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# ESSI

European Support  
to

Social Innovation

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**Here the list of the regional stakeholders:**

### ERVET

- Emilia-Romagna Region - Department for welfare and housing policies
- Emilia-Romagna Region - Department for productive activities, energy plan, green economy and post-earthquake reconstruction
- Legacoopsociali Emilia-Romagna
- Confcooperative – Federsolidarietà Emilia-Romagna
- Third Sector Forum Emilia-Romagna
- National Association of Italian Municipalities (ANCI) Emilia-Romagna
- ASTER - consortium company for innovation and technology transfer between Emilia-Romagna Region, Universities, National public research institutes and the Chamber of Commerce.

### IVACE

- General Direction Economy, Entrepreneurship and Cooperation
- SocialNest
- Novaterra
- Colab - Las Naves
- FEVECTA
- Instituto de Biomecánica de Valencia
- Valencia Activa
- La Florida Universitaria
- Gesmed
- University of Valencia
- Cátedra Economía del Bien Común

### KAINUUN

- The Nakertaja-Hetteenmäen kyläyhdistys ry, Village Association
- Regional Council of Kainuu; regional authority responsible for the regional development programming, including project funding and managing of the structural funds.

- Regional Council of Uusimaa; regional authority responsible for the regional development programming, including project funding and managing of the structural funds
- Kainuu Etu Oy

**ADA**

- İstasyon TED University Social Innovation Center
- Social Innovation Center of Social Sciences University of Ankara
- Ministry of Family, Work and Social Services
- EU Affairs Directorate
- Ministry of Science and Technology
- Bostan Social Innovation Association
- Gazi University
- TOBB University

## OVERVIEW

In the recent years, the complexity of the social issues, and the decrease of public resources have provoked a reduction of the public policy instruments traditionally adopted in the welfare area. For the same reason, the social economy and social innovation have been on the focus as a possible engines of social change. As the role of the state as welfare provider has diminished, the social economy and social innovation have emerged as important complementary tools for policy implementation, ensuring that social needs are met and that market-driven problems, such as social exclusion, are ameliorated.

The term social innovation became more popular starting from 2000s, when the relation between the social and the economic spheres started to be more intertwined.

Since a universal definition has not yet been found, and being a relatively new and broad concept, social innovation can be defined in different ways, depending on the key elements identified as its main traits. The European Commission for instance defines social innovation as *“new ideas (products, services and models) that meet social needs more effectively than existing alternatives and that, at the same time, create new relationships and new collaborations. In other words, innovations that are good for society and that increase the possibilities of action for society itself”* (Robin Murray, Julie Caulier Grice and Geoff Mulgan" White Paper on Social Innovation", February 2013). According to this definition, social innovation can be interpreted as *“the products, services or new models which respond to the unmet needs of societies more effectively than the traditional approach”*, the beneficiaries of social innovation become the players of their own need-satisfaction since they are triggered and engaged in finding solutions and answers to their needs.

It can be stated that at the bottom of social innovation is the creation of **social value**, intended as systemic actions with effective impact on the society. Social problems cover a wide range of issues like poverty, homelessness, unemployment, social exclusion, environmental degradation, therefore the creation of social value, which's benefits invest the whole society, has become an important policy priority. **Nowadays, the main tendency for public institutions, non-governmental organizations and corporations is to direct their funds to programs that create social value even if no common parameters and tools have been defined to define and measure this social value in an univocal way. From here, an interesting topic on which to pay attention is already evident.**

Within the European Union, the Bureau of European Policy Advisors first investigated social innovation in 2009 and, in a short time, social innovation became gradually an important issue of the Regional, National, European political agendas. The Agenda2030, approved by United Nations in 2015, represents an additional step in the effort to foster social innovation development, taking into consideration all its different dimensions. In the shaping of welfare policies, public administrations maintain their addressing, monitoring and evaluating role, whereas the activities are demanded to the operators of social economy. Through the introduction of socially innovative approaches, public administrations and the social economy organizations demonstrate the possibility of aggregating needs and interests, increasing civic participation, generating employment and strengthening social cohesion. The combination of interests, institutions and ideas for the promotion of social innovation is embedded in wider political, technological and economic changes which affect the development of social innovation (*Social Innovation, A Decade of Changes*, European Commission 2014). In this framework, the knowledge created through research, technology clusters, hubs and networks of researchers convey the impact of social innovation into the realms of education, culture and welfare.

The ESSI project was implemented thanks to the INNOSUP Call for a Better Innovation Support to SMEs – Programme Horizon 2020. It stems from the new macro-issues that affects the welfare system in the four

Regions involved: Emilia-Romagna (Italy), Kainuu (Finland), Valencia (Spain), Ankara (Turkey) and therefore from the broader role played by social forces.

ESSI partners and their Regions recognized the potential of those organizations that work for social innovation as drivers of territorial development especially focusing on **“social enterprises”**. The European Union considers social enterprises as the main interpreter of social innovation, even if there is not a unique legal form to describe them. In order to overcome the differences among each definition, the partners agreed on the description of social enterprise given by the European Commission “Social Enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities” (European Commission Social Business Initiative, 2011).

Although the Governments of the partner regions and their private sectors show great interest, the policies addressed to social innovation and social enterprise competitiveness at Regional, National and European level, are fragmented and too weak to deliver a concrete support.

In this framework of increasing importance given to social innovation, the four regional development agencies ERVET (Emilia-Romagna), ADA (Ankara), IVACE (Valencia) and KAINUUN ETU OY (Kainuu) joined their forces in order to analyze, compare their social innovation eco-systems and to collect policy recommendations and possible actions to be suggested and hopefully, even partially, implemented at regional, national and international levels.

The four partners’ Agencies operate in the North and in the South of Europe. They deal with innovation support programs and are involved in the implementation of Structural Funds Regional Operative Programs (ROP ESF, ERDF 2020). All the four regions have experience in social innovation and they aim to promote new approaches to foster social innovation and support the competitiveness of social enterprises. Within the ESSI project, the partners shared existing approaches, best practices, critical issues and needs in their territories in a mutual learning process together with their regional governments’ representatives and key stakeholders. They carried out a short research exploring 5 topics relevant for social innovation development in their regions: 1) legal and regulatory framework; 2) Business support structure (access to finance and access to market); 3) Research Innovation and Technology; 4) education and training; 5) Social value and social impact. As a result, they drafted a Design Option Paper (DOP), the handbook required by Horizon 2020 as the main outcome. DOP shall therefore be considered as a contribution on the issues currently underway on social innovation first, and on the social economy as a consequence, and an input on the definition of strategies, actions, interventions to be planned, by European public policies and regional governments.

## 1. PURPOSE OF THE PROJECT ESSI

The purpose of ESSI is to analyze the different regional contexts in terms of social innovation support programs and explore new topics to be addressed by the public sector, social economy and social enterprises. Moreover, ESSI aims to promote a comprehensive approach to social innovation, able to overcome silos policies through a mix of strategies influenced by economic, social and environmental aspects (ref. to United Nations 2030 Agenda for Sustainable Development — adopted by world leaders in September 2015). Indeed, the project focus is to sustain partners' regions in the adoption of new strategies and policies in support of social innovation and social enterprises. The four agencies were already acquainted thanks to the EURADA - European Associations of Regional Development Agencies Network and previous joint activities in regional development. Activities were based on a dynamic and co-designed interregional peer learning process, geared towards achieving broader knowledge, wider innovation and to influence Regional Innovation Programs within the partner areas and beyond, throughout Europe. Stakeholders' involvement was fundamental: regional authorities, regional development agencies, policy makers and public administrators, business organizations, enterprises, NGOs, universities and research centers.

## 2. DESIGN OPTION PAPER (DOP): MAIN PURPOSE AND SPECIFIC OBJECTIVES

The Design Option Paper is the handbook coming out of the project and contains the outline of the four regional contexts involved with a view to strengthen social innovation, despite their different approaches. The DOP can be a starting point for rethinking regional welfare policies, since it provides a guideline to regional policy makers. Moreover, the DOP promotes the visibility of social innovation and its potential in giving new and more innovative responses to emerging social needs. Beyond ESSI project, the results of the DOP will be widespread through regional, national and European networks such as EURADA and ERRIN (EU Region Research and Innovation network) with the objectives to involve other development agencies in peer learning activities on social innovation.

In particular, the specific objectives of the document are:

1. To analyze the different Regional contexts in terms of support to social innovation and deliver innovation support to European Social Enterprise.
2. To explore new topics considered as priorities for the partners:
  - Social innovation **legal and regulatory framework** with a particular focus on public-private partnership and co-design.
  - **Business support structure and access to the market:** internationalization and competitiveness of social enterprises.
  - **Research, innovation and technology:** new technologies for improving the quality of life are fundamental aspects of the Smart Specialization Strategy
  - **Education and training** for social enterprise, skills empowerment and managerial training
  - **Social value and social impact:** identification of tools to measure social impact and creation of clusters to promote the social value chain.
3. To suggest to Regional governments new approaches that can be included in their innovation support programme and services.
4. To disseminate the results of the project and involve other Regional Development Agencies in order to promote innovation and business support to social economy operators.



### 3. REGIONAL CONTEXTS AND SOCIAL INNOVATION ECOSYSTEMS

As shown in the map below, the four regions involved in the analysis are located far from each other. Emilia-Romagna and Valencia, being southern European regions, share some similarities, in terms of population and employment rates. Moreover, cooperation represents a traditional sector with significant impact within the economic and social tissue of the two regions. Kainuu geographical position and the Scandinavian welfare model adopted by the country deeply influence its approach towards social innovation.

Finally, Ankara is one of the most dynamic region in Turkey and social innovation is increasing its interesting among private non profit actors as well as public bodies.



Main figures of the social economic contexts are showed in the following Table 1.

	Population	GDP per capita 2017 (EURO)	Total Employment	# Social Enterprises	#People employed in social enterprises	Revenue generated by social enterprises (EURO)
<b>Emilia - Romagna</b>	4,461,612 people (ISTAT, 2018)	35,697 (Prometeia, 2017)	1,973,043 73.3 % (ISTAT, 2017)	875 social enterprises, of which 750 social cooperatives (Unioncamere, 2016)	51,374 social enterprises and cooperatives employees (Unioncamere, 2016)	2.5 billions (Unioncamere, 2016)
<b>Ankara</b>	5,445,026	14,587 (Turkstat, 2017)	2,182,000 (Turkstat, 2017)	438 cooperatives 10,751 associations 819 foundations 20 social enterprises (Ministry of Customs and Trade, 2017; Ministry of Internal Affairs, 2017; General Directorate of Foundations, 2017)	na	na
<b>Valencia</b>	4,959,243 (INE, 2018)	22,055 (Portal Estadístico Generalitat Valenciana)	1,931,900 79.4% (Portal Estadístico Generalitat Valenciana, 2017)	34.383 social economy companies (White Book on Social Economy, CIRIEC)	172.438 employments (White Book on Social Economy, CIRIEC)	12.975.162 Euros (White Book on Social Economy, CIRIEC)
<b>Kainuu</b>	73 959 <sup>1</sup>	<b>24.959 (2016)</b>	33.192	0 <sup>2</sup>	<b>0</b>	<b>na</b>

### 3.1 EMILIA-ROMAGNA REGION

#### Regional context

The Emilia-Romagna (E-R) region is located in the North-east of Italy, in a strategic node for the infrastructures system that connect Central Europe, Southern Italy, Northern Europe and the countries of the Adriatic and Mediterranean area. The entire regional territory is crossed by a capillary infrastructure network that facilitated the economic development of the region. Its main production chains are mechanics

<sup>1</sup> <https://www.kainuunliitto.fi/statistics>

<sup>2</sup> In Kainuu, the purely social purpose is more covered by various NGOs or associations related to municipal initiatives. The Finnish Social Enterprises Registry on 19.10.2018 included 38 social enterprises, none of them located in Kainuu. The list of the social enterprises is available here: <https://tem.fi/rekisteriin-merkityt-yritykset>. It is important to note that the range of activities (services for the most part) of these businesses is quite wide. The Finnish social enterprise mark defines the terms for being awarded (<https://suomalainentyo.fi/en/services/finnish-social-enterprise/the-finnish-social-enterprise-mark/>). The association awarded the first certifications in spring 2012. Each social entrepreneur pays a 0.01 percent membership fee tied to the turnover of their company. In turn, they may use the logo on their website. They also receive marketing perks, training seminars and touring events that showcase and promote their businesses (<https://finland.fi/business-innovation/social-entrepreneurship-rising-in-finland/>).

and motor, agri-food, construction and housing, fashion, health, culture and creativity. One of the main aspects that characterized the Emilia-Romagna regional development is the ability to reconcile economic competitiveness and social cohesion<sup>3</sup>. In this respect, it should be noticed that both the Regional employment rate (73.3 %, age 20-64) and the per capita GDP (35,697 euro) are above the National average (61.6% and 27,700 euro). According to the most recent data (1.1.2018), the population has reached quota 4,461,612 million of people, with an increase of 4,294 units compared to January 2017. Such an increase can be motivated by the strong attractiveness of the regional territory, which has of its major point of strength in innovation, in the quality of human resources in terms of knowledge, skills and capabilities, and of human capital in terms of the efficiency of its welfare and health systems.

The regional economy with its traditional manufacture rooted in the sectors of mechanics, motor, electronics, agro-food, ceramics and the high concentration of specialized production chains has given birth to a highly qualified and specialized labor basin. Beside a flexible organisation of the productive system - which is mainly based on SMEs with a high network of subcontracting specialized relations -, the scientific universities of Emilia-Romagna are excellent in the fields of tele-communication, engineering, electronics and automotive, and the capabilities of graduates are internationally recognized as some of the highest in the world. Social economy and social innovation contribute to add value to the regional territory, whereas the Public administration positively translates their impact into strategies for the social and economic growth of the community.

**The social innovation ecosystem: main actors, strategies and policies in the region**

The organizations and actors that contribute in the social system of Emilia-Romagna comprise 750 cooperatives, 2.5 billion Euros income, 50,000 people employed and 27 social enterprises (that are registered in the special section of the Company Register) with 585 employees. Besides these figures, very relevant are the data concerning voluntary organization and social promotion associations which belong to the regional Third Sector. The Third sector counts in Emilia-Romagna for 8,000 entities - among voluntary organizations (3,099), associations for social promotion (4,192) -, with more than 1 million people engaged in their activities (*Emilia-Romagna Region, 2018*). The social enterprises and cooperatives operating in Emilia-Romagna principally deal with the sector of social assistance and health care (47%, see Figure 1).

