PAVE THE WAY
INTELLECTUAL OUTPUT 1
ANALYSIS

SOCIAL ENTERPRISES & YOUNG ENTREPRENEURS

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TECHNICAL TRAINING BULGARIA

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The goal of the first output is the acquisition of a transnational vision on social entrepreneurship and innovative practices in the field of social innovation (with attention not only to the creation of company but also the activation of community building practices).

The main challenge under the first intellectual output is related to the absence of clear and shared idea of "social enterprise", the lack of specific skills for the development of this type of business, the need to update the regulations in this field, need to resolve access problems to market and to credit.

In this regard, the first output is structured as a research activity, which was conducted in each partner's country, identified and analyzed specific practices, including experimental or innovative, that promoted the development of specific skills in the field of support for the creation of social enterprise or the development of entrepreneurial skills in the field of social innovation, especially for young people

Experts and researchers from each project partner studied and compared the social entrepreneurship and innovative practices in the field of social innovation in each country. On one hand they analyzed how to create a social company and on another – how to create social communities – practices and experience.

As a result of the Intellectual Output 1, this report was created, covering the following topics:

- Best practices for promotion of social business, creation and sustainable development of social enterprises in each country;
- Development of entrepreneurial skills in the field of social innovation, with focus on young people;
- Main/basic requirements for social innovations and social enterprises;
- Different organizational forms of trade activities;
- Financial and business planning;
- Growing up a business;
- Legal responsibilities.

During implementation of the first IO, the 1st transnational meeting in Bulgaria will be organized. The meeting will be organized as a kick-off meeting aiming to introduce to the partners the project, outputs to be implemented, tasks and responsibilities by each partner - financial and analytical.

At the end of the implementation period of this first output, a multiplier event (E1) will be organized in Bulgaria, on the topic "Skills analysis - social entrepreneurship and social innovations". Aim of this first multiplier event is to present to all interested parties and stake holders the results under the first output and to share the experience gained while developing the report. On the first multiplier event will be invited representatives from National / Regional authorities related to the aims of the project.

SOCIAL ENTREPRENEURSHIP IN BELGIUM

Belgium is a federal state. Since economic matters have been devolved to the component regions, the social economy is managed at this level (Brussels, Flanders and Wallonia). We will mainly concern ourselves here with the Brussels-Capital and Wallonia regions (French-speaking Belgium).

As is the case for the 'conventional' economy, the social economy aims to develop economic activities that produce gods or services.

The latter, however, differs from the former in that its final purpose is to act for the collective good, strengthen social cohesion and sustainable development. The rise of this type of enterprise in Wallonia has led the regional legislature to enshrine the social economy in the decree of 20 November 2008 relating to the social economy (see the official journal Moniteur Belge of 31/12/2008).

This decree defines the notion of the social economy, identifies public instruments relating to this area, and sets out the representation and consultation bodies that relate to this sector.

The decree enshrines the following four ethical principles for the social economy:

- Providing a service to the community or to members, rather than making a profit;
- Independent management;
- Democratic decision-making process;
- People and labor take precedence over capital in the distribution of any revenue.

In French-speaking Belgium this definition is unanimously accepted. It was proposed by the Walloon Council for the Social Economy (CWES). It can also be found in the Wallonia decree of 20 November 2008 and in the Brussels ordinance of E26 April 2012, as well as the 2018 ordinance on the "Social Economy for Insertion".

The precedence of labor over capital translates into practices such as: limited returns on capital, reinvestment of surpluses, allocating surpluses to socially beneficial objectives, the distribution of surpluses, in the form of refunds, among workers or users/members, etc.

Independent management means that the initiative or enterprise must sit outside the state apparatus and have the capacity not to be subject to control by another entity, whether this control is in the form of majority representation in decision-making bodies or de facto control by public authorities or their representatives.

Providing a service to the community or to members, rather than making a profit means that the aim of the economic activity is to provide a service to the members or to the wider collective and is not a means of financial gain. This does not mean that profits are not allowed, if they are a means to improve delivery of the service and the main purpose of the activity.

Democratic decision-making process refers to the principle of "one person- one vote" in the decision-making bodies, whereby voting rights do not depend on the capital each person may own. This principle is prescribed by the legislation governing the different legal forms found in the social economy.

Between 2010 et 2015, over 10,000 full-time equivalent jobs have been created in social economy enterprises in Brussels and Wallonia.

In 2016, there were 6,538 social economy enterprises active in Wallonia (58%), and 4 685 in Brussels (42%).

The number of social economy enterprises has grown by 3% in five years. They have generated 148,990 jobs in Wallonia and 103,598 in the Brussels-Capital region.

The overall number of jobs in the social economy has grown by 7.8% over the period 2011-2016. Over the whole of this period, the employment rates in the social economy have been higher than those in the 'conventional economy' excluding the social economy.

In French-speaking Belgium, the social economy is made up of five types of undertakings: associations (95%), social enterprises (2%) cooperatives and foundations (1% each) and mutual benefit societies (less than 1%). It is mainly made up of enterprises that employ fewer than 50 employees (93,4%). This prevalence is also found in the 'conventional' economy, where businesses employing fewer than 50 employees account for over two-thirds of the total.

The latest figures relating to the social economy in French-speaking Belgium can be found on the following link (in French).

The structure of the social economy in French-speaking Belgium

Non-profit associations and foundations

It was not until the end of the 19th Century that legal frameworks were established to provide a genuine structure to the associative world, thereby recognizing the right to freedom of association.

The legal status of NGO was established by the Law of 27 June 1921 on non-profit associations. It met with growing success due to its versatility and simplicity.

The NGO status is clearly an irreplaceable instrument for organizing social, cultural, public health, educational sporting, charitable and other activities. It covers all areas of activity, all philosophical, confessional and political tendencies, and represents the prime expression of the freedom of association enshrined in the Constitution.

The legal status of NGO was modified by the Law of 2 May 2002. The reform of the 1921 Law on non-profit associations completely reshaped the initial text, the main aim being to enable associations to improve the management of their human, material and financial resources in a constant concern to promote transparency.

The NGO is an association made up of at least the members, either natural or legal persons, and given legal personality, which does not involve itself in industrial or commercial operations and which does not seek material gain for its members. It therefore has its own legal personality, which means its members responsibility is limited.

The NGO is defined in the negative, i.e. by a list of the activities that it is not allowed to carry out. However, contrary to the restrictive formulation of the law, doctrine and legal precedent have gradually granted NGOs the ability to engage in commercial activities on a secondary or incidental basis.

Foundations differ from NGOs in that the latter do not need to have assets, inasmuch as they have members who, through their activities, can enable them to meet their objectives.

Foundations, however, have neither members nor associates. They therefore must have assets that enable them to carry out their work.

Cooperative societies have a status that, as well as defining a common goal, set out the founding principles for cooperation:

- profits are returned to the members on a proportionally to the operations;
- capital can only be remunerated on a limited interest basis;
- the principle of "one member, one vote" is applied in the decision-making bodies;
- the management of the cooperative is independent;
- joining and leaving is on a free basis.

To these days, these principles remain important aspects of cooperatives societies.

In Belgium, cooperative societies were given a legal framework in 1873.

Paradoxically, the legislation is practically oblivious to those fundamental attributes of cooperatives. indeed, on the from the legal aspect, this form of company is characterized as follows:

● Variability of membership and contributions: a cooperative company is an "open" company, the capital of which is made up of a fixed amount part a variable part. This variable part will fluctuate in line with subscriptions, admissions, resignations or exclusion of members, while this variation does not require a modification of the statutes

● The strictly limited transferability of holdings: the shares in the cooperative are registered and can only be ceded or transferred to those nominated in the statutes or who fall within one of the categories determined therein, and who fulfil the conditions mandated by law or the statutes to become members.

In return for these advantages, the Companies' Code sets out strict rules concerning resignations or the withdrawal of members' shares and the granting of a dividend to the latter, by stating that:

● no dividend can be paid when, at the close of the last accounting year, net assets, as assessed in the annual accounts, are, or would become as a result of the distribution of such a dividend, less than the fixed part of capital, increased by all the reserves that the law or statutes do not allow to be distributed

● unless there is a statutory provision to the contrary, members have the right to resign or withdraw a part of their shares, but this right can only be exercised in the first six months of the financial year.

● shares are, however, freely transferable to members, if necessary, under the conditions set out in the statutes

● members' right to a refund of their shares is conditional on the refund not resulting in the net assets falling below the fixed part of the share capital.

Social enterprises were created to compensate for a problem encountered in the social economy sector where some NGOs' main activity was of a commercial nature and in which, inversely, some companies were carrying out commercial activities without seeking the enrichment of their members.

Social enterprises are 'conventional' companies (limited company, public limited company, cooperative companies, etc.) that is not devoted to the enrichment of its members, which is forbidden, even where they do not distribute benefits to their members. However, this was contrary to the legal definition of a company. Members of a social enterprise are only seeking limited or no financial benefit.

The financial benefit in question includes two components: on the one hand direct financial benefit, i.e. the distribution of dividends to the members and, on the other hand, indirect financial benefit, i.e. savings for the members.

The distribution of dividends is however permitted, as long as it does is not higher than a specific rate set at 6% by royal decree.

Furthermore, the company's statutes must state the policy for the allocation of profits that is consistent with the purpose of the company and directors are obliged to produce a special report on the way in which the company has ensured that it meets the goals it has set itself.

All the rules that apply to the chosen form of company must also be adhered to, whether it is the rules relating to subscription and paying-up of any capital, the rules governing decision-making bodies, accounting provisions, or those relating to the responsibilities of founders, directors and managers, etc.

Mutual benefit societies were born of private initiatives in the 19th Century, when the country was still governed by national laws. These organizations are intimately linked to the social security system, which has remained a within the jurisdiction of the federal government. They are therefore, to this day, governed by federal laws. Their aim is to mutualize the consequences of illness and invalidity. They are naturally rooted in local or vocational spheres, between people who are very close to one another and between whom there are strongly felt links of solidarity. These funds provide temporary support in cases of illness, infirmity or death, as well as help with funeral costs. They are inspired by benevolent ideals.

It was the Law of 3 April 1851 on mutual benefit societies that enabled such societies to gain official recognition and thus obtain a legal status. The legal conditions imposed for recognition meant that most mutual societies remained de facto associations.

At the close of the 19Th Century, the mutualist movement became more structured and took a confessional orientation.

The Law of 23 June 1894 revised the status of mutual benefit societies and allowed them to associate within federations. The granting of public subsidies to recognized mutual societies (Law of 19 March 1898) had a strong incentivizing effect on the mutualist movement.

On the 1 January 1991, the Law on mutual societies and national unions of mutual societies came into force. It hinges around three main themes:

●Adapting the missions of mutual benefit societies and national unions. These missions are defined as follows:

- collaboration in the implementation of the insurance
- the organization of voluntary and complementary insurance in the areas of sickness and work incapacity
- aid
- information
- assistance for members

- The simplification of structures, democratic participation and the protection of members.
- Organizing effective financial and accounting control measures.

Taxation: fiscal stimuli

Donations, fund for a social and sustainable economy bonds

Some donations can be tax deductible from net income. They must be made to a series of (state recognized) institutions that have a scientific, social or humanitarian purpose. Some mechanisms for socially responsible investment (SRI), in which the saver cedes all or part of their interest or dividends to a recognized association are tax deductible.

The Fund for a Social and Sustainable Economy also gives some fiscal advantages to savers.

For registered bonds with a 60-month maturity, natural persons receive a tax reduction on the sums subscribed over the taxable period for their acquisition.

Stimuli in the area of public calls for investment

Stimuli in the area of public calls for investment also apply to the social economy. The law defines public offerings as a communication in any form and by any means to people and which presents sufficient information on the conditions of the offer and the investment vehicles on offer, in such a manner that an investor may decide to buy or subscribe to these placement instruments, and which is made by the person who is in a position to issue or transfer the investment vehicles.

The public offering rules relating to share subscriptions in a cooperative society therefore falls under the scope of application of these regulations. Furthermore, soliciting individuals to place their savings as loans to alternative funders (as a cooperative or NGO), also falls within the scope of application of the law.

Stimuli in the area of public tenders

As well as providing the state with goods, services and works, public tenders are a formidable economic tool. It is possible to transpose the objectives of the social economy into public tenders (and thus consider other criteria rather than the sole pursuit of profit, represented here by the savings that public authorities may make by choosing the cheapest tender) and, on the other hand, to ensure that players in the social economy participate in public tendering procedures. Various means may be used to achieve these goals:

● A social clause is a clause inserted into the specifications of a public tender. It could be to impose on the company, for the duration of the tender, to employ supplementary staff who are characterized as hard to integrate. A second type of social clause consists in obliging the company, for the duration of the tender, to train interns.

● Inserting ethical, social or environmental considerations: rules on public tenders allow the public authorities to introduce social and ethical considerations, as well as environmental criteria as part of their calls for tenders.

● Social priorities provide a further possibility that is of particular interest for the social economy. This gives the adjudicating authority (within the framework of a public tendering procedure) to reserve participation for adapted work enterprises (providing work for the disabled) and social insertion enterprises, as long as the tender is not subject to obligations resulting from EU directives.

By social insertion economy, we mean: initiatives whose aim is the social and vocational integration of jobseekers who are particularly hard to place, through activities that provide goods or services, and which meet the following general conditions:

- After the start-up phase, the target group in work or training must make up at least 50% of the total workforce;
- At least 10% of the staff supporting the target group must be made up of personnel that is able to lead and develop training and social guidance programmes;
- To have the legal status of an NGO, a cooperative society, a social enterprise or other, as long as the aims and purpose are of a social and collective nature;
- Not to have a majority of members of the decision-making bodies from the public sector;
- Be accredited by the relevant authority.

By 'jobseekers who are particularly hard to place', we mean jobseekers who, at the time of their hiring or the start of their training programme, are either disabled or unemployed for at least twelve months, have at most a lower secondary school certificate or equivalent, and who are in a difficult social situation.

The European directive on public tenders also enshrines a principle of reserved tenders in its article 19. In this case, reserving the procedure for public tendering is possible for all tenders (no maximum or minimum size) to the benefit of social workshops or "to sheltered workshops or provide for such contracts to be performed in the context of sheltered employment programmes where most of the employees concerned are handicapped."

Funding for the sector

There are three main types of financial institution that work with the social economy:

- 'Conventional' financial institutions, that might - in a limited way - participate in funding the social economy through of so-called solidarity mechanisms, such as ethical investments and shared investment schemes.
- Alternative financers are bodies that provide groups and individuals a form of alternative investing where the yield is not primarily financial, but mainly social and human, and which provide credit to social projects that do not have access to bank loans, as well as to initiatives that reach the most deprived. They can also be public or quasi-public funds or organizations set up to support the social economy.
- Public or quasi-public funds or organizations are set up by public authorities. Some examples include:
    - The social and sustainable economy fund (FESD), which intervenes (by acquiring a stake or providing loans) in support of activities that are in the domain of the social and sustainable economy.
    - The participation fund, which is a federal public institution that supports and promotes entrepreneurship through a range of financial products, such as microcredits, the "solidarity loan", of the "young self-employed plan", that are

aimed at jobseekers or deprived groups that are not in a position to access investment loans from banks.

- SOWECSOM (Walloon commercial social economy company) is a public body set up as a limited public interest company, a subsidiary of the Wallonia regional public investment company (SRIW). SOWECSOM can intervene through loans, credit guarantees or stake acquisition.

Conclusion

The social economy (SE) has for decades shown that it is possible for enterprise to have a solidarity dimension. Prospects for growth in the social economy will only be possible if special purpose financial systems support the sector. Enterprise costs money and, for the social economy, this is doubly true.

Conventional financial markets are often not accessible. The reasons for this are know:

- limited financial returns
- risks are sometimes greater
- the fact of being a pioneer in a new sector where those leading initiatives are social economy entrepreneurs
- the lack of guarantees and the issues linked to small-scale projects.

For over 30 years, these gaps have been filled by solidarity funders. They provide social economy enterprises with access to credit and risk capital, often alongside specific support measures.

Solidarity funders are pleased that the federal and regional authorities in Belgium are aware of the importance of improving access to capital markets for SE enterprises. They note, however, that the authorities are deploying considerable means for state funding. Experience has shown that that all the financial needs cannot be met by the creation of public funds that invest indirectly in the social economy. It also appears that these public funds intervene directly as financers.

When such government initiatives intervene actively in the sphere of solidarity funders, competition is inevitably disrupted. One could even speak of distortion of competition, since public means are so great that private initiatives become less advantageous, which puts existing solidarity funders under pressure. Only a balanced partnership between solidarity funders and government initiatives can guarantee that market conditions are met, and that social purpose funding can thrive.

The Belgian social economy has many strengths:

- a strong historical foundation
- deep and widespread penetration in society
- legislative tools that foster its development.

But it is also a sector that is underdeveloped in many respects:

- lack of visibility
- lack of credibility
- lack of funding.

In order to foster its development, we believe that the following conditions must be met:

- improving knowledge of the sector
- greater use of public tenders to promote the social economy
- creating a genuine solidarity financing system that benefits from fiscal advantages in raising capital, specific new financial tools and a special status for solidarity funders.

SOCIAL ENTREPRENEURSHIP IN SPAIN

The main requirements to bring innovation to social enterprises revolve around the following axes:

- ✓ Sustainability (recycling, reuse, transform)

Creating a company under the value of sustainability means ensuring a balance between the profits produced by the company and its economic performance, persevering with the environment in the production processes and seeking a cohesion of the population by respecting their social rights.

- ✓ New technologies.

A social enterprise must adapt to the communicative dynamics of a globalized world. Use the technologies to enter the market and find customers through. As well as using these technologies for greater transparency in the negotiations, especially if they work with public money.

- ✓ Social responsibility:

A social enterprise must be committed to the welfare of its workers, thinking that a worker with decent working conditions means greater economic performance.

- ✓ Human Resources:

A social enterprise, if it is large, must commit itself to the insertion of people with special difficulties of access to the labor world.

- ✓ Sustainable sources of income.

In addition to the importance of a company preserving the environment and "taking care" of its workers, it is important that the income obtained in the first phase of business creation, when the Marketing Plan is more intensive, extend over the life of the company.

- ✓ **Zoom Comunitario** - created in 2018, is a company that works on the employment of young people through new technologies. Using elements to young people is closer to them such as social networks.

The clients of this company are mainly associations, foundations or social entities that work with this group. Its motto: The audiovisual as an experiential tool of social transformation and empowerment. In one or several sessions and in a challenge format. They create an audiovisual piece on a specific theme of diversity or personal development.

Distributed by groups, the participants work in a process of:

SHOOTING / EDITION / DISSEMINATION IN SOCIAL NETWORKS

PROJECTION / COMMUNITY

During this creative process it is implicitly generated dialogue and group reflection around diversity issues.

Work at individual, group, family and / or community level.

