

URBACT II – Thematic Network BASELINE STUDY

October 2008



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State of the art

1 Introduction

1.1 Aims, objectives and the expected results

The main objective of the project is the creation of a network of social enterprise incubators that:

- 1) supports the creation of new Social Enterprises and the development of existing ones;
- 2) promotes the consolidation of towns' social economy, by connecting the initiatives of social entrepreneurship with local development;
- 3) contributes to local development by supporting social integration;
- 4) increases the specific competences of social economy operators as concerns the creation, management, and innovation of social enterprises;
- 5) promotes, among social enterprises, the development of a “community of practices” for transfer of know-how.

The main problem tackled in the project is the “*Development of clusters of economic activity around new urban opportunities such as culture, care, and environment*”, in relation obviously to the cluster of social enterprises, seen like parties that are in a position to meet the need for social services within a town area.

Some fundamental keywords that will be faced and developed by Urban N.O.S.E.:

- 1) Creating new jobs in “non-traditional economy”;
- 2) Supporting the integration processes between planned social initiatives by city government agencies and activities carried out by social enterprises;
- 3) Developing sustainable economic activities;
- 4) Increasing the participation of all actors involved in city economic development.

The main project outputs will be:

- 1) Creation of **City Social Plans**, which will be the Local Action Plans, seen as city social planning tools.
- 2) Creation of **Social Enterprise Incubators**, each with specific competences in relation to an economic field (environmental services, health services, sustainable tourism, protection of cultural heritage, social inclusion/cultural mediation).
- 3) **Activation of a transnational network** of existing incubators for the formulation and transfer of city best practices.
- 4) **Construction of European guidelines** defining a city standard of “social value”, to be applied to the activities of social enterprises being part of incubators.
- 5) **Development of a web platform** for creation of a specialist business plan for social entrepreneurship.

The vision of Urban NOSE is to specialize urban areas in social economy.

Just as there are industrial districts, our vision is to create “social districts”, i.e. specialized areas where companies, operators, institutions working in a context of market economy “along” a “Local Social Chain” are aggregated.

The basic idea of the project is that social enterprises can be the engine of sustainable development of an urban area, according to Lisbon and Gothenburg agendas and their increase and development support social cohesion and improvement of urban economy.

1.2 The Partnership

The project partnership is formed as follow:

Partner	Acronyme	State
Municipality of Gela	Gela	Italy
Municipality of Agrinion	Agrinion	Greece
Municipality of Atheniou	Atheniou	Cyprus
Municipality of Koropi	Koropi	Greece

Municipality of Xativa	Xativa	Spain
Municipality of Grenoble	Grenoble	France
Municipality of Herrljunga	Herrljunga	Sweden
Municipality of Alcobaça	Alcobaça	Portugal
Municipality of Brighton & Hove	Brighton	United Kingdom
Consortium Area of Industrial Development - Gela	ASI	Italy

2 European Overview

2.1 Policy context

The origins of business incubators can be traced back in the late 1970s and early 1980s when instruments were first used to support innovation and technology transfer, which should guarantee start-ups, growth and survival of small firms in Western industrialised countries. Lalkaka¹ sums up the evolution of the incubator concept as follows:

The 'first generation' incubators in the 1980s were essentially offering affordable space and shared facilities to carefully selected entrepreneurial groups. In the 1990s the need was recognized for supplementing the work space with counselling, skills enhancement and networking services to access professional support and seed capital, for tenants within the facility and affiliates outside. This has led to the 'second generation' incubator, although many in the developing countries are still stuck in the original mode. Starting in 1998, a new incubation model emerged in parallel. This is intended to mobilize ICT and provide a convergence of support, towards creating growth-potential, tech-based ventures.

For the purpose of integrally regulating this matter, it was attempted to best define business incubators through the years; a first definition was given during the workshop in Helsinki in 1998², which defined a business incubator as:

'A place where newly created firms are concentrated in a limited space. Its aim is to improve the chance of growth and rate of survival of these firms by providing them with a modular building with common facilities (telefax, computing facilities, etc.) as well as with managerial support and back-up services. The main emphasis is on local development and job creation.'

Since then, various and different definitions of business incubator have been given, probably because of overlapping of the concepts of SME promotion, support, and incubation.

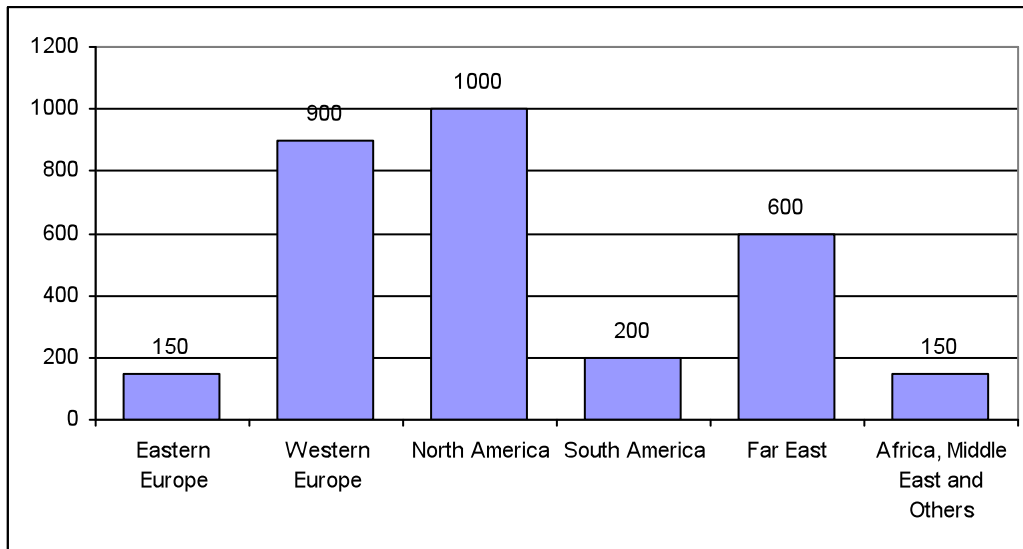
Lalkaka's model has not developed as it was hoped, although there are probably around 3,000 business incubators worldwide.

Business Incubators World Wide³

¹ Rustam Lalkaka 'Best Practices in Business Incubation: Lessons (yet to be) Learnt', Paper presented to Belgian Presidency's international conference on business centers, Brussels, November 2001.

² European Commission OJ C186 – 51/52 dd. 27, July 1990

³ Source: Rustam Lalkaka 'Best Practices in Business Incubation: Lessons (yet to be) Learnt', Paper presented to Belgian Presidency's international conference on business centres, Brussels, November 2001. European Commission, Enterprise DG (data on Western Europe).



Ratio of Business Incubators to SMEs in EU Member States⁴

Country	No. Incubators	No. SMEs ('000s)	Ratio
Austria	63	237	1:3
Belgium	13	594	1:45
Denmark	7	235	1:33
France	192	2.116	1:11
Finland	26	180	1:7
Germany	300	3.334	1:11
Greece	7	747	1:106
Ireland	6	160	1:26
Italy	45	3.251	1:72
Luxembourg	2	18	1:9
Netherlands	6	550	1:91
Portugal	23	656	1:28
Sweden	39	243	1:6
Spain	38	2.349	1:61
United Kingdom	144	3.355	1:23
TOTAL	911	18.025	1:19

The current version of the Integrated Programme for SMEs proposes focused action on business services. Its recommendations include the promotion of lifelong assistance to SMEs by developing and/or improving business services and simplifying access to them. The BEST Action Plan on 'Promoting Entrepreneurship and Competitiveness' set up by the Commission foresees improving the quality of information and advice services among the actions to be undertaken at both European and Member States level. Business support services also constitute one of the main themes of 'Concerted Actions', in which the Commission assists Member States in identifying and exchanging best practices.

For more than twenty years, the European Union has identified Social Enterprises as instruments that are able to balance social and economic unbalances and meet social needs, so much that SEs are now identified as a "*cornerstone of the European social model, as well as to introduce a statute for a European mutual society and a European association*"⁵. Member States and the European Commission have taken real commitments to face the challenge of creating and consolidating a society developed according to the values connected with the European social model. In this challenge, considerable importance is given to SE support instruments and organizations representing them, as promoters of initiatives and proposals for EU institutions, political parties, and all other organizations representing the civil society.

⁴ Source: Enterprise DG (2001) and CSES research
Ernst & Young 'Evaluation of Impact of Structural Funds on SMEs' (1999)

⁵ European Parliament - "A European social model for the future" (06/09/2006) non-legislative resolution - Reference: INI/2005/2248 - Legal Basis: REG 045

However, it is now hard to transfer the incubation experience acquired in the field of social entrepreneurship during the last thirty years, because the number of local initiatives aimed at creating the so-called "environment" facilities – i.e. appropriate for helping the creation and growth of social service enterprises – is very limited, or even totally lacking in some cases.

The reasons of poor dissemination of enterprise incubation instruments in the sector of social economy may be found in legislative gaps referred to legal identification and different organization and management characteristics of social enterprises.

2.2 Legal identification of Social Enterprises

If the activities, objectives, and basic motivations of social enterprises are taken into consideration, it is possible to identify some common features. However, from the legal-institutional viewpoint, the definitions provided by the various legislations are rare and often incomplete. One of the most widely accepted definitions is probably that provided by the EMES (European Research Network) – taken by several legislation as reference – that defines "Social enterprises" as:⁶

"organisations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. They place a high value on their independence and on economic risk-taking related to ongoing socio-economic activity."

Although EU Member Countries have tried to fill their legal gaps and harmonize their legislations during the last decades, there is a basic diversity in the various legislations as concerns the legal status adopted by SEs in Europe.

