EU Sector 3 Project

Social Enterprise and Social Business in participating regions of Cyprus, Germany, Lithuania, Portugal, Spain, Turkey and the UK

State of the Art Report

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EU SECTOR 3 PROJECT

Social Enterprises in Cyprus

State of the Art Report

George Isaias*

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INTRODUCTION

Cyprus has a long history of cooperative tradition, mainly in the banking sector, as well as a strong sector of volunteer and charity organisations. Social entrepreneurship however, is a relatively new term, introduced in the public sphere in late 2008 and first appeared on the government’s agenda in 2013. As Social Entrepreneurship is a recent phenomenon, the country has no legal or regulatory framework for social enterprises. Although no recently complete mapping exists which can provide the necessary information on the number, size and scope of social enterprises, research undertaken in the last three years can shed some light into the sector, in terms of the efforts for visibility but also on social entrepreneurship practices.

BACKGROUND

As the sector of social entrepreneurship is still at its infancy, the efforts have been centred around building awareness of social entrepreneurship and its potential to address social and environmental issues rather than actual the development of social enterprises.

Efforts to develop visibility of the field of Social Entrepreneurship are recorded as far back as December 2008, with the presentation to the Cypriot public and policy makers of “Acta Vista,” a Work Integration Social Enterprise (WISE) from France at a European Conference. The Acta Vista model of employment and work inclusion has been presented on many occasions since then in order to raise awareness of social entrepreneurship and its potential to address social issues, such as unemployment and social exclusion. In the same year, a comprehensive study was completed on behalf of the Social Welfare Services on the implementation of social economy programmes for the activation of vulnerable groups of people, which explored social entrepreneurship as an approach.²
In November 2010, in an effort to create more awareness of the field, the first Conference on Social Entrepreneurship was organised in Nicosia by the SYNTHESIS Center for Research and Education Ltd, the only Cypriot organisation which has been in promoting social entrepreneurship in Cyprus since then. Between 2011 and 2013, the efforts to promote the sector took place mainly in the form of conferencing and training events and were the result of private efforts, through self-financing or through support of the Life Long Learning Programme of the European Union. The Leonardo project “Ignite Europe: Training Trainers to Develop and Support Social Entrepreneurs” was implemented in Cyprus as well as the United Kingdom, Bulgaria, Lithuania, Germany, and Sweden during the same period.

In 2013, two European Conferences on Social Entrepreneurship were held in Cyprus: “Social Entrepreneurship: Innovation for the Future,” aimed to provide visibility of social enterprises that work in the environmental sector, and the European Conference “Social Entrepreneurship in an Economic Crisis,” which focused on the potential of Social Entrepreneurship to alleviate Cyprus problems’ during the financial crisis.

Since 2013, Social Economy/Social Entrepreneurship has been included in the Government’s agenda for the Economy. Within this scope, the Ministry of Labour and Social Insurance has been working to develop a funding programme for newly formed Social Enterprises. This programme is of primary importance for the growth of the sector as it can kick-start social enterprises by providing initial funding in the form of grants and/or fund activities of social economy. It also has the capacity to provide definition and guidelines for social enterprises and accordingly define the future of social entrepreneurship in the country. The details of the programme are expected to be announced in the coming weeks.

In May 2014, the Cyprus Unit of the European Social Fund organised the “Workshop on Social Economy and Social Entrepreneurship” with local and foreign
experts. The Workshop aimed to provide information on social economy/social entrepreneurship and open a forum for discussion for policy makers, social partners, and public administrators. The discussion centred on the competition social enterprises can pose to the market; the pros and cons of establishing a legal framework in a top-down approach or allowing the sector to develop itself, in a bottom-up approach and then recognised or regulated.

**CASE STUDIES**

**Anakyklos Perivallontiki** - Set up in July 2010, Anakyklos is a non-for-profit environmental organisation aiming to actively contribute towards a clean, healthy and sustainable environment. The most important activity of Anakyklos is the textile collection and recycling. By collecting and recycling used clothes, shoes, linen and other items, Anakyklos contributes to the reduction of the volume of waste that end up in landfill, giving useful items to people who cannot afford to buy new clothes, and process textiles that cannot be reused so that they are turned into wiping cloths, fibres, insulation and other materials. With appropriate recycling, only a small proportion, around 2 per cent will end up as rubbish.

**Cans for Kids** - Founded in 1990, Cans For Kids is a registered charity that organises the collection and recycling of aluminium cans in Cyprus. It uses its proceeds to purchase medical equipment for the children's wards at Cypriot hospitals. Since its inception, more than 25 million cans have been collected, and over €260,000 worth of equipment have been donated to the Makarios Hospital in Nicosia, which is the central paediatric hospital in Cyprus, treating seriously ill children from all over the island. As well as upgrading the equipment - and therefore the standard of care - in Cypriot children's wards, Cans For Kids raises awareness of the benefits of recycling by visiting schools to give lectures.

**Agia Skepi Therapeutic Community – Organic Products** - Founded in 1999, ‘Agia Skepi’ is a therapeutic community, which provides services for adults who are long-term substance abusers and their families. It a registered as non-for-profit
organisation and occupies 50 acres of land which is owned by a Monastery (religious/church organisation). The objective of the services provided is to help clients lead a life without drug and alcohol use. Vocational therapy and integration in society through meaningful employment is a key part of the therapy programme. For that purpose, members of the community farm the land and produce a range of organic products such as fruit, vegetables, dairy, eggs and bread. The products are sold commercial through a major supermarket chain operating in Nicosia and Limassol.

SYNTHESIS Center for Research and Education Ltd – SYNTHESIS is an innovative enterprise, aiming to inspire, develop and support social entrepreneurship in Cyprus. It was established in Oct. 2002 (as a Limited Liability Company by shares) with social inclusion as its primary objective. Its selection of “the limited company by shares” status was not aimed at the distribution of profits but was a means of a quicker registration and administration process. In 2010, it was reorganised to focus on the development of the field of Social Entrepreneurship. Since then, SYNTHESIS has been organising conferences, running workshops and undertaking research on the field of Social Entrepreneurship and Social Innovation. Between 2013 and 2015, SYNTHESIS run its operations from within the United Nations’ “buffer zone” of the capital, Nicosia in view of promoting social entrepreneurship across the divided country and contribute to peace and reconciliation. In late 2015, it launched “Hub Nicosia,” an info-point on social economy and a hub for social impact.

KEY ISSUES

Like many of its European counterpart countries, Cyprus does not have a legal or regulatory framework in place to encourage and support the development of social enterprises. As there’s a lack of regulatory framework, attempting to define social enterprises becomes a challenge, particularly as different definitions and practices around the globe are witnessed. Cypriot stakeholders interviewed for a European Commission study agreed that “a social enterprise must engage in economic activity and have a certain level of market orientation in order to be considered a
[social] enterprise and to be differentiated from voluntary or public sector organisations."

The first in-depth study on mapping social entrepreneurship in all member states commissioned by the European Commission had stated as core barriers of social enterprises:

- poor visibility and recognition of the sector,
- the constraints of current legal and regulatory frameworks,
- limited financial resources,
- difficult access to markets
- The lack of business support and development structures, training, and workforce development.

These barriers do exist and are more evident in the case of Cyprus. The project “Ignite Europe,” was perhaps the first to identify the core barriers to social enterprise development in the Cyprus as early as January 2012. Its comparative report stated that “that lack of awareness of the sector and the potential it has to alleviate social problems prohibits its growth. Social entrepreneurs need government support, especially access to funding, and also there’s a need for establishing a public private cooperation for the sector to grow.”

As back as 2011, Isaias and Kaufmann, recommended that the Cyprus Government help social entrepreneurs and the sector through the following actions:

- Provide funding for start-up social enterprises and/or provide a bank guarantee for the company’s initial loan
- Develop business incubators for social enterprises or provide social enterprises with facilities and support in existing business incubators which are funded by the Government
- Establish legislation framework for social enterprises, separate from commercial companies or non-for-profit companies
- Adopt and implement EU legislation that gives social enterprises priority in public tenders
These recommendations still apply today five years later.

However, in Cyprus, additional barriers exist which inhibit the development of the sector which are often indirect or hidden. One such barrier is the hostility of the mainstream businesses world toward social enterprises. An example of such hostility is the reaction to Agia Skepi Therapeutic Community’s organic products by a group of mainstream businesses and producers. The organisation was eventually forced to close its shop in Nicosia following the pressure it faced by a group of competitors. Another such indirect barrier is the “mind-set” of the government and its agencies that are equating support with social welfare payments; evidence of this governmental policy is the recent formulation of the “Independent Entity for Social Support” whose task will be in essence to write cheques to natural persons in need. Another example is the government policy on welfare and public assistance. If a person on welfare starts to work (even for a few hours per week), his or her public benefits is terminated. This policy literally strengthens people’s dependency on the welfare system and in such an environment, work integration social enterprises have little room to grow; worse still, much less capacity to empower people through work-related incentives.

In this context, awareness raising should not only target the public on the potential of social entrepreneurship to alleviate social issues but also aim at policy makers and legislators, particularly those responsible for social welfare and public assistance benefits as to formulate the right social policies that will help those people at disadvantaged situations (who want and can) to move out of the cycle of dependency.

The Social Entrepreneurship Network (SEN), a network which brought together European public authorities and social enterprise organisations with extensive experience of developing strategies to support social enterprises has made elaborate recommendations to European policy makers, including training support and social impact measurement methods.
• Training support should be provided that is appropriate to the enterprise life-cycle; start-up support of should include new business creation but also

worker takeovers and growth plans, include diversification, replication, acquisition and stronger relationships with conventional enterprises.

- Social Impact Measurement methods which provide an evidence base should be supported

Building on SEN’S recommendations training recommendations, the project “A European approach to the development of the educational support for social business” was launched in 2015 aiming to create an online learning platform to support social businesses; the platform will cover seven countries, including Cyprus.

CONCLUSION

It is evident that for those of us who follow the development of the field of social entrepreneurship in Cyprus, there is a growing interest on the field, and the current economic crisis provides an opportunity to push the sector forward and create an ecosystem that will enable its growth.

The Cyprus government has an important role in that as it has the capacity to provide the right support for social enterprises and their ecosystem to develop; SEN’s recommendations are a good starting point. However, hidden or indirect causes that inhibit or delay the development of the sector should be also given due attention; social enterprises must be able to access the market and the State should get rid of old fashion policies that only continue the cycle of dependency of people on welfare or state support.
* George Isaias is the founder and director of the Synthesis Center for Research & Education Ltd. Inspired by Muhammad Yunus and the social entrepreneurship movement, he is working to develop and promote social entrepreneurship in Cyprus, where he resides, through motivational speaking, research and training. He has been the key speaker in a number of European conferences on Social Entrepreneurship and Innovation. His key interest is the built up of entrepreneurial models that can address social or environmental challenges.
REFERENCES

1 “Preserving heritage can help ensure social inclusion,” The Cyprus Weekly, October 17-23, 2008.

2 Prepared by the Institute of Social Innovation

3 www.synthesis-center.com

4 http://www.ignite.euproject.org/

5 Both conferences were organised by the SYNTHESIS Center

6 This section includes only a number of social enterprises currently operating in Cyprus


http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2149


“A better future Results of the network for better future of social economy.”
Social Enterprise and Social Business in Germany and Dresden.

State of the Art Report

Franziska Guenther
1. Historical milestones

The third sector has a 150 years long tradition in Germany and consists of social-mission driven economic actors and church-operated social establishments. In the past this part was the so called “social economy” movement, lead by Herman Schultze-Delitzsch, Friedrich Wilhelm Raiffeisen and Adolph Kolping (Vincze, Birkhölzer, Kaepplinger, Gollan & Richter, 2014, p. 1). Chancellor Bismarck than secured citizen welfare with the first true social security system. Cooperatives, credit unions as well as associations also began to rise in this time. At the end of the 19th century federations were founded by cooperatives to create centers of professional excellence and to improve “the financial stability of the sector“ (Vinzce et al., 2014, p. 2). Because of that the cooperative sector was next to the mainstream economy a stronghold and the cooperative model has nowadays still importance. Also founded and at the end of the 19th century were the big welfare organizations in Germany named Diakonisches Werk and Caritas.

The 3rd Reich destroyed the third sector, but it recovered quickly after the downfall of it. In the post-war time the third sector has been reinforced and further instutionalised. The main principles for this sector in Germany are: subsidiarity, self-administration and the so called “social economy” with “an alternative business model to mainstream for-profit organisations” (Vincze et al., 2014, p. 3). The creation of the welfare state in West-Germany “increased the weight of the ‘third sector” (Vincze et al., 2014, p. 3). Due to the mass unemployment in the eighties and other causes the actually growing third sector started to erode, which led on the one hand to cuts in financing the welfare organizations and on the other hand to deregulation in their core markets. Nonetheless other organizations outside the official third sector grew, “including work integration enterprises, self-help initiatives, volunteer agencies, socio-cultural centres etc.” (Vincze et al., 2014, p. 3) which addressed issues as childcare, mass unemployment and social exclusion and gentrification.
2. Definition and numbers

Because of the rich history of the third sector and the associated landscape of organizations within the sector there is no clear definition of it, nor is it demanded by stakeholders (Vincze et al., 2014, 5). The term of social enterprises is often linked to the third sector, which is showing a third way of organizing the economy. Next to that the concept of the so called “social economy” is describing social services to achieve a social mission. However, there’s also the term of “solidarity economy”, which refers to an altruistic approach to operations.

Nonetheless the Federal Ministry of Family Affairs has presented a definition of social entrepreneurs. After that, a social entrepreneur is someone “who, as part of their individual civic engagement, found social organisations that address social challenges with innovative and entrepreneurial approaches” (Bundesregierung, 2010, p. 5).

After Jansen (2013, p. 75) social enterprises are characterized through the following aspects:

- formal organisation, primarily as an enterprise or an association;
- start-up organisation or a reorientation of existing organisations (in line with the hybridisation trend of certain welfare organisations and associations);
- solving social problems as mission;
- entrepreneurial approach;
- mostly use of innovative solutions (although this is not necessarily characteristic of social “intrapreneurs”);
- revenues are not restricted to market revenues but may come from donations.

The third sector in Germany is well known because of the welfare organisations, the cooperatives and associations which have a social mission. The model of social enterprises has appeared yet, but has not the same weight like the mentioned
Concerning innovation activities in the social field there is almost no data. The number of strong income-based social enterprises which are highly innovative is approximately 1000 to 1500. The number of also highly innovated but low in income social enterprises is about 1500 to 2000. There are around 40000 to 70000 social enterprises which are strong income-based and low in innovation (Scheuerle, Glänzel, Knust & Then, 2013, p. 50).
Table 1: The welfare sector in numbers (Bundesarbeitsgemeinschaft der Freien Wohlfahrtspfleg (BAGFW), 2012, p. 14)

<table>
<thead>
<tr>
<th>Service areas</th>
<th>No. of establishments</th>
<th>No. of beds/places</th>
<th>Full-time employed</th>
<th>Part-time employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health care</td>
<td>7,481</td>
<td>192,005</td>
<td>232,870</td>
<td>159,318</td>
</tr>
<tr>
<td>Youth care</td>
<td>38,367</td>
<td>2,076,693</td>
<td>151,641</td>
<td>211,309</td>
</tr>
<tr>
<td>Family support</td>
<td>4,570</td>
<td>41,082</td>
<td>9,392</td>
<td>21,914</td>
</tr>
<tr>
<td>Care for senior citizens</td>
<td>18,051</td>
<td>520,727</td>
<td>132,902</td>
<td>312,075</td>
</tr>
<tr>
<td>Care for people with disabilities</td>
<td>16,446</td>
<td>509,395</td>
<td>135,944</td>
<td>181,000</td>
</tr>
<tr>
<td>Care for socially disadvantaged people</td>
<td>8,830</td>
<td>53,650</td>
<td>18,464</td>
<td>20,534</td>
</tr>
<tr>
<td>Other support</td>
<td>9,914</td>
<td>242,447</td>
<td>33,369</td>
<td>27,406</td>
</tr>
<tr>
<td>Education and training services</td>
<td>1,636</td>
<td>66,246</td>
<td>13,112</td>
<td>12,602</td>
</tr>
</tbody>
</table>

13% 3% <1%
### Table 2 Size breakdown of social enterprises, by estimated venue (Spiess-Knafl, Schües, Richter, Scheuerle & Schmitz, 2013, S. 28) (n=209)

<table>
<thead>
<tr>
<th>Size Range</th>
<th>Less than €50,000</th>
<th>€50,000 - €100,000</th>
<th>€100,000 - €250,000</th>
<th>€250,000 - €500,000</th>
<th>€500,000 - €1,000,000</th>
<th>€1,000,000 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>28%</td>
<td>9%</td>
<td>12%</td>
<td>10%</td>
<td>10%</td>
<td>23%</td>
</tr>
</tbody>
</table>

### Table 3 Sources of finance of social enterprises (Prüller et al., 2013, p. 41) (n=2201)

<table>
<thead>
<tr>
<th>Type of revenue</th>
<th>Associations</th>
<th>Public benefit ltd.</th>
<th>Cooperatives</th>
<th>Foundations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public grants and subsidies</td>
<td>29%</td>
<td>21%</td>
<td>4%</td>
<td>20%</td>
</tr>
<tr>
<td>Regulated service fees (SGB quasi-markets)</td>
<td>38%</td>
<td>55%</td>
<td>17%</td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Own revenues (sales, membership fees, return on capital invested)</th>
<th>19%</th>
<th>19%</th>
<th>77%</th>
<th>64%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>
3. Policy and legal framework

In Germany there’s no specific legal framework for social enterprises. Due to its familiarity to the third sector policy and legal frameworks can be derived from this part. A relevant concept in there is the “public benefit” status. Associations that are mainly led by their social mission can be awarded with it, so they don’t have to pay taxes on their earnings. On the other hand, they are restricted concerning the amount of accumulated earnings.

