

# DELIVERABLE DT1.4.1

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PREPARATION AND DESIGN OF CE  
ROADMAP

FINAL VERSION  
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## INTRODUCTION


The CE Responsible project's aim is to connect for-profit businesses and social enterprises and promote meaningful collaboration forms between them.

Output CE Roadmap for providing upscale support of social entrepreneurship sector includes results from mapping potentials of altruistic entrepreneurs and social entrepreneurs, their needs and offer, identification of common ground for cooperation between two key target groups, CE plan how to create lasting cooperation environment for both groups.

CE Roadmap includes mapping of altruistic entrepreneurs and social entrepreneurs, their needs and offer, identification of common ground for cooperation between two key target groups and CE plan how to create lasting cooperation environment for both groups.

The roadmap reflects on need to to understand needs, potentials, values of both groups, to understand needs, potentials, values of both groups, to analyze existing support/good practices/ EU projects, and to analyze barriers and obstacles








The CE Roadmap is developed in cooperation of nine project partners within the project CE Responsible implemented supported by programme Interreg Central Europe:

-  E-Institute, Institute for comprehensive development solutions
-  Metropolitan City of Bologna IT MCBo
-  Ikosom - Institute for communication and social media DE IKOSOM PP
-  Alma Mater Studiorum University of Bologna
-  BRODOTO HR
-  Slovak Centre of Scientific and Technical Information
-  Centre for Economic and Regional Studies, Hungarian Academy of Sciences
-  Municipality of Kielce/Kielce Technology Park,
-  South Bohemian Agency for Support to Innovative Enterprising
-  University of Applied Sciences Salzburg,
-  Budapest Chamber of Commerce and Industry,

and maps the social entrepreneurship in countries across the Central Europe Interreg Program area covering: Austria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Slovakia, and Slovenia.

## METHODOLOGICAL APPROACH

Project partners over one year of desk research and survey among companies gradually developed inputs for the roadmap composed of partial deliverables focused on areas:

-  Building databases of potential altruistic entrepreneurs and social entrepreneurs
-  Analysis of existing needs, capacity gaps and development barriers of social entrepreneurship - project partners within their desk research gathered information on Legal framework and incentives for social business in the Central Europe region, Access to finance and funding of social entrepreneurship, Needs of social entrepreneurs and business, Capacity gaps, Adverse effects on development of social business in the Central Europe region, and SWOT analysis of existing situation in the Central Europe region.
-  Analysis of established project results and synergy plan - Partners identified 45 projects granted from 10 funding programmes (please see document) where they indicated the start and end of projects, acronym and title of projects and following explored aim of projects, key documents for CE Responsible, outputs and their availability, and finally searched for synergies for the CE responsible projects.
-  List of support services Altruistic entrepreneurs could offer to social entrepreneurship sector
-  Finding common ethical values and fields of interests of Altruistic entre-preneurs and social entrepreneur.
-  Identification and analysis of good practices of social entrepreneurship in participating regions - The CE Responsible project partners used the desk research methodology to identify the good practices from which they chose 5-5 outstanding examples per country were chosen and analysed. Each example's description contains the introduction of the participants (from both the for-profit businesses' and the NGO's side), the positive impact achieved, the conditions of the joint work and the basic data (contact, website link). In each case, the main areas of intervention were identified in the collaborations, in line with the Sustainable Development Goals and the social goals intended to be solved and eased (fight against poverty, exclusion, ease of pollution, mitigate the lack of justice).
-  Analysis of existing mentorship programmes and practices "Entrepreneur-to-entrepreneur"

The roadmap extracts the most significant findings of those deliverables. Most of the deliverables were prepared in process of desk research, while "Finding common ethical values and fields of interests of Altruistic entrepreneurs and social entrepreneur" was developed based on primal data collected by the partnership from across the Central European companies.

The project CE Responsible deals with social and altruistic entrepreneurs. In the context of this project, social entrepreneurs are grasped in broader sense, including not only entrepreneurs (persons, founders) but also social businesses (companies with social impact). Social businesses in have positive impact on society in different areas of life and environment. As Social Enterprise a social mission (as education, health, technology access, and environment) is part of the core business model. The organization can be financed via the market, donations or subsidy, or other forms of financing (e.g. crowd funding, business angel investors, ...). When using the term "social entrepreneur" NGOs, associations and other social or impact businesses are included. Social businesses have a positive impact on society but they are still able to create profit (including non-for-profit companies, which reinvest their profit back on their core activities).

Altruistic entrepreneurs are representatives of companies that are already established on the market. They have already established successful businesses and could offer social entrepreneurs with any kind of service that could support their capacities, knowledge, growth or other needs. This could be small/middle sized/large companies. Altruistic entrepreneurs are companies, aware, responsible, involved in local society life, supporting local community, and willing to share their knowledge and resources.

The area CE Roadmap covers countries from across the Central Europe Interreg Program area: Austria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Slovakia, and Slovenia.