It is possible to identify three groups of countries: the first has specific legislation for SEs; the second just includes some provisions regarding SE organizations in its legislation; and the third group has no legislation regulating this matter. The following table shows the legal and specific forms of EU countries:

*Recognition of legal and specific forms of Social Economy organization in Europe*⁷

Country	Legal forms	Specific forms
Belgium	CO - MS - A - F	- Act on "Sociétés à finalité sociale" (Social-purpose enterprises), 13.04.1995.
France	CO - MS - A - F	---
Ireland	CO(R) - MS	- Credit Union Act, 1997.
Italy	CO - MS - A - F	- D.Legs. 155/2006 "Disciplina dell'impresa sociale" (Social Enterprise regulations), - Onlus (Non-Profit Organization of Social Utility), D. Lgs. n.460/1997 - Development NGO Act 49/1987 - Act 266/1991 "Legge Quadro sul volontariato" (Framework Law of Voluntary Work)
Portugal	CO - MS - A - F	- Misericordias DL 119/83, 25.02.83
Spain	CO - MS - A - F	- Sociedades laborales (Labour companies) Act 1997, - Centros Especiales de Empleo para minusválidos (special employment centre for handicapped people), RD 2273/1985), - Empresas de Inserción (Integration Enterprises): Act 12/2001 additional provision nine, regional laws.
Sweden	CO - MS - F	- Housing associations (economic associations), 30/05/1991
Austria	CO - A - F	---
Denmark	MS - A - F	- Act on Housing Cooperatives and other Collective Housing Societies, updated in 2006.
Finland	CO - MS - A - F	- Social Enterprises, 30.12.2003 - Osuuskuntalaki (Co-operative Societies Act), 28.12.2001/1488
Germany	CO - MS - A - F	---
Greece	CO - A - F	- Act 2190/1920 applies to "Popular companies"

⁶ Source: EMES (European Research Network) - <http://www.emes.net/index.php?id=203>

⁷ Source: THE SOCIAL ECONOMY IN THE EUROPEAN UNION
N°. CESE/COMM/05/2005 - The European Economic and Social Committee (EESC)
Centre international de recherches et d'information sur l'économie publique, sociale et coopérative – CIRIEC
Table 7.1 - 7.2.

		- Acts 2810/2000 and 410/1995 for “Development Agencies”
Luxembourg	CO - MS - A - F	---
Netherlands	CO - MS - A - F	- Civil Law book 2 (legal persons) dates from 1850; updated in 1992
United Kingdom	CO(R) - MS(R) - A - F	- Community interest company (CIC)
Cyprus	CO	---
Czech Republic	CO(R) - A - F	- Association of Common Benefits (NNO), 1995 - Association of flat owners, 2000
Estonia	---	---
Hungary	CO - A - F	- Non profit companies
Latvia	CO - A - F	- Credit Cooperative, 15.07.1993
Lithuania	CO - A - F	- Credit Unions, 1995 - Social Enterprises, 2004
Malta	---	---
Poland	CO - MS - A - F	- Social cooperatives, 2006 - Act on Social employment for Centres for social integration, 13.06.2003 - Act on Public benefit activity and volunteerism for public benefit organisations, 24.04.2004
Slovenia	CO - A - F	---

Notes:

Different institutional forms of the Social Economy:

CO = Co-operatives

MS = Mutual societies

A = Associations

F = Foundations

Questionnaire question: Do the different institutional forms of the Social Economy have a clearly differentiated legal status; for example, a specific Law?

Yes: indicates that the country has general or comprehensive legislation for the legal form in question.

(R): indicates that this country has some statutory provisions regulating these forms of SE, although dispersed among various laws.

As concerns the legislative framework of partner countries, please see the sections regarding the local overviews.

Recently, the "European Commission's Manual for drawing up the Satellite Accounts of Companies in the Social Economy" has taken an important step towards institutional recognition of one part of the SE in the national accounts systems that aims at drawing up a Statistical Register of Companies in Social Economy.

The presence of a single register could be an important step forward to a univocal and integral regulation of every support system to social entrepreneurship, such as incubators.

Unfortunately, just a few countries (e.g., United Kingdom, Lithuania, and Finland) have already implemented a kind of register of social enterprises able to provide more complete and reliable data.

The following examples describe the difficulties found, when statistical data are needed on social enterprises.

- *In Belgium, regions are responsible for social economy; each of them gives a different definition of social economy. Since social enterprises may have different legal forms, they are not registered as such.*
- *In Bulgaria, there is a register of social service suppliers (at the social assistance organisation), which may be an initial statistical reference; however, less than 10% of registered enterprises are commercial businesses.*
- *To calculate the number of social enterprises existing in France, the data available in relation to the possible form of these enterprises (i.e. cooperatives, mutual assistance societies, associations, and foundations) are usually considered. This procedure is also followed in many other countries like Germany, Greece, Slovakia, or Sweden.*
- *The estimations regarding the size of this sector in Hungary and Italy come from various sources, and the database on non-profit organizations and national institute of statistics is used as the starting point.*
- *Since in Ireland the national authority for employment and education (FÁS) has managed a programme for social economy, the estimations regarding this sector substantially rely on the data collected by the FÁS.*
- *The Maltese national institute of statistics has data on the so-called "Social Welfare Oriented NGOs – SWNGO".*
- *In Poland, a register of social cooperatives was created in 2006, which may also be useful for statistical purposes.*

2.3 Organisation and Management Characteristics of Social Enterprises

Social enterprises are extremely heterogeneous, also as concerns the organization and management. Like all businesses, social enterprises must also use normal management and supervision methods of their activities. However, their strategic purposes are different, as compared with profit-oriented businesses. Independently from their legal form, social enterprises mostly share a participatory approach and limited profit distribution (which are preferably reinvested). They focus on the objective of achieving social goals, not profit maximization. Therefore, their relationships with clients, the local Community, public authorities, and other social enterprises are mostly based on association principles than on

market principles. It is not unusual that these social enterprises are established by people who are in disadvantaged conditions or whose relatives are in a similar situation. The organization of social enterprises is based on profit-sharing. To achieve their objectives, they hire regular employees as well as volunteers, in addition to their activities in cooperation with customers.⁸

In Germany, some specific characteristics of social enterprises include a high rate of part-time jobs and hierarchical and State-oriented management, which is often in conflict with management effectiveness criteria, but also with the notion of participation and idealistic spirit. In Finland, there are two organization models for social enterprises, dealing with job inclusion: the job centre model and the business model. In the job centre model, "regular" employees guide and train disabled and long-term unemployed people, whereas in the business model, functions are more diversified and officially recognized. The prevailing trend is in favour of the business model. In Hungary, the majority of small organizations working in the sector of social enterprises have a very horizontal organization and management structure.

Social enterprises usually try to limit the number of employees, because of the financial constraints of this kind of staff, and rely on volunteer work. In most countries, social enterprises, particularly those providing goods and services to disadvantaged population, could not operate without the activities performed by volunteers or employees of public authorities. The countries where social enterprises considerably rely on volunteer contributions are, for example: Belgium, Bulgaria, Denmark, Estonia, and Malta, but also United Kingdom. In Denmark, most of the organizations dealing with ill or disabled people or drug addicts are entirely managed by volunteers. Volunteers are equally important for Italian social enterprises, but their number is limited by law to 50% of workers. In Finland and Sweden, on the contrary, apparently just wage-earning employees work in social enterprises.

In Spain, a significant number of enterprises operating in the so-called "non-profit sector" are managed on a non-professional base (in most cases, people managing the enterprise have poor managerial capabilities). Also in Hungary, there is a lack of professional managers, due to poor salary competitiveness in the non-profit sector. It is difficult for Latvian NGOs, for example, to attract motivated workers, because of the salary process, which is sometimes problematic, and the fact that a job for an NGO is usually considered as an unstable job (young professionals use NGOs as their first job to obtain their first work experience, and then they change to new jobs with better salaries).

Generally speaking, jobs offered in social enterprises depend on personal and professional capabilities of people. Whereas managers usually receive a salary, other workers are often volunteers. Some work activities, such as those of social enterprises operating in job inclusion, would be commercially impossible without a financial support to pay salaries.

In the balance of many social enterprises from various countries, public funding (which are often subsidies to payment of salaries) still plays a crucial role. Although the funds provided by local authorities and the EU provide most of funding, profits obtained through the sale of products and services are becoming increasingly important. At present, in Austria, social enterprises obtain between 25% and 40% (based on the kind of enterprise) of their resources from market activities. In Ireland, on the contrary, Government support to social enterprises has mainly focused on service provision to local communities, although the issues related to long-term unemployment and exclusion from the labour market are not neglected. In practice, the consequence of these policies is that Irish social enterprises largely depend on vigorous programmes in favour of the labour market to keep surviving.

In fact, based on admission criteria to take advantage of these programmes regarding the labour market, social enterprises must hire staff from specific groups, such as long-term unemployed, single-parent families, etc. In the United Kingdom, independently from business size, social enterprises generate between 80% and 86% of their turnover from their incomes; financial support and other sources complete the final balance.

2.4 Key drivers and trends - current situation and future perspectives

From the standpoint of macro-economy, social economy in Europe has a significant impact on both employment and economy in general. It is estimated that more than 11 million people are employed in the sector of social economy, i.e. 6.7% of EU employees. These figures are significantly higher in the 15 "old" member States, where approximately 7% of employees work in the sector of social economy, whereas this rate is significantly lower (i.e. 4.2%) in the 10 new member States.