The delivery of social service in Germany is provided for by law (Social Code). This law covers aspects of unemployment, work integration, child and youth care and support, care for the elderly etc. Municipalities are responsible for their delivery.

The further development of new-style social entrepreneurs is in the focus of the federal government. The national engagement strategy from 2010 (Bundesregierung, 2010) covers a very broad spectrum of civic engagement concerning “associations, foundations, volunteering, charities, welfare federations, hospice activities, neighbourhood initiatives, cultural projects, self-help groups – and ‘new’ social enterprises promoting social innovation” (Vincze et al., 2014, p. 10). It was published to improve the framework conditions for social enterprises and to raise awareness for social innovation through creating exchange forums.
Next to the federal level the Länder are also engaged to support social entrepreneurs. Major cities like Munich or Berlin are promoting the new-style social entrepreneurship and collaborating with stakeholders to support mechanisms and networks.

4. Infrastructure

4.1. **Key actors (selection)**

<table>
<thead>
<tr>
<th>Type</th>
<th>Example</th>
</tr>
</thead>
</table>
| Governmental departments                      | Federal Ministry for Family (BMFSFJ)  
Ministries for families or social affairs in the Länder  
Also to some extent the Federal Ministry of Transport; and the Federal Ministry for the Environment |
| Customers – authorities contracting social enterprises | Social security funds  
Länder, regions and municipalities                                                              |
| Institutions, civil society initiatives or other social enterprises | Social Entrepreneurship Akademie  
Universität Augsburg                                                                             |
| Providers of social enterprise start up and development support services and facilities (such as incubators) | Social Impact  
gGmbH Social Lab Köln  
IMPACT HUB  
COLABOR                                                      |
Facilitators of learning and exchange platforms for social enterprises, networks, associations

- Ashoka
- Start
- Social
- Engagiert in Deutschland
- Ecogood
- Solidarisches Ökonomie Vision Summit (conference)

Key providers of finance

- Crowdfunding: betterplace.de/startnext.de Micro-donations
- Social banks
- Social impact investors
- Foundations (mainly grants)

(Vincze et al., 2014, p. 22f.)

### 4.2. Branches and types

Four branches can be identified when looking at the third sector in Germany (Vincze et al., 2014, S. 1): cooperatives and mutual associations of the early workers movement: Joint economic self-help organisations with democratic governance structures, welfare organisations and citizens’ responsibility initiatives:

Charitable organizations helping others directly through supplying clearly defined social services or on-the-ground activities with a social mission:
1) foundations, donations and socially responsible entrepreneurship:
Philanthropy supplying ad-hoc or continuous finance and other support to
the social economy:
2) civic and/or community associations: Voluntary community action and
volunteering

Because of the wide definition for Social Businesses in Germany lots of different
types of organizations belong to it. There are no specific forms designed for social
enterprises. The proposed structure is depending on legal forms but also on the
historical development.

Cooperatives (Genossenschaften) are historically set up to fight against poverty
and social exclusion of certain vulnerable groups by engaging them in economic
self-help. There are cooperatives for agriculture, workers, housing, consumers and
savings. Many cooperatives changed their objectives into commercial ones, e.g.
cooperative banks or agriculture cooperatives. Recently the original social
objectives are emerging again in so called “social cooperatives”. These are for
example village/ neighbourhood cooperatives or new energy cooperatives.
Cooperatives distribute their earned profits to the members or to non-members
beneficiary groups. The working procedures are based on self-governance and
democratic decision-making. Famous commercial cooperatives in Germany are
REWE, Raiffeisen-Genossenschaft or Volksbank.

Welfare organizations (Wohlfahrtsgenossenschaften) are the backbones of the
‘social economy’ in Germany. Their big financial part comes from public sources
as regulated fees for certain services. New financial sources are coming from
commercial activities (out-of-pocket payment of clients, donations and others).
While they are under charity law they have to spend all earnings on fulfilling their
social mission. They are independent from state, but some are controlled by
churches: Caritas (Romanian-Catholic), Diakonie (Evangelic-Lutheran),
Zentralwohlfahrtsstelle der Juden (Jewish). Examples for fully independent ones
are Arbeiterwohlfahrt or Patritätsche.
Operational foundations (Stiftungen) are traditionally for offering grants and other forms of funding to initiatives or persons. They are also developing own projects and commercial activities. Foundations of the citizens (Bürgerstifungen) are booming now in Germany.

Traditional associations (Vereine) are historically non-economic but this changed nowadays. To avoid legal problems, associations have a part for their social mission and one part for entrepreneurial objectives. You could register an association for a whole public benefit (gemeinnütziger Verein). Associations must spend their earnings to their declared objectives, public benefit associations must spend them to the public mission, in return they can accept tax-free donations. They must be open to everybody who wants to support their objectives.

Volunteer agencies (Freiwilligendienste und –agenturen) are offering services for volunteers for work opportunities and help for social enterprises. The are financed by donations and fees. They can have no legal status and without legal status they are no social enterprise. The Main mission is to support civic engagement. Volunteer agencies are non-profit organizations, independent from state, membership-based and open to Stakeholders.

Socio-cultural centres are developing and supporting everyday culture activities. They are partly financed through public funding and partly through generated income from trading. They have to spend their earnings on their declared social objectives. They are independent from state, but often they work together with local authorities.

Other forms of social enterprises in Germany are: self-help enterprises, self-managed alternative enterprises of women's- and eco-movements, neighbourhood and community enterprises, integration enterprises and work integration enterprises.
## 5. Case studies

<table>
<thead>
<tr>
<th>Organization</th>
<th>Functions</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dresden-Place to be!</td>
<td>- Promoting international attitude, tolerance in all spheres of culture and international understanding. &lt;br&gt; - Helping foreign residents to relocate in Dresden or in the Free State of Saxony. &lt;br&gt; - Promoting the inclusion in society of Dresden and the Free State of Saxony. &lt;br&gt; - Encouraging citizens to reduce xenophobia &lt;br&gt; - Strengthening the reputation of Dresden / and the Free State of Saxony as a cosmopolitan (s) to the city / country</td>
<td>Non-profit, association</td>
</tr>
<tr>
<td>Stadtteilhaus</td>
<td>- to activate the self-help potential of all interested in the use of the district house residents and initiatives of the Outer Neustadt Dresden,</td>
<td>Socio-cultural</td>
</tr>
<tr>
<td>Dresden-äußere</td>
<td>Neustadt Dresden,</td>
<td>legal centre,</td>
</tr>
<tr>
<td>Neustadt</td>
<td>- Promotion of Children and Youth Services, &lt;br&gt; - opening, organization and management of the district archives Dresden Neustadt and &lt;br&gt; - promotion of art and culture (particularly regional minority)</td>
<td>non-profit, association</td>
</tr>
</tbody>
</table>
## Bürgerstiftung Dresden
- Supporting and / or initiating charitable projects and in the region Dresden and their surroundings in the fields of culture, youth, education, social services, historic preservation, health, environment and animal welfare
- Organizing exchange, network development and continuing training for people working on honorary basis or full-time in these fields
- Promoting or initiating scientific investigations in these fields, analyzing the issues arising from these work areas, evaluating impact of support measures.
- Spreading the idea of the Community Foundation in the EU

## AWO (Arbeiterwohlfahrt)
- Preventing, advising, teaching and healing activity in all fields of social work, and suggestions to self-help organization.
- Promotion of volunteer and civic engagement legal form: non-profit association
- Contributing to the tasks of public social, children, youth and health assistance association
- Cooperation with the self-governing bodies and local government

- Advertising and qualification of members

- Promotion of youth and youth policy work
6. Conclusion: Opportunities and barriers

The third sector in Germany is big and strong. In contrast to this, new style social enterprises are visible but are a niche phenomenon in Germany. Opportunities are seen in local development and community initiatives which tackle aspects of energy, environmental protection, non-regulated care services for children, youth and the elderly.

Key barriers have been detected by stakeholders around

- the lack of articulated demand in certain areas;
- unwillingness of public sector actors to innovate and/or partner with social enterprises;
- weak management skills and access to affordable support services for certain start-ups,
- problems with sustainable business models and with scaling up,
- relatively small scale of social impact financing and private funding for innovative approaches (Vincze et al., 2014, S. 46).

Because of this, Jansen, Heinze, Beckmann & Schües (2013, p. 363ff.) formulated recommendations for actions in the fields of:

- networking,
  o for politics
    ▪ development of a "social entrepreneur codex"
    ▪ expansion of "engagement strategy" and building a "Fund for Social Innovations"
  o for sponsors:
    ▪ offering problem-oriented coaching
    ▪ creating a transfer agency for the networking of social
entrepreneurs and intermediaries

- for welfare carriers:
  - creating interfaces for innovations

- for universities:
  - establishing governance of social enterprises as a research field

- finance and growth,

- for politics:
  - allocating effect-based state of funds (e.g. “Social Impact Bonds”)
  - adjusting of tax, procurement and profit law
  - promoting innovation in specific policy areas

- for sponsors:
  - adapting finance offers to the life cycle
  - considering exit strategies for promotions
  - De-bureaucratisation of funding
  - Design a transparent and effective based promotion
  - creating complementary, specialized and risky promotion strategies
  - financing and further research

- for founders:
  - adjusting resources to the life cycle
  - systemising of growth and scaling types
  - systemising of impact measurement and reporting

- for welfare carriers:
  - acting as Social Investors (“Corporate Social Venturing”)
  - strengthening internal innovation climate (“intrapreneurship”)

- for universities:
  - thematising educational function - universities as civil society actors
  - researching success factors
  - establishing conditions as a research field.
7. Literature


Social Enterprise and Social Business in Valencia and Spain

of the Art Report

Antonio Benaches
Background (Regional and National)

The current configuration of the Spanish Social Economy is marked by the adoption of Law 5/2011 of 29 March, on Social Economy, which undoubtedly marked a turning point for recognition, visibility and development of the sector, both within the State itself and the European Union. Recently, the approval of Law 31/2015, of 9 September, amending and updating the rules on self-employment and building measures and promotion of self-employment and social economy are adopted, it has come to complete this regulatory framework establishing measures for development and promotion of the Spanish social economy.

The text of the law defines the Social Economy as a set of economic and business activities in the private sector carried out by those entities that, in accordance with the following principles, pursue the general economic or social interest, or both.

The principles that guide the Social Economy in Spain are:

- Primacy of persons and social order on capital, which turns into an autonomous and transparent, democratic and participatory management, leading to prioritize decision making more based on people and their contributions to work and services rendered to the entity or according to the social order, in relation to their capital contributions.
- Application of the results of economic activity mainly based on the work and service provided or activity undertaken by the members and partners or its members and, where applicable, the social purpose of the entity.
- Promotion of internal solidarity and solidarity with society that encourages commitment to local development, equal opportunities for men and women, social cohesion, employability of people in risk of social exclusion, generating stable and quality employment, the reconciliation of personal, family and working life and sustainability.
- Independence from public authorities.
Also, as defined by law, the range of entities belonging to this diverse group of Social Economy is the following:

**Cooperatives**: The cooperative is a form of business organization based on democratic structure and functioning. Its activity expanded on cooperative principles, accepted and regulated in the regional, national and international levels: voluntary and open membership partner, democratic management, economic participation of partners, education, training and information and interest in the community.

**Labour societies**: Labour societies have shown a high potential for generating companies. In these businesses, the capital mostly belongs to the workers. The fact that workers are owners-partners, promotes self-motivation to tackling the projects. The minimum number of members is three and constitution procedures are similar to those of any other corporation.

**Mutuals**: These are partnerships, non-profit, democratic structure and management, which have a complementary activity to the social security system based on a voluntary insurance activity.

**The Special Employment Centres**: These are companies who combine economic viability and its market share with its commitment to social groups with fewer opportunities in the labor market. Its workers are mainly people with disabilities (whose number can not be less than 70% of total workers). They develop a productive and competitive capability that allows them to introduce their products in the market.

**Integration companies** are defined as learning structures in the form of companies, whose purpose is to facilitate access to employment of disadvantaged groups through the development of a productive activity, for which an insertion process is designed, establishing during the same conventional employment relationship. In its staff they should have a percentage of workers in insertion, depending on the regulation of each Autonomous Community of Spain, it will range between 30% and 60%. 80% of income is reinvested in the company.
**The Fishermen:** are corporations of sectorial public law, non-profit, representing economic interests of owners of fishing vessels and workers in the fishing sector, which act as bodies for consultation and cooperation of the competent authorities on fisheries maritime and fisheries management, the management is developed in order to meet the needs and interests of its members, with the commitment to contribute to local development, social cohesion and sustainability.

**Associations linked to the disability movement** and the insertion of excluded people. The main features of this associative movement focuses on serving where the nonprofit sector fails to supply, which also often coincide with those areas in which fundamental rights are met, especially in their access to particularly vulnerable groups such as people with disparity. They are also hallmarks innovation capacity to meet the problems arising in society, and the defense of social, legal, administrative changes, or otherwise, always in defense of the rights and freedoms of persons with disabilities, based on respect for diversity, plurality and tolerance.

**Foundations:** are organizations established non-profit, by the will of its creators, have affected their heritage in a lasting way to achieving a goal of general interest. Foundations of Social Economy must comply restrictively the principles of the Social Economy mentioned, and that includes the Law 5/2011.

In short, the company Social Economy is a clear example of rationality and social progress are compatible, how business efficiency can coexist with social responsibility. How another way of doing business is possible.

**Case studies**

**Fiare Banking Ethics:** active citizenship movement that lays the foundation of an ethical bank. This is a bank in the hands of organized citizenship, formed as a cooperative corporation, which currently operates in Italian and Spanish territory, with the aim of promoting cooperation and solidarity.

**JOVESOLIDES:** organization for solidarity and participation, focused on young people, created as an association of local associations of different countries of
Latin America, Spain and Morocco with common goals. This structure invites to build international networks of cooperative work on immigration issues, community development, youth leadership as change strategy, social entrepreneurship and innovation.

**Socialnest**: incubator and accelerator of social enterprises. It is a nationwide organization that supports entrepreneurs in the implementation and consolidation of their business projects with social or environmental purposes with the goal of economically self-sustaining and high social impact.

**RuralDev**: a spin-off in phase of "seed" with the mission of creating value through the spread of knowledge. Acts in the field of rural development and fight against hunger through quality management and social responsibility. It has two projects: First Steps, which develops activities in micro and small non-profit rural development in Portuguese-speaking countries in Africa and companies from Brazil, Portugal and Spain organizations, and La Colmena de las Naves, which promotes Valencian local agriculture.