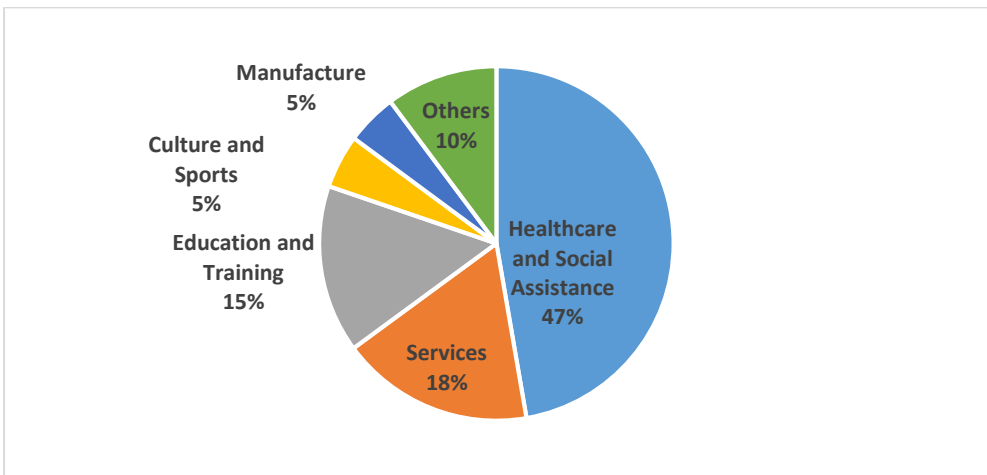


Fig.1 – Social Enterprises and Cooperatives with Headquarters in Emilia-Romagna per Sector (AICCON on Unioncamere, 2016)

<sup>3</sup> Additional details regarding the Emilia-Romagna regional characteristics are available: <http://www.investinemiliaromagna.eu/it/index.asp>

Considering the consistence of the figures and relevance of the actors involved, the E-R Region has defined new methods and paths for co-design, co-management and the participation of the civil society in the organization of public services in order to achieve more effective answers to the new societal challenges. Through its development agencies, ERVET (regional development agency) and ASTER (regional Agency for technological innovation and research), the E-R Region takes part in the EU group on Social Innovation which is constituted by a number of regional development agencies gathered under the umbrella of EURADA. In addition, ERVET and ASTER are members of the Regional Working Group on Social Innovation together with all the main regional territorial stakeholders, such as the cooperative association Legacoop Emilia-Romagna and Confcooperative Emilia-Romagna, the Regional Third Sector Forum, and the Social Policy and Productive Activities Department of the Emilia-Romagna Region - which are always engaged in all the projects and activities regarding social innovation.

The Regional strategies regarding the promotion and strengthening of social innovation are horizontal and invest in different Departments of the E-R Region. In 2016, the Regional Agreement for Labour (Labour Pact) was adopted tackling the main themes of employment, innovation, education, social inclusion. It was signed by the regional administration, local authorities, universities, chambers of commerce, industrial association, social parts, trade unions. The Labour Pact includes the coordinated action strategy of Structural Funds in E-R. According to the Labour Pact, the efficiency of the entire value chain is based on the enterprises potential of extending their view beyond production by including services - even social services – inside their processes in order to extend the creation of value and increase their response to the overall needs of society.

The E-R Regional S3 – Smart Specialization Strategy identifies the principal focus of the action of the regional innovation policies and, for each of them, the technological trajectories, the innovative drivers and the factors of change to be pursued. The S3 has so far stimulated the urban revitalization and the proliferation of techno poles, research centers on innovation and fab labs in which technological and social innovations are experimented and put in practice. Ervet and Aster are presently involved in the S3 Innovation Platform aimed to influence the inclusion of the social innovation side into the next planning period of the Strategy (2021-2027).

### 3.2 VALENCIA REGION

#### Regional context

The Valencia Region is strategically positioned in the middle of Western Mediterranean Arch. Five ports, three international airports, fast road network, excellent railway connections for passengers and goods, serve it. Valencia Region with 3.3% GDP growth and 10.65% of Spanish business represents the third Spanish region in terms of start-ups, and the first in terms of accelerators, incubators and co-working. Valencia community counts 15 universities with more than 100,000 students. Valencia Region Spain won the European Entrepreneurial Region (EER) label in 2015.

Population in the Community of Valencia 2016 was 4,959,968, which represents 10.68% of the total Spanish population. The population in 2016 has decreased by 20,721 of inhabitants for km<sup>2</sup> on the previous year. The highest concentrations of populations are found in the municipalities closest to the coast, reflecting an imbalance between rural areas and the Mediterranean coast. The unemployment rate in the Comunitat Valenciana has continued its downward trend, standing at 20.61% in 2016, one point above that corresponding to Spain. The youth unemployment rate in the region during third quarter 2017 was 38.90%, compared to 35.97% registered at the national average. In 2016, there were 344,335 companies in Valencia Region, which means 10.65 % of Spanish Companies. In 2018, 5,207 new companies were set up (almost all

SME). Valencia Region is the fourth ranked region behind Madrid, Catalonia, and Andalusia in terms of increases in the creation of new businesses. According to data on sectorial contribution to the gross value added (GVA) of the Valencian economy in 2016, the agricultural sector of the Region of Valencia represented 2.4%. The weight of the manufacturing industry was 16.6% of its GVA and that of the energy sector to 3.4%, in total 20.0%. The construction sector accounted for 6.3%, gaining weight over the previous year, when it represented 6.1%.

Regarding main industry and economic activity, Valencia Region shows a sectorial specialization not very different from that of Spain, where services concentrate most of the gross value added (GVA) and employment of the region. In the region, there are 15 universities both public and private with over 100,000 students per year.

### **Social innovation ecosystem: main actors, strategies and policies in the region**

In Valencia there are 34.838 social organizations distributed along different juridic forms, 31.197 non profit associations, 2359 Cooperatives, 797 Labour Societies, 4 big non profit corporations, 143 Special Employment and Labor insertion companies and 338 foundations and other social initiatives<sup>4</sup>. In Valencian Region, the social economy generates a volume of activity of 12,500 million, approximately a 12% of GDP. More than 30% of the Valencian population is linked in some way to cooperatives (as cooperative working partners and/or consumption) and represent the third autonomy with greater implementation of the Spanish State. It represents 8.2 % of total employment, the third region in Spain.

Two thirds of workers in cooperatives are concentrated in four autonomies: Basque Country (almost 60,000 workers), Andalusia and Catalonia (just under 50,000 each) and Comunitat Valenciana (just over 40,000).

The sectoral composition of employment in labor societies is dominated by the manufacturing industry, which accounts for 26.9% of workers, followed by trade (17.4%) and construction (12.9%). At a greater distance, education (6.9%) and hospitality (6.8%) stand out.

Employment characteristics in the social economy framework:

- The feminine presence is limited in the labor societies and reaches 47.1% of the employment in the cooperatives.
- Young employment is relevant, given that 42% of the total workers are under 40 years old. The incidence of young employment is particularly high in the field of agriculture.
- The incidence of part-time employment is relatively high: almost one fifth of workers have half a day (19.9%). The incidence of partial employment is particularly intense in limited labor companies (26.6%) and in relation to women (31.8%).
- The incidence of temporary employment is relatively small, supported by the sectoral composition of employment. The temporary rate was about 16.7%.
- One third of workers has been in employment for more than five years.

Valencian region has a longer tradition in worker cooperatives in too many different areas. In the Region of Valencia, there are 1,450 worker co-ops employing 16,000 people (Micro-enterprises: 7-10 members from Education, Business services, transport, industry, retail, social services, etc.). We have to take into account that this entity means: A business privately owned by their members where at least 90% of fixed workers are members, it is governed democratically by the principle «one member, one vote», and the distribution of profit among members is possible but limited by law. These institutions are regulated by their own separate

<sup>4</sup> White book on Social Economy, CIRIEC

law, have their own specific tax statute and can be altogether not for profit. In this case, there is no profit distribution among the member.

### 3.3 ANKARA REGION

#### Regional context

Ankara has a population of 5,445,026 and is the second biggest city of Turkey after İstanbul. It has young population; over 1 million of people are between 15-29 years old; 26 % of the population is university graduate and it has the highest education rates in Turkey. The economic structure is also strong; it is the second richest region of the country after İstanbul and has a good technological infrastructure with six active technology development zones.

#### Social innovation ecosystem: main actors, strategies and policies in the region

In Ankara Region, social innovation is at large understood as consecutive processes of generating ideas on challenging issues in social system and deploying solutions to these societal problems that generate social value in an effective and sustainable manner. Based on the understanding of producing more effective, efficient, sustainable and fair solutions to the social problems, social innovation has been on the agenda in Ankara region beginning with the 2000s. However, its public awareness is on its peak within the last 5 years where many actors have emerged both in Ankara and throughout the country.

Though social innovation can emerge without the support of the state actors, as it is not prerogative of any legal form or structure, contributing to the development of a social innovation and relatedly social entrepreneurship ecosystem is key to the strengthening of the social innovation actors and multiplying of good examples. In this framework, main actors in the social innovation ecosystem come from non-private organization such as associations and foundations, private organizations like companies, social enterprises as well as from public sector. There are 10,751 active associations and 819 new foundations in Ankara. Cooperatives are on the other hand, can be classified as the most similar structures to social enterprises as they are formed respecting social values in addition to economic value. Though there are no social cooperatives definition in legislation, many cooperatives do not distribute profits to their members and invest their profits for their future work. In total, there are 438 cooperatives.

In that framework, main drivers of the social innovation in Ankara can be identified as:

- Creating spaces and tools for exchange of ideas
- Flexibility in bureaucratic structures
- Involving actors from nonprofit, public, and private sectors.

In addition to non-governmental initiatives, public actors started to show interest to the field as well. Additional to state-led funds and grants, public institutions are initiating organizational formations in order to create a regional synergy within the relevant actors. The last most recent example of such entity is Social Enterprise Ankara Platform. Social Enterprise Ankara Platform is also a new body established to bring all the actors of the social innovation and entrepreneurship in order to develop the ecosystem by Ankara Development Agency, TED and Social Sciences Universities of Ankara and by working committees it works in the areas of policy development, awareness raising and training, social impact and social finance. Platform is going to organize regular meetings with alternative forms of stakeholders and organizations from different policy segments. The core aim of the platform is going to be support social innovation eco-system of Ankara in many possible ways such as increasing awareness in state organizations and public, generating intellectual outputs, supporting new social start-ups and providing feed-back to regulative and legislative baseline.

### 3.4 KAINUU REGION

#### Regional context

Kainuu Region has a size comparable to Belgium and its population count 75,959 inhabitants with a density of 3.7 inh./km<sup>2</sup>. It is composed by eight municipalities and the main economic sectors of the region are ICT, measuring and gaming technology, sports and health. Active research, development and innovation activities are also available. Employment rate of Kainuu was 64.9 % in the year 2016, which is 3 % lower than the national average. The expectations of better employment are directed particularly to the jobs of the forest bio economy, mining, and metal industries that represent important aspects of the regional economy in Kainuu.

#### Social innovation ecosystem: main actors, strategies and policies in the region

Finland is a traditional welfare state. Inclusiveness is high in the societal values of the country and the Kainuu regional context is embedded into the national one. As said before, social innovation is oriented to problem solving; in particular, its goal is to take new approaches to traditional or current problems. In Finland and in particular in Kainuu, being a northern and sparse region, the main problem to be addressed is the serious cost effectiveness in maintaining efficient public services. Finnish municipalities have traditionally provided and arranged a larger share of public services and it is still relatively rare that they purchase social welfare, health care and education services from private sector actors, although the topic is increasingly present on the current political agenda. Some of the actual service production is transferred outside the municipal organization in the hope of attaining improved efficiency and economic savings. The Finnish law make no distinction between social enterprises and other kind of business, therefore a social enterprise may choose any form of corporation. According to the Act on Social Enterprises 1351/2003 entered into force in 2004, the purpose of social enterprises is to create jobs especially for the disabled people and the long-term unemployed. A social enterprise does not differ from other companies and it produces goods and services on the market and seeks profit just like other enterprises. Moreover, it can work in any industry, it pays to all its employees a salary under the collective agreement and it is always entered in the trade register.

The Finnish Social Enterprise Mark<sup>5</sup> communicates that the company has been established to promote a social goal and most of its profits are channeled to advancing social good. In Kainuu, there are very few organizations/actors that can be categorized or are under the official description of a social enterprise. The Finnish Social Enterprise mark is demanding, but mainly, what it does is promote a model of social entrepreneurship, which includes aspects of Corporate Social Responsibility (CSR), Figure 2 below.



Fig. 2 - The criteria of the Finnish Social Enterprise Mark<sup>6</sup>

<sup>5</sup> Is a registered collective mark owned by the Association for Finnish Work and it was launched in 2011.

<https://suomalaintyö.fi/en/services/finnish-social-enterprise/the-finnish-social-enterprise-mark/>.

<sup>6</sup> Source: OECD, 2016. OECD-European Commission Capacity Building Seminar: Building enabling ecosystems for social enterprises Brussels, 17-18 February 2016, page 1.

There are though some cooperatives and associations that have been established during the years for helping especially long-term unemployed people to be involved with working life. More common is the role of the third sector in Finnish service provision, and often the municipalities purchase services from larger “professional” third sector organizations, such as large NGOs or foundations, regarding in particular home care of the elderly and disabled, youth services or afterschool day care. Recently, there have been also initiatives for facilitating the integration of immigrants into the Finnish society. Since 2000, there has been an increased focus on including nonpublic actors in service provision to seek new innovative solutions.

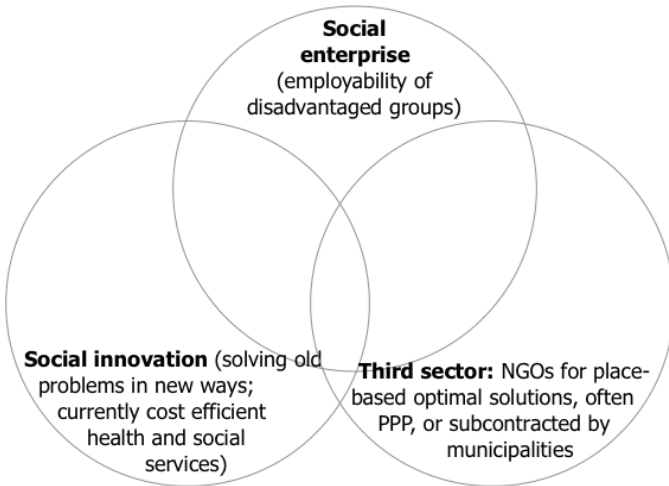


Fig.3 - Mapping the social innovation context in Finland



## 4. WHAT IS SOCIAL INNOVATION ACCORDING TO THE PARTNERS?

The findings of the project show that Italy, Spain, Finland and Turkey have different concepts for social innovation and their experiences differ.

Beginning from Italy, the **E-R Region** has a strong social economy tradition. The E-R regional productive system has always been marked by a high degree of dynamism with a strong tendency to innovation on the part of enterprises. This has always been linked to sectorial specialization in the productive districts – which are distributed according to geographical prevalence and was based on the positive impact of collaboration among providers, contractors and clients and on the silent accumulated knowledge. All this translates in a great territorial diffusion of human capital and community value. The regional concept of development has been exposed to a rethinking, starting from the presence and activity of social enterprises, social cooperatives, associations and voluntary organizations that contribute to create and consolidate the social and economic regional tissue. In fact, social economy and social innovation, and the added value produced on a territory, contribute to improving its competitiveness, having a positive impact on the community, the companies operating in it and the actions of the public administration. In the last few years in Emilia-Romagna, both the public sector (public administrations) and the non-state actors (especially nonprofit and for profit enterprises) have promoted and consolidated social innovation initiatives for the creation of new welfare services, new products and new processes. In this respect, the point of reference is the shared value: it points out a way to pursue economic objectives while focusing on the creation of better life conditions for the community in coherence with the 2030 EU objectives.

Spain is another country where social enterprises are important and flourishing players in the economy. As already stated, the **Valencia Regional Government** is rethinking the economic model and this renewed approach is evident. The social innovation map of the Valencia City has grown and new regulations have been introduced to straighten the sector.

**Finland** follows a different approach to social innovation. Social enterprises and social innovation are not two identical concepts: social innovation may or may not be linked to disadvantaged groups, while social enterprises are “just” businesses with the purpose to include the employment of disadvantaged groups. Finnish Innovation Fund SITRA<sup>7</sup> describe the social enterprises as organizations which aim is to produce social well-being. The regional context is characterized by few cooperatives and no specific support is provided for social enterprises, which may have any legal form.

