

European Social Economy Network (@ESEN)



Transnational Report on Successful Stories and Recommendations for Social Entrepreneurship Enhancement

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1. Introduction

1.1. About @ESEN Project

The European Social Economy Network (@ESEN) project aims to support social enterprises in Europe by sharing knowledge and providing high-quality training. The project is funded through Erasmus + under the Cooperation for Innovation and Exchange of Good Practice Key Action.

Project duration: 01.11.2019 - 31.03.2022

@ESEN project main objectives:

- to help build and support existing social enterprise networks and increase the interaction between them
- to raise awareness of social enterprise (SE) as a way to create employment, reduce poverty and contribute to a better world
- to promote the work of existing social enterprises, within the context of a social economy movement that also includes social entrepreneurs, cooperatives mutuals and ethical companies.
- to add to the body of knowledge around social enterprise including the setting up of an ESEN on-line knowledge centre that will provide training and education and help spread good practice.

1.2. @ESEN partnership

The Project partnership constitutes an innovative scheme of organisations of all relevant fields of expertise and activity from five different countries, with diverse approaches on social entrepreneurship and different levels of development of the social economy.

The partnership was created based on 3 pillars: technical capacity; experience in social entrepreneurship, employment research and social innovation; and networking opportunities.

Project Partners:

- Instytut Ochrony Środowiska - Państwowy Instytut Badawczy (Poland)
- Instytut Badań nad Demokracją i Przedsiębiorstwem Prywatnym (Poland)
- Tiber Umbria Comett Education Programme (Italy)
- Social Enterprise International LTD (UK)
- Emphasys Centre (Cyprus)
- DIMITRA Education & Consulting SA (Greece)

1.3. Aims and objectives of the report

The main objective of this report is to gain an understanding of the success stories and needs for improvement of the social enterprises.

Transnational Report includes a set of final recommendations for social entrepreneurship enhancing and key points for improvements on training, support, sharing of good practices and networking.

This report will help in the development of training and social solutions to both facilitate and empower business within target groups and motivate individuals to become social entrepreneurs. The Transnational Report is the basis of the elaboration of the future @ESEN Programme and Syllabus but is also a self-standing document, useful to anyone interested in the subject.

1.4. The methodological approach for the information collection

The Transnational report is based on the comprehensive cross-analysis of five national reports. To complete these national reports, a desk and field researches were conducted in partners' countries - Cyprus, Greece, Italy, Poland, and the UK.

The desk research consisted of the analysis of relevant social economy legislations, publications, projects and databases, etc., available on national levels.

In details, the resulting reports include the following information:

- legal framework, policies and strategies,
- key stakeholders supporting the social economy and social entrepreneurship,
- existing available training and resources,
- good practices applied by the social entrepreneurial sector.

The field research was conducted through a semi-structured questionnaire addressed to @ESEN target groups in each country (for more details please refer to the particular reports). The questionnaires were conducted online and through direct interviews with the selected SEs.

The main aim of the surveys was to find out the training and educational needs and gaps of SEs.

The questionnaires included questions regarding general information about SE, the economic development and main achievements, the effectiveness and efficiency of the company, how the company plans and monitors and evaluates its activities if the company uses innovations, solutions, and practices that are in line with ethical activities, how the company evaluates its entrepreneurship and which social problem solves in society, and last but not least, what are the company's plans for the future.

It needs to be emphasised that field research was conducted during COVID-19 pandemic, so responsiveness in the SE survey was low and it cannot be clearly stated that these are the needs of all SEs in the sector. Therefore, in some countries, the field research was supplemented with analyses of available results from other studies regarding the training and educational needs of SEs. However, the identified needs of SE can therefore only be seen to some extent.

The cross-analysis is based on 135 questionnaire responses in all the countries, therefore is qualitative and not quantitative. Moreover, although similar questionnaires were carried out in all countries they were not identical, so the aggregation of data was not fully possible.

For details please refer to the National Reports which are freely available online:

https://drive.google.com/drive/folders/1mxXBCZxvB6Ginq0FHd8_0mBb1Vujg8lz?usp=sharing

The Transnational report compares the information from the partner countries and summarises them. The following subjects were compared to draw the final recommendations and conclusions:

- National and European legal framework, policies and strategies regarding the social economy and social entrepreneurship;
- Key stakeholders supporting social entrepreneurship;
- Good practices from partner's countries;
- Identified training and educational needs of social enterprises.

The training and educational needs of SEs were identified through:

- comparing the results from the @ESEN questionnaires,
- comparing the results from the available reports on this subject from different countries,
- analysis of 25 good and bad practises from partners countries.

2. Social enterprises situation in partners' countries and EU

2.1. National and European legal framework, policies and strategies regarding the social economy and social entrepreneurship

After analysing the national reports, it can be seen that the situation of the SE is very different in the project partner countries. For example, social entrepreneurship in Cyprus is at its infancy stage, while in the UK there is an advanced and established system in place.

2.1.1 National legal framework, policies and strategies in project countries

A brief analysis of the legal framework, policies and strategies is presented below.

National legal framework

In Greece, Italy and the UK the social enterprise definition is institutionalized, while in Poland and Cyprus there is no single legislation with a legal definition.