**Key issues**

- The final production of the agricultural cooperatives represents 60% of total production in Spain
- Nearly 17,000 cooperatives of associated work exist throughout Spain, present in all productive sectors and fundamental to job creation. They represent more than 300,000 jobs
- Credit cooperatives, in the last year, closed with a sum of more than 96,000 million euros credit; 6% more than at the beginning of the crisis
- The market share of consumer cooperatives in the food distribution sector, has risen from 4% to 15% in the last 20 years
- In the distribution sector, stores and small supermarkets, cooperativism is present throughout the Spanish geography through more than 3,000 shops and more than 100,000m2
- The cooperatives that enhance educational movement and have become a
quality educational alternative are present with more than 560 schools, secondary schools and universities that respond to many citizens, training nearly 300,000 students and more than 15,000 teachers being partners

- In the field of health, the cooperative model extends in Spain offering a private Health, where doctors are members of the cooperative. We talk about more than 35,000 jobs and a turnover of 1,500 million euros
- The 13% of the Spanish population live in apartments promoted by cooperatives
- The fishing sector is represented by cooperatives of Seamen and Fishermen, with more than 10,000 boats are organizations and more presence in the Spanish coast for its tradition and importance. Generates 35,000 jobs
- There are nearly 12,000 labor companies that are in Spain, acting in all economic sectors and employing more than 63,300 people
- More than 128,400 people with disabilities or other socially excluded groups working in the social economy, especially through the Special Employment Centres, Integration Enterprises and Cooperatives Social Initiative
- 25% of social security in Spain is managed by 371 Mutual funds, which accumulate 38.000 billion euros in assets for supplementary pensions for their mutual 2,500,000.

Summary

It is a business model that works and assumes that the objectives of generating wealth for society are supported solely on profitable and sustainable business projects. The social economy enterprises compete in international markets -some hold leadership positions in their sectors- have an innovative attitude to adapt to new times and look to the future with enthusiasm convinced that the involvement of people in their projects is an advantage for real competitive markets.

Social economy is a style of business present in all economic fields, with companies of all sizes and has established itself in recent years as a key tool to stimulate the economy and create stable and quality employment.

It is a business model that becomes the backbone of a new economic model,
where people gain importance over the capital, where the benefits are redistributed among the people and to fulfil its social purpose or reinvested to continue growing and creating jobs. These are companies where raw democratic spirit in decision-making, and where the principles of solidarity, competitiveness, viability and social cohesion prevail in their management.

Cooperatives, labour societies, mutual societies, insertion companies, special employment centres, fishermen's associations and associations in the disability sector are the entities that make up this economic model where business efficiency is combined with the values of solidarity, responsibility and social cohesion.
Social Enterprise and Social Business in regions of Lithuania,

State of the Art Report

Diane Kontrimiene
Scope

History of Social business in the world dates back from the early eighties in the past century, when many traditional charities, who lived from donations or contributions of their members began to seek work more efficiently.

History of social business in Lithuania started only about twelve years ago. It is quite new phenomenon in our country, but historically social business is synonymous with the term social enterprise. The concept of “social enterprise” is understood differently by different groups of stakeholders in Lithuania. Most policy makers interpret social enterprise in a narrow sense (following the legal definition which narrowly refers to ‘work integration social enterprises’).

In Lithuania a Law on Social Enterprises (hereinafter – the Law) was passed in 2004 (amended in 2011) which defines a social enterprise as “any sort of enterprise that is set up to create employment for people that are severely disadvantaged in the labour market”. The Law distinguishes two types of social enterprises: social enterprise and social enterprise of the disabled. Both types of social enterprises have to meet the prerequisites in order to qualify for social enterprise status (creating employment for people that are severely disadvantaged in the labour market; they should respect a list of non-supported activities and others).

In 2004 Lithuania was among the first new EU member states that adopted the Law on Social Enterprises. At that moment this Law created favourable conditions for survival of the existing organisations of the disabled and gave impetus to establishment of new social companies. Despite its amendment in 2011, according to most interviewees, the Law is still operating with some flaws mainly due to these reasons: (1) constantly growing number of supported employees in social enterprises determine growing demand for subsidies; (2) State support is distributed inadequately as only limited number of socially vulnerable group of people employed in social enterprises receive direct support.
The Lithuanian Law on Social Enterprises (2004) provides the following definition of social enterprise: Social enterprise is a legal entity of any form (individual enterprise, joint stock Company, public institution that satisfies the following conditions:

- The workers belonging to the target groups constitute no less than 40% of the total staff and the number of such employees is not less than 4;
- Founding documents indicate the operating goals of this legal person relating to employment of the persons who are attributed to the target groups, development of their working and social skills as well as their social integration;
- The legal person does not carry out activities included in the list of non-supported activities of social enterprises as approved by the Government of the Republic of Lithuania or an institution authorised by it, or the income received from such activities over the tax period accounts for not more than 20% of the total income received by this legal person and to not implement temporary employment activity.

The Law on Social Enterprises also provides the definition of social enterprise for disabled, where the share of disabled target group consists of at least 50% of the annual average number of employees with special stress on support for severely disabled people.

Besides state support, social enterprises according to the Law on Profit tax do not pay a profit tax.

Lithuania has its own traditions of integration into work of disabled people through work. As a part of centrally planned economy, cooperatives had a considerable presence in some Soviet countries (Lithuania among them as well). The work and vocational training enterprises for disabled people (visually impaired, deaf) that were established in the late 1960s also operated quite successfully in independent Lithuania. Those firms were among the first that got the status of
social enterprises when the Law on Social Enterprises came into force in 2004 (Official Gazette, 2004, No. 96-3519).

In 2004, 26 companies got the status of social enterprises. Since 2004 the number of social enterprises extended to 133 in 2014.

Introduction

Social sector representatives tend to interpret the concept of social business more broadly, referring to the concept of “social entrepreneurship”.

Representatives of the Ministry of Economy, the Ministry of Social Security and Labour, the Ministry of Agriculture, the British Council in Lithuania, NGOs, individual experts and other stakeholders developed the ‘Concept of Social Entrepreneurship’ in 2014. The document was part of a task from the work plan of the Ministry of Economy. The concept was approved on 5th, April, 2015. Later a detailed plan of measures to implement the concept was developed.

The Concept defines the social economy as a part of the national economy that creates social and economic benefits to meet those human and social needs that cannot be met by private and public operators. Social enterprise is a business model in which the profit motive is linked to social goals and priorities through the market mechanism and where social innovation is sought based on the principles of a socially responsible approach to business and of public-private partnerships. Social enterprise rests on three main pillars: the business pillar (ongoing business activity), the social pillar (pursuit of social goals) and the management pillar (limited availability of profits, transparent management).

The participants of the ‘Social Enterprise Summit’ (held in March 2014) and the follow-up event (June 2014) agreed that the mission and purposes of current social enterprises corresponds only partially to the concept. The concept determines that social enterprises aim for profit, but also orient towards social welfare in a broad sense; gained profit is reinvested into further business operations, improved working conditions of the employees and contribution to the wealth of the community or certain social groups or solution of their specific problems, but still the social enterprise represent the social business sector.
The spectrum of social enterprises in Lithuania includes the following types of legal entities. All that are considered as social enterprises in Lithuania could be distinguished:

Picture 1. Spectrum of social enterprise in Lithuania

As previously mentioned the Law on Social Enterprises establishes two types ‘social enterprise’ status: “social enterprises” and “social enterprises of the disabled”. The main target group employed in social enterprises are disabled people. This is relevant for both types of legally recognised social enterprises. The social enterprise cannot carry out activities included in the list of non-supported activities of social enterprises.

At the same time, there are other companies and organisations which are not formally recognised as social enterprises, but display many of the defining characteristics of a social enterprise (“de facto social enterprises”). However, no research or other data are available on the nature, number and scope of these “de facto social enterprises” which pursue social aims in their activities or are engaged in “social activities” or emphasising “social mission” in their business model. While the “Conception of Social Entrepreneurship” is not agreed finally, different definitions still exist. There are no specific criteria set which could help to attribute specific companies to the specific groups correctly.
In Lithuania, “social enterprise” status can be obtained by a legal entity of any legal form (except for state and local authorities, trade unions, religious communities and associations) that meets the prescribed conditions (see section 1.1). As such, there is no legal form that is specifically tailored for use by social enterprises. Current social enterprises use the following legal forms:

- private limited liability companies/joint stock companies (in Lithuanian ‘Uždaroji akcinė bendrovė’ (UAB));
- public limited liability companies/stock companies (in Lithuanian ‘akcinė bendrovė’ (AB));
- public entities/establishments (in Lithuanian ‘viešoji įstaiga’ (VšĮ)); and
- individual enterprises (in Lithuanian ‘individuali įmonė’ (IĮ)).

Most part of current social enterprises are private limited liability companies (111), 16 have status of public entities (only those which were established until 2011), five companies are individual enterprises and one - public limited liability company.

No recently processed data is publicly available on the fields of activities of social enterprises (data could be only retrieved from the website of Lithuanian Labour Exchange manually). Only some articles are available, however with limited analysis on social enterprises. In 2012 social enterprises carried about 30 different activities, social enterprises of the disabled - approximately 54 different activities. It was observed that most firms carried out a number of inter-related activities.

In the Lithuanian context the legal form that would best suit social enterprise is the public institution. Such organizations can develop commercial activity for social welfare, have some privileges and earn profit, provided that it will be reinvested. However, a public institution is not treated as an enterprise in Lithuania’s legal system. In my opinion, this legislation should eventually be changed.
Case studies

In Lithuania social business is under-developed, but interest is growing, especially among young people, so a number of initiatives exist:

➢ “School of success” („Sėkmės mokykla“) It is a non-formal educational institution whose purpose is to help the child to unfold as a unique personality and develop their social competencies and basic learning skills to excel in a lifetime. The focus in this school on
versatile skills: critical thinking, problem solving, creativity, teamwork, communication skills.

➢ Restorant „Mano Guru“ (My Guru) solves the problems the people with addiction. The institution’s objective is to enable persons, who does not consume psychoactive substances any more, rehabilitation and reintegration into society and the labour market: 70% of people who successfully completed a rehabilitation program, are employed in café as waiters, bartenders and cooks. In 2011. „Mano guru“ got the prize in the category “for the responsible business” in the business contest organized by Europe Commission.

➢ Socialinis taxi (Social taxi) is a unique service that helps to ensure travel organization of people with the motor disabilities to social and employment areas (work, hospital, university, cinema, theatre, shops, meeting, etc.). In planning, implementation and evaluation process of "Social taxi" the same people with motor disabilities are actively involved.

Another area, where the social business examples can be found is in local communities. In Šiauliai area there are many communities which started some kind of social business.

Picture 3. Map of communities which host social business.
➢ Naisiai community has a café and paintball centre.
➢ Community "Aukštoji Alka" offers a Nordic walking program, renting a mobile sauna bath and offers massage services, children's educational program "Survival in nature", class of construction and programming of robots, called “LEGO Education”.
➢ Gasčiūnai community bake bread, weave, made items from clay, grow herbs.

Summary

So far, Lithuania and the other Baltic States are a ‘white spot’ on a social business map. This is due to various reasons such as a small population, little poverty, and there is not a tradition of internal charity, support of traditions, NGOs accustomed to subsidies and project support from EU funds rather than sale of services. Budgetary institutions have a strong influence for social service ("soft" monopoly), the financial instruments oriented to financial rather than social returns, for example.

In Lithuania, state aid is granted to only one of the social business models - social enterprises. Social Enterprises are the only legalized model, when the company has the social status, employing the people from target groups: who have lost professional and general capacity for work, economically inactive, unable to compete on equal terms in the labour market.

At the end of the last year, in companies with social status, there were less than 5 thousand workers employed. This number could be several times higher, if they were developed into social business models.

In discussions on the social business concept, the view of representatives of non-governmental and public sector, education and business institution were divided in response to the question, “what is the priority: social problems solving through entrepreneurship or business niche in the social field?”. Within one view, this is a
business that is independent and social issues seen as a business opportunity and a niche, whereas others say that it is understood as a private initiative in solving social problems.

However, in Lithuania private initiative are not trusted, social business is little-known, with a lack of good practices and sharing of foreign experience. Lack of incentives and financial support measures, as well as social entrepreneurship training, expertise and knowledge in this field is limited, so only few organizations in their activities apply social business principles.

One of the options for how to speed up social business development in Lithuania could be social clusters where co-operation and partnership of businesses, educational institutions and non-governmental organizations dealing with social problems, creating opportunities for a small fee to provide the necessary public services. This form of activity are relevant to advancing children, disabled and elderly care, social care and employment services.

Assessing the success of implementation of the Social Business initiatives their potential of development and the government's intention to promote the social development of the business in Lithuania, it is seen that the prospects of social entrepreneurship is high. Adoption of important decisions in Lithuania in appropriate time would create more opportunities and innovative ways to not only address emerging social problems, but also to strengthen the capacity of the non-governmental sector.
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Social Enterprise and Social Business in regions of Lisbon, Portugal

State of the Art Report

Nuno Frazao

IES Social Business School
IES --- Social Business School (IES---SBS) is the first business school focused on Innovation and Social Entrepreneurship. IES---SBS is the starting point to a path dedicated to social innovation in creating sustainable business solutions by offering a training research and consulting portfolio. That responds to social entrepreneurs, social organizations, public sector, businesses, foundations and universities, continuing to focus on excellence and a strong network of partners to inspire, train, support and connect organizations and people from all sectors of a converging economy.

Laboratório de Inovação Social (Social Innovation Lab) is responsible for the development and implementation of ES+ Methodology, the first tool developed by IES---SBS, which aims to find innovative and sustainable solutions for solving important and neglected societal problems. This Lab lays on the capacity to identify potentialities, opportunities, needs and challenges of Social Entrepreneurship initiatives, as well as characterize the ecosystem where those are localized. Based on all this information it has been possible to develop a consistent capacitation plans, adapted to the local reality, that intends to potentiate the impact of the initiatives and the ecosystem they are located.

Study Team

Nuno Frazão
(Coordinator)
Mafalda
Sarmento
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1 | COUNTRY CONTEXT

1.1 | General Country Context

Portugal is divided in two main areas: mainland Portugal and two archipelagos, Azores and Madeira. Portugal has 10,457,300 inhabitants, 4,976,900 men and 5,480,400 women\(^1\) in 2011, Portugal's last census showed a very aged population, counting 2,010,064 inhabitants aged 65 or older, and 2,254,326 between 25 and 39 years old.

**Figure 2 | Portugal age pyramid, 2010\(^2\)**

The country has an area of 92,212 square kilometres, with considerable disparities between rural and urban areas, the latter ones being more densely populated (in particular Lisbon and Porto); while the rural ones are rather deserted.

In the 50s, Portugal was a rural country, with a predominant agricultural economy. There weren't, besides Lisbon and Porto, large cities with metropolitan characteristics, but rather large villages. Nowadays agriculture is considered the hobby of few, and some have managed to set up urban gardens placed in city buildings.

Since 1950 (with a higher incidence in the 60s), Portugal witnessed a massive migration from rural to urban areas and, at the same time, the emigration to other European countries (France, Luxembourg, Belgium and Switzerland). In fact, in 1960, the number of emigrants amounted to 32,318, being 20,000 from the Mainland, and more than 9,000 from the North of the country. The search for better working conditions was what motivated those migratory movements.
Currently, and over 50 years later, one can witness the exact same migratory movements, rural areas being deserted and European countries being increasingly sought. In Portugal there were almost 130,000 emigrants, in 2013, mainly for the same reasons as in 1960: the country was immersed in a huge financial crisis and people were looking for work and better living conditions (Melro, 2013, p. 41). Possibly for these reasons, the percentage of self-employed has increased since 2011 (20.9% and 21.3% in 2013)³.

Elderly population continued to follow an upward trend, as a consequence of the decline in fertility and an increase in longevity.

In 2013 the activity rate fell vis-à-vis 2012, to stand at 50.6%. Compared with the previous year, the decline was recorded in absolute terms, with 98.0 thousand people less in the labour force, and also vis-à-vis the resident population, with a -0.6 p.p. change, more intense than that seen in 2012 (-0.2 p.p.)⁴. Between 2010--2012 the inequality in income distribution also worsened compared to the trend observed since 2003. The at-risk-of-poverty rate rose by 0.8 p.p., to stand at 18.7%, cancelling out improvements experienced since 2005.

