



Enabling the Flourishing and
Evolution of Social Entrepreneurship
for Innovative and Inclusive Societies



FP7 – EFESEIIS Focus Group with Stakeholders
Warsaw, Tuesday 17th February

Focus Group 1

**“Features of an enabling eco-system for social entrepreneurship at the
local level”**

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Summary

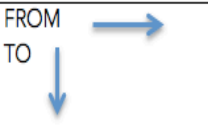
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Introduction

During the Focus Group the stakeholders have been asked to fill the matrix below.

The main question that has been answered for each square of the matrix is:

Which kind of relation(s) exists between these two stakeholders?

FROM TO	Social Entrepreneur	Local Authorities	Banks	Support organizations (e.g. chamber of commerce, Hubs)	National Authorities	European Authorities	Civil society
							
Social Entrepreneur	EXAMPLE -Social Entrepreneurs jointly take part to tenders	EXAMPLE -Local authorities do tenders on services of SE with the value for money approach	EXAMPLE -Banks provide funds to social entrepreneurs				
Local Authorities							
Banks							
Support organizations (e.g. chamber of commerce, Hubs)							
National Authorities							
European Authorities							
Civil society							

Structure of the Matrix

In the following pages the focus groups results are presented through easy-to-read tables, providing a brief description of the identified relations, adopting the point of view of the different stakeholders and connected issues.

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Social Entrepreneurs & Social Entrepreneurs

Competition on:

Public procurement
Fund raising
Resources in general
Personality

Collaboration on:

Identity building
Networking
Service delivery
Promoting projects
Making (social) impact
Alliances
Financial guarantee
Networking
Sharing and exchanging services
Motivating each other
Lobbying
Recognition
Self-funding;
Promoting social value;
Social change at a global scale;
Providing job-ready SE managers

The existing relation between **social entrepreneurs** seems to be **essentially collaborative**, aiming to share bad and good experiences and knowledge in order to learn from each other about available opportunities.

Nevertheless, the **financial issue** still remains **crucial** and represents the most common cause of competition among social enterprises.

Social Entrepreneurs & Corporate Business

From Social Entrepreneurs to Corporate Business

Cooperation;

Support (jobs);

SE as social stability factors that is pre-
conditional for business to happen

and make profit;

For profit/non-profit partnership for
social innovation;

Business capacity to engage non-
profit in joint actions (for public
contracts bids)

From Corporate Business to Social Entrepreneurs

Financial support;

Distribution channels;

Purchase SEs services;

Brand washing;

CSR;

Acknowledgment about SEs

The focus group's participants have stressed the **bilaterally positive nature** of the relationship between social entrepreneurs and corporate businesses, which could be characterized by mutual cooperation and support.

Social Entrepreneurs & Banks

From Social Entrepreneurs to Banks

Problems to be solved

Accessibility;
Costs;
Guarantee;
Trust;
Sometimes no common
language/culture

From Banks to Social Entrepreneurs

Problems to be solved

Better understanding of SEs;
Screening of risk;
Financial viability of social business
model;
Financial connection between
stakeholders and Social entrepreneur
(connecting social capital with
financial capital);
Intangible guarantees;
Access to loans, funding;
Taking risks, investing in people
Interest rates favourable to SEs
Standardizing and simplification of
process on access to credit

The tables above show how social entrepreneurs and banks face **significant barriers** both in simplifying the process on access to credit and in providing consistent guarantees to gain the necessary trust to receive funding and to access to loans.

In regard of banks, it would be useful to provide **lower interest rates** with the purpose to facilitate the social entrepreneurs' activities. Moreover, a better understanding of social enterprises could lead to a **cost-benefit analysis** that takes into account their intangible guarantees and the forecasted **social impact**.

Social Entrepreneurs & Investors

From Investors to Social Entrepreneurs

Regulations;

Values;

Motivation;

Empathy;

Impact goals;

Financial expectations

The **regulatory scheme** represents the framework within investors relate to social entrepreneurs. It is also interesting to see that the actions undertaken by investors are often related to the **values constituting the core of the social enterprise**, gaining inspiration from it and supporting the expected outcome.