- ✓ **Ecooriginal** - it is a company created in 2014 based on the distribution of caramelized sesame seeds. With a process of purely ecological creation without processed ingredients. To caramelize they use panella a superfood with a lot of healing properties. Currently there are 4 people in the company and he started with 1 person who had to mortgage his life to start the business. Currently exports abroad and to the main brands of supermarkets. With values such as ecology or a healthy diet, Ecooriginal has managed to position itself as one of the most successful companies that Trinijove has advised. One of the strengths of this company is the attitude of the founder. A very focused character in commercial activity, she is able to convince the client by demonstrating the healing qualities of caramelized sesame seeds. In fact, on its website, offers recipe proposals where you can use the 35 varieties of caramelized sesame seeds offered.
- ✓ **Crossfit Subur** - company created by two partners in 2017, is a concept related to healthy living. The same company with two business lines: On the one hand, it is a Crossfit gym and on the other, it offers a healthy food restaurant service. With this, he combines the two pillars of healthy life: 1) physical exercise and 2) a complete and healthy diet. CrossFit is a comprehensive conditioning system where

we combine a great variety of exercises, mostly functional, performed at high intensity, enhancing all fitness capabilities: strength, cardiovascular / respiratory resistance, muscular endurance, flexibility, coordination, balance, power, precision, speed and agility. CrossFit is composed of three large blocks of exercises: gymnastics, weightlifting and conditioning, combined together they give rise to an infinite number of possibilities that will pose a new challenge every day. In CrossFit Subur you will find both group classes programmed and guided by our coaches, as well as free sessions where you can train on your own. In addition, we offer you our Ola Bar space, where you can relax after training with a smoothie, smoothie or açai bowl.

In the case of Crossfit Subur, the founder was advised for a year by the professionals of Trinijove. The formation was a fundamental element, since it realized one of the formations that we offer in Trinijove: The Formative Action for Entrepreneurs, in which it is taught to undertake through different aspects that must be taken into account at the time of setting up a deal.

- ✓ **Develop Barcelona**, is a company created under the values of energy saving and green energy. This company has created the Smart Meter Historics app. The purpose of Smart Meter Historics is to facilitate the download of historical records stored in company counters and once downloaded they can be sent quickly and easily by email to the office where they can be interpreted quickly by the staff of your own company. It is no longer necessary to go through other platforms or make a prepayment to access the historic ones.

With this tool you can acquire, through a single visit to your client, the historical data stored in the company's counter regarding the consumption of the last months. Once the application is acquired, you can download everything you want whenever you want, without limits of connections to the counters or expiration date of the application. Acquire exclusively the protocols that you may need for the type of clients you work with, small or large consumers. In this case, the entrepreneur came to Trinijove to help him develop his business through a business plan he could present to capitalize his unemployment benefit.

- ✓ Perfect Clean Car - it is a company dedicated to car washing in an ecological way, with products that do not harm the environment. In addition, with your washing method you save up to 98% of water than in a traditional wash. The entrepreneur is a young man of 25 years who asked for a loan from the bank, advised by the professionals of Trinijove.

Trinijove provides service for entrepreneurs providing help and skills besides the advice for the development of the business plan and all the assessment they could need, for those who need we provide some coaching in soft skills giving empowerment to them for 4 specific sessions, this are basically for youngsters.

Limited partnership, collective society, or perhaps a civil society is more appropriate? Which legal form is the most convenient for my business? This is one of the first questions that the entrepreneur must solve, and in Spain it is not easy to answer for the large number of variants that the current legislation contemplates.

Without a doubt, it is a decision for which the opinion of an expert must be told. But to shed light on the first deliberations, we summarize the most important points of each of them, with special emphasis on the initial investment and on the legal responsibilities and on the equity that they entail. Let's go to it, there's a lot to tell:

- ✓ Individual entrepreneur (self-employed): a partner

It is the natural person who performs on a regular basis, personally, directly, on his own account and outside the scope of direction and organization of another person, an economic or professional activity for a lucrative purpose. You may or may not have workers employed by others. Its taxation is regulated mainly through the Personal Income Tax (IRPF) tax.

• Initial capital: none is required.

• Responsibility: the sole partner is responsible with all his assets. If the employer is married, the responsibility derived from his activity could reach his spouse, so to know the situation must take into account the economic regime governing the union and the very nature of the assets.

✓ Limited responsibility entrepreneur: a partner

It is one of the novelties of the Law of Entrepreneurs. It would be the natural person who, with limited liability under certain conditions, performs on a regular, personal, direct, on their own behalf, a profitable economic or professional activity, with or without employees for their own account.

• Initial capital: not required.

• Responsibility: here lies its main novelty, since this formula allows self-employed professionals not to have to respond with their personal assets to the possible debts generated by their activity, for example, with their habitual residence. However, in practice this restriction is subject to several conditions that must be known, for example, that the value of the home does not exceed 300,000 euros. Undoubtedly, the achievement of the objective for which it was created can be improved.

✓ Community of goods: at least two partners

It is the most appropriate formula when ownership of a property or right belongs to several people and is part of a business activity carried out jointly, for example, the rental of homes and premises. The community of goods does not pay taxes for the income obtained, but these are attributed to the community members who pay them for Income Tax or Corporate Tax, mainly.

• Initial capital: there is no legal minimum.

• Responsibility: it is unlimited against third parties.

✓ Civil Society: at least two partners

It is a contract by which two or more people share capital with the purpose of dividing profits among themselves. Their taxation must be in the Corporation Tax when they have a commercial objective, and when this is not the case, they are attributed to the regime to which each of their partners is entitled (IRPF, Corporation Tax, etc.).

• Initial capital: No legal minimum

• Responsibility: It is unlimited

✓ Collective partnership: at least two partners

Commercial company of personal character, in which all the partners, in collective name and under a corporate name, undertake to participate in the proportion they establish, of the same rights and obligations.

• Initial capital: no legal minimum.

• Responsibility: unlimited of all the partners, who are jointly and severally liable to the company for all their debts.

✓ Simple Limited Partnership (SenC): minimum two partners

Commercial company of a personalist type. Its peculiarity is the existence of collective partners that contribute capital and work and respond subsidiary, personally and jointly with social debts, and limited partners, who only contribute capital, limiting their responsibility to this contribution.

• Initial capital: there is no legal minimum.

• Responsibility: that of the collective partners is unlimited. Limited partners, limited.

✓ Limited Liability Company (SRL or SL): at least one partner

Very used by the small businessman. It is the most popular type of mercantile society, because it avoids responding to personal wealth. It divides its social capital in shares, which are indivisible and cumulative. In this way, it is integrated by the contributions of all partners.

• Initial capital: minimum € 3,000.

• Responsibility: limited to the capital contributed.

✓ Limited Successive Training Society (SLFS): at least one partner

Also, again, the goal is to reduce the initial training of the company by not requiring any prior disbursement. Moreover, this company has a regime identical to the Limited Liability Company, except certain obligations to ensure the protection of third parties,

including limits on the compensation of partners and administrators or joint liability in case of liquidation.

• Initial capital: no legal minimum.

• Responsibility: limited to the capital contributed.

✓ New Company Limited Company (SLNE): from one to five partners

Another variant of the Limited Company, designed for an agile start-up of small projects and totally telematic. However, since its inception in 2003 it has not attracted the entrepreneur as previously thought.

• Initial capital: from € 3,000 to € 120,000.

• Responsibility: limited to the capital contributed in the company.

✓ Sociedad Anónima (SA): minimum one partner

It is the mercantile society of the most ambitious projects and is not very present in the territory of small business. Its share capital, divided into shares, is composed of the contributions of the partners. Your tax is governed by the Corporation Tax.

• Initial capital: minimum € 60,000.

• Responsibility: limited to the capital contributed.

✓ Limited Partnership for Shares (SCom): minimum two partners

Its share capital is divided into shares formed by the contributions of the partners. One of the partners must assume the management of the company, personally answering the social debts as a collective partner.

• Initial capital: minimum € 60,000.

• Responsibility: the collective partner, unlimited. Of the limited partner, limited to his contribution.

✓ Sociedad de Responsabilidad Limitada Laboral (SLL): minimum two partners

A little used formula, despite adjusting to cooperative projects. Its main characteristic is that at least 51% of the social capital is owned by workers who provide paid services in a personal and direct way, and with an indefinite employment relationship.

• Initial capital: minimum € 3,000.

• Responsibility: limited to the capital contributed.

✓ Sociedad Anónima Laboral (SAL): minimum two partners

As in the SLL, the majority of social capital is owned by workers who provide paid and personal service indefinitely, although in this case its formula is more suitable for projects with higher growth prospects.

• Initial capital: minimum € 60,000.

• Responsibility: limited to the capital contributed.

✓ Cooperative Society (SCoop): minimum three for first-degree cooperative

With less presence than in other countries around us, despite offering lower business mortality than other formulas and having greater tax benefits. It is constituted by the people who join, in a regime of free adhesion and voluntary resignation, to carry out business activities aimed at satisfying their needs and economic and social aspirations, with structure and democratic functioning. Tribute in the special regime of the Corporation Tax.

• Initial capital: minimum fixed in the statutes.

• Responsibility: limited to the capital contributed in the company.

✓ Sociedad Cooperativa de Trabajo Asociado (CTA): minimum three partners

Another of the models that integrates the economic and social objectives of the project. In this case, the CTA is constituted by people who aim to provide their partners with part-time or full-time jobs, through the common organization of the production of goods or services to third parties.

• Initial capital: minimum fixed in the statutes.

• Responsibility: limited to the capital contributed in the company.

✓ Professional Societies: at least one partner

Active since 2007, they were created for the common exercise of a professional activity. They try to offer legal certainty and a specific regime that serves as a guarantee for customers and users. They are capital companies that can be constituted as limited or anonymous and are subject to special requirements such as 75% of the capital, the right to vote and the social patrimony are in the possession of the professional partners.

• Initial capital: according to the social form adopted, limited or anonymous.

• Responsibility: limited to the capital contributed in the company.

✓ Agrarian Transformation Society (SAT): minimum three partners

Designed for projects that promote improvements in rural areas. These are civil societies with economic and social purpose in order to produce, transform and market agricultural, livestock or forestry products.

• Initial capital: according to the social form adopted, limited or anonymous.

• Responsibility: social debts will respond, in the first place, the social patrimony, and subsidiarily, the partners in a joint and unlimited manner (unless by statute responsibility has been limited).

Law 44/2007, of December 13, for the regulation of the scheme of insertion companies.

Publicado en: «BOE» núm. 299, de 14/12/2007.

Entrada en vigor: 13/01/2008

Departamento: Jefatura del Estado

Referencia: BOE-A-2007-21492

However you can find the legal templates and legal information in the state page that is the following: HERE

Financial and business planning

To develop a social enterprise, it is necessary to write a business plan that includes the different factors and objectives of each of the areas involved in the start-up of a business. It has a double usefulness: internally it helps the project promoters to start their business venture with a minimum of coherence, rigor and efficiency that contributes to minimize the risks inherent to the generation of a business project. Externally it is a letter of presentation of the project to third parties, which can be used to seek financial support, find new partners, contact suppliers or apply for grants. A business plan consists of the following sections:

1.- Presentation of the project: The description of the activity that will be carried out is detailed, as well as the profile of the promoters that make up the project and the origin of the idea. It is also important to explain the motivations that lead the entrepreneur to generate this business idea and the evolution of this idea.

2.- Characteristics and trends of the market: Description of the situation, evolution and trend in which the sector is located, description of the geographical area to which the product or service will be directed and description of the main socio-demographic and economic characteristics of the area. objective

3.- Analysis of the demand: Definition of the profile of the clients to whom the product / service is directed. Both individuals and companies. This also implies the analysis of the needs that it is intended to cover.

4.- Analysis of the competition: Description of those companies that offer our same products or services.

5.- Marketing Plan: This point will help us defend our product before the client. Here is detailed the product, the differentiating features of this and the strategies to follow to cover the maximum of needs in a better way. They also have to detail the pricing strategy, as well as the promotion and advertising. Finally, it details the channels that will be used to get our product or service to customers.

6.- Production Plan: Section in which the manufacturing process of the product / service will be detailed, as well as the necessary resources to develop the activity and how the suppliers will be managed.

7.- Organization plan: detailing the organizational structure of the company, the human resources needed to develop it

8.- Legal-fiscal plan: Point where the chosen legal form and the reason for its election are collected, the licenses, permits and procedures to constitute the activity, as well as the taxes that have to be paid.

9.- Economic financial plan. The objective of this section is to establish the economic and financial aspects of the activity and must conclude with the economic viability of the project.

Growing up a business

In order to grow a business, an ambitious marketing plan is necessary through social networks and new methods of telecommunications fitting it with the sustainable growth that we had previously talked about.

It is also important to generate awareness and serve as an example through the RRSS so that companies include social reporting in their processes.

Networking and connecting with other companies are important to grow the business. For this, it is necessary that entrepreneurs know the market through tools such as the elevator peach, the visit to fairs related to the sector with which they work, as well as the knowledge of other companies with which they can collaborate.

Another method that can grow your company is about innovation. Creating a new product or service that the market needs can exponentially increase profits and grow as a company. In addition, it is not only important to create a new product or service that is necessary for people, but also to do it in a different way than other companies do.

The information on the market sector in which your company is located is essential to add innovation or even adopt patterns of other existing companies.

Local legal requirements

To set up a business in Spain it is necessary to comply with different legal requirements:

Activity licenses: it is a mandatory municipal license so that a commercial, industrial or service activity can be carried out in a local, ship or office. It consists of a document that certifies compliance with the conditions of habitability and use of that activity. The license of opening or activity is granted to the owner of a business for the development of a certain activity. It should be renewed each time the activity developed in the premises changes, that there are modifications in it or that the owners of the business change, for example in case of transfer

Census declaration: it is the document that is used to register in the Entrepreneurs Census and sign up in the Treasury and to communicate to the Treasury certain personal, fiscal and business data. This document does not only serve to announce your start of activity but also you will have to fill in it every time that any of the data indicated in it is modified.

- ✓ model TA0521:

It is obtained in the General Treasury of the Social Security. There they give you the Social Security number if you do not have one and register in the Special Regime for Self-Employed Workers. In addition, you must register the company to be assigned to the employer a number for identification and control of their obligations, the Code of Contribution Account.

Data protection law: At present it is important to have regulated the treatment of data that every company custody of its customers.

Spain has a specific law for social enterprises that is the following:

Ley 44/2007, de 13 de diciembre, para la regulación del régimen de las empresas de inserción.

The principles that inspire this Law are based in the mandate of the Spanish Constitution that, In paragraph 2 of its Article 9, it orders the powers public to facilitate the participation of all citizens in the political, economic, cultural and social life of our country, which motivates the legislator to contemplate the need to establish adequate channels that facilitate such participation, especially that of those people that due to different circumstances are in situations of difficulty and social exclusion.

On the other hand, these particularly disadvantaged people, in situations of marginalization or exclusion, find special difficulties in accessing the market of work, due to their social, economic, educational qualifications and skills, so that the exercise of a job, right and duty of every citizen enshrined in article 35 of the Constitution, presents numerous problems for them due to the personal demotivation, ignorance or abandonment of basic social and work habits, as well as the lack of minimum educational levels and lack of adaptation professional.

The transformations that are experiencing the economy, society, the continuous technological advances and changes in habits of labor and systems of work organization, accompanied by the loss of social and family ties, make up some of the multiple causes of social exclusion.

The relationship with the world of employment is a mandatory reference when dealing with integration processes Social. The working-age population finds in the employment not only a source of income, but also the origin of a whole network of social relationships that facilitate the integration.

A common feature to almost all situations of exclusion social is the difficulty to participate in the mechanisms habitual training and job placement. Thus, it is essential to involve in the fight against exclusion to the different Public Administrations, within of their areas of competence and means, through integration actions aimed at strengthening the full participation of the groups affected by this situation.

The effectiveness of the policies of the public authorities aimed at promoting employment and fighting exclusion social will depend on the capacity that they have to respond to such situations and to get involved in the corresponding solutions. This policy model social is based fundamentally on the incorporation of new forms of organization.

In the community sphere, it should be noted that one of the three overarching objectives of the European employment strategy (EEE) is to consolidate social inclusion, prevent exclusion of the labor market and support integration in the employment of disadvantaged people. The guidelines integrated under the three priorities of the EES (supply of labor, adaptability human capital); they pay considerable attention to the promotion of an inclusive labor market.

In this regard, the Commission Communication European Conference on the Social Agenda in the European Union announced the proposal by the European Commission of a European Year (2010) of the fight against poverty and social exclusion. That year will serve to measure the progress made during the decade to put the special vulnerability of the groups of population with greater difficulties.

The initiatives developed by the companies of insertion in this field in the State have been numerous in recent years and have brought continuous support to the most disadvantaged people in society who participate in them, and they are linked to the territory and needs of work in the area, looking for spaces in the world of work and creating jobs.

These are initiatives that, through business activity, accompanied by social and insertion activities social, make possible the social and labor inclusion of people excluded for subsequent placement in companies conventional or in self-employment projects.

The methodologies that are developed during an itinerary of insertion, within which the activity is carried out employment in the insertion company, they have aim to empower people through of technical knowledge, socio-labor habituation and determination of priorities appropriate to their possibilities and those of the labor market.

It is about regulating the insertion companies with the objective of serving as an instrument to the insertion of excluded sectors of society, articulating in this case such

insertion through a labor benefit in the insertion company that allows the transition of the person in a situation of social exclusion to ordinary employment.

For all these reasons, it is considered necessary to establish national level a legal framework for insertion companies as determined in the National Program of

Reforms of the Kingdom of Spain and the IV National Plan of Action for Social Inclusion 2006-2008, which encourages and promote the employment of people in a situation of exclusion for its incorporation into the labor market.

In this sense, the fifth final provision of the Law 43/2006, of December 29, for the improvement of the growth and employment, incorporates the mandate to approve a standard with the status of law, within six months since the approval of the same, and after consultation with union organizations and business associations most representative, including those of the affected sector, in order to regulate the scheme of the companies of insertion.

In the discussion of the different elaborated drafts by the Ministry of Labor and Social Affairs have been considered, the contributions made by the social agents, UGT, CCOO, CEOE and CEPYME in process of consultation, as well as opinions expressed by the own sector of the insertion companies represented by FEDEI-CEPES. Likewise, the different Communities Autonomous studies have been taken into account, both in the of draft as in the preliminary draft phase by behalf of the exchange of criteria made at the Conference Sectoral held to deal specifically with information about the text presented in the Council of Ministers. The Economic and Social Council has issued an opinion dated June 27, 2007, having been incorporated different observations made to the text.

All the social enterprises must be accomplishing this law and be registered as social enterprise, they can apply for social benefits, such as participating for some subventions, and some others.

Different organizational forms of trade activities

"What exactly is a social enterprise?" It's a question that comes up a lot, probably because there isn't a consensus. Generally speaking, "social enterprise" means using business tools to address a social need. This concept may or may not overlap with "social

innovation" which means addressing a social need in a new, groundbreaking way. While it's possible to use business tools without using them innovatively, and it's possible to innovate without using business tools, the posterchild for this sector works at the intersection of these two concepts.

Yet for most people, "social enterprise" winds up being the broad, default phrase used to cover both concepts. For better or worse, that expansiveness has snowballed the term's popularity (the bigger the bucket, the more stuff you can throw in there), but has also led to trouble agreeing on a definition. The various "social enterprise" definitions can include some or all of a number of models: small nonprofits using entrepreneurial practices on one end of the spectrum; big, mainstream companies using environmentally sound practices, treating their employees particularly well, and/or donating a portion of their proceeds to pre-existing charities on the other. In the middle you'll find other definitions, with plenty of debate over what belongs, including the degree to which an entity's primary activities must tie to its a social mission, the necessity of including social commitment in an entity's formational documents, and whether a side-project of an existing organization should count as a "social enterprise." Meanwhile, some definitions provide for overlap. Bottom line: it's confusing.

As a social enterprise consultant and lawyer, I've spent a lot of time trying to think about how to make sense of the various organizations we sometimes call "social enterprises." Here's how I categorize the spectrum.