In 2013 the share of the labour force aged 45 and over vis-à-vis the total labour force increased by around 0.9 p.p., similarly to the previous year when compared to 2011. This share followed an upward trend over the past 20 years. In 1998, population aged 45 and over accounted for slightly less than 36.0% of the total labour force, while in 2013 its weight stood at around 43.2%. In terms of employment, this age group not only had a similar behaviour, but also always recorded higher values than those of the labour force ratio.
Around 33.5 thousand people completed tertiary education, which corresponded to a 3.2% growth rate and a value slightly above one-fifth of the labour force. Secondary education recorded an annual increase above that of tertiary education both in absolute terms, with 69.3 thousand people, and in relative terms, corresponding to a growth rate of 6.0%. A comparison of results with EU27 figures shows that, on average, the labour force in Portugal is less skilled than the European average.

The import–export coverage rate grew for the fifth consecutive year, reaching the peak of the series in 2013 (83.1%, increasing by 2.9 p.p. from 2011 and 18.0 p.p. from 1990). In 2013, the GDP declined at a rate of 1.4%, which was less sharp than in the previous year (3%).

1.2 | Entrepreneurship

In 2007, Portugal registered a 8.8% TEA rate (individuals involved in start-ups or new business management), which means that there are 8 early-stage entrepreneurs per 100 adult individuals. It was the 3rd highest result of 19 economies, but in 2010 declined to 4.5%, almost half of the rate, 7th lowest of the 22 economies of the Global Entrepreneurship Monitor (GEM) universe, being also below the average TEA rate associated with the EU member states (5.2%).

About 73% of the enterprises created in 2006 survived in 2007 (167,473 new companies). The industry sector highlighted the higher retention rates in the market at the end of the first year, while the construction sector recorded the highest survival rates at 2 and 3 years, up from 50%.

Men are twice more likely to start a new business than women, where this figure had previously been three times superior, which shows that women
are demonstrating an increasing interest in entrepreneurship.\(^8\)

Portugal can properly leverage on some particular strengths to develop entrepreneurial activities, among which a lower level of fear of failure (among the Europeans, Portuguese have less fear of failure, driven in particular by unemployment\(^9\)) and the potential for internationalization. On the other hand, the development of the technology sector and the ability to create new products in the market are crucial weaknesses to develop in order to boost high added value through distinctive entrepreneurial dynamics.\(^10\)

2 | SOCIAL ENTREPRENEURSHIP AND SOCIAL BUSINESS IN PORTUGAL

3.1 | Introduction to the country SESB

This chapter intends to introduce the social enter entrepreneurship and social business (SESB) ecosystem in Portugal. This chapter gives an overview of European SESB context and explores the related core definitions and introduces the ES + methodology in order to explore the Portuguese SESB’s ecosystem.

SESB’s Approach

There are some different approaches used to describe SESB. One of the reasons is because SESB is led by practice – understandings, definitions and meanings have emerged through people working on the field and improving and innovating in an ongoing process rather than thinking about them from an academic perspective.

Considering that social innovation looks and feels different in distinct fields, sectors and continents, it is not surprising that its meaning and definition vary accordingly. Furthermore SESB is by nature multi-disciplinary – it cuts
across sectors and areas of intervention. This has undoubtedly contributed to the diversity of meanings and uses of the term social innovation\textsuperscript{11}.

**SESB in the Western Europe**

Social innovations are generating employment where the traditional public and market are not able to do it\textsuperscript{12}. Social Entrepreneurship in Western Europe is rising each year and millions of new social entrepreneurs are expected in the coming decade. The averages of total social entrepreneurship varies between 0,9\% to 6,1\% in the Western Europe working population, in the following countries: Spain (0,9\%), Netherlands (1,5\%), Germany (1,6\%), Italy (2,5\%), Norway (2,2\%), France (2,6\%), Greece (2,9\%), Belgium (3,0\%), United Kingdom (4,2\%), Finland (5,1\%), Switzerland (4,3\%) and Iceland (6,1\%)\textsuperscript{13}. The figure 4 shows the average Western Europe working population by social entrepreneurship development stages.

![Figure 4 | Average Working Population Stages of Social Entrepreneurship in Western Europe\textsuperscript{14}](image)

In Portugal, it is relevant to underline that SESB is still a relatively new concept, and specifically in some territories (see Figure 5). It is possible to conclude that the ecosystem in Portugal is still underdeveloped, with inadequate support for entrepreneurship to achieve growth (39\%). In most of
the Municipalities, Social Entrepreneurship activities/initiatives remain disperse (30%), with lack of concrete goals, mission, vision and network.

Figure 5 | Social Entrepreneurship and Social Innovation Development
Stage 15

Social Organizations in Portugal
Due to the diversity of definitions used, as well as the attention the sector has received only in the last years, there is a lack of consistent and widespread data on SESB. Nevertheless, we have available statistics on the more traditional social organisations in Portugal, gathered under the wide umbrella of the social economy sector and which represents 2.8% and 5.5% of the Portuguese gross value added and paid employment, respectively 16. The total number of social economy organizations is 55,383, were the paid employment weight in the social economy in total employment represents 5.5% 17 with a contribution of the social economy to the national GVA of 2.8% 18. The main typology of organizations with social initiatives in Portugal is presented in the following table.

Table 1 | Organizations 19

<table>
<thead>
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<th>TYPE</th>
<th>ORGANIZATION WITH SOCIAL INITIATIVES</th>
</tr>
</thead>
</table>

61
<table>
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<th>Private not---for---profit purposes</th>
<th>Number</th>
<th>Private for---profit</th>
<th>Number</th>
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<td>Mutuals</td>
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<td>Association (cultural, recreational, sport and local development)</td>
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<td>Foundation</td>
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</table>

**SESB Mapping Methodology**

IES--SBS has developed an innovative methodology (ES+) in order to identify and map social entrepreneurship initiatives with high potential of social/environmental transformation in order to design regional strategies...
to develop local social entrepreneurial practices and behaviors. This methodology has been developed in collaboration with leading universities, such as INSEAD, ISCTE-IUL, Portuguese Catholic University and other universities.

In brief, the ES+ methodology maps the innovation and local entrepreneurship ecosystem, analyses the competitiveness of the innovative business models identified, and publishes and disseminates national and international success stories and best practices.

ES+ methodology was first implemented in 2008 in one Municipality and has since been applied and validated in over 250 municipalities in Portugal and one Municipality in Maputo – Mozambique.

Summarizing, the main objectives of the ES+ methodology are to:

1. identify and characterize socio-economic and environmental initiatives and the individuals that lead them in a specific region,
2. understand which social and environmental initiatives exist in that region and how many would fall into a broad concept of Social Entrepreneurship with high potential of social innovation
3. understand which sectors and needs are not enough covered with a sufficient and qualitative offer of solutions and services
4. analyse the local ecosystem and its competitiveness, with the main goal of disseminating nationally and internationally the best practices and the success stories.
The process includes four different phases:

- **Phase I** --- Identify and interview Privileged Observers (POs) --- people who are connected to social innovation and social entrepreneurship initiatives (social experts);

- **Phase II** --- Screening phase (TDs), aimed at understanding the basic features, capacities and limitations of these social initiatives referred by the POs. It allows the assessment and evaluation of the main SESB criteria, such as: innovation and social entrepreneurship; social/environmental mission; social transformation; local empowerment ability and social inclusion; sustainability; and ability of replication and scalability;

- **Phase III** --- Deep survey analysis of performance and management skills (QIs) of the selected social initiatives.
from the previous phase;

- **Phase IV** --- Certification stage, involving an evaluation from an Academic Scientific Council (ASC) composed of national and international researchers from leading universities who select the initiatives that were seen as having the potential to generate significant social impact (ES+).

The following Figure presents the ES+ Methodology first three phases’ outputs from the surveys.

**Figure 7 | ES+ Methodology surveys Outputs --- Phases I to III**

**Social Entrepreneurship Criteria**

There is emergent interest in SESB among governments, social organizations, social investors and academic institutions in Europe and around the world. The definition, criteria and frameworks are broad and despite the existing variances there are some commonalities. The intention of this section is to explore different criteria used for SESB, for a better understanding of the local context providing parameters for assessing the
potential of the SESB development in Portugal, bringing together both research and practice—led perspectives. The following figure presents some analysis of the main criteria that social entrepreneurship enablers use to define and invest in projects.

Figure 8 | Social Entrepreneurship and Social Innovation

Criteria

- Innovation, challenge the traditional view, demonstrate the ability and willingness to develop and test new ideas, products, services, production or distribution method, innovative business models or better/alternative to solve the problem;
- Social impact, products, services, methods and business practices that generate social change with a continuous measurement of the social impact and evidence-based initiative performance, and where the effect lasts in time (effectiveness of the transformation);
- Project is scalable or replicable and can meet a significant part of the social needs of various problems
- Team’s entrepreneurial quality, management skills, able to implement ambitious plans
- Differential/advantage/improvement of an initiative in relation to similar ones and redesigning an existing product for a needy population in the solution that creates value
- Products or services that are accessible, affordable and open-source
- Partnerships with key stakeholders such as the public and private sectors. These partnerships can take the form of in-kind support or contracts with application fee-for-service
- Ethics ability of the team and organization “I trust this person”
- Creativity, from the deep understanding of the root problem, interpreting existing challenges, and taking advantage of setbacks in a creative and resourceful way
- Legitimacy and urgency of social needs and the focus on neglected issues
- New organizational structures and social investment models
- Technology, partnerships and media as the core of the product/service with a “multiplier effect” faster than it could alone
- New employment supply and job creation
- Enhancing the positive history, products, services of the local culture communities
- Initiatives generate empowerment capacity of local beneficiaries and initiative is prepared to be (gradually) appropriated by the beneficiaries
- Having inspiring elements
In order to understand the practice–led perspective, the following figure 9 presents a resume of the ES+ methodology PO’s survey, from the question “Define the criteria for a high social impact initiative”.

Figure 9 | Social Entrepreneurship and Social Innovation Criteria

For the respondents (POs), the two most mentioned criteria were Innovation, Inspiration and Sustainability (33%) and Empowerment and Local Inclusion (28%). The following other most prominent identified sub–criteria were: the Social Mission, the Measurement and Social Impact, the Active Involvement of the Community, the Sustainability, and Innovation. What is surprising is that these POs easily identified the criteria that match SESB literature, especially when they were asked to identify characteristics of a social solution that matches local social problems.
3.2 | Barriers to SESB

SESB is still relatively new in Portugal, from the ES+ methodology questionnaires (TDs and QIs) it is possible to identify barriers that initiatives and organizations face to improve their results and impact. From the data it is possible to conclude that 31% of the respondents recognized sustainability as the principal barrier for quality development including the lack of diversity of financial sources. Project implementation (24%) was the second most mentioned barrier. Social Entrepreneurs consider that it is important to have good and innovative ideas, but when it comes to put them into practice a lot of obstacles are found, that cannot be easily overcome. The next figure reveals the barriers for Social Entrepreneurship and Social Innovation most mentioned by Social Entrepreneurs in Portugal (TDs survey).

Figure 10 --- Social Initiatives needs for SES development

ES+ Methodology third phase (QIs) gave us important insights concerning
two topics: Social Entrepreneurs strengths and weaknesses and a management diagnosis. These two issues can help understand why some barriers gain such an important role in the projects life cycle and how they are overcome. The next graphic represents the strengths and weaknesses of two types of initiatives: the ones identified in deep survey analysis of performance and management skills (QIs).

![Diagram of strengths and weaknesses of initiatives](image)

**Figure 11 --- Deep Phase Management Analysis on QIs**

Regarding internal skills, the analysed social entrepreneurship initiatives have strengths on project implementation; administrative and HR management; and Governance but weak in social impact assessment, project formulation (which includes finance), external communication and marketing and identifying funding sources. These weaknesses may jeopardize the future of most projects.

As a conclusion, the major barriers from the screened initiatives (TDs --- 4000) are the major strengths of the deep phase Management Analysis (QIS – 450) which means that there is an opportunity for peer learning.

### 3.3 | Major Social Problems and Local Potentialities
Recent literature in 2014 and 2015 developed important information about SESB especially about the major social problems in Portugal:

- Social Entrepreneurship and Social Innovation Map (1st Phase) – North, Center and Alentejo Regions (2015), IES-SBS and IPAV.

Private market, public sector and civil society organizations are struggling to resolve societal problems in Portugal. There are neglected problems that should be tackled by social entrepreneurs. During the ES+ methodology process, 1755 interviews to Social Experts were conducted to POs from the North, Centre and Alentejo regions that identified the major social problems in the region. As we can see on the figure below the social problem most referenced by these POs was the unemployment (23%), especially among youth and long-term unemployment. The second major social problem was the aging, isolation and desertification (18%). The main reasons are the high aging population and rural youth flight that search employment in urban areas, which nevertheless faces various common difficulties on the way. Added to these two major problems, the following most frequently mentioned were poverty and extreme poverty (9%), children and families at risk (7%) followed by others identified on the figure 7. The source of these problems appears to be closely linked to the effects of the economic and financial crisis on the Portuguese population.
In fact, there are some differences between the problems encountered in the coast and interior of the country, but with common patterns such as Risk behaviours (3%), Health and Access to Health (4%), that is reflected in the school absenteeism and poverty and low educational qualifications (4%). The next figure is presented the main main priority areas for action.
### Figure 13 | Main priority areas for action

<table>
<thead>
<tr>
<th>A. Problems without representative solutions *</th>
<th>B. Problems without effective solutions that seem to be addressing the causes **</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Problem</strong></td>
<td><strong>Problem</strong></td>
</tr>
<tr>
<td>1. Suicide</td>
<td>1. Elderly living alone and isolated</td>
</tr>
<tr>
<td>2. Human trafficking</td>
<td>2. Youth unemployment and long-term joblessness</td>
</tr>
<tr>
<td>3. Mental health needs</td>
<td>3. Rural flight/ Depopulation of rural areas</td>
</tr>
<tr>
<td>4. Apathy and lack of initiative of the Population</td>
<td>4. Elderly vulnerability/ Supporting active ageing</td>
</tr>
<tr>
<td>5. Lack of Collaboration and Partnerships between Social Initiatives</td>
<td>5. Poverty and extreme poverty</td>
</tr>
<tr>
<td></td>
<td>6. Student absenteeism, school failure and dropout rates, and low-skilled professionals</td>
</tr>
<tr>
<td></td>
<td>7. Lack of social initiatives capacity building</td>
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<td></td>
<td>8. Lack of community empowerment</td>
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<td></td>
<td>9. Domestic violence</td>
</tr>
<tr>
<td><strong>Region</strong></td>
<td><strong>Region</strong></td>
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<tr>
<td>All regions</td>
<td>Alentejo and Azores</td>
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<tr>
<td>All regions</td>
<td>Algarve, Alentejo and Azores</td>
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<tr>
<td>All regions</td>
<td>North and Algarve</td>
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<tr>
<td>Center, Alentejo, Algarve and Azores</td>
<td>All regions</td>
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<tr>
<td>All regions</td>
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<tr>
<td>All regions</td>
<td>All regions</td>
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</tbody>
</table>

* Problems with between 6 and 4 ESH. ** Data shows that despite growing levels of investment, these problems are increasing, which suggests that existing social initiatives, at their current stage, are not sufficient to solve the problems' causes.
As strengths, these same POs identify the major local potentialities (shown in the following figure 13), which may help combat the social problems described above. The major potential identified was the strong engagement in associations and the high capability to create local associations or organizations for the purpose of community development (14%). Among the areas with high potential to create jobs and foster Portuguese economic development is the tourism industry (13%) and agriculture (9%). These areas could contribute mainly to the decline of youth unemployment.

Tourism is an area with great employment potential in Portugal, having been experiencing major investments, while the new young farmer programs may also contribute to an increased interest of the youth in these areas, resulting in decreasing the unemployment rate and/or the repopulation of the most isolated rural areas.

