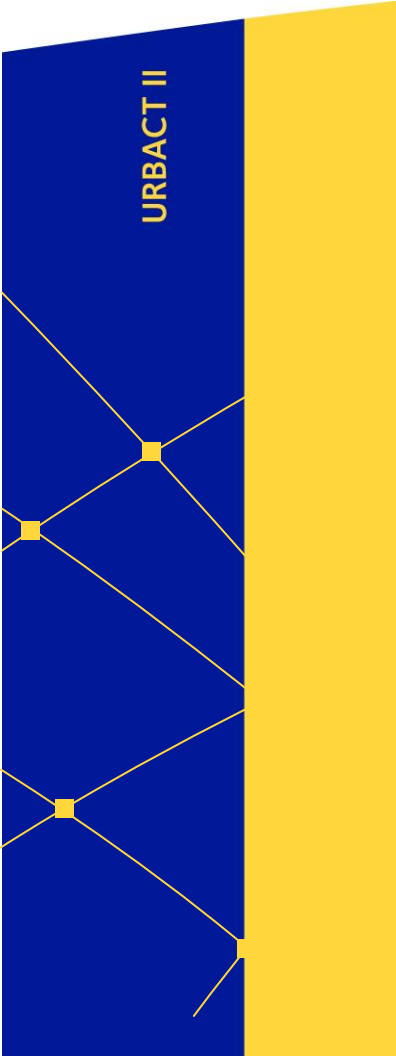


Social Enterprise Incubators helping EU cities to simultaneously achieve innovative jobs, social inclusion and green growth

Essential steps to be taken, along with barriers to be overcome, in order to reach ambitious but necessary goals able to combat poverty, protecting environment and favouring stronger inclusion in our cities

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Connecting cities
Building successes



In the framework of the EU URBACT Programme a

thematic network named '**Urban N.O.S.E.**', **Urban Network of Social Enterprises**, is running since two years in order to create an European network of social business incubators, specially conceived to give concrete responses to the multiple needs of our cities, all facing cyclic crises along with alarming phenomena of social marginalisation and exclusion. In this context, 9 cities from 8 countries (*Cyprus, Finland, France, Greece, Italy, Portugal, Spain and UK*) led by the Sicilian city of *Gela*, are



comparing,
analysing and
re-elaborating
best
experiences,
practices and

local policies, showing how 'Social Enterprise Incubators' can be combating against poverty, favouring social inclusion and ensuring the right balance with the local environment. All that showing up practical steps combining the social economy with the green, the creative and the knowledge economies.

BOX n° 1

PRACTICAL STEPS FOR SELECTING AND DEVELOPING GOVERNANCE GOALS FOR SOCIAL INCUBATORS

a1) Promote a permanent participatory process

a2) Favouring awareness and acquisition of new skills

a3) Testing new tools to help social businesses.

a4) To implement networks supporting social business and SME: as provided by the example of

Business Community Partnership (BCP, www.bhbcp.org.uk) in Brighton & Hove (UK), that has initiated the '**More than Profit**'

(MTP) Network. In the experience of Brighton & Hove, social enterprises contribute significantly to the city economy and local employment and citizens are aware that social enterprise aims to change society for the better, meet social needs, regenerate communities and minimise environmental impact, creating a positive legacy for future generations.

a5) Promote the value of micro-credit, with the creation of a virtuous circle based on the "granting of trust" by credit money, like the "de minimis" regulation

BOX '2'**PRACTICAL STEPS FOR APPLYING MANAGEMENT SYSTEMS TO SOCIAL INCUBATORS FOR SOCIAL ENTERPRISE CONTINUITY**

- b1) Choosing and implementing the most appropriate management systems for social incubators** their overall structure, planning activities, responsibilities, practices, processes and resources
- b2) Assuring business quality to Social Incubators** through independent assessment of corporate governance and sustainability made by financial institutions
- b3) Capitalising best practices for the management of social incubators** through their certification and continuous reporting
- b4) Considering competitive advantage as a 'full part' of the social incubator management system** implementing and achieving certification is a way for a company to benchmark itself against its peers
- b5) Achieving continuative 'case analysis' to updating your sustainability model**

A **first key question** emerged is about *capability of Social Incubators to build a governance system for Social Enterprises while favouring and reaching their own sustainability.*

The Urban N.O.S.E. network is deepening the most important aspects of a long-lasting development for social incubators: their 'governance goals' and their 'management systems' which are able to address possible models of their sustainability. Social Incubators and social SMEs structurally express a complex of social values (participation, strong links with the area, distribution of wealth), identified as intangible assets which often are not obvious and are not perceived as an added value, compared to the activity of a company. Finding ways for developing these assets which depend on economic and financial sustainability of social enterprises and SMEs is becoming an undeniable opportunity for growth and specialisation for cities and the banking system. In order to achieve these main aims, cities have to accomplish the practical steps shown in boxes '1' and '2' here above and on the side.

