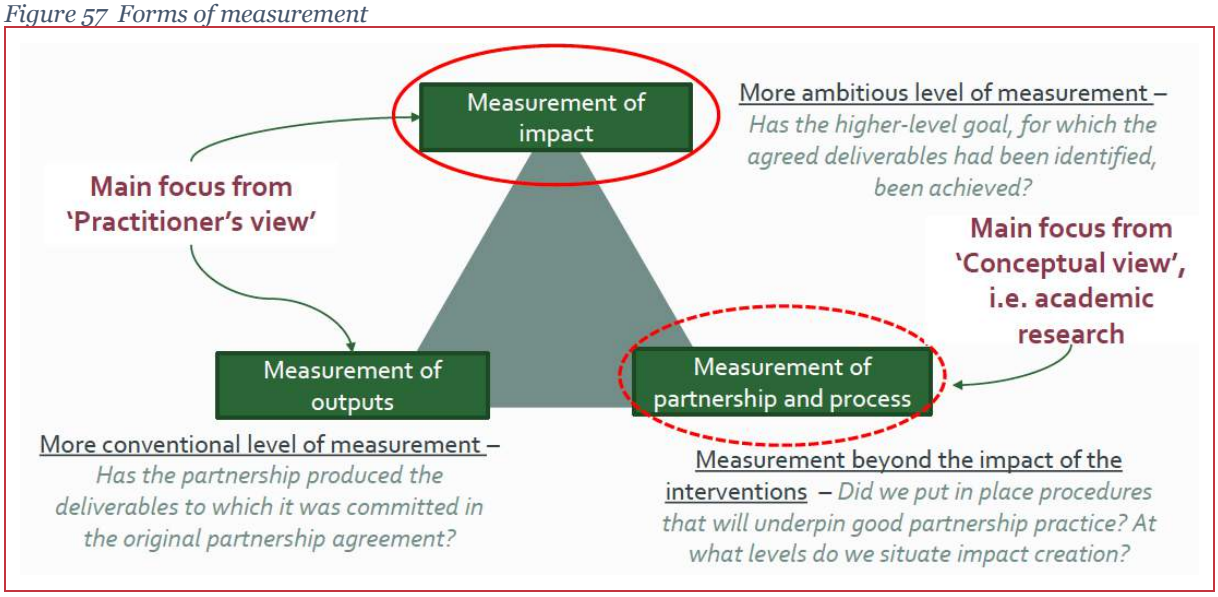
7.1.1 Main sources and reference frameworks

The desk research focused mainly on sources compiled by **practitioner-oriented** intermediary organisations, which emphatically address social impact measurement within the context of cooperation (such as the Partnership Resource Centre of the Rotterdam School of Management, Endeva, FSG, The Partnering Initiative, Ashoka, Acumen, Social Value UK/International).[239] These sources tend to focus on the **social impact or value of the interventions/activities** resulting from the cooperation.

Additionally, a selection of **seminal academic sources** was consulted.[240] The latter often reflect on the **impact of the collaborations on the co-operating entities** (i.e. the social economy and traditional enterprises) and the concurrent processes as such (see figure below). Nonetheless, overall the desk research confirms that different items, such as "outputs", "social impact" and the "partnership" itself, may present distinct but interrelated aspects or levels at which to assess the impact of cooperation. Moreover, it is suggested that each aspect requires a different approach to measurement and a different sort of evidence or data.

Additionally, although literature confirmed the importance of evaluation for SEEs and activities, the actual focus in practice is not necessarily on the level of "impact". Interestingly, and as shown in the figure below, practitioners focus more on evaluating the outputs of the initiative, whereas frameworks are more focused on providing guidance to evaluate the partnership process.

Figure 57 Forms of measurement



[239] See e.g. Endeva (2014) *Proving and Improving the Impact of Development Partnerships. 12 Good Practices for Results Measurement*; FSG (2014) *Guide to Evaluating Collective Impact. Assessing Progress and Impact;* FSG (2015) *The Collective Impact Change Process, in: Guide to Evaluating Collective Impact 01;* The Partnering Initiative, *Evaluation Framework,* www.thepartneringinitiative.org

[240] See e.g. Austin, James E. and Seitanidi, M. May (2011) *Social Enterprise Series No. 32: Value Creation in Business – Nonprofit Collaborations*; Alnoor, Ebrahim and Rangan, V. Katuri (2014) 'What Impact? A Framework for Measuring the Scale & Scope of Social Performance', *California Management Review*; Van Tulder, Rob, Seitanidi, M. May, Crane, Andrew, Brammer, Stephen (2016) 'Enhancing the Impact of Cross-Sector Partnerships", *Journal of Business Ethics* 135: 1-17; Hanlebrown, Kania, Kramer (2012) 'Channeling Change: Making Collective Impact Work', in: *Stanford Social Innovation Review*

Source: I-propeller 2017 after The Partnering Initiative, Evaluation Framework

The desk research was enriched with a concise number of (preliminary) **expert interviews** (e.g. with Prof. Maas of the Impact Centre Erasmus of the University of Rotterdam; Marlon Van Dijk, Managing Director of Sinzer; and Dr. Adam Richards, Social Impact Consultant of Social Value UK). The experts contributed feedback on the "state of the art" of social impact measurement in the context of cooperation and an understanding of existing methodologies to be used. Concurrently, we identified the most prominent overarching frameworks and models for understanding and conceptualising value or impact in the context of SEE and traditional enterprise cooperation (see figure below). These frameworks or models draw on often reviewed assumptions about the nature of the impact itself (where, how and for whom is value produced?).

Figure 58 Conceptual frameworks for the collaboration of social economy and traditional business

Frameworks	Summary
FSG, **"Collective Impact Framework"**	- Framework for designing and conducting performance measurement and evaluation of **collective impact efforts**
Van Tulder & Karen Maas in collaboration with Partnership Resource Centre, **"Impact Value Chain Framework"**	- Framework for monitoring and evaluating **cross-sector partnerships** built on the concept of an impact value chain - To not just measure the social impact but enhance the impact of the partnership itself on different levels
Austin & Seitanidi, **"CVC Framework"**, focus on 'collaborative relationships'	- Addressing the problem of how value creation through **collaborative relationships** has been treated in the literature - Framework with four components: a) The value creation spectrum, which provides new reference terms for defining the spectrum of value creation b) Collaboration stages, which reveals how value creation varies across different types of collaborative relationships c) The nature of value creation processes in collaboration d) Resultant internal and external benefits, costs and partnership outcomes at the micro-, meso- and macro-levels
Ebrahim & Rangan, **"A Contingency Framework for Measuring Social Performance"** – *not focused on partnerships in particular but potentially insightful*	- Framework to identify which level on the logic model be most appropriate to measure for the specific social investment - The framework categorizes results by two dimensions. One is the complexity of the investment / intervention's theory of change, as defined by clarity of cause-effect and the degree to which multiple factors are at play. The second dimension is the complexity of operational strategy.

Finally, the study consulted the findings of the **GECES Sub-group on Social Impact Measurement,**[241] which had the mandate to develop a methodology for measuring the social impact of activities by social enterprises, in order to transfer key insights to the co-creation of the Social Impact Model, such as:

- The amount of time spent, and the degree of accuracy sought and achieved in any measurement exercise must be proportionate to the size of the enterprise and the risk and scope for the intervention being delivered.
- The need for sound information on measurable social impacts should be balanced with the need for proportionality and practicality. Indeed, within the context of this study social impact measurement is framed as penultimately contributing to the broader scope of "social impact management", hence improving the effectiveness of the cooperation and resulting activities.

[241] GECES Sub-group on Impact Measurement 2014 (2014) *Proposed Approaches to Social Impact Measurement in European Commission legislation and in practice relating to EuSEFs and the EaSI*

It is important to start from the basic convergence between the different approaches on the main steps in the process, which should constitute the groundwork for any measurement of social impact. These steps involve, broadly, identifying clearly the social impact sought, the stakeholders impacted, a "theory of change" for social impact, putting in place a precise and transparent procedure for measuring and reporting on inputs, outputs, outcomes and for assessing thereby the impact actually achieved, followed by a "learning" step to improve impacts and refine the process.

7.1.2 Key results and takeaways

From an actionable, practitioner-oriented perspective – the perspective that tallies most with the co-creation of the Social Impact Model – the overall desk research and expert interviews boiled down to **3 key takeaways:**

1. Social impact measurement in the context of cooperation between social economy and traditional enterprises **gains on importance from different objectives, from planning to proving social value.** See e.g. how social impact measurement features as an important dimension in Ashoka's "Co-creation Toolkit", in the "Partnership model" developed by Acumen and Business Fights Poverty, in the "Partnering Cycle" proposed by International Business Leader Forum.
2. Measuring **impact at the level of the cooperation** itself as well as at **the level of the activities** (i.e. interventions) resulting from the cooperation, should be considered (see above). However, there is a huge knowledge and capacity gap as to how to practically engage this.
3. **Fundamental challenges** hinder the productive use of social impact measurement in the context of cooperation.

Among the challenges, from the study it emerged that three specific issues hinder in particular the uptake of social impact measurement practices in the context of social economy and traditional businesses collaborations:

- **Divergence of perspectives and priorities:** SEEs and traditional enterprises **hold different perspectives and objectives for (social) impact measurement.** Both often have a shared interest in demonstrating and improving the results of their cooperation. However, perspectives and objectives diverge with regard to: what and how to measure (companies are used to measuring on the basis of indicators that offer only insight into business performance – they pay less attention to exploring the wider ramifications of their activities); different expectations as to who should do what; the overarching goal (the focus in measurement); time horizons; and communication preferences. More generally, the lack of a common language is often mentioned as a key challenge to setting up effective results-measurement systems. Most publications, tools, frameworks, and indicators are targeted either at the public or at the private sector.
- **Difficulty in choosing the right method:** Impact measurement practitioners see themselves confronted with a **plethora of methods, approaches and larger frameworks**. In first designing a measurement process, partners have a whole array of frameworks and tools at their disposal, but no single standard able to provide guidance. The confusion is aggravated by the fact that most tools are either used by the public sector (and third sector) or by the private sector, but not by both (see also above). The confusing array of guidelines and information on results measurement can also absorb considerable time, as project managers feel they need weeks or months of study before they can even begin to understand the landscape. Practitioners tend to feel overwhelmed by the terminology and technicality of the subject matter. Few receive training or know where to find effective support (mutual lack of capacities). As a result, the technical aspects of results measurement often overshadow other issues such as expected benefits, the insights that can be gained, and the improvements that may be identified.
- **Costs associated with social impact measurement**: indeed, resources, time, capacity building are often perceived as to outweigh the benefits. Partnerships are typically implemented under a fixed time frame and with a fixed budget. Hence, there is often a perception that time and money are too limited to allow for proper results measurement. Also, tracking too many or too complex indicators can make measurement costly**.** Eventually, because there are no clear guidelines and

standards for reporting on cooperation projects, partners often end up with a small set of output KPIs that can be tracked as part of the project's standard implementation processes. These output indicators are usually not enough to allow partners to understand whether the project has really had an impact.

In the light of what has been illustrated so far, and in particular of the complexity and challenges of social impact measurement, a **first recommendation** would be to develop a social impact model based as much as possible on a "common sense approach", which enhances the existing methods and approaches available and combines them pragmatically throughout the different stages of the social impact measurement and management process. Moreover, measuring impact at the level of the cooperation and corresponding processes, as well as at the level of the resulting activities (i.e. interventions), should be considered given the scope of this research.

In the next paragraphs, we illustrate the results of the empirical research on social impact measurement realised through the survey and a set of selected case studies. These results provided additional insights and inputs for the elaboration of the model presented in annex to this study.

7.2 Quantitative analysis: experience of SEEs in social impact evaluation of collaborations

Based on the quantitative survey, the study could collect empirical data on the evaluation practices and challenges of European SEEs. The following paragraphs describe the results emerged from the analysis concerning this specific topic of the research.

7.2.1 Description of the evaluation sub-sample

According to the quantitative survey of this study, 17% of the SEEs reached ran an evaluation of their collaboration. If we look at this sub-sample, 33% are micro SEEs, 43% are small, 17% are medium and 7% are large. In terms of activity, almost half (46.1%) of the evaluation sub-sample work in the following 4 sectors: education (16.8%), work integration (10.5%), societal inclusion (10.5%), and health and well-being (8.3%). Whereas, with respect to the target group, 46.3% are SEEs targeting the following 5 groups: society as a whole (14.2%), the unemployed (10.9%), youth and people with disabilities (each 10.6%), and women (9%). The remainder are distributed across 12 other sectors, and 9 others target groups.