In Poland, the UK, Cyprus, Greece and Italy social enterprises can choose from a diverse variety of legal bodies.

In Cyprus, there is currently no legal framework for social enterprises, although the draft law, titled *On the development and maintenance of a registry of social enterprises* has been approved by the Council of Ministers and is currently under consideration by the House of Representatives, and is expected to be in force in 2020. Therefore, for now, the organisations in Cyprus that have a social mission operate under the existing legal framework.

In Greece, there has been new single legislation since 2016, which regulates the concept and the requirements of the SE sector. Firstly, the new law attempted to unify the Social and Solidarity Economy (SSE) spectrum by allowing greater flexibility when choosing the most suitable legal form based on each social enterprise's needs. Secondly, it largely broadened the meaning of 'social aim' to include a series of activities for the general public as opposed to being exclusively focused on vulnerable and/or special social groups. Thirdly, it introduced and operationalised terms such as 'social innovation' and 'social impact' for the first time in Greece.

In Italy, a general legal framework was introduced in 2005-2006, creating the legal category of "social enterprise". With the aim of re-launching social enterprise under the "third sector" umbrella, new legislation enacted in 2016-2017 introduced some key changes to provide a common framework for both the third sector and social enterprises.

In Poland, there is no comprehensive legal document that would cover all social enterprises regardless of their legal forms, fields of activity and other specific features. Since 2016, Poland has been working on the unified regulation for the social and solidarity economy sector, which will regulate the SE sector. As a result, SEs base their activities on legislative documents regulating the different legal forms.

In the UK, there is no single framework that governs the SE sector. Even though such a policy existed until the year 2015, this is no longer the case. In part, this was given up on because the SE sector is too varied to support through a single policy.

National policies and strategies

The lack of a proper legislative framework in **Cyprus** means that currently there are no specific financial support schemes for social enterprises or social entrepreneurship, but the National Action Plan (NAP) has dedicated specific actions for the financial support of such enterprises. The NAP was approved in January 2018 with a budget of €3.1 million and promotes the creation of an ecosystem for social enterprises in Cyprus. The NAP is dependent on the legislation however, hence, although it has been approved, it has not yet been implemented.

The most important document related to the Social Economy in **Poland** is the National Programme for Social Economy Development (KPRES). It is a governmental document which sets out the key definitions and directions of public intervention aimed at shaping the best possible conditions for the development of social economy and social enterprises in Poland since 2014. KPRES presents plans and measures implemented by the government administration at the national level and a comprehensive structure of the social economy support system at the regional level, taking into account the role of other representatives of the government administration sector as well as local government units and the social and solidarity economy sector. The update of KPRES, "National Programme for Social Economy Development until 2023" was published in 2019.

In the **UK**, there is no single strategic plan or policy that governs the SE sector or the national government's approach to it. Since 2015, various departments have adapted their own social enterprise support schemes and policies. Currently, most regions throughout the UK have their individual SE strategy. Again, it is important to note that the concept of social enterprise is well established in the UK and various schemes have been deployed to strive to incorporate and nurture them, given their superior business performance and social impact for the local community.

The national government has produced various legal forms for SEs to take their place to make it easier for them to work with the local and national government. Most regions in the UK have local policies to the SE sector and do so with diverging success.

It is important to stress that Brexit and Corona have had a very bad effect on the sector and the economy overall pushing most of the SEs in the country to reevaluate their business propositions and business models. The government's response to this change has been inadequate and the communication about policy or support schemes has been poor.

In **Greece**, there is a Strategic Plan with a purpose to immediately activate, in the framework of long-term planning, the Ecosystem of Social Economy and Entrepreneurship and to create a favourable environment for the development of Social Cooperative Enterprises. The present Strategic Plan is structured into three Axes of Action, the first of which is to support the social economy sector through the creation of a Central, Regional Support Mechanism and Social Cooperative Enterprise Observatory, as well as institutional interventions, the second axis in Financial Support with subsidies and other actions to launch starting activity in Social Cooperative Enterprise (SCE) and the third pillar with the Financial Instruments to strengthen and extend them.

In **Italy** over the years, thanks to the European Social Fund (ESF), a variety of measures supporting social enterprises have been activated. Some were targeted specifically at supporting specific activities carried out by social enterprises, such as work integration and social agriculture. To promote the growth and strength of the social economy, a dedicated support scheme was established by the Ministry of Economic Development conceived to support the creation and growth of social enterprises pursuing general interest aims. The benefits envisaged by this support scheme address the following types of enterprise: social enterprises; social cooperatives and consortia. Also, a special start-up for social entrepreneurship was launched in 2013 by the National Union of the Italian Chambers of Commerce and Mercatorum University. The initiative envisaged the provision of consulting services for the creation of social enterprise start-ups. The initiative also addressed already-existing organisations that provided general interest services and that were willing to become social enterprises under the provisions of Legislative Decree 155/2006.

For more details please refer to the national reports which are freely available online:

https://drive.google.com/drive/folders/1mxXBCZxvB6Ginq0FHd8_0mBb1Vujg8lz?usp=sharing

2.1.1 European legal framework, policies and strategies

Before touching upon the EU, we want to note that there are international policy bodies that work to promote social entrepreneurship worldwide. Many use the EU as a case study for best practices and base their policy recommendations on a global scale. Exemplary for this is the OECD study (OECD 2017) in which the authors copy past best policy practices from countries throughout Europe.