## 1. FRAMEWORK, EXISTING SUPPORT & GOOD PRACTICES/MENTORSHIP PROGRAMMES

### 1.1 Existing framework and conditions for social business in the Central Europe region

#### 1.1.2 Legal and financial framework

The legal framework and financial support for social entrepreneurship across the Central Europe varies from country to country. There are counties (Poland, Slovakia, Slovenia) having in force a special act for the social entrepreneurship, on the other hand there are countries with broader approach to social entrepreneurship. Detailed analysis has been provided by members of CE responsible project consortium and it is available in document “ANALYSIS OF EXISTING NEEDS, CAPACITY GAPS AND DEVELOPMENT, BARRIERS OF SOCIAL ENTREPRENEURS”.<sup>1</sup>

##### Austria

According to the European Commission, there is no (legal) definition in Austria of what constitutes an SE in its broad sense (including Social Businesses allocated to the third sector). (EC 2014, 3) The EC report indicates that Austrian policy makers understand SEs merely in regards to work integration. Hence, work Integration Social Enterprises (WISE) are the only institutionalized forms of SEs in Austria. (EC, 2014, 3). An overview of publicly funded schemes specifically designed for or targeting social enterprises published in the EC report 2014 came to the result that there are no schemes specifically targeting SEs, nor any of these schemes funded by ERDF/ESF. (EC, 2014, p 8, table 2.1) State support for SEs is integrated as part of the active labour market policy. On that basis a non-governmental support infrastructure for SEs evolved in Austria.

##### Croatia

Croatian legal framework still does not recognize social enterprise as a legal entity. Efforts in promotion and development of social entrepreneurship are mostly done through projects funded by the EU or international networks of stakeholders. Regarding the strategic framework, Croatia has adopted a Strategy for the Development of Social Entrepreneurship in the Republic of Croatia 2015-2020.<sup>2</sup> However, no specific laws nor measures were introduced following the adoption of the Strategy. In Croatia during the last decade, the majority of finance for social enterprises has been coming from public budget or donors, which has been accompanied with

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<sup>2</sup> cf. Ministarstvo rada i mirovinskog sustava, (2015). Strategy of development of social entrepreneurship of the Republic of Croatia for the period 2015-2020 (Strategija razvoja društvenog poduzetništva Republike Hrvatske za razdoblje 2015.-2020. godine) (online edition).

the EU structural and investment funds, in particular European Social Fund<sup>3</sup>. Some other instruments are available at the moment that could be suitable for some social enterprises, such as micro loans.

#### **Czech Republic**

Social enterprises adopted the following legal forms in the Czech Republic: association, public benefit company, institute, foundation, church legal person, social cooperative, cooperative (other than social cooperative), limited liability company. Only one legal form explicitly dedicates itself toward social enterprises and thus can be interpreted as ex lege social enterprise: the social cooperative. Social enterprises very often combine various forms of public money. All Work Integration Social Enterprises make use of the payments according to the Employment Act, about 50% also access funding from EU grants. Other sources of public money remain very rare. During the 2014-2020 Programming Period, social enterprises have received support under three OPs within the ESF and ERDF.

#### **Slovakia**

Slovakia is one of the countries having special legislation for social entrepreneurship. Act 112/2018 on the social economy and social enterprises and on amendments to certain acts governs social business in Slovakia. Those companies who are listed in specific list of social entrepreneurs are considered social business and can receive incentives in line with this act.<sup>4</sup> Very common form of social entrepreneurship is sheltered workshop that can have any business form (e.g. Ltd). There is no special funding scheme for the social entrepreneurs besides incentives defined by the Act 112/2018 for listed enterprises and law on public procurement. Social entrepreneurs can receive funding from standards or special schemes of banks e.g. bank loans (e.g.: “Social Bank “ Erste) or through National programmes of structural funds.

#### **Germany**

Social entrepreneurs in Germany have a wide range of legal forms, but they do not necessarily match the definition of social entrepreneurs put forward by the European Commission [5]. There is no requirement for a certain legal form. German social enterprises often use a combination of several legal forms and organizational modes [5]. There is no specific legislation addressing social entrepreneurship. Increasingly social enterprises, especially welfare organizations are organized as a limited liability company with public-benefit status (Gemeinnutzigkeitsstatus, gGmbH). There are a number of public and private funding schemes available for social enterprises in Germany. Public Funding and EU-Programmes play a major role in funding social entrepreneurs, therefore for most social enterprises there is a strong dependency.

#### **Hungary**

There is no explicit legal form for social enterprises in Hungary, so they can be diverse. This is partly advantageous and partly disadvantageous. Advantageous, as it is possible to operate social enterprises in many different non-profit forms and a for-profit enterprise also can be a

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<sup>3</sup> European Commission, (2018). Update of the Mapping of Social Enterprises and their Eco-systems in Europe - Country Report Croatia (under review).

<sup>4</sup> Zákon č. 112/2018 Z.z. o sociálnej ekonomike a sociálnych podnikoch a o zmene a doplnení niektorých zákonov. Available at: < <https://www.noveaspi.sk/products/lawText/1/90081/1/2/zakon-c-112-2018-zz-o-socialnej-ekonomike-a-socialnych-podnikoch-a-o-zmene-a-doplneni-niektorých-zakonov>>

social enterprise in legal sense as well. Disadvantageous as there is no uniform regulation, so confident knowledge in the field requires knowledge of a wide range of laws. In addition to the most common source of revenue from the sale of goods and services, social enterprises have many other ways to raise funds. They can use the capital of investors, owners (even in affiliated organizations), they can apply for credits (including micro-financing), government (community), corporate and private grants. However, in practice, grants are playing a key role, especially European Union grants with the assistance of state or municipal normative subsidies.