The attendees stated that investors could face the **technical feasibility** of social enterprise's project as a challenge.

Social Entrepreneurs & Civil Society

From Social Entrepreneurs to Civil Society

Increase awareness on SE and the possibilities of hybridization

Networks;

Joint actions, connectivity capacity

From Civil Society to Social Entrepreneurs

Feedbacks about reputation in order to evaluate SEs;

Capacity issues related to cultural SE traditions;

SE business rescue forms;

Civil Society and Social Entrepreneurs seem to be **strictly interrelated**. The former could represent a **relevant support** for social entrepreneurs, providing an informal but crucial **evaluation of their activities**.

For this reason, it could be helpful to **develop new culture on social enterprises**, describing their entrepreneurial and managerial capacities with the aim to provide the public opinion with information on nature, actions, and possible evolution of these entities.

Social Entrepreneurs & Support Organizations

From Social Entrepreneurs to Support Organisations

Providing services and products;

Offering the opportunity to participate in the social impact;

Pragmatic and strategic approach

Facilitating

Capacity building

Opening new markets

Need of acknowledgment of their role/function;

Networks

From Support Organisations to Social Entrepreneurs

B to B platform;

Access to market;

Incubation

Start up;

Capacity building;

Lobbying;

Suppliers and clients;

Networking

Supporting growth and scaling;

Cooperation

As showed in the tables above, the relation between social entrepreneurs and support organizations **is essential** due to the positive reciprocal impact in starting business activities, facilitating the access to market, lobbying, and creating important networks.

Social Entrepreneurs & Multi-level Authorities

Local Authorities

From Social Entrepreneurs to Local Authorities

Understanding local authorities;
Engagements;
Receiving funding and reporting on impact and results;
Exchanging information;
Single process → fragmentation;
Having a common goal

From Local Authorities to Social Entrepreneurs

Business readiness/ business mind-frame;
Communicate specific needs;
Bureaucracy simplification and communication;
Legal framework

National Authorities

From Social Entrepreneurs to National Authorities

Influencing social policies;
Policies implementation;
Understanding national authorities;
Receiving funding and reporting on impact and results;
Exchanging information;
Single process → fragmentation
Bottom-up process;
Double flow of communication;
Indirect, non-balanced relationship

From National Authorities to Social Entrepreneurs

Bureaucracy simplification and communication;
Legal framework;
Flexibility and resources allocation;
Taxation, rules/regulation, legal forms
Need of acknowledgment of their role/function;
Information about SEs actions needed;
Support capacity development

European Authorities

From Social Entrepreneurs to European Authorities

Understanding European authorities;
Engagements;
Receiving funding and reporting on
impact and results;
Exchanging information;
Single process → fragmentation
Legal framework;
Flexibility and resources allocation;
No existent? No direct influence;
Indirect relationship through
intermediate

From European Authorities to Social Entrepreneurs

Better understanding of Social
Economy;
Bureaucracy simplification and
communication

Aiming to analyze the relationship between local, national, and European institution, it is useful to propose an **overarching description**, because the three levels seem to face the **same barriers and enabling factors**.

Which appears to be **lacking** is a **broader understanding** on the functioning of political structures, due to the information asymmetries between social enterprise and authorities. In addition, the authorities themselves are not fully aware of their role in supporting the sector and in implementing efficient policies/regulations for social enterprises (e.g. a specific legal framework) because there is **not adequate information** about how social entrepreneurship is featured and which kind of needs it presents.

Social entrepreneurs from their part should **improve the reporting activities on impact and results**.

Although the abovementioned issues concern all level of government, the relationship among social entrepreneurs and local, national and European authorities **significantly differ in terms of influence**: social entrepreneurs and local authorities could be effectively engaged, while national authorities are related with social entrepreneurs through indirect, non-balanced relationship. European authorities engage with social enterprises through intermediate organizations and institutions, without influencing them directly.

For an in-depth examination of barriers and enabling factors of social enterprises analyzed with the purpose to provide the main institutions and stakeholders with policy advices, the reading of the document “**Multilevel Policy advices to support the development of social entrepreneurship**” is recommended.