Nicole Motter's Social Enterprise Spectrum

Entrepreneurial Nonprofit

These are tax-exempt entities supported, at least in part, by earned income (although I've seen it argued once or twice that an innovative nonprofit idea, even without earned income, makes the cut). To reach entrepreneurial nonprofit status, these organizations can either (a) implement a revenue-generating program, or (b) adopt an overall entrepreneurial business model.

- Funding

Their main funding source is typically grants from foundations and donations from the general public (the cornerstone of the tax-exempt nonprofit model), although in some circumstances loans from banks, or from foundations in the form of program-related investments, are also possible.

- Examples

(a) Girl Scouts of America, with their much-loved cookie sale program;

(b) Daily Table and With Love L.A., retail grocers bringing healthy, affordable food options to neighborhoods that don't otherwise have access.

Non-nonprofit

Never heard of this one? I'm not surprised — I made it up, for the sake of clarifying often-overlooked yet meaningful distinctions. These organizations start with social mission, much like a nonprofit, and then figure out a way to make it work outside the restrictions of a tax-exempt model — in other words, they're a for-profit business. They exist primarily to address a social issue ("mission-first" or "mission-centric"), with revenue-generating activities intertwined with change-making activities.

They don't form as for-profits because they are in business "for profit"; rather, it's a decision that allows for higher-capacity growth, sustainability, innovation, and risk-taking — all components of highly successful entities in other sectors — than is generally permitted under the regulations that come with tax-exemption.

- Funding

The ideal funding source here is program-related investments from foundations, which provide low-cost capital at a critical early stage and prevent compromising the fullest expression of mission for financial returns down the road. In some cases, grants from foundations or investments from traditional angel investors or venture capital firms may also be possible.

- Examples

Everytable, seeking to eliminate food deserts through affordable grab-and-go meals with a first-of-its-kind sliding scale model; and InvestED, opening access to capital to low-income entrepreneurs globally with a creative combination of edtech and fintech. Others that fall in this category include Generation Genius, Amplio Recruiting, Nightingale Apps, Tickleberry Place, Mini City, Neopenda, and Drinkably.

Socially Responsible Business

This is the biggest bucket of them all, and includes benefit corporations, B Corps, and all things double- and triple-bottom-line. While these types of entities can be created primarily to address a social issue, it's more common that this categorical distinction is based on the adoption of practices benefiting community, employees, or environment (generally more aligned with the idea of doing business better than solving social problems). In the case of benefit corporations and B Corps, this distinction is included in the company's formational documents, along with a provision stating that they are legally permitted to honor this distinction (whether that be company culture, responsible sourcing, etc.), even at the expense of shareholder profit maximization.

Worth noting here is that benefit corporations are a legal entity formed at the state level, whereas B Corp is a certification available to other for-profit entities (such as corporations and LLCs). Double-bottom-line denotes a focus on social returns alongside financial ones, while triple-bottom-line denotes a focus on environmental, social, and financial returns.

- Funding

Primary funding options here include traditional angel investments and venture capital, as well as program-related investments in some circumstances.

- Examples

THRIVE Farmers Coffee, on the more mission-centric side; Ben & Jerry's and Patagonia, on the more build-a-better-business side.

Give One, Get One / Donate Portion of Proceeds model

These are companies that direct some portion of their business toward charitable work and are almost always layered into the preceding and subsequent categories (falling on either side of it in the diagram above). Revenue-generating activities are generally wholly separate from change-making activities and, in many cases, the social component is an add-on to the company's core business. Because these models generally feed back into traditional nonprofit system, I break it out as a separate subcategory.

- Funding - same as above
- Examples - TOMS, Warby Parker, Good Spread, Newman's Own.

Awareness Brand

While some will expand these terms to include virtually everything in the previous two categories, we think they also capture a different type of company not yet mentioned — those that sell products designed to engage community and bring awareness to a social issue, but whose primary activities don't necessarily address the root cause of the social problem they're bringing awareness to.

- Funding - Same as above
- Examples - Beautiful in Every Shade, So Worth Loving.

Everything else

There is no one size fits all, and not every entity will fit neatly in these categories (particularly given the constantly evolving nature of this sector). The social enterprise employment model, which uses the business to provide meaningful work and empowerment to a disadvantaged population (like Bitty and Beau's Coffee), is a component that can be layered into any of the categories discussed above

Then there's outliers like Fruitcraft (formerly the California Fruit Wine Company), which is pioneering an entirely new model they call social value enterprise (SVE). While an untrained eye might classify this as a socially responsible business (group 3 above), the folks behind Fruitcraft are very clear about striving for more — namely using market

forces to incentivize and reward thinking about the whole — with three defining aspects they claim put SVE in a category of its own:

- democratic ownership by employees, (including accountability and decision making within the company)
- no possibility of sale (keeping the company permanently stewarded by the workforce for the benefit of society)
- unleashing 100% of profits for social good

SOCIAL ENTREPRENEURSHIP IN ITALY

Emerging skills and professional profiles

Premises:

Social enterprises within the framework of Third Sector reform; basic requirements, organisational forms and fields of activity

Law n.106/2016 "Delegation to the Government for the Reform of the Third Sector, the Social Enterprise and the Discipline of the Universal Civil Service" - and related implementing decrees, mostly published within August 2017 - envisages the first organic reform concerning the Third Sector in Italy, creating a new framework which is expected to enable a definitive development of social enterprises.

It is worth mentioning that the new framework, providing Third Sector with a code and therefore – for the first time - with a legal legitimacy, allows what has been defined as a paradigm shift, entailing the transition from a concession scheme, where Public Authority grants citizens permission to organize for pursuing specific aims, to a recognition scheme (Legislative Decree n.117/2017, art.2). Likewise, Reform provides legal legitimacy to a peculiar cluster within Third Sector: private organisations mainly running entrepreneurial activities (more than 70% of total revenues), that is social enterprises, specifically regulated by Legislative Decree n.112/2017.

Actually, the development of social enterprises had been pursued by Legislative Decree, 24 March 2006 n. 155, as well, introducing a definition of social enterprises into Italian legal system, but the intervention resulted in a weak uptaking, since just a short number of organisations adopted the legal qualification of "impresa sociale" (registering in the social enterprise section at the Companies Register).

According to the definition provided by the Law mentioned above, it has been highlighted that "social enterprise is neither a new legal form, nor a new type of organisation, but a *legal category* in which all eligible organisations may be included, regardless of their internal organisational structure. Therefore, the eligible organisations could in theory be co-operatives (i.e. employee-, producer-, or customerowned firms),

investor-owned firms (i.e. business corporations), or traditional non-profit firms (i.e. associations and foundations)"[1].

Assuming this, we can infer the "ratio" still inspiring the Italian Legislator , which is that of not considering "the organisational structure as a condition for eligibility, as a social enterprise has its roots in the aim to protect and promote pluralism in the production of social utility goods and services, especially in welfare and health"[2].
What an organisation is required to, according to Legislative Decree n.155/2006, in order to be legally defined as a social enterprise, can thus be pointed out as follows (art.1):
a) being a *private organisation*;
b) performing an *entrepreneurial activity* for production of *social utility* goods and services;
c) acting for the common interest and *not for profit*.

According to article 2, "social utility" is a concept to be envisaged referring either to activity sectors or to social inclusion. As a consequence, an organization is producing social utility if :

- it's producing goods or services in such sectors as welfare, health, welfare-health, education, instruction and professional training, environmental and eco-system protection, cultural heritage development, social tourism, academic and postacademic education, research and cultural services delivery, extra-curricula training and support to social enterprises;
- activities are carried out by employees being, with a percentage of at least 30%, underprivileged or disabile.

As far as the "not for profit" requirement is concerned, it is basically meant as a non-distribution constraint, "indirect profits distribution" included.

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[1] Antonio Fici, *THE NEW ITALIAN LAW ON SOCIAL ENTERPRISE*, Paper presented at the seminar *Emerging models of social entrepreneurship: possible paths for social enterprise development in central east and south east Europe*, organized by the OECD LEED Trento Centre for Local Development and the Institute for the Development of Non-Profit Organizations (ISSAN) in co-operation with the United States Agency for International Development (USAID) – Zagreb (Croatia), 28-29 September, 2006., p.1

[2] *Idem*, p.2

Both social utility, as specified above, and non profit orientation are required to be legally acknowledged as a social enterprise, where the latter is accounting for organisations' reliability.

Noteworthly Legislative Decree 155/2006 does not deal with fiscal treatment, which keeps on being regulated by Law n. 460/97 on "Non-commercial legal bodies and non-profit organisations of social utility". This issue is held to be one of the main reasons why, at the end of 2013, only 774 SEs were registered in the pertinent special section of the register of enterprises.[3] Nevertheless, Third Sector, especially social cooperatives, displayed an increasing trend, playing a more and more paramount role where market and State failed to meet emerging social needs. According to Social Impact Agenda position paper presented in 2017, from 2011 to 2015 social cooperatives, main actors and drivers of social economy, increased of 30%, with a growing number of employees, getting from 320.513 up to 383.828[4]. Actually, as pointed out in the Agenda, networks running entrepreneurial activities, especially in the field of health or complex social services, are a typical example of the innovative social enterprise initiatives that were able to seize the opportunities offered by Law 118/2005 and Legislative Decree 155/2006[5].

Law n. 106/2016 is reshaping the framework, mainly starting from feedbacks analysis and from the awareness of the low appeal to investors generated by previous Law, thus undermining perspectives for social enterprises widespreading and economic development. Trying to grasp an emerging demand, the Reform paves the way for overriding a full distinction of non profit and for profit, entitling social enterprises, within fixed limits (50%), to distribute dividends. While safeguarding its non-lucrative mission, the Legislator tries to further foster private investments by:

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[3] See DIRECTORATE GENERAL FOR INTERNAL POLICIES POLICY DEPARTMENT C: CITIZENS' RIGHTS AND CONSTITUTIONAL AFFAIRS LEGAL AFFAIRS, *A European Statute for Social and Solidarity-Based Enterprise*, STUDY, European Union, 2017; about the low impact of Italian Legislative Decree n. 155/2006 on the establishment of SEs see Venturi & Zandonai, *L'impresa sociale alle soglie della riforma*, in Venturi & Zandonai (eds.*), L'impresa sociale in Italia. Identità e sviluppo in un quadro di riforma, Rapporto* Iris Network, 65 f., Trento, 2014.

[4] *VALORE E POTENZIALE DELL'IMPRESA SOCIALE. Economie plurali per generare progresso e impatto sociale*, edited by Paolo Venturi, *AICCON, Università di Bologna*, scientific support of Raffaella De Felice, *Social Impact Agenda per l'Italia, 2017*

[5] See European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2016): *Mapping study on Social Enterprise Eco-systems – Updated Country report on Italy*

- introducing fiscal facilitations, also including the adoption of measures established for innovative start ups and innovative SMEs (Legislative Decree n.179/2012, art. 29; Legislative Decree n.3/2015, art. 4);
- envisaging fiscal facilitations granted to investors;
- enabling new forms of social financing, crowdfunding platforms included.

It has been remarked that the definitive recognition of social enterprises' peculiar position between market orientation and social performance (mission) is most of all a stakeholders' system requirement, based on a growing awareness of the potential of social economy and social enterprises as a new business model. Assumed their increasingly prominent role within the main societal challenges, connected with job creation and the sustainable/socially-inclusive economic growth pursued at a National and European level, "financial institutions, consultancies, and support organizations are pushing for a model of social enterprises that is more market-oriented and similar to traditional for-profit companies in terms of its dependence on financial products and consultancy. While the emergence of social enterprises in Italy during the 1970s was the product of bottom-up forces—an answer to social problems that would eventually be recognized legally by the state—the changes that have taken place over the last 10 years might have been less bottom-up than the previous ones".[6]

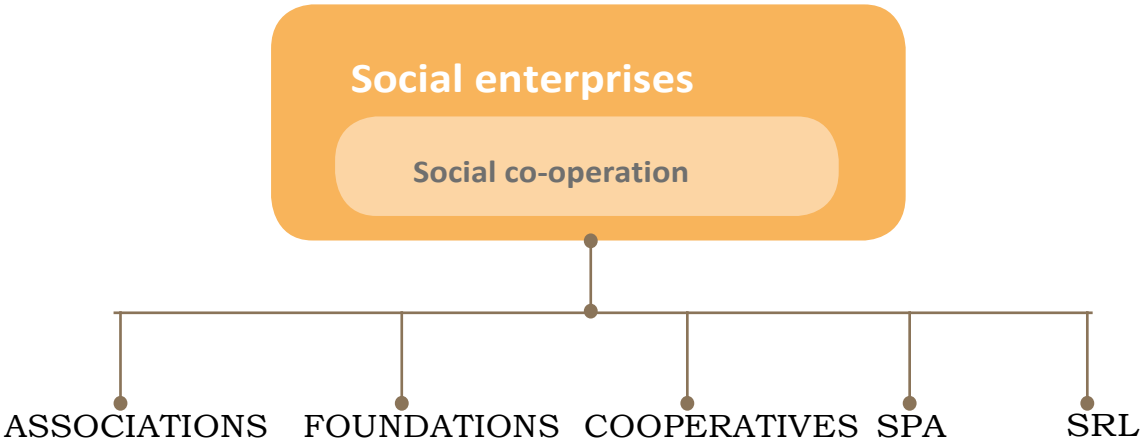
Being, indeed, non profit orientation strictly associated with organisations' reliability, as pointed out above, the Reform introduces, together with financial levers, further obligations to strenghen this fundamental feature. Trying, for instance, to frame a more complete qualification, Law n.106/2016 defines the social enterprise as a "private organisation that runs entrepreneurial activities for civic, solidarity and social utility purposes and allocates profits principally to achieve its corporate purpose by adopting responsible and transparent management modalities and favouring the largest possible participation of employees, users, and other stakeholders interested in its activities". In particular, obligations are provided for transparency and information to third parties (art.3); likewise, social enterprises are required to carry out social impact assessment

[6] Enrico Testi, Marco Bellucci, Serena Franchi, Mario Biggeri, *Italian Social Enterprises at the Crossroads: Their Role in the Evolution of the Welfare State, VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, December 2017, Volume 28, Issue 6, pp 2403–2422

processes (art.4), entailing a "qualitative and quantitative evaluation of the impact of their activities within the local community over the short, medium and long run" (art.7); the *ratio* is that of fostering a transparent communication with stakeholders and the community as a whole.

Consistently with the inspiration underlying Law n.155/2006 as stated above - not considering the organisational structure as a condition for eligibility - social cooperatives and their *consortia* are granted the legal status of social enterprises, while it is envisaged a progressive legal recognition of associations and foundations running economic activities, when consistent with their institutional activities.

Ex lege social enterprises



Source: AICCON, 2017

It is worth remembering that religious bodies have been allowed since Legislative Decree n. 155/2006 to be qualified as social enterprises, as far as some of their activities are concerned, provided that they adopt specifically normed separate accounting.

Preserving the 2 key dimensions of "public utility" as stated by Legal Decree n.155/2006 (see above), social enterprises are alternatively required to:

- employ at least 30% disadvantaged workers, further extending this category to some unemployed, refugees and homeless
- run one or more activities provided by Legislative Decree n. 112/2017 art.2 (accounting for at least 70% of complessive revenues).

In order to fully disclose social enterprises' potential developement, Law n.106/2016 not only rules – reshaping it - "non profit orientation" (strengthening its intervention by further regulating fiscal/financial aspects), but widens the fields of engagement, thus ridefining both the key requirements stated by Legislative Decree, 24 March 2006, n. 155.

Social utility area, in particular, is reshaped including, for example, social housing, microcredit, requalification of public properties, protection of environmental goods and natural resources, fair trade, social agricolture and conscious tourism.

Actually, social cooperatives, though enlarging their area of activities, are not allowed to run all the activities envisaged for social enterprises, as shown in the tab (2) below.

Tab. n. 2

Fields of activities: social enterprises vs social co-operatives

Fields where social co-operatives and social enterprises are allowed to operate, before Third Sector reform

Fields where social co-operatives are allowed to operate	Fields where social enterprises are allowed to operate – L.155/2006
a. social, socio-health and educational services; b. carrying out different activities - agricultural, industrial, commercial or service sectors - aimed at the job placement of disadvantaged people	a. social care; b. health care; c. social-health assistance; d. education, education and training; e. protection of environment and ecosystem; f. enhancement of cultural heritage; g. social tourism; h. university and post-graduate education; i. research and provision of cultural services; j. extra-school training. In line with Law 381/1991 provisions, in all sectors when disadvantaged workers and disabled workers are included

Fields where social co-operatives and social enterprises are allowed to operate, after Third Sector Reform

Fields where social co-operatives are allowed to operate - 381/1991	Fields where social enterprises are allowed to operate – 155/2006
a. social, health and social services, education and professional training, extra-curricular education, job placement b. carrying out different activities - agricultural, industrial, commercial or service - aimed at including disadvantaged people	a. social care; b. health interventions and services; c. social and health care; d. education, education and vocational training; e. protection of environment and natural resources; f. enhancement of cultural heritage and landscape; g. university and post-graduate education; h. scientific research, where social interest is entailed; I. cultural activities and initiatives where social interest is entailed; j. sound broadcasting of a community nature, in accordance with Article 16, paragraph 5, of the Law of 6 August 1990, n. 223, and subsequent modifications; K. cultural, religious and social tourism; e. extra-school training; m. instrumental services to social enterprises; n. development cooperation; o. fair trade; p. services aimed at job placement; q. social housing; r. humanitarian reception and social integration of migrants; S. microcredit; t. social agriculture; u. amateur sport activities; v. requalification of unused public goods and confiscated assets

In line with Law 381/1991 provisions, in all sectors when disadvantaged workers and disabled workers are included

Source: AURS/4 2017 -A. Bernardoni, in AICCON, *VALORE E POTENZIALE DELL'IMPRESA SOCIALE. Economie plurali per generare progresso e impatto sociale*, cit. pp. 14-15

According to the 2017 position paper mentioned above, there are currently almost 93,000 social enterprises operating in Italy, registering a sizable growing trend. The study provides a wide spectrum of social enterprises, including both legally-recognised and *de facto* social enterprises, like market oriented non profit organizations

(mainly associations and foundations), also considering for profit enterprises operating in the same sectors as social enterprises, together with innovative socially oriented start ups (SIAVS) and benefit companies, held by the authors as "hybrid" organizations within social entrepreneurship and economy (see tab n.3, below) .