### *Case study*

#### ***Access to finance and funding of social entrepreneurship in Italy***

***At national level there are available tools such as:*** tax exemption for statutory activities; tax deduction for social enterprise and cooperatives incorporated as a company; crowdfunding campaigns; specific solidarity bonds to support ETS activities; Credit Facility Fund for the social economy; allocation of 3% of annual net profits to fund social enterprises; National Fund for Social Policies to support projects and activities of ETS by annual and rotating contributions; 5x1000 by all citizens-taxpayers.

***At regional level:*** facilitated access to credit for companies, self-employed workers and freelancers (R.L. 23/2015); contributions to fair trade entities (R.L. 26/2009); grants for the most representative associations of cooperatives in the regional territory (R.L. 6/2006); cooperative enterprise fund and subsidised loans; several support mechanisms provided by cooperative associations (Legacoop, Confcooperative and AGCI).

#### **Italy**

The rich associative and cooperativism Italian history produced a wide legislation and so a need of rules and taxes reorganization. The Third Sector Code (L.D.117/2017) implemented the Third Sector reform, giving a clear definition of the Third sector bodies and of their missions: civic objectives, solidarity and social benefit for community life, pursued through activities of general interest (a list of 26 areas of intervention) in the form of voluntary action or the provision of free money, goods or services, or mutual or producing or trading goods or services. The great novelty is the reunion of the wider Third Sector world into a single legal category (ETS), with one national register. In the matter of Social Enterprise the Code refers to a special discipline (L.D.112/2017) added to the L.381/1991 for social cooperatives and their consortia. Italy has available different levels of financial support mechanisms at national and regional level.

#### **Poland**

The most common business forms of a social enterprise in Poland are: an association conducting business activity, a foundation conducting business activity, a non-profit limited liability company, a social cooperative. The "special legal act" relating to social entrepreneurship is the Act of 27 April 2006 on social cooperatives. It covers only the rules of establishing, running,



merging and liquidating social cooperatives and does not apply to other entities belonging to social entrepreneurship. The work on preparing regulations for the legal environment of social enterprises was being continued for several years in Poland. However, it was suspended in September 2015. In Poland the specific funding scheme for social business is based on public procurement and grants awarded under operational programs financed from EU funds. Public and EU funding is the basic source of financing for public enterprises.

#### Slovenia

Social business and legal incentives in Slovenia are defined by the law, Social Entrepreneurship Act, available since 2011 (Zakon o socialnem podjetništvu -ZSocP, updates of the legal framework in 2014 and 2018<sup>5</sup>). In order to have a status of social business, organization needs to fulfil legal requirements and be registered in the register of Slovenian social businesses register, established and monitored by Ministry of Economic Development and Technology. Most Slovenian social companies (besides financial incentives for employees, which have a status of disabled persons and vulnerable groups) are depending on their own funds (production/offering services in the market) in combination of using different national public funding and EU funds (European Social fund and European Regional Development Fund). There is no specific long-term funding scheme dedicated. Social companies in Slovenia largely depend on available public funds.

#### Overview of the framework:

	Legal framework targeting particularly SEs in place	Financial schemes targeting SEs	Other financial tools availability	Grants, public funds dependency	Network of venture and private investors capital available
AT			x		x
CZ			x		
DE			x		x
HR					
HU			x	x	
IT		x			
PL	x			x	
SL	x			x	
SK	x			x	

Chart 1: Overview of legal framework and financial support to social entrepreneurship in Central European programming area.

<sup>5</sup> Zakon o spremembah in dopolnitvah Zakona o socialnem podjetništvu (ZSocP-A)  
<https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2018-01-0545?sop=2018-01-0545>

### 1.1.1 Exiting projects dealing with social entrepreneurship

The social entrepreneurship is a cross-sectoral economic activity addressed with different EU policies including those focusing on industry, entrepreneurship and SMEs, employment, social affairs and Inclusion. Social entrepreneurship combines many aspects of doing business with social and societal impact. As such, many challenges demand to be addressed within the ecosystem and EU projects<sup>6</sup> in following chart provided few results of those projects.


Research and strategies to build upon	Capacity buildings to be inspired
<p>Synthesis Report on Policy Niches and Benchmarking in the Danube region (social entrepreneurship area) by Senses DTP</p> <p>First results from the quantitative study and State of art synthesis on social entrepreneurship by ASIS, Interreg Alpine Space</p> <p>Recommendations to public authorities on how to adapt public policies to social innovation, by ASIS, Interreg Alpine Space</p> <p>Methodological resource database: a collection of facilitation tools and methods to evoke social innovations by Hosting Social Innovation, Erasmus +</p> <p>European Digital Social Innovation Index, Construction Methodology, by DSISCALE, Horizon 2020</p>	<p>THE ECVET PROFILE OF THE EUROPEAN EXPERT IN SOCIAL INNOVATION INCUBATION by ESII, Erasmus +</p> <p>Social Innovation Academy (e-learning) by SOCIA, Erasmus +</p> <p>The platform and e-learning platform by Social(i)makers, Interreg Central Europe</p> <p>Industrial Dialogue and Training Materials by SmartMap, Horizon 2020</p> <p>Transnational Dynamic Learning Package (e.g. Social Innovation Bootcamp) by NewGeneration Skills, DTP</p> <p>Playpark concept- Training material by CeriEcon, Interreg central Europe</p>
Platforms	Inspiring Actions
<p>Platform to identify specific innovative solutions for achieving the desired Global Sustainability Goals by Socratic, Horizon 2020</p> <p>Collaboration playground by, Open4Citizens, Horizon 2020</p> <p>The Support Network for Social Entrepreneurs, network of social entrepreneurship hubs by SuNSE, Interreg North-West Europe</p> <p>Platform Worldcoo which match NGOs project with donors, companies as well private person by Widget 3.0, Horizon 2020</p> <p>Virtual Reality content viewing platform Hikaru for immersive experiencing NGOs' projects by Mokita, Horizon 2020</p>	<p>"EcoDesign Audit", a diagnostic tool for enterprises and public organizations to assess their ecodesign capabilities by EcoDesign, Interreg Baltic</p> <p>Good Practices of R+D Transfer, SME Empowerment, Matchmaking, by EMPINNO, Interreg Baltic</p> <p>Designing Action plan, stakeholders meetings, findings and conclusions by PlansRaiSE, Interreg Europe</p> <p>Sempre <b>Empowerment Handbook</b> for everyone who works within social services by Sempre, Interreg Baltic</p>