The great majority of surveyed SEEs that completed an evaluation are focusing their work either regionally or nationally (83%), whereas the remainder are SEEs that focus on international work, whether pan-European and beyond (17%). However, this is mainly due to the fact that the majority of SEEs surveyed (in general) work at local and national level, while SEEs working abroad are a smaller share of the overall sample. The table below illustrates how widespread is the practice of evaluation among SEEs with a specific geographical focus.

Table 12 SEEs and evaluation

	SEEs that did an evaluation	SEEs that did not do an evaluation	Not answered	Total
Regional (e.g. town, city, municipality)	15.0%	60.1%	24.8%	100%
National	18.1%	54.0%	27.9%	100%
European Union	20.0%	60.0%	20.0%	100%
Others in Europe (non-EU)	13.3%	53.3%	33.3%	100%
European neighbouring countries	20.0%	80.0%	0.0%	100%
International (Developing country/ies)	37.8%	40.5%	21.6%	100%

	SEEs that did an evaluation	SEEs that did not do an evaluation	Not answered	Total
International (Developed country/ies)	27.8%	50.0%	22.2%	100%

7.2.2 Challenges and difficulties of social impact measurement of collaborations

The survey allowed us to investigate the experience and challenges encountered by SEEs when evaluating social impact of their collaborations, while also understanding the reasons and barriers that prevented other SEEs from doing an evaluation as well.

Overall, the survey results show that the most common challenge for both SEE that *did run* an evaluation and SEE that *did not run* an evaluation, was finding the necessary resources. This challenge was mentioned by 27.7% of SEEs who ran an evaluation and by 41% of those who did not. Other challenges included, among the others, identifying the appropriate approach and method, putting in place the necessary skills and expertise, accessing key information and data needed for the evaluation.

In general, most challenges appear to be similarly distributed across SEEs dimensions; however, some exceptions apply. In addition to the resource challenge, micro SEEs report the greatest challenges to be identifying the right method (19%) and accessing the necessary data (15.5%), while small SEEs cite putting in place the necessary skill sets (17.6%) and accessing the right data (16.8%), medium SEEs cite identifying the right method (26.8%) and putting in place the necessary skills set (21.4%) and large SEEs cite identifying the right method (25%) as the greatest challenges.

The table below shows the key challenges identified by SEE that did evaluate and SEE that did not, in order of relevance.

Table 13 Identified key challenges

SEEs that ran an evaluation	SEEs that did not run an impact evaluation
1. Finding and committing the necessary resources (27.7%) 2. Identifying/developing an appropriate metric or measure (19.4%) 3. Finding and putting in place the necessary skills/knowledge/expertise to measure impact (16.3%) 4. Accessing the necessary information/data (15.9%) 5. Aligning and coordinating evaluation efforts with the partner (10%) 6. Management and operational challenges (5.5%)	7. Finding and committing the necessary resources (41%) 8. Finding and putting in place the necessary skills/knowledge/expertise to measure impact (19.5%) 9. Management and operational challenges (11.8%) 10. Identifying/developing an appropriate metric or measure (10.5%) 11. Accessing the necessary information/data (9%) 12. Aligning and coordinating evaluation efforts with the partner (8.2%)

- Based on the results, the study identified the following aspects that need to be address in the social impact model (SIM) in order to tackle key challenges:
- To tackle the resource challenge: the need to better highlight the importance of evaluating a collaboration, so as to mobilise available resources and attract additional ones;
- To tackle the skills challenge: the need to improve internal capabilities and facilitate access to external expertise;
- To tackle the methodological challenge: the need to promote the knowledge of existing methods to evaluate collaborations;
- To tackle data access and operational challenges: the need to develop a flexible impact model that can be applied in different circumstances, to a variety of collaborations and projects.

7.2.3 Methodologies used by SEEs for social impact measurement of collaborations

The survey further collected data on the methods used by the surveyed SEE to evaluate impact. Interestingly, the relative majority of the SEE (27.7%) declared to have developed their own approach for the evaluation, without following any standardised or recognised method. This was immediately followed by a 21.1% of the cohort who declared to have used a statistical method. Social value criteria and/or scorecards, on the other hand, were used by 16.7% of the sample, while methodologies based on theory of change or logical models were used by 11.9%, and the SROI – Social Return on Investment – by 9.6%. Ten per cent of the SEE who did an evaluation declared to have used other standard methodologies not included in this list, and a minority did not respond specifically to the question (3.3%).

Apart from the first two preferences (own method and statistical method), which are the same for all SEE dimensions, micro and large enterprises showed a preference for methodologies based on the theory of change or logical framework (at 16% and 13.6% respectively); whereas small and medium enterprises show a preference for social value criteria and scorecards (at 16.3% and 18% respectively).

According to the surveyed SEEs' self-assessment, the level of success of the collaboration does not seem to be radically different between the SEEs that completed an evaluation and those that did not. However, there are some interesting findings that can be noted. SEEs that carried out an evaluation completed, indeed, tended to score better on specific outcomes such as: improved credibility, ensuring legacy, generating a new product and/or service for a social need and allowing access to new strategic skills. However, differences in measures appear to be statistically insignificant, likely due to the self-reporting nature of the question.

To sum up, the analysis showed that:

- Only a minority of SEEs use standardised methods for the evaluation, which seems to align with the general confusion around available methodologies and tools already reported. Most of them develop their own approach and tools.
- There are no strong trends in terms of sectors and targets of the SEEs that completed an evaluation, while it seems that SEEs which focus on international development are more likely to run evaluations.
- SEEs that ran an evaluation reported slightly more positive results from the collaboration. This data is based on self-assessment and needs to be taken carefully.

7.3 Qualitative analysis: case studies on social impact measurement

As a follow-up to the quantitative analysis, the research team identified 5 impact case studies and interviewed them to gain further insights on the methods and learning from their evaluations.

7.3.1 Criteria for case study selection

The five case studies were selected amongst the survey respondents according to the following eligibility and selection criteria:

Eligibility criteria:

- **Evaluation:** the SEE ran an impact evaluation of an initiative and/or a collaboration with a traditional enterprise;
- **Representative:** the SEE's characteristics are representative of the cohort investigated in this study. In addition, the headquarters of the SSE social enterprise is in one of the countries of this study;
- **Impact:** the SEE reported good impact results from their collaboration;
- **Gender:** the social enterprise has a good gender split;
- **Sharing results:** the SEE is willing to share results and be interviewed further if necessary to collect more evidence.

The first four eligibility criteria (Evaluation, representative, impact and gender) were determined by the results of the quantitative survey. The last eligibility criterion (sharing results), was determined through one answer to the additional short survey that we sent to the cases that fulfilled the first four criteria. [242]

Based on this screening process, we identified 17 cases that fulfil the whole set of eligibility criteria: 6 Austrian, 3 Finnish, 2 German, 2 Polish, 1 Belgian, 1 French, 1 Italian and 1 Romanian. Starting from this list of 17 eligible cases, the following **selection criteria** were used to identify the final five case studies:

- **Variety** – within reason, the cases shall span across the geographical scope of the project, representing different types of relationships and different uses of the evaluation methods;
- **Quality** – the cases shall demonstrate a good level of data gathering and analysis, confirmed by the development of strong learning, which supports continued improvement of the collaboration;
- **Interest** – the cases should feature some distinguishing characteristic and demonstrate a good level of reflection on the strengths and weaknesses of the evaluation. In particular the cases will generate strong recommendation;
- **Engagement** – each best case should be willing to champion the impact evaluation of the relationship and demonstrate a collaborative approach towards developing new methods.

The following table shows the 5 selected case studies.

Table 14 Selected impact cases

	Duo for Job	**Nets Werk – Nachhaltig leben**	**INIGO Caritas**	**Rock Your Life**	**Bellissima Terra**
Country	Belgium	Austria	Austria	Germany	Italy
Type of organisation	Social Enterprise	Cooperative	Charity	NPO, Social Franchise	Cooperative and innovative social Start up[243]
Social mission	Immigrant integration	Sustainable farming	Unemployment women and men	Youth education and mentoring	Welfare services
Collaboration with	Bpost	30+ organic farmers	SPAR supermarket	Airbus	1. Economic leaving lab (coop) 2. Studio COMM Stp srl
Time frame	2016–2018	From 2006	From 2006	2016–2018	2016–2018
Area(s) of collaboration	Fundraising, Human resources	Network creation, Producers-consumers relations	Socio economic business	Mentoring programme, tridem concept	Partnership, co-sourcing and co-working
Collaboration type[244]	Transactional partnership	Transformational partnership	Transactional partnership	Transactional partnership	Integrative partnership
What was evaluated	Quality of the initiative; impact on beneficiaries, company, and society	Quality of the initiative; impact on producers and producer-consumer relationships	Impact of initiative on beneficiaries, employees and customer satisfaction	Quality of the initiative and the partners' collaboration, impact on beneficiaries mentees and students	Quality of the initiative, needs addressed and impacts on beneficiaries

[242] The survey is provided in attachment.

[243] According to Italian Law n.221/2012, the "Innovative Social Startup" is a specific label for enterprises that fulfil certain requirement of innovative start-up, and at the same time operate in one of the sectors identified by Law 155/2006 on social enterprises.

[244] See typology illustrated in Chapter 2, based the "type of value generated with through the collaborative activities".

	Duo for Job	Nets Werk – Nachhaltig leben	INIGO Caritas	Rock Your Life	Bellissima Terra
Main method for the evaluation	Mixed quantitative and qualitative	Field visits and interviews – regular	Annual appraisal interview and clients survey	Questionnaires and focus group	Quanti-/qualitative methods in the frame of ISO:9001:2015

7.3.2 Insights from impact case studies

Below is the story of the cases and their key insights are presented.

Table 15 Case Study 1: Duo for Jobs

Case Study 1	Duo for Job, Belgium
Brief description of the collaboration	Duo for Job (DfJ) offered "people" service to Bpost, a mentoring programme that matches young immigrants, with older professionals (50+ years) available to support them in mentorship programmes. The service includes the identification and training of mentors, matching them with their mentee and follow a mentorship programme which last six months.
Evaluation methods and tools	At the end of each "people" programme DfJ run an evaluation to measure impact on the beneficiaries, the company, and the society. The evaluation both quantitative and qualitative indicator, aligned with the broader framework used to evaluate all their programmes. The data are collected via a survey run at the end of the programme.
Key evaluation learning	• A strong attention to detail and results can attract additional partnership, as in the case of Roland Berger (see paragraph below); • There is a need to collect more data and in the long run to generate a consistent set of evidence useful to influence a systemic change; • It is still too soon to demonstrate impact on productivity for the company, but the first data collected seem to suggest this can be further explored and measured.
Key evaluation recommendations	• In order to collect a consistent level of evidence to influence systemic change, it is important to have a clear frame of quantitative and qualitative indicators that are collected in any reiteration of your collaborative programme.

Table 16 Case Study 2: Nets.Werk – Nachhaltig leben, Austria

Case Study 2	Nets.werk – Nachhaltig leben, Austria
Brief description of the collaboration	In 2006 NW received the licence as retail traders. Ever since NW built partnership with a network of farmers who are smaller and less competitive, but grow local, organic products. Within the partnership, NW plays as the middle man between farmers and consumers.
Evaluation methods and tools	NW ran the evaluation to understand if the relationship consumers-producers was growing stronger. Initially the data were collected through survey with consumers, but it soon appeared evident that the best feedback was collected during informal conversation. Therefore, the evaluation has increased the use of qualitative tools and methods to ensure feedback is genuine and provides strong insights. This includes one-two-one interviews with farmers and consumers, group interviews with farmers and non-regular consumers surveys.
Key evaluation learning	• Surveys are not a strong enough tool to measure satisfaction as people tend to be polite or not fully express their opinion and ideas; • Organising meeting with farmers to collect their feedback has generate better qualitative data, but also more collaboration amongst farmers; • Thanks to the evaluation farmers meeting, the producers have better coordinated the choices around the crop and the product they would focus on.
Key evaluation recommendations	• In a collaborative project, evaluation is needed from time to time to reflect and to hear all the point of view from the different stakeholders;

Case Study 2	Nets.werk – Nachhaltig leben, Austria
	• Though statistical information can be useful for marketing purposes, strategic choices are better informed by collecting insights from qualitative evaluation.