Figure 13 | Major local potentialities in North, Center and Alentejo
Regions²⁷
1. | SESB Initiatives

Over more than 4000 initiatives were identified by the ES + methodology, within the three regions: North, Centre and Alentejo. From the screening of these initiatives with SESB criteria (TDs), more than 450 (qualitative sample) were submitted to a deep performance and management survey (QIs). After the Academic Council evaluation, 134 initiatives (high quality sample), are certified as High Potential SESB initiatives (ES+).

The following graphic presents a summary of the field of intervention of these initiatives by the different phases of the methodology. The intervention areas with more initiatives where: People/families at Risk or Problematic Families Support (21%), Active Aging and/ or Support Vulnerable Elderly (16%) and Recreational and/ or Cultural and/ or Sport Activities (15%). In the following figure, based on ES+ methodology, we can conclude a qualitative and quantitative analysis (Numbers and stages from screen phase to ES+ certification).
The figure above enables us to reflect on the major identified social problems solutions, quantitatively (from the screened TDs initiatives) and qualitatively (from the deep survey ES+ initiatives). These results reflect the scarce opportunities for disadvantaged groups. It’s possible to conclude that: aging, isolation and desertification; poverty and extreme poverty; domestic violence; low local economic development; and risk behaviours and addiction are some of the most neglected social problems, with very few organizations working with social impact to address these problems (quantitatively and
Children and families at risk; network and partnership lack of capacity; and school absenteeism are also neglected problems in Portugal, with many initiatives but with low quality solutions. Unemployment and health and access to health are the major Fields of Intervention Initiatives identified (TDs phase) with some quality ES+ initiatives.

Figure 15| Field of Intervention analysis thought ES+ methodology phases (OPS, TDs and ES+)^29

The need for new and sustainable solutions to tackle unemployment in Portugal is crucial, given the fact that the ES+
methodology research conclusions show that despite the fact that unemployment was identified as the key challenge, the local initiatives identified do not seem to have capacity to fully and efficiently tackle this issue. That would be a key contribution to the Portuguese social entrepreneurship ecosystem, bringing new solutions and supporting local regional. Among the most urgent domains identified, we suggest to tackle the following ones:

- **Youth and long term unemployment** and in particular creating youth employment opportunities in the rural areas using local potentialities such as: tourism, agriculture, traditional and local culture products and activities;
- **Network and partnerships empowerment and social initiatives capacity building** as tools to create more sustainability and effectiveness among the third sector;
- **Children and families at risk; domestic violence and poverty and extreme poverty** are all linked to unemployment, where there are no high quality and high impact initiatives to these problems.

2. **Enablers and Social Investors**

In Portugal there are privileged structures that focus their mission on supporting innovative SESB initiatives. One of the questions POs were asked referred to their knowledge of supporters, enablers and social investors who often support such initiatives.

In fact (see figure 16), public organizations stand out as the most relevant potential supporter for social organizations with over 43% of the respondents selecting the answer
“Municipality/Local Body State/EC Portuguese Structural and Investment Funds”. However, Non-Profit private Association/Cooperative are also mentioned as well as being one of the most important structure for enabling SESB, with 24% of the answers. There are few supporters that are prepared and have capacity to provide products and services (training, incubating, accelerating, others). In fact, as stated in Seforis report, “social entrepreneurs can rely on dedicated support organizations besides general oriented support services. Some consultancy organizations offer services to social entrepreneurs like Social Entrepreneurship Institute, TESE, ESLIDER Portugal”.

In addition to naming an extensive list throughout all the national territory, the information that enriches the most the study is that the interest in investing in SESB initiatives or projects appears to be present in the three main societal groups: public, private and social.

Regarding investors (see figure 17), the European Structural and Investment Funds are the ones that stand out with 45% of the replies while Private companies gather 30%. Public funds such like Proder, POPH and QREN were the most mentioned opportunities, followed by EDP Foundation.
In the next figure, despite being the less answered question (400 from ~2000 respondents), the strengths and weaknesses of the major social investors are presented.

It helps to better understand SESB in Portugal and some of the major barriers that social entrepreneurs face. Most of all, financing solutions are inadequate to support entrepreneurship, while some, mostly from the government, are creating dependency and obstructing the way to build solutions that are financially sustainable and/or market-based social innovations.
The strength most mentioned was the investors’ capability for inter-institutional relations between investors and applicants and refund forms. On the other hand, bureaucracy is considered a heavy burden when it comes to investments, a handicap that can delay projects to launch innovative responses to urgent social problems. The major conclusions are that most of the short-sightedness of most investors does not allow for long-term interventions and there is lack of interest in innovative and more risky approaches that are essential to SESB development.

While the SESB ecosystem in Portugal has a set of services and investment...
for initiatives in pilot stages, investment for growing initiatives is still lacking, as is training in certain specialized areas. In the next figure is presented a short resume of the main support reply and needs for support.

![Support and Needs Diagram](image)

**Figure 19 | Social Investors/enablers Analysis**

In the past few years, Portugal has been adding value from non-governmental social investment, where companies are starting to develop the first steps towards SESB. There is a small cluster that has adopted a SESB strategy and examples such as Calouste Gulbenkian Foundation and EDP Foundation are the major social investors in Portugal (see Figure 19). Other companies such as Accenture, McKinsey, Eugénio de Almeida Foundation, Montepio have integrated CSR and SESB initiatives. Some other companies are focused on the Annual Sustainability Report and/or Certification SA 8000 and most of all the others have dispersed CSR Policy.

In the last years some organizations started to address SESB
investment competitions and calls for proposals, among which:

- Calouste Gulbenkian Foundation with *Ideias de Origem Portuguesa*[^35] and
  
  *Cidadania Ativa Programme --- EEA Grants*[^36];

- BPI Banc with BPI Capacitar[^37];

- EDP Foundation through EDP Solidarity Program[^38];

- INSEAD Social Entrepreneurship Prize[^39];

- *Bolsa de Valores Sociais*[^40];

- BIS --- Social Innovation Bank, from *Santa Casa da Misericórdia de Lisboa*[^41]

- *Award Damião de Góis de Empreendedorismo Social*, from the Netherlands Embassy in Portugal[^42];

- Portuguese Government Social Innovation Fund[^43];

- IES---SBS | Social Investment Lab[^44];

- The Chivas Social Entrepreneurship Prize[^45]

Other Stakeholders that can enable and support SESB are identified on the next table.
Table 2 | Stakeholders Role, leverage and return

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Examples (not exhaustive)</th>
</tr>
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<tbody>
<tr>
<td>Local Social Entrepreneurs, Local SESB enablers and supporters (non-profit support organisations, consortia of social enterprises)</td>
<td></td>
</tr>
<tr>
<td>Local entities: Government and local community leaders and interested citizens</td>
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</tr>
</tbody>
</table>
3. SWOT Analysis

Following the previous analysis, state of affairs of the social sector and main social challenges in Portugal, below we summarize the following SWOT’s (Strengths, Weaknesses, Opportunities and Threats) analyses of SESB in Portugal (Table 2).

<table>
<thead>
<tr>
<th>TRENGTHS</th>
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<tbody>
<tr>
<td>Existent proven SESB measurement methodology and research</td>
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</table>

<table>
<thead>
<tr>
<th>EAKNESSES</th>
<th>W</th>
</tr>
</thead>
<tbody>
<tr>
<td>with: SESB key stakeholders identified</td>
<td></td>
</tr>
</tbody>
</table>
--- Social Experts, Social Investors, Social Enablers (Training and Impact experts) and Social Initiatives; Social problems and local economic development strengths/potential identified; Knowledge from the major 4000 SESB initiative barriers (Management and Performance Skills) in North, Centre and Alentejo Regions; 450 initiatives deep survey analysis of performance and management skills; 139 initiatives that were seen as having the potential to generate significant social impact (ES+);

Experienced enablers of SESB (IES--SBS, Universidade de Aveiro, Fundação Eugénio de Almeida and others) and emergence of other proactive initiatives that support networks for entrepreneurship;

Structural and Investment Funds programme; SESB Social Investors and Social Innovation existing Funds (Gulbenkian Foundation, BPI Bank, EDP Foundation, INSEAD, Bolsa de Valores Sociais; BIS --- Social Innovation Bank, Netherlands Embassy in Portugal,
SESB ecosystem in Portugal is still underdeveloped, with inadequate support for entrepreneurship to achieve growth because of: Mismatch between training offer and employment; duplication and overlap of social responses with no coordination and collaboration; lack of skills and capabilities in the SESB sector as well as of funding sources to ensure projects’ sustainability; Social initiatives barriers to improve their solutions in: project implementation, quality development, and lack of diversity of finance sources of the existing; HR management, beneficiaries engagement, capability to grow facing beneficiaries’ unmet needs; creating partnerships, others…;

In Social Investment there are: High dependence on public funding; most of the financing solutions are inadequate to support SESB creating dependency and obstructing the way to build solutions that are financially sustainable and/or market–based social innovations; Bureaucracy as heavy burden of the social investments, a handicap that can delay projects’ launches and innovative responses to urgent social problems; There is a small cluster of companies that has SESB strategy on their CSR;
Portuguese Government Social Innovation Fund and others);

High rate of entrepreneurship ---

The Portuguese are among the Europeans who have less fear of failure, driven in particular by unemployment.

---

Ecosystem with potential for Change:
Increased frequency of vocational and higher education; Local economic development potential based on tourism, agriculture, geographic and natural locations and access to natural resources, traditional local culture/products and activities; Attractiveness of the territory to promote national and international SESB events; Existence of local social diagnoses updated with main problems identified; High skilled HR.

SESB initiatives potential improvement:
Proven SESB measurement methodology potential implementation in Algarve, Azores, Lisbon and Madeira Regions;
Need for support in the preparation of projects based on the major societal problems; Social sector projects and initiatives with high value and impact with local potential of replication; promotion of partnerships and networking.

Private market, public sector and civil society organizations are struggling to resolve societal problems in Portugal: Depopulation of rural areas because of the lack of local services; Insufficient job offers to fix and attract population; Deficient Social Security and Social Protection; High unemployment rates especially among the young and long-term jobless that triggers the cycle of social exclusion; Poverty and Extreme poverty; Significant number of elderly living alone and isolated and high phenomenon of young rural flight; Poor housing conditions among the most vulnerable groups (e.g. elderly); High---risk behaviour (alcohol, drug addiction, etc.); Lack and weakness of the public transport network and accessibility in the innermost parts of the country; Families at risk and problematic families, child protection, domestic violence, lack of
community empowerment and social initiatives capacity building; High emigration levels (almost 130,000 in 2013);

Ecosystem that persists in a negative cycle: Inactive population rates with retired elderly and unemployed youth (116.6 inactive people per every 100 persons employed); Low rate of enterprises survival; European negative image (54% of Portuguese have a negative perspective of their professional status. Two thirds believe that the current situation does not allow for them to have plans for the future); Corruption is widespread, has worsened in the last three years and affects the day-to-day business of over a third of the population. Portugal ranks 31 out of 175 countries in the corruption ranking;

Negative population growth (-2%), evident in less populated municipalities; Average of monthly income below 30% of average population; Low wage levels hinder the establishment and attraction of skilled labour;
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3 PORDATA –
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12 [http://www.sdrive.eu/?page_id=19](http://www.sdrive.eu/?page_id=19)


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15 ES+ Methodology, POs survey from North, Center and Alentejo Regions, MIES 2014. Through the ES+ methodology, in order to understand the respondents’ perception of local Social Entrepreneurship and Social Innovation development (PO’s), they were asked whether they have ever heard about Social Entrepreneurship and Social Innovation (80% said yes), and “how would they characterized the local maturity and development of social entrepreneurship?”

16 Maurice Van Der Velden and Natalia Alvarez (ICF), Jorge de Sá (country expert) and Deolinda Meira and Maria Elisabete

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http://pt.wikipedia.org/wiki/Registo_Nacional_das_Organiza%C3%A7%C3%B5es_n%C3%A3o_Governamentais_de_Ambiente_e_Equiparadas;

20 Megre, Martins and Salvador (2012, p.100)

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21 Ashoka Criteria for Ashoka Fellows http://usa.ashoka.org/criteria--ashoka--fellows
IES--SBS from ES+Methodology Megre, Martins and Salvado (2012, p.100)


Nesta from Nesta Impact Investments ---
https://nestainvestments.org.uk/

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ES+ Methodology, MIES POs, TDs and QIs surveys from North, Center and Alentejo Regions, 2014 – www.mies.pt (Social Problems % collected from the major common answers of the ~2000 interviewed POs; Initiatives Quantity % collected from the major common results of the ~4000 screening initiatives survey; Initiatives Quality % collected from the major common results of the ~700 deep initiative surveys).
30 Source: ES+ Methodology, POs survey from North, Center and Alentejo Regions, MIES 2014


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38 EDP Solidarity Programme ---


40 The social stock exchange ---
Social Innovation Bank ---

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Damião de Gois Social Entrepreneurship Price ---

http://portugal.nlembaixada.org/noticias/2104/novembro/discurso---
cdp------premio---damiao---de---gois---2014.html

Fund with €150 milions. It will be the first fund of this kind capitalised with European Structural Funds aimed at transforming the social services provision into a mapped ecosystem driven by social entrepreneurs and leveraging the turning capital into tools for empowerment and systemic renewal

IES is committed in this area, through a partnership with Social Finance UK financed by Calouste Gulbenkian Foundation to explore innovative funding mechanisms to tackle social issues: 1) market intelligence providing key stakeholders accurate information; 2) enabling a nascent social finance market; 3) feasibility work in the areas of youth unemployment, recidivism and children in care to explore interventions with potential to be funded through social impact bonds and other social finance instruments

http://startuplisboa.com/event/the---venture---by---chivas---regal/

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Youth unemployment rate (34.5%) reached 2x times the total unemployment rate --- http://ec.europa.eu/eurostat
The Portuguese mortality rate of newly established companies is among the highest in the European Union, reaching 70% at five years. Lack of funding is one of the explanations
https://www.ffms.pt/upload/docs/23b69163---ee6d---4327---a324---03a0dfc0fc5.pdf

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EU Sector 3 Project

Social Enterprise and Social Business in Greater Manchester.

State of the Art Report

Allan Lawrence
Scope

Social business in the UK is a concept that has been around for a long time. In the nineteenth century, we saw the development of the Co-operative movement and as a consequence shops that sold essential provisions, had a social mission and shared profit with their customers. This happened during the Industrial Revolution amongst the textile workers of the North of England. Manchester was at the heart of the Co-operative movement.

The concept of social business grew from that, along with the belief that some essential services within communities could be provided by private companies instead of local authorities and councils. The real driver, of course, is to reduce government spending and reduce personal taxation. This is a direction of travel for both of the political parties that have held power in the UK since the end of the 1970s.

The Labour government of the 1990s referred to the Big Society, a vision of community where action and power shifts from the state towards individuals and organisations. The organisations that grew to meet this challenge were referred to as the Third Sector (hence the title of the project, EU Sector 3). The Third Sector refers to and includes social businesses, social enterprises, community interest companies, charities as well and what distinguishes them all is that profit does not go back to shareholders but are invested into community projects. These organisations do not have shareholders and those that work for, or own a social business take a wage, but do not receive dividends in the same way as they would if they were a public limited company, an SME, for example.

There are now over 2,000,000 people working in the Third Sector in the UK, with increasing growth amongst the 18-24 age range. In 2012, 24% of SME employers
thought of themselves to be social enterprises, or as businesses with social or environmental aims. However in reality a social enterprise must fit into the following categories: it should not pay more than 50% of profit or surplus to owners or shareholders; it should not generate more than 75% of income from grants or donations; it should not generate less than 25% of income from trading and it should have social and environmental objectives and reinvest for that purpose. In the UK, they are most likely to be PLCs, CLGs or CICs. It is noticeable that the average annual turnover for a social enterprise is approximately 33% to 50% lower than that for PLCs/ SMEs.

In Greater Manchester there are an estimated 14,592 organisations operating in the voluntary sector, this includes social enterprises in their various forms and also charities and co-operatives. The income for 80% of these organisations is under £10,000 with only 2% achieving an annual income of above £1,000,000. The total income for the third sector was estimated to be in excess of £1,000,000,000 in 2011/12 although there has been an average 2% annual reduction since then. 2% of social enterprises are responsible for 62% of this generated income. They tend to work in key areas such as health and well-being (37%); community development (37%); education, training and research (28%) and sport and leisure (27%). In general they work with specific groups of beneficiaries such as children (24%), young people (24%) and women (26%).