**In Turkey and Ankara** on the other hand, the importance of the social innovation significantly increased in 2010s and public awareness has been on its peak within the last five years where many actors have emerged both in Ankara and throughout the country. Though there are no legal structures of social enterprises and social co-operatives in the country, the initiatives on the issue are raising, increasing the public awareness.

The overview of the four regions shows that while E-R and Valencia have more diverse social economies with a higher number of social enterprises, Kainuu and Ankara do not have as many social enterprises, having national complementary provisions instead. However, the concept and main pillars of the social innovation is similar in these four regions. In the ESSI project, social innovation has being handled as consecutive processes of generation of ideas on challenging issues in the social system and deployment solutions to societal problems that generate social value in an effective and sustainable manner. **In**

<sup>7</sup> <https://www.sitra.fi/en/>

**addition, social entrepreneurship was considered as very closely related concept, and social enterprises were considered as important means in the social innovation field.**

Within this understanding, an eco-systemic approach was pursued in the project. In this eco-system approach, main actors were classified as following:

- 1) Intermediary institutions (incubation centers, co-working spaces, networks and platforms).
- 2) Regulatory institutions (ministries, directorates of related ministries and independent public authorities).
- 3) Finance institutions (public bodies, banks, NGOs & networks and investors).
- 4) Education and Research institutions (universities, research centers.)
- 5) Social entrepreneurs.
- 6) NGOs.

In this regard, main actors in the social innovation ecosystem come from non-private organization such as associations and foundations, private organizations like companies, social enterprises as well as from the public sector. It is important to remember that, when focusing on bottom-up innovation, governments and public bodies can be both agents of social innovation or encourage the generation of social innovation.

## 5. THE SHORT RESEARCH

The study was conducted starting from the selection of the seven main areas “pillars” of interest on social innovation according to the partners.

The research activity took place on three levels:

- **Desk research:** re-elaboration of data and information already collected in previous researches on social economy and social innovation with the aim of updating the overview;
- **Self-assessment analysis:** partners evaluated the position of each region in relation to the selected topics by assigning a score from 1 to 10 to the seven pillars of an elaborated questionnaire;
- **Brainstorming activity and in depth analysis:** key regional stakeholders have been involved in brainstorming activities with the objective to outline the best practices and the main needs of each territory with respect to the pillars analyzed. The stakeholders were asked to answer to the single questions of the questionnaire under each pillar for 25 questions. The expected answers were both yes/no or multiple choice.

### 5.1 QUESTIONNAIRE

The approach followed in the questionnaire is not quantitative, its main purpose was to let the partners self-evaluate their context with respect to social innovation support and involve the key regional stakeholders in a brainstorming and in-depth analysis.

The questionnaire was firstly elaborated by IVACE based on the seven pillars illustrated in Figure 4 and described below.



Fig 4. - The social innovation pillars analyzed through the questionnaire

➤ **Pillar 1: LEGAL AND REGULATORY FRAMEWORK**

Relevant laws and legislation with regard to the social entrepreneurship and social innovation ecosystem. Policy documents, strategies, related policy tools, and their variety are other indicators of importance given to the social innovation and entrepreneurship.

➤ **Pillar 2: ACCESS TO FINANCE**

Funding to promote innovation and social enterprises competitiveness, such as government grants, charitable grants, impact investors, crowdfunding resources. The existence of such funds would facilitate the establishment of new social enterprises, the provision of resources for start-ups survival and for already existing and developed social enterprises, which need to diversify their sources of funding in order to grow and foster their competitiveness.

➤ **Pillar 3: ACCESS TO MARKET**

Ability of social enterprises to sell goods and services they produce in the local, national and international markets. To succeed in this realm, existence of strong financial support and business support structures is necessary. Besides, innovative financial tools and support measure within the Operational Plan would pave the way for entry to the new sectors and markets with a consequent concrete support in internationalization of services and products. To do so, public dialogue and cooperation between the stakeholders is necessary.

➤ **Pillar 4: BUSINESS SUPPORT STRUCTURE**

Beginning from incubation and acceleration programs to competition and award schemes, these non-financial tools provide the necessary expertise and means for social entrepreneurial ideas to be actualized and commercialized. Besides, innovative financial tools and support measure within the Operational Plan would pave the way for entry to the new sectors and markets with a consequent concrete support to internationalization of services and products. Finally, comprehensive programs that combine financial incentives with technical assistance will yield better results.

➤ **Pillar 5: TECHNOLOGY**

Information and communication technologies act as a vector of innovation and social development. It enhances connectivity and cooperation on one hand, on the other hand provides opportunities for development of innovations that make people's lives easier. Moreover, technology and digitalization of products, processes and services are fundamental tools to improve social enterprise competitiveness.

➤ **Pillar 6: EDUCATION IN SOCIAL VALUES**

Formal and informal education opportunities on social value, social entrepreneurship, social innovation and welfare help people to extend their horizon and equip them with necessary knowledge and skills to be successful social entrepreneurs.

➤ **Pillar 7: SOCIAL VALUE AND SOCIAL IMPACT**

Social value and social impact have different definitions: social value is an intangible outcome of an activity carried out for social purposes while social impact is a measurable effect of a project, program, activity, service or product. Both can be indicators to evaluate social enterprises and public sector activities and policies.

The questionnaire was tested in Valencia and afterwards in the other partners' regions. All the partners organized a workshop where the regional stakeholders had the opportunity to screen topics, comment,

generate recommendations and provide a common answer to each question. Finally, the questionnaire was adjusted to meet the requests and suggestions of partners and stakeholders.

In the end, the partners made a final fine-tuning by jointly elaborating the following questionnaire's definitive structure:

Pillar 1. : Legal and regulatory framework						
QI.1	Is there any codified strategy or initiative on social enterprises in your territory?	a) lack of codified strategy	b) under preparation	c) new government initiatives	d) is there strategy	
QI.2	Is there any legal form recognized for social enterprises in your territory?	a) there is only national definition on social cooperatives	b) institutionally recognized forms (associations, cooperatives...)	c) national laws and/or policy documents	d) 'EU operational definition	
QI.3	Do you agree with the following statement: social economy is a priority among policymakers in your region / country?	a) Yes	b) No			
QI.4	What sort of policy tools do you possess in order to empower social innovation and entrepreneurship eco-system? (respondent may choose more than one answer)	a) Regulatory positions/duties (law making)	b) Financial Support and Incentive Mechanism	c) Networking and Facilitator Role	d) No Direct Responsibility	e) Other (to specify)
QI.5	Which of the following policy tools do you think is the most important to empower to social innovation eco-system?	a) Regulation and specific supportive laws	b) Financial Instruments (direct grants, tax incentives etc.)	c) Infrastructure (incubators, accelerator programs etc.)	d) Awareness raising and cultural transformation	e) Other (to specify)
Pillar 2: Access to finance						
QII.1	What sort of capital is accessible to social enterprises in your territory?	a.) government funding is frequently applied	b.) government funding, conventional loans	c.) grants, equity, venture capital, hybrid instruments	d.) social impact investment	
QII.2	Is there any call for proposals addressing social enterprises where grant + loan scheme (combined instrument) has been designed?	a.) grants contain only non-refundable elements	b.) grants are combined with loan schemes	c.) grants are combined with equity schemes	d.) grants are combined with VP/SI schemes	
Pillar 3. Access to market						
QIII.1	Is there in your Region a support programme for the promotion/facilitation of the access to market for social enterprises?	a) lack of a support programme	b) there is a support programme but not focused on social enterprises	c) there is a specific support programme dedicated to the promotion/facilitation of the access to market for social enterprises		
QIII.2	Is there in your Region a recognized system or an observatory that measure the effectiveness of the support programmes?	a)lack of a recognized system/observatory	b) there is a recognized system	c) only initiatives linked to specific actions		
QIII.3	Do private companies measure their performances?	a)yes	b) no			
QIII.4	Are there social clauses in public procurement processes applied in your territory?	a) no, there is no socially sensitive public procurement procedure	b.) yes, there is specific social clause applied in public			

			procurement procedures	
QIII.5	Are there social impact bonds applied in your territory?	a) no, there is no social impact bond	b.) yes, social impact bonds are currently being tested and validated	
QIII.6	Is there any cooperation (e.g. dialogue, invitations into public consultations, etc.) between the government and other actors of the social enterprise ecosystem?	a.) SE catalysts, CSR co-operations	b.) SE catalysts, CSR corporations, social enterprises	c) social enterprises play minor role in influencing policies, social enterprises d) government

**Pillar 4: Business support structure**

QIV.1	Are there any competitions and award schemes funded by the government?	a)no competition and award scheme	b)competition	c)competition & award scheme	
QIV.2	Are the following non-financial schemes available in your territory?	a.) no dedicated non-financial support	b) for early-stage social enterprises (incubation)	c.) .) for emerging social enterprises (coaching)	d.) for scaling social enterprises investment readiness support / internationalization
QIV.3	Is there any publicly-funded social enterprise catalyst programme in the territory?	a) no publicly-funded social enterprise catalyst programme	b.) yes, there is publicly-funded social enterprise catalyst programme		
QIV.4	Are there any marks, labels and certification systems for social enterprises?	a.) no mark, label or certification system	b.) either a mark, label or certification system		

**Pillar 5: Technology**

QV.1	Is technology (ICT & others) being used to better solve the needs of People & Society?	a.) scarce use of technology, isolated cases, the social enterprises are not able to use and integrate technology in their value proposition	b.) technology is being pushed from government, there exist some innovation programmes to encourage companies to use technology in order to solve social needs.	c) Technology for the quality of life of the people and society is a major challenge in the Smart Specialization Strategy
QV.2	Technology is not neutral, it could have positive impact but also negative externalities	a.) people and institutions are not facing this 'double edged sword'	b.) it exists a thoughtful debate about the use of technology on Universities & stakeholders	c) There are some entities monitoring the proper use of technology

**Pillar 6: Education in social values**

QVI.1	There is training in social value (social entrepreneurship & social welfare)?	a) no	b.) It exists not regulated	c) Yes, regulated and consolidated
QVI.2	There are mentoring / acceleration programs in social entrepreneurship	a) no	b.) It exists sporadically	c) Yes, consolidated

**Pillar 7: Social value and social impact**

QVII.1	Is there a Regional programme that promotes the cooperation between profit and non profit (Third Sector) enterprises?	a)There is no a Regional programme promoting the cooperation between profit and non profit (Third Sector) enterprises	b)There are some private initiatives	c)Yes, there is a specific Regional programme dedicated to the promotion of the cooperation between profit and non profit (Third Sector) enterprises
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QVII.2	Is there in your Region spontaneous links between profit and non profit companies/Third sector organizations?	a) There are no links	b) There are some initiatives	c) There is a consolidated cooperation between profit and non profit companies
QVII.3	Should social value be considered as a priority criteria to support existing companies?	a) No because it is difficult to measure it	b) Yes but criteria and tools should be identified	c) Yes social value should be considered as a priority
QVII.4	Are there public tools to measure social impact?	a) There are no tools	b) There are only private initiatives	c) There are different tools

### 5.2 SELF-ASSESSMENT ANALYSIS

Each partner analyzed the topics and auto-evaluated its regional context, giving a score from 0 to 10 to each pillar on the basis of the effective tools put in place and the strategies and policies planned with respect to social innovation. Score 10 represents the maximum grade, while reaching score 0 means that no support is delivered to social innovation and social enterprise in the region. The results depend from the concrete actions carried out but also from the perception and the respective definition of social innovation.

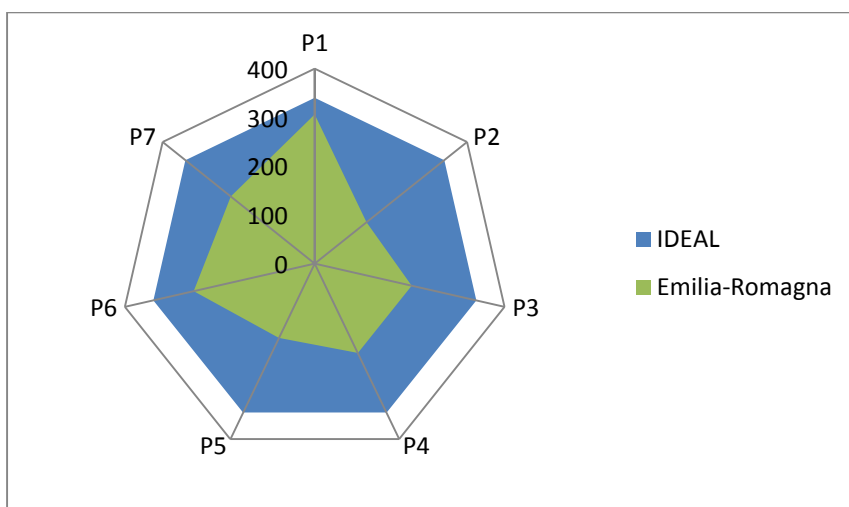
### 5.3 BRAINSTORMING WITH STAKEHOLDERS AND IN DEPTH ANALYSIS

After the partners self-evaluated regional contexts with respect to the seven pillars of the questionnaire, the key regional stakeholders have been involved in an in-depth analysis with the objective to reflect on the existing measures and best practices currently available in each regions.

In order to compare their answers with the scores of the self-assessment analysis, partners decided to give each pillar 50 points that multiplied by the number of pillars (7) results in 350. Reaching 350 points means that the region has a perfect situation with respect to the topic.

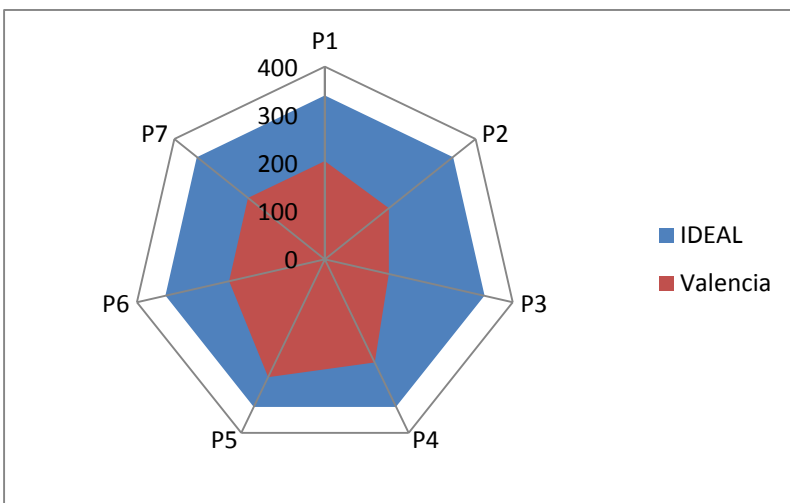
The results are illustrated in relation to each of the regional contexts of the project partners and shown below.