Tab. 3

The wide spectrum of social entrepreneurship

Tipologie	n. unitá
ex lege social enterprises	1.874
social co-operatives	16.918
Total social enterprises	18.792
Non profit market oriented (social co-operatives not included)	11.940
Capital companies operating in the sectors provided by l. 118/05	61.776
SIAVS	160
Benefit companies	131
Social entrepreneurship spectrum in Italy	**92.799**

Source: Symbola-AICCON , basing on data delivered by Istat (2011), Iris Network Report on social enterprises (2014), Register of companies/innovative start ups (2016, 2017), Register of Italian benefit companies (2017) , in AICCON, *VALORE E POTENZIALE DELL'IMPRESA SOCIALE.* Cit., p.16

Tab n.4, below, maps non profit organizations according to market orientation and field of activity

(data source: ISTAT 2011, in "L'impresa sociale in Italia. Identitá e sviluppo in un quadro di riforma", a cura di Paolo Venturi e Flaviano Zandonai, Rapporto Iris Network, 2014, p.32)

Prevailing fields of activity	Market	Non market	Total	Market	Non market	Total
	2011			1999		
Culture, sport and entertainment	27,0	73,0	100,0	36,2	63,8	100,0
Education and research	40,8	59,2	100,0	49,9	50,1	100,0
Health	50,6	49,4	100,0	50,1	49,9	100,0
Social care and civil protection	43,6	56,4	100,0	49,2	50,8	100,0
Environment	29,4	70,6	100,0	28,0	72,0	100,0
Economic development and inclusion	58,0	42,0	100,0	48,9	51,1	100,0
protection of rights and political activity	15,1	84,9	100,0	16,1	83,9	100,0
Philanthropy and promotion of volunteering	20,0	80,0	100,0	32,6	67,4	100,0
Cooperation and International solidarity	26,5	73,5	100,0	31,1	68,9	100,0
Religion	12,3	87,7	100,0	1,1	98,9	100,0
Trade union relations and representation of interests	36,3	63,7	100,0	16,0	84,0	100,0
Other activities	36,5	63,5	100,0	59,4	40,6	100,0
Total	30,6	69,4	100,0	35,9	64,1	100,0

"Social Innovation, generally acknowledged as the capacity to respond to emerging needs through new forms and/or models of collaboration, represents one of the fields in which the non-profit sector has demonstrated, mainly through its entrepreneurial wing, its

distinctive and not residual characteristic"[7]. In line with this perspective, the Reform allows social enterprises to envisage new models to pursue common interest in a wider spectrum of sectors, fostering a "contamination" of traditional economy (social agricolture, social housing, community welfare..).

Social innovation is assumed, at a European level, as a driver for economic growth, based on technology (ICT) and featured as fulfilling the ideal expectations of knowledge economy - sharing, inclusion and partecipation; social enterprises are indeed expected to embody and shape social innovation. Assuming this, in the new scenario social entrepreneurship is no more just an answer where market and State fail meeting social needs, but rather represents an alternative model of economic growth.

In this emerging framework, a key point of the Reform is reforming, along with social enterprises themselves, the interactions between social enterprises and other social and economic actors, such as public and for profit organisations, allowed to enter the governance, provided that they do not play a controlling role. Multi-stakeholdership opens up to new strategic partnerships for entering new markets and creating new employment opportunities for disadvantaged people.

The current paradigm shift, therefore, entails new meanings and ways to be and act as a social entrepreneur and training agencies are expected to play a role in strengthening this issue, fostering new business models. This is a crucial point if we take a look at some data, recently (post Reform) provided by Iris Network. Born as a national network of researchers and research institutes on social enterprises, Iris Network supports empirical investigation and theoretical ideas to facilitate a deep understanding of social enterprise organisations and exchange of information between research centres, universities, single researchers and the world of social entrepreneurship; developing its network, it has increasingly involved the whole ecosystem of social enterprises, including investors, consulting companies, foundations and *consortia*, all enquired in 2017 about some aspects connected with post-reform scenarios.

In line with what we stated above, concerning the prominence of interaction between social enterprises and other actors/stakeholders, one of the investigated issue entailed

[7] Paolo Venturi and Flaviano Zandonai, *Social Innovation and Social Enterprises: the Italian perspective*, UBI Bank Observatory on Finance and Third Sector (2012), *Indagine sui fabbisogni finanziari della cooperazione sociale in Italia*, January 2012., p.1

new partnerships pursued by social enterprises: social enterpreneurs were asked, in particular, about the relevance of networking.

Tab. n. 5

Relevance of networking

	v.a.	%
Much, it is a co-management-oriented enterprise-network	27	25,7%
Enough, it concerns some functions, especially backoffice	46	43,8%
Little, it just concerns some limited projects	24	22,9%
Not at all, we prefer a management that is as internalized as possible	8	7,6%
Total	**105**	**100,0%**

Source: Iris Network, 2017

Researchers remark the still widespred traditional perception of networking as an important but backoffice dimension, not entailing strategic contents, but rather playing a role in service delivery. Evidence further shows a high overall percentage of entrepreneurs considering networking as not very relevant or not relevant at all. The study therefore underlines the open issue concerning how to develop newtworking skills, also considering an economic dimension in a context where, as noted above, demand-supply dynamics are framing new, socially oriented schemes, as we can infer considering, for example, sharing economy new platforms and community hubs. Researchers stress the cultural and strategic dimension of networks re-designing, enabling new business and opportunities, considering the new fields of activities disclosed by the Reform, that make social enterprises a concrete arena for millennials, assumed they have grown up within the framework of knowledge society. They have been widely exposed to technologies tipically enabling networking and the innovative schemes of sharing economy, and they

are likely to have developed the so called "soft skills" required to successfully manage these processes.

Irisnetwork further enquired into social innovation models inspiring entrepreneurial projects. Tab. 6, below, displays results

Tab. n.6

Social innovation models inspiring entrepreneurial projects

v.a. %

	v.a.	%
Radical innovation: looking for a disruptive impact	7	10,9%
Status quo changing: overcome dependence on the path	6	9,4%
Catalytic innovation: simpler solutions to unmet needs	3	4,7%
Changing perceptions, lifestyles, structures	8	12,5%
Create solutions benefiting the community as a whole and not just a part of it	14	21,9%
Create solutions to unresolved or emerging problems	21	32,8%
Innovation linked to the transfer of activities to different territories, sectors and fields of action	5	7,8%
Total	**64**	**100,0%**

Source: Iris Network, 2017

The two outstanding answers actually confirm a traditional non profit orientation, aimed at producing social utility and meeting emerging social needs. Nevertheless the study remarks how the same aims can allow more radical innovation patterns if pursued in a changed environment and ecosystem, thus strengthening experimental paths which seem to be currently not so widespred.

The ongoing change, reflected by the growing interest of investors and mainstream finance enhanced by the reform, is more deeply enquired in a further question addressed to Irisnetwork community as a whole and concerning strategies adopted towards social enterprises

Tab 7. pag. 30

Strategies adopted towards social enterprises

	% not at all	% Very much
Consolidation and management of internal change	11,1%	25,0%
Startup of new social business models	16,7%	16,7%
Expansion into new markets / sectors	12,5%	27,8%
Emergence of new "hidden" social enterprises (existing but not formalized)	26,4%	9,7%
Support for generational change	25,0%	16,7%
Implementation of legislation (third sector reform, procurement code, etc.)	30,0%	18,1%
	Total n. 106	

Source: Iris Network, 2017

Evidence shows a prevailing and common interest for expansion into new markets and change management inside organisations, thus conferming the need for empowering skills in order to profit the new legal framework. Basing on the outcomes of the research, the authors focus some key emerging capacities required for social enterprises to grow up their business, such as increasing and differenciate investments, drawing on internal and external resources to enter new markets and sectors; developing disruptive innovation and make use of impact technology.

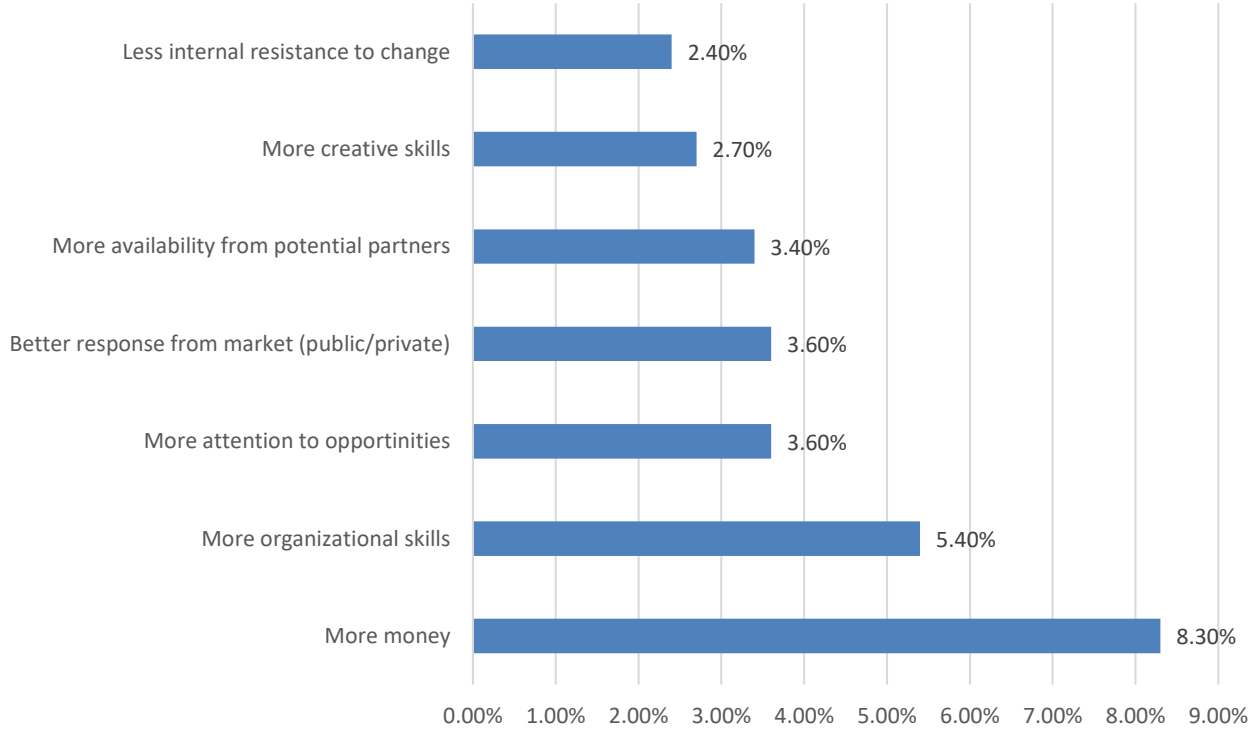
The need to urge a widespred skills empowerment is further shown by another research, carried out by Isnet, an association aggregating a network of more than 1200

Third Sector organisations at a National scale, with the aim of enhancing the development of social economy. Focusing on the opportunities disclosed by the paradigm shift, the study enquires into the full achievement of innovation targets (data are referred to 2016) within their community, where 70% of the organisations declares to be under satisfaction levels, mainly due to lack of resources (about 84%, see tab.8). Nonetheless 64,5% of investigated population has very little or no knowledge at all about capitalization instruments envisaged by the Reform (social bond, venture capital, equity crowdfunding, social lending), as we can see in tab 9.

Tab.8[8]

Sample: 400 social co-operatives

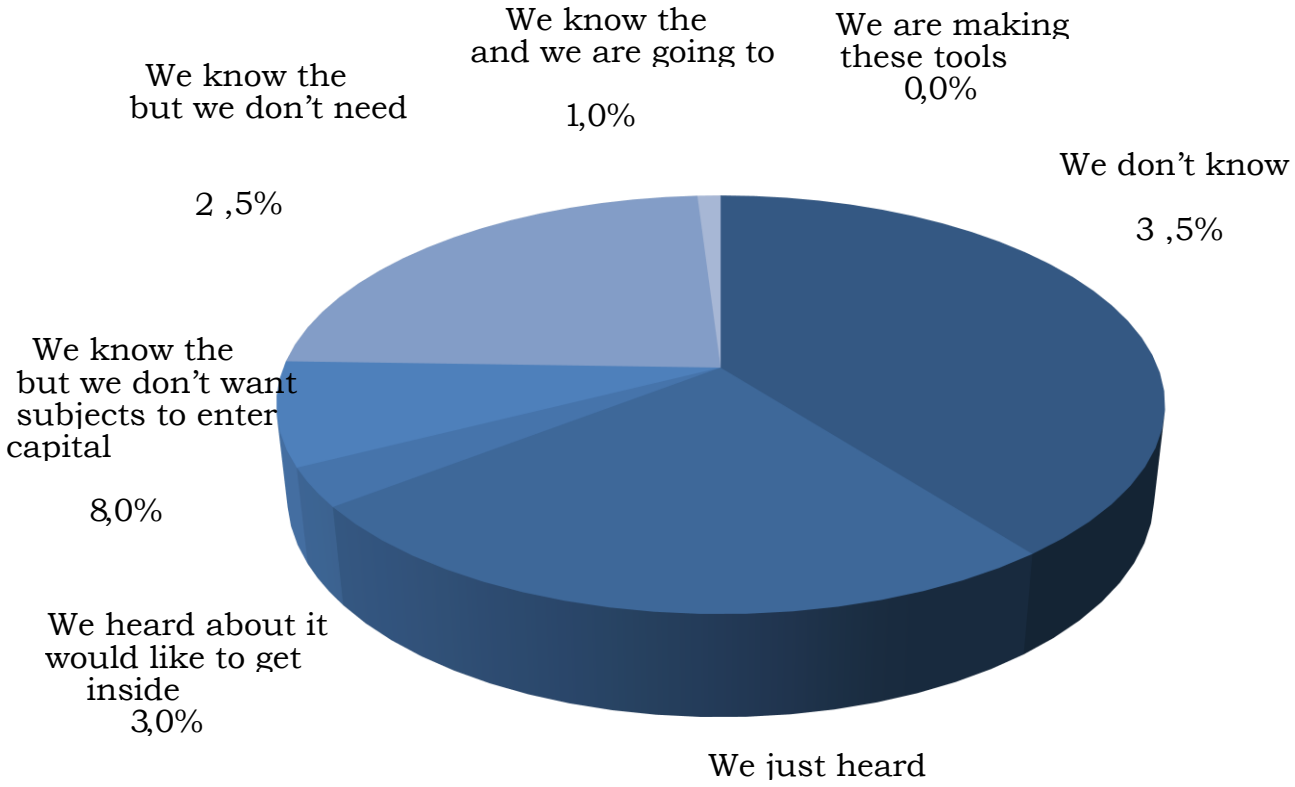
Reasons for not achieving set goals: <<You could have done more innovation if only there had been...>>



[8] Source: *Isnet Observatory on social enterprise in Italy*, XI edition, Isnet, July, 11st, 2017, p.10

Tab.9[9]

« What do you think about the new ways of capitalizing social enterprises (such as social bonds, venture capital, equity crowdfunding, social lending)? ››



According to experts, opinion leaders and stakeholders, social impact assessment – now required by Law - represents both, internally, a tool to better define resources allocation in advance, to evaluate critical factors and to guide business decisions and, externally, a mean to improve projects accountability, to inform stakeholders, to make created social value visible and to satisfy the investors' need for tools measuring investment choices and evaluating their performance. Nonetheless, one more time, when specifically asked, just 5% of the investigated organisations asserts that a social impact assessment system has already been defined.

[9] *Idem*, p.12

Coming back to tab.8, it's worth mentioning the widespread lack of organizational skills claimed by over 51% of the population and a poor skill to seize opportunities (38,6%); 1 out 4 is also claiming a low creative ability.

Similarly to the situation portraited by Irisnetwork, just a few social enterprises display high levels of innovation and an overall capacity to successfully overcome the paradigm shift, but about 1 out 5 shows, indeed, a notewithstanding attitude to change and to develop according to new requirements (as better pointed out by tab.10), thus setting themselves as a training and counseling investment target.

Tab 10[10]

Development targets

22,0% development target

- They have medium or medium-low innovation indices
- They did not achieve their innovation goals in 2016
- They have tried to open new geographical areas or wish to open them in the future
- They do not have any prejudices to the entry of other subjects into share capital
- They do not declare preclusions to invest

The skills gap still characterizing social enterprises becomes strategic considering employment dynamics and sentiments concerning the sector.

[10] *Idem*, p.16

In relation to sentiment, 39% of the organisations investigated by Isnet expects an employment growth by the end of 2017, with an upgrowing trend compared to previous years.

Data provided by Unioncamere in 2014[11] remark the countertrend concerning employment in social enterprises, with 40 out 100 organisations planning staff recruitment, thus showing an orientation that is almost triple compared to the average of industrial companies and services. Internal dynamics further display an ongoing evolution process, which is in line with the role envisaged for social enterprises in the new socio-economic and legal framework, since the demand of graduates increases much more than it's registered in the avarage of industrial companies and services, while preserving occupational levels for low educated workers.

Noteworthly, though we are talking about some hundreds people, the demand of degrees in economics increases, thus showing a structural evolution of human capital, which is in the same way consistent with the evolution social enterprises are expected to perform. Likewise, the growing trend of intellectual, scientific and highly specialized professions, managerial professions included, prevailing on the growing trend of technical professional profiles is in line with the need for a social enterprise which is committed to develop new strategies much more than technical skills.

Tab. 11

Source: Unioncamere 2014

[1111] Unioncamere-Si.Camera, *Cooperazione, non profit e imprenditoria sociale: economia e lavoro*, 2014.



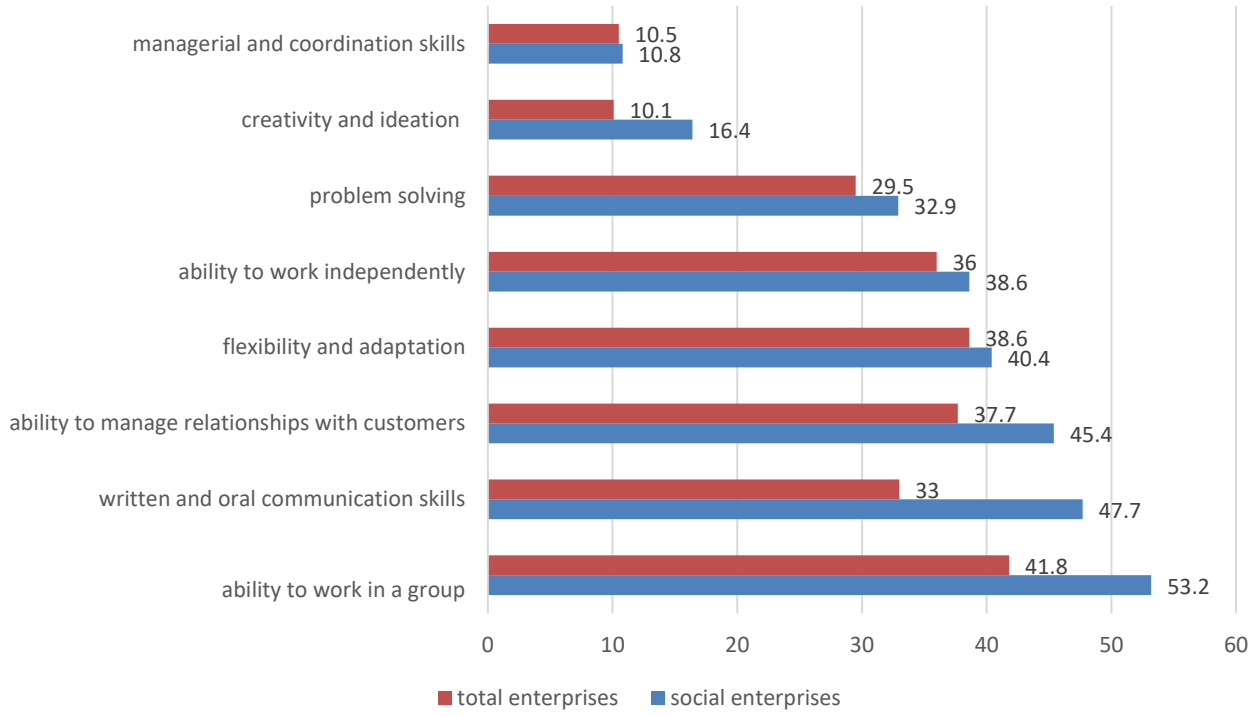
Employment dynamics in co-operation, by sector of activity

Another remarkable feature of job demand in social enterprises is the demand of soft skills, definitely higher compared to the avarage of other companies, notably for team working and communication skills - especially required for intellectual, scientific, highly specialized professions and young workers - and for, even if less required, creativity and ideation abilities. The growing need of the latters is in line with an increasing awarness of social enterprises as representing an alternative business model, no more limited to fill State and market gaps but rather enabling, as underlined above, social innovation and feeding the uptaking of social economy. Assumed the current paradigm shift and the permanent need for the social enterprise to reinvent itself, in order to keep on suiting an evolving demand, flexibility and coping strategies are highly required, increasingly for young workers.