Various EU wide initiatives promote but not directly support the emerging EU wide SE ecosystem. As noted throughout the reading and the research done by all the partner organisations of the ESEN project, there are wide differences between the level of sophistication of support and established rules and regulations between the EU member states.

It is important to note that EU policies, concerning the support of the SE sector, are sometimes not implemented or implemented in the same way on the national level in each EU member country. That has adverse effects. Besides, the understanding of the capacity and impact of the SE sector is something that is lacking in most policymakers throughout the EU. However, the EU keeps on stressing the importance of the SE sector.

For example, the growth of the SE sector within Cyprus is hindered by the lack of investment and government support for the sector. The government strives to achieve this goal but lacks civil society support and EU funding to do so. In contrast, the SE sector in the UK is well diversified and to some extent already specialised. The EU strives to overcome these differences in sectoral development and pushes towards a wider adaptation of the social enterprise model. According to the European Economic and Social Committee: “Social enterprise is a key element of the European social model. It is closely linked to the EU2020 strategy and makes a significant contribution to society.” („Social Entrepreneurship and Social Enterprise“ 2019)

To elaborate the various EU programs in the area of SE innovation and support we start with the EU Programme for Employment and Social Innovation. Established in 2018, this programme had an initial 650 Million Euro to support the SE sector. In total (up to 2020) it had a budget of 1 billion euro. Its objectives are to strengthen ownership of EU objectives and coordination of action at EU and national level in the areas of employment, social affairs and inclusion. It strives to support the development of adequate social protection systems and labour market policies. Further, it wants to modernise EU legislation and ensure its effective application. It wants to promote geographical mobility and boost employment opportunities by developing an open labour market. Its final objective is to increase the availability and accessibility of microfinance for vulnerable groups and micro-enterprises and increase access to finance for social enterprises (EU Programme for Employment and Social Innovation (EaSI), n.d.)

There is also the ongoing effort by EU bodies to examine the SE sector to understand how to best nurture it. A recent example is a report on social business initiatives by the EU Commission, which outlines the shortcomings and strengths of the EU SE sector. (Commission, n.d.) Based on their analysis, they do recommend policy changes. And that is most of what the EU does concerning supporting the SE sector. They publish various recommendations. To do so, EU bodies such as the European Economic and Social Committee conduct studies to analyse best practices in the EU surrounding SEs. Then they base their suggestions on the findings of these studies. They measure the preconditions for a social economy to emerge and highlight benchmarks to this effect. However, they are mostly broad and over-generalized. For example, the study of (Best Practices in Public Policies Regarding the European Social Economy Post the Economic Crisis – Executive Summary, 2018) published in 2018 evaluate policies from EU member states and suggest best practice policies based on this analysis.

There are more tangible actions also. In 2017, the Social Economy Intergroup’s Co-Chair at the time, Jens Nilsson, invited SEE to draft a policy proposal entitled ‘The future of EU policies for the Social Economy: towards a European Action Plan’, which was then approved in 2018 and presented to European Commission Vice-President for Jobs, Growth, Investments and Competitiveness in January 2019. Since then, SE lobby groups have been working with its members and with European institutions, including the Social Economy Intergroup, the European Commission and the Monitoring Committee of Luxembourg Declaration, to make the European Action Plan for the Social Economy a reality. This was achieved when European Commission President Ursula von der Leyen appointed the task of developing the Action Plan to

Commissioner for Jobs and Social Rights Nicolas Schmit. The Action Plan for the Social Economy will be launched in the second half of 2021.

Another body of importance for the promotion of the SE sector is the Social Economy Intergroup. First founded in 1990 as an official working group of the European Parliament, it provides consultation to the EU parliament regarding SE policies and is actively working to promote and enhance the Action Plan for the Social Economy.

Then, there is the European Commission Expert Group on Social Economy and social enterprises (GECES). It is a governmental body to support the design and implementation of EU policies supporting the development of the social economy. GECES is formed by 38 social economy representative organisations and institutions (from the local, regional, national and EU-level), 27 representatives of the Member States and 12 are observers and are representing other public and international institutions. They provide expert analysis and meet two times a year.

There is also financial support coming into the sector through various ways as outlined before. Now the EU is considering a single instrument to promote SEs in Europe called the InvestEU Social Investment Program. The InvestEU Programme builds on the successful model of the Investment Plan for Europe, the Juncker Plan. It will bring together, under one roof, the European Fund for Strategic Investments and 13 EU financial instruments currently available. Triggering at least €650 billion in additional investment, the Programme aims to give an additional boost to investment, innovation and job creation in Europe. The InvestEU Fund will support four main policy areas: sustainable infrastructure; research, innovation and digitisation; small and medium businesses; and social investment and skills. It is projected to start in 2021.

Two European Commission units are relevant to the SE sector in Europe. One is unit F2 on Social Economy and the other is unit E1 on Job Creation. They are working groups that call upon the SE sector to make statements and provide suggestions to the work of the European Commission concerning the social economy sector. They mostly give suggestions to reinforce the role of the social economy, social entrepreneurship and social innovation in the promotion of social inclusion, creation of and access to quality jobs and social investment.