#### Emilia-Romagna Region



The E-R Region considers social innovation as a priority and a key factor for social cohesion of its territory. The **legal and regulatory framework** (pillar 1) of social enterprise has been recently outlined within the legislative decree 117/2017 “Code of the Third Sector”. At Regional level, Law 12/2014 recognizes and promotes the role of cooperation as strong and vital sector in ER. **Accessible capital** for social enterprises (pillar 2) in the E-R Region are grants, equity, venture capital, hybrid instruments deriving in particular from the national banking system. Indeed, private banking institutes issue dedicated financial instruments. **Access to market of SMEs** (pillar 3) is guaranteed through a support program to which enterprises of any sector can access, including social enterprises. There is no dedicated support for the access to market of social enterprises; therefore, there is no measurement system of its effectiveness. Measurement of effectiveness is sporadic and linked to individual calls. In spite of this, some individual social enterprises have an assessment system of their performance. There is a specific social clause applied in Public Procurement Procedures, but there are no social impact bonds. Cooperation between government and social enterprises is constantly carried out under the form of working and study groups and participation networking processes in the definition of policies. Regarding the **business support structure** (pillar 4), there are a few forms of non-financial support schemes which are managed by the Cooperative associations and other private institutions in particularly focusing on incubation for early-stage social enterprises and coaching for emerging social cooperatives. There is non-public- funded catalyst program. Although there is no certification for social enterprise, there are marks and labels that define quality traits of products and services. Among these the most frequent are “Libera” and “CTM” label (fair trade market)”. The only competition/award scheme existing in the Region is the “Corporate Social Responsibility Award” enhanced by the Productive Activity General Direction. **Technology** (pillar 5) for the quality of life of people and society is a major challenge in the Smart Specialization Strategy. There is a thoughtful debate about the use of technologies in universities and in stakeholder groups. **Training in social value and social welfare** (pillar 6) is regulated and consolidated. Mentoring and acceleration programs on social entrepreneurship are consolidated and diffused by cooperatives associations and voluntary service centers, but there is no public funded activity. There is no regional program promoting **cooperation between profit and no profit companies** (pillar 7), but there are links between profit and no profit companies that raise spontaneously without promotion from the public sector. Social value is considered as a priority in the definition of public tools (such as calls for manifestation of interest or calls for proposals) but criteria are hard to identify and are presently still under definition. The E-R Regional Administration is presently studying various options of impact measurement tools to introduce in its policies. There are some private initiatives running at the national and regional levels.

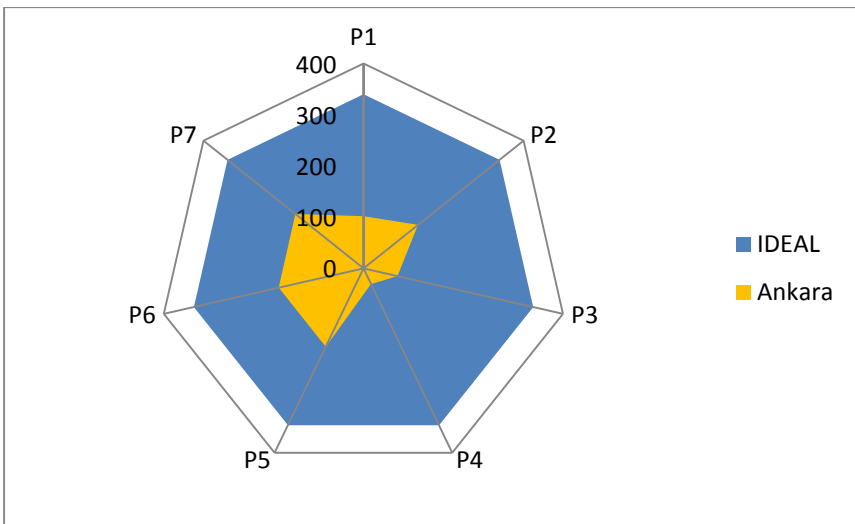
**Valencia Region**





Regarding pillar 1 **legal and regulatory framework**, in Valencia Region legislation on cooperatives and grants have been introduced, even if there is still a lot to improve on legal framework and subsidies. Specific funding devoted to the promotion of the **access to market** for social enterprises (pillar 2) are not available, although some local and regional grants could be found (more focused on cooperatives). At regional level there is not at the moment specific grant to provide the **access to market** (pillar 3) for social enterprises but few instruments are available at local level. Within the region there is a strong acceleration fabric and some companies specialized in fostering social innovation (business support structure, pillar 4). **Technology** (pillar 5) for social innovation is investigated by research groups established within universities and technical institutes specialized in welfare sectors. **Education in social values (pillar 6)** and entrepreneurship have been included in educational programme and university career, however a generalized specialization of the entrepreneurship process on social innovation needs to be promoted. Finally, regarding pillar 7, **social value and social impact**, the stakeholders involved in the analysis think that it is fundamental to foster the process of awareness of the traditional productive sectors, regarding the necessity of planning a better social impact of their companies in the territory.

**Ankara Region**



Regarding **pillar 1 Legal and regulatory framework**, public actors position themselves a bit distant to social innovation and/or entrepreneurship as a policy field. Especially, answers to first two questions dominantly indicates that there is a lack of codified strategy and absence of a distinct legal form recognized as a social enterprise. Moreover, almost 80% percent of the respondents answered that they have no direct responsibility for empowering the social innovation and entrepreneurship eco-system. As embedded within the answers, social innovation is prominent to lesser degree for public agents for the moment and it is relatively less known compared to other policy initiatives. This is particularly why majority of the respondent are skeptical on the basic premises such as main strategy document, or direct responsibility. On the other hand, almost 80% percent of the respondents agree that social economy is a priority among the policy makers, which hints although there is quite a room, and necessity to formulate policies on social economy, absence of a leading and pro-active organization hinders the development of the pioneering policy initiatives. Regarding the focus of these policy frameworks, respondents assign equal importance to all types of tools queried in the questionnaire; awareness raising and cultural transformation, regulations and specific supportive laws, infrastructure (incubators, accelerator programs etc.) and financial instruments such as direct grants or tax incentives are equally weighted in the answers. However, they make an emphasis on the completion of the all elements of the infrastructure as these structures like incubators and accelerators will

make the move forward possible. Hence, the answers of the first pillar expose the fact that, eco-system components can hardly be said to be in advanced level in Ankara and demands a very committed and condense study on them. Possibilities for **access to finance** (pillar 2) are quite limited exclusively designed for the social enterprises. In this manner, particularly government funds are considered only major monetary source though they do not particularly addresses to social enterprises as they are in the form of conventional loans schemes. All these funds are 50 % grants for the profit making institutions and 90% for the non-profit organizations. As for the **pillar 3, accession of social enterprises to market**, answers indicate that limited recognition of the social enterprises in the public/governmental domain, respectively limits the opportunities of any support program for social enterprises to facilitate their access to market. However, on the positive side, especially to increase the dialogue between all sorts of stakeholders, there is an important series of consultation meetings being held by the public, private and non-governmental actors to increase the mutual learning and take the initial steps of policy formulation. Unfortunately, there are no unified and recognized effectiveness measuring mechanisms of these programmes and there only individual initiatives for impact assessment. Private companies working in the field of social innovation also do not have systematic performance measurements. On the other hand, awareness on the B-corp certification has risen among the companies. Concerning social clauses in public procurement process there is only some privileges for cooperatives and there are no social impact bond regulations in the country. Particularly, in Q3.5 respondents' answer underlines the role of government, catalysts and social enterprises to form a basis of cooperation. On the contrary, of the other queries in this pillar, the respondents appreciate the efforts and will to take the initial steps by the eco-system actors in the region.

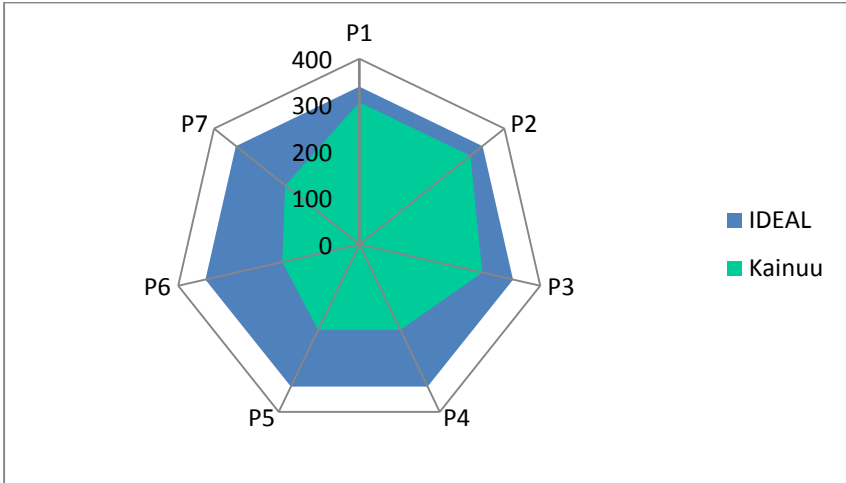
In terms of the **business support** (pillar 4) elements of social entrepreneurship, all of the answers show a negative tendency except the presence of non-financial schemes in the territory. They are no specific competitions and ward schemes as stated by the participants. Looking from the positive side, as was seen in the questionnaire, although the concept of social entrepreneurship and innovation is not in an advanced level in Ankara, there is actually a big impetus for the growth. Especially, presence of public-private dialogue meetings and early stage non-financial supports for social entrepreneurship shows the clues for future financial and regulative improvements yet to come. The incubation services started with the programme of the TED University. The results of the questionnaires show however that not all the actors are aware of these supports. Yet there are no marks, labels and certification systems for social enterprises as stated by all of the participants. In similar sense, penetration of the **ICT usage** (pillar 5) in the social enterprises and the level of education in social values are further strengths that questionnaire indicates for Ankara Region. All the participants agree that technology is being pushed from government; there exist some innovation programmes to encourage companies to use technology in order to solve social needs. In addition, they note that it exists a thoughtful debate about the use of technology on Universities & stakeholders.

Regarding pillar 6, 45% of the respondents are confident in that they can find regulated and consolidated **training program** in the region. About half of the participants are aware of the mentoring programmes of the social incubation systems. Moreover, although not systematic for teaching social values and social entrepreneurship, there are various trainings and programmes occasionally done by universities and public institutions as stated by the participants. Finally, as the answers confirm that there are no Regional programme promoting the **cooperation between profit and non profit (Third Sector) enterprises**.

Links between profit and non-profit companies are emerging through initiatives of technology development zones and Social Enterprise Ankara platform. For the existing companies, it is hard to say in Ankara that they esteem the social value generation as much as they do for their businesses.

In that sense, they hardly measure their impacts on social sectors. This partially might stem from the absence of any public tool to measure the social impact and definitely because there is very limited public knowledge on social impact.

### Kainuu Region



In Finland, the **legal and regulatory framework** regarding social enterprises (pillar 1) is described within the Law 30.12.2003/1351. The stakeholders involved in the analysis of the questionnaire are partially aware of the recently evolving tendency of the sector: beside a codified strategy, new government initiatives as well as policy documents are emerging and broad a consensus towards the importance of social economy is raising. **Access to finance**, pillar 2, is done predominantly by applying for government funding while combinations of government funding, conventional loans and grants, equity, venture capital, or hybrid instruments are also possible, but at a much smaller demand. Combined instruments are also possible, the most common being grants together with equity schemes. Regarding pillar 3, **access to market**, and pillar 4, **business support structure**, it is important to underline that in Finland there is not a dedicated support for social enterprises, since the law make no distinctions between them and other kind of companies. **Technology** (pillar 5) is perceived as a powerful solution to improve the everyday life of citizens as well as **Education is social values** (pillar 6) which is included in training programme on social entrepreneurship. Finally, in Finland the promotion of social values is carry out by NGOs and companies and is increasing the interesting towards social impact measurement.

### 5.4 COMPARATIVE ANALYSIS

The compared auto-evaluation carried out by the partners (Table 2) and the matched in-depth analysis partners did together with their key regional stakeholders (Figure 5) gave the same results, showing that the strengths and weaknesses highlighted by the partners are also confirmed by the stakeholders.

	P1	P2	P3	P4	P5	P6	P7
IDEAL	10	10	10	10	10	10	10
Valencia	6	5	4	7	8	6	6
Emilia -Romagna	9	4	6	6	5	6	6
Ankara	3	4	2	1	5	5	5
Kainuu	9	9	8	6	6	5	6

Tab.2 - Overall self-assessment analysis

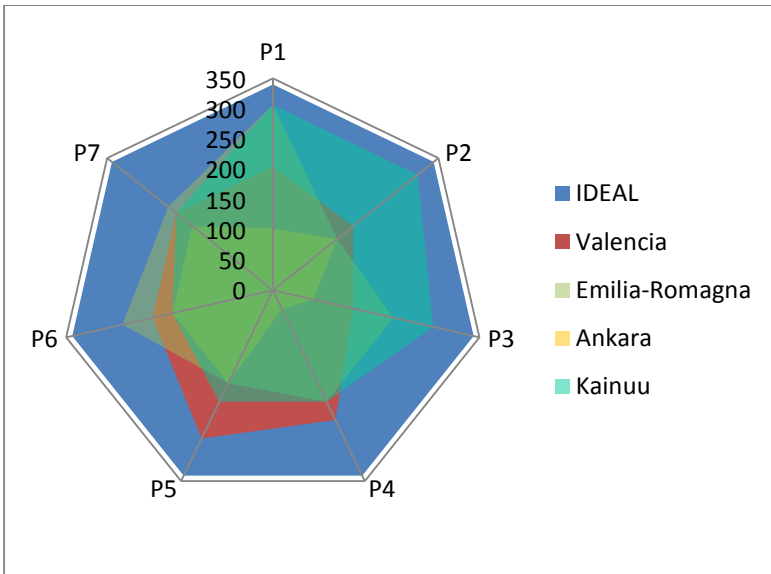


Fig.5 - Overall in-depth analysis with regional stakeholder

The comparison of the analysis of the single pillars, explained below, then provided the position of the partners towards social innovation and the key topics to be further explored (paragraph 6) because considered as priorities, despite the differences region by region.

**PILLAR 1 - LEGAL AND REGULATORY FRAMEWORK**

Although Emilia-Romagna and Kainuu definitions and contexts of social innovation differ, both the regions reached a high score in this topic. Italy has recently codified social enterprises (which are considered the main interpreters of social innovation) introducing the Reform of the Third Sector and Emilia-Romagna, being a proactive region with a strong third sector, will benefit from its implementation while in Kainuu social enterprises have not a specific legal framework and each companies could be a social enterprise. The results of Ankara and Valencia are lower in this pillar and this is due to a lack of a specific and codified strategy for social enterprises.

**PILLAR 2 – ACCESS TO FINANCE**

All the regions, a part from Kainuu, gave a low score to pillar 2. This situation shows that identify and introduce new funding channels, other than the traditional ones, is one of the weaknesses of social enterprises.

### **PILLAR 3 - ACCESS TO MARKET**

Access to market for social enterprises is considered by all partners a complex and difficult topic to deal with. Since social enterprises legal framework is not perceived as a priority in Kainuu and support mechanisms are available to all the enterprises, this topic reached a high score.

### **PILLAR 4 - BUSINESS SUPPORT STRUCTURE**

A medium score has been assigned to pillar 4 in Emilia-Romagna, Kainuu, and Valencia because although they are not specifically dedicated to social enterprises, there are however various support tools that social enterprises can also benefit from

Since in Ankara no specific business support structure is available, except for the presence of non-financial schemes in the territory, the partner gave to this topic a very low score.

### **PILLAR 5 – TECHNOLOGY**

Regarding pillar 5, it is interesting to notice that only Valencia assigned to this topic a high score considering the link between the university and the research sector as fundamental for innovation, while in the other territories, partners and stakeholders recognize that even if technology is perceived as fundamental aspect of innovation, also in social terms, its application has yet to be much improved and spread in many areas.

### **PILLAR 6 – EDUCATION IN SOCIAL VALUES**

All the regions recognize to this topic a medium level of development. It has been argued that additional efforts in strengthening social innovation through targeted training programmes to social entrepreneurs should be carried on in the four regions. This need can be traced back to the need to respond better to emerging needs and consequently to the need for higher level managerial skills.

### **PILLAR 7 – SOCIAL VALUE AND SOCIAL IMPACT**

Partners and stakeholders consider this topic as a priority. However, they assigned a medium grade to it since no concrete actions and strategies have been adopted in the regions and the those taken sporadically should be integrated and brought to the system.