The key factor represented by soft skills is clearly shown in that almost 80 social enterprises out of 100 hold these skills as much important as technical skills and 8 out of 100 hold them as even more important. Likewise, flexibility and self-organisation are

much more required than in the avarage of industrial companies and services, in particular for young workers. The researchers note that this feature shows the prominence to urge a widespred, deep understanding of the meaning of social entrepreneurhip, in order to unlocke this business model from traditional schemes and disclose its potential, from an economic and
employment point of view.

Tab. 12
Source: Unioncamere 2014
Skills social enterprises and the complex of companies consider paramount for the assumptions planned for 2013



The central issue concerning the need for a better understanding of social enterprises as an emerging phenomenon is also related to the increasing demand of graduates pointed out above: graduates represent the most difficult profiles to be found, according to education level. The difficulty is mainly due to lack of competence and job experience, and/or to personal characteristics, but it's secondarily associated with a lack of supply, which is linkable, according to researchers, to the persistent low appeal

generated by social enterprises, still envisaged as a subsidiary sector. A contribution to reshaping the common idea of social entrepreneurship is indeed expected from training and support agencies, aimed at pushing the expansion of social entrepreneurship - further enhanced by the reform - beyond the boundaries of social-health care, still prevailing to date.

The inclusive feature of social enterprises plays a prominent role in disclosing employment opportunities for young people, since they largely employ people without any age requirements. The research carried out by Unioncamere points out that even if the demand of young workers is lower than the avarage of other companies (17% vs 30,4%), the much higher demand of workers without age requirements makes the overall potential demand of young workers definitely higher, as it is shown in tab. 14, below.

Tab. 13

Source: Unioncamere 2014

Assumptions planned (2013)

according to age, gender and nationality

	Ablolute values		Compositions %	
	Social enterprises	Total companies	Social enterprises	Total companies
Totatle assunzioni	**27.700**	**563.400**	**100.0**	**100.0**
Age class				
Under 30 and without preference for age	23.130	429.790	83.5	76.3
Under 30	4.710	1.717.010	17.0	30.4
Age not relevant	17.420	258.780	66.5	45.9
30 and over	4.570	133.610	16.5	23.7
Gender				
Women and without preference for gender	26.050	400.980	94.0	71.2
Women	6.420	104.360	23.2	18.5
Gender not relevant	19.630	296.620	70.9	52.6
Men	1.650	162.420	6.0	28.8
Nationality				
Foreigners	5.430	86.070	19.6	14.7
Italians	22.270	480.330	80.4	85.3

The same can be noticed as far as gender is concerned. In this case the high demand of women is not much relevant, assumed the prominent role of the social-health care sector; but it is, indeed, the high demand of workers with no gender requirements (70,9% vs 52,6% of industrial companies and services).

Social enterprises legal framework (requirements, responsibilities – ex L.D. 112/2017 and L.D. 117/2017 with reference to some benefits)

The following organisations are allowed qualifying as social enterprises:

- associations and foundations
- cooperatives
- corporations other than those with a sole shareholder
- ecclesiastical bodies may have a social enterprise branch

Social cooperatives are granted the legal status of social enterprises

Social enterprises are required to:

- carry out one or more activities provided for by Article 2 (>than 70% of total revenues)

or

- use > 30% disadvantaged, very disadvantaged workers, or workers with disabilities

Compared to the categories provided for by law 381/91, the following are added:

- unoccupied (some categories)
- refugees
- homeless

Social enterprises may allocate a portion of less than 50% of annual profits and surpluses:

- if they are a capital or cooperative company, to either a free share capital increase subscribed and paid by shareholders, within the limits of the ISTAT index, or the distribution of dividends to shareholders, in any case not exceeding the maximum interest of postal savings bonds, increased by two and a half points compared to the capital actually paid;

- to disbursements in favor of third sector entities other than social enterprises - which are not founders, associates, members of the social enterprise - for the promotion of specific projects of social utility.

In the event of dissolution, the social enterprise transfers its assets to other third sector entities, chosen according to the statutory provisions.

Social Enterprises have the prohibition of indirect distribution of profits.
Indirect distribution:

- 40% higher salaries than CCN
- Compensation to directors and statutory auditors and purchases > market values

Social enterprises other than cooperatives with prevailing mutuality must provide for the involvement of workers, users and other stakeholders.
Social enterprises other than cooperatives with prevailing mutuality which exceed the limits set for the appointment of half-reduced auditors must provide for the appointment of a representative of the workers, possibly users in their Board of Directors and Control Body.

The difference in pay among employees of the social enterprise may not exceed one to eight.
The provision of voluntary activities is allowed in social enterprises.
The number of volunteers may not exceed the number of workers.

Social enterprises must always appoint a monocratic control body or a board of statutory auditors. At least one member of the Supervisory Board must be chosen from among those registered in the Register of Legal Auditors, or must be a tenured university professor in economic or juridical subjects.
Social enterprises exceeding the limits set for the appointment of the auditors (article 2435 bis of the Civil Code) provide for the auditing of the accounts with an auditor or an auditing company registered in the appropriate register, or with statutory auditors registered in the appropriate register of statutory auditors.
This provision should not be applicable to social cooperatives, having them their own legislation on the matter.

Social enterprises must draw up and deposit the financial statements, prepared according to articles 2423 and following, 2435-bis or 2435-ter of the Italian Civil Code; furthermore social cooperatives and ex lege social enterprises must compile a social report every year, following the guidelines provided by the Ministry of Labour and Social Policy. "The reports – to be deposited at the Companies Register of the Italian Chambers of Commerce – are aimed at providing information about the compliance of the social enterprise with its social objectives and identifying the added value generated and its distribution within the reference community. Besides describing the mission of the organisation, the reports also cover the resources used, the results achieved and the impacts generated by the organisation's activities" .

Fiscal specific measures

The profits allocated to the indivisible reserve are not taxed.
Natural persons deduct and companies deduct from their income 30% of the amount invested in the share capital of the social enterprise constituted or that has been qualified as a social enterprise for not more than 36 months.
The investment must be maintained for at least three years.

Key competence and emerging profiles, focused drawing on the experience of "best practices" in enhancing social innovation: social enterprises creation and activation of community building practices, development of managerial and entrepreneurial skills in the field of social innovation

A key role in the new framework is played by training agencies, organisations and incubators providing social enterprises with awareness, resources and skills. They have been fostering social enterprises development in different ways, during start-up and/or implementation stage, enhancing community building practices and supporting the empowerment of entrepreneurial skills and human capital, feeding innovative and social/environmental impact-oriented entrepreneurial initiatives.
Among these organisations we selected 5 "best practices", best performing in different scopes of action.

With reference to the development of entrepreneurial and managerial skills underpinning innovation process in social enterprises we must mention the role played by **Euricse**, one of the main research institutions in Italy focused on social enterprises: "European Research Institute on Cooperative and Social Enterprises (Euricse) (...) promotes knowledge development and innovation for the field of social enterprises, cooperatives and other non-profit organisations. Euricse aims to deepen the understanding of these types of organisations and their impact on economic and social development, furthering their growth and helping them to work more effectively. Through activities directed towards and in partnership with both the academic community and practitioners, Euricse addresses issues of national and international interest to social enterprises and other organisations within the social economy"[12]. Euricse organizes training programmes tailored to specific needs.

Particularly relevant for our analysis is Euricse's Master in Management of Social Enterprises, organized in collaboration with the University of Trento and mainly directed towards recent graduates, ranking as one of the most important "schools" for social entrepreneurs in Italy. Likewise, it is notewithstanding Euricse's advanced training course, specifically designed for cooperative managers and social entrepreneurs, focusing on the most important and strategic topics pertaining to managing a social enterprise.

[12] *Social enterprises and their eco-systems: A European mapping report*, cit., p.38

Before analysing Euricse's approach and the way it is trying, as a training agency, to strengthen innovation dynamics disclosed by the reform, two recent and strictly connected to each other projects carried out by the Organisation are worth mentioning: ARIADNE (EU-Leonardo, 2012) and EUCOOPCAMPUS (LLP-Leonardo 2012-2014).

Ariadne aimed to develop an innovative European training package on social economy management, taking as its starting point a French training programme on Social Economy and Management for social enterprise managers, launched by ESCEM in 2009, and enriching it through a comparison with existing materials from some of the other partnering countries. Assumed what we highlighted above, about evidence showing an oustanding demand for "soft skills" and job experience within Third Sector, the premise pointed out by researchers is remarkable: "Existing management training programmes focus mainly on managerial skills that cut across a range of subjects, without taking into consideration the specificities of the sector (methods of governance, the absence of profit-making, etc.). It is therefore crucial to integrate the existing training programmes with the specific nature of social economy management".[13]

Citing Defourny and Develtere[14] the researchers frame social economy as all economic activities conducted by enterprises (that produce goods and/or services), primarily co-operatives, associations, foundations and mutual benefit societies, whose ethics convey the following principles:

1. Placing service to its members or to the community ahead of profit;
2. Autonomous management;
3. A democratic decision-making process;
4. The primacy of people and work over capital in the distribution of revenues

They further rest on a definition of the manager as the person who, according to Gomez-Méjia *et al*[15], is in charge of others and is responsible for the timely and correct execution

[13] http://www.euricse.eu/projects/ariadne-the-managerial-guidance-in-social-economy
[14] Defourny J., Develtere P., *The social economy: the worldwide making of a third sector*, Social economy – North and South, Leuven/Liège, 2000
[15] Gomez-Mejia L.R., Balkin D.B, Cardy R.L., *Managing human resources*, New Jersey, Pearson Prentice Hall, 4th edition, 2004

of actions; works with and through other people, allocating resources, in the effort to achieve goals[16].

Basing on these assumptions and on the definition of social enterprises recalled above, the project creates a "competence model", traditionally divided into the 3 main categories of knowledge, know how and personal characteristics/soft skills, thus taking into account inspiring values, communication and technical skills.

The second project we mentioned, EU CoopC, further develops Ariadne project moving from the awareness of new training needs and responding to them by coming up with specific learning pathways for cooperative managers.

Euricse adapted the competencies from the Ariadne project and created the draft job profile below, with seven competencies and various topics to be considered within each:

COMPETENCE 1: COOPERATIVE KNOWLEDGE AND IDENTITY

TOPIC 1: Cooperative principles

TOPIC 2: History of own coop and movement/sector

TOPIC 3: Economic role - advantages and limits of coops

TOPIC 4: National legal frameworks

TOPIC 5: International legal frameworks

TOPIC 6: Mutuality versus community/social interest

COMPETENCE 2: LEADERSHIP

TOPIC 1: Values

TOPIC 2: Social and relational skills

TOPIC 3: Organizational culture

TOPIC 4: Leadership styles

TOPIC 5: Communication

TOPIC 6: Problem solving

COMPETENCE 3: GOVERNANCE

TOPIC 1: Governance models

TOPIC 2: Legal requirements

TOPIC 3: Involvement strategies/member engagement

TOPIC 4: Mission and vision

[16] De Cenzo D.A., Robbins S.P., *Human resource management, concepts and practices* (1994), New-York, Wiley, 4th edition, 2007

COMPETENCE 4: HUMAN RESOURCE MANAGEMENT

TOPIC 1: Policies/management

TOPIC 2: Leading equality and diversity

TOPIC 3: Intrinsic motivation and engagement

TOPIC 4: Stress and satisfaction monitoring (job quality monitoring)

TOPIC 5: Volunteer recruitment and management

COMPETENCE 5: FINANCIAL MANAGEMENT

TOPIC 1: Understanding financial accounts/statements

TOPIC 2: Performance management

TOPIC 3: Managing diverse income streams

TOPIC 4: Financial strategy (risk evaluation and decision-making)

TOPIC 5: Achieving economic and social goals

COMPETENCE 6: EXTERNAL STAKEHOLDER MANAGEMENT

TOPIC 1: Stakeholder map

TOPIC 2: Social impact

TOPIC 3: Communication strategy

TOPIC 4: Networking and business coordination

TOPIC 5: Advocacy/political representation

COMPETENCE 7: MARKET & PRODUCTS/SERVICES

TOPIC 1: Local market dynamics

TOPIC 2: International market dynamics

TOPIC 3: Innovation & social innovation

TOPIC 4: Project management

TOPIC 5: Marketing and Sales

TOPIC 6: Quality assurance and Customer Satisfaction.[17]

Basing on the results of a comparative study and focus groups, an ideal profile was drawn, including, as we can read in the publication cited above, "all the competencies and all the topics initially proposed, apart from a few topics that appear to be too specific and

[17] Sara Depedri Paolo Fontana Ilana Gotz Chiara Strano, *IDENTIFICATION OF A EUROPEAN JOB PROFILE FOR COOPERATIVE MANAGERS*, EURICSE European Research Institute on Cooperative and Social Enterprises Università degli Studi di Trento, EuropeanCoopCampus, 2012-14

differentiated by country. Furthermore, the ideal profile must take these competencies and topics by contextualizing them in the cooperative sector and therefore by putting values in the practice of each technical skill and managerial activity (from HRM to marketing, from stakeholders and governance to products and innovation)"[18].

Competence 1 **COOPERATIVE KNOWLEDGE AND IDENTITY**	**Competence 2** **LEADERSHIP**	**Competence 3** **GOVERNANCE**	**Competence 4** **HUMAN RESOURCE MANAGEMENT**	**Competence 5** **FINANCIAL MANAGEMENT**	**Competence 6** **EXTERNAL STAKEHOLDER MANAGEMENT**	**Competence 7** **MARKET & PRODUCTS/SERVICES**
Topic 1: Cooperative principles *"The 7 ICA principles and their relevance for the cooperative aim"*	**Topic 1:** Values *"Defining the coop's mission, putting values into practice, paying attention to otherregarding and cooperative behaviors (fairness, trust...)"*	**Topic 1:** Governance models *"To compare different organizational charts, to structure the membership, board of directors, control bodies; to manage democracy"*	**Topic 1:** Policies/management *" To manage selection, job design, work flow, incentive strategies... To anticipate different planning scenarios in terms of HR, according to the organizational strategic objectives and boundaries"*	**Topic 1:** Understanding financial accounts/statements *"To identify, analyze and interpret the indicators of financial results"*	**Topic 1:** Stakeholder map *"To describe who stakeholders are and their needs/ expectations; to individuate the organizational priorities to respond to their needs and the strategies to relate with them"*	**Topic 1:** Local market dynamics *"To investigate micromarkets (one's sector of activity, regional or national markets) and their evolution both in terms of demand and supply"*
Topic 2: History of own coop and movement/sector *"To define the origins, the motivations, the identity and the evolution of*	**Topic 2:** Social and relational skills *" To develop abilities in listening, communicating, developing empathy,*	**Topic 2:** Legal requirements *" To individuate boundaries and opportunities in the legal articles defining mutuality, profit sharing,*	**Topic 2:** Leading equality and diversity *" To be attractive and retain young staff, to be sensitive to the particular needs of the different groups, to manage*	**Topic 2:** Performance management *" To understand the cost structure and to be able to raise revenues to cover those costs; to understand*	**Topic 2:** Social impact *" To individuate the consequence of the coop presence on the local community in terms of externalities,*	**Topic 2:** *International market dynamics "To understand the development of competition, demand, supply, at an international level and its impact on the coop's strategies"*

[18] *Idem*, p.11

coops. To position the coop in its context"	*etc."*	*governance systems etc"*	*appropriately the different groups and their relationships"*	*market dynamics and answer competition"*	*environmental impact, social capital, employment, etc."*	
Topic 3: Economic role - advantages and limits of coops *"To understand how coops can solve market failures and marginalization, and can increase efficiency and effectiveness"*	**Topic 3:** Organizational culture *"How to create an organizational culture which pays attention to the diverse stakeholders and how to transmit it"*	**Topic 3:** Involvement strategies/member engagement *"Starting from the individuation of the diverse stakeholders' interest, to plan loyalty models and strategies to increase the psychological participation"*	**Topic 3:** Intrinsic motivation and engagement *"To know the diverse levers for workers' engagement in terms of intrinsic motivation, nonmonetary compensation, attention to the workers' needs and personal objectives, marks of recognition, feedbacks, trust, involvement"*	**Topic 3:** Managing diverse income streams *"To ensure a good financial mix (to understand the link between sources of funding and types of benefits generated by the cooperative); to diversify the income sources"*	**Topic 3:** Communication strategy *"To manage the interface between the organization and the diverse stakeholders, by developing communication strategies"*	**Topic 3:** Innovation & social innovation *"To invest in and develop new products and to change procedures and processes; to innovate in social terms, by developing initiatives in favor of the community/the social interest"*
Topic 4: National legal frameworks *"Analysis of the national Law"*	**Topic 4:** Leadership styles *"How to be a manager able to increase the sharing of the mission among workers and to individuate strengths and weaknesses of the management"*	**Topic 4:** Mission and vision *"To provide a shared vision of social enterprise across the team, notably by being part of the appropriate networks"*	**Topic 4:** Stress and satisfaction monitoring (job quality monitoring) *"To monitor and manage the determinants of stress and satisfaction in order to develop a serene work atmosphere encouraging collaboration and wellbeing"*	**Topic 4:** Financial strategy (risk evaluation and decisionmaking) *"To develop a proactive approach to the risk and profitability of the financing means, according to the cooperative's needs and realities"*	**Topic 4:** Networking and business coordination *"To map the existing networks among coops, to pick out the existing and potential competitors and partners; to collaborate with local communities, public authorities, etc."*	**Topic 4:** Project management *"To manage various projects; to find, to plan, to organize, to control resources to achieve specific goals; to manage a project office"*

Topic 5: International legal frameworks *"Analysis of the international laws and guidelines"*	**Topic 5:** Communication *"To manage the interface between the organization and the diverse stakeholders, by developing communication strategies"*		**Topic 5:** Volunteer recruitment and management *"To individuate the opportunity for volunteer involvement, to create networks for their recruitment, to develop strategies for their loyalty"*	**Topic 5:** Achieving economic and social goals *"To elaborate various scenarios and answers to achieve better performance while increasing the wellbeing of members/the local community"*	**Topic 5:** Advocacy/political representation *"To position the coop as part of a social movement and to develop strategies to enforce the voice of the movement"*	**Topic 5:** Marketing and Sales *"Marketing policies and strategies"*
Topic 6: Mutuality versus community/social interest *"Understanding the relevance of managing the coop by paying attention to both the members' interest and the social impact/community interest"*	**Topic 6:** Problem solving *"To develop emotional intelligence and abilities to manage unexpected situations; to be able to elaborate various scenarios"*					**Topic 6:** Quality assurance and Customer Satisfaction *"To check and certify the quality of products/services and of procedures in accordance with regulations and in terms of client/user/customer satisfaction"*

Both competence model and ideal manager profile are clearly trying to meet the need for a profile shaped within and stemming from the specific environment and ecosystem of social enterprises.