In Bury, one of the ten metropolitan authorities which make up AGMA, and where TEC is situated there are 1,054 voluntary sector organisations, 381 of those registered and a further 673 classified as BTR (‘below the radar’) – these are organisations that are not formally constituted or individual social entrepreneurs or sole traders. As can be seen from the points above, the Third Sector is complex, it does not have uniform nomenclature as there will be reference to social business, social enterprise, VCFS, voluntary sector, NGOs – all of these fulfil a social role in their different forms.
Introduction.

The key challenges facing social entrepreneurs and anyone working in the third sector has been the dual effect of reduced access to funding and rising costs. Despite the sector facing increasing demand for its services and also identifying new needs and new groups of beneficiaries, there are concerns regarding its long term sustainability. This is shown by 47% of a sample of social enterprises reporting an increase of expenditure but only 34% having reported an increase in income with a further 33% reporting a reduction in their financial reserves, with 41% with reserve levels of less than three month’s expenditure. The environment for the third sector in Greater Manchester, as in many parts of the UK, is precarious to say the least. Nearly 70% of all voluntary sector organisations received significant funding from either local authorities, local NHS bodies or the FHE sector. Other sources of income and funding include fundraising, grants from trusts and foundations, membership fees and subscriptions, Lottery grants and commercial activity. It would seem that the third sector is well connected with local authorities and large public organisations but the experiences with the business sector are more mixed, with only 22% of social enterprise asked (GMCVO, 2012) stating that commercial businesses either valued or understood their work.

‘It is the business sector who most clearly understands the need for our voluntary work and, when asked, is usually quick to support us in small ways that help us put on social events.’

‘We couldn’t run our organisation without the commercial businesses that we work with. They also have a direct link to our service users.’

Or in contrast ……..
‘It’s as though we don’t understand the commercial sector and they don’t understand us. This is a great pity.’

‘Businesses are not interested in local groups and projects and don’t try to connect and understand our work.’

In Greater Manchester in 2012/13, the voluntary sector employed 23,600 full-time equivalent paid staff with a further 334,200 volunteers contributing 1.1M hours of their own time per week. This is a contribution of £738.7M worth of GVA to the economy per annum or 1.5% of Manchester’s GVA. Volunteers have been calculated as contributing a further £947.1M worth of GVA to the economy per annum (GMCVO, 2010). In addition, there were 1,990 FTE work placements within the voluntary sector in 2012/13.

In summary, there are a wide range of organisations operating in greater Manchester which are (1) involved in many areas of activity; (2) occupy an important strategic position in policy development, service provision and everyday life and (3) provide significant economic and social value. That last point is illustrated by the estimate (GMCVO, 2012) that the voluntary sector made 21.2m interventions with clients, users and beneficiaries in 2011/12.

Case Studies.

Social business/ social enterprise/ the third sector takes many forms in the UK and in Greater Manchester. The following table gives a snapshot of the range of organisations that make up this sector. In the application of EU Sector 3, reference is made to Social Business Support providers, SBSPs. NAVCA would classify these as ‘second tier’ organisations, either Infrastructure Organisations, or Type A organisations, that provide services that maintain, sustain and/or develop other VCFS organisations. Type B organisations, or Infrastructure...
**Service Providers**, offer one or more meaningful service to VCFS organisations on a regular and consistent basis. Finally, an **Infrastructure Gateway** is an organisation or network in the VCFS that serves as a gateway and/ or signpost between infrastructure services and frontline organisations and groups. Gateway organisations may also provide some infrastructure services.

<table>
<thead>
<tr>
<th>Name of organisation</th>
<th>Function</th>
<th>Type A or B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary Action Oldham (VAO)</td>
<td>An organisation that supports and trains the third sector in Oldham</td>
<td>a</td>
</tr>
<tr>
<td>Wai Yin Chinese Society</td>
<td>A society which supports Chinese communities in Greater Manchester</td>
<td>b</td>
</tr>
<tr>
<td>Kashmir Youth Project</td>
<td>Provides support and training to BME communities in Rochdale</td>
<td>b</td>
</tr>
<tr>
<td>Greater Manchester Centre for Voluntary organisation</td>
<td>An organisation that provides training and signposts towards funding initiatives</td>
<td>a</td>
</tr>
<tr>
<td>Manchester Refugee Support Group</td>
<td>Their function is to support and provide advocacy for refugees and refugee groups</td>
<td>b</td>
</tr>
<tr>
<td>Community Network for Manchester (CN4M)</td>
<td>Also provide access to training and funding to other social businesses and third sector</td>
<td>a</td>
</tr>
<tr>
<td>Cariocca Enterprises Manchester Ltd</td>
<td>Provide support, training and start-up support for SMEs from the Afro-Caribbean community</td>
<td>b</td>
</tr>
<tr>
<td>Council for Voluntary Service Rochdale (CVS)</td>
<td>An organisation that supports and trains the third sector in Rochdale</td>
<td>a</td>
</tr>
<tr>
<td>Kurdish Association Centre</td>
<td>An association which supports and provides advocacy for the Kurdish community of Greater</td>
<td>b</td>
</tr>
</tbody>
</table>
Organisations such as The Enterprise centre, Threshold, Street Theatre and others would be considered as ‘first tier’ organisations as they deal with beneficiaries or clients directly. Each of these organisations deal with specific groups: ‘hard to reach’ young people; women from relationships of domestic abuse or disenfranchised young people respectively.

**Case study 1: Manchester Refugee Support Network** aims to build strong and vibrant refugee organisations, provide advice and information services and other support functions for Manchester’s refugee community. They provide advice services, a volunteer advocacy service and training for refugees and will also support other organisations that work with refugees, and as such, has both a first and second tier function.

**Case study 2: Kashmir Youth Project (KYP)** is a community organisation, based in Rochdale, which offers ‘cradle to grave’ services to a diverse range of local people in some of the most deprived areas of Rochdale.

It runs a day nursery, a youth group, KYP training service and a business start-up support service. They also provide advice with form-filling for local people and will also signpost clients towards their goals and towards other agencies and organisations. It acts as both a first and second tier organisation as it deals directly with beneficiaries but also acts as a signposting and gateway organisation.

**Conclusion and Summary**
It is evident that voluntary organisations and the third sector fulfil an essential local service and there are many concerns regarding future sustainability of the sector faced with cuts in government spending. There are many key issues that the sector faces and these can be summarised as follows:

Securing funding and sources of income was the key challenge for most organisations;

Voluntary sector organisations are responding to increased need by using reserves to maintain service provision;

As government cuts in public spending continue, there is an increasing demand for the services of the voluntary sector and the sector is not only fearful of its own future but that of the clients whom it serves as they are impacted by the government’s programme of welfare reform.

The main kinds of problems experienced by third sector organisations and the voluntary sector can be described as follows (after TSRC, 2010);

Many organisations lack resources for service and organisational development and therefore often lack the capacity to respond to ever changing funding environment. This may be a result of a lack of business and strategic planning often by organisations with insufficient governance structures in place;

TSOs need to develop expertise to effectively tender and commission for funding. This includes business planning and financial management;

The sector needs to develop consortia as a potential solution to issues of scale and need to market more effectively;
What emerges from this review of key research undertaken to understand the voluntary and third sector is that there is are three key and re-occurring areas of further development required in order to ensure survival of the third sector in the current political reality. They are (1) support with Tendering and Commissioning in order to access funding; Management and Leadership including Management training. Quality Assurance, Financial Management and Social Impact assessment (evaluating and providing evidence of effectiveness within the community) and finally relationship marketing or developing networks and consortia to increase and build capacity within a community.

**Glossary**

AGMA: Association of Greater Manchester Authorities includes Cities of Manchester and Salford, Bury, Oldham, Rochdale and five more.

BTR (‘below the radar’): organisations or individuals that are small, local and not formally constituted. e.g. sole traders, individual entrepreneurs.
CIC: Community interest company
CLG: Company Limited by Guarantee (not shares)
FHE: Further and Higher Education Colleges
  FTE: Full Time Equivalents = 1 full time member of staff or 2, 0.5 part-time members of staff.
GMCVO: Greater Manchester Centre for Voluntary Organisation
  Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy. In national accounts, GVA is output minus intermediate consumption.
  GVA is linked as a measurement to gross domestic product (GDP), as both are measures of output. The relationship is defined as:
  GVA + taxes on products - subsidies on products = GDP
  GVA is the grand total of all revenues, from final sales and (net) subsidies, which are incomes into businesses. Those incomes are then used to cover expenses (wages & salaries, dividends), savings (profits, depreciation), and (indirect) taxes.
NAVCA: National Association for Voluntary and Community Action
NGO: Non-Government Organisation
NHS: National Health Service that includes regional PCTs (Primary Care Trusts)
PLC: Public Limited Company (by shares)
Third Sector: The sector that includes social enterprise in all its forms
TSO: Third Sector Organisation
VCFS: Voluntary Community or Faith Sector
  Voluntary sector: The sector that includes social enterprise and voluntary organisations such as charities and NGOs. In Greater Manchester it includes charities (48%), constituted groups (38%), CLGs (22%) and CICs (4%).
References.


Biography

Dr Allan Lawrence is a Director of The Enterprise Centre, a social enterprise and charity based in Greater Manchester. He is currently the director of two social enterprises and the Chair of the Trustees of two charities, one of which is based in Kampala, Uganda. He has been actively involved in the Third Sector for fifteen years.

Before that he worked in the Further and Higher Education sector where he developed and managed many transnational education projects and lectured at Salford University on both the BSc Environmental Resource Management and MA Creative Arts programmes.

During most of his career he has been involved in the development and management of a large number of international education projects within the European Union, Russia, South Africa, India and the Far East. He has also worked as a consultant for the European Union, assessing applications for funding on behalf of the EU’s Lifelong Learning Programme, now known as Erasmus Plus.

Currently, he is involved in the delivery of business support and training, on behalf of both the companies mentioned above. In recent months, he has delivered training in Project Management, Enterprise, Business Decision Making and Marketing in his new role of Associate Professor of the Organisational Learning Centre based in Manchester, Bolton and London. He has written academic papers recently in the fields of e-learning and business relations with China.
Introduction/ Scope

Social Entrepreneurship is a new phrase which began to emerge in our ever-changing world. It appears like a gleam of hope on the horizon in the complexity of today's society.
Social entrepreneurship aims to create social benefits and often not-for-profit activities of social entrepreneurs. Schools, foundations, associations, non-governmental organizations, voluntary platforms, cooperation and solidarities are examples of social entrepreneurship. Although social entrepreneurship seems like a new concept, it is known that the logic of its implementation is based on a logic underlying the application based on very old times. When considering the histories of societies, it may be seen that small or large-scale social entrepreneurial activities exist in almost every society. Globalization foresees motivation of individuals and their participation in new and different ideas. The coordination of these different ideas provides support to the development of human-centric world view.

Voluntary action is the basis of social entrepreneurship. Because of this feature, it includes non-governmental organizations as well as enterprises. The number of non-governmental organizations and enterprises which implement important projects in the field of social entrepreneurship is increasing rapidly in Turkey and in the world.

DEVELOPMENTS IN TURKEY

Social entrepreneur/entrepreneurship phrases are still very new in Turkish society. In the historical period, since 1990s, it began to termed ‘entrepreneurship / entrepreneurs’ for various socio-economic activities described by the word volunteering, and for the people who coordinates them. These concepts have been realized in social life, especially through projects which are carried out in the commercial area.

Developing examples of social entrepreneurship in the world like Muhammed Yunus, Grameen Bank and Mikro loan, also create reflections in Turkey. These positive reflections accelerated to place it in our language however social entrepreneurship activities have been adopted by non-governmental organizations more than public institutions.

When we talk about social entrepreneurship in Turkey, Foundations come to mind first. Foundations are associations which are founded to use donations of money or real estate without getting profit. Foundation is an Ottoman tradition and continuing
today. The General Directorate of Foundations has been established to combine all the foundations under a single ‘roof’. There are still nearly 47,000 foundations in Turkey. The provisions concerning the establishment and operation of the foundations are located in Turkish Civil law and Regulation of the Law on Foundations and Endowments.

With the exception of those, there is no legislation or policy document setting out the rights and working conditions of social entrepreneurs in Turkey. Although there are different initiatives under the Ministry, there is no responsible public institution, which follows the developments within social entrepreneurship in Turkey. At the institutional level, the closest is ”Turkish Entrepreneurship Strategy and Action Plan” which is prepared by the Ministry of Development.

This plan, which covers the years of 2015 and 2018, also includes social entrepreneurship when defining strategic objectives and actions of entrepreneurship. Within this action plan, there are some topics related to social entrepreneurship;

-There will be studies to determine the concepts and definitions of social entrepreneurship;

-Project competitions will be held in universities to develop the social entrepreneurship activities.

In addition, entrepreneurship education has become widespread in recent years, in Turkish National Education System. At the pre-school and primary level, students are informed about such transversal skills such as working together, developing personal competences , having self confidence, and to develop their entrepreneurial skills. The presence of social entrepreneurship has been established especially on the basis of non-governmental organisations, universities and private sector for 20 years.

Social Entrepreneurship in Turkey Project was conducted in cooperation with British Council and aimed to identify strengths and weaknesses of social enterprises in
Turkey, while raising awareness on this new model with high social and economic benefits. Over 200 stakeholders, including social entrepreneurs, private and public sector representatives and civil society organizations were consulted through a series of meetings, seminars and field visits. The project had two major outputs: the “Social Entrepreneurship in Turkey” report offers a detailed needs assessment and identifies future actions to strengthen social enterprises in Turkey, while the Social Enterprise Web Portal acts as a communication platform for all that want to learn, support or establish social enterprises.

Project outcomes show that social enterprise is a model with great promise and potential for Turkey. It gives civil society organizations and companies an opportunity to harmonize their social perspectives with commercial entrepreneurship and management principles. It is encouraging to see that there already are organizations that successfully operate along social entrepreneurship lines in Turkey.

SWOT ANALYSES OF SOCIAL ENTERPRISES IN TURKEY

Weaknesses and Threat
There is a conceptual confusion between the concepts of social entrepreneurship, social enterprise, commercial enterprise, non-profit organization and civil society organization. This conceptual confusion poses an obstacle to social enterprises in expressing themselves clearly and increasing their numbers. Hence, it is imperative that a common definition and understanding be formed among these entities that operate closely with the social enterprises.

Inadequacy of legal structures is another impediment to social entrepreneurship in Turkey. The lack of any regulation in the legislation corresponding to social enterprises causes the establishment of social enterprises as associations/foundations, cooperatives or companies, which leads to social enterprises operating in structures that do not fully suit their functions or methods. Current fiscal regulations also bring about unfavourable consequences in the operations of social enterprises. Non-profit economical entities that work for public benefit are treated the same as commercial ones by the tax regulations. As such,
new tax regulations that treat organizations in accordance to their aims and social contributions are needed.
Lack of an interlocutor in public institutions is a common concern of all organizations in the third sector. Social enterprises are finding it hard to make their needs and demands heard in an environment where there is no institutional correspondent in the government. Hence, problems are evaluated individually and through different institutions. Additionally, social enterprises complain about excessive bureaucratic procedures at various stages of their operations.

**Strengths and Opportunities**

Presence of support infrastructures and communication networks are significant opportunities for social enterprises. Social enterprises benefit from the knowledge sharing and supportive activities intended for civil society. Universities are also targeting them through awards, courses and studies. Introducing social entrepreneurship in universities and preuniversity education institutions will contribute to the internalization of the concept by the youth and children. On the other hand, individuals within the lower segments of society should also be targeted. Lastly, the capacity of support organizations targeting social enterprises should also be enhanced. Existence of good examples such as KAMER Foundation, Buğday Association for Supporting Ecological Living and Foundation for the Support of Women’s Work (KEDV) also open up opportunities; as these examples encourage potential enterprises and are viewed as a chance for conveying reform and incentive demands. With respect to potential technological, financial and human resources, social enterprises have some advantages. Enterprises state that there is a potential of financial and human resources available. Internet also has become a very important communication and cooperation tool in the field. Private sector appears to be a potential funding source and a project partner for social entrepreneurship. However, private sector has a short-term, material contribution and a sponsorship focus in its interactions with civil society. Also, most private sector support focuses on commercial enterprises. Current and future
support of private sector needs to be directed to social enterprises.