Table 17 Case Study 3: INIGIO, Austria

Case Study 3	INIGO, Austria
Brief description of the collaboration	• INIGO supports itself by running three core business of which one is managing two supermarket stores (one launching in June 2018) of the SPAR chain. Through this cooperation INIGO ensures the pursuit of its mission, to support unemployed men and women, who are given a first placement in the SPAR supermarket. The unemployed placed by INIGO receive training by a SPAR employee.
Evaluation methods and tools	• To monitor quality standard and objectives, INIGO run regular monitoring and evaluation. Key tools include a survey launched by SPAR on client's satisfaction, annual employee appraisals, and other programme participants' satisfaction surveys.
Key evaluation learning	• Employee appraisal confirmed the validity of the approach from a strategic point of view. Employees are strongly motivated by training unemployed into their new job and there is more innovation happening in the store thanks to the new employee.
Key evaluation recommendations	• The ongoing collaboration seems to confirm that a transformation of the industry practices, is happening. But more data are needed to confirm this. • It is better to have similar accounting system to collect data and also to operate.

Table 18 Case Study 4: Rock your life!, Germany

Case Study 4	Rock your life!, Germany
Brief description of the collaboration	The "Airbus Flying Challenge Germany" is a structured mentoring programme for Airbus employees that was implemented by the Airbus Foundation. Within the Airbus Flying Challenge, Airbus volunteers meet regularly with a ROCK YOUR LIFE! mentoring tandem of a student and a young person for six months to spend time with them and talk about career choices and other life questions. The key aims of the tridem concept are to provide further perspectives for the mentees and to foster volunteering at Airbus.
Evaluation methods and tools	An impact evaluation looking at the various aspect of the collaboration, including the collaboration, the process, the results and the impact – was undertaken. Tools for the evaluation included a paper-based questionnaire for mentees and students as well as an online questionnaire for Airbus mentors. A focus group feedback meeting with Airbus mentors and several partners' feedback meetings.
Key evaluation learning	• Evaluation results were helpful to further developing the programme by finding out what worked and what didn't work in order to learn what could be done differently next time; • Evaluation can be used as a legitimation for the programme and are therefore a good basis for future iterations.
Key evaluation recommendations	• It is important to talk to the organisations involved about their individual aims of the collaboration before starting the evaluation. It is important to know what both sides want to achieve and also want to know afterwards in order to ask the right questions; • It is important to properly scope your target group and other stakeholders; • To finally decide what kind of evaluation and methods you will use it is important to consider the resources for the evaluation to make sure the results will be helpful and will be used afterwards; • During the evaluation it is helpful to talk about the first findings as soon as possible in order to further develop and adapt the programme if necessary.

Table 19 Case Study 5: Bellissima Terra, Italy

Case Study 5	Bellissima Terra, Italy
Brief description of the collaboration	In order to respond to a regional funding, Bellissima Terra created a consortium with another social enterprise (Economics living lab) and a consultancy company (Studio COMM) to put in place a set of welfare services for small-medium enterprises. Once the first pilot ended, and the regional funding also ended, the collaboration went on as a partnership.
Evaluation methods and tools	The consortium ran an evaluation to measure the strength of the programme and identify if and how to continue it beyond the regional funding. The evaluation was done following quanti-qualitative methods, and in particular following standardised measured of quality such as ISO 9001:2015. In addition, the programme required a set of market appraisals and company self-assessment to ensure the welfare services were well tailored to the need. Those data were used to assess satisfactions and results.
Key evaluation learning	• Self-assessment tools, which allow to improve self-awareness, are very well received by beneficiaries and other key stakeholders; • The process evaluation provided insights to identify the right business model to continue the service even after the end of the funding.
Key evaluation recommendations	• It is useful to share a specific framework (like ISO 9001:2015) with all partners, as that way it is possible to ensure that similar and relevant data will be gathered by all parties involved; • Benchmark and baseline data allow comparisons and are an important part of robust evaluation.

To sum up, the following are the key insights from the case studies analysed:

- Evaluation has always determined some business development improvement. All the interviewees recognised the value of the evaluation as a strategic learning process;
- Evaluation data attracts new partners, funding and general interest from the public;
- There is a great variety of methods, all of which can provide interesting results and insights. It is therefore important to help users navigating the different methods, what they require and what are they best used for;
- It is important to define an evaluation framework upfront and share it with all the parties involved;
- Both quantitative and qualitative data are needed. Quantitative data are useful to market a product/service. Qualitative data are useful to improve a product/service;
- Attribution is one of the most difficult **barriers** to a strong evaluation. To overcome it, evaluations need to be run from the start with a strong collection of benchmark and baseline data.

Moreover, a common finding in the conversation with the five cases is that the fact of carrying out evaluations presents a comparative advantage also in terms of attracting new partnerships with the traditional business sector. As an example, the paragraph below tells the experience of Duo for Job which gained a collaboration pro-bono with Roland Berger, accordingly thanks to their attention to evaluation and evidence, so thanks to being "data-driven".

Roland Berger (hereafter RB), the global management and strategy consulting group, has worked with Duo for Job (hereafter DfJ) for the past two years pro bono. They were first attracted by DfJ for their professional, **data-driven and structured approach** mixed with a solid social impact. Moreover, two years ago, DfJ start questioning the potential for scaling up, an existing question for RB to solve. The two organisations have been working together on a win-win relationship. DfJ has gained pro-bono consulting services and learn strategic skills. RB has gained exposure and understanding of the non-for-profit sector and its challenges, and the internal and external image benefits of being involved in a project with social value, such as attracting talents and motivating employees.

DfJ did not evaluate the initiative, because the outputs of the collaboration – a strategic document, and a renew of the collaboration – were per se strong self-assessment results. RB runs an annual survey with

their employees to monitor motivation, objectives and results. Such a tool could be used to measure the impact of this collaboration within RB staff members. However, an attribution challenge arises when evaluating the impact of such a collaboration for RB. Considering that RB runs others social initiative in Belgium and abroad, it becomes difficult to identify and attribute changes and impact to one or another of these initiatives.

These findings were incorporated into the development of the SIM. In particular, the model aims to offer the practitioners a variety of tools to determine why to evaluate, how and what type of evaluation frameworks and tools are most appropriate, and how to use evaluation results in a strategic way.

7.4 Development of a social impact model for collaborations between SEEs and traditional businesses

The SIM developed under this study aims to provide a guided road map for impact evaluations of the collaborations between SEEs and traditional businesses. The following paragraphs illustrate the structure and process of development of the SIM, which has been finalised in August 2018 and is available in a separate annex.

7.4.1 Objectives and structure of the SIM

The model is divided into three chapters, each of which aims to address a specific need as highlighted by the research:

- Chapter 1: **WHY EVALUATE** – this chapter explores the value of collaboration and of evaluating it. It serves to provide a shared understanding of the importance of evaluation, and to provide arguments for securing the needed resources to be able to evaluate. As such this chapter aim to respond in particular to one of the key challenges identified in running an evaluation: the lack of resources.
- Chapter 2: **WHAT and HOW TO EVALUATE** – this chapter focuses on scoping the evaluation and navigating different tools and methods to select the most appropriate one for each possible case. As such the chapter responds to the second greatest challenge identified in the research: the difficulty that practitioners face in navigating all the different impact method and tools.
- Chapter 3: **HOW TO USE THE EVALUATION** – this chapter focuses on the learning that can be extrapolated from evaluating a collaboration, and how this learning can generate insights for strategic development. As such, the chapter aims to provide guidance for a correct use of the data and show how evaluation become the basis for better management and strategic development.

7.4.2 A practice-oriented and co-creation approach to SIM development

The recent Opinion of the European Economic and Social Committee on social impact measurement (2014/C 170/03) provides important suggestions for the promotion of social impact measurement in Europe. Among its key recommendations, the EESC argues that:

- Rather than developing a new method, the Commission [should] build awareness of the most commonly used principles. [...] To explore this complexity further the EESC recommends the Commission to initiate data collection of existing methods [...]"
- "A pre-requisite for an EU method [...] is stakeholder participation [...] A pre-condition for this stakeholder approach is a common understanding of basic concepts for social impact measurement [...]"
- "Any measurement should [...] be supportive of [the organisation's] activities, proportionate and not stifle social innovation. [...] When designing social impact methods, they must be proportional and designed to support the social enterprise."
- "Social impact is measured in many different ways, which makes it difficult to advocate for a single method or even compare different methods. [...] Quantification should rather be seen as one way of measuring, alongside qualitative approaches such as narrative methods."

Following these recommendations, the model was developed with a view to practically support stakeholders, acknowledging the challenges highlighted by the research and promoting their effective use of existing methods (rather than creating a new "one size fits all").

The development of the SIM was based on the research findings but also entailed both expert input and stakeholder participation.

In particular, the 4 experts were involved in the review of the model and more than 40 stakeholders and practitioners were involved in 3 SIM co-creation workshops, held in the context of the study conference Creating Value Together (Brussels, 3–4 July 2018).

Each workshop tested and enriched with practitioners a specific chapter of the SIM, starting from key questions and assumptions and using specific participatory tools and methodologies to promote exchange among participants.

Table 20 Co-Creation workshops, July 3–4th, 2018

Co-creation session	Relevant chapter of the SIM	Key objectives
1. Understanding the value of collaboration and why evaluate it	WHY EVALUTE	• Questioning the reasons for evaluation; • Questioning expectations from evaluation; • Questioning the challenges of evaluation; • Questioning the key assumptions of the proposed SIM and gaining additional insights around them;
2. Measuring the value of collaboration: what and how?	WHAT AND HOW TO EVALUATE	• Testing which questions are part of the decision-making support process to select a method. • Testing the clarity of the proposed framework and whether it is useful; • Questioning what is missing in the SIM in terms of guidelines
3. Assessing the evaluation: data analysis and learning	HOW TO USE THE EVALUATION	• Questioning the key assumptions about how practitioners analyse and share data • Interrogating what type of learning is most needed

7.4.3 Key insights from the co-creation process

The above-mentioned workshops produced interesting results that can be summarised as follows:

Why: the value of the collaboration seen from stakeholders

The key insights from the discussion around the value of the collaboration between the SEE and the traditional business is that it generates both internal results, to each organisation taking part in the collaboration, and external one, to all stakeholders involved in the collaboration activities and to the ecosystem.

Similarly, it emerged that the collaboration generates a number of outcomes in various fields, such as:

- **Learning**: collaborations produce learning, skills and cross-fertilisation of conceptual models across different sectors;
- **Effectiveness**: maximisation of activity results thanks to the collaboration, and consequent impact on beneficiaries;
- **Networking**: growth of links and potential for partnerships;
- **Market:** change produced in the market and the broader ecosystem;
- **Credibility**: a new credibility and trust is obtained through brand synergies

- **Efficiency**: Faster and more seamless adoption of systems thinking

Those results were recognised as interrelated, and their value being both in the internalisation and externalisation of the outcomes. The recognition of the interrelated nature of the outcomes led to a need for integrated thinking in terms of evaluating the collaboration from a number of different key perspectives (for example, each partner – traditional and social economy orgs, staff of each organisation, leads of the collaboration, any volunteers, and beneficiaries of activity).

How and what to evaluate: the choice of methodologies and tools

The discussion around the scope and the method of and evaluation confirmed the existence of a great variety of approaches. It was recognised that there is a difference of resource availability between traditional and social economy organisations and how this affects the experience of each organisations in delivering the collaboration, and in evaluating it. However, it was agreed that evaluations enable communications activities that attract funding and other resources. Also, evaluation was considered a mean to engage with a broader network and improve the impact of collaborations.

In particular, it was pointed out that the following factors should be considered when planning an evaluation:

- **Time** – Assessment should be designed to be incremental and continuous throughout the activity not just an "evaluation" of what happened at the end.
- **Stakeholders –** It is important to provide guidelines to identify who the stakeholders are and how/when to engage with them. Evaluation need to be led by stakeholder feedback and capture what the value for them is.
- **Design of an evaluation** – The following key questions should lead the design of an evaluation: Why are you evaluating? What do you want to evaluate? Who do you want to engage with in the evaluation? What do you want to learn?
- **Choosing a method** – It was recognised that approaches to evaluation vary from the more complex and resourceful to the easier. To choose an appropriate method the SIM needs to provide guidance around: the evaluation team, the evaluators skills, the access to stakeholders, the timeframe and the availability of resources.
- **Scope of the evaluation** – It was agreed that an evaluation of the collaboration can be focused on the impact of the collaboration, the impact of the activity on people and beneficiaries, and the impact on the market and broader ecosystem.

In addition to this guidance, the co-creation workshops provided a space to discuss terminology and the understanding of key words (e.g. market, behavioural change etc.) that are fundamental in the development of the SIM.