Assuming Euricse's previous work on managerial skills required for a social enterprise, we tried to focus with the responsible for Euricse Higher Education and Training Area emerging skills and professional profiles in the post-Third Sector reform outlined scenario: a new context which has been deeply analysed by Euricse in order to improve its training offer. Confirming evidence coming from previously mentioned researches, training and counseling services let a widespred weakness emerge, concerning

the capacity of reading through the contents of the Law to grasp opportunities and value eventual impacts on organizations' activities; a kind of weakness which is particularly common considering the many little structured organizations operating at a local level. Though a sound tradition shaping second level organizations allows these enterprises to get support and be guided through and inside the new legal framework, an internal resource would be required, enabling them to reap its benefits. This is the profile, defined as a sort of "forward-thinking legal expert", GIS Master's Degree is currently trying to develop. The "expert", who is likely to work as an assistant manager, where organizations are structured enough to avoid this competence being monopolized by top management, should mainly concentrate on governance, stakeholders engagement and new activities/markets analysis, which is to say the strategic issues addressed by the Reform. The outlined profile should search for, collect and rehash informations to be delivered to top management, including external (scenario, context and specific informations) and internal informations, concerning for example the organization's performance in different operational areas. The capacity of reading through a balance sheet, legal and financial contents and the ability of scouting opportunities are highly required; likewise, soft skills such as communication and relational skills are required in case the profile is also in charge of supporting in managing contacts and relationships within the organization's community and stakeholders network, or with potential new partners.

Most social enterprises in Italy employ specialized managers, such as project designers, fund-raisers and skilled administrative managers, so that the main challenge is not a technical, but rather a strategic one: providing these managers/assistants with a deeper and critical awareness of emerging options within the new legal framework. Drawing on Euricse networking, training and research experience, some both strategic and technical key competrence can however be identified, linking to the new legal framework and Third Sector socio-economic dynamics. One of them is associated with social impact assessment.

Since the factors mentioned above – new sectors of activities, successful networking, stakeholders involving... - affect social impact and since social impact reporting affects the possibility of successfully entering new markets, or engaging new partners (assumed that social impact reporting is now required by Law), Euricse has developed methodologies for social impact assessment and has tested and validated, in

recent years, an index-and-indicators rating model. It is framed as a tool for increasing transparent communication and helping social enterprises to improve their knowledge base and strategic planning process. The methodology that has been implemented, having a scientific base refined with the input of representative Third Sector organizations, is named "ImpACT method" and consists of a questionnaire designed to assess the performance of the organization in terms of generated impact (following the logic of the impact value chain and by distinguishing between resources, activities and processes, services and outputs, well-being and outcomes, medium and long-term impacts). It also includes questionnaires and interviews with the various stakeholders of social enterprises, in order to activate a participatory assessment process and to collect subjective data on outcomes and impacts on each stakeholder (the ImpACT method was applied between 2015 and 2016 to 275 social cooperatives in three regions in Northern Italy, resulting in an analysis outlining the peculiarities of social cooperation models in the three regions, and highlighting the various direct and indirect results that have been achieved, such as effects on local public policies, network capacity, etc.). Being aware that social impact assessment is a heavyweight issue from a strategic point of view, Euricse has tested its teaching in traditional lessons, but even if it is possible to transfer a method, trained people are not expected to successfully apply the model and manage the whole process, since a further coaching action is needed. That's why they are offering support to Third Sector organizations for their social impact assessment and to consortia, for an aggregate analysis across their community. This both strategic and technical skill is currently still lacking, or needs to be strengthened in social enterprises.

Assumed the rising interest of mainstream finance for social enterprises, new and various financial instruments are now available on the market, before which Third Sector's demand is nonetheless not reacting. Another key skill is therefore that of understanding and managing the upcoming opportunities. Providing the management with a critical market mapping is likely to be in charge of the assistant profile outlined above, but it can also be envisaged as a skill complementing an administrative profile. Consistently with the double strategic and technical dimension of emerging skills currently required by social enterprises, the person in charge of mapping the market should be able to grasp costs and benefits connected with different options, and to evaluate and eventually approach new patterns, different from more traditional fundraising or loan from members and local

banks, such as a rating process or the entry of a new financial partner in the company structure.

The same considerations are shared by another Italian best practice in fostering social entrepreneurhip and social innovation: AICCON - Italian Association for the Promotion of the Culture of Co-operation and of Non- profit Organisations, an association formed in 1997 among University of Bologna, School of Economics, Management and Statistics, Forlí Campus, within the academic course on Social Economy. AICCON has gained over the years an impressive experience in the research field and has expanded its network via projects, carried out in collaboration with both Italian and International Universities, as well as with other institutions of the Italian Civil Economy. Regarding the social entrepreneurship topic, it contributed to the elaboration of 2nd and 3rd editions of the "Italian Report on Social Enterprises" (2012 and 2014) and of the Italian country report in "A map of social enterprises and their ecosystems in Europe" (European Commission, 2014). Relating the social innovation topic, AICCON contributed to the elaboration of the European Social Innovation Research Agenda (Social Innovation Europe project financed by the European Commission, DG Enterprise) and developed the open innovation guide for the CoopUp, the network of incubators of social enterprises promoted by Confcooperative Emilia-Romagna. It's finally worth remembering their further fostering an open dialogue on the role of social economy organisations through their main, annual event "Le Giornate di Bertinoro per l'Economia Civile", where the future challenges for Social Economy at a national level are discussed. Within its promoting strategy, AICCON offers different training programmes, aimed to enhance the knowledge of non-profit sector and to acquire innovative tools.

In line with Euricse experts, AICCON's Training and Education Coordinator highlights a current lack of knowledge concerning the wide range of new tools offered by mainstream finance and impact investing funds, especially when dealing with social co-operatives, that is to say AICCON's main target, according to Organization's history and to a territorial sound tradition. Owing to this tradition, social co-operatives have always been engaged with Public, that's why they lack culture and competence enabling innovative financial patterns, mainly shaped within the market. The new scenario is characterised by a growing interest for social issues in a market/business perspective. Hence, the growing number of socially oriented enterprises, such as Benefit Corporations, and hence the need

for Third Sector to grow more competitive, developing and adopting entrepreneurial business models.

Even if Third Sector Reform has disclosed new market opportunities for social enterprises, they still have strict limits concerning, for example, remuneration for capital; therefore, they need to be competent enough and appealing to investors, gaining visibility and increasing their capacity to engage local communities. Consistently with this perspective, some emerging skills can be focused, such as digital skills, necessary to both internal organization development and external communication. Fundraising is, for example, a traditional Third Sector competence wich needs to be consistently "fertilized" by digital skills. AICCON testifies, drawing on the experience of their Fund Raising School, to a persistent resistance to web culture among social co-operatives, now legally recognized as social enterprises.

Likewise strategic is the competence associated with impact assessing, now provided by Law, which urges to be envisaged as something moving forward a mere reporting to stakeholders: as the way to, internally, define and adjust strategies and objectives, and to, externally, approach investors, especially the widespreading impact investing funds. Being aware of a sensible gap in this area, in 2018 the Association, which has worked since 2015 in training activities on evaluation of social impact generated by social projects and social enterprises, launched a specific service to support social enterprises in their growth and development, with a set of products and services promoting the impact measurement and the open innovation.

Open innovation is another key point tackled by AICCON, which is offering to social co-operatives, from 2017, a guide targeted at developing cooperation specific features towards an open innovation culture, basing on a common approach, that is to say stakeholders and community engaging, traditionally held as a fundamental feature of social cooperation culture. Though this feature should be a fundamental part of social enterprises', and especially of social cooperatives' identity, it needs to be strengthened, since it is often limited to service delivery and not to service designing, within a strategic activity planning. The key issue, in order to enhance the uptaking of this culture in social enterprises, is according to AICCON that of strengthening an entrepreneurial vision, approaching and managing "entrepreneurial risk", intercepting external resources and nurturing partnerships.

The need for community engagement, which is characteristic of the open innovation approach, is indeed the very premise of AICCON's advanced training course in Welfare Community Manager – Culture, business model and design of innovative social services, started in 2016 and organized with the University of Bologna - School of Economics, Management and Statistics. The emerging professional profile of the " welfare community manager" perfectly fits in the framework pictured above, and it is outlined as a profile working in public, private or Third Sector organizations, to analyse the new social needs, designing and evaluating innovative and on-line solutions, working with a plurality of actors. Noteworthly, it is promoted by the Alliance of Italian Cooperatives and the three "historical" associations representing, assisting and protecting the Co-operatives Movement (AGCI, Confcooperative, Legacoop), thus showing a growing awareness of the need of adopting social entrepreneurship emerging models.

Another emerging profile in the same scenario outlined by AICCON's expert is the "community organizer", a sort of networking expert, a strategic profile both in Public and in Third Sector's organizations, whose competence is for example crucial in the growing field of urban rigeneration, based on public administrations and institutions, enterprises and citizens networking. The community organizer is expected to mobilize different targets, working at the grassroots level, thus holding the organization/institution accountable for policies and programs that directly impact the community. He should be able to get individuals and different actors sharing collective goals fostered by the social enterprise/institution, getting them to engage with the community. Likewise, he is expected to identify the areas where specific or innovative social services are required, outlining solutions to address these needs. He is an effective communicator with a sound competence in organizing processes, working alongside groups.

It is clear that the profile of the community organizer requires a notable soft skills background, concerning leadership, flexibility, creativity and communication competencies. Similar should also be the characteristics of the other profile outlined above. It is therefore remarkable how these emerging profiles in the new scenario of social entrepreneurship strengthen the need for soft skilled workers; a need which has already been shown by the researches we mentioned in the first chapter, arguably strengthening

the need for people having a specific experience in the sector as well. The empowering of social enterprises' human capital stands, therefore, as a priority.

Competence building also represents a core issue for organizations directly supporting social enterpreneurship, providing early-stage assistance.

Make a Cube³, a low profit, low dividend and community interest company established in late 2011, is the first incubator in Italy providing comprehensive advisory to startups with high potential for creating social, environmental and cultural value, leveraging innovative models and solutions. Its "truck record" displays more than 60 new ventures incubated per year, more than 5 mil euros funding to incubated start-ups and 4-6 incubation/acceleration programmes managed per year. Reading through the planned stages of their incubation format, mainly based on half a day workshops, entreprenuerial capacity building ranks first:

incubation format – workshops

- → entrepreneurial capacity building
- → assessment of the business idea
- → definition of the key elements of the business plan: target and objectives, economics,
- → corporate governance, operative plan, market analysis, marketing strategy, legal form,
- → strategic partnerships, financing need;
- → creation of the corporate identity and planning of the communication strategy;
- → implementation of the monitoring system for social impact
- → definition of the tools to realize and evaluate test and pilots
- → pitch and documents to present the start-up to potential investors and business
- → partners.

Make a Cube³ tutors drive future entrepreneurs to shape a sustainable business model, allowing them to be as much independent as possible from fundraising. In order to

find out a coherent and robust financial and operational model, prototyping and market tests on "early adopters" are carried out under tutors' guide.

The training contents pointed out above are mainly implemented basing on open source Business Model Canvas tools and other specific open tools made available from platforms like strategyzer.com, aiming at better define targets and mastering value propositions. Assuming that social innovation enhancing is Make a Cube's "core business", the organization outlines social innovation as new ideas which tackle social needs - even characterized by different degrees of social awareness - where inventiveness is directed towards market-relevant initiatives, to become social business. Their methodology and approach as a social innovation incubator have been recently displayed within an Erasmus +project ended in 2017 (KA2), aiming to develop the professional profile of a European Expert in Social Innovation Incubation.

Make a Cube's incubation service includes different patterns, ranging from Warm Up-Laboratory dedicated to those who have an idea, but have not yet focus on the business model and project work for an interactive path of growth, to HD - high-density incubation, dedicated to startup groups, and 121 – development of a tailor-made process. The Erasmus project mentioned above shows the upward stages of a tutoring path, carried out by an incubation expert, which is perfectly in line with that run within Make a Cube's different incubation patterns. We have therefore enquired into project contents to better understand Make a Cube's incubation approach. Moreover, even if every stage of the tutoring path is associated with knowledge, competence and skills required to the expert himself to support the incubated enterprise, taking a look at the core skills focused in the "modules" makes it likewise possible to infer the key competence required for an entrepreneur to start and - considering the second half of the path - grow up a successful social business.

Noteworthly module n.1 is centered on the analysis and evaluation of the business idea potential as a social innovation opportunity. This confirms the essential relationship established between social enterprises and social innovation: a relationship which is expected to provide the business model with its own specific identity/mission, later on underpinning the process of brand creation.

Context analysis and diagnosis of emerging demand, analysis of social value proposition and social impact outcomes, market analysis aimed at demonstrating how the

idea will differentiate the social innovation introduced against the competitors stand for key competencies. The prominence ascribed to these aspects, concerned with the very nature of Third Sector and social enterprise, accounts for the widespread request of knowledge and specific experience in the sector shown by evidence on workers demand (see above). Consistently with this perspective, Make a Cube HD provides that trainers produce several deliverables such as SWOT analysis, concept and brief for creative agencies.

"Prototyping and pilots" (deeply dealt with by the third module of the online course for incubation experts) is a core training content in Make a Cube approach, since it enables future entrepreneurs to build-and-test the "social value proposal", the viability and feasibility of the project. Based on interviews and survays, this training stage is a "getting out of the building", aimed at gaining good insights about customer/beneficiary profiles, observing them in the real context where they will experience the problem addressed by the business idea.

It is worth noting that this approach, differing from the traditional frontal lesson, is in line with what highlighted by Euricse about the need for experience in impact assessment: one more time direct experiencing rises, therefore, as a key factor for a successful performing.

Not only at a starting stage, but also in a growing-up-the-business stage the prototyping and testing approach is highly recommended: after creating foundation on customer needs and behaviour, the expert in charge of social innovation incubation is expected to drive future entrepreneurs through designing and validating the first version of the solution; the process, based on three steps (build, measure and learn), is continuously repeated to refine, redefine and readapt the product/service to new, emerging instances and necessities. The methodology suggested to develop the validation process draws on the worldfamous Lean Startup Methodology, including tools connected with Lean philosophy, like the Validation Board, using impact indicators and metrics.

Just like Make a Cube's approach draws on open source tools for defining the business idea, as we have seen before, in the start up process their approach relies on well established methods and tools, the use of which is highly recommended in a growing-up-a business stage as well: from social business model canvas to cashflow projections, P&L and Balance Sheet and Value Chain, which can be systematically revised to ensure that

the business is addressing market and social needs in a sustainable way and to assess the organization from the inside out; social business canvas can likewise be read through again to rethink the key resources, partners / stakeholders, and key activities to be scaled, making use of scaling guides available in the Web.

Make a Cube's being a best practice in enhancing and supporting social entrepreneurship and social innovation is thus not much concerned with creating new specific tools and methodologies, but rather with driving and tutoring future entrepreneurs while effectively using the many resources made available in the Web.

Successfully exploiting existent resources is also inspiring their action of "competence mapping", carried out within HD framework. Tutors use to ask trainees to find out knowledge-competence-skills required or lacking in their start-up teams for successfully develop the business idea. This step links to what module n.2 of the online course for incubation experts ("*enable the expert to guide people/team to transform 'a first vision of new solution ideas' into a concrete proposal*") outlines as mapping out human resources and is framed within the prominent action of community building carried out by the organization while assisting start ups: after focusing required and needed competencies tutors use to invite team groups to sit together around a table, sharing outcomes and perspectives. Make a Cube's trainers try this way to enhance synergies and collaboration among groups. Furtherly, by engaging experts in the role of *mentores* from their networks and from the community of previously trained social managers and entrepreneurs – likewise included in the network – they try to provide groups with the knowledge and skills they are in lack of.

Basing on the outcomes of this systematic competence analysis, fundraising and communication and social media marketing and management are largely perceived as key competencies by trainees.

Drawing on their experience Make a Cube experts focus another key factor, besides specific managerial competencies: harmony and understanding within team-groups and a shared striving towards expected results.

Even if not mentioned among the skills perceived by trainees as key ones for developing a successful business, Make a Cube staff shares with Euricse experts the

awareness that a fundamental – and often missing – capacity is needed to plan strategies basing on the analysis of a changing legal and financial framework. A gap the Organization itself helps filling by including all incubated businesses in its network, providing them with selected informations and scouting new opportunities.

The community building approach experienced by Make a Cube includes value co-creation fostering for social innovation among peers and peer to peer mentoring; networking activities, as specificied above, and engagement in social enterprise "ecosystem developing". This action is carried out involving public authorities (mainly local ones) and by working with both grant makers (foundations and philanthropists) - for improving the funding process through pre-incubation and incubation programmes aimed at strengthening the projects and at selecting the best grantees - and impact investors, micro-credit institutions, crowdfunding platforms and banks - for improving selecting processes and development programmes for businesses supported with equity, quasi-equity or debt funding.

Community building is, along with incubation and training, one of the aims of another "best practice" enhancing social entrepreneurship: FabriQ, the first incubator specifically targeted at promoting social innovation of the Municipality of Milan, managed by two experienced partners such as Impact Hub Milano, part of Impact Hub International network, and Giacomo Brodolini Foundation, a Think-and-Do-Tank tackling research, technical support, consultancy and training across social policies and employment. Fabriq's target concerns not only social enterprises "ex lege", but all those enterprises (at a start up or pre-start up stage – start ups about to be established) we referred to above as "hybrids", where social impact is a main feature of the business: enterprises pursuing commercial strategies to maximise their social impact, more than or equal to profits, by means of social innovation methods. The format applied is similar to the one experienced by the other incubator we approached, with an intensive program aimed at supporting start-ups in entering the market, including tutorship, peer sessions based on mentoring and networking, aiming to create a sound community among incubated teams. This community building is further extended to integration within broad networks, such as Impact Hub's and Giacomo Brodolini Foundation's national and international networks, and is systematically empowered by organizing meetings with professionals, social

entrepreneurs, investors and experts, within a larger promotion action. The typical 4/6 months incubation program includes a pre acceleration and an acceleration stage, involving selected start ups/business ideas furtherly supported in terms of mentoring, access to the co-working space, seed funding and a privileged access to investors. Sectors targeted by Municipality's grants for entering Fabriq's program are the ones where social innovation is expected to play a role, and they range from People & Health to Agrifood, from Environment & Circular Economy to Smart Cities & Sustainability and Education & Culture.

It's worth focusing the attention on the third of the three pillars of FabriQ's training program, starting from the pre acceleration phase: along with traditional business modelling and business planning modules the program plans a module focused on pitching and pitch execution: how to prepare the pitch. The inspiring idea is that of the "elevator pitch" meant as a clear, short description about oneself (the social business, in the specific case), outlining who you are, what you're looking for and how you can benefit a company or organization, and it must take as much time as it takes people to ride from the top to the bottom of a building in an elevator. The choice of "pitching" bases on the awareness of the key role played by investments especially at a very sensitive stage of the life of a start-up, when the first significant investments must be made, being this the phase in which the future of most companies is determined. In this perespective, the more "traditional" module concerning business planning is envisaged in the program as how to structure a BP to be submitted to investors. Pitching is experienced in theory and mainly in practice: at the end of the training, the start-uppers have the chance to test their own progress during a restricted pitch event, in which only Fabriq senior advisors take part and provide a preliminary feedback.

In order to better understand the importance of the topic within the program we can take a look at a specific project named EASII, "Easing Access to Social Impact Investments" , carried out by Fabriq, which benefited from financial support from the European Programme for Employment and Social Innovation "EASI" (2014-2020). EASII project was carried out in response to the European call for tenders/DG Employment, Social Affairs and Inclusion entitled "Actions to boost the demand and supply side of the finance market for social enterprises", and in particular to the strand D of the Call: "Development of investment readiness support for social enterprises". The

specific challenge tackled by the project – ended in 2017 - was the insufficient investment readiness of social innovation enterprises, and the goal was that of providing support and develop capacity-building programmes to improve their ability to obtain third-party financing. Methodologies centered on investors approaching, characterising Fabriq's usual incubation program, are therefore particularly emphasized by this project.