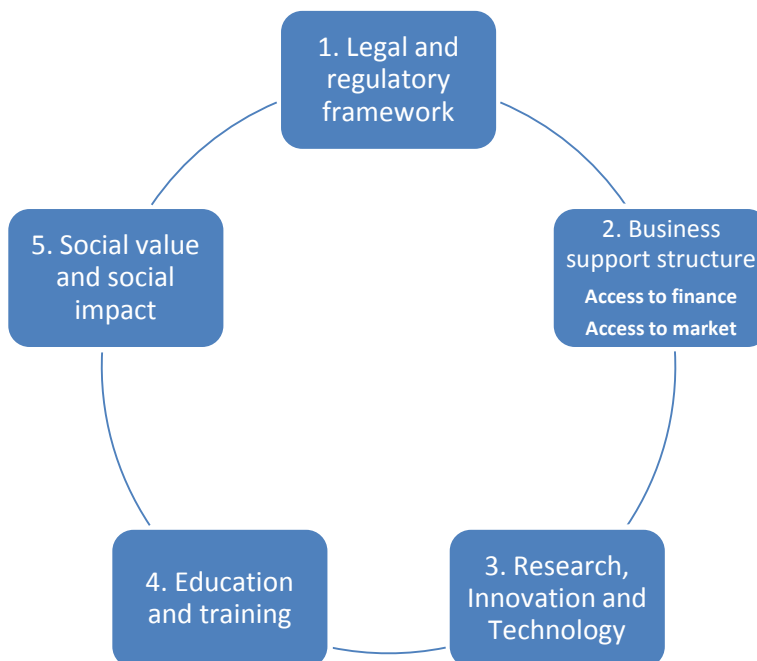
## 6. TOPICS EXPLORED

### *Existing approaches, best practices and main needs*

After the seven social innovation pillars were identified and deepened with the questionnaire, they were reduced to five topics after of the in-depth analysis with stakeholders in order to better meet the needs identified in the four concerned regions and to have a common code to then identify the sectors and lines on which to intervene.

Therefore, the partners decided to merge Pillar 2 “Access to finance” and Pillar 3 “Access to market” in one Topic 2 “Business support structure” considered more comprehensive of the interventions and strategies already present, to be improved and targeted, and to be planned. Pillar 6 “Education in social value” becomes Topic 4 “Education and training” in order to underline the importance given by the regional stakeholders to the professional and managerial skills that should be strengthened within social enterprises. Pillar 5 “Techology” changes in Topic 3 “Research, Innovation and Technology” to underline that the connection between these three fields and therefore University, Research Centers, enterprises and institutions is crucial.

Finally, Pillar 7 “Social value and social impact” remains as Topic 5 in order to strengthen the role of social impact as useful tool to efficiently allocate resources and generate a concrete impact on the territory.



*Fig. 5 - The new 5 topics to be explored*

Then, the partners analyzed each topic taking into consideration at a regional level:

- Existing approaches
- Best practices
- Main needs

Although, the four contexts showed differences with regard to the effective presence of all the components of social innovation, the partners chose to examine in-depth all the topics in all the territories, bringing out similarities and differences.

## 6.1 LEGAL AND REGULATORY FRAMEWORK

### EMILIA-ROMAGNA REGION

#### *Existing approach*

In ER Region, the legal framework regarding social innovation contains the following national and regional law and regulations:

- Law 381/1991 “Social cooperative regulation”
- Law n.328/2000 “Framework law for the implementation of the integrated system of interventions and social services where the roles and methods of the relationship between Third Sector (TS) and Public Administration (PA) are reworded”
- Council of Ministers Presidential Decree (D.P.C.M.), 30 of March 2001 “Guidelines and coordination Act on assignment of services to the person in accordance with Article 5 of the Law n. 328 (8/11/2000)”. It concerns the opportunity for PAs to hold public calls for the co-design of innovative and experimental interventions, where the TS is allowed to express its interest to collaborate with the PA for the realization of the objectives
- Article 118 of the Italian Constitution and Article 3 of the National law n. 142/1990 which entrusts to municipalities and provinces a real "subsidiarity obligation" by requiring them to carry out their functions also through the autonomous initiatives of citizens and social entities;
- Law 106/2016 (delegation to the Government for the reform of the TS, of social enterprise and for the regulation of the civil service) which recognizes to the TS's organizations the opportunity to exercise public functions and assigns to the Government the task to promulgate specific norms to support this prerogative;
- Legislative Decree 117/2017 “Code of the Third Sector”, a first regulation in terms of relations between public and nonprofit sectors characterized by the horizontal subsidiary principle that introduces new relations, different from procurement and grants, aimed at develop co-design process and pre-planned partnerships. The TS Code contains a specific title dedicated to "relations of TS organizations with public bodies". Article 55 is devoted to the “involvement of Third sector entities” with co-planning and co-design methods for the assignment of services to volunteer associations.
- Regional law n. 12/2014 “Rules for the promotion and development of social cooperation” recognizes and promotes the role and public function of social cooperatives in the management of public services and the participation of citizens in order to foster social cohesion. It sets up the Regional register of social cooperatives in fulfilment of the article 9 of the Law 381/91.
- Deliberation of the Regional Council (DGR) 969/2016 “Adoption of regional guidelines on the awarding of services to social cooperation”.
- Deliberation of the Regional Council (DGR) 514/2014 “First provision of the Regional Government implementing the art. 23 of the Regional Law 4/08 on the accreditation of social and health services”

- Regional law n. 19 /2014 “Rules for the promotion and support of the solidarity economy” recognizes the solidarity economy "as a tool to face the economic, environmental and employment crisis" and promotes its development.
- Regional law n.14/2014 “Promotion of the investments in Emilia-Romagna” promotes corporate welfare projects and the culture of corporate social responsibility and social enterprise.

The Regional administration plays the role of facilitator in the promotion of networking relations among the different actors engaged in delivering social services.

*Best practice*

GUIDELINES FOR THE CO-DESIGN OF SOCIAL SERVICES
<ul style="list-style-type: none"> <li>▪ <b>Name and nature of the activity:</b> Guidelines for the Co-design of Social Services between Public Administration (PA) and Third Sector (TS) organizations</li> <li>▪ <b>Problem tackled:</b> public administration and third sector partnership in the design of public policies and services</li> <li>▪ <b>Owner:</b> Emilia-Romagna Regional Government and ERVET</li> <li>▪ <b>Actors and Beneficiaries:</b> Local PAs and stakeholders at the Emilia –Romagna regional level</li> <li>▪ <b>Objective:</b> promotion of new forms of partnerships between PAs and TS in order to provide social services in partnership and co-responsibility</li> <li>▪ <b>Time of implementation:</b> 2016 – 2017 for the drawing out of the guidelines, and ongoing process of diffusion and experimentation on the regional territory</li> <li>▪ <b>Cost (if any):</b> mainly staff costs</li> <li>▪ <b>Outcomes:</b> creation or re-definition of services, adoption of administrative procedures for the carrying out of co design paths. Improvement of the quality and consistency of services provided through the increase of responsibility from the private thanks to the guidance role of the public part</li> <li>▪ <b>Transferability (high/medium/low):</b> medium</li> </ul> <p><b>Impact created:</b> involvement of four metropolitan areas of the E-R Region in public initiatives aimed at testing the guidelines on co-design and set up a participatory path of service design</p>

*Main needs*

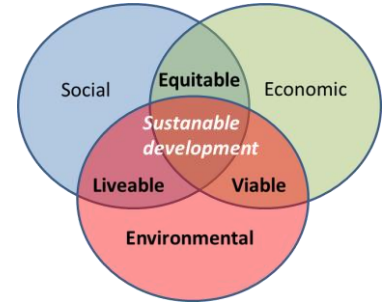
- Secure the effective implementation of the Reform of the Third Sector and outline a unique definition of social enterprise in order to plan targeted actions and policies in terms of support services and financial resources.

**VALENCIA REGION**

*Existing approach*



The policy of the Regional Government has advanced towards a VISION of the future based on the transformation of the economic model. Sustainability is added in its triple dimension as one of the principles and values to be applied to all areas. The objective is to advance and inspire in planning and strategy, working holistically from different areas towards a more equitable, liveable and viable society.



- The "Elche document"<sup>8</sup> was the beginning of the transformation of the economic model based on knowledge, innovation, openness and connection with the outside, articulated on the principle of sustainability, environmental as well as productive and social equity. It has been actualized and it will be presented in 2018, where an ACTION PLAN has been created, a roadmap towards that SUSTAINABLE VISION that takes into account the Sustainable Development Goals.
- Draft "Social Responsibility Law"<sup>9</sup> The objective of this Law is to regulate the commitment of the public administrations of the Valencian Community to fully integrate in their policies and actions the concept of social responsibility. This law will create the CSR observatory and a business registry managed by D.G. Entrepreneurship and Social Economy. The accredited companies that choose to bid will have a better score in said item. To do this, companies will respond with external audited balance to ensure healthy accounts and social attitude and respect for the environment.

Legislation at National level:

- Strategy for Entrepreneurship and Youth Employment 2013/2016
- Spanish Strategy for Activation for Employment 2014-2016
- Measures to support the entrepreneur and stimulate growth and job creation: Royal Decree-Law 4/2013
- Law 31/2015: modifies and updates the regulations on self-employment and measures to promote and promote self-employment and the Social Economy are adopted.
- Law 31/2105: Spanish Social Economy Strategy 2017-2020.

Legislation at regional level:

- Law 2/2012: urgent measures to support the Entrepreneurship Initiative and Entrepreneurs, Microenterprises and Small and Medium Enterprises of the Valencian Community.

Main needs

- Dedicated measures within the future Operational Programs focusing on social enterprises to implement social innovation projects and activities.
- Try to include as a main horizontal objective in the Smart Specialization Strategy social economy and innovation.

<sup>8</sup> <http://www.hisenda.gva.es/documents/164158153/164158322/BEOTME+cas.pdf/cbeff964-ae22-42c1-b7db-b3f40c016e91>

<sup>9</sup> <http://www.transparencia.gva.es/anteproyecto-de-ley-de-la-generalitat-para-el-fomento-de-la-responsabilidad-social>.

- Improve the regional cooperative framework (both the definition level of social economy as well as the characteristics and benefits of public procurement).
- Generate a regulatory framework determined by an analysis that shows the benefits of a social enterprise categorization, in order to stimulate all the companies to produce social value and social impact.

## **ANKARA REGION**

### *Existing approach*

There is no specific legal and regulatory framework at the national level in Turkey regarding social entrepreneurship and innovation. About social enterprises, again there is no law governing non for profit institutions like social enterprises or social cooperatives. Only recently, for social cooperatives, there is new initiative of the Ministry of Customs and Trade General Directorate of Cooperatives, which is analysing the different country examples, and Turkish cooperatives in close to develop and enact a law specific to the social cooperatives.

### *Main needs*

- Research on successful laws and regulations on social economy.
- A specific legal framework that governs social enterprises and social cooperatives that determine the definitions, criteria and advantages to be given.

## **KAINUU REGION**

### *Existing approach*

The Finnish law on social enterprises was introduced in 2004 (Law 30.12.2003/1351) and updated in 2012 (28.12.2012/924). According to this law, a social enterprise is an enterprise in which “at least 30% of the employment comes from disabled or long-term unemployed”. In addition, the company must be entered in the Social Business Register maintained by the Ministry of Employment and the Economy. Only the company entered in this register will be able to use the name and business name of a social enterprise in its business and marketing. The Finnish Law does not recognize a specific legal status to social enterprises, which can be a non profit or for profit companies.

### *Main needs*

- In Finland, now this topic is not considered a priority of intervention.

## **6.2 BUSINESS SUPPORT STRUCTURE**

### **EMILIA-ROMAGNA REGION**

#### *Existing approach*

The E-R regional administration supports social enterprises through European Fund for Regional Development (ERDF) 2014-2020 and issues special financial contributions for SMEs, Micro enterprises and for cooperative associations. “E-R start-up” initiative subsidizes the start-up of innovative business ideas. The national Reform of the TS introduced a number of facilitations and subsidies for social enterprises, in particular:

- tax exemption of surplus when designated to the statutory activity or to the increase of endowments
- tax deduction (for persons) or income deduction (for companies) of 30% of investments in social capital
- online crowd funding
- possibility to issue joint and several obligations (commission exempt) aimed to subsidize and support the activities of TS entities (among which social enterprises)
- institution of a Guarantee Fund and subsidized credit for social economy, aimed to support the growth and development of social companies, through the issue of loans for carrying out investment programs amounting to 200,000 -- 10 million Euros
- possibility for social companies to designate 3% of their income to funds set up by associations and to the Italian Social Foundation
- incentives for innovative start-ups including the ones with a social aim;

In addition to traditional finance in the last few years, social impact finance has developed in Italy and in E-R, under the auspices of the Social Impact Agenda for Italy (SIA)<sup>10</sup>. In E-R, social enterprises can access credit through the measures aimed to SMEs of any sector, the most important of which are:

- Regional law 23/2015 Access to subsidized loan for enterprises, free-lance and individual professionals
- Subsidized loans offered to cooperatives through the revolving credit fund Foncooper
- Financial contributions for the actors of fair trade.

The fact that there are no special financial instruments designated for social enterprises can be a disadvantage for social innovation. On the other hand, the Emilia-Romagna regional system of support to SMEs is very advanced and offers a number of tools of technical assistance that translate in services and policies in sustain of SMEs competitiveness. In particular, the Region offers services for internationalization, access to market and technological innovation through its network of techno poles, research institutes and high technology centers.

### Best practice

#### IL BETTOLINO SOCIAL COOPERATIVE – ACCESS TO MARKET

- **Name and nature of the activity:** Il Bettolino social cooperative
- **Problem tackled:** the decrease in the public financial support to social enterprises and cooperatives has weakened many companies forcing them to acquire managerial skills in order to compete in the private market
- **Owner:** Social Cooperative
- **Actors and Beneficiaries:** Bettolino cooperates with the local public administration (8 Municipalities forming the Uniona Bassa Reggiana) and work for the introduction to the labour market of cognitive and physical impaired people. Its main clients are the large retailer organizations (e.g. Coop and Esselunga).

<sup>10</sup> Social Impact Agenda for Italy (SIA) was created to disseminate the experience of social impact investments and to demonstrate that it is possible to create a new economy that integrates economic sustainability and positive social impact <http://www.socialimpactagenda.it/>

- **Objective:** Production and commercialization of basil and herbs in order to facilitate and promote the labour inclusion of people with disabilities and to guarantee the sustainability of the cooperative.
- **Time of implementation:** 1989 - present
- **Cost (if any):** Local administrations grants with around 100,000/120,000 euros through the agreements for work inclusion and educational and social-health-care services. In 14 years, il Bettolino paid 13.000 salaries. It invested in the management of the greenhouses and in the innovation tools needed of their functioning.
- **Outcomes:** to be in market with a brand and compete at the same level with all the other producers. The customers are the main players operating in the Italian large-scale retail trade. It is a new model of welfare for communities and for the development of territories.
- **Transferability (high/medium/low):** medium
- **Impact created:** transformation of a meeting point into an entrepreneurial social cooperative, 5,000 square meters of greenhouses inside the intercommunal dump where basil is produced, 5,000 square meters of organic greenhouses where organic herbs are produced, 85,000 kg of basil per year, 50% sold in bulk to companies and 50% packaged in trays and marketed by the largest retail, 52 employees and 73 members.
- **Why is a good practice?** Bettolino produces basil and herbs through the innovative floating system and uses the wasted energy produced by the inter-municipal landfill to hit its greenhouses. Bettolino is one of the main providers of public services for local administrations and has become a point of reference even for the Regional stakeholders. The experience shows that if investing in the quality of products and services, a social cooperative is able to compete in the market like other players.