How to use the evaluation: turning results into valuable learning

Learning has been discussed as the most important output of an evaluation. Evidence-based decision making is what organisations and stakeholders aim for. In exploring what learning is, it was agreed that regardless of context, the most effective organisational learning occurs face-to-face. It was also noted that sharing learning can be an opportunity in terms of exposure and an incentive for greater collaboration. On the other hand, it was underlined that from a private sector perspective especially, sharing learning risks may be a risk, as unique aspects of impact/business models might be adopted by competitors.

As such it was agreed that the following aspects needs to be taken into consideration when developing and disseminating learning:

- **Aim** – the learning can have different purposes from just sharing knowledge to improve management and delivery process;

- **Audience** – to understand how to best design and disseminate learning it is very important to clarify who the audience is. Similarly, there should be a focus on the need to generate learning for beneficiaries as well.
- **Format** – Types of tools can include any format for delivering insights on data, videos, reports, emails, presentation docs. The main aim is to have a format that delivers information in an accessible format to the audience.
- **Reputation** – Sharing learning is not always convenient, so the SIM should provide advice on best practice with respect to this (i.e. What to do when a partner does not allow you to disseminate, as in the case of Rock your Life!).
- **Credibility** – The model should focus on the importance of the Credibility – talk about the unexpected
- **Technicalities** – There is a need to create real learning material, so also technical – not only marketing
- **Dissemination** – It is important to identify the distinction between internal and external when it comes down to choosing a way to disseminate

Lastly, some **general insights** have emerged throughout the three sessions. These are concerned in particular with:

- the role of the evaluator (who should always be empathetic and include the bottom-up perspectives of the evaluees),
- the importance of a shared language for evaluation,
- and the importance to promote evaluation as an ongoing and enriching process, which starts from the planning phase, and comprehensively detects both intended and unintended outcomes, with a view to supporting the project improvement and highlight its full value from all stakeholders' perspectives.

8 Conclusions and recommendations for policy makers

To recapitulate, this study's objectives are to analyse business co-operation between SEEs and traditional enterprises and provide validated recommendations to further support such co-operation. The study investigated the different patterns and current trends of co-operation, explored 16 specific aspects in greater detail and identified best practices in Member States and at organisational level. The study also compared European trends to those in selected third countries and developed a model to evaluate the social impact and improve specific co-operations.

This section presents the key conclusions arising from the research, along with recommendations on possible actions to foster co-operation between the social economy and traditional enterprises at EU, national and regional levels stimulated by DG Grow. Co-operation between SEEs and traditional enterprises in the context of circular and sharing economy are also explored.

8.1 Co-operation typology, drivers of and obstacles to co-operation

This study developed a typology of co-operation between SEEs and traditional enterprises **based on the partners involved**. Thus, SEEs may collaborate with traditional enterprises either on a *bilateral* or *multilateral* basis. They may alternatively collaborate with individual *social intra-preneurs* within larger traditional enterprises on joint projects. Social extra-preneurs (individuals, groups or organisations) may also create collaborative *platforms* linking different organisations as in clusters and networks.

Alternatively, co-operations can be categorised by the **level of ambition in the expected benefits and generation of value**. Following a model developed by Austin & Seitandi (2011, 2012a,b; 2014),

the study distinguished four types of co-operation: *philanthropic* partnerships where a partner merely provides financial support to an SEE, *transactional* partnerships where both partners exchange something that contributes to separate objectives, *integrative* partnerships where partners have joined objectives, and *transformative* partnerships where both partners align their missions to maximise mutual benefits and social impact. Overall, transformative partnerships are more extended than integrative, which occur basically through the integration of SEEs in the value chain of traditional firms. Transformative partnerships are still sparse, being usually placed in the integration in Hybrid Value Chains and in some isolated cases of CSI practices.

The study looked at the **drivers of co-operation** at global, organisational and individual levels. A key driver is the perception that many social challenges can no longer be solved either by the market or the public sector alone. Another key driver is the need to improve co-operation between the public and private sector and civil society, as defined in the United Nations' Sustainable Development Goals, the Flagship Initiative Innovation Union and the 2030 European Agenda for Sustainable Development. Trends in EU cohesion policy and the emergence of sharing and circular economy models are also conducive to co-operation between SEEs and traditional enterprises. Large traditional enterprises in particular are often driven by corporate social responsibility approaches to engage with SEEs.

External drivers at a global level include public support instruments. The public sector can **facilitate** co-operation between SEEs and traditional enterprises by lowering hurdles for SEEs to participate in public procurement and by setting rules structuring different forms of co-operation and creating the necessary trust between organisations with different operating models and objectives to engage. The **regulatory and policy environment** in which co-operation between SEEs and traditional enterprises takes place can either facilitate it or pose as a barrier. The lack of a clear and unified legal status for SEEs may also be an impediment to co-operation. One interesting good practice example comes from France, where SEEs can co-operate within the framework of Territorial Economic Co-operation Centres (PTCEs) that bring together traditional enterprises, SEEs and social organisations on a local or regional level and develop joint strategies for co-operation and sharing.

Internal drivers, in contrast, refer to the motivation of individuals and organisations to engage in co-operation. Enablers at the organisational level include management skills, availability of financial and human resources, and alignment of objectives between partners.

Key factors that need to be met in order to achieve a successful co-operation include:

- Primarily, **trust and alignment of values** which is reflected in mutual understanding and acceptance and which is key to building a sustainable successful long-term partnership.
- Secondly, **availability and access to resources (e.g. time, manpower, financing)**. A lack of those affects especially the SEEs which do not conduct business activity, as well as their imbalance which can discourage the stronger partners from developing co-operation with partners they may perceive as being weaker.
- Thirdly, the **visibility and recognition of SEEs** competencies and capacities in the public is of importance. The better the awareness of the potentials of SEEs are the more likely co-operations with traditional enterprises will be.
- Finally, **professionality and transparency of SEEs,** which means a **special emphasis not only on product/service quality**, but also on **detailed reporting** on how they organise, whom they partner with, what kinds of financing they receive and how they spend these financial resources are of high importance for the co-operations.

To summarise, certain preconditions need to be in place for co-operation between SEEs and traditional enterprises to take off. These apply to the four different types of partnerships that this study focuses on (philanthropic, transactional, integrated, transformative), but for the more ambitious types of partnerships (i.e. integrated and transformative ones), a higher degree of trust is generally required than for more ad hoc partnerships.

Conversely, there are **barriers** to co-operation relating to the lack of financial and human resources to engage with potential partners, access to relevant networks and scalability, institutional barriers such as limited awareness of the social economy and lack of appropriate rules and norms, and cultural barriers such as insufficient mutual understanding. Shortage of appropriate funding instruments and the fragmentation of the funding landscape, as well as lack of awareness of the social economy and understanding of its functioning are other issues making co-operation difficult.

Box 58 Recommendation (R1) on Co-operation typology, drivers of and obstacles to co-operation

- The mutual recognition between traditional business and SEEs can be enhanced by the implementation of **soft policies**, aimed at creating an environment or ecosystem with major visibility of those SEEs that attend to the national specificities and level of advance of the social economy sector.
- Principal recommendations with regards to soft policy measures are:
  - **Promoting voluntary standardisation**. Consider adopting a European Social Enterprise (ESE) Statute as an EU legal qualification or status and the introduction of a related EU label or mark. An example of the impact of the social enterprise labels is the Spanish firm Auara[245], a limited liability company that obtained the certification as social enterprise from UK as there is no legal form in Spain. With this certification Auara did not only acquire more recognition and reputation but improved co-operation with traditional firms through numerous agreements. The impact of this kind of certification can also be appreciated in the SEUK map[246], with enterprises in various part of the world.
  - **Information is key to set enabling conditions for co-operation**. The results show that it is necessary to gain transparency in recognizing the specificities and dynamics among different types of SEEs as well as the role of social intra-preneurs and extra-preneurs. Starting from a modular business model approach might be favorable, as this provides an equal basis for analysis of the business processes and how the social economy values are incorporated and are decisive for business model choice. Secondly, Creation of spaces (from events, conferences and workshops to experimental co-labs) to show how SEEs can inspire the traditional firms and how to promote models of collaboration and help. to find plugins for co-operation.
  - Implementation of **a platform for diffusion of best practices** on the variety and types of co-operation across different sectors. Findings show that some sectors such as the creative and cultural sector remain hidden as a pool of co-operation opportunities. Such sharing and diffusing channels could showcase this. Besides the sectoral approach also enablers might be subject: such as the use of ICT and (digital) technologies and common (for example via a cluster or PPP). Here we rely on experiences we gain from cluster policy measures that provide support to co-operation among actors (e.g. Go-Cluster in Germany). This can be provided on a member state or even a regional level.
  - Development of measures oriented to **strengthen the dialogue between sectors** by boosting the visibility of potential partners (e.g., design of a public platform to publish co-operation opportunities by the own organisations, including SEEs, traditional firms and public sector organisations), such as a "pool of opportunities". One example of such a platform facilitating dialogue among stakeholders is the European Circular Economy Stakeholder Platform[247] created in 2017.
  - Consulting with key target co-operation actors and intermediaries about the establishment of updated **Codes of Conduct** and self-regulatory governance instruments in cross-sector partnerships between SEEs and traditional firms. This can be particularly relevant not only to avoid social washing in the case of large corporations but also to consider new conditions

[245] https://www.socialenterprisemark.org.uk/?geodir_search=1&stype=gd_place&s=auara&snear=&sgeo_lat=&sgeo_lon=

[246] https://www.socialenterprise.org.uk/members-map

[247] https://circulareconomy.europa.eu/platform/en

from emergent collaborative business models (e.g., creation of JSVs, integration of SEEs in traditional value chains, partnering in HVCs).

- Recommendations of **'hard' policies** that directly counteract the obstacles to the development and consolidation of social businesses. Here the layer of the European Commission as well as the (federal) member states are main focus to take actions. Subjects of those policy ought to be Chambers of Commerce, publicly funded clusters as well as other intermediaries.
- In order to fully understand the impact of the current regulatory framework, and the extent to which it acts as a driver or indeed obstacle to co-operation, it would be helpful to **review existing EU legislation** and analyse their implications for SEEs co-operating with traditional enterprises. As can be seen in the case of Romania[248] regulation (e.g. in public procurement) has a strong impact on co-operation modes. Accordingly, varieties in regulation in the member states and their regions have to be considered as potentials to enhance the upcoming of co-operations between traditional enterprises and SEE. This is particularly relevant in analysing the so-called leverage effect in the usage of EU resources for social innovation attending to the different welfare regimes across countries.
- One way to facilitate co-operation would be to **mainstream social innovation and use of strategic social innovation instruments into EU innovation policy**.[249] E.g., support programmes administered by DG RTD of the European Commission could include social innovation as a favourable criterion when reviewing applications by SMEs for funding.
- The establishment of specific funding mechanisms aimed to support strategic instruments and initiatives to foster the **professionality of SEEs**, including the development of programmes to take advantage of cognitive, legal and financial resources by current structures (e.g., impact hubs, think tanks) that allow SEEs and traditional enterprises to take advantage of cooperation opportunities.

8.2 Patterns of co-operation

Access to networks, gaining visibility and scaling up activities were the motives for co-operation mentioned most frequently by survey respondents. Partnerships are typically of a commercial nature, with partners entering into a customer-supplier relationship. The research findings furthermore suggest that SEEs mainly operate on a regional or national basis, with fairly little cross-border relationships. One conclusion is that language may pose a barrier to cross-border co-operation, as also confirmed by the interviews. Another important factor facilitating co-operation is access to financing. Lack of financing, conversely, appears to be the most important barrier. The research also suggests that cross-sector partnerships are most common among SEEs, traditional enterprises, and public authorities, followed by clustering and networking, with a strong territorial component. Clustering once again highlights the importance of regional or even local relationships as a facilitator to co-operation. The research findings also suggest that **preliminary preconditions for (engaging in) co-operation are not always fulfilled,** both in case of SEEs and of traditional enterprises. Preconditions for co-operation (see above) are mostly trust and alignment of values, and availability and access to resources appropriate communication and trust.

As regards the **relative importance of different types of co-operation**, the survey and interviews highlight that there are clear differences in the prevalence of the types of co-operations considered in the study. The distribution of firm and SEE interviews may serve as a proxy also of the prevalence of particular types of co-operation compared among each other: Value chain co-operations we found most widespread, other very common forms of co-operation being sponsorship and voluntary work as well as

[248] http://ec.europa.eu/regional_policy/sources/policy/how/improving-investment/public-procurement/study/country_profile/ro.pdf, p. 180.