The training provided by the incubation programme consisted of a series of classes aimed at theoretically and practically educating the participants on the establishment and implementation of start-ups. Moreover, the programme had the objective of training the start-uppers in view of a final *Investor Day*, allowed by the engagement - drawing on existing robust relationships with many of such actors - of the main investment funds, banks and companies potentially interested in participating to the Investor Day.

The topics covered during this second round of classes were:

» *Low-interest financing. Facilitating opportunities supporting the development plans of* innovative start-ups.

» *Intellectual property management.* Intellectual property for SMEs and Start-ups: identifying the intangibile goods of a company to be protected and how to do it best.

» *Business planning.* Structuring and checking the business plan in all its components.

» *Term Sheet development.* What is a term sheet? How is it structured? What are the standard clauses that are typically included in term sheets? How to read this document and avoid imbalances in favour of investors.

» *Pitching.* How to structure a pitch to be presented to the investors. What information cannot be missing and what to expect from this kind of audience.

» *Public speaking.* An interactive course that, by combining topics borrowed from the entertainment and dubbing industry with practical exercises, helps the participants to learn a method to: acquire expertise in verbal and non-verbal communication; manage and overcome performance blocks and fears; engage the audience, draw the participants' interest to one's proposition and manage networking; effectively manage time to get the best possible result.

» *Negotiation vol.1.* A negotiation lab based on the learning-by-doing method and the use of open education resources and proprietary content. The experiential format promotes fundamental concepts in negotiation, letting participants test their negotiation skills through role play in pairs and structured negotiations.

» *Negotiation vol.2*. Topics covered in the second module: what is the pie in a negotiation and how to extend it before splitting it; tool kit to negotiate successfully; example of structured negotiation

A whole month after training was furtherly devoted to the preparation of start-uppers in view of the Investor Day. The activities concerned a better finalisation of the business plan and the pitch to be presented to potential investors, for example defining the right level of funding to develop the business, define the pre-money valuation and the steps needed to grow and scale on the market. They concentrated on discussing the main points of start ups presentation, such as the business model, go-to-market strategy, capital required and pre-money valuation, simulating the presentation of the pitch and getting advice on how to make their performance more effective (pitch duration was estimated 3 - 10 minutes).

Traditional entrepreneurial and managerial economic and financial competencies developed by the program are surely fundamental considering that, as EASII project research does, over the last years just a little part of the non-profit sector in Italy managed to give really innovative answers to the population needs, and that the decline of the best experiments is mostly due to the lack of managerial skills allowing a successful management of innovation process; hence the need to strengthen the management and business skills of aspiring and new social entrepreneurs. Acording to Fabriq staff's experience, managerial skills, especially concerning operational and financial strategic planning, often lack since new and aspiring entrepreneurs use to have a training in a technological area, or come from "traditional" Third Sector, without any experience of an entrepreneurial approach. Training on the managerial skills included in the program is thus very much required.

Pitching is, in this context, a skill which is likely to particularly emerge in a changing socio-economic environment, where "Social innovation and sustainability are becoming areas of interest for the market and those who have resources to invest. It is a movement developing in one direction, which is consolidating itself also because it serves

and reconciles the interests of different actors: the third sector, the world of finance, the research community,the market".[19]

It is clear as well how soft skills, especially communication skills, play a prominent role in this area. Hence the introduction, in the training program, of dedicated modules. Trying to focus the attention on the "growing-up-a-business" stage, the expert from Fabriq, who is one of the authors of EASII project report, points out another competence likewise linked to evolving legal, socio-economic and financial scenarios, that is impact assessing, intended not as a legal requirement, but rather as a lever to grasp investors' interest, especially in such countries as Italy, characterized by a very dynamic Third Sector ecosystem, but also by very low investment amounts and a still small number of operators specialised in these type of investments. The growing interest mentioned above and the global trends of economics and mainstream finance allow to think, for the future, of a more mature national impact investing system. Therefore, the empowerment of these strategic skills is an opportunity to be developed, in connection with communication skills, meant as a way to turn assessment into a successful storytelling, supported and empowered by ICT communication tools. Capacity building is considered as a key factor in order to foster a growing impact investing system.

Capacity building is just one of the main goals of another Italian "best practice" in supporting Third Sector and social entrepreneurship: Cariplo Foundation, based in Milan, and mainly acting as an enhancer by developing social enterprises ecosystem, including investors, Third Sector and social impact enterprises, commonly defined as "hybrids". As specified above, these enterprises are producing social value without being legally registered as social enterprises (socially-driven companies such as innovative socially-driven start-ups, Benefit Corporations -"B-Corps", and socially-driven limited companies, also for profit). The persons in charge for Cariplo Foundation, available to share their experience with us, profile them as enterprises developing innovation in service delivery by innovating either products or processes, where social value pursuing is both intentional and prominent in the business idea: organizations whose business is specifically designed to answer a social, environmental or cultural need.

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[19] *Easing Access to Social Impact Investments. The support model proposed by the incubator FabriQ*, Fondazione Giacomo Brodolini and Impact Hub Milano, p.19

In the post reform scenario it is still to be discovered whether the more flexible legal framework, and the new financial levers, will be enough to disclose social enterprises' potential, assumed the persistence of economic and financial boundaries, allowing social enterprises to be included within the Third Sector and share Third Sector benefits. The open approach experienced by Cariplo can therefore be envisaged as a strategy for developing a more inclusive ecosystem, integrating the many different business models expected to feed social innovation. This is the reason why the specific program addressing this ecosystemic goal is named "Social Innovation Program", which based on 3 pillars:

1) capacity building : within this pillar the Program aims at strengthening the capacity of Third Sector organizations and the new subjects turning to social entrepreneurship to express social, environmental and cultural innovation, in an economically sustainable way. This pillar is therefore acting on "demand" side, backing the ability of Third Sector organizations to structure an aware demand of capital (equity, quasi-equity and debt), in order to address the most urgent social, environmental and cultural challenges.

2) Impact investing: this pillar aims at supplying Italian social innovation ecosystem with financial instruments to foster the birth and development of social businesses and the creation of an impact investing market. The goal is here that of structuring a supply, enabling conditions for the sustainability of social innovation and entrepreneurship ecosystem. Along with impact-investing culture dissemination, Cariplo Foundation is directly investing (equity or quasi-equity investments with a "social venture capital" approach, targeting limited financial returns) and indirectly investing in "social business" (acquisition of shares of Social Impact Funds, ethical investment funds that support companies running activities in relevant social, environmental and cultural fields). An advisory service will be opening soon as well, targeted to social entrepreneurs and other subjects in the impact investing and social entrepreneurship ecosystem.

3) Social Innovation incubation and acceleration: the third pillar concerns a service-providing platform (named "Get It"), structured in partnership with Cariplo

Factory, dedicated to incubation, acceleration and scalability of new social start-ups. It aims at exploiting the disruptive potential coming from new start-ups able to tackle social, environmental and cultural challenges by structuring-tailor made programs involving best in class incubators, accelerators and mentors. At the end of the path, which can include more stages according to partecipants' starting point and needs, selected start-ups have the chance to access seed investments and a network of potential investors.

As specified above, Cariplo Program for "social business" is explicitly linked to the concept of social innovation. In this framework, the thematic areas of interest of the five "Call4Impact" launched by *Get It* are worth mentioning (the first four "Call4Impact" have been planned with a quarterly cadence, while the fifth call is open and directed towards foreign start-ups):

Call4Impact 1 – Welfare, Health & Wellness

- Digital and IT solutions for Welfare
- Ageing
- Social inclusion & disability

Call4Impact 2 – Smart Cities & Mobility Action, Food & Environment

- Accessibility & Urban Recovery
- Food & Environment

Call4Impact 3 – Accessible & sustainable tourism and cultural heritage

- Accessible & sustainable tourism
- Management & Cultural Heritage

Call4Impact 4 – Education & Job Opportunities

- Learning disability & school abandoning
- Job opportunities
- Gender equality

Call4Impact 5 – KETs (Key Enabling Technologies) for Social Innovation

Even if we are not going here to enquire about sectorial skills demand, from an entrepreneurial perspective it is quite useful having a picture of emerging social innovation

areas, which are represented by the Call4Impact topics and which are in line with dynamics displayed by the investigations mentioned above.

As far as the first pillar is concerned, the Program includes workshops, seminars and lectures and makes it available an open source distance learning program (Cariplo Social Innovation Lab), including traditional tools such as business canvas and logframe; besides, a call for grants allows NPOs to get training or advisory in key areas and topics, such as organizational empowerment, leadership, generational change and internationalization, economic sustainability and digital competencies.

Trying to focus the areas where social enterprises seem to be weaker, according to Foundation's experience in fostering the sector and enabling organizations to be more appealing to investors, useful clues mainly come from selection activities carried out within the platform (Get It – third pillar). A first consideration is that a high degree of motivation, social innovation and social value pursue is often not underpinned by entrepreneurial and managerial competence. A growing university and post university educational offer is not yet wholly displaying its impact on innovative, emerging social business ideas: sometimes, entrepreneurs belong to the previous generation: not high skilled people, but having a long Third Sector experience; sometimes, team groups are young but, even when high skilled, they lack specific managerial competencies. In line with what highlighted by researches (see above), economics students even when specialized in social economy, mainly spend their competence elsewhere, in traditional corporations developing social responsibility strategies or in the "hybrid" sector.

As a consequence, a lack of competence in economic and financial planning is still registered and held as a priority gap to be filled since, in line with what highlighted by the other incubation best practices involved in our investigation, a successful growing-up-a-business model is envisaged as a model which is not resting upon fundraising, but rather based on revenues from the sale of (mainly) services or products.

Drawing on their direct and indirect experience with social enterprises - non profit organizations turning to entrepreneurship, social business ideas turning into social enterprises and start ups – Cariplo experts assert that specific managerial competencies need to be empowered in different but one another close related areas, especially considering the post reform scenario: knowledge and skills required to read through a balance sheet and to assess the economic performance of an organization, within the

framework of social value proposition, are for example expected to underpin the ability to engage with stakeholders and potential investors. Likewise, communication and web communication should be wholly rethought as a lever to engage with them. Assumed that the achievement of intentional impact must be measured and assessed, communication process is expected to manage outcomes and contents, providing informations for stakeholders and potential investors.

Though, as specified above, a successful growing-up-a-business should be independent from fundraising, the latter is expected to keep on playing a prominent role, since the very nature of social enterprises limits their potential revenues. Nonetheless, while a lot of social enteprises are still resting upon fundraising, it is mostly carried out without any systematic approach, including assessment and seeking out areas for growth. The professional profile of the fundraiser is held as a key one within the organization, whose competence background should be furtherly enriched in a post reform scenario where new and specific financial tools are available to social enterprises.

Digital competence, high impacting on external communication, is a further, cross skill which needs to be empowered, especially referring to non profit organizations turning to social entrepreneurship, and it is expected to play a growing role in the structuring of organization processes as well, from internal communication to budgeting, from data repository to project designing.

Focusing required knowledge and skills provides not only useful informations for better defining professional profiles who are likely to meet Third Sector's workers demand, but also useful informations for aspiring social entrepreneurs, who are expected to bring competence together, thus creating the premises for a successful social business. Cariplo itself is selecting start ups to be assisted and supported according to different criteria, taking into account business idea innovation degree as much as team members' skills. We are reporting here, below, *Get It* platform evaluation criteria, as pointed out in the Program:

targeting a relevant challenge or need
Innovative content of proposed solution
Pursuit of a social, environmental or cultural need
Technical feasibility and economic sustainability

Team members' competencies
Scalability or replicability

It is clear how both social innovation and social value pursuing and managerial skills, necessary to assess technical feasibility and economic sustainability of the business idea, are required and how criteria try to let competencies be clearly defined and assigned inside of the team.

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SOCIAL ENTREPRENEUR QUESTIONNAIRE

1. What organization you are a member of?
   1.1. NGO
   1.2. Local Authority
   1.3. SME
   1.4. Social services
   1.5. Large enterprise

	1.1.	1.2.	1.3.	1.4.	1.5.
Belgium	41.7%	18.7%	12.5%	22.9%	4.2%
Bulgaria	44.4%	29.6%	11.1%	7.4%	7.4%
Italy	57.1	14.3	8.6	5.7	2.9
Spain	39.3	0	7.1	0	53.6

Above 40% of the respondents from Belgium, Bulgaria and Italy come from NGOs; the respondents from Spain come predominantly from large enterprises. That difference will lead to further differences in the way the respondents answer.

2. If you are an NGO, please specify your area:
   2.1. Social services
   2.2. Tourism
   2.3. Education and Training
   2.4. Youth activities
   2.5. Copyright for entrepreneurs
   2.6. Health and social services

	2.1.	2.2.	2.3.	2.4.	2.5.	2.6.
Belgium	34.6	11.5	53.8	11.5	3.8	7.7
Bulgaria	36%	24%	24%	12%	24%	0
Italy	25	2.8	38.9	19.4	5.6	27.8
Spain	11.1	38.9	44.4	38.9	0	0

Most respondents from Belgium, who are members of NGO, are involved in education and training activities; Bulgarian respondents are predominantly involved in social services, but tourism and education and training; Italian respondents focus on education and training, but health and social services, as well; Spanish respondents fluctuate between education and training, tourism and youth services.

3. How do you raise funds?
    3.1. State or Local budget
    3.2. EU programs and projects
    3.3. Charity
    3.4. Commercial activity
    3.5. Renting
    3.6. Member shares
    3.7. Fees and inscriptions
    3.8. Bank credit

	3.1.	3.2.	3.3.	3.4.	3.5.	3.6.	3.7	3.8
Belgium	66.7	45.9	8.3	54.2	8.3	22.9	12.5	8.3
Bulgaria	14.8%	29.6%	22.2%	29.6%	11.1%	11.1%	11.1%	-
Italy	69.4	2.8	63.9	8.3	0	47.2	16.7	2.8
Spain	39.3	14.3	17.9	85.7	0	0	0	0

Raising funds is a crucial aspect for any kind of economic activity. As you see, it is pretty obvious that Belgium and Italy have deep experience in social entrepreneurship and the state funds either at a national level or through regional funds social enterprises. In Bulgaria the situation differs significantly. Social enterprises rely on EU programs and funding, as well as on commercial activity. The Spanish respondents work at large corporations and the funds are raised by commercial activity.

4. Does your organization have experience with social establishments?

	Yes	No
Belgium	91.7	8.3
Bulgaria	44.4%	55.6%
Italy	25	75
Spain	96.4	3.6

The Belgian and Spanish respondents take the lead with almost 92% and 97% respectively, answering with "Yes" to the question. The Italians are still at school, so they miss to get acquainted with social enterprises. In Bulgaria the topic is gaining more and more attention.

5. Which social establishments would you interact with?
   - 5.1. Social establishments as provides of social and health services
   - 5.2. Social establishments as trainings organizations
   - 5.3. Social establishments as employers of people coming from marginal groups
   - 5.4. Social establishments enrolled in production and commerce

	5.1.	5.2.	5.3.	5.4.
Belgium	56.3	72.9	29.3	33.3
Bulgaria	29.6%	18.5%	22.2%	37%
Italy	Yes - No			
Spain	21.4	75	39.3	17.9

The Belgian respondents identify would interact with social establishments as training organizations (72.9%) predominantly, a result close to the Spanish (75%). The Italian group answered to a modified question with "Yes" and "No". In Bulgaria the respondents would prefer to interact with social enterprises enrolled in production and commerce.

6. Does your organization plan to develop social entrepreneurship activities?
   6.1. Yes, we are planning so
   6.2. We are still getting informed on what social entrepreneurship is
   6.3. It is now that we hear about social entrepreneurship
   6.4. No

	6.1.	6.2.	6.3.	6.4.
Belgium	52.1	31.3	6.3	10.4
Bulgaria	40.7%	14.8%	14.8%	29.6%
Italy	25	33.3	16.7	25
Spain	25	3.6	3.6	67.9

The answers vary a bit, Spain being an exception due to the specificity of the respondents – they are involved in large enterprises with no plans for social activities. The Italian respondents are still very young to be informed to a level to get action. Belgians and Bulgarians are planning to develop social activities.

7. What target groups do you plan to work with in a social establishment?
   7.1. Physically disabled people
   7.2. People with mental disorders
   7.3. Ethnical minorities
   7.4. Children and families at risk
   7.5. Adolescents who are not integrated in society
   7.6. Women who are victims of violence
   7.7. Elderly people

	7.1.	7.2.	7.3.	7.4.	7.5.	7.6.	7.7.
Belgium	22.9	18.8	39.6	22.9	20.8	14.6	10.4
Bulgaria	37%	22.2%	22.2%	37%	18.5%	14.8%	18.5%
Italy	8.3	5.6	13.9	16.7	19.4	2.8	11.1
Spain	50	39.3	78.6	25	35.7	35.7	3.6

The Belgian respondents plan to work with ethnical minorities. Italians plan to work with adolescents who are not fully integrated in society. Bulgarians plan to work with

physically disabled people. The Spanish respondents answer that they would work with ethnical minorities, but they work for large enterprises with no social mission, so the findings are highly questionable.

8. What activities would you develop in a social establishment?
    - 8.1. Social services and activities
    - 8.2. Entertainment
    - 8.3. Consulting services
    - 8.4. Gardening and urban design
    - 8.5. Processing industry
    - 8.6. Construction
    - 8.7. Hotel industry
    - 8.8. Transport
    - 8.9. Telecommunications
    - 8.10. Culture
    - 8.11. Education
    - 8.12. Commerce
    - 8.13. Agriculture
    - 8.14. Social tourism
    - 8.15. Iconography
    - 8.16. Pastry making

	8.1.	8.2.	8.3.	8.4.	8.5.	8.6.	8.7.	8.8.	8.9.	8.10	8.11	8.12	8.13	8.14	8.15	8.16
Belgium	62	19	27	12	2	19	8	4	10	25	50	6	4	15	2	8
Bulgaria	33	22	37	26	11	15	18	18	18	22	33	15	15	15	7	11
Italy	44	25	6	8	0	0	0	0	0	22	25	6	3	11	0	3
Spain	21	25	18	18	0	18	43	14	0	14	32	0	4	4	0	0

This is a question aimed at the personal preferences of the respondents. Most of the respondents see social establishments as providing social services and education. The Spanish respondents are the only exception, supporting the hotel industry as an option.

9. In which field would you like to increase your competencies?
   9.1. Legal documentation concerning social entrepreneurship
   9.2. Idea generation and evaluation
   9.3. Organization and management of a social establishment
   9.4. Planning and financial stability
   9.5. Marketing
   9.6. Human resources

	9.1.	9.2.	9.3.	9.4.	9.5.	9.6.
Belgium	37.5	43.8	27.1	47.9	39.6	29.2
Bulgaria	51.9%	18.5%	29.6%	25.9%	22.2%	22.2%
Italy	47.2	22.2	41.7	27.8	38.9	36.1
Spain	21.4	32.1	14.3	39.3	35.7	32.1

Increasing competencies is a key element in modern life nowadays. The Belgians have the support from the state by funding and they identify as important the need of training how to generate ideas, to evaluate them and how to plan in a financially stable context, whereas Bulgarian and Italian respondents need further clarification of what the legal documentation regarding social enterprises are.