Finance
The social and green entrepreneurship survey revealed that impact entrepreneurs in Turkey consider lack of access to finance and cash flow their single major constraint for developing and piloting an idea and – to a slightly lesser extent – for growing the organization for early stage impact entrepreneurs.

Grant funding
According to survey results, on average, 18% of annual income of respondents is generated from grants (see Table 4). Impact entrepreneurs’ access to grant funding in Turkey depends on the legal set up of the organizations i.e. whether they are set up as a non-profit legal entity (associations or foundations) or as a corporation under the Turkish Commercial Code.

Internal financing sources of impact entrepreneurs in Turkey

<table>
<thead>
<tr>
<th>Q: What % of your annual income (2011/12) did you generate from the following:</th>
<th>Soc Ents</th>
<th>Green Ents</th>
<th>Social and Green Ents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from goods/services</td>
<td>39%</td>
<td>55%</td>
<td>43%</td>
</tr>
<tr>
<td>Grants from donors</td>
<td>20%</td>
<td>10%</td>
<td>18%</td>
</tr>
<tr>
<td>Donations</td>
<td>20%</td>
<td>13%</td>
<td>18%</td>
</tr>
<tr>
<td>Membership fees</td>
<td>8%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
<td>16%</td>
<td>14%</td>
</tr>
</tbody>
</table>
The most common source of funding for associations and foundations are international development organizations such as European Aid agencies, European bilateral donors as well as international NGOs from Sweden or the Netherlands. Only a very small number of associations or foundations currently receive resources from the Turkish government. Grants are reportedly provided by means of ad hoc project partnerships, rather than grant allocations or publicly tendered service contracts. Government grants provided to civil society organizations have been criticized that the process lacked formal provisions and transparency on selection criteria and selected organizations. Impact entrepreneurs with a corporate legal structure have access to the same kind of incentives and financial support more so than other start-ups and SMEs in Turkey provided by government agencies KOSGEB or TUBITAK. Furthermore, some programs are explicitly promoting green (technology) business initiatives or carbon trading.

**CASES**

The conceptual understanding of a social enterprise is still unclear to the Turkish society. There is lack of awareness by the public and lack of recognition by the government. The tax regulations are the same of social endeavors as they are for commercial enterprises. However, there are forces in favor of spreading social entrepreneurship. For instance, universities are supporting social enterprises through awards, courses, and studies. Technology, including the rise of internet access and popularity of social media, has made starting enterprises and reaching out to consumer markets much easier in Turkey. Some examples of socially-motivated institutions in Turkey include the following:

The KAMER Foundation, established in 2005, works with local communities to address the specific needs of women and families. The foundation provides counseling, daycare and various employment opportunities. The outcome of the foundation’s work is to help women gain financial independence and self-respect, as well as demonstrate that women are valuable contributors to society.
The Foundation for the Support of Women’s Work was established in 1986 with its mission to support women’s leadership through grassroots initiatives. The foundation offers childcare services, training programs, and microcredit.

Buğday Association for Supporting Ecological Living is a media network for ecological production and consumption in Turkey. They started their work in the early 1990’s in promoting wholesome and organic food consumption. Buğday publishes a magazine, runs a restaurant, a farm, health food stores, and organizes volunteer work on organic farms.

In 2013, World Economic Forum’s Schwab Foundation awarded Hülya Bedriya Social Entrepreneur of the Year for founding b-fit, an all-women fitness club franchise, back in 2006. The need for women’s gyms was high as 80% of Turkey's gyms and exercise clubs are exclusively for men. Furthermore, co-ed gyms, few as they are, are very expensive and Turkish culture finds it inappropriate for men and women to exercise together. Today, b-fit has over 160,000 gym members, 220 gym locations, and staffs over 500 female employees. Bedriya has also enabled hundreds of women to own b-fit franchises and thus become business owners themselves.

In 2000, an online food delivery platform called Yemek Sepeti was created in Turkey. Yemeksepeti.com provides customers with online access to around 5,000 restaurants across Turkey. In its first year, Yemek Sepeti was processing 150 orders per day; 12 years later the website processes 150,000 orders per day. Today the company employs 215 people and has expanded internationally to Russia.

Sidar Sahin and Hakan Bas founded Peak Games in late 2010.
This gaming company delivers culturally relevant games throughout Turkey, the Middle East, and North Africa. The company reached 10 million daily users only 270 days after its launch. By mid-2012, Peak Games had become the third largest gaming company in the world.

ORGANIZATIONS IN SUPPORT OF ENTREPRENEURSHIP

Third Sector Foundation of Turkey (TÜSEV)

Third Sector Foundation of Turkey was established in 1993 by Turkey’s leading Chief Security Officers. The foundation is a supporting network of over 100 associations and foundations that share a vision of strengthening the legal, fiscal and operational infrastructure of the non-profit sector in Turkey.

The Union of Chambers and Commodity Exchanges of Turkey (TOBB)

The Union consists of five councils representing chambers of commerce, industry, industrial commerce, maritime commerce, and commodity exchanges. As the solidarity between chambers and commodity exchanges, it develops professional conformance with general interest, preserves professional discipline and ethics, and promotes honesty and confidence in the relations of all members.

Global Entrepreneurship Program Turkey (GEP Turkey)

GEP Turkey functions under the US State Department to promote growth of entrepreneurship in Turkey. This is done by motivating and coordinating US Government, Turkish Government, and private sector programs to support entrepreneurship. GEP Turkey connects entrepreneurs with global networks and funding, offers training, and recognizes successful enterprises. On May 29, 2012, GEP Turkey launched Turkey’s Entrepreneurship Delegation (EDEL). The delegation was organized by the US State Department, the Union of Chambers and Commodity Exchanges of Turkey (TOBB), and the Economic Policy Research Foundation of Turkey (TEPAV). The delegation served to connect entrepreneurs with investors, mentors, and other aspiring business owners.
European Investment Bank (EIB)

At the end of 2012, the European Investment Bank entered in a EUR 100 million agreement with the ING Bank Turkey in favor of SMEs and mid-sized companies in Turkey. ING Bank CEO Pınar Abay said: “SMEs have a great contribution to the Turkish economy; they constitute 99% of total enterprises, 80% of employment, 57% of value added at factor cost and 45% of gross investments in tangible goods in our country. Banks in Turkey are in a key position to support the economic potential of this segment. As ING Bank, we have determined our main strategy as acting in parallel with the economic growth of Turkey. In this respect, one of our targets is to support SMEs contributing to the macroeconomic indicators in Turkey, as their long-term business partner. I believe that the loan facility granted by EIB to ING Bank in Turkey would support our SME and Commercial clientele with their investments, providing employment, improving entrepreneurship and advancing regional development, thereby contributing to Turkish economy.

British Council Turkey Social Entrepreneurship Project

The British Council is an international organization for building trust and understanding between people of different cultures through the exchange of knowledge and ideas. It has created partnerships with Third Sector Foundation of Turkey (TÜSEV), Kadir Has University, Youth Services Center (GSM) and Bolu Governorship. In 2012, the British Council, along with Technical Assistance for Civil Society Organizations (TACSO) and Third Sector Foundation of Turkey (TÜSEV), organized The International Social Entrepreneurship Conference. The conference brought together 143 social entrepreneurs from the Balkans, Turkey, Ukraine, Georgia, and the UK to create opportunities for the development of entrepreneurship in the region.

Endeavor Global

The mission of Endeavor Global is to catalyze long-term economic growth by selecting, mentoring, and accelerating the best high-impact entrepreneurs around the world. It helps high-impact entrepreneurs by maximizing potential, employment positions, and revenues. Endeavor Global also mitigates frequent barriers to entry.
such as lack of contacts and mentors, limited management expertise, and limited access to capital.

Schwab Foundation for Social Entrepreneurship
The Schwab Foundation has a mission to advance social entrepreneurship and to foster social entrepreneurs and promote entrepreneurial solutions and social commitment with a clear impact at the grassroots level. The awarded Social Entrepreneurs receive networking opportunities that result in increased visibility, credibility, access to finance, partnerships, policy changes, and media attention. In addition, the Foundation has offered more than 50 scholarships for executive education courses at leading universities and provides free consulting and legal support.

CONCLUSION AND RECOMMENDATIONS
Social entrepreneurship is clearly one of the brand new organizational forms of the 21st century and possibly affects the future of societies to achieve the principles of sustainable development. Since they are quite important to provide solutions for social and environmental problems with creating an economic and social value for the market, they need to be scrutinized to reveal how they succeed under the strong pressures of environmental challenges. This study tries to address this question in a developing country context and identify the nature of doing social business in Turkey despite the lack of any structural support. The result of study reveals that although the activities of these enterprises are innovative in Turkey, when considering the global marketplace, they are mostly following some good practices of world business. Therefore, the concept of innovation in here should be used cautiously, since they are innovative in Turkish context, but can be very common particularly in developed countries. It can be noticed that none of these enterprises explain their monetary transactions when involving in such activities. Since they had to cover their fixed and variables cost (such as employee salaries, rent, etc.), they surely need financial resources, however, except the last case [Çöp(m)adam], there is no available information how their business models create finance for their activities. This finding might not only related with their transparency on their activities, but might be linked with their working principles, which seems heavily on a voluntarily basis. However, since the financial sustainability of such
activities is critical for their survivability capabilities, they need to adopt a strategic management perspective to increase the effectiveness and efficiency of their business model. Considering the opportunities and drawbacks of executing such enterprises in Turkey, social entrepreneurs can adopt a social network perspective when starting their own business.

It shows that social enterprises are a new model with great potential for Turkey. Yet, the SWOT analysis also shows that these enterprises need more incentives and support. The below roadmap proposes comprehensive, practical and feasible to strengthen social enterprises in Turkey.

**Short-Term**

**Awareness raising activities on social enterprises are needed.** Many universities and institutions support social enterprises through trainings, awards and capacity enhancing activities, and they could easily add an awareness raising dimension to their endeavours.

**Programs that support commercial entrepreneurship should also include a social entrepreneurship dimension.** In recent years, commercial entrepreneurship has been supported by both the public and private sectors and universities in various ways. Adding social entrepreneurship to those special programs and tools would benefit the social enterprise sector greatly.

**Tax legislation should be reformed in order to encourage the financial sustainability of civil society organizations and social enterprises.** Currently financial enterprises of associations and foundations are taxed the same way for-profit companies are. Tax exemptions should be provided to the financial enterprises of associations and foundations. In addition, the public benefit status should be expanded both in terms of its scope and coverage.

**Commercial enterprises and private sector should assist social enterprises’ development through knowledge and experience sharing, financial support etc.** It is imperative that financial institutions and investors supply financial support and credit to social enterprises, and companies, in addition to financing, give assistance through knowledge and experience sharing. Moreover, online and face to
face communication needs to be enhanced through various programmes, platforms and means between private sector actors and social enterprises.

**Long-Term**

**Existing support infrastructures and communication networks need to be further strengthened.** These networks have functions that no social enterprise can achieve individually and will act as a multiplier effect by acting as a bridge that connects social enterprises with private and public sector, raising public awareness and creating models out of good examples.

“Public Benefit Company” or “Non-profit Company” should be recognized as separate legal entity. A new legal entity model that is consistent with the social enterprise structure should be recognized and established in the related legislation. Otherwise, social enterprises which operate as associations, foundations, cooperatives or companies will continue to encounter problems in implementation.

With regards to the lack of an interlocutor, a working group which will include all related stakeholders needs to be established. This entity should create an action plan and oversee its implementation. Apart from the above mentioned social enterprise networks, public bodies such as Ministry of Finance, State Planning Organization, Small and Medium Enterprises Development Organization, this working group should include civil society organizations like TUSEV, STGM, social enterprises, NGOs that work with enterprises and, labour and trade bodies.

**Private sector should develop more long-term programmes to support the development of social enterprises.** A code of conduct among NGOs, social enterprises and companies is needed, as well as efforts towards lifting infrastructural barriers that companies face while transferring wealth to social enterprises and NGOs.

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10. **Türker D, Özerim G, Yıldız A**, Yaşar University, Social Enterprises in a developing country context: analysis of social entrepreneurship models in Turkey

**Author’s biography**

Meliha Doğan is an English Teacher, EU Project expert, External evaluator in Turkish NA. She is currently a student in PHD Special student programme in Economy and Finance. She has long years experience in EU funding programmes, PCM methodology, EU Framework. Also implemented many Project under LLP and Erasmusplus+ Programme. She completed projects about Entrepreneurship, Social entrepreneurship and Entrepreneurship Education. She also worked as an expert in Erasmus for Young Entrepreneurs Programme.
## ANNEX I

### ANNEX I | List of Information Sources

#### Sources List of Interviews

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<td>Associazione ItaliaCamp</td>
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<td>Antonius Schroeder</td>
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<td>Associazione ItaliaCamp</td>
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ANNEX II | ES+ Initiatives Examples

As a consequence of the deep economic crisis, the challenges on the labour market are becoming stronger all around the world. Nevertheless, in the meantime Social Entrepreneurship and Social Business at the European and global scale are proving more reliable impact. These capabilities to grow are different from region to region, even in the same country. So it is crucial to measure and to identify models that can generate employment and resolve problems where usually markets and the state fail to provide suitable solutions.

From a potential sample of 150 ES+ initiatives, that will be certified during 2015 and 2016 in Portugal, we present the following as potential study cases for international replication.
Description

Pitch Bootcamp is a skills accelerator which approaches young people and companies, particularly university students and recent graduates. This two-day programme places some of the most competitive Portuguese companies in contact with dedicated and focused young talents to make future happen. In each edition, about 120 professionals share feedback with 140 students and recent graduates. The bootcampers feature a Pitch and the jury analyses, comments and suggests improvements! Usually, HP, Google, BMW, Siemens, Ericsson, Galp, Repsol, Microsoft, CGD, MEO, NOS, etc., are among the participants. The programme prepares young people for entry into the labour market and helps companies recruit qualified professionals.

Social Impact results

- 837 jobs created;
- 2,535 bootcampers (10% workers, 40% unemployed, 50% students, from several areas, average age: 24 years old);
- 1,395 professionals involved from 550 companies (10% Startups, 25% Large companies, 30% Medium companies, 35% Small companies);
- 50,700 training hours;
- 4,500 mentoring hours;
- 5,070 mentoring meetings;
- 91 institutional partners (30 universities);
- 29 editions, since 2012, 2 of them in Barcelona;
- 1,382,000 Facebook views

Description

The RUTIS, Senior Colleges Network Association, is a Public Utility Institution and the representative body of Portuguese Seniors Universities (UTIs). Education for seniors has a dual effect: 1. “sociotherapy”, encouraging social integration among the elderly and the community; 2. “mental gymnastics” that prevents the deterioration of cognitive capacities. UTIs are a “social response” which aims to create and regularly stimulate social, educational, cultural and recreational centres to be run by and for over 50s. The educational activities are carried out in non-formal system without certification and in the context of lifelong life. (RUTIS, 2012).

RUTIS is also the certifying entity of the ICU, through the Portuguese Institute of Industrial Property, and the national representative to the State. RUTIS is a member of the Economic and Social Council and UNESCO. RUTIS actions directly involve senior and ICU in joint activities, of which we highlight the Meetings of the General Council, the National Meetings of UTIs, the General Culture Contest and Music Festivals, Dance, Sports and Theatre Senior.

Social Impact results

- Since the beginning of RUTIS more than 298 UTIs were created, responsible for all the replicability, with explications in Ukraine and Russia;
- 40,000 volunteers nationally;
- Study results on the importance of UTIs in Quality of Life of seniors in Portugal.
Project: WOW – Word of Women
Social Entrepreneur: Marina Alves e Romano Fresco
Site: http://wordofwomen.com/
Video: Not available

Description
Network creation of entrepreneurial women with national and international expression, with a set of associated services, which aims to inspire and disseminate experiences, stories, values and women creations who are distinguished by creativity, innovation and entrepreneurship.
Women are characterized by strength and courage to do more and better, in a changing world. The activities disclose and try to inspire women to achieve their dreams.
Already released and helped to launch women mostly in Portugal, but also from other countries such as Australia, Brazil and Colombia.