[249] This is aligned with recent recommendations provided by other studies. E.g., the report Social innovation policy in Europe: where next? (Source: https://media.nesta.org.uk/documents/social_innovation_policy_in_europe_-_where_next.pdf)

CSR co-operations. Instead, rare forms of co-operation seem to be the use of dormant patents by SEEs or hybrid value chain co-operations.

One important factor determining the pattern of co-operation was whether or not the SEE partner is a professional business organisation itself. For instance, a Polish brewery employing people with mental health conditions uses an operating model similar to traditional enterprises, which in turn makes it easier for it to collaborate with such firms. Here, it is not the product or service provided by the firm that creates social impact, but the fact that running a profitable business allows to employ disadvantaged people, thus creating social impact. Apart from this SEE model, for which several examples could be identified, the patterns of co-operation are more diverse and involve not only SEEs and traditional enterprises but also public entities, research centres, and local communities. The main conclusion is that the development of a **win-win model is key for sustainability** and the success of the co-operation and for its ability to make a social impact. A win-win situation arises when there is a sufficient overlap of interest between the co-operation partners. The higher the overlap, the more likely an integrated or transformative partnership is, whereas a loose match of interest may only result in a philanthropic partnership. Conversely, when only one side sees a tangible and lasting benefit in co-operation, it will not be sustainable and probably break down after a first project is completed, if not before.

The survey feedback also leads us to conclude that co-operation has a material impact in terms of facilitating access to broader networks and opportunities, to skills, knowledge and support, and in terms of improving credibility of co-operation partners. Just under half of survey respondents also state they were able to develop new products / services thanks to co-operation. Interview feedback also indicates that there is a willingness among partners to develop long-term, sustainable forms of co-operation, which would maximise the spreading of social innovations and their impact. That leads us to the following recommendations:

Box 59 Recommendation (R2) on Patterns of co-operation

- The elaboration and diffusion of a **glossary** and guide about co-operation between SEEs and traditional firms in different languages, including information about intermediation mechanisms and useful public support and funding instruments to facilitate scalability. This should take into account and highlight the different levels of ambition in partnerships, from philanthropic to transformative. Here the initiative might be taken by the European Commission.
- Recommendation to regional and national authorities about the adoption of measures to facilitate **transparency** and **access to information** about public funding and financial sources by areas, as the research has shown that in many cases lacks in access to financial resources is a significant hurdle for traditional enterprises and SEEs to co-operate.
- Recommendation to stimulate EU investment programmes (mainly the new Invest EU, but also instruments under the structural funds) to provide instruments that allow partnerships for investment in social goals or community impact. Therefore, advisory services and technical assistance are needed to create a common investment project or even portfolio. Partnerships can by developed under a PPP approach but also as strict business partnerships between traditional and social enterprises in a specific sector or cross-sectoral. In doing so, the use of a specific legal entity such as a cluster or a local (sectoral) fund might attract even more investors and generate better sustainability.
- Policy measures aiming at accelerating **social innovations** shall target both SEEs and traditional enterprises. This needs to be explicitly communicated and promoted, for example by the European Commission in their social innovation policies. EU SME support instrument such as the SME Instrument under Horizon 2020 could also be enriched by an explicit social innovation dimension by encouraging transformative cross-sector partnerships. The European Social Fund is another crucial instrument for supporting co-operation between traditional enterprises and SEEs. Other instruments include the social innovation competition, the Horizon 2020 'Blockchains for the Social Good', and the Community-Led Local Development (CLLD).

- Ensure a match of interests between co-operation partners by helping SEEs develop practices compatible with traditional, profit oriented enterprises. This could be done through **capacity-building or training exercises** (see also recommendation R8).

8.3 Specific forms of co-operation

The study also investigated 16 specific themes related to co-operation between SEEs and traditional enterprises. The relevant conclusions and recommendations are presented below.

Conclusions on the integration of social entrepreneurship in the production process and the value chain of traditional businesses

The research shows that the degree of integration greatly differs across countries and by sector, and that SEEs have the highest degree of integration in waste management, fashion and food value chains, whilst their co-operation behaviour with traditional enterprises in e.g. the health sector is lower. Integration in value chains is facilitated by geographic proximity of partners, and informal personal contacts which create trust.

SEEs with special expertise, skills services and products are valuable partners in value chains of traditional firms. Five specific forms of integration of SEEs into the production process and the value chain of traditional businesses concern: 1) SEEs as suppliers, 2) Co-operation within the core operations of the traditional enterprise, 3) SEEs supporting core operations of the traditional enterprise, 4) work integration SEEs (WISE) in relation to the value chain of traditional enterprises, and 5) SEEs as a source of innovation for traditional enterprises.

What drives cooperation is the opportunity to meet and establish contacts between SEEs and traditional firms, be it through close geographical proximity in regional clusters, **through matchmakers (e.g. regional associations) or through promotion events that can serve for matchmaking as well (e.g. Romanian design week, see MBQ Box) etc.**

Compliance with regulation is a major driver to engage in co-operation. Regulations related to employment support the creation of a structured long-term value chain co-operations. In many countries, firms have to employ a certain number/or fraction of vulnerable job seekers but find it very hard to do so. So, they can delegate this by collaborating with SEEs. Through co-operation an SEE can then employ a number of vulnerable people that were supposed to be employed by the traditional firm. This is a policy element that really fosters co-operation between SEEs and for-profit firms.

Box 60 Recommendation (R3) on Specific forms of co-operation: Value chain

Integration of SEEs into traditional enterprises' value chains rests on supporting actions:

- **Certification**, **transparency** and **evidence from previous collaborations** support professionalisation and creation of partnerships on equal terms. Professionalisation of SEEs helps them to enter partnerships with traditional firms. SEEs have to conduct themselves in a professional manner in order to be viewed as an attractive partner for traditional enterprises:
  - Professionalisation can be demonstrated by project certificates from collaboration partners, also ISO certification.
  - Reporting (e.g. annual reports) helps to build transparency and thus shows a professional approach to accounting and funding in laying open where funding comes from and what it was used for.
- What drives co-operation is the **opportunity to meet** and establish contacts between SEEs and traditional firms, be it through close geographical proximity, through matchmakers (e.g. regional associations) or through promotion events that can serve for matchmaking as well.
- Organisation of dedicated **campaigns showcases**, workshops and other measures such as a network of brand ambassadors can contribute to raise awareness and give visibility to products

and services delivery by SEEs. In many cases social enterprises are in unexpected sectors or sectors with low visibility. For example, the Westley Hotel, which awarded the Social Enterprise Mark and was the first ethical hotel in the UK, organized the event 'Conect at' with support of the Chamber of Commerce and Industry. This event was an opportunity to show the sustainable activities from procurement to waste management and sustainable operations as well as favour networking and business. The Wesley Hotel also creates social value in cooperation with the Hilda Porter Bursary Fund, which provides funding for marginalised students and young people in the UK and developing world.

- **Credits, testimonials, references** from the first co-operation partner are very influential for reputation as a co-operation partner, even more if it is a well-known firm. Encourage traditional enterprises to serve as testimonials for the partner SEE, especially if the traditional enterprises is well known in its industry.
- **Cross-sector learning** among European members on how legal frameworks and labour laws are allowing the integration of SEEs in value chain and the generation of social impact. Legal frameworks can encourage traditional firms to co-operate with (labour law) social enterprises (such as WISE's) in terms of contracting, such as the outsourcing or insourcing a part of the manufacturing process or dedicated services.
- **Regulations** e.g. in the sector of circular economy can play a key role as drivers for the integration of SEEs in the value chain of traditional firms. For example, through waste regulation, traditional firms shall be encouraged to co-operate with SEEs, in order to find (second) markets for product that can be reused (e.g. pay a bonus per ton of products that could be diverted from the waste stream by social enterprises).
- **Creation of specific incentives**, such as innovation voucher schemes, may facilitate the cooperation of SEEs, especially in the case of SMEs. The voucher gives the opportunity to satisfy an innovation-related need, contributing to reduce barriers to SMEs' capacity to develop and market new products, services or processes as they support better matching between know-how demand and supply. An example is Impactor[250], a Finnish cooperative that offers the adoption of the Tekes innovation voucher to social impact-oriented enterprises in supporting the development of social innovations. Germany adopted in 2013 an innovation voucher C (Creative voucher) for micro-enterprises and professionals of the cultural and creative industries called Kreativgutschein, addressing the innovation needs of traditional SMEs through the provision of services by creative supplier firms. This kind of scheme can be implemented at regional level and connected with clusters and also at national and European levels. One interesting initiative at European level is INNOvoucher[251], which is a voucher programme supporting the trans-national exchange of innovation services in Europe. The project aims to help European regions and national governments to face their innovation challenges and achieve their goals in their innovation support to companies by putting in-to place a collaborative framework across Europe, where SEEs can be integrated.

Conclusions on hybrid value chains as new models of co-creation between SEEs and for-profit businesses for the EU development and neighbourhood policy

A hybrid value chain (HVC) can be described as a 'transformative partnership' within the 'continuum' of the Collaborative Value Creation (CVC) framework (Austin & Seitanidi, 2011; 2012 a, b; 2014). In the course of this project, we focus on HVC co-operations between SEEs and for-profit companies that try to serve previously unserved/underserved markets beyond the EU, especially in developing countries. For one Spanish SEE the core idea is 'to sell a main product and allocate all the profits obtained to bring good quality potable water to those in selected African/Asian communities who do not have it. Another example of a French SEE is to set up as a traditional, for-profit enterprise in the countries they operate in and in parallel local SEEs providing the social services. Both the traditional and social enterprise work hand in hand on a daily basis. A further example is an SEE that forms the bridge between some investing

[250] https://www.impactor.fi/innovation-voucher/

[251] https://www.innovoucher.eu/main/index.php

corporation and the local beneficiaries in developing countries – often with positive environmental outcomes as well.

According to our survey results, HVCs do not play an important role for the vast majority of SEEs. HVCs add layers of an even higher complexity to the value propositions of SEEs in not only combining the social and the economic goals inherent to the SEE nature. They also combine local (European) operations with global ("glocal") ones. We can observe different approaches to tackle these challenges. The three main approaches to HBV - with a multitude of variations among them – appear to be: 1. a hybrid value chain of two globally operating organisations. 2. a hybrid value chain through a dual structure, and 3. an SEE bridging the value chain. In this context, the SDGs often serve as a general point of reference for CSR mangers, but also in the hybrid value chain context. They are a **general** frame of reference and are used to anchor and argue activities.

Related concepts such as the development of social innovations, Bottom of the Pyramid (BoP) innovations and frugal innovations within global value chains stress different foci of the co-operations.

A typical feature of hybrid value chain business models identified in the best practice examples is to help local providers with training, integrate them into collectives, improve their livelihoods, enable them to obtain certification and upon this collaborate within a value chain.

Box 61 Recommendation (R4) on Specific forms of co-operation: Hybrid value chains

- As the notion of HVC is not widespread, it would be necessary to **provide information instruments** (e.g., brochures and guidelines) and **facilitate the diffusion** of best practices, in particular attending to examples offering replication opportunities, e.g., HVCs in sectors such as energy, health, water provision, waste management, among others. It is relevant to raise awareness on how HVCs may favour user-driven and grass-root innovations in both developed and developing countries.
- **Incentives** to the participation of expert and skilled-intermediaries, such as social extra-preneurs may reinforce the building of HVCs.
- Specific **regulations for social enterprises**, such as a special legal form, value added tax exemptions etc, can catalyse co-operation between SEEs and for-profit firms. This is especially important in the context of hybrid value chains as here organisations struggle to find a structure for their global/glocal operations and can be delivered on a member state level.
- **Innovation in business models** is being explored in hybrid value chains. This could be promoted to firms. It is important to create new business models both for the citizens with unmet needs and the industry. Citizens need better economic value and the brands need more integrity and transparency.
- Some supply chains (e.g. cotton) are very long and complex, it is extremely difficult to **build transparency**. Economic value is not equitably shared in the value chain. HVC help exploring new business models as it is needed to develop traceable solutions.

Conclusion on incubation of social start-ups and of separate business units in traditional firms (social intra-preneurship)

Social intra-preneurship is not a widespread phenomenon according to our research findings. A social intrapreneur is an entrepreneurial employee who develops a profitable new product, service, or business model that creates value for society and her company. Social intrapreneurs help their employers meet sustainability commitments and create value for customers and communities in ways that are built to last. Traditional business models are under pressure from disruptive technologies, low growth in established markets, and challenges in developing and emerging markets, and some companies see social intrapreneurs as one way to stay competitive. Our study showed that social intrapreneurs could establish co-operation with organisations outside the traditional networks of the company (NGO, SEEs, social entrepreneurs) but also have the potential to act as a strong driver for innovation in the company, e.g.

creating a social business department. However, dedicated support is still missing to achieve success in the field.