<sup>6</sup> The project consortium identified 45 projects from 10 EU funding programmes dealing with social entrepreneurship, the comprehensive summary is available in document: The list is not exhausting, as consortium identified mainly those projects that could provide baseline to built upon and inspire the work within the CE responsible project

*Chart 2: Selection of existing projects dealing with social entrepreneurship across Europe*

## 1.2 Good practices of social entrepreneurship in participating regions

The CE RESPONSIBLE partner countries have collected several instructive cooperation stories that are connected to most of the sustainable development goals (SDGs). Most of the partnerships focus on the following SDGs:

-  Decent Work and Economic Growth
-  Reduced Inequalities
-  Responsible Consumption and Production

The majority of the collaborations are linked to several goals, but the dominance of the previous ones is decisive. Gender Equality, No Poverty, Quality Education are also popular areas of action. A specific focus on culture, urban regeneration, Inclusive Cities and citizen participation is identified in Italy. The known cooperations show different levels of development, from ad-hoc assistance to continuous, long-term joint work. In 70% of the cases the partners are medium and large companies with a multinational focus (Henkel, DM, Erste Bank, Ikea, Lufthansa, Vodafone, E.ON, etc.). 40% of the civil partners are social enterprises, 60% are other organizations (e.g. association, foundation). The proportion of for-profit micro and small business' is low.

Partnerships that have been running for a longer period (2-3 years), without exception are built on mutual benefits, so it can be clearly stated what each partner benefits from the cooperation. For the for-profit organization this can be support for new employees in the field of workplace integration, access to new products and services (food, sport activities for workers), sustainable recycling of waste and other unnecessary items and offsetting the harmful effects of their business activities (supporting nature conservation activities).

In terms of geographical focus, the Central-European and, within this, the national role is decisive. 4% of the stories learned were international or intercontinental cooperation (Europe-Africa).

Most initiatives devote significant resources to awareness raising, dissemination and are clearly open to involve other institutions (e.g. educational institutions, local governments) to fulfill their mission. Cooperation with stakeholders from other professional fields is also common (cross-sectoral partnerships).

Among the cooperations, the stakeholders working as a platform or being an umbrella organization represent an outstanding value. They involve a large number of actors in their processes and in many cases their scope is already international. Such platforms or umbrella organizations are not aiming to maintain the cooperation but to set up an ecosystem with multiple members. Some of these are thematic (e.g. helping the integration of refugees-platform), but those without narrowing of the field are also known (business development of civil cooperations).

75% of the stories describes a sustainable business model, thus the majority of the companies and NGOs have chosen a form of cooperation that, through mutual benefits and learning, can be operated in the long run. In the presented stories, the service provider approach is strong,

so nonprofit partners often seek out companies with a specific service or product list and explore their integration possibilities into the business' normal operating processes.

According to our analysis the participating partners are usually open to modern tools, in several cases we identified successful crowdfunding campaigns, cross-sectoral promotion, active and modern online marketing activities. Prizes and competitions are popular (pl. SDGs Award).

Incremental benefits are outstandingly strong in the stories explored. The NGO during its main mission, can join to many fields where they can have a positive impact, for example, a thematic community café can create jobs, it can help workplace integration, provide education, sell sustainable food, and actively contribute to dissemination of knowledge among the local

### **Case study**

#### **Die Fairmittlerei - good practice from Austria**

*Die Fairmittlerei is an association and example for waste avoidance by making a social contribution, as it sells usable, but not marketable non-food products at a small price to charitable organizations via their online shop. The product range offered by Die Fairmittlerei extends from care products, detergents and cleaners, office supplies or furniture, to shoes and electronics – depending on what the cooperation partners can provide. For a better understanding of how the cooperation works, we want to make one example of such a cooperation partner: Henkel is a multinational chemical and consumer good company, which is organized in the three business units (1) Laundry & Home Care, (2) Beauty Care, (3) Adhesive Technologies. It is a perfect example of an Altruistic Entrepreneur, as it has anchored resource conservation and sustainability in the corporate culture, runs a number of partnerships with charitable organizations, publishes a yearly sustainability report, and has several external sustainability assessments. Henkel hands on products that they can't sell to Die Fairmittlerei, who offers them at their webshop to charitable organizations at a small price (with a minus up to 90% of the selling price). While any user can see the products that are offered on the webshop, only registered charitable organizations that are based in Austria, can see the price of the goods, and order them. The "Die Fairmittlerei" also explains why they even take money for the products, and assure that it is only to cover their expenses, and not to make any profit.*




population.