2.2. Key stakeholders supporting social entrepreneurship at European level

Various EU wide support institutions promote the SE sector. Amongst them is the European Network of Cities and Regions for the Social Economy AISBL (REVES AISBL), the European Confederation of Workers' Cooperatives, Social Cooperatives and Social and Participative Enterprises (CECOP-CICOPA Europe), the Euclid Network (EN), Cooperatives Europe, the European Network of Social Integration Enterprises (ENSIE), Innovation et Economie sociale en Méditerranée (iesMed), JA Europe (JA Europe) and Reuse and Recycling European Union Social Enterprises (RREUSE). There are also more specialized groups. Among them is the European Association for Information on Local Development (AEIDL), Social Economy Europe, the European Network of Social Integration Enterprises (ENSIE), the European Network of Cities and Regions for the Social Economy (REVES).

Amongst the biggest, is Social Economy Europe (SEE). SEE is the voice of the 2.8 million social economy enterprises and organisations in the European Union. Created in November 2000 under the name of CEP-CMAF - the European Standing Conference of Cooperatives, Mutuals, Associations and foundations - to

establish a permanent dialogue between the social economy and the European Institutions, in 2008, CEP-CMAF changed its name and officially became Social Economy Europe.

3. Identified training and educational needs of social enterprises

The training and educational needs of social enterprises were grouped into the following categories:

- Effectiveness
- Efficiency
- Planning of the company's activities
- Monitoring and evaluation
- Innovation
- Ethical activities
- Evaluation of the company's entrepreneurship
- Communication and promotion
- Solutions to social problems
- Stability and maturity

Each category was then characterised in detail, taking into account possible training needs of the SEs. All the answers from the questionnaires in five countries were put to table 1, presented below and summarised:

Category	Field of training of SEs	Conclusions	Justification
Ethical activities	Developing a code of ethics, a system of ethical and business values applicable in the company	Not needed	this aspect is not so important for most of the respondents
Effectiveness	Formulating mission and clarifying or revising business goals	Needed	as formulating mission might not be so important, a clarifying or revising business goals might be needed
	Developing methods or tools to assess company effectiveness	Needed	this aspect is important for most of the respondents
Efficiency	Developing and implementation of a system to increase the efficiency of the use of your resources	Needed	this aspect is important for most of the respondents
Planning of the company's activities	Developing a strategy and developing an operational plan	Needed	this aspect is important for most of the respondents
Monitoring and evaluation	Developing a system, methods or tools to monitor and evaluate activities	Needed	this aspect is important for most of the respondents
Innovation	Developing new services, products or offers for customers	Needed	this aspect is important for most of the respondents
	Improving the quality of customer service	Needed	the responses vary from country to country; in some countries, it was stated as more important and in some as a bit less important.
	Identifying areas where innovation can be applied (an innovative approach)	Needed	this aspect is important for most of the respondents
Evaluation of the company's entrepreneurship	Raising the competence of company managers and management, finance and accounting, human resource, marketing, sales and promotion	Needed	this aspect is important for most of the respondents
	Raising employee competences	Needed	this aspect is important for most of the respondents; the following aspects were noted as important: 1. Professional qualifications (the respondents specified such areas as gastronomy and catering business, hair and beauty, music and audio



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			<p>production, specialist sewing, Montessori education, working with people with disabilities - it is hard to address those subjects in the training</p> <p>2. Transversal skills (languages, driving licence, ICT, use of new technologies, mobile work) - it is hard to address those subjects in the training</p> <p>3. Skills necessary for good management and operation of the organisations:</p> <ul style="list-style-type: none"> - marketing, sales, customer service - promotion, including the use of social media - finance and accounting - tender procedures, - leadership/management skills (team management, communication with personnel, project coordination and administration, quality management) <p>4. Personal skills (time management, communication, interpersonal abilities, cooperation, responsibility, autonomy, self-motivation, productivity, ability to plan, organise and prioritise work)</p>
	Diversifying revenue sources	Needed	<p>it can be seen that there is a need for diversifying revenue sources by finding various sources of income such as fund, grants, etc.</p> <p>It is very visible during COVID-19 time.</p>
	Assessing the company's potential for development and determining possible development directions	Needed	this aspect is important for most of the respondents
Communication and promotion	Improving internal communication in the company	Needed	the responses vary from country to country. In some countries, it was stated as more important and in some as a bit less important.
	Assessing interpersonal relationships (developing an improvement plan)	Needed	the responses vary from country to country. In some countries, it was stated as more important and in some as a bit less important.