**Website:** <http://www.ilbettolino.it/>

#### PROGES SOCIAL COOPERATIVE – INTERNATIONALIZATION

- **Name and nature of the activity:** Proges Social Cooperative
- **Problem tackled:** the economic crisis and the saturation of the services market have placed many social enterprises in the need to identify new financial and professional opportunities beyond their territories and therefore also at the international level.
- **Owner:** Proges Social Cooperative
- **Actors and Beneficiaries:** Proges cooperates with Public administrations, Local health centers and Public Companies for Services to the person. Moreover, it provides health and social services for private citizens and families.
- **Objective:** identification of new markets in order to export expertise and activities in the field of health and social care services
- **Time of implementation:** 1994 – present
- **Cost (if any):** the salaries paid to over 3000 employees and the maintenance and functioning of the contracted structures represent the main costs of the cooperative.
- **Outcomes:** internationalization of health and social services in Belgium and China, creation of a network through which it participates in calls for tenders, qualification of services in order to compete with other players.
- **Transferability (high/medium/low):** Low
- **Impact created:** three nurseries managed in Bruxelles on behalf of the European Commission and transfer of its know-how for the management of a facility for the elderly in China.
- **Why is a good practice?** Proges is a large social cooperative, which has acquired managerial skills in order to overcome the economic crisis and find new markets and financial opportunities. Its experience is unique in Emilia-Romagna and it could inspire other organizations.
- **Website:** <http://www.proges.it/>

### *Main needs*

- Targeted support measures for social enterprises within the Operational Plan and/or reward systems for social enterprises within public calls in order to compete on an equal footing with for profit companies.
- Cooperation from profit and non profit enterprises to increase the social value and promote the competitiveness of social enterprises.

## VALENCIA REGION

### Existing approach

Accelerators and incubators are almost 25. The *fiscal regulations* approved in recent years in relation to the promotion of entrepreneurship and social innovation do not include any measures specifically addressed to the entities that comprise it exclusively. Some entities of the social economy (for example, cooperatives of associated work) are the mediated object of some incentive generically oriented to the promotion of the entrepreneurship through partnerships. It is about measures aimed at physical persons who opt, as a self-employment formula, for the creation or incorporation of entities this type (modification of the exemption of the unemployment benefit in single payment form) or to natural persons who acquire the status of partners as investors of proximity. In any case, when these incentives are diluted within the corporate entrepreneurship, there is no bias in favour of entrepreneurship through the entities of the Social Economy.

There are *subsidies* whose objective is the financing of actions to promote and disseminate the culture and practices of social enterprises and the economy of the common good.

In addition, the National Securities Market Commission (CNMV) approved in June 2018 the creation of the Creas Impacto fund: the first European Social Entrepreneurship Fund (FESE) (there are only 10 products in Europe). It consists on 25 million euros with the support of various private investors and three other institutional investors. Prioritizes investment in companies focused on health and wellbeing, environmental sustainability, education and social innovation.

### Best practice

#### FLORIDA - COOPERATIVE EDUCATION

- **Name and nature of the activity:** Florida – cooperative education
- **Problem tackled:** Improve Active learning; Professional Placement and connection with real work environments and Integral Assessment
- **Owner:** Education cooperative
- **Actors and Beneficiaries:** Students and society. Florida is an education cooperative group composed by: Kindergartens, Early childhood education (Primary education and Secondary education), Lower secondary education, Upper secondary education, Vocational Training, Bachelor degrees, Post graduate degrees, Senior University, Occupational Training, Language School, Entrepreneurship and innovation lab; Employment and self-employment, Consultancy and research, Equity and CSR, Research on Social Economy
- **Objective:** Person training, fostering skills in: initiative, autonomy and personal development to achieve an appropriate social and professional placement.
- **Time of implementation:** Founded in 1977
- **Cost (if any):** 17 M turnover.
- **Outcomes:** 5.200 Students per year; 22 Buildings; 56.887m2 Area, +8.000 Partner companies, 393 employees, 232 cooperative partners
- **Transferability (high/medium/low):** medium
- **Impact created:** Florida participates in several sectorial and business associations. Create and consolidate alliances with entities it shares values and interests with. It has more than 240 contacts: 71 Erasmus Agreements in 38 universities from 17 countries; 15 agreements in South America & China; Over 100 European projects in educational innovation, management innovation and social economy.
- **Why is a good practice?** Because it is a lifelong learning centre with a cooperative model with more than 40 years old and it has grown exponentially due to its connection with the social reality. The key element that generated the change in the cooperative and its growth was when the members enrolled

in a management master. From that moment, the growth and consolidation of Florida as a structure was remarkable.

- **Website:** [www.floridauniversitaria.es](http://www.floridauniversitaria.es)

Valencia is becoming a very interesting ecosystem to start a business in any field, and specifically, in the field of social projects. The Spanish entrepreneurial ecosystem<sup>11</sup> grew by 20% last year and reached 3,258 startups. Barcelona started with companies related to the retail sector, which is strong in Industry 4.0 while Madrid companies are closely linked to the Ibex 35 companies. In Valencia, startups in the food and distribution sector stand out. For its part, the Basque ecosystem goes hand in hand with the industry and has strong support from family offices.

Barcelona, Madrid, Valencia and the Basque Country are the main entrepreneurial ecosystems in Spain. The Valencian entrepreneurial ecosystem was the third in terms of attracting investment in 2017. Valencian startups attracted an investment volume of 14.9 million euros. The startups linked to the food sector, as well as the distribution of goods and logistics are the main ones of the Valencian ecosystem, although some new companies specializing in maritime logistics are also emerging. Regarding social entrepreneurship projects they represent 4,2%<sup>12</sup> of total in Valencian Community, which is 153% over the average rate at national level, so it demonstrates the special attraction of social entrepreneurship towards this hub.

### Best practice

#### SOCIAL NEST – SOCIAL INCUBATOR

- **Name and nature of the activity:** Social Nest – Social incubator
- **Problem tackled:** Valencia is living an important raising entrepreneurship, several private accelerators and private investors are betting on them; Social Nest is the first Social Accelerator created with an international vision in the Region taking advantage of the Valencian Entrepreneurship Ecosystem.
- **Owner:** Foundation
- **Actors and Beneficiaries:** Social companies and society
- **Objective:** Social Nest promotes sustainable businesses that seek to have a positive social impact, supports people who bring innovative solutions to society’s most pressing social and environmental challenges. Moreover, it is a community that may help social companies to have a social impact through a profitable and sustainable business project.
- **Time of implementation:** More than 5 years
- **Cost (if any):** -
- **Outcomes:** 6 years of experience helping employers to make their environment a better place; 30 entrepreneurs have turned their ideas into responsible companies; 300 hours of training provided since 2010; 1000 mentoring hours demonstrating that social entrepreneurship is possible.
- **Transferability (high/medium/low):** medium
- **Impact created:** high
- **Why is a good practice?** Social Nest is a foundation that seeks to support social entrepreneurs who want to change the world. It looks for projects that seek to cause positive social change as a mission and its economic model is devoted to sustainability. Figures demonstrate that their activity is having a real impact (4,2% of new initiatives in Valencia are Social Entrepreneurship, compared with the average in Spain, this is 184% higher, in 2017, source Startupxplore Report)
- **Web site:** <http://socialnest.org/>

<sup>11</sup> <https://startupxplore.com/en>

<sup>12</sup> <https://startupxplore.com/en>

### Main needs

- Support intermediary institutions focused on social economy and social innovation and generate collaboration/assistance programs in order to improve their efficiency.
- Support intermediary institutions that, although are not specifically focused on social innovation, could strengthen this field.

## ANKARA REGION

### Existing approach

When the business support structure in Turkey is analysed, it is seen that the support structures are mainly three folded. First, it is the public institutions which are providing general financial and technical supports for entrepreneurs, enterprises and NGOs.

These institutions are:

- Regional Development Agencies
- Small and Medium Enterprises Development Organization of Turkey
- The Scientific and Technological Research Council of Turkey

Through these bodies, access to finance and market is facilitated as these institutions give regular financial grants through call of proposals. Though traditionally the bulk of these sources are channelled for profit organizations, recently funds for social causes have been increased. Apart these institutions within the Instrument of Pre-Accession programme, Ministry of EU coordinates funds towards non profit organizations and implements regular civil society calls. In that framework, Ministry of Science, Industry, Technology, Ministry of Labour, and Social Security are implementing IPA programmes on social innovation and social entrepreneurship. On the private sector side, there are banks, credit unions and investment funds. Banks give credits and guarantees for entrepreneurs. However, there are no specific banks or bank programme yet focusing on social enterprises or entrepreneurs creating social value.

Crowdfunding is another popular tool for social finance. There are crowdfunding platforms like buluşum, idaenest and arikovani that finance social innovation. On the other hand, business angel's investor networks are relatively new in Turkey and are still developing based in Istanbul mainly. Endeavor Turkey, Bahariye Business Angels, Galata Business Angels, TEB Private Angel Investment Platform , BIC Angel Investments and eTohum. Impact investment on the other hand needs to be extended in Ankara and in Turkey. Apart from these bodies, there are important incubation centers in the region, which also facilitate firms' social innovation activities and host social enterprises, as well:

- İstasyon TEDÜ Social Innovation Center; Technology Development Foundation of Turkey
- Social Sciences University of Ankara Social Teknopark

Innovation centers have been newly established in Ankara designed for incubating social enterprises and social innovation initiatives through training, mentoring and networking. In addition, 6 techno parks of the region as well as Technology Transfer Offices like Baskent and TOBB universities are important centers for social innovation through their incubation and acceleration programs and networking events and activities for investment attracting.



Best practice

**IDEANEST – DONOR-BASED CROWDFUNDING PLATFORM**

- **Name and nature of the activity:** Ideanest is a donor-based crowdfunding platform to projects are difficult to finance that include value in the intersection of technology and social benefit.
- **Problem tackled:** There are limited financial supports and grant mechanisms targeting social entrepreneurs. However, it is very important to have access to finance during the early stage of product/service development. To fill that gap there are some new initiatives of crowdfunding allow social entrepreneurs and innovators to reach the starting capital for their business. Therefore, there is great need for new programmes and platforms to reach more people and help them realize their projects with the help of the community.
- **Owner:** TTGV (Turkey Technology Development Agency)
- **Actors and Beneficiaries:** Social entrepreneurs, innovators, NGOs
- **Objectives:** Ideanest aims to develop funds through donation-based crowdfunding. Crowdfunding platforms have emerged as the most remarkable alternative method of funding. The Ideanest platform primarily supports the funding of health, education and agriculture projects; it supports academic research projects, technology-based early stage product/service ideas, and activities that improve technology and the innovation ecosystem via the "crowdfunding" model; it promote the concept of "technology donorship", by creating a donor base and a culture of donation for all such projects, ensure that projects are validated on the platform by reaching the right donors, share creative ideas and projects in need of funding with the society in every possible way, to serve the principle and vision of a "Turkey that Generates Technology", ensure that the society contributes to scientific and technology development projects; bring together entrepreneurs and experts
- **Time of implementation:** 2016 onwards
- **Cost (if any):** Server and web platform running/maintenance costs
- **Outcomes:** TTGV built Ideanest to help bring creative projects to life. Since our launch on October 2017, 7 projects have backed, nearly 150.000 TL has been donated, 4 projects have been successfully funded and lots of supplier have developed their capacity also R&D ability. In addition to this Ideanest not only aims to provide financial resources to projects, but also seeks to facilitate project owners' access to other resources (information, network, consultancy, in-kind contributions, etc.) by creating an ecosystem. Thus, in addition to individual and institutional donors, Ideanest is also working towards attracting solution partners to the platform, in an effort to support project owners in areas other than finance as well
- **Transferability (high/medium/low):** High, as a business model can be replicated solely for social field
- **Impact created:** Big and profound, create direct and unique opportunity for social entrepreneurs to find direct funds for their project. 7 projects have backed, nearly 150.000 TL has been donated, 4 projects have been successfully funded and lots of supplier have developed their capacity also R&D ability
- **Why is a good practice?** Ideanest is a good practice because it is the pioneering example of an internationally well-known methodology with good localization strategies. It fills a big gap, as there is no direct grant/credit mechanism addressing social entrepreneurs, at least it seeks a solution. Encourages other start-ups in order to formulate their social business ideas and search for funding opportunities. Empowers the social entrepreneurship eco-system by hosting and organizing events of technology and social innovation events BUSINESS SUPPORT STRUCTURE (access to market, finance, clusters, internationalization)
- **Web site:** <https://ideanest.org/>

### *Main needs*

- Regular financial support programmes given specifically to social innovation and social entrepreneurship actors.
- Tax exemptions to social enterprises.
- Channeling of EU-IPA (Instrument for Pre-Accession) funds to the area.
- Growth of crowdfunding mechanisms.
- Strengthening of angel investors and impact investment networks.
- Support to incubation centers by the state.

## **KAINUU REGION**

### *Existing approach*

Specific support mechanisms (such as direct support and tax benefits) targeting social enterprises is not considered as necessary. In order to access to finance, all the enterprises have to apply for government funds.

### *Main needs*

- No needs, since all existing support mechanisms are also available to social enterprises.

## **6.3 RESEARCH, INNOVATION AND TECHNOLOGY**

### **EMILIA-ROMAGNA REGION**

#### *Existing approach*

The research innovation and technology framework of E-R is defined by the regional Smart Specialization Strategy S3, which is oriented towards four strategic priorities:

- To increase the competitiveness of social enterprises
- To support the areas of intelligent specialization
- To drive the change
- To develop excellent services

And directed to five specialization areas:

- Agribusiness
- Building and constructions
- Mechatronics and engine manufacturing
- Health and wellness industries
- Creative industries

ERVET and ASTER, in their capacity as regional development agencies, contributed to the definition of the regional technological priorities, and analyzed the needs for services and training within the productive manufacturing process. Social innovation is mentioned within the S3 with reference to the strategic priority

B. In order to apply the S3 Strategy to the social component of the regional economy, ERVET works on the definition of new methodologies for public procurement and co-design of social services between public administration and TS organizations. Since 2011, E-R has invested both human and financial capital in research activities in the field of Social Innovation with particular reference to social enterprises and profit enterprises that concur in the generation of social value.

As a result, a few research studies have been published in cooperation with ERVET, the regional Working Group Social Economy, the regional association of Chambers of Commerce, Industrial Association, Alma Mater Foundation:

- Another Welfare Generative Experiences 2011
- Models of Corporate Welfare in Bologna (Italian Version) 2013
- Welfare and Wellbeing the role of enterprises in the Community Development 2014

#### Best practice

##### LA CITTÀ VERDE SOCIAL COOPERATIVE

- **Name and nature of the activity:** the composting and chipped production plant of the social cooperative La Città Verde
- **Problem tackled:** to give a job to disadvantaged people otherwise charged of the social services and to be sustainable and competitive through waste treatment and management of organic and not organic materials, producing a service for the community.
- **Owner:** La Città Verde social cooperative
- **Actors and Beneficiaries:** La Città Verde cooperates with Public Companies for Services to the person, municipalities and for profit enterprises. Collaborators and workers are beneficiaries of its activities as well.
- **Objective:** to guarantee work integration in one side and the wellbeing of the community in the other side by promoting environmental efficiency and a sustainable model of production. The logic of intervention is based on the generation of a circular economy process.
- **Time of implementation:** 1991 – present
- **Cost (if any):** the main costs are represented by the salaries paid to over 100 employees, the investment in the composting plant and the management of the
- **Outcomes:**
- **Transferability (high/medium/low):** low
- **Impact created:** more than 40.000 tons of waste treated each year within the composting and chipped production plant: 11.000 tons/year of outdoor furniture (wood, plastic and glass), 15.000 tons of organic material and green waste, 8.000 tons of bio fuel produced every year; 240 Mwh/year of renewable energy produced;
- **Why is a good practice?** The composting and woodchip production plant of La Città Verde represents an example of circular economy. Moreover, it combines its productive activities with social aspects such as the promotion of the social cohesion and the labour integration.
- **Website:** <http://lacittaverde.coop/>

#### Main needs

- To establish and formalize a social innovation sector by creating a specific or transversal cluster.