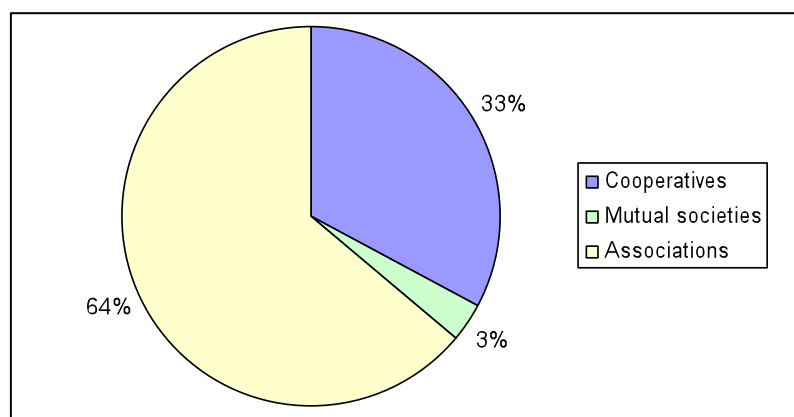
The following tables show some significant data published by The European Economic and Social Committee (EESC)⁹

<i>Paid employment in cooperatives, mutual societies and associations. EU (2002-2003)</i>			
<i>Cooperatives</i>	<i>Mutual societies</i>	<i>Associations</i>	<i>TOTAL</i>

⁸ Source: Study on Practices and Policies in the Social Enterprise Sector in Europe - Final Report
Submitted by: Austrian Institute for SME Research and TSE Entre, Turku School of Economics, Finland
Vienna, June 2007

⁹ Source: THE SOCIAL ECONOMY IN THE EUROPEAN UNION
N°. CESE/COMM/05/2005 - The European Economic and Social Committee (EESC)
Centre international de recherches et d'information sur l'économie publique, sociale et coopérative – CIRIEC
Table 6.1 - 6.2.

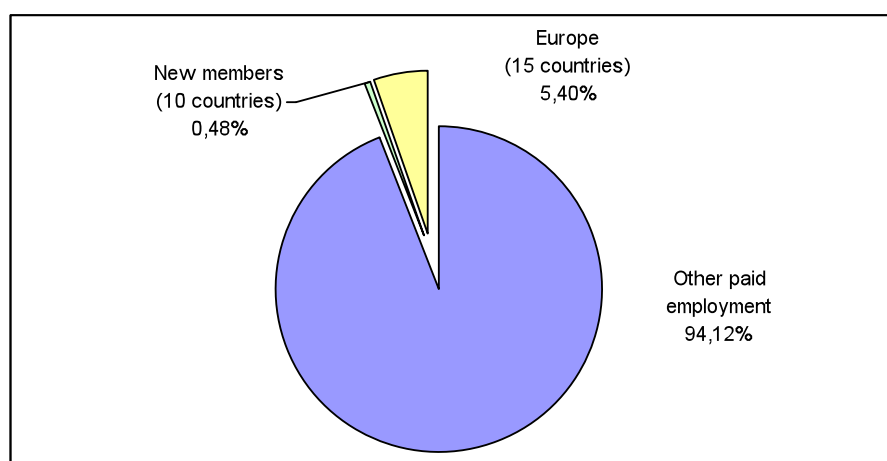
3.663.534	351.291	7.128.058	11.142.883
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Paid employment in Social Economy compared to total Paid employment. EU (2002-2003)

Country	Employment in Social Economy	Total Employment*	%
<i>Europe (15 countries)</i>	10.233.952	161.054.638	6,4%
<i>New members (10 countries)</i>	908.931	28.374.797	3,2%

* Working population aged between 16 and 65 years, Eurostat, 2002.



Apart from quantitative estimations, the main and most important trend in the evolution of social economy is its role as "pole of social utility" considered as a social safety valve between enterprise sector and Public Administration.

However, the development of social enterprises and similar organizations is conditioned by various obstacles and forces. A crucial aspect of this matter is the position taken by the public sector or the political world towards social enterprises in the various countries. A stable and well structured environment also taking into account the specific features of social enterprises seems the most qualified context to promote their development.

In analysing the constraints that currently hinder the development of social enterprises – both external (i.e. originating from global conditions) and internal (i.e. connected with internal factors of a specific social enterprise) factors – various obstacles may be identified.

2.4.1 Obstacles

External Obstacles

An example of external obstacles is provided by the juridical and fiscal organization of the country involved. A few examples are indicated as a summary:

- SEs are often affected by the consequences of an intense legislation (in eastern European countries, Greece, and The Netherlands), which does not take specific SE characteristics into account;
- In some cases (Malta), the juridical recognition of SEs is not sufficient to obtain easier access to normal funding sources, such as bank mortgages, because banks do not provide any guarantees to NGOs oriented to social wellbeing and, therefore, they have no access to EU funding;
- in various countries, SEs pay full VAT rate with no facilitations;
- since in many cases contracts of social enterprises are signed with public authorities, these enterprises are in competition for one important client, which limits their contracting power;

- the managers of social enterprises are usually dependent on current politics, potentially exposed to sudden changes; hence, they often rely on short term contracts, which hinder their strategic planning of business development.

However, at present, the growing understanding of lacks in a merely market economy on one side, and Government refusal to undertake its exclusive responsibility for social assistance on the other side, lead these countries to work for improving the favourable context conditions for the existence of a so-called third sector.

For this reason, in some countries (e.g. Czech Republic, Lithuania), the Government is restructuring its function in the framework of all social, cultural, and local community services, and it is creating the space to transfer some functions to non-profit organizations.

In the United Kingdom, the country with the oldest interest for social enterprises, the government has established a new form of limited liability company specifically for social enterprises: *Community Interest Company* - CIC, which integrates previously existing legal forms.

Internal Obstacles

In this field, the main constraint is that managers usually have no crucial or strategic vision qualifications (also due to the fact that their salary may be too low or even inexistent). The lack of volunteers or other resources is another considerable problem. The fact of managing a highly diversified range of objectives and combining social purposes with economic constraints also requires specific management and development strategies, so that the organization model of social enterprises is often characterized by constant fragility. This should be added to the fact that the large number of operators participating in the decision-making process determines high costs for business management, which can be inefficient.

In all analyzed countries, social enterprises seem sharing a major problem: funding. The lack of funding is a problem mostly felt in relation to the annual rate of decisions on funding allocations, which makes it extremely difficult to develop medium-term programmes.

2.4.2 Opportunities

The main forces operating in favour of the social enterprise sector are, in addition to the idealistic enthusiasm of operators, a growing demand for job inclusion and/or social services (privately organized) – due to demographic reasons – high unemployment rates, but also the fact that public assistance is no longer considered as a duty of the State, and the development of new markets characterized by ethic awareness. The appearance of a "semi-market" appropriately regulated and officially recognizing all operators (currently under discussion, for example in Austria) could help reducing bureaucracy, the dependence on hierarchical structures and financial constraints. Many countries, not only the new member States, are declared impatient to learn from the experiences of other member States to promote the development of social enterprises at the national level and consider good practices as an important tool to disseminate information in this field.

Usually, social NGOs tend forming networks to improve their capacity, the sustainability of their economic activities, and possibility to make political lobbying. The main function of these networks is to facilitate communications with public administration, allow the exchange of best practices between members, coordinate the activity aimed at obtaining the access to financial resources and provide assistance in the field of public relations.

These networks or coordination organizations exist in many countries. In some of them, networks are considerably complex (at local, regional, sector, and federal level, as in the case of France), whereas in other countries (for example in the United Kingdom) networks substantially consist of one coordination organization of social enterprises working in all the various sectors.

As concerns **future perspectives** of social enterprises, further job opportunities will probably appear in this sector, if it is decided to follow policies aimed at strengthening the position of these enterprises and delegating the competence for achieving social objectives. The availability of funds from EU Structural Funds also gives energy to social enterprises. Social inclusion of long-term unemployed and disabled people seems playing a constantly important role like the provision of social services; however, subjects like equity in commercial exchanges, the environment and local development will probably become more important in the near future.

3 Member States Overviews

3.1 SE in Partner countries - Sector Reports ¹⁰

Italy

General information

Social entrepreneurship can be defined as a kind of entrepreneurship whose aim is to create wealth and social welfare through an economically sustainable management of problems and social opportunities.

Brief characterisation of the social enterprise sector

In Italy there are about 240,000 **third sector organisations** with a turn over of EUR 38 billion a year. These third sector organisations employ 630,000 people and make use of 3.3 million volunteers. From the Italian National Institute of Statistics (ISTAT) 8th General Census of Industry and Services 2001 the following data emerge (according to sector of activity and institutional form):

- agriculture hunting and silviculture: 53 recognised associations, 195 not recognised associations, 252 social co-operatives (total: 500);
- manufacturing: 3 foundations, 1 not recognised association, 72 social co-operatives, 9 other non-profit institutions (total: 85);
- wood industry: 5 social co-operatives (total: 5);
- metallurgic and mining industry: 6 social co-operatives (total: 6);
- wholesale and retail trade: 2 recognised associations, 10 not recognised associations, 7 social co-operatives, 14 other non-profit institutions (total: 33);
- hotels and restaurants: 13 recognised associations, 6 foundations, 19 not recognised associations, 65 social co-operatives, 115 other non-profit institutions (total: 219);
- monetary and financial intermediation: 81 recognised associations, 6 foundations, 342 not recognised associations, 314 other non-profit institutions (total: 743);
- real estate, ICT, research and other professional and entrepreneurial activities: 512 recognised associations, 242 foundations, 1,462 not recognised associations, 49 social co-operatives, 13 other non-profit institutions (total: 2,278);
- education: 1,806 recognised associations, 348 foundations, 3,393 not recognised associations, 897 social co-operatives, 2,470 other non-profit institutions (total: 8,914);
- health: 10,415 recognised associations, 1,061 foundations, 8,414 not recognised associations, 3,960 social co-operatives, 3,088 other non-profit institutions (total: 26,938);
- public services and services of social utility: 49,349 recognised associations, 1,411 foundations, 142,297 not recognised associations, 372 social co-operatives, 2,093 other non-profit institutions (total: 195,522).

Throughout these sectors of activity, there are in total 62,231 recognised associations, 156,133 not recognised associations, 5,674 social co-operatives, 3,077 foundations and 8,117 other non-profit institutions; resulting in a total of 235,232 enterprises.

In Italy, social enterprises can be private organisations which have as main economic activity the production and the exchange of goods or services of social utility; public administrations and all organisations which have restrictions on the disbursement of goods and services towards their members; ecclesiastical institutions and religious bodies with whom the Italian Government has signed agreements or ententes.