Social Impact results
• 45 women-promoted projects
• 182 women in the network
• 54 women promoted
• Projects growing and higher financial returns for women
• Women’s meeting also promotes inclusion, sharing services between them
• With Word of Women society gains overview of entrepreneurial projects launched and managed by women who become models for other women and for the world at large. People who contact with the project recognize the value of human beings, are able to reinvent themselves, awaken new ideas, establish valuable links between them and inspire other women to believe in themselves, in their abilities and in what they can generate of positive in the ideas they develop.

Project: Pedagogic Village of Portela
Social Entrepreneur: Lulu Jacob
Site: https://aldeiapedagogica.net/
Video: http://aldeiapedagogica.net/post/5221630672/workshop-de-comptas-na-aldeia-os-mestres-fizeram

Description
This isolated village of 60 elders was transformed into pedagogic village, as a living museum to promote active and healthy aging through the promotion of elders knowledge, called masters who base a set of activities that attract visitors, generate social contact and some income to the village of Portela. The activities to boost are:
• Hort of the Masters (for the maintenance of green spaces in the village);
• Guido Village: units of this village related with original activities carried out by the masters;
• Promotion of a village grocery store, selling local made products by elders (and also online sales);
• “Moments of Affection”, when elders have support to establish contact by Skype with emigrant family;
• Communicating their activities through Facebook;
• “Corner of Arts and Knowledge” – activities in areas such as recycling or watching films with the masters, also open to others, each week;
• Development and participation in other cultural events of the community.

Social Impact results
• 8 elders trained as masters;
• 40 seniors involved in activities;
• 500 visitors/month (mainly children and seniors);
• 1550 annual visitors;
• 1 minute/resound in regional media; 6 min on TV;
• 2,400 followers on Facebook.
• Great satisfaction of the elders, because in the beginning they had feelings of worldlessness and depression, then they became aware of their ability. Now they have greater self-esteem and pride in the knowledge that transmits to others, particularly to the youngers.
Project: EMPRE
Social Entrepreneur: Eduardo Casar Costa
Site: http://www.tagusvalley.pt/empre.php
Video: Not available

Description
Tagusvalley is the entity for the promotion of entrepreneurship in education (in Abrantes). It has implemented EMPRE methodology – Entrepreneurs at School, based on the entrepreneurship education programme developed in Val del Nálon (Spain), considered a good European practice. This programme aims to promote entrepreneurial attitudes as a way to raise awareness among youngsters for the importance of ideas organization and project development in different areas - social, business or cultural, through the creation and management of an organization in the classroom. Students are faced with the need to take autonomous business decisions, although they are accompanied by teachers and technicians. The organization created in class follows all the steps that any company would follow (apart from its legal constitution).

Social Impact results
- 34 participant schools
- 2269 students involved
- 128 created projects
- 21 municipalities involved

Project: Village of St. Joseph of Alcâcar
Social Entrepreneur: Pte. Domingos Costa SJ
Video: https://www.youtube.com/watch?v=HO_fVzgIgIO

Description
The main goal of this project is to reduce the rate of suicide in elders and the senior isolation. In Aldete de S. José, the elderly are living in a community, like a “village-home” in Mexilhoeira Grande, Portimão. It’s a different model of the traditional nursing homes where elders live dependent on others. Instead of rooms, the village of St. Joseph of Alcâcar welcomes the elders in 52 houses surrounded by green spaces where they have more autonomy and privacy, especially couples. One of the advantages of this village is that elderly couples can continue to live together and with the privacy that is not possible in traditional homes. Another advantage is to maintain a greater connection with the family of origin, since there is no specific schedule for visits neither spaces, so the families is received in the intimacy of elders’ houses.

Social Impact results
- Rate of suicide of local elders is now zero. They had 2 suicides in 10 years, because the elders were from outside of the region and were forced by their families to stay in the village.
- 52 houses with more than 100 seniors;
- Increased levels of satisfaction in elders’ personal and social life;
- Maintenance and encouragement of autonomy of the elderly, more than 100 seniors integrated in a safe environment;
- Agapization of the elderly;
- Synergies for medical care and other social needs with improved and efficient methodologies.
**Project: Microninho Social Incubator**
**Social Entrepreneur: Liliana Simões**
**Site:** [www.microninho.org](http://www.microninho.org)
**Video:** [https://www.youtube.com/watch?v=O7TmdXtwQQ](https://www.youtube.com/watch?v=O7TmdXtwQQ)

**Description**
Social incubator that provides multidisciplinary services for the promotion of inclusive Microentrepreneurship: monitoring and mentoring; training; Information sessions; celebrations; family support during business development. Promotes a comprehensive and holistic incubation with the development of a psychosocial support programme to the beneficiary and his household over the company incubation development. People accompanied develop a life project with integration into the labour market being the household the analysis unit – provide family, psychological, financial and business support.

**Social Impact results**
- 30 households to monitor/year - 120 individuals
- 75% with microbusinesses created within the group
- 100% of households with life plan and new solutions
- Development of entrepreneurs’ skills – autonomous life projects
- Technicians begin to look for inclusive entrepreneurship as a good solution
- Formalized entrepreneurs: 2 formalized and 8 being tested
- 30 entrepreneurs, in 2014, in training (adjusted to their needs) (30 household entrepreneurs - importance of support and to involve the whole family)

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**Project: Querença**
**Social Entrepreneur: João Ministro**
**Video:** [https://vimeo.com/49888972](https://vimeo.com/49888972)

**Description**
The project was designed in 2010 with the aim of boosting the rural areas of Algarve, at the same time supporting the employability of young graduates, through the search for sustainable solutions to stimulate the endogenous resources and the creation of employment opportunities. In 2011, it was implemented, centered on 2 main promoters: Vegas Guerreiro Foundation, that constitutes a direct promoter of the project, and Algarve University. The Team Ministro, 9 young graduates of Algarve University, was formed in June and in September started their 9 months of experience in Querença parish, the village where they moved and established. This young team had the challenge of meeting local resources (natural, rural, cultural, social), study them, test them and work them in a perspective of valorization and sustainable profitability. Organic farming, ecotourism, sustainable gardening, use of new technologies, creativity are just some of the methodologies and techniques, they used to generate ideas that in the end result economically viable projects.

**Social Impact results**
- Started 2 companies in Querença (Company of sustainable gardening and LCPA Company)
- Boost the local economy: 29 editions of Querença Market ($41M) which are generated and injected directly into the local community.
- Establishment of a Soil Bank
- Media impact of very large of Querença which brought greater awareness and knowledge of itself at national and international levels.
**Project: Paladares Paroquiais (Parish Tastes)**
**Social Entrepreneur:** Joaquim Samuel Ribeiro Guedes
**Site:** http://www.paladaresparoquiais.net/index.php
**Video:** Not available

**Description**
Creating a traditional product company bringing together three private social solidarity institutions ruled by a single direction. The project consists of a small industrial unit of cow’s milk cheese production, production of traditional cookies, liqueurs, sweets and jams. Sell some innovative products like cheese with smoked salmon, cheese with ham, with oregano and garlic. Alongside this production, there is also a catering (food production). With the concern of expanding the economy of scale and recycling subproducts they have production of fruits and vegetables, pigs, cattle and rabbits, properly licensed. These products are used in the confection of catering meals.

**Social Impact results**
- 8 jobs created
- €120,000 taxation (in less than a year)
- 960 meals produced/day
- 12 companies are loyal customers
- Social centres, schools, companies and families suppliers
- Cheese export to Luxembourg (revival of a traditional product)
- Production with a social and environmental difference awareness

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**Project: Project TASA (TASA Project)**
**Social Entrepreneur:** João Ministro e Andreia Pintassilgo
**Site:** http://www.projectotasa.com/ | https://www.facebook.com/projectotasa

**Description**
The Project ‘Tecnicas Ancestrais, Solucoes Atuais’ (short “TASA”) focuses on strategic innovation of artisan products through design consultancy for craftsmanship and craft related initiatives, based in the Algarve. The aim is to re-introduce crafts to regional population and market by creating a new image and business perspectives. So the main goal is to affirm and promote crafts as a profession of the future.

The project has origins in the traditional culture of the region, focusing on materials, techniques, local knowledge and practices, and contemporary interpretations of the same - without prejudice to the integration of new technologies and attitudes.

Apart from a new line of products, several youth activities take place. With the aim to bring them closer to crafts. Through various publication channels, the project TASA promoted this blog to share the ongoing activities: a catalog with research, critical analysis on handicrafts, materials and a audiovisual documentary. Its specific objectives are: Encourage youth involvement in activities related to the craft; Develop an innovative product line; Support business initiatives in the craft sector through design consultancy; Launch commercially the results obtained by stimulating and promoting interest by regional artisan products; Promote the results national & internationally

**Social Impact results**
- 16 craftsmen + 40 unique products + 30 partner stores: About 100 customers with customized products in different countries
- 2-MBA Management Master’s Degree with the University of Algarve involved in awareness seminars for crafts + 4 young trainees in TASA
- Increased self-esteem, social stimulation of integrated artisans on the Network/Increase the network of partners, artisans and designers
- Product diversification, tourism experience and advice of TASA
- Proposal for franchising in Casino Martins
- Increased awareness of national and international crafts
- 2 awards of distinction in 2014
Description

Loja Eco values the production of local artisans through a marketing platform. The lack of trust and people’s initiative in local production led to the creation of this initiative. It was the creation of a store next to the Ecomuseum Barroso where small producers and local artisans can exhibit and sell their products. At the same time, this initiative enables producers at a management level in areas such as marketing and has created a network of partnerships with various types of organizations for the production sustainability of the products offered. Since handicraft is not the main artisans’ activity, the volume of business that they are having also justified the need to raise their awareness for the legalization of their business.

Social Impact results

- 35 artisans that are part of the project
- 22,569 Loja Eco visitors and clients in 2013
- There is an increasing number of artisans in the museum shop and within the region;
- The age group of artisans has also been undergoing significant changes, i.e. there are more young people learning the local traditions and focusing on marketing
- The artisans earn, with the sales in Eco-museum shop, a great financial supplement
- The municipality did not have an identified area where visitors could buy or just see the local products and currently has Loja Eco (…)
- 2 stores created, open and operating in the region

Description

The Ajudaris Stories is a book whose authors are children from private and public schools. In partnership with universities to promote reading, writing and promote social citizenship in children.

Beginns with a training in Creative Writing for teachers from different schools, guiding their classes so that together and in a participatory manner develop a story around a global theme each year. These tales from more than 40 schools are then edited by the partner Faculty of Arts University of Porto and illustrated by some of the best national illustrators. The book and its illustrations are then presented in a ceremony involving hundreds of people, including children, families and teachers and where children are recognized as authors, including signing autographs and where reading and writing is celebrated. The Ajudaris Stories is then sold in school communities, and the latest edition have been distributed to the Journal News. This project fosters proximity to the books by children, making the perpetrators, but also arousing their curiosity in reading the stories of his classmates colleagues.

Social Impact results

- 12,500 young students sensitized and 41 alerts schools for the social needs of social organizations and to raise funding support
- Trained teachers to stimulate the creation of tales
- Increased taste and motivation for reading and writing to students 12,500 students
- Supporting children, families and seniors in poverty that are identified and supported by teachers with financial, material and technical assistance covered by the proceeds from the sale of books

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**Project:** Novos Povoadores (New Settlers)
**Social Entrepreneur:** Frederico Lucas
**Site:** [http://www.novospovoadores.pt/](http://www.novospovoadores.pt/)
**Video:** Not available

**Description**
The Novos Povoadores project is a rural areas resettlement project for entrepreneurial families. It aims to facilitate the deployment or transfer of business projects for rural areas. The shift from a city life to a quieter daily life should be the subject of deep reflection and consideration. On this basis, the service is necessarily a phased process that aids in balancing the various factors to be taken into account and ultimately facilitate the adoption of a lifestyle which, being different, should, above all, be better.
In short, Novos Povoadores is awakening to a new way of seeing the Interior. Overcoming the stigma of interiority, leverage resources and provide conditions for greater competitiveness and creativity for companies.

**Social Impact results**
- 11,000 Facebook followers
- Pilot at Alfândega da Fé: a Portuguese village belonging to the district of Bragança, Northern Region and sub-region of Alto Trás-os-Montes
- In 2011, the first intervention prototype was developed
- 1,554 families enrolled in the programme
- 73 families transferred
- 63 companies established
- 79 jobs created by migrant entrepreneurs
- €5,406.00 is the unit cost for the creation of a new job (€54,407.00 is the unit cost of Leader Approach)

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**Project:** Entrepreneurs for Social Inclusion
**Social Entrepreneur:** Bravo Nícolas
**Site:** [http://www.epis.pt/homepage](http://www.epis.pt/homepage)
**Video:** [http://www.epis.pt/homepage](http://www.epis.pt/homepage)

**Description**
Since 2006, EPIS has been focusing on capacity building of youth in need to realize their potential throughout life, through Education, Training and Professional Incentives. EPIS aims to create impact in the country and in large scales, focusing its attention in:
1. Schools, through the Future Schools program, promoting innovative ways, sharing knowledge, experiences and good management practices in schools;
2. Students, through Mediators Program for school success, working non-cognitive skills;
3. Vocational EPIS Program, which is life project orientation and creating opportunities in integrated professional environment for these young people.

**Social Impact results**
- Since 2007, EPIS has already followed about 1,200 students with a team of 124 mediators in 112 schools and 24 municipalities.
- The approval rating of 1571 students accompanied by EPIS increased from 58.9% in 2013 to 72.1% in 2014.
- In 2014-2015, as a result of the partnership with the Ministry of Education and Science and the Regional Governments of the Azores and Madeira, EPIS will follow 7400 students in 183 schools spread over 29 municipalities and 5 islands, involving 167 mediators.
### Project: Beesweet
**Social Entrepreneur:** Ana Pais  
**Site:** http://www.beesweet.pt/  
**Video:** Not available

<table>
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<th>Description</th>
<th>Social Impact results</th>
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<tbody>
<tr>
<td>The passion for bees and honey and the creativity were the responsibility for the creation of a added-value brand - the Beesweet - created by members of the beekeepers’ third generation. The production method of honey is based on scientific research and development, in order to preserve the continuity of bees, in partnership with universities and research centres. Research is therefore in the development process of Beesweet, that, within five years, aims to address the aesthetic market. Print a new image and the desire to explore their full potential under a scientific basis. New flavoured-honey and with rare blooms products were released.</td>
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• 80% of producers of small fruits uses biological or organic medium controlled herbicides;  
• Protection of bees’ food: the fields are no longer loaded with pesticides and herbicides  
• Creating another flowering time for bees during the Summer  
• 30% increase in the production of small fruits  
• 3 small fruit producers involved  
• 3 partnerships established with farms and small fruit beekeepers  
• Greater bees’ attention and protection  
• High quality honey production, in an innovative packaging |

### Institution: ASCTE – Sociocultural and Terapeutic Association of Évora  
**Social Entrepreneur:** Joana Taveira  
**Site:** http://ascte.com/  
**Video:** https://www.youtube.com/watch?v=O7TmdXXtwQQ

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<tr>
<td>Solutions creation for labour market integration and business models for support the institution sustainability which allows it to increase the variety of activities and fulfil the educational role of ASCTE, as well as dignify the work done by its users: Laundry; Mô Shop and Dream Garden.</td>
<td></td>
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</tbody>
</table>
• 9 jobs created  
• Autonomy and increased responsibilities are the main values transmitted to individuals  
• 43 involved and with therapy and occupational component activities increased  
• Generating revenue for the institution |
Description

The space Mermaid Garden has been rehabilitated and converted into a tea house. Most of the waiters are people with mental disability belonging to APPACDM Coimbra. Tea House works also works as a training space, where the students acquire professional skills in context.

Social Impact results

- 11 disabled and dysfunctional individuals acquire training and will have competence and professional experience
- 3 youngsters placed in socially useful activities
- 8 young trainees accompanied by a trainer
- 2 employed
- Dignification of the person’s work with mental disabilities
- Disabled individuals’ inclusion, showing their good performance
- Highlight of their skills and expertise
- Positive comments and opinions received from Tea House’ clients
The End