Community building is a key part of the cooperations both from for-profits and the NGOs side. One third of the stories were motivated by the corporate CSR strategy, but the majority have a bottom-up approach. From the side of NGOs, personal involvement is decisive, the founder's primary motivation is their own life experiences in majority of the cases (e.g. autistic family member, psychiatric difficulties, unemployment).




### 1.3 Mentorship programmes and practices

In this deliverable we collected good examples from the project partners' countries for enterprises mentoring enterprises, region specific, mostly small scale mentorship programmes. Building capabilities, mentoring and providing funding support to the social enterprises will be crucial to their growth and sustainability. Finding the right mentor can be the determining success factor for social entrepreneurs, especially for those starting out. Mentoring can offer insightful advice, accountability, support and encouragement. A good mentor can help social entrepreneurs avoid common mistakes and focus on the highest priorities.

*Our document contains 30 mentorship programmes. The programmes cover almost all the sustainability sectors/topics, however the most common topics are the following:*

-  responsible consumption and production,
-  reduced inequalities,
-  decent work.

*We also had more examples related to the following sectors:*

-  affordable and clean energy,
-  sustainable cities and communities,
-  promotion of culture, creativity and social innovation.

Regarding the type of the mentor, most of them are individual entrepreneurs, but we also have cooperatives, foundations, for profit business organisations and associations. Our aim was to collect mentorship programmes specific to each regions or countries, that is why we mostly left out mentorship programmes offered by big multinational companies, or international foundations, and that is why we mostly have small scale, offered by individual entrepreneurs mentorship programmes. Although some of the partners included mentorship programmes of multinational companies, like Erste.

Mentees are mostly individual entrepreneurs, for profit business organisations, non-profit organisations and cooperatives/social cooperatives.

Regarding the phase of the mentored social enterprise, the collected programmes covered all the time phases of business life-cycle, there were programmes for individual enterprises only with some good ideas, for enterprises in the starting phase, but there were also mentorship possibilities for mature social enterprises, and programmes offering support for all the phases of social enterprises, but using different approach according to the different time phrase. It is necessary to emphasise that mentorship can be very productive for social enterprises during this middle more mature phase, in where they are more conscious of their needs and a better understand the tools.

Women seem to be more active in the field of social enterprises, but have less experiences in doing business and starting an enterprises, mentorship programmes dedicated for women are very useful.

There were programmes which were open for every social enterprises, but it seems, that those programmes using pre-selection of ideas or existing enterprises in the form of some kind of evaluation or competition are very successful.

The examples collected show that most mentoring programs are short-term, usually last for few days or few month. Most of them were shorter than 6 months.

The mentorship programmes contain mostly training, consultation, awards and attitude change.

#### *Case study*

#### ***Dunakanyar Pilis Local Products Social Cooperative from Hungary***

*The main purpose of the social cooperative is helping local primary producers sell their products in local and regional markets. The mentors' goal is to draw attention to local values, to encourage the consumption of local produce and through that to promote sustainable consumption and production. Through the co-ordination of sales processes and the organization of joint sales of its members' products, the cooperative enables producers to gain a larger market power and negotiating power. It also spreads risks and costs and allows them to focus only on the production itself. In addition to assisting with sales, they also provide legal and professional advice to members. The cooperative organizes conferences on topics related to organic and local product market issues 3-4 times a year too. Through adult training programs they provide knowledge on small-scale production and sale. In 2015 the cooperative started a forum on the promotion of small-scale products and handicrafts in the Danube Bend. Through regular consultations they encourage cooperation and strengthen networking between members. The cooperative was established in 2012 with 10 members, it is steadily growing, currently it has 14 members. In 2019 the cooperative also started a community garden, which provides venue for events that promote responsible consumption and production.*

They help in operating a successful business, in development of production and sale techniques in small scale, preserving and using traditions (e.g. restoring old furniture), job creation and career creation.

## 2. NEEDS, GAPS AND OBSTACLES

Social entrepreneurs across the Central Europe programme area deal with similar issues. The most prominent needs expressed by social entrepreneurs are demands for funding, networking and educational support but also infrastructure and better awareness raising on social entrepreneurship. Comprehensive support in the form of mentoring from idea to market entry, financial support, assistance with the provision of premises and infrastructure, assistance with networking and marketing is needed.

### **Funding**

In general, there are few specific funding schemes dealing with social entrepreneurship, usually run by private investors or public grant schemes. There is still need for improving of the financing of social innovation- reliable financing and support programmes are therefore indispensable, programs for state subsidies that are only open to commercial companies need to be opened for social enterprises. Substantive funding support especially at the beginning of the activity + accounting, legal and fundraising support later, would be beneficial.

### **Capacity building and skill development**

The social entrepreneurs need opportunities where they can improve their business knowledge, staffing, knowledge on GDPR, or public relations. Management training and consultancy (team management, task delegation, time management, planning, etc.), media training (assistance in access to media, public speaking training) and mentoring on the part of an "authentic" business, which will teach social enterprises how to run a business in the era of competition are needed. Besides, it is important to pay attention not only to standard business skills which are very important (preparing a business plan, etc...) but also to knowledge on legislation and incentives processes, grant funding and grant administration, knowledge how to participate in public procurement.

### **Networking**

The network should provide the entrepreneurs with advisors, **support from universities**, build different ways of cooperating with the public administration and other private not-for-profit and profit entities; build collaboration with new stakeholders creating larger communities composed by new customers and beneficiaries; support in the scaling-up phase, essential to create new communities.