Main **sectors of activity** for social enterprises are: social security; health services; social-health assistance; education, training and vocational training; environmental protection (refuse collection and recycling excluded); cultural heritage valorisation; social tourism; graduate and post-graduate training; research and supply of cultural services; extra-scholastic education finalised to the prevention of scholastic drop-out; instrumental services to social enterprises provided by institutions composed for at least 70 % by social enterprises.

In Italy social enterprises and social co-operatives in particular play an important role in the field of the **insertion into the labour market** of disadvantaged subjects and in general in active labour policies. On one side they offer labour services creating custom-made support programmes, on the other side they directly create employment. In addition internal labour organisation is often structured in a flexible way for disadvantaged workers.

With regard to training, Italian social enterprises operate both in the field of graduate and postgraduate education and in the field of vocational training finalised to prevent school abandonment and favour introduction in the labour market.

Data on size-classes for social enterprises are missing at the moment, but at a first glance, **many small firms** are the

¹⁰ Source: Study on practices and policies in the Social Enterprise Sector in Europe - Austrian Institute for SME Research, Vienna 2007: These reports are collected from the thirty-one Country Fiches produced on behalf of the European Commission in the course of the research project 'Study on Practices and Policies in the Social Enterprise Sector in Europe'.

prevailing feature of the sector.

The first social enterprises find their **origin in the social movements** that characterised the 1970ies and if it is just from the late 1980ies that they start to consolidate their presence in the Italian entrepreneurial system, their institutionalisation begins only during the 1990ies. The pioneering phase of the 1970ies was characterised by a low competition between enterprises and by the lack of connections between enterprises and public authority; social enterprises in this period operated as very autonomous bodies in economic self-government regimes. From the next decade occurred a process of high differentiation both in the kind of activities carried out by social enterprises, from social assistance to environment protection, and in the types of organisational structures adopted; the social enterprise formula started to spread widely and around 1985 approximately 800 social enterprises were active in Italy.

In addition a higher share of revenues started to come from the provision of services to public bodies through purchase agreements. In 1991, the law no. 381/1991 and the law no. 266/1991 that disciplined social co-operatives giving the possibility to such institutions to co-operate with the public sector have been enacted. With the progressive transition from welfare state to welfare society, during the 1990ies, due to their flexibility and their low cost, social co-operatives started to assume a substitutive and exploitable role toward the public sector in the supply of given social services. But it is just at the beginning of the new century that it is possible to assist to a real institutionalisation of social enterprises first with the law no. 328/2000 and then with the law no. 118/2005.

Legal forms of social enterprises

The legal structure adopted by social enterprises has to be one of those as provided by the Italian Civil Code (libro V):

- **co-partnership;**
- **limited partnership;**
- **stock company**
- **limited company;**
- **co-operative society;**
- **limited share partnership;**
- **mutual-aid association;**
- etc. (snc, sas, spa, srl, sc, sapa, mutua, etc.)

The further qualification of social enterprise will be applied according to the activity carried out by the enterprise and to the non-profit making.

Organisational and management characteristics of SE

The **constitution and the management prescriptions** of social enterprises follow the ones provided for normal enterprises by the Italian Civil Law depending on the chosen legal structure. The direction and the control are carried on by the subject who has the faculty to appoint the majority of the administration bodies.

Sources of funding for Italian social enterprises are both private and public (from different bodies such as Ministries of Justice and Health, provinces etc.).

Social enterprises make use of both **volunteers and paid workers**. Volunteer work is an essential asset for social enterprises, which in many cases couldn't survive without it, but it is limited to maximum the 50 % of total workers. Notwithstanding, paid workers remain the bearing wall for social enterprises. Social enterprises workers benefit of different kinds of privileges: economic, information, consultation and participation privileges.

Many Social Enterprises acquire this denomination because of their activity of insertion in the labour market of disadvantaged workers and handicapped workers.

Current framework conditions and future perspectives

The socio-economic marginality derived from public subsidisation seems to pose the main **barrier** for the development of social enterprises.

In the last ten years, **social enterprises have become more and more important** among the Italian third sector due to many reasons: the innovative services offered, the organisational structure, the participation to policy maker's activities, their revenues and the share of paid personnel. However social enterprises are going through a phase of fragility as a result of the changes which involved the welfare system that privileges the introduction of competitive systems rather than the valorisation of the most suitable organisational formula to satisfy social needs.

Nevertheless, social enterprises are the key of this competitive system in which social incentives are at the base of social capital development, and their role in the future will be to favour the integration between economic policies and social policies. For this reason it is possible to imagine that in the next years we will be in presence of a re-location from the public and from the 'for profit' sector towards social enterprises. At a community level, the social enterprise formula is more functional for the maintenance and the development of social richness.

There is quite a **growing interest towards social enterprises** due to the political sensitive aspects involved in their activities (family, disadvantaged workers, health, etc.). This interest can be seen also from the increasing activity of the legislator in this field whose aim is to give a clear regulation to the

sector. It is reasonable to suppose that there will be a migration from the 'forprofit' sector towards social enterprises due to the higher effectiveness of this kind of enterprise for the development and management of local social wealth. There are local associations and co-operatives **representing the interests of social enterprises**.

Greece

General information

The traits of social economy in Greece fit best to the European approach (EMES definition). Despite the social and economic nature of the operation of social enterprises in Greece, the achievement of a certain degree of profit and the restricted distribution among their members isn't excluded. According to the study which was conducted by the National Institution of Labour for the social economy in Greece (*Theodoropoulou et al.*, 1999) the common **characteristics** which depict activities of Greek social enterprises are the following:

- ownership belongs to the community or to a subgroup of the community with a direct interest for this subject (stakeholder);
- there is response to the market demand regardless of the source of income;
- the focus of interest lies in the economic and social development of the community;
- they operate for the society's benefit and
- they provide experience of employment and opportunities for employment which are maintained but they might depend on the support of the public authorities.

The presence of social enterprises in Greece is rather limited due to the **lack of institutional and legal framework** and the **lack of voluntary work** of the citizens. However, during the last years serious attempts have been made in the social sector. The observed initiatives are mostly motivated by the support of the EU (funded programmes for social sector) and the activation of groups of citizens in order to provide social services to disadvantaged people, to incorporate them to the work labour, to provide new kind of services for achieving a certain income for equally distributing it among their members.

An existing **definition of the social economy** is the following:

The term social economy in Greece entails every kind of human activity which is activating directly or indirectly in the field of economy, it is supported by the principles of solidarity, cooperation, collective attempt (endeavour) which has as a main objective the promotion of the interests of certain groups of the population, through the emergence of the social solidarity as an imperative and necessary precondition for the successful survival and continuity all of the involved parts' (*Beriatos et al.*, 1999).

Brief characterisation of the social enterprise sector

The available **statistical data** in Greece are limited due to the **lack of a central organisation** to gather them. However, this is entailed in the purposed action plan (see perspectives for development). The only data that are available from the study of *Chrysakis et al.* (2002) are the following:

In Greece the participation of the **third sector** to the employment represents the 1 % to 2 % of the total employment in Greece. More specifically, in the third sector approximately 68,700 people are employed which represent the 1.8 % of the total employment and the 3.3 % of the paid employment.

Women Co-operations: Today, 71 women co-operatives are active and have 1,903 members (approx. 27 members per co-operation). However, only 30 % of the registered women co-operatives remain active and count 742 members, which represents 40 % of the total members of the co-operatives. Consequently, an average of approx. 34 members is participating in each co-operative.

Social Co-operative of Limited Liability (KOISPE): The number of co operational and therapeutic units under the framework of psychiatric hospitals is 50 (operating inside the hospitals) and 18 (operating outside the hospitals). These 68 units employ 571 people (University Research Institute of Mental Health, without year).

Local Employment Pacts (LEP): In Greece LEP were created for the first time at 1997. Seven regions were selected for the pilot implementation of the scheme: Drama, Kozani-Florina, Imathia, Viotia, Magnesia, Achaia, Western Regions of Athens-Piraeus. The scheme projected the creation of 1,596 new job positions through LEP activities and 9,193 through Organisation of Employment of the Workforce (OAED) subsidies at the aforementioned regions.

The main **types of the social enterprises** in Greece are the following:

Agrotourist Co-operatives which have been developed by women at rural areas with the aim of exploitation of local and human sources for contributing to the local development and to rehabilitation of women into the labour market.

Social Co-operatives of Limited Liability (KOISPE): These are protected social enterprises with a form of co-operative, they are at the same time characterised as therapeutic as well as economic units. They have been founded in order to provide job opportunities to the disabled members of the society, people with mental or physical illnesses who are not able to find a job at the labour market and they face social exclusion. They can develop any economic activity (agriculture, provision of services etc) and they are supervised by the Management of Mental Health of the Ministry of Health and Social Solidarity. According to the Law (2716/1999) at least the 35 % of KOISPE's members should be disabled persons, the maximum 45 % should be various employees from the field of psychological health

and other local authorities as well as Psychiatric Hospitals and Units of Mental Health.

Local Employment Pacts (LEP): Regional Contracts of employment are an EU initiative with the perspective to promote the partnership among the local actors such as social partners, enterprises, co-operatives with the aim of promoting the employment, developing of sustainable and competitive activities as well as conditions for promoting the entrepreneurship depending on the local potentials and needs of each region.

Community initiatives 'Employment', LEADER II and EQUAL: Under the framework of the aforementioned Initiatives many schemes with priority of promoting employment and entrepreneurship in social economy were implemented.

Centres of Open Protection for the Elderly (CAPI): With the government Gazette FEK 917/17/10/1997 the programme 'Help at home' was introduced and today there are 102 CAPIs. The aim of this programme is to provide social care services to the elderly of each municipality by special social scientists.

