



**Networking for Social Entrepreneurship Agenda in SE Europe
Developing a new – a job creation vehicle for South East Europe**
Basic Concept Proposal for Panel

Background

As EU and OECD Countries are strongly ahead with developing new vehicles for sustainable development, and innovative tools for improving job opportunities for all, and strengthening social cohesion, SEE Countries, still facing the consequences of transition and/or post war political and economic stabilisation, are significantly lagging behind in development of Social Economy and in promoting social enterprising as support instruments to boost the economic growth and employment, in particular for the most vulnerable groups.

Slovenia as well is lagging behind the EU average, but has recently made significant moves further in catching up to the EU mainstream by fulfilling the EU 2020 Agenda. Apart from broadening the promotion of new opportunities that Social Economy is offering within the field of job creation and developing competence building programs, the main legal step further in Slovenia was adoption of the Law on Social Entrepreneurship which is to be followed with adoption of Strategy for boosting up this type of economy. Parallel to those steps, a number of pilot projects have been implemented providing important experience for better targeting of the Strategy. The Slovenian emerging social enterprise sector has started to build up strong international networks to share experience and knowledge and cooperation, thus strengthening social capital as the most important factor of success of social enterprising.

South East Initiative is to become one of the arms for building social capital through networking, in particular with partners coming from historically common political and economic backgrounds, thus facing similar challenges when social enterprising is in question.

So far results and nucleus initiatives should be under the auspices of the Regional Cooperation Council and Slovenian Aid, further strengthened through multi-year support in developing strong networks among the public, CSO and private agents of social entrepreneurship.

Steps undertaken so far

1. Approached possible interested partners in the region through informal cooperation with RCC
2. The need and interest for the cooperation among social entrepreneurs in the region has been tested through bilateral meetings as well as thematic conferences in the region. As interested partners, several agencies and institutions have been identified.
3. Initiated discussion with CSO in Slovenia and leading partners of current initiative
4. Various temporary partnerships have been established through support of EU projects, this needs further facilitation and nurturing of the outputs.

Objective of the Regional Initiative



The initial group of the regional initiative of social entrepreneurs in South East Europe under the auspices of RCC, aims to:

- Strengthen and formalise existing networks of social enterprises within each of the beneficiary countries, following some EU best practices i.e. UK Social Enterprise Coalition or similar (Slovenian idea of setting up a National Social Enterprise Forum to act as the key hub for social enterprises. This will be presented throughout the Conference and represents one of the potential organisational forms of networking).
- To establish a formal Regional Network of National Enterprise Hubs, comprising public, private and social enterprise sectors. The common challenge is to boost up the full potential of the social economy and growth is to play a significant role in overcoming the current economic and financial crisis. Through delivery of a number of regional meetings and round tables of governments, social enterprises and CSOs as well as financial support institutions within the region, will discuss formally the modes of cooperation as well as the best steps towards meeting the challenge. Following the initial informal panel, it is proposed that the initiative be formalized through establishment of (1) Board of regional Network and networking portal, (2) establishment of a Task Force and working group who are to design a 3-4 year program of cooperation in promotion of social entrepreneurship through activities to tackle five main impediments to social entrepreneurship in the region. These are: a lack of visibility of new emerging sectors and new opportunities for development it provides, a lack of networking between the three main sectors in the region, thus a lack of social capital, lack of policy designing and streamlining, and a lack of reliable statistics on social entrepreneurship (with important consequences for its visibility on the policy agenda), difficult access to financial resources and lack of specific knowledge and skills. Lack of regional cooperation and trade among social enterprises, etc...