- A social network analysis can help policy makers in planning programming strategies or defining social innovation interventions.

## VALENCIA REGION

Universities are strengthening collaboration with the Regional Government. Chairs have been created and they engaged in the performance of research projects that provide data and analysis of the evolution of these areas in the region (Chair of Economy for the Common Good – CATEBC<sup>13</sup>, Business and Humanism Chair- EiH<sup>14</sup>, Chair for Feminist Economics<sup>15</sup>, Blue economy). With a view to identify, making visible and disseminating good practices, has been raised the project of the **social innovation map for the city of Valencia**, as a result of the collaboration between the University of Valencia and Las Naves Foundation of Valencia City Council. The 79 initiatives identified have been grouped into seven categories organised according to the aim of the innovation in each of them, the category 'Social dynamics and inclusion' being the one that groups the largest number of initiatives (24% of the total), followed by the one called 'Exchange and collaborative economy networks' (19%).

### Main needs

- Promote a permanent dialogue with the universities of the region in order to analyze the specialization of social economy in each one (with the objective of generation social economy or social innovation staff in each university, and foster investigation of this field).
- Generate a regional social economy observatory, allowing the creation of a Social innovation map, not only on the metropolitan area of Valencia, but in all the regional territory.
- Focus the investigation and development of new technologies towards social innovation. Achieve a link between the most important technical colleges of the region and the social economy observatories, in order to share information and create knowledge synergies helping the processes of solving social problems. This situation could develop into a long-term relationship generating an impact/social innovation ranking for each product/service created by these technical colleges.

## ANKARA REGION

Universities can play a crucial role in spreading an entrepreneurial culture, as well as promoting innovation.

In that respect, Ankara has an advantaged position as it has a high number of well-established universities. These universities have research programmes and institutes working on innovation and entrepreneurship though not for social innovation and social entrepreneurship specific areas. However, there are a numbers of studies focusing on these areas and this number is increasing every day. In addition, there are Technology Transfer Offices (TTOs) in many universities that also started to present good opportunities for social entrepreneurs. These offices together with techno parks and incubation programmes serve for flourishing of technology firms and entrepreneurs working for a social cause. Therefore, there are quite a good number of

<sup>13</sup> <https://www.uv.es/uvweb/institucional-chairs/en/list-institutional-chairs/economy-common-good-chair/presentation-1286008062860.html>

<sup>14</sup> <https://www.uv.es/uvweb/institucional-chairs/en/list-institutional-chairs/business-humanism-chair/presentation-1286010259707.html>

<sup>15</sup> <https://www.uv.es/uvweb/institucional-chairs/en/list-institutional-chairs/chair-feminist-economics/presentation-1286012173383.html>

start-ups, which use technology and ICT to create social value in Ankara. However, there is still need for raising awareness to utilize these tools more effectively.

*Best practice*

SOCIAL SCIENCE UNIVERSITY OF ANKARA SOCIO-CITY
<ul style="list-style-type: none"> <li>▪ <b>Name and nature of the activity (service/instrument/programme/method/other):</b> Social Sciences University of Ankara Socio-City</li> <li>▪ <b>Problem tackled:</b> There are traditionally many technology development zones established for the flourishing of start-ups, which work on technology development. However, there are only small incubation centers serve to the social innovators and social entrepreneurs and no special zones for enterprises that aim to create social value and social innovation.</li> <li>▪ <b>Owner:</b> Social Sciences University of Ankara</li> <li>▪ <b>Actors and Beneficiaries (direct/indirect):</b> People who work focusing on social value, not for profit, and aim to establish a sustainable model for social innovation are the beneficiaries.</li> <li>▪ <b>Objective:</b> It aims to create a zone where people collaboratively produce solutions for social problems, do research, analysis and co-design policies for social innovation. It will serve to firms by theoretic and applied social laboratories; trainings with collaboration to business department of university; incubation services and consultancy.</li> <li>▪ <b>Time of implementation:</b> It is going to be active in 2018</li> <li>▪ <b>Cost (if any):</b> -</li> <li>▪ <b>Outcomes:</b> Specialized services on immigration and population, environment problems and urbanization, economic problems, education, health and care services.</li> <li>▪ <b>Transferability (high/medium/low):</b> High. The model is known as social silicon valleys and investigated by renowned social innovation communities and institutions</li> <li>▪ <b>Impact created:</b> increased collaborations that will result in new acquisition of skills and competencies of social innovators and entrepreneurs. New enterprises established for the development of social innovation</li> <li>▪ <b>Why is a good practice?</b> It is a good practice since it uses a model that is not frequently used throughout the world and had the potential to be used. Further, the research made on particular technological development zones (TDZ) indicated that there exist certain gaps regarding the efficiency of these TDZs. Now, this project aims to fulfil these gaps while adding the "social" dimension into the picture and supporting that dimension with many other institutional opportunities. Sosyokent is a unique design tailored to the expectations and restrictions of the current TDZs</li> <li>▪ <b>Website:</b> <a href="http://www.asbu.edu.tr/en/social-sciences-university-ankara">www.asbu.edu.tr/en/social-sciences-university-ankara</a></li> </ul>

*Main needs*

- New researches and taught programmes on social innovation and social entrepreneurship.
- Establishment of fablabs to bring together social innovators and makers with the aim developing new technologies.
- Scholarships to researchers who work on social innovation.
- Design of programmes bringing together researchers with business support structures to work on social challenges.

## KAINUU REGION

### *Existing approach*

Targeted strategies and specific purposes are fundamental in order to increase the impact of research, innovation and technology. In Kainuu, technology applied to social issues is an important tool since it helps in overcoming the distances and bring people closer.

### *Main needs*

- Training courses co-organized with university with the objective to improve employability in relation to concrete tasks in different typologies of enterprises.

## 6.4 EDUCATION AND TRAINING

### EMILIA-ROMAGNA REGION

#### *Existing approach*

The E-R regional government promotes the qualification of human capital and employment in order to strengthen the competitiveness of enterprises and support innovation and development. The increase and innovation of competences inside enterprises is one of the regional objectives in the Operational Programme of the European Social Fund 2014/2020 – thematic Objective 8, investment priority 8.5 “Adjustment of workers, enterprises and entrepreneurs to changes”. In addition, within the framework of the Labour Pact, the Regional Administration committed itself together with all the components of the regional society to participate in the growth of development and employment in E-R. In 2016, 10 million Euros were financed for training courses, seminars and actions aimed to support sustainable development, digitalization and internationalization of enterprises. The beneficiaries of such measures were managers, who detain the knowledge and skills that enterprises need in order to introduce new product, processes and organization/management strategies. In addition, the E-R Region subsidizes special training for innovative start-ups with 2 million 200 thousand Euro of the ESF, aimed to strengthen managerial skills, access to market, internationalization of the people engaged in the innovative start-ups. As far as cooperative enterprises are concerned, educational and training activities are provided aimed to improve managerial skills by Demetra Formazione and Irecoop E-R.

### *Main needs*

- Education and training on new managerial and organization models: a particular dedicated policy for the enhancement of new managerial skills for social entrepreneurs.
- Specific actions to foster digitalization of processes, products and services of social enterprises and to establish new relations and networks.
- Public calls dedicated to the introduction of the *temporary manager*, who helps social enterprises to overcome their organizational weaknesses.

### VALENCIA REGION

Besides the Chairs created within the universities, education in social innovation is one of the topics in which Florida focus their effort. An education cooperative group and a lifelong learning centre with start education from 0 years. It is composed by kindergartens, early childhood education (primary education and secondary education), lower secondary education, upper secondary education (<http://masterinnovacion.florida->

[uni.es/](http://www.umh.es/)). Within the Universidad Miguel Hernandez are carried out courses on entrepreneurship: ([http://www.umh.es/contenido/Estudios/:tit\\_fpo\\_9595/datos\\_es.html](http://www.umh.es/contenido/Estudios/:tit_fpo_9595/datos_es.html)) while within the Universidad de Valencia is active the Social Economy degree and the Social innovation laboratory.

The City of Valencia, has promoted a social innovation hub to support the development of new initiatives that fit with the needs and challenges of the city. The project based on collaborative approach is called Col.lab. <https://www.lasnaves.com/somos-collab/?lang=es>

#### Main needs

- Universities could generate specific departments regarding social innovation and social economy.
- Generate social economy and social innovation specializations.
- Curricular model of the different groups age (from primary education, to postgraduate studies) considering entrepreneurship and social innovation.
- Metropolitan areas (main cities) could transfer their experience to other municipalities and territories, interested to promote active citizen & social entrepreneurship initiatives.

#### ANKARA REGION

##### Existing approach

Education and training in the area is mainly done through universities. However, there is only no programme specific to social innovation and social entrepreneurship in Ankara. TED University, which also has the Social Innovation Centre, gives a course on social entrepreneurship for undergraduate students. Training activities on the other hand, again is done by TED University as well as initiatives of Ankara Development Agency. Nevertheless, these trainings programmes have not been systemized and institutionalized, yet.

##### Best practice

#### ISTASYON TEDU CENTER FOR SOCIAL INNOVATION - SOCIAL INNOVATION TRAINING AND SOCIAL INCUBATION PROGRAMME

- **Best Practise:** Social Innovation Training and Social Incubation Programme
- **Name and nature of the activity:** Social Innovation Training and Social Incubation Programme
- **Problem tackled:** In Ankara there have been no formal or informal education and training programmes on social innovation and social entrepreneurship given by the universities or other public and private bodies. The situation hindered raising awareness on the social innovation and social entrepreneurship and equipping the potential social entrepreneurs with the knowledge and skills they need. Moreover, there have been no mentoring and incubation programmes targeting specifically to social entrepreneurs.
- **Owner:** İstasyon TEDU Center for Social Innovation
- **Actors and Beneficiaries:** Social entrepreneurs, students, public institutions, NGOs
- **Objective:** Social Innovation Center of TEDU aims at equipping the potential social entrepreneurs with the knowledge and skills and raising awareness on the issue among the youth and students of the university. For the undergraduate students the Center administers a course on social innovation and

it supports social entrepreneurs through its social incubation programme offering a combination of non-financial support mechanisms such as access to co-working space, meeting facilities, mentors, network, training opportunities etc., collecting and disseminating information about social entrepreneurship and social innovation, carrying out policy dialogue meetings on social entrepreneurship with public professionals at the expert level, working on building a model facilitating university-society interaction in line with the vision of TED University to be a “city university” and contributing to the development of research projects and programmes to support social innovation and social entrepreneurship.

- **Time of implementation:** 2016 onwards
- **Cost (if any):** TED University covers some types of costs of the center and TEDU team prepares internationally funded projects for financing the center and achieve sustainability
- **Outcomes:** The Center gives training on social innovation every year to students raising awareness and skills of the young people to be social entrepreneurs. Moreover, with the social incubation programme TEDU supports and promotes social entrepreneurs. In addition, currently it hosts 6 initiatives in the center mentoring and educating them in the areas they need with tailor made programmes. In addition to these, it serves as a community hub hosting talks, seminars, screenings, networking events and training on relevant topics.
- **Transferability (high/medium/low):** Medium
- **Impact created:** As being one of the few main and strong actors of the social innovation ecosystems, TEDU fills an important gap and gives quality trainings and supports social entrepreneurs by increasing their skills and introducing new networks and cooperation among stakeholders.
- **Why is a good practice?** TEDU is a good practice in many aspects. The Centre acts both an incubation and research centre and equips the social entrepreneurs with necessary skills and knowledge introducing them to new networks. In addition, it completes an important gap by doing research on social innovation eco-system. The work and innovative functioning structure of the Center serves as an example for both the regions and the country.
- **Website:** <https://istasyon.tedu.edu.tr/en/social-innovation-training-programme>

#### Main needs

- New formal training programmes at high schools and universities on social innovation and social entrepreneurship.
- Informal trainings and meet-ups to raise knowledge and awareness of people.
- New programmes and hackathons to create new partnerships and to support new projects.
- Development of peer to peer mentoring programmes.

## KAINUU REGION

### Existing approach

Although in Finland education and training are strong and consolidated with programme dedicated to social entrepreneurship, it is still missing a specific training support.

#### Main needs

- Increase understanding and core competences in employability improvement.



- Identify benefits and ways of profitably implementing the Finnish Social Enterprise Mark (i.e. the integrated development approach in the business sector).
- Specific training support and qualified and widespread structures to deliver it.

## 6.5 SOCIAL VALUE AND SOCIAL IMPACT

### EMILIA-ROMAGNA REGION

#### *Existing approach*

The reform of TS introduced the concept of social impact evaluation. It defined it as the qualitative and quantitative evaluation in the short, medium and long period of the effects of activities on the community. The reform considers the evaluation of social impact as the starting point for the relations between TS and public administration: article 4 sets the strategical role of TS in the phase of planning the territorial integrated system of services. The law prescribes that criteria and methods must be identified before entrusting general interest services to TS entities, and for the evaluation of the results obtained. Social value is intended in E-R as the capability of an activity to extend its borders and generate external outcomes that invest the social and economic surrounding tissue. In other words, a positive impact is generated by the activity even after its duration and is not directly linked to its income. The measure of the social value does not coincide with the simple economic/financial return, but is related to the social change produced by the actions realized. The growing interest in measuring social impact has stimulated the regional debate and the introduction of targeted methodologies. AICCON, the Italian Association for the Promotion of the Culture of Cooperation and Non-profit, as well as ISNET Association, cooperatives and consortium have implemented specific method to measure the social impact of their activities but it is not still available an impact measurement tool accessible and easily adaptable to the different organizations of the Third Sector.

#### *Best practice*

ISNET ASSOCIATION
<ul style="list-style-type: none"> <li>▪ <b>Name and nature of the activity:</b> Social impact of the work inclusion activities in Italy (the first macro-economic analysis on social impact in Italy – ISNET Association)</li> <li>▪ <b>Problem tackled:</b> to identify a method to measure the social impact of the labour inclusion activities carried out by social cooperatives <b>Owner:</b> ISNET Association</li> <li>▪ <b>Actors and Beneficiaries:</b> social cooperatives, public administrations, disadvantaged workers with cognitive impairments and their families, community.</li> <li>▪ <b>Objective:</b> to evaluate the social impact generated by the labor inclusion of people with cognitive disabilities (L. 381/91) within social cooperatives (B e A+B).</li> <li>▪ <b>Time of implementation:</b> 2016</li> <li>▪ <b>Cost (if any):</b> -</li> <li>▪ <b>Outcomes:</b> social cooperatives self-evaluate the ability of their actions to generate social impact; it has been shown that the activities carried out by the social cooperatives are able to double the social return on investment, data and information available to measure the outcomes.</li> <li>▪ <b>Transferability (high/medium/low):</b> -</li> <li>▪ <b>Impact created:</b> the investigation carried out by ISNET represents the first macro-economic analysis on social impact in Italy and contribute to feed the national debate on the topic that has been included also in the Third Sector Reform (106/2016).</li> </ul>

- **Why is a good practice?** The analysis was carried out using the GECES guidelines (Sub-group on Impact Measurement - European Commission) and the SROI (Social Return On Investment), a complex model that permits to measure the return on social investments. The analysis has shown that for 1 euro invested in the employment of a disadvantaged person, it has been obtained 1, 92 euros. Moreover, social values that cannot be valorized in monetary terms, such as social integration, increase in the self-esteem and reduction of prejudice toward fragile people, should be added to this value.
- **Website:** [www.impresasociale.net](http://www.impresasociale.net)

*Main needs*

- The measuring of social impact should be included in the criteria for the assignment of contributions and subsidizes within the regional calls for social initiatives and activities.
- Standardization of models for measuring social engagement at European local level.