	Developing a system, methods or tools to verify customers or suppliers	Needed	the responses vary from country to country. In some countries, it was stated as more important and in some as a bit less important.
	Strengthening the company's image and visibility	Needed	this aspect is important for most of the respondents
	Assessing used means of promotion (developing an improvement plan)	Needed	this aspect is important for most of the respondents
	Assessing relations with the company's stakeholders (developing a program to improve these relationships)	Needed	the responses vary from country to country. In some countries, it was stated as more important and in some as a bit less important.
Solutions to social problems	Assessing to what extent the company's activities meet the needs of the society or local community	Needed	this aspect is important for most of the respondents
	Recognizing the needs of beneficiaries, target group or local community	Needed	this aspect is important for most of the respondents
	Assessing how a company is perceived in its environment, among beneficiaries and target groups	Not needed	this aspect is not so important for most of the respondents
	Customising activities to the needs of beneficiaries or target groups	Needed	this aspect is important for most of the respondents
Stability and maturity	Assessing the risks associated with the business	Needed	this aspect is important for most of the respondents
	Developing possible actions to prevent the occurrence of the identified risk	Needed	this aspect is important for most of the respondents
	Developing alternative scenarios in case of the expected risk	Needed	this aspect is important for most of the respondents

Table 1. Identification of SEs' training needs.

Most of the participant of the field research (questionnaires) stated the training needs in most of the above-mentioned fields. It seems that most SEs have already knowledge about assessing how companies are perceived in its environment, among beneficiaries and target groups and have knowledge of a code of ethics, a system of ethical and business values applicable in the company. In those two fields, the support seems to be not crucial.

Some respondents indicated that their organisations need help in other areas, such as:

- advice about the basic of starting up a SE,
- confidence building,
- peer support and access to networks,
- access to support programs and accelerators,
- psychological support for managers,
- in the motivation of beneficiaries from the disadvantaged groups (for example those long unemployed) and social integration,
- GDPR.

During the field research the following problems of SEs were also pointed out by the respondent:

- low flexibility in managing costs in the case of small-scale operations, due to the employment of persons at risk of exclusion,
- limited ability to adapt to the needs of customers due to social activities,
- restrictions related to the employees' profile (e.g. health problems, disability) impacting their performance,
- equipment shortages and quality,
- low market recognition,
- lack of business contacts,
- access to mentors,
- there is a struggle for newly established SEs to find their place and the right support network,
- to create added social value for the market disruptive innovation in their new products and services, the social enterprise must ensure that it continues to learn about and address the needs and demands of existing markets and target clientele to remain true to its social missions and objectives.

The most preferred form of support identified in the questionnaires should be in a form of training – preferably online (especially during the current pandemic). There was also an important opinion of SE expert that external training is often perceived to be irrelevant and too theoretical, therefore the offered training should be as much as possible practical.

The second most desired form of support is individual counselling followed by mentoring and coaching. Those forms of support should address the particular problems faced daily by the SEs.

The other form of support such as coaching and sources of relevant literature was indicated as less important for most of the respondents.



4. Good practices from partner's countries

For this Report the following definition of good practice was used: *A good practice is such a principle of operation that leads to good or very good results of the organization. It should meet additional conditions, such as good planning, self-evaluation, the possibility of implementation by other organizations, and ethics of operation. Besides, it can be characterised by innovation in the approach to problem-solving or in some other aspect of a business (Karwińska & Wiktor, 2008).*

Two ways of identifying good practice in SE was applied:

1. Selection of the social enterprises, which are considered a good practice as a whole, based on the criteria proposed below
2. Selection of the individual aspects of social enterprise's operation, followed by further analysis of the identification of activities that may be considered as good practice. In this case, good practices are divided into groups, each of which relates to a different aspect of the organization's operation, based on the criteria proposed below. Such a division serves those organisations that strive to improve specific dimensions of their functioning, gradually introducing changes.

Good practice was identified based on the following set of criteria (Karwińska & Wiktor, 2008):

- effectiveness
- efficiency
- planning
- monitoring and evaluation
- versatility
- innovation
- ethics
- entrepreneurship
- maturity

Overall 25 good practices (5 per country) were chosen to be presented in this Transnational Report and are included in **Annex I – ESEN_good practices applied by the social entrepreneurial sector**.

<https://drive.google.com/drive/folders/1nXiahG5LZhQPzZeDYaVoLyE7XYwGJ8CB?usp=sharing>

5. Recommendations for social entrepreneurship

5.1. Recommendations for social entrepreneurship enhancement through replicable SE models

Social enterprises combine social aims with entrepreneurship, delivering products and services that benefit local communities and society. They tackle social challenges and promote sustainable development. Scaling social enterprises' social impact is important for decision-makers and societies as a whole.


Very often, social enterprises are concentrated in specific niches, acting locally, and are not evenly distributed within and across countries¹. However, there are different ways in which the impact of social enterprises could be scaled, increasing the effects of their activities (services and products).

Scaling is defined as the most effective and efficient way to increase a social enterprise's social impact, based on its operational model, to satisfy the demand for relevant products and/or services. This definition focuses on increasing social impact, rather than the relative growth of the social enterprise itself. In other words, it is entirely possible to scale a social enterprise's innovative concept by using mechanisms and strategies that adhere to principles other than those used by a conventional enterprise².

Scaling social impact is a big challenge for all entities supporting the development of social enterprises – public and private bodies, networks of social enterprises, communities of practitioners and researchers because in most cases the value-creation chain of social enterprises differs significantly from that of conventional enterprises. The difference in the scaling strategies of social and conventional enterprises can be mainly seen in three key aspects: their objectives, the specific characteristics of goods or services delivered by social enterprises, and the highly collaborative relations they establish with other stakeholders (Table 1)³.