The following steps are envisaged for realisation of the idea:

- 1) Series of meetings or round tables for government institutions, financial institutions, CSO and social enterprise organisations from the region to be facilitated through RCC
- 2) Mapping of key stakeholders and Establishment of Social Enterprise Forums (or similar formalized national networks) in each of the beneficiaries countries
- 3) Establishment of Regional Forum for Social Entrepreneurs from SEE;
- 4) Establishment and facilitation of Regional Social Enterprise Task Force (Secretariat of the Forum)
- 5) Establishment of Regional Portal, mapping and promoting best policy practices to strengthen social entrepreneurs;
- 6) Development of indicators on social entrepreneurship performance
- 7) Ensuring active participation of social entrepreneurs in the South East Europe Social Agenda (EU 2020)
- 8) Cooperation in designing innovative financing tools for social enterprises and entrepreneurs in the region;

Capacity building programs for social entrepreneurs in the region and for support institutions (i.e. train the trainers for promoters of SE in the region)



Partners and Beneficiaries

Regional Cooperation Council members from South East Europe (SEE) namely: Republic of Albania, Bosnia and Herzegovina, Republic of Croatia, Republic of Moldova, Montenegro, Republic of Serbia, The Former Yugoslav Republic of Macedonia, Republic of Turkey, (UNMIK/Kosovo).

Initiating role is jointly shared between Regional Cooperation Council (RCC) and the Slovenian Government, while it is expected that in the second phase the majority of governments from the region, as well as associations of different forms of national networks, together with DG Enlargement through Development Aid will join the initiative. Also the possibility of OECD and UNECE cooperation will be further explored.

RCC is prepared to play facilitation of start-up steps of the initiative through organizing specific meetings or round tables on further steps towards Regional Social Enterprise Forum, such as meetings of responsible governmental institutions, meetings of CSO associations and social enterprise associations.

The Slovenian Government is discussing the possibility to assist the start up phase through financing The Task Force to facilitate the initiative providing professional support to the beneficiaries, and maintaining close working relationships with all actors of relevance, such as governments, international organizations, international financial institutions, regional organizations, civil society as well as social enterprises and for profit private sector, as well as intensive communication with potential new donors. In designing and facilitating multi-year Regional Agenda for Social Enterprising.



International Conference “Social Entrepreneurship - Vector of Change in EU”

Ljubljana, 15-16 April 2011

**1st Regional Panel:
Networking for Social Entrepreneurship Agenda in SE Europe**

Joint statement

The first Regional Panel of representatives of South East European Social Entrepreneurs and Policy Makers is held within the framework of the International Conference “Social Entrepreneurship – Vector of Change in EU” under the common initiative of the Regional Cooperation Council, Slovenian Government, Members of Slovenian Parliament and Social Enterprises.

The main aim of the Conference, organized as a civil society initiative but under the auspices of the President of the Republic of Slovenia Dr. Danilo Turk, has been to actively promote the importance of social entrepreneurship as an innovative tool which can actively contribute to sustainable socio-economic development while strengthening social cohesion of societies.

The Panel enabled the exchange of views of Social Entrepreneurs in SEE and Policy Makers on the steps needed to be taken within member countries of the Regional Cooperation Council, as well as through regional cooperation and networking to boost up the opportunities for new job creation and socio-economic innovation through social enterprising.

This event is the first of what is intended to become a regular Regional Social Enterprise Forum, enabling permanent dialogue and interaction among social entrepreneurs, national social enterprise forums or other types of associations of social enterprises, government authorities, research and training institutions and NGO's, as well as socially responsible for profit enterprises, international experts and representatives of international organizations in the region of SEE.

Growing social capital through *networking and cooperation is a key factor* in the foundation of success of social entrepreneurship. The existing level of networking and cooperation between government authorities as well as between social entrepreneurs in the Region themselves remain limited and compared with EU practices are significantly lagging behind. Innovation capacity of social enterprises depends on accessibility to these networks as this is essential to develop new business ideas, meet potential clients, suppliers, business partners and providers of finance, understand market developments and niche opportunities, and exchange strategic information, cooperation and support.

The policy environment, both formal and customary, for social enterprises remains a challenge in SEE. The creation of an enabling support environment is a prerequisite for boosting it up in the near future. To create it policy makers need to listen to the voice of social entrepreneurs and address the obstacles they face. But also regional networking and exchange of best practices in developing a supportive environment among policy makers could significantly contribute to efficient policy design.