10. What are the targets of a social establishment?
    10.1. To reduce expenditures and cost
    10.2. To boost productivity
    10.3. To change or diversify the product line or services offered
    10.4. To improve labor conditions
    10.5. To adapt the services offered according the client demands
    10.6. To penetrate new markets
    10.7. To adapt to competition
    10.8. Safety improvements
    10.9. Implementation of strategies for social responsibility
    10.10. To create conditions for people from marginal groups to adapt to society and increase their standard of living

	1	2	3	4	5	6	7	8	9	10
Belgium	21	17	33	42	37	27	10	10	54	50
Bulgaria	33	26	19	22	26	22	7	22	22	33
Italy	13.9	16.7	19.4	8.3	58.3	5.6	2.8	0	38.9	52.8
Spain	35.7	50	32.1	42.9	35.7	39.3	32.1	21.4	39.3	42.9

The Belgian respondents focus on the implementation of strategies for social responsibility and the conditions for people from marginal groups to adapt to society and increase their standards of living. The Bulgarian respondents focus on reducing cost and reducing expenditure. The Italian group understands the targets of a social establishment as adaptation of services to client demands. The Spanish group identifies the target as a boost in productivity.

11. What do you expect from the responsible authorities for the development of social entrepreneurship?
    - 11.1. To identify the issues
    - 11.2. To solve the issues
    - 11.3. To support partnership formation
    - 11.4. To provide trainings and further qualification

	11.1.	11.2.	11.3.	11.4.
Belgium	8.3	12.5	50	29.2
Bulgaria	29.6%	37%	11.1%	22.2%
Italy	16.7	25	16.7	41.7
Spain	10.7	17.9	67.9	3.6

The Belgian group expect from authorities to support partnership formation. The Bulgarian group expect from authorities to solve issues. Italians expect trainings and further qualification, while the Spanish group expect support for partnership formation.

12. What do social enterprises need?
    12.1. Financing
    12.2. Training and consulting
    12.3. To provide trainings and further qualification
    12.4. Better legal framework

	12.1.	12.2.	12.3.	12.4.
Belgium	70.9	10.4	8.3	10.4
Bulgaria	29.6%	18.5%	25.9%	25.9%
Italy	27.8	41.7	16.7	13.9
Spain	64.3	7.1	3.6	25

Social enterprises need funding, but as well appropriate training should be provided, further qualification and better legal framework (at least in Bulgaria, where we are still anticipating the law on social entrepreneurship, there is just a project of a law at the moment). It is obvious that social entrepreneurship is still quite an exotic phrase in Bulgaria.

13. What are the most important problems / barriers to the development of social entrepreneurship?
    13.1. Local business environment
    13.2. Funding opportunities
    13.3. Lack of specific knowledge and skills
    13.4. Lack of state policies
    13.5. Other

	13.1.	13.2.	13.3.	13.4.	13.5.
Belgium	10.4	54.2	10.4	20.8	2.1
Bulgaria	44.4 ☺	25.9	22.2	3.7	3.7
Italy	22.2	52.8	22.2	2.8	0
Spain	7.1	57.1	0	35.7	0

Identifying the most important barriers to the development of social entrepreneurship depends on the situation in the countries – as previously mentioned in Bulgaria there is just a project of a law on social entrepreneurship and the absence of legal framework is identified by the respondents. In Belgium, Spain and Italy funding is identified as crucial.

14. Ways to raise public awareness of social entrepreneurship:
    - 14.1. Targeted information campaigns organized by state authorities
    - 14.2. Targeted information campaigns organized by non-governmental organizations
    - 14.3. Brochures, books and other materials
    - 14.4. TV spots and other promotional materials
    - 14.5. Social networks
    - 14.6. Other

	14.1.	14.2.	14.3.	14.4.	14.5.	14.6.
Belgium	54.2	22.9	18.8	41.7	37.5	2.1
Bulgaria	29.6%	25.9%	29.6%	22.2%	25.9%	3.7
Italy	63.9	19.4	41.7	38.9	47.2	2.8
Spain	57.1	42.9	17.9	14.3	32.1	3.6

People expect that the state should take action and inform via campaigns the citizens on what social entrepreneurship is, i.e. to build the awareness needed. Of course, that can be executed by different means – booklets, brochures, or even social networks.

YOUNG ENTREPRENEURSHIP QUESTIONNAIRE

OUTPUT 1 ANALYSIS

YOUNG ENTREPRENEURS

Oct 7th, 2018 Barcelona

1. Please, specify your gender:

	Male	Female
Belgium	59.3%	40.7%
Bulgaria	52.5%	47.5%
Italy	44.1%	55.9%
Spain	48%	52%

The respondents are almost equally divided into males and females – the Belgian males are 60% of all Belgian respondents, but the Italian females are almost 56% and that balances the overall outcome.

2. Please, specify your age:
   - 2.1. From 18 to 20 y.o.
   - 2.2. From 21 to 23 y.o.
   - 2.3. From 24 to 26 y.o.
   - 2.4. From 27 to 29 y.o.

	2.1.	2.2.	2.3.	2.4.
Belgium	29.6%	22.2%	14.8%	33.3%
Bulgaria	20%	10%	45%	25%
Italy	5.9%	58.8%	35.3%	-
Spain	20.8	25	14.6	39.6

The groups of respondents vary in age. The youngest respondents are the Italians, followed by Bulgarians, Belgians and Spaniards.

3. Please, specify your acquired degree (or in process of acquiring):
    3.1. Primary education
    3.2. Secondary education
    3.3. College
    3.4. Bachelor's degree
    3.5. Master's degree
    3.6. PhD

	3.1.	3.2.	3.3.	3.4.	3.5.	3.6.
Belgium	0%	29.6%	0%	51.8%	18.5%	0%
Bulgaria	5%	17.5%	17.5%	22.5%	35%	2.5%
Italy	0%	5.9%	23.5%	44.1%	26.5%	0%
Spain	29.2	22.9	16.7	14.6	14.6	2.1

The Bulgarians predominantly have either a Master's degree or a Bachelor's degree from university. The Belgians mostly have a Bachelor's degree. The Italians are in a process of acquiring a Bachelor's degree. The Spaniards fit in the low qualified segment of society with predominantly having a primary education.

4. Please, specify your acquired specialty, if you have such:

Belgium	40 different fields	Economy & so on
Bulgaria	40 different fields	From Biology to Philology
Italy	anything	
Spain	29% no specialty	

It is quite difficult to summarize the results of this question. The respondents provide a large variety of answers, ranging from Arts to Applied Science, Economy, Engineering, Linguistics and so on. The Belgian and Bulgarian respondents provide those answers, since

they have university degrees. Those Spanish respondents with primary education have no specialty.

5. Do you attend (or have you attended) out-of-school language courses?

	Yes	No
Belgium	93% - EN + NE / IT / ES	7%
Bulgaria	40% EN	60%
Italy	56% EN + ES / FR	44%
Spain	31% EN	69%

The Belgian respondents have attended out-of-school language courses – and usually it is a combo of English and another language, either Dutch, Italian or Spanish. In Bulgaria people learn mostly English as a second language, but it is not so frequent to have a third language. The Italian respondents do as Belgians do – they learn a combo of English with either Spanish or French.

6. Do you attend (or have attended) out-of-school computer courses?

	Yes	No
Belgium	74%	26%
Bulgaria	25%	75%
Italy	26%	74%
Spain	27%	73%

Approximately ¼ of all the respondents have attended out-of-school computer courses with Belgium being the one and only exception, where the percentage raises to 74%.

7. Do you attend (or have you attended) out-of-school management courses?

	Yes	No
Belgium	70%	30%
Bulgaria	15%	85%
Italy	20.6%	79.4%
Spain	14.5%	85.5%

The answeres to this question correlate with the answers to the previous question. The percentage varies from ca. 15 to 21% with the exception of Belgium, where 70% of the respondents have attended management courses.

8. What other courses have you attended?

	Yes	No
Belgium	63% M&M / Droit	37%
Bulgaria	20% language courses	English / Photography
Italy	20.6%	79.4%
Spain	14.5% Entrepren. + 14.5%	71%

The Belgian respondents take marketing and management courses or right. In Bulgaria the respondents are not so active as the Belgian ones and just 20% take language courses (English predominantly) or photography. In Italy the courses form a variety of many fields. In Spain the respondents take an entrepreneurial course organized by the host institution Trinijove, some other respondents take courses in different fields, but the majority is somehow passive with 70% not taking part in additional courses other than the mentioned ones.

9. Have you obtained a certificate(s) from this / these additional course(s)?

	Yes	No
Belgium	85.2%	14.8%
Bulgaria	52.5%	47.5%
Italy	55.9%	44.1%
Spain	60.4%	39.6%

On the average, half of the courses bring certificates along with them with the exception of Belgium, where 85% of all courses provide a certificate.

10. Have you held practice during your training? Could you explain in brief: company / position / duration, if so?

	Yes	No
Belgium	26%	74%
Bulgaria	25%	75%
Italy	26.5%	73.5%
Spain	33.3%	66.7%

Most of the courses are mostly theoretical and provide little practice, since only ¼ of the respondents answer with "Yes" to that question with the exception of Spain, where 1/3 of the respondents say that they had practice during the course.

11. What is your work experience: company / position / duration, if so?

Belgium	30% no experience	35% intern + 35% real job
Bulgaria	From 2 y to 10 y	IT / Office
Italy	50% no experience	30% volunt. + intern / 20
Spain	23% no experience	

Only 30% of the Belgian respondent have no experience. The rest of them divide in two equal parts – with having had either an internship position or a real job. The Bulgarian respondents posess a Master's degree and logically have work experience from 2 to 10 years. 50% of the Italians have no experience, but they are too young and still at university to have such. The rest have volunteered or have had an internship position. The experience of the Spanish respondents is limited. 23% state that they have no experience at all, the rest provide answers that are difficult to summarize, because the range is quite large.

12. Do you plan to continue your education / professional qualification at educational institution / organization?

	Yes	No
Belgium	52%	48%
Bulgaria	32.5% - old folks 😊	67.5%
Italy	79.5% - for a MA	20.5%
Spain	25%	75%

The Belgian respondents do not possess a Master's degree and that is why quite logically we see that 52% of them would like to continue their studies. The Bulgarian respondents are both older and possess a Master's degree, so only 32% would go ahead and continue their education. In Italy the respondents are at university and that is why we see that almost 80% plan to continue for a Master's degree. In Spain the group consists of low-qualified people and quite logically they fail to recognize the need for further qualification.

13. Do you plan to continue your education / professional qualification obtaining a specialty?

	Yes	No
Belgium	52%	48%
Bulgaria	30%	70%
Italy	79.5%	20.5%
Spain	37.5%	62.5%

This is the same question as No. 12 but included as Nr. 13 just because of a slight difference in the way the question was formulated in some questionnaires – this is one of the very slight variations in the questionnaires due to the different background and language used.

14. Do you plan to obtain new qualification?

	Yes	No
Belgium	52	
Bulgaria	35%	65%
Italy	71%	29%
Spain	33.3%	66.7%

This question is a modification of No. 12 and No. 13.

15. Do you plan to start your own business? In which area?

	Yes	No
Belgium	70.4% trade / tourism /HR	29.6%
Bulgaria	72.5% IT / trade / tourism	27.5%
Italy	44% trade / tourism / IT	56%
Spain	50% trade / HR / IT / tour	50%

The Belgian respondents stick to more traditional fields such as trade, tourism and hotels and restaurants. The Bulgarian respondents would start an initiative in the field of IT predominantly, since Bulgaria is considered an "IT paradise". In Italy and Spain the respondents gravitate around trade, tourism, hotels and restaurants and IT.

16. Please rate your available qualification for the following majors according to your specific activity:
    16.1. Preparation of a business plan
    16.2. Preparation of SWOT analysis
    16.3. Planning revenues and expenses
    16.4. Delegation of obligations
    16.5. Planning and coordinating tasks
    16.6. Requirements for staff selection
    16.7. Search for clients
    16.8. Financial reports
    16.9. Cash flow managements
    16.10. Budgeting
    16.11. Formation of salaries
    16.12. Calculating the cost of a product / service
    16.13. Purchases / Sales
    16.14. Legal and regulatory accounting requirements
    16.15. Analysis of competition and customer network
    16.16. Marketing research
    16.17. Product / Service Advertising
    16.18. Promoting and selling a product / Service
    16.19. Presentation skills
    16.20. Email
    16.21. Documents and Spreadsheets / MS Office
    16.22. Online search engines
    16.23. Social networks
    16.24. Online Banking
    16.25. Online sales
    16.26. Online marketing

Legend:

1 – disagree completely / poor

2 – disagree / below average

3 – neutral / average

4 – agree / above average

5 – agree completely / excellent

	Belgium	Bulgaria	Italy	Spain
16.1.	2 & 3	1	1 to 4	1
16.2.	1 & 2	1	1	1
16.3.	3 & 4	1 & 5	1 & 4	1
16.4.	3	1, 4 & 5	1 & 2	1
16.5.	3	5	4	1 & 2
16.6.	3 & 4	1	1 to 3	1
16.7.	3	1 & 3	1 to 3	1
16.8.	3	1	1	1
16.9.	3	1 to 5	1, 3 & 2	1
16.10.	1 to 3	1 to 5	1, 2 & 3	1
16.11.	3	1 to 5	3 & 1	1
16.12.	1, 3 &4	5	3, 1 & 2	1
16.13.	3 &4	1 to 5	1 & 2	1
16.14.	1 & 3	1 to 5	3 & 1	1
16.15.	2 to 4	1 to 5	1	1
16.16.	4	1 to 5	Strong 1	1
16.17.	1 to 4	1 to 5	1	1
16.18.	1 to 4	1 to 5	1 & 2	1
16.19.	1 & 2	1 to 5	1 & 3	1
16.20.	2 & 3	1 to 5	1, 3 & 2	1
16.21.	1 to 5	5	4 & 3	1
16.22.	1 to 5	5	4	1
16.23.	4 & 5	1 to 5	4 & 3	1
16.24.	3 & 4	5	5	1
16.25.	5 & 4	5	5 & 4	1
16.26.	4 & 5	5	1 to 5	1

Having a look at these 26 sections, we can identify that the first 5 sections are important for the beginning of an initiative and the last 5 are important in order to maintain the initiative. It is interesting to see how Bulgarians quite honestly say that they have no idea

how to start an initiative, but they feel competent on what is needed to maintain and grow the business. The Spanish group is quite honest, as well, and they confess that they lack general competences needed for the start-up initiative and anything that comes afterwards. It is evident that the Belgian and Italian respondents are more confident and more experienced that both Bulgarians and Spaniards. The Belgian respondents evaluate their knowledge on how to start as intermediate, the Italians are a bit less confident.

17. In which field would you like to increase your knowledge and skills in order to realize your business idea?
    - 17.1. Business planning
    - 17.2. Management
    - 17.3. Accounting and Finance
    - 17.4. Marketing
    - 17.5. IT
    - 17.6. No interest

	Belgium	Bulgaria	Italy	Spain
17.1.	40.7%	27.5	29.4	33.3
17.2.	59.3%	30	44.1	29.2
17.3.	44%	17.5	32.4	29.2
17.4.	25.9%	12.5	38.2	48
17.5.	14.8%	25	32.4	29.2
17.6.	-	15	2.9	8

Management is the field identified by the respondents as highly desired. Accounting and Finance come second for the Belgian respondents (because there is funding provided by the state authorities), Business planning comes second for the Bulgarian respondents (we are learning how to start social establishments now and how to raise funds), Marketing comes second in Spain and Italy.

18. To what extent do the following definitions reflect the main features of the social enterprise?
    18.1. The social enterprise is a business with above all social objectives whose profit is reinvested in the activity or the community instead of being driven by the desire to maximize profits for shareholders and owners
    18.2. A social enterprise is an organization or initiative that links the social mission of a non-profit or governmental program with a market-oriented approach to market
    18.3. The social enterprise is a social economy operator whose main goal is to achieve social transformation

	Belgium	Bulgaria	Italy	Spain
18.1.	4 & 5	1	3, 4 & 5	4
18.2.	3	1	3 & 4	4
18.3.	3	1	3, 4 & 2	4

The Bulgarian respondents completely disagree with the definition of what social entrepreneurship is. That is based on lack of knowledge and the specificity of the local business environment. The rest of the respondents agree with the definition of social entrepreneurship.

19. Social enterprises rely on:
    19.1. Volunteering
    19.2. Philanthropy
    19.3. Corporate Social Responsibility
    19.4. Competitiveness
    19.5. Market

	Belgium	Bulgaria	Italy	Spain
19.1.	3	1 to 5	4 & 3	3 & 4
19.2.	4 & 3	1 to 5	4 & 3	4
19.3.	Strong 4	1 & 3	4, 3 & 5	Strong 4
19.4.	1 to 5	1	Strong 3 & 4	3
19.5.	4	1 & 5	Strong 3 & 4	3

Again, as in the previous question, it becomes obvious that the Bulgarian respondents have no experience with social establishments, because the answers range dramatically from 1 to 5. The only subsection that unites people is competitiveness – it is not identified as an aspect social establishments should rely on. The rest of the respondents either stay neutral or agree.

20. Social entrepreneurship should be supported through:
    - 20.1. State policy
    - 20.2. Strategies for regional and local development
    - 20.3. European programs
    - 20.4. National funding
    - 20.5. There is a need for specialized training in the field of social entrepreneurs
    - 20.6. Something else

	Belgium	Bulgaria	Italy	Spain
20.1.	4	1 to 5	4	4 & 5
20.2.	3 to 5	5	4	4 & 5
20.3.	4 & 5	1 to 5	4, 5 & 3	4 & 3
20.4.	3 to 5	1 to 5	4, 3 & 5	4 & 5
20.5.	5	5	3 & 4	4 & 5
20.6.	Strong 3	1 & 3	Strong 4	4 & 3

Again, we see quite well the lack of experience and real practical knowledge in the Bulgarian group – to the first subsection, where all other countries unite around the idea

that the state should provide support to those initiatives, in Bulgaria, due to negative experience as a result of interaction with the State, peoples' opinions vary dramatically. To the rest of the questions it becomes evident that Bulgarians fail to understand what EU and National fundings mean, because are the only ones to disagree.

It is an interesting observation that to the last subsection "something else", the Belgians, known as pragmatical people, stay neutral, because that something else is unknown. Bulgarians, known for their pessimism, disagree completely, without even knowing what it is about and the Italians, known as optimists, stay optimists that something unknown could bring a nice change and agree strongly.

21. What entrepreneurial skills should social entrepreneurs have?
    - 21.1. Communication skills
    - 21.2. Risk assessment and management
    - 21.3. Innovativeness
    - 21.4. Networking
    - 21.5. Volunteer management

	Belgium	Bulgaria	Italy	Spain
21.1.	5 & 4	5	5	4 & 5
21.2.	4 & 5	5	4	4 & 5
21.3.	4 & 5	5	5	4 & 5
21.4.	4 & 5	5	5 & 4	4 & 5
21.5.	4	1 & 5	3 & 5	4 & 5

The respondents fully and completely agree on the validity of the subsections. With one exception – the Bulgarian respondents when it comes to volunteer management. That has its logical explanation – some employers try to avoid monthly payments to employees explaining that they have provided trainings in the so called "trial period", or try to save money by convincing people that they should work as volunteers, meaning for free.

In Bulgaria it will take time for both employees and employers to understand what volunteering means in real. That this is not working for free, but it is an opportunity to get competence, knowledge and abilities, which one can use to boost his career.