Table 1. Comparing the main scaling patterns of social enterprises and conventional enterprises

Characteristics/ Type of Enterprise	Social enterprise	Conventional enterprise
Main objective	Expand social impact	Maximise profit
Products or services delivered	Main – although not exclusive – focus on general-interest services that are difficult to transfer as they are generally labour-intensive, personalised and relational	Mainly standardised products or services, which can often be easily transferred or traded from one place to another
Relations established with other actors	Highly collaborative relations	Highly competitive relations



Main scaling patterns	1. Expand a well-functioning social business model 2. Replicate a well-functioning social business model 3. Establish partnerships 4. Engage in knowledge sharing.	Grow business, expand to new markets
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Source: European Union/OECD, Policy Brief on Scaling the Impact of Social Enterprises. Policies for social entrepreneurship. 2016

¹ European Commission (2014), A Map of Social Enterprises and Their Eco-Systems in Europe: Executive Summary, Publications Office of the European Union, Luxembourg.

² European Union/OECD, Policy Brief on Scaling the Impact of Social Enterprises. Policies for social entrepreneurship. 2016

³ European Union/OECD, Policy Brief on Scaling the Impact of Social Enterprises. Policies for social entrepreneurship. 2016

The main strategies that can be used by social enterprises to scale their impact are expanding, replicating, partnering with others, and/or sharing their knowledge.

Scaling impact through expansion can include organisational growth, mergers and/or acquisitions and diversification. Organisational growth is simply doing more of the same, increasing the number of beneficiaries and at the same time increasing also the efficiency and productivity and reducing costs. Mergers and acquisitions (M&A) are useful when deciding to grow in an already known or new location or sector by engaging in strategic buying and selling or combining different organisations. Diversification is diversifying the activities of the enterprise by adding an upstream or downstream activity to their value chain (vertical), adding a new activity to their portfolio in the sector where they already operate (horizontally) or expanding to a completely new field of activity (resulting in a conglomerate)⁴.

There are several examples of this kind of scaling from the @ESEN project. The social enterprise Kuchnia Konfliktu (PL) started as a food truck and then opened the restaurant in the centre of Warsaw. Company ORTHODOXOS & MISOS Warehouse LTD (CY) in 2016 started working with the potato line production only, whereas today it processes and packages carrots, onions, beetroots and garlic as well and aims to enter and supply its products in the retail market. Similarly, KoinSep "GI THESSALIS" (EL), active in the cultivation and distribution of agricultural products, created a special brand, opened an online store, implemented the Integrated Management System for the production of products, created special sales areas (Sales kiosks), self-propelled "Street Market", and a ModelFarm where all members will have a plot of land and produce quality agricultural products with rational use of all inputs and also opened the KOIN.SEP Grocery Store located in a central part of the city.

In 1975, the initiator of Suma Wholefoods (UK), at a meeting attended by all the wholefood shops in the north of England, proposed to set up wholefoods wholesaling co-operative to supply each other. Within a year they needed proper premises, and a retail shop called Beano was established which soon became an independent cooperative, separate from the wholesaling side of the enterprise. Now, Suma Wholefoods is pioneering wholefoods and organic foods wholesaling cooperative, which has grown from the worker co-operative in 1977 to being the largest of the independent wholesalers in the health food and wholefood trade. It has a workforce of 64 persons, 5000 product lines, which are distributed to independent retail shops, supermarkets, institutions (hospitals, schools, prisons) and community groups, across the UK and abroad.

Siedlisko (PL) is in the process of expanding the nursing home by increasing the quality of offered services and company's revenues while minimizing costs, offering new places for employees and patients. The Cooperativa Nuova Dimensione (IT) started to expand its range of services already from the beginning. From 2003 to 2018, it opened the educational community for minors, daycare centres for the non-self-sufficient elderly, and for people with disabilities, the residential community for mothers with children, and experimental laboratory for autism. In 2001, following the company spin-off from the Nuova Dimensione, the social cooperative Frontiera Lavoro was founded. Another spin-off is the social enterprise C.I.S. Creare Innovazione Sociale (IT). Fondazione La Città del Sole Onlus and COAT Centro Orientamento Ausili Tecnologici Onlus, after almost twenty years of experience in the field of disability, have laid the foundations for the creation of a new social enterprise that is able not only to design innovative solutions

⁴ European Union/OECD, Policy Brief on Scaling the Impact of Social Enterprises. Policies for social entrepreneurship. 2016

to meet the needs of patients and their network but also to manage their application and experimentation. Syn-Eirmos (EL) has constantly diversified its activities which now encompass Mobile Mental Health Unit of Trikkaia, Day Care Center for Homeless in Trikkaia Municipality, social pharmacy, accommodation and rehabilitation for homeless people in the region of Trikala, and social grocery of the Municipality of Trikkaia.

Marketing agency Leżę i Pracuję (PL) started with 3 persons and during the two years of operation increased both the employment (to 14 persons) and range of services.