Protected Productive Laboratories: The objective of these laboratories is to provide opportunities for work for disabled persons. They were established under Government Gazette FEK 286/20/10/1998 and are under the supervision of Ministry of Health and Social Care.

NGOs: In addition to the aforementioned organised efforts non-governmental organisations contribute significantly to all aspects of social enterprise.

Greek social enterprises are active in **several sectors**. Social enterprises have as an objective the constant creation of social added value and use this value for their development. On the other hand, enterprises in their traditional definition have as a priority the creation of profit by

exploiting sources. The operation of the social enterprise is mainly focused on the benefit of their members. Since most of the employers have this job as the only source of living, and social enterprises can't rely on public funds and the continuation of Commission's Initiatives funding, they operate in order to conserve the enterprise and award their members. Consequently, although social enterprises don't have as their primary goal the maximisation of profit as the private enterprises do, they can't avoid acting in an economic way since proper entrepreneurial decisions will lead them to accomplish a certain necessary level of income for their survival. Moreover, the purpose of social enterprises existence which is fundamentally social (for instance job provision to their members) should be retained and this can't be done if the social enterprise isn't a viable entity which generates income.

The main interest and focus of social enterprises is either **socially or geographically excluded people**. People with mental or physical disabilities who face major difficulties in order to incorporate into the labour force and into the society can work creatively at the social enterprises and earn money for their living and a greater self-esteem as well. Furthermore, people living on disadvantaged areas, geographically isolated, where agriculture is the only and not always viable way of living need new resorts for their economic development. Social economy is a new rising sector of these areas which provides employment and development for the habitants of these geographically isolated areas and prevents them from leaving rural for urban areas.

Greek social enterprises don't operate in the field of training. Occasionally, some of them train their personnel in various areas for example in computer technologies or at skills relevant to their activity but they don't undertake training for economic purposes. Rehabilitation to the society and to the labour market is corresponding to the most social enterprises. KOISPE and most of the social enterprises have as a major purpose the reintegration of disabled people as mentioned above. Personal services are also limited to the Centres of Open Protection for the Elderly. The area of local development is reflected by the enterprises developed under the framework of LEADER II and INTEGRA.

Enterprises in the Greek social sector are **usually small in size**.

The institution of co-operatives in Greece has gone through various forms from the moment it was established until today. On the grounds that the procedure of the co-operatives' development was not always clear enough their establishing is divided to three time periods. The first period lasts up to the 19th century, the second up to 1945 and the third one is up today. The co-operatives were 'officially' organised after the voting of the first law for cooperatives 602/1915. Despite the fact that many efforts to develop co-operatives were made, and initially all were quickly developed, none of them managed to survive until today for various reasons.

Legal forms of social enterprises

In Greece, the most common legal statuses for social enterprises are **union, civil non-profit companies and co-operation**. However, due to the current tax restrictions imposed on civil non-profit companies the legal form of union is more often adopted. Additionally, some bodies which are active in the cultural and environmental sector usually have the legal form of **cultural and educational associations** or **non-governmental environmental and ecological organisations**.

Organisational and management characteristics of SE

There are **three levels of authority at the co-operations**, which are usually the same for the private companies: The General Assembly of the members is comprised of all the members of the co-operation who are its owners, represents the superior authority of the co-operation and their decisions express the general will. The Administrative Council is comprised of at least five

Administrative Council is designated by the Articles of Association and should be between 2 and 4 years. The Supervisory Council: consists of at least three members who are elected by the General Assembly and have the status of partner. The same members can not participate to the Supervisory and to the Administrative Council.

Co-operations that have a respectful entrepreneurial size and follow a mechanism of providing services to the members have a general manager who has certain responsibilities transferred to him by the Administrative Council.

Sources of funding of social enterprises are:

- subsidiary from the ordinary state budget or the Programme of Public Investments or the Programme of Public Investments from the EU or international organisations;
- funding from national organisations, National Developmental Programmes as well Developmental Programmes by the EU and international organisations;
- legacies, donations and provisions of property;
- income from social enterprises' co-operations;
- income from exploitation of their property;
- contracts between public bodies and social enterprises;
- increases in owner's equity.

The **workers** of social enterprises may be members of them or non-members. The recruiting of the employees is a responsibility of the Administrative Council. The terms of recruitment are similar to the private companies. The kind of workers is: volunteers, full time working personnel as well as part time working personnel.

The **salary** of the workers is defined by their efficiency and the time that they are working. The number and the kind of the employees are defined by the productive needs, and the size of the social enterprise.

The position of a member of the Administrative Council is honourable and unpaid. The General Manager's salary is controversial because social enterprises can not afford salaries equal to the private companies. The fact is that they should define the salary according to their contribution to the social enterprise's income.

As one of the fundamental social purposes of the social enterprises is the job offering to unemployed vulnerable people suffering from social exclusion the majority of the employed are people from these target groups: women from geographically isolated areas, people with psycho-social problems of both genders, but mentally stable people as well with experience in the field that the social enterprise specialises in (in order to guide and help the others). They employ people from all educational levels.

Current framework conditions and future perspectives

There are **external and internal barriers** for the development of social enterprises and for the third sector in general. The external barriers are: political (market and state are over-valued as the most appropriate institutions for facing social and economic needs), social environment (misunderstood connection between the demand for services and the existing social policy), institutional (lack of proper legislation and taxation framework, bureaucratic barriers from the

public sector), cultural (lack perception of social enterprises in society, consideration as amateurs), competition (illegitimate competition from the informal economy and barriers to the entrance to the sector). The internal barriers are: administrative/managerial (lack of experienced executives with required skills, lack of evaluation systems for quality control of social services), co-ordination/competition (lack of co-ordination), cultural (preference for bureaucratic organisation against units of provision of social services), support/competition (lack and competition of support structures). Moreover, funding barriers, are a fundamental factor for social enterprises' existence and development.

Social enterprises need to **upgrade their competitiveness and viability** by detecting their internal and external weaknesses and exploit the available means which can contribute to their development. Consequently, all the actions that they should undertake and can be characterised as drivers for their further development can be summarised as follows: attraction of new sources of funding, co-operation with private companies and networking, exploitation and dissemination of best practices, definition of common models and standards, modification and extension of the legal framework.

PANCO (Pan-Hellenic Association of Organisations of Co-operative Economy) is a civil company of non-profit organisation which represents the **central organisation of social enterprises** in Greece, funded in 1998. PANCO has 10 establishing members which are associations representing various social sectors in Greece. PANCO represents the interest of the members, undertakes actions that promote their products and has developed a series of actions to support, train and inform the members.

The institution of the co-operatives was considered as an act of social policy with state responsibility. The **state** did not show consistence in the coverage of their expenses which resulted in the accumulation of grant amounts and created the impression that the co-operatives are not competitive, which means not necessary.

Until the complete establishment of a proper and flexible framework for social economy in Greece, **an action plan for the development and the promotion of social enterprises is required** and should be organised in such a way that will incorporate a combination of actions and interventions for the better delimitation and understanding of the social economy. The current Regional Operational Programmes and the 4 Community Initiatives represent a great opportunity for their 'inoculation' with required measures and actions in order to satisfy the basic terms of the 12th Guideline of the National Action Plan for the Employment and the exploitation of the possibilities in the field of

Spain

General information

In Spain there is **no official definition** of social enterprises. However, this fact does not impede the sector from getting increasing attention both from the media and the public authorities. Basically, in Spain the concept of ‘social sector’ is usually referred to as the **non-lucrative sector** (*sector no lucrativo*). In fact, the Spanish non-lucrative sector has since 1983 passed through a process of revitalisation, fostered by the different social, political, legal and economic changes experienced by the country. In this sense, the sector is currently experiencing a process of growth. The most comprehensive study of the Spanish non-lucrative sector (*Ruiz Olabuenaga, 2000*) defines the following five **main criteria** in order to classify an institution as belonging to the non-lucrative sector:

- to be formally organised (which includes an internal structure, stability in the organisation formal goals and clear distinction between partners and non-partners);
- to be private (so the organisation neither belongs to the public sector nor is controlled by any public authority);
- to be a not-for-profit institution (in the sense that the institution does not distribute its profits to those who exercise control over it; in addition, any surpluses generated must be retained in the organisation or community, and these surpluses have to be reinvested to achieve the social aim and to serve the members’ interest or a wider interest);
- to be independent (in the sense that the institution is autonomous and has its own self-governing mechanisms);
- to be based on a significant degree of voluntary participation (people that contribute on the basis of non-remunerated time).

The Law 49/2002 indicates the specific **no-profit (solidarity) institutions** that can benefit from a special tax treatment. These institutions include the associations, the foundations, the NGOs for development co-operation that are established under any of the two previous legal status; the Spanish branches of foreign foundations officially listed in Spain, the sport federations (either at national or at regional level), as well as the Spanish Olympic and Paralympic Committee. Other specific institutions included in this law are the Red Cross, the National Association of Spanish Blind People (ONCE), as well as other institutions (i.e. those belonging to different religions or the Social Funds of the Spanish Saving Banks).

In addition to these institutions, and due to their scope and activities, it is also possible to include two additional categories of institutions, this is, the so-called **Social Insertion Companies**, basically intended to facilitate the social and labour insertion of the excluded and vulnerable people through the creation of this type of special enterprises and the **Sheltered Employment Centres**, basically intended to provide remunerated employment to disabled people.

Brief characterisation of the social enterprise sector

According to *Ruiz Olabuenaga* (2000), there were around 253,000 non-lucrative organisations in Spain in the year 2000. These gave employment to more than 500,000 full-time equivalent remunerated employees. **In economic terms**, the non-lucrative sector represented around 4.0 % to 4.5 % of the Spanish GDP and, in employment terms, around 4.5 % of the total Spanish working population. Moreover, this last percentage increases to 6.8 % of the total Spanish working population if the fact that around 9.8 % of the total Spanish population devotes part of their time to collaborate with non-lucrative organisations (which implies an additional estimation of 253,600 employees at full-time) is taken into account.