### **Infrastructure**

Actual need is also to create a physical infrastructure in the form of innovation centres, meeting and experimentation spaces for social enterprises.

### **Dissemination, raising awareness:**

The issue is also that the concept of social entrepreneurship is misunderstood or the people do not understand what a social enterprise means. Social innovation needs to be

recognized by society as a motor for economic performance. Help in promoting the "social business" brand is needed.

The SWOT analysis reflects the most frequent expressed strengths, weaknesses, opportunities and threads for the social businesses by project partners in their country reports and compiles them in joint analysis; hence, the common issues are insert in SWOT chart.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>♣ Overall, in the Central Europe programme area there are support mechanisms and support organizations in place to backing social entrepreneurship. The number, structure and typology of these organizations varies across the area, but still there are in place</li> <li>♣ Incentives in different form to encourage social entrepreneurship and support it are available as well in the area</li> <li>♣ There is deep tradition rooted in the central Europe area for problem solving entrepreneurship (solving social problems). The tradition of some kind socially impacting entrepreneurial activity is immanent in all Central Europe countries, these can be tradition of cooperatives, non for profit companies or other forms of businesses having positive social impact</li> <li>♣ Investment support is available in all Central Europe countries, however the opportunities differs a lot. Companies built or starting to build their CSRs, support social business at their start or cooperate on their promotion.</li> <li>♣ There is a growing interest in developing socially responsible business across the Central Europe area.</li> </ul>	<ul style="list-style-type: none"> <li>♣ There is not a common understanding of social enterprises in the Central Europe. There is confusion of bodies that operate in social sector; there is no uniform definition of social business in the area.</li> <li>♣ There is slow transformation of public institutions to support the social entrepreneurship. This demonstrates itself as not enough public institutional support, slow move towards more participatory processes, lack of local governmental support.</li> <li>♣ In some countries, there is missing legal framework for social entrepreneurship.</li> <li>♣ The financial support and funding schemes available are still not sufficient to cover the needs of social enterprises. The social impact financing is still rather small.</li> </ul>
Opportunities	Threads



<ul style="list-style-type: none"> <li>♣ Increased recognition of benefit of social entrepreneurship is noticeable across the region. There is need for social services that are still not sufficiently covered across the region.</li> <li>♣ Networks of social innovators, business and their supporters are established and available. There are organization dealing with social impact, and networks with public administration and universities start to become more apparent.</li> <li>♣ There are education programmes, accelerators for business having social impact. This presents opportunities to increase skills and create new educational programmes targeting social innovators needs</li> <li>♣ New hybrid models to pay back investments and complex financial tools are starting to emerge</li> </ul>	<ul style="list-style-type: none"> <li>♣ Since there are no official criteria or fitting legal framework, companies could exploit the term of social business. This could lead to abuse of social entrepreneurship concept for activities that are not in accordance to social entrepreneurship.</li> <li>♣ The scarcity of funding is creating a thread and bottleneck for scale up and growth. Sometimes there is heavy dependency on grants and public transfer funding. Finding new forms of financing activities and projects is very complicated</li> <li>♣ The public support is very slow; there is limited interest from policy makers and representatives to deal with the social entrepreneurship. The public sector is only slowly adapts to new challenges and needs from the social entrepreneurship sector.</li> </ul>
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*Chart 3: Joint SWOT analysis on social entrepreneurs across the Central Europe programme area*

### 3. VALUES AND MOTIVATION

The CE Responsible project is committed to establishing business partnerships in order to enable companies to generate more positive social and ecological impact. To find out how a successful cooperation between different types of entrepreneurs can be supported, a study was carried out, which would allow conclusions to be drawn about differences and similarities regarding social entrepreneurs (SE) and altru-preneurs (AP) ethical corporate values. In the following, the most important key findings of the study will be briefly summarized.

The sample consists of 673 companies from the nine partner countries, with a distribution of 54.5% social entrepreneurs and 45.5% altru-preneurs. Most of the social entrepreneurs are active in the areas of (1) Education, (2) Integration, Inclusion, Diversity and (3) Climate and Environment Protection. The top 3 industries for altru-preneurs are (1) Manufacturing, (2) Information and Communication and (3) Wholesale and Retail Trade.

The companies were asked to indicate which category their social and / or ecological corporate goals could be assigned to. The SDGs of the United Nations served as categories. Both the SEs and the APs include "Good Health and Well-Being" (SE = 1st place, AP = 2nd place) and "Decent Work and Economic Growth" (SE = 3rd place, AP = 1st place) in their Top 3. For the SEs, "Quality Education" is in 2nd place and for the APs "Industry, Innovation, and Infrastructure" is their 3rd place.

For-profit businesses pursue their social and / or ecological goals usually through Corporate Social Responsibility activities (CSR). Of the 306 APs included in the sample, 23.9% (n = 73) implement CSR activities, with the three main reasons "the organizations social and environmental concerns" (n = 45), "brand reputation" (n = 35) and their "customers' social and environmental concerns" (n = 25) [the reasons were asked as a multiple answer set]. The 233 companies that stated that they had not yet had a CSR policy were asked whether they dealt with social or ecological issues in any other way, and 44,2 % replied that they do so.

At the time the study was carried out, Covid-19 was already an issue in all participating countries, which is why the APs were asked if they think that the Covid-19 restrictions make it more difficult to implement their CSR activities. With 61% more than half of the respondents think that the situation around Covid-19 would make it currently more difficult ("very difficult", "difficult", and "rather difficult") to implement them. However, the companies were not only asked about the current situation, but how they would assess it in 5 years. The number of companies that chose a value between "very difficult" and "rather difficult" has halved (29,6%).