Coin Street (UK), a social enterprise which from a derelict site – dying residential community and a weak local economy – has created a thriving, diverse, vibrant and welcoming place for people to live, work and play, sprung into various enterprises and organisations. Today Coin Street consists of many social enterprises owned and run by the local community which includes theatre, restaurants, residential housing, social projects and much more amongst which the Coin Street Builders are the biggest.

Other UK company, LocoSoco, which help people, businesses, shops, schools, and places of worship create eco-enterprises that generate revenue by introducing sustainable, independent and eco-friendly products and services into their communities, has recently grown so big that it has rented a big warehouse, is working with a big chain of convenience stores and is projected to become a major social enterprise in the UK.

The Big Issue (UK), a social enterprise newspaper, independent of sponsors and independent of the homeless service sector, is offering employment opportunities to people in poverty through selling a magazine to the public. Currently, the magazine is read by over 400,000 people across the UK and circulates 83,073 copies every week. Today the Big Issue is split into various units providing services to the community or earning income for the entire Big Issue Network - a shop, an investment fund (financing the growth of sustainable social enterprises and charities across the UK), and a foundation. Its structure diversifies its income and more importantly increases its social outreach.

Scaling impact through replication involves replicating models or methods that have proven successful in creating social impact, in other geographical contexts. The advantages of replication are that it scales impact without growing the organisation, allows for local ownership, and can be rapidly adopted and adapted by others. Replication can be informal when social enterprises replicate an inspiring model or case formal through branches or social franchising. Established branches are allowed to retain some control over and coordinate the methods used to achieve social impact tailoring its services to the local social needs. Social franchising enables rapid and exact replication of a social enterprise's proven business model by other social enterprises, following a set of parameters agreed with the parent organisation in a compliance agreement⁵.

In the case of the @ESEN project best practices, Triodos Bank is an example of scaling impact through establishing branches. Triodos Bank is a European social bank registered in the Netherlands, which lends only to organisations and businesses with social and environmental aims. It was founded in the Netherlands in 1980, with EUR 540,000 in start-up share capital and it got a full banking licence from the Dutch Central Bank in 1993. Triodos Bank Belgium was the first branch to launch outside the Netherlands in

⁵ Mavra, L., Growing Social Enterprise: Research into Social Replication, Big Lottery Fund and Social Enterprise Coalition, 2011.

1995. Triodos Bank United Kingdom was established in 1997. Triodos' balance sheet total showed an average annual growth of 32% in the 1980–2014 period. They emerged out of a niche in the market and single-handedly developed this niche into an entire market.

Informal replication is a case for the social organisation Siedlisko (PL). A Czech partner of the association wants to implement a similar solution. As part of the project, disabled people from the Czech Republic could have an internship in Siedlisko, which would prepare them to take up paid employment.

Scaling impact through partnerships, by establishing strategic partnerships with other organisations (e.g. public authorities, private businesses and other social enterprises) is another way of scaling social impact. It often provides access to new markets, capacities and competencies faster than other scaling strategies. Partnerships provide mutual benefits, such as joint participation in bidding procedures, benefits from using partner's (public or private) infrastructure, using partners as a potential distribution channel for goods or services, mainstreaming innovative approaches to social service delivery (public authorities), reputational returns (private businesses).

Many of the social enterprises included in the @ESEN project' case studies cooperate with local authorities and communities and research organisations (Siedlisko (PL), Pellicano Onlus (IT), COAT Centro Orientamento Ausili Tecnologici (IT)). However, a social enterprise from the UK, LocoSoco, directly targets its activities to local communities. LocoSoco, partnering with local corner shops, connects the needs of a community with an income generation model that returns the profit on the sales back into the community.

Koi.S.P.E cooperative (EL) partnered with local honey producers and now provide them with processing, quality control, distribution, and marketing of their honey. Koi.S.P.E. cooperative buys the honey and undertakes the processing and certification. Furthermore, the project has demonstrated a strong networking and cooperation approach, as it has brought together a wide range of actors (i.e. local honey producers, the state mental hospital and psychiatric patients) for the benefit of all, thus it engages business initiatives in the area.

On the other hand, PANATO (PL) with five other social enterprises created a consortium to increase their capacities. The network has an industry character and brings together entities involved in sewing and printing on textiles. It works under the brand PANATO Bag (kupujespolecznie.pl). The establishment of the consortium enabled the use of organizational culture developed by PANATO. It also allowed to increase the effect of scale and develop the social economy sector in the entire region. Over the years, new organizations joined - social cooperatives, non-profit companies, foundations and associations. Advanced organizational culture, as well as full production standardization and a specially prepared tool for sales and logistics management, enable smooth execution of joint orders. Creation of the consortium allowed to increase production to 10 thousand pieces of products per month, facilitating the development of the company. The consortium is also beneficial for partners because they can fill the gaps in orders with orders from PANATO. Thanks to the consortium, the partners are also learning to standardize work and communication processes, and thus also improve their professional (sewing) and organizational competences.

Scaling impact through knowledge sharing can take place both through sharing with conventional enterprises (such as acquiring or developing new business skills in management, performance measurement, and revenue-generation approaches) and with other social enterprises (e.g. organisational culture and knowledge on the specific contextual conditions in which they operate). It can occur both

formally (e.g. through labelling or official training procedures) and informally (without specific constraints, through networking).