The **most important types of social organisations** include, basically the associations and the foundations. Just to give some data (*García Delgado, 2004*): in 2001 there were 241,900 associations (out of which 1,218 were recognised as of ‘public utility’) that gave employment to 328,500 people and had 3,950,000 volunteers. In the same year, there were 7,150 foundations, which provided employment to 85,800 people and had 44,500 volunteers. Meanwhile, data provided by the Spanish Enterprise Confederation of the Social Economy (CEPES, 2005) for 2004 show that there were around 95 Social Insertion Companies in Spain that generated employment for 1,649 persons in insertion processes, with a total turnover of EUR 28,7 million. In addition, there were around 94 Sheltered Employment Centres, that employed around 4,455 disabled people (CEPEs, 2005).

The Spanish non-lucrative sector is preferably devoted to the **provision of social services**. Thus, around 31.8 % of the total Spanish non-lucrative employees are active in this field. This effect is partially explained by the existence of 3 large institutions in this field (Red Cross, ONCE Foundation and Caritas). Around 25.1 % of the Spanish non-lucrative employment is devoted to education activities, whereas the remaining percentage is distributed amongst other activities such as health, leisure or cultural activities.

The non-lucrative sector is dominated by a **wide array of very small organisations** although, as already mentioned, it is also possible to identify a number of large institutions such as the Red Cross, Caritas or ONCE Foundation. Just to give an example, the ONCE Foundation employs around 43,000 remunerated employees, out of which 87 % are disabled people (*García Delgado, 2004*).

To end with this section and as it has already been mentioned, the Spanish non-lucrative sector has experienced a **remarkable development** in the last twenty years. Amongst other factors, this development is explained by the

political transition period in Spain since the mid 1970s from a dictatorship into a democratic system, which has allowed the development of a huge number of initiatives by the civil society. In addition to this, the rapid economic growth experienced by Spain in the last decades has generated new demands for social services, where a significant share of these services is provided by the non-lucrative sector.

Legal forms of social enterprises

As it was already mentioned, the Law 49/2002 of December 23rd indicates the **specific non-lucrative (solidarity) institutions that can benefit from a special tax treatment**. In addition to this law, each of the different types of entities that make up the non-lucrative sector is regulated by its own legal status. Just to give some examples:

- **associations** (regulated by the Law 1/2002 of March 22nd);
- **foundations** (regulated by the Law 50/2002 of December 26th);
- **NGOs** oriented towards development issues (regulated by the Law 23/1998 of July 7th).

Organisational and management characteristics of SE

As far as type of **organisational and management structures** non-lucrative organisations have, *Vernis et al. (2005)* show that a significant number of non-lucrative sector organisations are run on a non-professional basis and managers often lack key managerial skills (especially as far as the economic and the communication fields are concerned). Therefore, the challenge lies on assuring an efficient financial management of the organisations while at the same time keeping the balance between social compromise and risk of commercialism.

Meanwhile, and as far as the main **sources of funding** the non-lucrative organisations use, the most relevant data available (*Ruiz Olabuena, 2000*) shows that the main sources of income for the Spanish non-lucrative organisations (this is, 49.1 % of the total) are partners' contributions and charges derived from the supplied services. The income generated by public donations is around 32.1 % of the total income, whereas the income coming from private donations is much lower (around 18.8 % of the total). However, this data needs to be recalculated if the economic value of the volunteer work is taken into account. Thus, the income coming from private donations would increase from the previously suggested 18.8 % to 36.3 %, whereas public donations would decrease from 32.1 % to 25.2 %. In any case, the incomes from partners' contributions and the charges derived for the supplied services would remain the main source of income (accounting for 38.5 % if volunteer work was charged). In any case, the main income sources may vary from sector to sector.

Employment offered by the non-lucrative sector organisations is mainly based on **volunteers** although with a relatively important presence of remunerated employment.

Current framework conditions and future perspectives

In Spain it is possible to identify a number of **umbrella associations** defending the interests of non-lucrative organisations. Amongst them, examples of the most important ones include:

- the Spanish Enterprise Confederation of the Social Economy (Confederación Empresarial Española de la Economía Social, or CEPES). CEPES is the main umbrella organisation representing the interest of the Spanish third sector in general, including co-operatives, labour societies and mutuals. Subsequently, CEPES is composed of other organisms representing concrete sub-sectors within the third sector economy;
- the Spanish Association of Foundations (Asociación Española de Fundaciones), representing the interests of the Spanish Foundations;
- the Spanish Federation of Social Insertion Companies (Federación Española de Entidades de Empresas de Inserción, or FEEDI);
- the Association FEAPS for the Employment of Disabled People (Asociación FEAPS para el Empleo de Personas con Discapacidad, or AFEM).

The Spanish **non-lucrative sector is in an expansionary period**, and it is possible to foresee a strong increase in the coming years. A number of factors may explain this upward trend. Amongst them:

- the reduction or, at least, the stabilisation of the existing public monies, so the private sector will have to complement public activities in a number of fields;
- the current demographic changes, in terms of increasing elderly population, presence of immigrants, changes in the family structures, etc.;
- the increasing importance of social solidarity and volunteerism in the Spanish society;
- the increasing role attributed by the public authorities to those organisations representing the civil society, where these organisations will develop their activities in a 'socially co-responsible' manner rather than through the current subsidiary manner.

Having in mind these developments, the sector is subject to several **internal challenges** that will have to be tackled in order to underpin the sector's future development. Amongst them it is worth mentioning the following ones:

- The sector is dominated by a very wide array of small and medium organisations, very often not integrated with each other. This redounds in a lack of sufficient strength to influence society in line with the social interests. Therefore, the sector must do an added effort to organise itself in organisations in order to better benefit from existing synergies.

- The main current weakness of the Spanish non-lucrative sector is refers to the management field, in the sense that a significant number of current managers of non-lucrative organisations run them on a non-professional basis, and lack key managerial skills (specially as far as the economic and the communication fields are concerned). Therefore, the challenge lies on efficient financial management of the organisations, payment of managers and professionals, but at the same time keeping the balance between social compromise and risk of commercialism.
- To conclude, the ability to self-financing is the key word for the functioning and future feasibility of the existing and new non-lucrative organisations. This capacity to self-finance may require ability to adapt itself to the new framework conditions based on efficiency, partnerships and influence criteria.

France

General information

In France, the term 'social economy' is rather used than social enterprises. The commonly accepted and shared **definition of social economy** is the following. Enterprises in the social economy act on the market and share the following principles:

- primacy of human beings and of social objectives over capital;
- freedom of membership;
- democratic control operated by members;
- solidarity and responsibility;
- autonomy and independence towards public authorities;
- reinvestment of surplus generated to serve member's interests and general interest.

Since a few years the term social and supportive economy (*économie sociale et solidaire*) is used rather than social economy as being more specifically characterising social economy alone.

Brief characterisation of the social enterprise sector

Quantitative information on social economy is still **based on estimates** because there is not an official definition of social enterprises. Therefore quantitative information is based on legal status of enterprises: co-operatives, mutual companies, non-profit organisations (associations and foundations). Considering these enterprises that have at least one employee (paid worker, data for 2002), it is estimated that there exist 168,300 social enterprises (145,000 associations, 21,000 co-operatives, 2,000 mutual companies, 330 foundations). These enterprises account for 10 % of GIP and 9 % of employment (self-employed excluded). Associations alone account for 5 % of employment in France (nevertheless, 84 % of the total number of associations have no paid workers - only volunteers).

It must be stressed that these data include large co-operatives and mutual companies that somehow cannot be considered like social enterprises because they do not really respect values of social economy and associations that are not active on the market. On the other hand, these data do not include enterprises having an 'ordinary' legal status but that share and put in practise the values of social economy. Nevertheless, this picture of the importance of social economy in France is commonly shared and accepted as representative of the reality.

Co-operatives operate in agriculture and food industry, fishing, trade, manufacturing industry and craft, building, bank, transport and social housing. There exist also some co-operatives in the sector of work integration. The social aim of co-operatives is to satisfy cultural, economic social needs of their members through an enterprise which property is collective. In France cooperatives have an important economic weight in bank, agriculture and food industry and trade.

Mutual companies operate in life and health insurance on one hand and in insurance (car, house, etc.) on the other hand. Social aim is solidarity. Membership fees and rendered services are 'equal', i.e. for example for health insurance they are not depending on age or health of the member. 40 million French are members of a mutual company.

Associations operate in the following sectors: social, sanitary and health sector (that include personal services); education, training and integration; culture; sports; social tourism and leisure; co-operation with developing countries. Target groups can be qualified as being: unemployed and people and in great social difficulty, disabled, elderly, children, families, populations of developing countries.

Social enterprises have created the **sector of work integration enterprises** in the 1970s. They can be said as dominated the private sector of work integration. It is also the case for personal services, social enterprises have more or less 'invented' these services and it is only recently that private profit enterprises entered the sector. More generally, social enterprises, and especially associations are active in local development (in a large sense) as they in their vast majority are active at local (see very local) level.

In the bank and insurance sector, co-operatives and mutual companies are very large. Also in the trade sector co-operatives are quite large. In other sectors of activity, there are a large number of small and very small enterprises.

On average, an association with **employees** (paid workers) has 12 employees. Only for 4 % of associations with employees have 50 employees or more, more than 50 % have 1 or 2 employees, 25 % have between 3 and 9 employees. Larger associations are found in the social, sanitary and health sector (33 employees on average) and in

the education, training and integration sector (17 employees on average).

Social economy was born in France during the nineteenth century with the creation of the first mutual companies and of production co-operatives. The recognition of associations dated back to 1901 with the promulgation of the Law on associations. In fact, social economy is born with the industrial society where new social needs where to be fulfilled. The concept of social economy has been developed at the beginning of the twentieth century, (see especially works of the economist Charles Gide) is more recent.