**VALENCIA REGION**

*Existing context*

SROI method (Social return on investment) is used in Valencia Region although at a very small scale. The most standardized tool and methodology is based on Economy for the Common Good (ECG), which proposes an economic and social model that aims to reorient the current economic model. It is based on the maximization of individual benefit and it is focused on the service of the common good and the cooperation. The ECG forecasts the use of indicators that are different from the classical ones; in other words, not only the financial and monetary aspects are analyzed.

The Matrix of the ECG is a tool that allows organizations to value all the actions that, in the exercise of their activity, contribute value to society and the environment. In addition, it promotes the development of improvement plans that help maximize your contribution to the general welfare.

It is not intended to replace financial information, only to complement it, thereby improving transparency for clients, investors and public administrations alike. It proposes to measure the contribution of organizations (companies, NGOs, town halls, associations) to the common good, guided by fundamental values such as human dignity, solidarity and social justice, environmental sustainability, transparency and democratic participation.

*Best practice*

**NOVATERRA FOUNDATION**

- **Name and nature of the activity:** Novaterra
- **Problem tackled:** Novaterra has spent years trying to solve the mismatch between business and social world. Moreover, fight topics, as the company is only a machine to make money, and social organizations dedicated to practicing “do-goodism” inefficiently.
- **Owner:** Novaterra
- **Actors and Beneficiaries:** NGOs
- **Objective:** Novaterra spent years building bridges between the two worlds, because experience has shown us otherwise: companies that would like to do more but do not know how.
- **Time of implementation:** 1 year

- **Cost (if any):** -
- **Outcomes:** Create employment opportunities for people at risk of social exclusion. Novaterra also uses these methods: corporate social responsibility, pro-bono services of professionals for free; donations in cash or in kind, labour practices, participating in campaigns, or encouraging employee participation through corporate volunteering, “teaming” or solidarity penny.
- **Transferability (high/medium/low):** high
- **Impact created:** high
- **Why is a good practice? Why is a good practice?** “Novaterra: connect people and companies together” and “connect” these socially aware companies to make a “networking” responsible, and to be providing customers and each other. Novaterra is a very interesting approach of a Spin Off from a foundation, so, the project initially incubated in a very solid Foundation (very well settled in the territory and involving main local stakeholders), found the way to grow and succeed, when it was transformed into a Private Social Initiative, combining partnership of a Entrepreneur and the Foundation, that remains present in the project owning shares in a minority. It gave agility and capacity to adapt to real needs and market opportunities.
- **Web site:** [www.novaterra.org.es](http://www.novaterra.org.es)

### Main needs

- To develop a system that would help all actors to estimate “social value”, providing a number that could summarize it. Private and public actors would benefit could take this output to improve their decision-making. Moreover, this tool should be able to provide information at micro level (to a specific social enterprise, cooperative, NGO or project) and also at macro level (regional, metropolitan, city).
- To let policy makers quantify the social impact generated by social programmes and projects, in order to create the correct support measures;
- To let entrepreneurs easily quantify the impact generated by their companies by creating research groups which generate the conceptual models and the tools to measure the impact;

## ANKARA REGION

### Existing context

There is a broad coverage in understanding of social value in Ankara, which is roughly something going beyond of market prices, enhance the quality of living, and empower the conditions of human lives. Of the level of priority of social value for the companies, it is an uprising trend that a large number of companies now try to merge the value they generate in non-fiscal terms as an internal component of the business they focus on. Nevertheless, the trend is still in its infancy; for a vast majority of the existing firms, exclusively small and medium sized and non-corporate ones, social value is still something that is rarely considered as a main pillar of their business.

Regarding the concept of social impact, as explained earlier since the social entrepreneurship itself is an emerging topic, so as the social impact assessment studies. In the field, there is still not any public tools or methodology defined to set the standards in the industry but civil society organizations and academic institutions are studying the initial examples of methods and tools. Among all, pivotal role is being played by Istanbul based, Koç University and their Social Impact Forum (KUSIF). With their initiative, Turkey Social

Impact Working Group has been established and acting as the leading stakeholder in the field of social impact and social impact assessment. KUSIF also initiated a project called “Know Your Impact: Social Impact Management Tools for Young Social Entrepreneurs” where the prime examples of social impact assessment methodologies have been developed. The group also conducts publicity events such as Change with Business Talks, a series of public speech on social impact and social entrepreneurship, or Venture Philanthropy.

*Best practice*

**MIKADO CONSULTANCY - INVESTMENT READY SOCIAL ENTERPRISES: CAPACITY BUILDING PROGRAM**

- **Name and nature of the activity:** Investment Ready Social Enterprises: Capacity Building Program
- **Problem tackled:** There is very few investment ready social entrepreneurs in Turkey and there is no strong demand pipeline.
- **Owner:** Mikado Consultancy with partnership of Koç University Social Impact Forum and Ashoka Turkey
- **Actors and Beneficiaries:** Social Enterprises in Turkey that have strong social focus, a persistent commitment to social goals, and desire to get investment through maximizing their impacts and improving their business
- **Objective:** to support the generation of effective demand among social enterprises for social finance through making them investment ready, developing positive environment for impact investing and creating the financing mechanisms in Turkey. The program has three objectives: 1. Capacity building of social entrepreneurs on their investment readiness through enhancing management and decision-making processes (including strategy, business plan, social impact and financial model); 2. Knowledge dissemination and experience sharing and transfer of know-how on “investment readiness”; 3. Supporting the development of demand side by leveraging social enterprises through crafting models and good practices. The main activity to reach these objectives is the Investment Readiness Certificate Program for Social Entrepreneurs.
- **Time of implementation:** December 2016- June 2018
- **Cost (if any):** -
- **Outcomes:**
  - 30 social enterprises got a 4-day business development training.
  - 12 social enterprises got a 7 months long (7 modules/ 14 days) investment readiness certificate program.
  - 8 out of the 12 social enterprises now get intensive one-to-one professional consultancy on the matters they needed support on like legal consultancy, marketing consultancy, business model development consultancy and networking consultancy. All of these social enterprises get at least four consultancy sessions, and some even get up to 10 sessions depending on their needs.
  - 6 out the selected 8 social enterprises went to site visit to Berlin and now can benchmark and revise their financial and social models.
  - A handbook on investment readiness will be soon published in both English and Turkish
- **Transferability (high/medium/low):** High
- **Impact created:** 30 social enterprises could develop their business plans and now more business oriented by also preserving their social goals.
  - 12 social enterprises are now more ready for investment and ready to sit on the same table with investors.
  - 2 out of 12 social enterprises decided to become a limited company and now are legal business actors in the sectors.

- 2 out of 12 social enterprises hired new employees on their pay roll rather than only relying on their volunteer workforce.
- 12 social enterprises had the chance to get to know many people in the sector (including investors, mentors, ecosystem developers, etc.) so they now have a good support network for them and they know who to reach when they need help.
- Lots of actors (like investors, banks, marketing specialists, etc.) now know the sector and wants to be involved to help develop the sector.
- The handbook contributed in the Turkish eco-system literature since there only few publications in Turkey most of which are prepared by the partners of this project.
- **Why is a good practice?** Capacity building on investment readiness was the first of its kind in Turkey. It inspired many eco-system developers to develop their own investment readiness programs. Plus, this program raised awareness of lots of actors in Turkey to help develop the social entrepreneurship in Turkey collectively and led the way to even develop the supply side pipeline. Now, more actors are interested in investing the social sector.
- **Website:** [www.mikadoconsulting.com](http://www.mikadoconsulting.com)

### Main needs

- Establishment of criteria for impact measurement and a system for scoring all enterprises.
- Conditioning of public funds according to the social value created.
- Raising awareness on social impact and value among the enterprises.
- Development of a social impact investment fund.

## KAINUU REGION

### Existing approach

In order to overcome the difficulties in promoting the integration of refugees within the Finnish society, Finland has launch the first social impact bond. The programme aimed at reducing the years needed to a refugee to find a job and become economically autonomous.

### Best practice

#### THE NAKERTAJA-HETTEENMÄEN KYLÄYHDISTYS RY, VILLAGE ASSOCIATION

- **Name and nature of the activity:** The Nakertaja-Hetteenmäen kyläyhdistys ry, Village Association
- **Problem tackled:** elderly people and families are far from each other and there is a risk for the social cohesion of the area
- **Owner:** The Nakertaja-Hetteenmäen kyläyhdistys ry, Village Association
- **Actors and Beneficiaries:** all village residents automatically become members of the association and there is no membership fee. The villagers may contribute to the activities of the association, for example, by taking part in its annual meetings. They benefit from the services it offers.
- **Objective:** to look after the best interests of the villagers, enhance the standard of the area's shared spaces and environment, promote wellbeing and cohesion, and treasure local traditions.
- **Time of implementation:** 1989

- **Cost (if any):** it employs 7 full-time staff and about 50 part-time staff on state-paid employment grants. In addition, there are further staff members taking part in different types of apprenticeships, employment and rehabilitation projects and initiatives.
- **Outcomes:** the association delivers many services, in particular: snow shovelling, gardening, lawn mowing, woodcutting and minor repair work for elderly and disadvantages people, Afterschool club for children, leisure and fitness activities, recycling.
- **Transferability (high/medium/low):** high
- **Impact created:** profits are used as follows: 60% to maintain and develop the recycling operations (including rent, heating, electricity, development of new products); 30% to support the activities of Nakertaja-Hetteenmäki Village Association (incl. maintaining the village hall, services for the elderly, youth work) and 10% to support other charitable causes (i.e. Finland's Red Cross, the Kajaani parish, other associations).
- **Why is a good practice? Village Association** supports the well-being of the local society and especially of those groups that have the lowest mobility, it keeps the social values in terms of the groups it primarily serves and of the redistribution of profits, It combines charity work with profits, has a bottom – up community approach that can work in the long run (30 years in 2019), finally it is strong in social value, as it services old and young people, and both of them need proximity and support.
- **Website:** <http://nakertaja.net/fi/etusivu/>

#### Main needs

- Establish a criteria for the impact measurement of social investment to avoid waste of public resources.

## 7. CONCLUSION AND RECCOMANDATIONS: WHERE TO FOCUS EFFORTS?

Social innovation is a set of answers to particular needs, based on a peculiar context. All partners agreed on **five main topics to be addressed in order to give a tangible support to social innovation operators and social entrepreneurs**. Then, they tried to analyse those topics in terms of existing approaches and best practices. Therefore, **emerging needs related to the identified areas of intervention (“topics”) came out in each region**.

After a comparative analysis that takes into account the different regional straightens and weaknesses, **partners elaborated join recommendations addressed to Regional Development Agencies, local and regional governments at European level and to all the actors that support social innovation policies**.

As general considerations: despite differences, today’s landscape of social enterprises reflects in all regions the evolution of the original contexts into more market-oriented approaches and this affect countries both supported by a strong welfare state, such as Finland, and countries in which the private sector contribute within the welfare state through supporting services and co-design processes (Italy, Spain, Turkey). Moreover, social innovation is not per se about social inclusiveness, but also about how to utilize technology, to lower social costs and offer targeted services to effective needs. Therefore, cost-benefit and services quality (users’ opinions) analyses should be envisaged.

Main points are summarized below:

- **A clear legal framework** is necessary for social innovation operators (i.e. social enterprises) in order to let them participate in public and private calls and being recognized as socio-economic actors.  
*Possible actions:* codified strategy, such as specific laws or implementing decrees at national or regional level and dedicated measures within the future Operational Programs and policy instruments. Call for projects with the preconditions that the participant businesses are awarded in a specific social enterprises comprehensive quality mark dealing with environmental and social issues (e.g. the 5 years valid Social Enterprise Mark in Finland).
- **Internal organizational model of social enterprises** has to be straighten in order to improve competitiveness and invest and in **skills development**.  
*Possible actions:* reward systems for social enterprises within the public calls; promotion of a temporary manager with the objective to help social enterprises to explore specific issues or new economic sectors and emerging markets.
- **Specific educational career paths on social innovation and social economy** within Universities and Research Centers should be promoted.  
*Possible actions:* specific university transdisciplinary career dedicated to social innovation.
- **Networks and opportunity of exchange** among social enterprises and between public bodies, non profit organizations, for profit companies, research centres and universities have to be fostered.  
*Possible actions:* vertical or transversal clusters dedicated to social innovation to be established at regional level in order to aggregate skills, interests and actors.
- **Innovation in services and products** through a real institutional support should be promoted.  
*Possible actions:* specific calls, peer to peer activities with for profit enterprises and mentoring activities, etc.

- **Digitalization of internal processes and products of social enterprises** have to be supported and a social network analysis should be elaborated together with Universities to better focus strategies and policies.

*Possible actions:* collaborate with Universities and Research centres to create a social network analysis, specific public calls dedicated to digitalization for social enterprises, connect technical centers with social enterprises and social innovation networks in order to transfer and create synergies among them.

- **Social impact measurements** should become a practice to give value to social enterprises and orient public and private funding. Through social impact, PAs and private investors could maximize the return of the investment done by with their supporting programmes.

*Possible actions:* a clear and shared measurement method should be adopted; raise awareness on social impact through the organization of workshop and events dedicated; social impact measurement should be introduced within public calls and it should be considered as requirement to compete.

- **Specific financial instruments for social enterprise in order to foster their competitiveness and innovate their way of assessing to market.**

*Possible actions:* new and targeted financial tools (crowdfunding platforms, social and solidarity bonds), fiscal benefits (tax deductions) and guarantee funds could make social innovation investments more attractive.

- **Focus on new and emergent social issues such as immigration**

*Possible action:* specific business support to social enterprises active in the integration of migrants and asylum seekers; matching labor market actual and estimated needs to relevant competences, so that professionalization courses and certifications could be designed more effectively; a well explained process to get equivalence in diplomas and certifications and a guidance about additional knowledge needed for highly qualified professionals to ensure their knowledge integration; awareness raising among potential employers regarding employment of foreigners and the meaning of non-discrimination.



## 8. EUROPEAN REGIONAL DEVELOPMENT AGENCIES AND NETWORKS: WHICH ROLE AND SUPPORT TO SOCIAL INNOVATION?

The Regional Development Agencies (RDAs) involved in the project have shared in mutual learning activities existing approaches, best practices and main needs regarding social innovation and social enterprises. The results of their analysis and of the overall Design Option Paper will be enlarged through EURADA, which represents an international hub aggregating 81 RDAs and coordinates an International Working Group on Social Innovation, and disseminate to other European RDAs. Acting as intermediates between private and public stakeholders and among different territorial levels (European, Regional and Local), they can suggest to Regional Governments and policy-makers strategies and projects to be implement in the field of social innovation. Thanks to ESSI ERVET, ADA, IVACE and KAINUU had the opportunity to bring social innovation to the attention of their respective regional stakeholders. The dissemination path began in Bruxelles within the European Week of Regions and Cities, during with the results of the peer learning activities have been presented to other European RDAs, social entrepreneurs, members of the European Commission and of the Regional Governments.

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