Since it was assumed that the SEs could also be influenced by the Covid-19 regulations in the achievement of their social and / or ecological goals, they too were asked to share their opinion. 70% of the social entrepreneurs stated that the implementation of their social and / or ecological goals through Covid-19 is "very difficult", "difficult" or becomes "rather difficult". With a total of 56%, a little more than half of the respondents believe that target achievement will be "rather undifficult", "undifficult" or "not difficult at all" in 5 years' time.

In order to find out more about the motives behind the pursuit of social and / or ecological goals, the corporate groups were asked how concerns about social and / or ecological

sustainability influence their business activities, how sustainable economic activity differs from "business as usual", and what makes the implementation of a socially and / or environmentally compatible strategy difficult. Using a mean value comparison, based on a 6-point-likert scale (1 = totally agree, 6 = totally disagree), it was found that the attitudes of SEs and APs, what measures are needed here are relatively similar and that both groups are aware of these issues.

When asked how concerns about social and / or ecological problems make them act, the majority of SEs said "address societal or environmental concerns through our operations, internal policies, and processes" (SE mean = 2,12) and the majority of APs replied "rethink the future of our business model to master societal or environmental challenges" (AP mean = 2,90). Therefore, both groups of entrepreneurs see a direct need for action in the way they organize themselves and how they implement their business model. The option "run community programs and do philanthropic contributions" received the least approval (SE mean = 2,65, AP mean = 3,35), which suggests that the companies aim to make a positive contribution through the way they do business and see this less through a "compensation" outside.

When asked how a sustainable strategy differs from "business as usual", the SEs agreed most with the answers "more cross sector collaboration" (SE mean = 1,92) and "a deeper understanding of stakeholder needs and behaviors" (SE mean = 1,96). This means that the SEs have a network or eco-system concept in their minds, as well as the inclusion of supply chains and distribution channels. The APs, on the other hand, had the greatest approval of the option "guiding consumers to more sustainable choices" (AP mean = 1,95) and "changing regulations (e.g. tax incentives, new legal forms for businesses, ...)" (AP mean = 2,34). Hence, they may see themselves here more as providers, influenced by the "outside perspective" with a dependence on their customers and regulations for the way in which they can produce or sell their services or goods.

On the question of what makes the implementation of socially and / or ecologically sustainable strategies difficult SEs and APs agreed that "financing in the development phase" is the biggest hurdle for them (SE mean = 2,12, AP mean = 2,30).

Part of the survey also included to find out more about different personal motivations for corporate management of SEs and APs. To answer these question sets the participants were asked to imagine starting a new organization. When asking about the management principles of the respondents it can be seen that competitive advantages are more important to APs than to SEs ("to have thoroughly analyzed the financial prospects of my business" SE mean = 2,54, AP mean = 1,96, "to advance my career in the business world" SE mean = 3,89, AP mean = 2,55 on a 7-point-likert scale 1 = totally agree, 7 = totally disagree). On the other hand, the SEs are generally more about doing something good for a group and working for what a company can achieve for the sake of a community or society ("to make the world a „better place" (e.g. by pursuing social justice, protecting the environment)" SE mean = 1,79, AP mean = 2,75, "to play a proactive role in changing how the world operates" SE mean = 2,13, AP mean = 3,16). For the personalities of APs and SEs, this means that APs are more management and profit-oriented and the SEs more mission-driven, but the comparison of the mean values showed that on average neither of the two groups negates the values of the other in principle, since all mean values are on average less than 4, the value that represents the neutral point of a 7-point likert scale.

The two groups were finally asked which type of entrepreneur they would most like to cooperate with. The choices were "darwinians" who are primarily controlled by personal self-interest, "communitarians" whose efforts are based on fulfilling the interests of reference groups (know-