The sector itself adopted and **developed the concept of social economy**, based on the recognition of common values by the three families (co-operatives, mutual companies and associations), in the 1970s. It resulted in the drafting by the umbrella organisations of cooperatives, mutual companies and associations of a Chart for Social Economy in 1980.

In the 1970s also, due to the growth of unemployment and poverty, social enterprises have developed new activities in the field of services for unemployed and poor people: integration enterprises, finance services, social shops and restaurants, etc. These organisations more often name themselves as belonging to supportive economy (*économie solidaire*).

Legal forms of social enterprises

As said before, a vast majority of social enterprises have special legal status:

- **co-operatives;**
- **mutual company;**
- **association** (Law of 1901) or
- **foundation.**

Organisational and management characteristics of SE

The question of **sources of funding**, and in particular of public subsidies, is relevant for associations only as other types of enterprises only rely almost exclusively on private sources of funding (market resources and/or membership fees).

On average public sources of funding account for 54 % of total sources of funding of associations and private resources for 46 %, but the situation varies a lot amongst associations, depending of their sector of activity and of their size. When considering associations with employees (paid workers) public sources of funding account for 60 % of total sources of funding whereas associations without employees (only volunteers) private resources account for 75 % of total sources of funding.

Public sources of funding are composed of direct subsidies, social transfers, public procurement and supports for employment. They are distributed by the state, local authorities, social security entities (social transfers) and Europe.

Private resources are composed of membership fees, market resources (product of activities), donations, sponsoring (still poorly developed in France).

Associations have both **paid workers and volunteers**. Paid workers are 1.6 millions (1 million in full time equivalent). As a whole, associations with paid workers also employ 3.5 million volunteers (estimated as equal to 820,000 fulltime equivalent jobs). Therefore, on average, an association with paid workers has also 24 volunteer workers. When considering all associations (with and without paid workers), the number of volunteers is estimated between 10 and 12 million.

55 % of employees of associations with paid workers are part-time workers and 36 % have a fixed-term contract. This is must be understood as linked with the sector of activity of associations, the **conditions of employment** supports and also as connected with difficulties to have a long-term perspective for many associations.

Females account for 70 % of the total number of employees of associations. This is also to be considered in relation with the sector of activity of associations.

Mutual companies employ around 85,000 employees. Co-operatives employ around 700,000 employees.

Current framework conditions and future perspectives

It is difficult to define **barriers** that concern generally social enterprises whatever their legal status, size and sector. The most important and common barrier to their development nevertheless lies certainly in the lack of recognition of their role at European level. The ‘credo’ of pure and perfect competition at both European level and national level do not allow to build policies that take into account the specific social role played by these enterprises that should deserve some ‘protection’ from competition.

It can be said that enterprises that operate in the services sector in particular meet difficulties to attract and train qualified people. In general also, enterprises that operate in the sectors of social, local development and co-operation for development suffer from lack of finance; especially the fact that subsidies are decided on a yearly basis makes it very difficult to build mid-term programmes.

There exist many **umbrella organisations** representing interests of social economy. Besides umbrella organisations per family (co-operatives, mutual companies and association) and sectors of activity (amongst families) of social economy enterprises, there is also an umbrella organisation of umbrella organisation (CEGES).

The **Government strategy towards social economy** changed drastically in 2002. Before and especially between 1997 and 2002, the Government was very supportive for social economy with a DIES (inter-ministerial delegation for social innovation and social economy) placed under the authority of the Prime minister and a specific secretary of state (implemented in 2000) in charge of co-ordination policy and programmes tailored for social economy as a whole.

Since 2002, social economy is no more considered as a sector as such. National policy is nowadays targeted at associations only. DIES is placed under the authority of the Ministry for youth, sports and associative life. The priorities of the Ministry are: better recognition of associations, valuation of volunteer work and support to activities of associations. Public subsidies for associations at national level have also strongly decreased. In February 2006, DIES has been reformed again it is now under the authority of the Ministry for Employment, Social cohesion and housing and is named inter-ministerial delegation for innovation, social experiment and social economy. Also a National council for social economy (CNES) is created but it is still not implemented.

It can be expected that real means for action are given to the new DIES and to the CNES, there will have a real dialogue between public authorities and representatives of all families of social economy that will give birth to an **adapted public policy**.

Personal services should in principle constitute a **dynamic segment** for social economy due to important unfulfilled needs and the emergence of new needs due to, in particular, the ageing of population. But the fact is that very large private 'ordinary' enterprises now enter the sector due to the government policy whereas social enterprises are not given the necessary specific supports their social role should deserve. Therefore some unfair competition is to be feared.

New segments where social enterprises develop are fair trade and environmental services.

Sweden

General information

The social enterprises are a part of the concept of social economy. Based on the essential criteria formulated by the European Research Network EMES, the Swedish Agency for Economic and Regional Growth (NUTEK) and EQUAL's national team group (EQUAL-NTG) on Social Enterprising **define social enterprise as** an industry that (NUTEK, 2005):

- has the purpose of integrating persons, which in society and working life are far away from the labour market;
- reinvests most of its profit into the enterprise, or into similar organisations;
- creates co-workers involvement through ownership, agreements or another well documented mode;
- is detached to the public sector.

Brief characterisation of the social enterprise sector

The aim of social enterprises in Sweden varies, but often the main goal is to integrate individuals that are excluded from society and labour market. Some enterprises have other goals, such as providing child-care. It is important to notice that the different kinds of social enterprises that exist in Sweden have different conditions. Enterprises that work with long-term unemployed building constructors have other conditions than enterprises that employ individuals with disabilities (EQUAL-NTG, 2005).

There are approximately 400 to 500 social enterprises in Sweden today. The **statistics of social enterprises is not complete** (social enterprises are not registered as such; registration is done by legal form - for example as an economic association), therefore there are only estimates. No estimates are available regarding e.g. turnover or growth rate. According to NUTEK, statistic information on social enterprises will hopefully be available until 2007 (NUTEK, 2006).

Enthusiasts and entrepreneurs, together with the local initiators, are often the ones who start social enterprises (however, there are also initiatives taken by the public sector and private companies). The **reason for starting a social enterprise** is often based on a willingness to solve a societal problem that is not sufficiently taken care of. Many of the social enterprises are started in sparsely populated areas, and have their origin within local society associations (NTG, 2005), which have developed into relatively small-sized enterprises. An example for a now larger co-operative is Basta that offers rehabilitation through work or living arrangements to individuals with an addiction. Activities cover maintenance of property and land, farming, construction etc. They also have an education centre called YES. Basta has approximately 100 employees and a yearly turnover of about EUR 1.6 million.

Social enterprises exist as economic- and as non-profit associations, joint-stock corporations and foundations. In Sweden these enterprises are in most cases co-operations (economic associations) that can be classified into four categories, in accordance with four **groups** distinguished by the *European Research Network EMES* (2006):

- enterprises that offer a transitional occupation (this covers rehabilitation, on-the-work-training and education);
- enterprises that create permanent self-financed jobs (work offered is financed through sales);
- professional integration with permanent subsidies (offers work to disabled);
- socialisation through a productive activity (offers rehabilitation and work to e.g. former criminals and drug addicts).

The **government** has made some changes concerning the social economy, as it has been realised that individuals that are being excluded from the society are not only a labour market issue, but something that has to be seen as a societal problem, which should be handled more locally (*Stryjan, 2004*). However, the parliament has rejected parliamentary bills, which had the aim to make it easier to start and maintain social enterprises and co-operations (*The Swedish Government, 2005*).

In Sweden, a governmental organisation called **Samhall provides work to functional disabled**. Social enterprises can be described as a complement to Samhall, which used to have a monopoly on these kinds of employments (*EQUAL-NTG, 2005*). The social enterprises play an important role in integrating vulnerable groups (not only disabled) since they can provide alternative rehabilitation through education and work. This can contribute to economic growth and create employment (*The Swedish Government, 2005*). Important issues are to 'upgrade' individuals, who have not been working for a long time, to the demands of the labour market (*Stryjan, 2004*), but also to provide meaningful work, that is adjusted to individual capabilities, if these are not adjustable to the regular labour market. Social enterprises are therefore an alternative for vulnerable individuals to improve their living conditions by getting a paid work that is adjusted to their individual capabilities.

Legal forms of social enterprises

As already stated above, social enterprises in Sweden are commonly organised as **co-operations** or **non-profit associations**, though there are also **joint-stock corporations** and **foundations**. There is a tendency that social enterprises develop from economic and non-profit associations into joint-stock corporations, which is expected to continue (*NUTEK, 2006*).

Organisational and management characteristics of SE

Social enterprises pay taxes and have to adjust to the **same laws and regulations** (concerning for example accounting etc) as regular enterprises (*EQUAL-NTG, 2005*). They are often organised in co-operative structures. Although social enterprises have to fulfil the criteria of co-workers involvement, the co-workers do not necessarily have a right to make decisive decisions (*NUTEK, 2005*).

Social enterprises can generally have two **types of revenue**, from sales of rehabilitation places, and from sales of goods and services (*NUTEK, 2006*). The enterprises are active in both the public and the private sector since they offer goods and/or services to private persons, businesses and the public sector. Many jobs are within handicrafts, but also in other types of manufacturing and in different kinds of carpentry etc. The quality and price is to be about the same as it is in the regular labour market, but the work will probably take longer, and more people might be involved (*NUTEK, 2005*).

Funds and subsidies are, in many cases, an important source of funding. Start-ups can get public funds and contributions from the European Social Fund (until 2006) (*EQUAL-NTG, 2005*). Donations only play a minor role because of the Swedish tradition that rather focuses on self-help than on charity (*Stryjan, 2004*).

Persons working for Swedish social enterprises are typically paid. Social enterprises that employ disabled persons can receive subsidies for wages and other costs. Some of the services offered by the social enterprises, such as recycling and 'dog day-care', would not be commercially possible if they employed personnel that did not have a subsidised wages. Since the wage subsidises and the start-up contribution is not exclusively for social enterprises, it is not possible to retrieve figures on the annually public funding of the social enterprise sector.