An example is PANATO (PL) which was awarded mentoring award and for six months received the consulting services from consultancy company focused on diagnosing the company's position, specifying the reported development needs and developing solutions to improve management, marketing and sales processes. Leżę i Pracuję (PL) has decided to use the knowledge among people and organisations that are sympathetic to the Agency. The Agency's employees participate in "Dating an Expert" meetings – an online meeting with specialists in various fields (marketing, project management, sales, time management, communication), who organize lectures, presentations, exercises.

Support Structure for the development of the Social Economy in Crete "KRI.K.O.S." (EL) provides support to the unemployed to enter the labour market by developing entrepreneurial activity in the social economy, and by providing support to members of existing social cooperatives to retain their jobs and further develop their activities. It transfers information to interested parties, provides an overall and analytical briefing of current opportunities in the social economy sector, gives personal advice and support to interested parties, provides mediation for better collaboration between all interested parties and conflict management, provides technical assistance for effective management.

From the experiences of the social enterprises presented in the @ESEN project, all decided to scale their impact. The methods chosen were different and depended on the type of activities provided by enterprises, the available resources, and the environment they operated in.

According to the OECD and EC study, the scaling of the impact of social enterprises should be supported:

- through the creation of a policy mix that would enable scaling and which needs to be tailored to the local environment
- by developing the smart policies that would support the needs of social enterprises aiming to scale their businesses through expansion, as well as highlight proved models to foster replicability by new operators in new geographic areas
- by enabling policy design that should facilitate the creation – and raise the visibility – of partnerships and support structures aiming to help social enterprises scale their impact; it should also enhance knowledge sharing among social enterprises, as well as between social enterprises and conventional enterprises
- by providing incentives to social enterprises to document their processes, and share them through open sources and knowledge dissemination channels
- by requiring that the policy support could be provided to social enterprises with proven social impact and the potential to scale nationally or inter/transnationally

5.2. Recommendations for improvements in training and networking.

@ESEN training should be comprehensive and in particular, should address the following categories:

- Effectiveness and efficiency
- Planning of the company's activities
- Monitoring and evaluation
- Innovation
- Ethical activities
- Evaluation of the company's entrepreneurship

- Communication and promotion
- Solutions to social problems
- Stability and maturity

The details of the identified fields of expertise are listed in Table 1.

The support for SE should be offered in the form of online training which should be practical and problem-oriented. The other forms of support are individual counselling followed by mentoring and coaching. These forms of support should address the particular problems faced daily by the SEs. Therefore, @ESEN e-learning platform should facilitate a place for the SEs, in a form of a chat/virtual meeting place for the representatives of SEs, where people can ask questions and get answers to their identified problems from advanced and experienced social entrepreneurs.

Almost in every country, except Cyprus, some SE networks already exist, but in every country, the need for good network support for social enterprises was indicated. For example in the UK report, where SE sector is most advanced and mature, it was mentioned that new self-sustaining networks need to be formed using social media and high participation with low central costs and ability to go with the flow.

The main aims of the @ESEN network should be: exchange of opinions and advice; sharing the problems, solutions and good practices; integration, promotion of social economy and education both new and established SEs. The @ESEN network should be also capable of connecting SEs, social entrepreneurs, social economy organisations, facilitators, business angels, mentors, trainers and experts in the field of social economy.

@ESEN network transnationality could help the SEs create relations among different regions and countries, improve transnational interactions, which generates new knowledge and cooperation opportunities.

6. Conclusions

This **Transnational Report** is the basis of the elaboration of the future @ESEN Training which will be offered to SE. The report is based on the comprehensive cross-analysis of five national reports from the @ESEN project partners' countries.

Overall 25 good practices (successful stories) applied by social entrepreneurs (5 per country) were carefully selected and presented in the **Annex I**. The idea of sharing those good practices was to give example to follow and inspire other SE. The good practices were chosen in a way that could be implemented by other organizations. From the experiences of the social enterprises presented in the report, all decided to scale their impact. The chosen methods (scaling impact through expansion, replication, partnerships or knowledge sharing) were different and depended on the type of activities provided by enterprises, the available resources, and the environment they operated in.

It can be concluded that the support for SE should be preferably offered in the form of online training (which is very important especially now in 2020 during COVID-19 pandemic). It was indicated that the training should be addressed to all kind of SE from those in infancy stage to mature ones and cover the topics presented in *Table 1. Identification of SEs' training needs*. The training should therefore both contain basic information about setting up an SE as well as more advanced information such as, for example, risk assessment or diversifying revenue sources. The future @ESEN Training will take all those information into account during the preparation of @ESEN Programme, Syllabus and e-learning.

In all partners' countries (except Cyprus) some SE networks already exist, but in every country, the need for good network support for social enterprises was indicated. The main aims of the future @ESEN network should be: exchange of opinions and advice; sharing the problems, solutions and good practices; integration, promotion of social economy and education both new and established SEs.

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8. Annex

Annex I_ESEN_Good Practices from Cyprus, Greece, Italy, Poland and the UK.

<https://drive.google.com/drive/folders/1nXiahG5LZhQPZeDYaVoLyE7XYwGJ8CB?usp=sharing>