In particular, it has been observed that social entrepreneurs wish to work with large corporates to scale their impact/ideas, or tap into funding, but often do not know how to approach them. Corporations themselves also often want to work with social entrepreneurs to create sustainable impact (and therefore brand benefit). Social intrapreneurs can therefore be the missing link.

Box 62 Recommendation (R5) on Social intra-preneurship

- Support and foster potential social intrapreneur/ social entrepreneur collaborations as there is a great potential for them to work together to create social impact via marketplace meetings/etc…
- Dedicated public/private support should be set up to "innovate with purpose", to build effective intrapreneurship structures and to create and support the social intrapreneurs themselves to deliver both business and social value.

Conclusions on social extra-preneurship

Social extra-preneurship refers to the process by which some social extra-preneurs (individuals or organisations) act as intermediaries that spread ideas and solutions and facilitate the generation of social innovations by moving between new or established organisations, sometimes acting as connectors between different sectors. Although social extra-preneurs have a key role in favouring co-operation between SEEs and traditional firms, the label is still not well understood. We identified quite some types of individuals, organisations and 'networks of networks' acting as social extra-preneurs, most of them as financing providers that intermediate with investors or connecting SEEs with potential partners from the private or the public sector. Social extra-preneurs play a crucial role in providing knowledge of specific sectors of activity and building trust between partners. They help to acquire visions and build consensus about important challenges, such as the impacts of water scarcity or sustainable food production and sharing information between organisations that they would not share between themselves. Social extra-preneurs are relevant elements of pro-cesses of social incubation or acceleration and key actors in the structuration of social innovation ecosystems, e.g., in building networks and clusters.

Conclusions on local competitiveness clusters between social and traditional enterprises

The context for local clusters including SEEs and traditional enterprises varies considerably across the Member States investigated for this study. In France, there is a special legal status for such clusters and funding support (2014 law on social economy); most other countries do not foresee such a status. Nevertheless, informal clusters could be identified in various countries. The stakeholder feedback obtained for this study suggests that a local dimension is a key success factor for collaboration whereas the notion of competitiveness is not something that SEEs would fully endorse. Moreover, SEEs and traditional enterprises often collaborate in clusters supported by public authorities – these can then be described as triple helix[252] networks. This suggests that there is scope for public authorities to support the emergence of local clusters linking the traditional and social economies.

Box 63 Recommendation (R6) on Specific forms of co-operation: Cluster and networks

The formation of clusters
Clustering with social objectives is a fairly new concept that needs to be further developed and promoted at all levels of society and by all actors, references to the existence of clusters of cooperation

[252] The Triple Helix thesis is that the potential for innovation and economic development in a Knowledge Society lies in a more prominent role for the university and in the hybridisation of elements from university, industry and government to generate new institutional and social formats for the production, transfer and application of knowledge », Stanford University, Triple helix research group

between SEEs and traditional firms are still scarce and usually linked to social economy 'hubs' and social innovation parks or social innovation clusters.
In fact, an opportunity for a larger integration of SEE in cluster is seen in the establishment of **social innovation clusters**. Measures such as technical assistance for mutual learning and public funding to establish that kind of specific clusters are recommended.
Although clustering is a bottom-up phenomenon, in some cases the development of clusters is favoured by specific **policies**, usually linked to local and regional development policy strategies. For example: La Noria is an innovation regional cluster placed in Malaga (Spain) created in 2013 by the government with the aim of giving a transformative response to the problems of the citizens. It constitutes a co-working space that seeks the generation of social innovations through open and collaborative methodologies that give prominence to rural social entities and local organisations.
Alternative methods of **participation of local actors**, such as they are currently promoted in the framework of the Territorial Social Responsibility process, at-tending to the equal opportunities to co-operate. An example is the project DESEO aiming to analyse opportunities for local clustering with focus on improving mechanisms for an equal participation of women and men in economic and social life involving SEEs.
Where **clusters** exist, their development was often **circumstantial**. Clusters are mostly labelled as such after their formation, not a priori before they develop. There are two different important roles in clusters: 1) a cluster developer, someone who is active in pursuing the formation of a cluster, 2) a cluster manager, once the cluster has formed it needs different services (e.g. promotion of a culture of openness and trust, general awareness of the benefits of the cluster etc).

- For the inclusion of SEEs in clusters it is easier **if the cluster itself has a social orientation**, such as the case of social innovation clusters. Still, SEE clusters could become more open for co-operation beyond SEE companies. Policy measures as contests or awards to realise an opening of clusters towards a social orientation are recommended.
- An opportunity for a larger integration of SEE in cluster is seen in the establishment of **social innovation clusters**. Measures in public funding to establish that kind of specific clusters are recommended.
- If the cluster itself does not have a social orientation, it is the **cluster manager** (see definition above) who has a crucial role because s/he can facilitate the inclusion of SEEs.
- It looks like **certain sector clusters are more prone** to including SEEs than others. Italy has a jewels cluster that successfully included SEEs. Another interesting example of fertile pollination between sectors is observed in Les Canaux, which in partnership with the Atelier Parisien d'Urbanisme presented a map that constitutes a cluster involving solidary actors from solidary economy, collaborative economy, social economy and circular economy in Paris[253]. Although with minor detail, the map elaborated within the project SI-Drive also show incipient clustering in some cities[254]. That model should be transferred to other member states or regions.
- The amount of **labour-intensive activities** in a cluster may be decisive for the opportunity to include SEEs, in particular for the integration of WISEs, in clusters. Policy measures to stimulate those co-operations are recommended.
- The **European cluster collaboration platform**[255], that gathers information on clusters and proposes tools such as partner research is very much focused on traditional economy. It could be more **open to SEE clusters and to CVC actions**. As engaging and consulting with key potential stakeholders is crucial to establish support frameworks, the European Cluster Policy Forum may provide the opportunity to debate about synergies and cooperation opportunities for SEEs within established clusters, Legislation and measures related to public-private partnerships, public procurement and promotion of equal opportunities should be adapted in order to provide better conditions and incentives for cluster creation. For example, local authorities could promote public procurement tenders for services where clustering may be an award criterion.
- **Innovation vouchers** can also be implemented in the context of clusters but complemented with other provisions such as intermediaries (e.g., social and business incubators), collaborative

[253] www.lescanaux.paris

[254]https://www.si-drive.eu/?page_id=15 https://www.si-drive.eu/?page_id=15

[255] https://www.clustercollaboration.eu/news/european-cluster-policy-forum

R&D programmes and networks. Because of their limited size, innovation voucher schemes should be part of a "systemic" innovation or cluster support approach. Better articulation can be achieved through the adoption of demand side instruments, which include public procurement, regulation, support to private demand, such as diffusion campaigns and tax incentives.

Conclusions on Corporate Social Responsibility (CSR) and Responsible Business Conduct (RBC) policy

Many for-profit firms have integrated co-operation with SEEs into their CSR strategies, and help them e.g. access new markets, financial and non-financial supports, including co-creation. Some firms' CSR programmes can trigger social intrapreneurial initiatives. A more evolved form of using CSR for traditional firms concerns developing integrated, shared value social impact strategies involving SEEs and the adoption of Corporate Social Innovation (CSI) strategies.

Box 64 Recommendation (R7) on Specific forms of co-operation: Corporate Social Responsibility

- Improve **disclosure and transparency** through the adoption of different measures such as subsidising or granting awards for best practices in transparency, the establishment of CSR information centres and multi-stakeholder forums on best practices in transparency may contribute to avoid social and green washing as a pre-requisite for successful co-operations.
- Diffusion of **best practices on CSR** shared value strategies in corporations and adopting measures (incentives, training programmes, workshops) to provide learning on how SEEs can enable traditional companies to develop and enhance their work of integrating social impact into their core business. Policy measures as the establishment of information platforms or contests are recommended.
- The development of clearly **measurable objectives and indicators for CSR** helps traditional enterprises to evaluate the impact of their CSR actions with SEE. The development and usage of those will enhance the analysis of the impact of co-operation and will help traditional enterprises to show effects. Accordingly, incentives to develop measurable objectives and indicators for CSR should be supported by innovation policy.
- The European Commission should encourage and incentivise the positive social impact of mission-led business by enabling **blended finance investment models**.
- The European Commission should also explore the introduction of a **"benefit company" status** in European Company law.
- Member States should develop, with business schools, specific **education** to lead the way in analysing the impact on business of having a purpose that serves society and embedding this into curricula. Social economy enterprises should participate in the establishment of curricula to promote their own values.

Since a decade new legal forms are emerging in different countries, encouraging business to serve a societal mission defined in the social object, opposable by the stakeholders, with their economic performances. The mission-led enterprise overcomes the discretionary approach of the corporate social responsibility (CSR) policies, assuming an enforceability of its engagements regarding extra financial impacts. It establishes new governance rules and repositions the business within society. In the dynamism of solidary and social economy and incorporating some of SEE values it assumes its economic performances and activities impact measure research.

Start-up businesses, especially those led by the Millennial generation, are setting up businesses whose mission is focused on solving challenging social issues like climate change, food waste or educational attainment. The challenges of the 21st century are too big for government or the social sector to face alone. Business must play a role in addressing these challenges. Mission-led businesses can play that role, and there is growing evidence to suggest that businesses that take this approach have a competitive

advantage in the form of improved business performance, increased employee retention, and greater customer loyalty and advocacy.

Conclusions constructive and sustainable private procurement relationships between social and traditional businesses, and between SEEs themselves

Stakeholder feedback suggests that procurement of services or products from SEEs by traditional enterprises can be decisive to SEEs' success and that this can be a stepping stone towards deeper forms of co-operation. Apart from cost savings considerations, non-monetary value is increasingly acting as a driver for procurement co-operation. Gaining knowledge and developing relationships can be reasons for SEEs to supply traditional enterprises. One issue for SEEs is that they often have to make investments in order to meet quality requirements set by procuring traditional enterprises. Moreover, **regulation as well as procurement processes are sometimes perceived as too restrictive to allow for, in particular, long term innovative procurement relationships between SEEs and traditional enterprises.** Going along with that the application of regulations by the parties could be used more imaginative. Social value may be more easily created through continuous partnerships rather than one-off contracts.

Box 65 Recommendation (R8) on Specific forms of co-operation: Procurement

- Public authorities can organise **'meet your supplier' events** to link SEEs with procurers from regular businesses.[256] On a national and EU level, the focus should shift from procurement contracts to longer term partnerships and service integration between traditional enterprises and SEEs. fast-track innovation subsidies may help SEEs meet procurers' quality requirements.
- Public tenders at municipal and possibly higher levels of administration should **include social clauses** to provide SEEs access to **public procurement,** as enabled by the new generation of public procurement directives adopted in 2014, especially Directive 2014/24/EU (general Directive).
- Exploring methods that go from cost perspective towards best value to **social value / impact** are to be developed and might be supported by incentives to traditional enterprises. Here a creative handling of regulations is required which might be stimulated by best practice cases.
- A shift towards co-operative procurement actions and other **innovative procurement** practices should be adopted. That is true for both private and public procurement actions.

Conclusions on sponsorship, competence voluntary work and pro bono investments from traditional businesses to SEEs

Sponsorship, competence voluntary work and pro bono investments are already **well implemented forms of social and regular economy co-operation** in Europe. Key factors enabling such forms of co-operation are transparency, mission alignment, pre-agreements on resources to be used, and a common definition of the expected benefits for all partners.

However, strategic partnerships – whether they are integrated or transformative – are mostly established once the co-operation moves from being spurred solely by bro bono or CSR motives to commercial partnerships (integrating investment-, shared value-oriented and hence more aligned objectives) that provide win-win opportunities to both parties.

Indeed, within the context of sponsorship, competence voluntary work and pro bono investments, SEEs and traditional enterprises hold different rationales for co-operation. While traditional enterprises aim for improved reputation and sense-making for employees, SEEs look for better visibility and improved

[256] The role of business angels in financing start-ups might play a role model for our recommendation. The difference is that here the "angels" help SEEs to gain access to the value chain by co-operations with traditional enterprises.

ways of working. Due to this difference in rationales, transparency is a key success factor allowing partners to understand each other's 'reality' much better.

Even so non-commercial objectives for co-operation are well established there are still barriers to develop commercial partnerships for the following reasons. First, SEEs are often reticent to such co-operation because they perceive philanthropy as an unstable revenue source. They hence often decide to opt for another business model. Secondly, the reputation of each partner should meet mutual expectations. Co-operation can be counter-intuitive to or not aligned with the primary mission of each enterprise. For example, SEEs do not want to be associated with social/greenwashing. For the traditional company, it can also be challenging to convince the upper-management about the value of such co-operation.