Europe 2020 Agenda should become an important guideline for the formulation of clear policy objectives for the promotion of social entrepreneurship within each of the governments, and best EU government practices should act as a benchmark to steer the



proactive approach in adopting, implementing and monitoring positive measures and policies that will fully integrate the contribution of social economy into economic development. Such as; increased employment opportunities, non-discrimination in the labour market, education and training, health and social services, fair trade, eco food production and processing, environment and waste management, etc.

Improving the statistical data set and information available to social entrepreneurs as social innovators and economic agents is essential for better understanding of the crucial contribution of social entrepreneurs to economic growth and job creation. Statistical harmonization across the region and within the EU is also important for the purpose of comparative analysis.

Beyond *equal access to capital* for social entrepreneurs, it remains important to raise awareness in the financial sector regarding financing of different types of social economy such as cooperatives, associations, foundations and social enterprises. New forms of ethical banking should be developed as well as initiatives needed for helping social entrepreneurs access social venture capital, by providing financial training, financial capacity building, networking with investors and other activities for bridging the gap between social entrepreneurs and financial stakeholders. In a context in which the social venture capital market is still underdeveloped, public grants and guarantee funds are also a good way to support social entrepreneurship in the SEE, especially during the most difficult part of business start-up. New indicators and criteria on measuring and assessing success, beyond profit and added value (such as social or environmental added value) should be developed in order to properly deploy the support instruments. Regional cooperation of research institutions should contribute to this challenge.

The entrepreneurial spirit and social enterprise management competences developed through specific education and training systems are needed for social entrepreneurs and managers of social enterprises to successfully face economic and social challenges. Already developed specific education and training programs should be further upgraded and commonly deployed for students, existing and/or potential entrepreneurs in the region, bringing together the best EU knowledge and skills as well as stimulating regional networking through international classes.

One of the most important ways that successful for profit oriented entrepreneurs can contribute to future generations of social entrepreneurs is simply by being role models through socially responsible performance of their enterprises; by setting examples in supporting various social enterprise initiatives as business angels or as trade partners or donors.

A regional approach to social entrepreneurship is of particular importance in SEE facing significant transition and post war challenges. Economies emerging from similar historical backgrounds are facing similar specific challenges, (even having a proper understanding of what social enterprising is about) which in most of the EU or OECD countries are not an issue at all. The level of trust in these societies, which is essential for social entrepreneurship, is rather low and the level of moral hazard rather high, while values and norms destroyed.

Given the size of the regional market and the globalization trend, it makes sense to seek cooperation and jointly find the place of this emerging sector of economy within the global picture.



**Social Entrepreneurship:
A Vector of Change in the EU**
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While the situation within SEE countries with regard to the level of development and role of social economy are rather diversified, and each of the countries needs to build up its own approach, there are already nucleus structures of informal regional cooperation on the field of social entrepreneurship supported by various EU projects, with first common tools and products developed. They are proving that learning through regional platform is important. Those initiatives need to be further strengthened and built up through common Regional Social Enterprise Forum such as the Gender Task Force and SEE Entrepreneurial Learning Centre for Women Entrepreneurs. Apart from that, existing associations of social entrepreneurs should be further strengthened in National Social Enterprise Forums or similar structures, which provide solid hubs for cooperation and develop concrete projects supporting entrepreneurship.

Social entrepreneurs from SEE can give a strong contribution to the development of the region. It takes courage, know-how and perseverance to launch a business with social and/or environmental aim, which is not profit oriented to make it succeed. Social entrepreneurs in the region are a powerful source of new ideas and perspectives that contribute positively to family, national and regional wellbeing.

The launching of the “South East European Networking for Social Enterprise Agenda” initiative coincides with the renewed emphasis by the European Commission on a more entrepreneurial Europe, Social entrepreneurship is considered a priority pillar within the recently launched EU 2020, as well as lately enacted new European Single Market Act, in which policy alignment and efficient monitoring systems and support frameworks will provide more support for social economy and entrepreneurship. As the countries of the region move towards EU accession, we look up to the European Commission and EU member countries to contribute to this important regional initiative through their wealth of knowledge, expertise and resources. With this regard we in particular welcome the initiative of the Slovenian government to explore all the possibilities to support the start up phase of the initiative, and acting together with RCC as the main initiator of the idea.