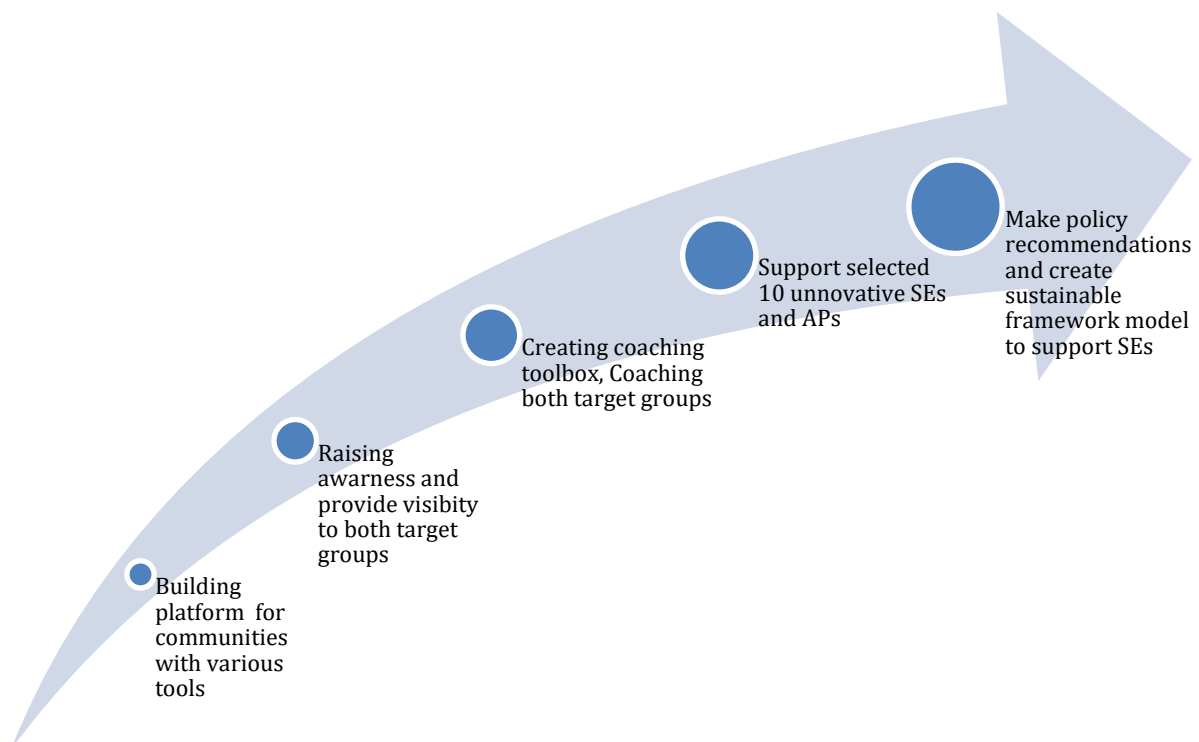
others) and “missionaries” who want to advance a vision or a cause. APs almost equally view darwinians (31,1%), communitarians (38,9%) and missionaries (31,0%) as ideal cooperation partners. In the case of SEs however, it becomes clear that half of them would prefer working with missionary type partners (53,4%), another third with communitarians (36,2%) and thus only 10% would preferred work with darwinians.

## 4. ACTIVITIES TO SUPPORT LONG TERM COOPERATION BETWEEN BOTH TARGET GROUPS

With aim to enhance the cooperation of altruistic and social entrepreneurs in the Central Europe programming area. The partnership identified activities that contribute to upscale support of social and altruistic entrepreneurship sector to create lasting cooperation environment for both groups.

The activities that will be implemented by the project partners will:

- ✚ Build a common community platform for social and altruistic entrepreneurs, where both stakeholders can engage, exchange common interest, “crowdsource” each other’s knowledge and services in line with their goals and values.
- ✚ Raising awareness on social entrepreneurship and altruistic entrepreneurship, boost the visibility and promote good practices
- ✚ Create coaching toolbox for social entrepreneurs coaching and subsequently followed by workshops for both social as well as altruistic entrepreneurs to build capacities in different topics.
- ✚ Identify 10 innovation social ideas that will be supported/mentored by altruistic entrepreneurs.
- ✚ Set up CE sustainable framework model for support of social entrepreneurship) and make policy recommendations to support and measure social entrepreneurship.



*Chart 4: The CE roadmap to upscale support of social and altruistic entrepreneurship sector to create lasting cooperation environment.*

### Platform and tools to facilitate the cooperation

The platform will provide opportunity for successful match-making and knowledge on sustainable cooperation & synergy between social entrepreneurs and big companies. The platform will offer seven novel tools and will facilitate and promote the potentials and benefits of mutual cooperation. In the context of the coming recession, networking will be essential for SEs, but also could prove to be attractive and useful for corporates. “Classic” companies also intend to become more social and/or sustainable. We consider this a great step towards a better future and want to support this trend. Eventually an Altruistic entrepreneurs’ international association will be form as well.

### Awareness raising and visibility

Visibility and promotion of SE - social entrepreneurship is sufficient to its potential. Target groups will be the corporations and big companies who have the means of support for social entrepreneurs, but also a solid basis for incorporating novel responsibility in their business. Second target groups will be the NGOs who depend on grants and state funds, lacking knowledge and examples of monetizing their ideas into business. The partnership will focus on promoting good practice examples to local stakeholders, cross-promotion with similar projects, involvement external stakeholders to multiplier events and open calls for innovative social projects, gaining new visibility and promoting SE.

### Capacity building and Coaching

The lack of business knowledge is quite regular in social entrepreneurial field, while these organizations’ commitment is extremely strong. More training opportunities, mentorship programmes, raising awareness activities would support them effectively. The partnership will create toolboxes for coaching of both social as well as altruistic entrepreneurs to facilitate their cooperation. Furthermore the toolbox offer a long term transfer of knowledge to anyone who would like to support the capacity building of these groups. In order to take first steps to enhance the co-working between both social entrepreneurs and altruistic enterprises, the partnership intends to organize coaching workshops and bring participants from both company profiles to the table. This not only aims to create possible partnerships or cross-company values, but also to gain insights about motivations, thoughts, problems and possible starting points for cooperations between social and altruistic companies.

### Support to 10 innovative projects

Open call will support 10 innovative social projects that will be selected from the platform established in previous step. Among these projects, partner will choose 3 best projects and video pitches will be prepared for these 3 best projects per country to provide a tangible support for best social projects.

#### Policy recommendation and framework model

As a result of facilitation of both groups and experimentation with novel tools and support actions listed above a sustainable framework model will be formed to support the social entrepreneurship. Framework model with key input factors (information, resources) and tailored to social entrepreneurship sector's needs will be prepared and presented in a guideline manual with the purpose to facilitate social and ethical entrepreneurship in CE regions. As an integral part to provide a stable ecosystem and facilitate its creation recommendation to policymakers will be drawn by project partners reflecting on local but also on regional needs.