Finally, there should be a clear agreement on the resources invested in the project from both sides. If a project is interrupted in the middle of its execution due to lack of money or time invested, it will lead to inverse effects such as a loss of motivation among engaged employees. Expectations should therefore be explicitly stated. In-deed, also in those matters' transparency is key.

To move towards more integrative or transformative forms of cooperation typified by 'Corporate Social Impact Strategies', on SEEs' side it will be required, without losing sight of the SEE's values and mission, to integrate efficiency and other corporate values prominent to the co-operating company. Obviously, both entities have to be aware that this usually requires some time but ultimately, it will help in articulating common and shared objectives for the co-operation.

Conclusions on venture capital invested by traditional companies in SEEs

Corporate impact venture capital investment in SEEs has the scaling of the respective SEEs as main objective. While impact investing is on the rise, the potential of the sector should be further unlocked and mainstreamed.

Box 66 Recommendation (R9) on Specific forms of co-operation: Access to finance

- Governments should explore ways to support and give visibility to **impact investment intermediaries and the brokerage ecosystem** at large. They appear to be critical for mediating venture capital investment as a transactional partnership, since they among others support SEEs through capacity building to become investment-ready. Setting up Member State-wide expert advisory boards or taskforces may be a first critical step.
  E.g. The **UK National Advisory Board (NAB) on Impact Investing**, is composed of senior and visionary leaders connected to the impact investment sector but also to other areas of finance, business, philanthropy and/or government. http://uknabimpactinvesting.org

  E.g. **The Social Finance Task Force in Brazil**, in fact a bottom-up initiative, has the mission to weave a network of relationships that can bring together investors, entrepreneurs, government and partners, to develop profitable business models that solve social or environmental problems, and thus change the dominant paradigm for managing the needs and resources of society. https://forcatarefafinancassociais.org.br/brazilian-social-finance-task-force/
- The instruments developed by the European Union[257] to further the **impact investing market** should be promoted more widely.
- Public authorities could consider developing **new legal forms** that enable SEEs to be less constrained in the amount and type of financing they can accept.
- The public sector should **link up different social finance / social impact investment instruments** and co-invest with the private sector through public-private community partnerships or co-investment schemes, to cover critical funding gaps and develop long-term, sustainable financing / investment approaches. The EU could set up strategic co-investment schemes, especially with e.g. governments for covering costs SEEs have to engage to become investment-ready or to fulfil the preliminary preconditions for (engaging in) co-operation with traditional

[257] Such as the EFSI Equity social impact investment instruments http://www.eif.org/news_centre/publications/eif_efsi_equity_en.pdf

enterprises (see above). Additionally, financial instruments should be tailored to the specific needs of SEEs, e.g. to their business model and their stage of development.

E.g. **The Social Capital Fund in Denmark** has set up a place-based payment-by-results scheme in co-operation with a private foundation and local municipalities to accelerate SEEs with the objective of job creation. http://www.densocialekapitalfond.dk/

- One priority for the EU should be the **coordination between EFSI Equity instruments**, specifically covering the broad landscape of (i) financial intermediaries linked to incubators, and/or accelerators that provide incubation services, whose primary objective is to help accelerate the growth and success of early stage (new and start-up) SEEs; (ii) investments alongside business angels' funds, including private individuals or non-institutional investors; and (iii) investments in or alongside intermediaries establishing and managing payment-by-results /social impact bonds investment schemes, where investors provide upfront funding to service providers (SEEs and/or social sector organisations) in order for them to deliver pre-defined social outcomes, in line with their mission. Such entities and investors are then remunerated based on the achievement of the agreed outcomes, which are verified by an independent evaluator. Hereby it is important to offer opportunities and incentives to long-term strategic engagements.
- Greater awareness should be created among traditional enterprises on the extent of 'strategic return' that **corporate impact investing** can bring: companies should look to invest in but also incubate/accelerate SEEs to consequently grow their own business. This approach helps to identify and grow social (business) innovations without having to deal with the short-term profit pressures of the core business. If the investments are successful, companies can later integrate them into their business and provide a platform for further growth. Being thus embedded in the corporate's strategy, investees reap the benefits of a long-term, strategic engagement.

  E.g. **Wayra**, the UK accelerator of Telefonica, the multinational telecommunication company, has as its goal to bring innovation to Telefonica in a different way, by investing in (and also reselling) small start-ups and supporting them in a one-year acceleration program. Through this accelerator a lot of social ventures receive support. For example, together with the Fair by Design Fund, an initiative of a.o. Big Society Capital and the Joseph Rowntree Foundation, Wayra set up the The Wayra Fair By Design programme, supporting start-ups and entrepreneurs tackling the poverty premium. Start-ups accepted to the programme receive the equivalent of £70,000 in cash and business services

Conclusions on methods of management in SEEs which are used or mirrored in traditional businesses

Our research indicates that even though SEEs face challenges and constraints different from those faced by traditional enterprises, their management styles are not entirely different. Sustainable partnerships between the two can benefit both sides' management styles. SEEs can become more professional and efficient, whereas traditional enterprises can benefit from SEEs' creativity, entrepreneurial spirit and impact focus.

Managing SEEs that employ people who show disadvantages, disabilities or are threatened with exclusion requires from the SEE managers to possess special skills and specific methods to manage and organise them in an effective way, always bearing in mind their potential, capabilities and needs. In the case of organisations focusing on beneficiaries who are not employed by them, good knowledge and understanding of the target group and its specific needs and expectations is required.

At the same time the study also identified opportunities for traditional enterprises to gain from collaboration with SEEs. Particularly with regard to motivational factors, incentives for employees and changed management strategies there are some indications of win-win situations.

Box 67 Recommendation (R10) on Specific forms of co-operation: Management in SEE

- SEEs need to build long-term and sustainable partnerships and networks with traditional enterprises (as clients or partners) in which both types of organisations not only develop their businesses but also have the opportunity to exchange expertise, experience, ideas and values of management methods and practices. From the exchange both sides might profit by learning how the

other handles certain management situations differently. Traditional enterprises may learn more about it by actions taken by industrial associations. Policy measures as virtual academies are **recommended to establish platforms to generate learning effects** by training and best practice exchange.

- A stimulation of knowledge exchange by employees is recommended. The **exchange of employees** might be encouraged by measures initiated by governmental programmes in particular on a microlevel (community).

Conclusions on co-inspiration between social economy and traditional enterprises to promote gender opportunities and equal access to decision making positions

Although efforts have been made to increase the visibility of women in both social economy and business sectors, gender imbalances are still strongly embedded. Our study shows that women play a significant role as social entrepreneurs, especially in SEEs and projects aimed to local, national and global development. Cooperation provides a framework of opportunities for the implementation of measures to change the systemic roots of exclusion and the promotion of diversity.

While some surveys indicate that there are more female than male social entrepreneurs, these are not as visible or recognised in the social economy. According to stakeholder feedback collected for this study, SEEs take equal opportunities seriously. Given that many conventional businesses also aim to boost gender equality, this can be a binding element between them and SEEs. Traditional enterprises can particularly learn from SEEs' efforts to support employees in balancing professional and family life. One best practice describes an SEE providing advisory services provided to corporates on establishing policies supporting a better family life of men.

Conclusions on co-creation and coopetition between social economy and traditional enterprises in the circular economy

The circular economy appears as a ground where SEEs-firms co-operation can further develop based on increased convergence and synergies around shared values, pushing SEEs to adapt to participate in the emerging circular economy. Indeed, circular models offer the opportunity to experiment with radical new business models at the crossroads between servitisation, circular supply networks, sharing practices, and product lifetime extension; this in turn offers SEEs with increased and new opportunities to expand and extend the types of co-operation with enterprises. Public- private partnerships (PPPs) may represent powerful ways to boost and spread these co-operations, so as to foster access to discarded goods, boost circular practices throughout value chains, facilitate the attainment of reuse targets while prompting new opportunities of work inclusion, particularly for vulnerable groups. A supportive legal framework with clear recycling and reuse targets and incentives towards circular practices is also a conduit for cross-sectoral co-operations, especially when backed with supportive infrastructures of awareness-raising, capacity-building and funding.

Box 68 Recommendation (R11) on Specific forms of co-operation: Co-creation and coopetition in circular economy

- Specific **legislation** can create incentives to accelerate the transition towards the circular economy, while encouraging increased co-operation between SEEs and traditional firms.
- Public bodies at all levels can play a pivotal role in **building true ecosystems of cross-sectoral co-operations in the circular economy**. This might be not limited to new programmes and funding lines, but rather expand to the design of **soft relational systems and programmes** through which different actors can convene and establish connections, following more horizontal and fluid dynamics. New intermediaries and social extra-preneurs could represent meaningful assets to be exploited in this direction, so as to harness network effects and boost widespread connections. Operating a continuous and participative mapping over territories might help capture promising novelties and experiences, and support both the emergence of unedited alliances, and the reconfiguration of assets – knowledge and skills, financial resources and social

capital – that might be already there. Recent initiatives such as the CAPSSI community[258] promoted by the European Commission or Manifattura Milano[259] promoted by the City of Milan show the effort of focussing much more on soft policies and interventions of 'relationships' able to operate at the system level.

- **Cities should increasingly engage in international movements around the circular economy and the SDGs**. Ongoing initiatives such as the Fab Cities[260] offer interesting opportunities for international exchange and learning on how to support the circular transitions through city-based initiatives that can be also driven from the bottom, including SEEs and traditional enterprises.
- Cross-sectoral and cross-border co-operations in the circular economy can be further **supported within both the IPA (Instrument for Pre-Accession Assistance) and the ENPI (European Neighbourhood and Partnership Instrument)**, accompanying both pre-accession and neighbouring countries towards the achievement of EU targets in the circular economy. Especially for countries in pre-accession, this might help them not only to comply with the requirements needed to join the European Union, but also provide organizations from Europe with the opportunity to bring back meaningful learnings and lessons. Ongoing experiences of NGOs and young start-ups from Europe - operating in these countries in innovative fields such as distributed and open manufacturing, hydroponic cultivation and renewable energies - may be powerful showcases to be disseminated across Europe, so as to foster broader and much varied co-operations in the circular economy, both within the Continent and beyond.
- SEEs would benefit from the scaling up and internationalisation of their reuse and recycling services offered to traditional enterprises. Indeed, it was highlighted in the research that there is a high potential demand for such services by international and multinational companies; however, such demand is not fully exploited by SEEs due to their limited capacity to operate at international level and provide one-stop-shop services across geographical boundaries. A suggestion for SEEs would then be **to internationalise their activities and/or build networks across countries** with other SEEs that can jointly provide high level, integrated circular economy services at a higher scale.
- National and regional policies on **Industry 4.0** offer great opportunities to keep up with the unprecedented progress of the digital era. They may indeed support the **circular transition** and contribute to foster the engagement of SEEs in the field, especially if designed also through innovative public-private partnerships. Specific clauses of cross-sectoral co-operations and particular attention on **social innovation outcomes** may be embedded in calls for proposals and procurements.

Conclusions on co-creation and coopetition between social economy and traditional enterprises in sharing/collaborative economy

The sharing/collaborative economy is a growing field of interest for both traditional businesses and SEEs across Europe. Indeed, both see it as an opportunity to re-design processes and services, and to develop innovative business models based on the power of digital platforms and network effects. At the same time, a number of barriers still pose challenges to the growth of a more sustainable, socially oriented collaborative economy. Indeed, the low level of *digital fluency* of most SEEs across Europe actually hampers not only their engagement in the collaborative economy, but above all the more general digital transition. Moreover, the regulatory aspect actually plays and will increasingly play a crucial role, considering the 'fuzzy' and rapidly evolving nature of the phenomenon. The varieties in business and operating models between SEE and traditional enterprises call for the need of acknowledging different development models, going beyond the fundamental dichotomy. Based on the interests of the parties as well as the developing win-win-opportunities heterogeneous formats of collaboration are an appropriate means to identify best ways on how collaboration might enter a favourable state for the parties. However,

[258] See: https://capssi.eu/community/

[259] See: https://www.manifattura.milano.it/

[260] See: https://fab.city/

emerging co-operations between SEEs and tech companies in the collaborative economy may represent a meaningful entry point to support innovative models and practices of *sharing and* build a more diversified and vibrant ecosystem across Europe.