The **second key-question** raised by the Urban N.O.S.E. network deals with the *capability of Social Incubators to produce a system of tools and methods for the supply of smart services in urban contexts.* In Grenoble (FR), the municipality has

concretised the willingness of developing responsible economic activity and employment rate on its territory, while increasing diversity and prosperity of activities, of both old and new generation. The project '**La Pousada**' (www.lapousada.org), with the help of Grenoble's Local Authorities, has implemented a socially-oriented incubation project which creates and increases solidarity among businesses, allows



communication improvement towards entrepreneurs and network consolidation of social entrepreneurship at all stages of the process.

Drawing lessons from this and other partners' experiences, *the social incubator model proposed by the Urban N.O.S.E. network goes beyond the simply providing sheltered workspace*: it is conceived as an 'umbrella structure', fully capable to negotiate contracts with public bodies and private enterprises, interacting with public sphere to create specific public procurement schemes, facilitating the exchange of experience and learning among city policy makers, practitioners, local and regional authorities. Moreover, an European network of Social Incubators would constitute a real innovation, in terms of methodology and policy tools, as it could gather smart new jobs and businesses, by mixing fresher ideas which come from the social, the green, the creative and the knowledge economies. The main steps our networked cities are carrying out in this direction, concern selecting both centralised and diffused premises, preferably into disadvantaged neighbourhoods, providing *specific criteria for the social incubator's material running*, as shown in the box '3' here below.

Third, decisive key-question coming out from exchange is about the *necessity, for Social Incubators, to be animating and sensitising our cities about new smart opportunities offered by the urban social economy.* Here again examples coming from **'SE2 Partnership'** (www.se2partnership.co.uk) in Brighton & Hove (UK), or by the **'Alpesolidaires'** association (www.alpesolidaires.org) in Grenoble (FR); or **'TYKE Ltd.'** (www.tykeoy.fi), in Pori (FI); **'KriKoS'** (<http://www.equal-krikos.gr/>) in Heraklion (GR) or **'Barafunda'** (<http://barafunda.ccems.pt/>) in Alcobaça (PT), all show us how to offer range of services typical of social virtual and/or physical incubators, greatly contributing to the increasing of local awareness upon the social economy principles. All those examples make us aware about the typical *Barriers to growth* to be faced by the incubators (e.g.: *Access to funding, Range of activities offered by the organisation, Lack of specialist advice/support, suitable premises, training, management skills, Level of income, High expenditure costs, etc.*); but also *Types of support* the incubator would be able to supply (e.g.: *Funding advice, Property, Training, Marketing / Publicity, General Business and Legal Advice, Employees Policies, Business Planning, etc.*). Fundamental steps suggested by the Urban N.O.S.E. network regarding this key-question are shown in boxes '4' and '5' here below.

BOX '3'

SOCIAL INCUBATOR'S RUNNING CRITERIA

Efficiency relationship between financial inputs and outcomes)

Effectiveness extent to which the outcomes demonstrate that the incubator's specific objectives are being achieved, and incubator reaches key operational targets set out in business plan

Relevance extent to which the incubator objectives/outcomes promote broader policy strategies and their relevance to enterprise and regional development priorities

Utility extent to which services provided to client companies meets their needs: occupancy rates and taking up of incubator support services

Sustainability financial sustainability of the incubator, e.g. the extent to which operational costs are covered by income, level of demand for incubator space and services, incubator charges compared with market rates

Bearing in mind the process shown here above, the Urban N.O.S.E. partnership positively shows how the social, the green, the knowledge and the creative economies have to be conceived in an integrated approach, so ensuring alternative models to a deeper, more inclusive and sustainable development of our cities. Among the many examples of smart and innovative businesses and jobs created following this vision, here it can be useful to mention some of them defining future trends of urban economy. Recently celebrating its 12th anniversary, the **'Wood Recycling Project' (NCWRP)** diverts wood from landfill by collecting wood waste from building projects, sorting and selling it at the Wood Store. The company is fully self-financing and all profits are re-invested to meet their objectives of saving resources whilst creating jobs, training and volunteering opportunities for marginalised people (<http://www.woodrecycling.org.uk/>). This is a very successful case showing how the 'green' and the 'social' economies have to be dealt with an integrated approach: *the Royal Bank of Scotland, indeed, has listed NCWRP among the first 100 social enterprises at the top of the national economic development in the UK and it is especially first upon 110 for economic growth.* While in Gela (IT) many ancient farms confiscated to local Mafia have been transformed in **Agri-Tourism Inns** employing disadvantaged categories and offering tourists a wide range of farming and breeding activities, while equipped with vocational schools of catering for locally disadvantaged categories; in