Box 69 Recommendation (R12) on Specific forms of co-operation: Co-creation and coopetition in sharing economy

- Promote **capacity building and digital skills programmes** for SEEs, in order to facilitate their interaction and co-operation with innovative digital platforms and/or with experts from emerging related domains (such as service design, user experience, service analytics, etc.). Inspiring experiences in this respect can be found for example in the work of the Impact Hub Network, which supports social entrepreneurs worldwide by building innovative and dynamic ecosystems of learning and capacity-building. Impact hub programmes support SEEs and social entrepreneurs with both soft and hard activities, including networking, training, mentoring, but also more structured services such as acceleration and incubation programmes. Similarly, the international network OuiShare develops interesting initiatives of capacity-building in the sharing economy field that are targeting both social and traditional enterprises. OuiShare activities are decentralized across regions and are based on peer to peer dynamics of exchange.
- Promote **widespread dialogue and debate around the different models through which collaborative platforms can grow**. Indeed, SEEs may tend to face a number of specific barriers when turning into platform-based models; nonetheless, there are already some interesting patterns in place that may suggest viable ways for 'glocal' SE platform. In this respect, we may also suggest the opportunity to fund and invest into **projects that seek to create open and interoperable technological assets**, so to allow SEEs to better face the huge investments often needed around digital platforms.
- Improve, at European, national and local level, the **awareness of consumers, businesses, policymakers, and other stakeholder**, on the advantages of a more locally rooted, socially responsible sharing/collaborative economy. Higher awareness of consumers and policymakers in particular would open up new opportunities of SEEs to participate in the sharing/collaborative economy and encourage traditional enterprises to co-operate with them in order to better reach local communities and address their needs in new, sustainable ways. Examples of awareness raising for a fairer and more sustainable sharing/collaborative economy are the recent studies, publications and initiatives promoted by various cooperative associations and their umbrella organisation Cooperatives Europe.[261]
- The regulatory framework at European and national level needs to be further updated and harmonized in order to harness the positive potential of SEEs in the sharing/collaborative economy, to facilitate international scaling up and co-operation, and to contrast unfair competition or potentially harmful behaviour from less responsible, strictly profit-oriented operators. Alongside improved policy measures as e.g. specific funding lines can also be promoted to pro-actively favour the emergence of bottom up and systemic innovations in the collaborative economy field. In this respect, although related to the city level, the Amsterdam' **Sharing Economy Action Plan** is an outstanding example of a policy that aims at boosting the positive potential of the sharing economy. The policy is also designed to facilitate dialogue and co-operation between all the parties involved, including large for-profit platforms and local SEEs.

Conclusions on the exchange and use of dormant patents of traditional companies by SEEs

Patents and IPR can play an important role in facilitating R&D co-operation between SEEs and traditional enterprises. In practice, IPR, and dormant patents in particular, do not play an important role for SEEs.

[261] See for example Cooperatives Europe's vision paper "A cooperative vision for the collaborative economy. Shaping a people-centered and democratic collaborative economy" (2017).

Conclusions on the use of new technologies and digitalisation in co-operations between SEEs and traditional enterprises:

There may be synergies in SEEs and traditional enterprises collaborating on the use of new technologies, with SEEs benefitting from traditional enterprises uptake of such technologies, and traditional enterprises conversely learning from SEEs how to use these technologies responsibly. Such co-operation can benefit from the emerging trends of digital social innovation and tech-driven social entrepreneurship. Feedback collected for this study suggests that there is interest among SEEs in making more use of technology to improve their operations, and some examples illustrate how co-operation with traditional enterprises can help with this.

Several best practice examples were identified that demonstrate how new technologies can facilitate and long-term partnerships between traditional enterprises and SEEs. For instance, a French SEE provides free training on coding to the unemployed and low-skilled employees of traditional enterprises such as the national postal service. It can do so by benefitting from professional organisations providing it with pro bono services, creating a mutually beneficial cycle of support and exchange.

8.4 Cross-country analysis based on empirical data

The country analysis in 10 Member States revealed that the situation differs substantially across EU Member States, with some rules constituting barriers to such co-operation and some public policy instruments supporting it. The following patterns can be highlighted:

- The **Austrian** public framework for example is strong in fostering training and education in SEEs (i.e. WISEs) which then engage in collaborative activities with the for-profit economy. Austria for example is rather weak in terms of providing a general legal framework for SEEs, e.g. in terms of reuse targets and the role of SEEs therein.
- In **France**, the clear legal framework created in 2014 has led to an increase in SEEs. **Romania** has also put in place relevant rules. In the **UK**, legislation in the early 2000s has fostered the development of a thriving social economy and SEEs. **Italy**, which has a long tradition of third sector, has recently updated its legal framework with the aim to further foster SEEs and social economy.
- While lacking a legal framework explicitly addressing SEEs, **Germany**'s social market economy is quite conducive to co-operation between SEEs and traditional enterprises, with many of the latter being family-run businesses engaged in social projects on their own. At the same time, there remain (corporate) cultural barriers to co-operation between SEEs and traditional enterprises and chambers of commerce may not regard this as a priority. Moreover, social economy has not yet been mainstreamed into public funding schemes.
- **Polish** SEEs only emerged over the las 10-15 years and largely driven by CSR strategies in traditional businesses. Similarly, **Romanian** SEEs are a rather recent phenomenon, and emerged in part thanks to relevant EU funding.
- Compared to other countries, **Finnish** SEEs (especially foundations) are rather well-established but have stagnated in recent years.
- In the **UK**, there has been a shift among SEEs towards for-profit legal forms due to increased maturity and competitiveness of the social economy and co-operation with traditional enterprises is mainly used to scale up activities. The social finance and investment market has developed dynamically in recent years. UK SEEs also have developed recognised tools to measure their social impact.
- Many countries, such as **Belgium**, **Italy and Spain** still lack measures enabling SEEs and traditional enterprises to match. Despite willingness to collaborate, SEEs find it difficult to identify suitable business partners. Lack of time to search and/or lack of knowledge on possible partners appears to be a particularly virulent problem also in **France**.
- Lack of funding is reported as an important obstacle to co-operation in all countries studied. **French, Italian, Romanian and Spanish** SEEs moreover report to be particularly dependent on public funding for co-operation with other entities.

Overall, **the UK may be considered a best practice example** among the countries studied given the maturity and professionalism of its social economy, the comprehensive regulatory framework and the availability of private sector funding.

Box 70 Recommendation (R13) on Lessons learnt from cross country analysis

Support the role of social extra-preneurs and intra-preneurs in linking and matching SEEs and traditional enterprises. **Provide incentives to traditional companies** and individuals/organisations to **act as accelerators** for co-operation formats. That can be done on a member state level.
The legal frameworks for SEEs in European member show strong diversity. Accordingly, the following is recommended:

- The study showed that knowledge about the different legal frameworks is still not sufficiently analysed. Further **inquiries** are required to identify the needs for change and harmonisation of legal frameworks among the member states. That is particular true for cross-European co-operations.
- Across all European countries**, legal formats and certification schemes for SEEs specifically should be developed**, as they are a prerequisite for encompassing legislative frameworks and incentive schemes that further the field of SEEs understood as impact enterprises with integrated business models. Here the European Commission might take a lead to establish a harmonised market for cross-country co-operations by the establishment of a harmonised legal framework.
- The **development** of **innovative business models** as an outcome of co-operation among SEEs and traditional enterprises is still in an early stage. Specific policy instruments shall be provided to generate momentum in the development of innovative business models. Those policy might include the establishment of platforms, the establishment of funding schemes as well as the generation of incentives by awareness measures.

Third country benchmarking

The few SEEs existing in Brazil are registered as for-profit enterprises. Unlike in Europe, co-operation is often driven by traditional enterprises which in Brazil are legally required to create social impact. A relevant conclusion for Europe is that integrating social clauses into corporate law may induce more traditional enterprises to collaborate with SEEs.

In South Korea, a government scheme supporting SEEs was introduced already in 2007. This included a legal format and certification system for SEEs as well as public funding, procurement support, tax benefits and subsidies. This system was developed with certain societal challenges such as ageing in mind from the start which helped focus support measures. As a result, the SEE sector in South Korea is very dynamic however this may not be sustainable given the continuous reliance on public support. As a consequence, the government now promotes business partnerships between SEEs and private corporations, with limited success. Compared to European SEEs, South Korean ones struggle more to gain market access and visibility.

Since access to finance in **Switzerland** is generally easier than in many EU Member States, there is a considerable number of funding possibilities for SEEs. Unlike in most European countries, commercial banks are keen to invest in them. Moreover, private foundations are quite important in supporting SEEs in the country. Specialist investors, intermediaries or financial instruments for SEEs are subsequently less widespread.

The **US** appears to be exemplary in how traditional companies engage different co-operation strategies with SEEs at once. First, many US corporations are involved in the sponsorship of SEEs and in providing in-kind donations and technical support for them. This trend has only increased over time as corporations attempt to positively frame their business as a socially responsible actor in order to engage and maintain consumers and increasingly younger employees (millennials). Concurrently, US companies are increasingly engaging the incubation of SEEs and social start-ups. Large US corporations often establish corporate foundations that partner with and fund the work of SEEs to promote specific social initiatives.

Box 71 Recommendation (R14) on Lessons learnt from international cross-country comparison

European countries which do not yet have a legal and support framework for SEEs in place could study the comprehensive **South Korean** suite of measures but should build in measure to ensure **financial sustainability** from the start to avoid creating a sector overly reliant on public subsidies. Co-operation between SEEs and traditional enterprises could be fostered by including **social clauses in corporate law** as done in Brazil.

8.5 Social impact model

This study analyses the practice of social impact evaluation in the context of the cooperation and collaboration between SEEs and traditional enterprises, and finally produced a Social Impact Model to guide stakeholders in this field.[262] Aspects such as non-monetary production, the internalization of social costs, externalities, spill-over effects are not well defined and measured by classical methods and are subject of an ongoing debate in the field. Moreover, the diversity of objectives and perspectives put in place by social and traditional economy entities adds complexity, and it places additional challenges to the identification of shared languages and approaches of evaluation.

In the model, evaluating a collaboration means understanding what type of social impact and value has been generated, for whom, and how the collaboration played a role in it. Evaluation, therefore, is seen as a management tool that shall be implemented alongside the project to continuously monitor the results, adapt the delivery strategy, and maximise the outcomes.

The model focuses on three value dimensions: learning (exchange of skills and ideas), sharing (problem-solving), and innovating (improve value proposition, market access, and visibility). For these values, impact can be measured both in terms of internal efficiency, i.e., the improvement of organisational procedures and processes in pursuing social goals, and external effectiveness, i.e., better outcomes on the target beneficiaries. The model also distinguishes impact on the participating organisations, on beneficiaries-consumers, and the wider ecosystem.

Depending on the resources available and the specific aim of the evaluation, the focus can be on one or more of the above-mentioned levels (which are not mutually exclusive) and can be based on a broad range of existing methodologies. The amount and type of resources available may also affect the level of complexity and scientific rigour of the evaluation, which should in any case mix qualitative and quantitative methods and involve stakeholders in a participatory process.

Impact evaluation, overall, should be seen as a **pivotal part of a successful collaborative project**, and the starting point to gain valuable insight and learning for improving the collaboration between the social economy and the traditional one.

Box 72 Recommendation (R15) on insights from the social impact model

- SEEs and traditional enterprises collaborating with each other should always **integrate monitoring and evaluation systems** in their collaboration, and allocate resources to such activities, from the launch of the project.
- There is a **great variety of evaluation methods**, all of which can provide interesting results and insights. It is important to help users navigating the different options, what they require and what are they best used for. The development of the Social Impact Model is aiming to support this.
- Strong **evaluations require different skill sets**. Both quantitative and qualitative analysis skills are needed, as well as good communication and engagement skills, to promote open evaluation processes with the participation of key stakeholders. Practitioners shall be guided in identifying those skills and considering bringing in external evaluator experts that can provide them.
- A strong evaluation requires **high quality data**, and the possibility to compare the observed results with the situation prior to the project, or with a counterfactual situation in order to better

[262] The model is provided in a separate Annex.

attribute the impacts to the project. Therefore, it is highly recommended that evaluations are run from the **beginning of any initiative**, in a rigorous manner and impartially. An external evaluator might be more situated to maintain a transparent and impartial view. Similarly, open access to market and evaluations data might support data transparency and collection for any further evaluation.

- An **impact evaluation** should be approached as a management tool that can support a better delivery of the collaborative project. Ultimately, evaluation generates strong set of evidence and learning to improve the ongoing project and any future one. This maximise the value of the collaboration.

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technopolis |group| United Kingdom
3 Pavilion Buildings
Brighton BN1 1EE
United Kingdom
T +44 1273 204320
E info@technopolis-group.com
www.technopolis-group.com