BOX '4'

PRACTICAL STEPS FOR ANIMATING AND SENSITISING OUR CITIES ABOUT NEW SMART OPPORTUNITIES OFFERED BY THE URBAN SOCIAL ECONOMY

- c1) Favouring general recognition of the added value of incubating social enterprises*
- c2) Planning adaptation of the legislative framework*
- c3) Promoting new forms of cooperation and mutualisation of resources*
- c3) Integration of clustering initiatives in local policies and programmes*
- c4) Promotion of a new culture of cooperation and governance*
- c5) Technical training of local authorities, entrepreneurs and other local actors*
- c6) Allying universities and research centres while changing patterns of thinking in economy and society*

Brighton (UK), the '**Big Lemon**' community interest company offers fast, cheap, friendly bus services where they are needed by the community. The buses are run on 100% locally-sourced used cooking oil in order to minimise their impact on the environment.

Thus, we can assume that a new urban model for encouraging healthy enterprise and 'transparent and durable' jobs can be spread in our cities. To reach this, *decision-makers must make a quantum leap, changing their attitudes and ways of conceiving and tackling the local economy, by encouraging a really integrated approach to problems to be addressed and solved.* Briefly, the nine European partner

cities converge all on the strong need to improve the vision of sustainable development by ***valorising and enhancing the role of the factor 'human capital' and promoting virtuous intertwining of knowledge, participation, creativity, environmental and social issues, well before than purely financial rules and exigencies.*** As all the case studies and best practices collected by the thematic network have undisputedly shown, the virtuous combination between the components listed above seems to be able to generate greater economies and multiple results, also engendered by a greater awareness of the role of social economy as a primary tool to fight

against Poverty and Social Exclusion. If we take, for example, into consideration the mission of an applied research project, the **ATTREG project (The ATtractiveness**

BOX '5'

PRACTICAL STEPS FOR DEFINING CLEAR COMMUNICATION STRATEGIES FOR SOCIAL INCUBATORS

- d.1) *Improving quality of basic education on the social economy*
- d.2) *Promoting social economy awards and quality marks*
- d.3) *Mobilising communities*
- d.4) *Advocating for improved social services*
- d.5) *Building the capacity of non-governmental organisations (NGOs) dealing with the social economy*
- d.6) *Forging alliances between the public and private sectors*

of European REGions and cities for residents and visitors)¹, running in the framework of the ESPON (*European Spatial Planning Observation Network*) Programme, we can find important implications for inclusive and sustainable development arising from an applied research that aims to investigate territorial attractiveness and its spatial dynamics. In such a research, 'territorial attractiveness' is conceptualised as a quality of regions and cities, that in many ways is a precondition for sustainable local development. It is defined, and to some extent measured, as the capacity to attract and retain new residents (or migrants), visitors, footloose entrepreneurial activity and investment. One of the most important assumptions coming from this research is that 'attractiveness' is a dynamic concept, that can change as a result of policy choices taken either within the territory or at a wider spatial scale. ***It would be interesting to measure and verify changes in the level of attractiveness of a given urban area before and after the creation of social incubators. As well as effects of start-up on the local market of a series of social, green, creative micro-enterprises, networked both between them at local level, and at European networking level.***



In conclusion, the 'Urban N.O.S.E.' thematic network is focussing on *Social Incubators and their networking: through their implementation, it would be possible transforming our cities in urban poles of sustainable and inclusive growth, while making of them reference centres for concretely combating Poverty and Social Exclusion*. And it is primarily up to politicians and decision-makers of all levels fully grasping the many recommendations and opportunities offered to them by the results of this thematic network, without further delays to pass from words to deeds in trying to improve the patterns of fair growth and sustainable development in our neighbourhoods.

¹ The ATTREG project is led by a Spanish university, in partnership with other universities and research centres of Italy, Netherlands, Belgium, Portugal, Denmark, Poland, Slovenia and United Kingdom. Please, see <http://www.espon.eu/main/Menu/Projects/>

URBACT II

URBACT is a European exchange and learning programme promoting sustainable urban development.

It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal challenges. It helps them to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT is 181 cities, 29 countries, and 5,000 active participants

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