Current framework conditions and future perspectives

Even though there is a **strong tradition of social enterprises in Sweden**, there are only a few well know social enterprises. Today the **driving forces** of many social enterprises are the so-called social enthusiasts. These are people, who are active in local associations and communities, or people working within the public sector without getting much recognition (*NUTEK, 2005*).

For social enterprises to grow and develop further it is **important to encourage start-ups** and already existing social enterprises, according to the *EQUAL-NTG* report (2005). There is for example a lack of knowledge about the possibilities for social enterprises. Social enthusiasts can often see the possibilities and the needs but not all of them are entrepreneurs. Today, cooperative development centres, that through NUTEK have been given the assignment by the government to support the development of enterprises within the social economy, exist in each county. Perhaps there is a need for further development.

According to the *EQUAL-NTG* report (2005), it is also important that the **National Labour Market Board** and the Employment agencies give more attention to social enterprises. Especially since the activities of many social enterprises are dependent on wage contributions.

Social enterprises have gotten **more attention from the government**. In the government bill for the 2006 budget there are suggestions to inquiries, for example one called 'From Social Welfare to Employment'. There are also suggestions concerning wage subsidies and new forms of employments.

General information

Though in Portugal there is **no official definition** of the term social enterprise, it is commonly accepted that a social enterprise is a not-for-profit, privately owned organisation, aiming at some social, solidarity or local development purpose. This concept covers a wide range of organisations active in the country, most of which are classified for statistical purposes under **NACE Code 85.3 (social work activities)**.

These organisations fall into 2 major organisational setups:

- organisations that have a structuring and functioning model similar to private companies but do not seek profit as an organisational purpose (most co-operatives with social or developmental aims follow this model);
- organisations that have a model similar to public agencies, but are privately owned and derive most of their income from donations, membership fees, voluntary work and public funding (this category comprises not-for-profit associations, houses of mercy (i.e. charitable organisations related to the roman catholic church), the social services of church parishes, foundations, mutual organisations, trade union departments, and other charities).

The **most analogous concept to social enterprises**, introduced in Portugal in 1979 (*Decree-Law 519-G2/79*) and expanded in 1983 (*Decree-Law 119/83*), are the **Private Social Solidarity Institutions** (*Instituições Privadas de Solidariedade Social*, or **IPSS**). These are not-for-profit, private organisations, incorporated according Portuguese law, with the purpose of materialising in an organised way the moral duties of solidarity and justice, in order to pursue objectives such as: to support children, young people and families, to protect old, poor, ill and other disadvantaged groups of the population, to help in the education and training of citizens and in providing housing for the ones in need. IPSS must be registered with the Directorate-General for Social Solidarity (Ministry of Labour and Social Solidarity) to benefit from the statute of 'public utility' which confers benefits (tax exemptions, reduced rates of some utilities, such as electricity and water, and the possibility of entering into co-operation agreements with the government for the purpose of being subsidised), but calls also for some obligations (disclosure of financial data, obligation to co-operate with the public administration and to follow specific rules instated by the labour department).

Brief characterisation of the social enterprise sector

Data on social enterprises is **scarce and inconsistent**. According to official statistics by the National Statistics Institute (*INE*, 1997 and 2003) there were about 1,000 organisations active under NACE code 85.3 in 2003. This figure is clearly underestimating the size of the Portuguese 'third sector' as many social work activities are carried out by organisations that have other activities such as health care, the latter being their major function. This is the case of many houses of mercy running hospitals and clinics, which are classified under NACE code 85.1 (human health). Though underestimating the existing social sector, the official figures show a significant increase over the last years (from 1997 to 2003) (annual growth rate of about 18 % to 25 % concerning added value, employment, value of services provided and number of organisations).

Estimates from the Ministry of Labour and Social Security (2000 and 2004) point to a number of social organisations quite larger than the ones published by INE:

- In 2000 there were 3,585 registered IPSS, of which about 2,813 were active at the time, employing about 45,000 people (of which nearly 40 % were volunteers) and carrying out social work valued at about EUR 930 million (less than 1 % of the Portuguese GNP, reaching nearly half a million beneficiaries).
- In 2004 there were 3,650 not-for-profit entities (IPSS) officially registered as owners and operators of about 6,000 social work facilities in continental Portugal (There is no aggregate data for the Atlantic archipelagos of Madeira and Azores, which will represent less than 3 % to 4 % of continental figures).

More than 50 % of these social facilities are **directed to the elderly** population (nursing homes, assisted-care centres, etc.). **Vulnerable children** and youths are attracting about 37 % of the facilities, the rest being targeted to disabled people's integration (5 %), family and community (4.3 %), disadvantaged population (1.8 %), chemically dependency, HIV/AIDS and mental illness (less than 1 % each). These figures show that most of the activity areas are related to personal services; training and integration comes second in the list and social activities geared to local development are not significant.

Typically these social facilities are owned by **small- to medium-sized organisations**. According to a survey conducted in 1995 (*SocialGest*, 2006), the size distribution of IPSS was the following: 1 to 5 workers - 17.6 %; 6 to 10 workers - 18.0 %; 11 to 20 workers - 25.2 %; 21 to 49 workers - 28.3 %, 50 workers and more - 10.9 %.

Since the 17th century, the welfare action started to be considered as a duty of the state instead of an outcome of the religious charity. Mutualism and co-operatives developed in the 19th century, the former being progressively replaced by the insurance companies and the latter having experienced a new **development phase** in the fourth quarter of the 20th century. Since 1976, the Portuguese constitution acknowledges the role of the co-operative sector and, after the 1989 and 1997 amendments, the co-operative sector was enlarged to include the social/solidarity sector.

Legal forms of social enterprises

IPSS may have several legal statuses:

- **social solidarity associations or social solidarity volunteer's associations;**
- **mutual associations;**
- **social solidarity foundations and**
- **brotherhoods of holy houses of mercy.**

Religious parish centres and congregations are also considered as IPSS (with a status similar to foundations). **Co-operatives** with social work purposes can also be accepted as IPSS.

Organisational and management characteristics of SE

The **structural arrangements** of the social enterprise sector varies largely according to the legal setup of each organisation, ranging from a company-like structure and functioning, with fully professionalized managerial personnel (which is the case in some co-operatives), to voluntary management and staff within a quite flat organisational structure in some houses of mercy and many charities.

According to the most recent available information (*Instituto de Gestão Financeira da Segurança Social*, 2002) about 114,465 **co-operation agreements**, with more than 3,000 not-for-profit private social enterprises active in social services (IPSS) were founded by the government, benefiting about 480,000 individuals. In 2004, the government contributed EUR 912 million to the social sector, of which EUR 18.9 million were grants to capital expenditures (a decrease of 69 % since 2001, due to budgetary restrictions) and EUR 893 million were subsidies to current expenses (an increase of 30 % since 2001). Subsidies to current expenses were split according to the social services facilities in the following way: children and youths - 45.7 %, elderly population - 39.2 %, integration - 9.6 %, family and community - 3.9 %, and other - 1.6 %.

As stated above, in Portugal about 40 % of the **workforce** of the social enterprise sector is made up of voluntary workers. The most frequent staff organisation at the social enterprise is as follows:

- voluntary workers with functions of governance;
- voluntary workers carrying out executive duties;
- paid qualified professionals (university graduates performing middle management and technical functions and other personnel, such as clerks, cooks, drivers, helpers, matrons, janitors, etc.).

Current framework conditions and future perspectives

In a recent research (EQUAL Management Unit in Portugal, 2005) the following weaknesses and **threats** were identified in a sample of social enterprises:

- poor structural arrangement of organisations, based on centralised hierarchical models that do not allow effective participation, do not promote empowerment and make communication difficult;
- the small size of organisations is viewed as a factor that limits the breath of activities, which tends to concentrate exclusively on a 'welfare approach' without considering the dynamics of local development and employment; sometimes organisations are also subject to influences of political parties;
- major deficiencies related to human resource management were: lack of programmes aiming at continuously improving the quality of services provided and lack of training in managerial instruments and techniques (these weaknesses result from a generalised lack of qualification of the staff);
- lack of an entrepreneurial attitude of the governing and managerial bodies leading to a scarcity of new ideas and innovation (the fact that there are no competent training and development institutions in the country specialising in the social economy makes it difficult to enhance the professionalism of officers and senior managers);
- other findings were: the inflexibility of the social security system (the major provider of funds to the sector) when considering funding new innovative initiatives that move away from the well established routine activities, low visibility / awareness of the sector in the public at large making it difficult to attract people from local communities to be involved in the social economy.

Currently **government** and public administration are **paying more attention to the private social sector** as the European welfare state model is becoming more and more threatened by the global competition pressures. The currently in force government programme for 2006 to 2009 to consolidate public deficit will force the government to moderate the public funding of the social economy thus calling for an increased role of the social enterprise in Portugal.

Recently the government announced that a **new capital improvement plan** had been approved, aiming at increasing the offer of social service facilities (elderly, disabled, children and youth, and family) by about 10 % (45,000 beneficiaries more). About 90 % of this investment, amounting to EUR 450 million, will be made in partnership with private not-for-profit social solidarity organisations (Prime Minister, 2006).

Major **collective organisations** in the social economy in Portugal are the following:

- CNIS - Confederação Nacional de Instituições Sociais (The National Confederation of Social Institutions);
- FENACERCI - Federação Nacional das Cooperativas de Educação e Reabilitação de Crianças Inadaptadas (National Federation of Co-operatives for Training and Rehabilitation of Misfit Children);
- UM - União das Mutualidades Portuguesas (The Union of Portuguese Mutual Organisations);
- UMP - União das Misericórdias Portuguesas (The Union of Portuguese Houses of Mercy).

United Kingdom

General information

The **Department for Trade and Industry (DTI) definition of social enterprise** is:

‘A social enterprise is a business with primarily social objectives whose surpluses are principally re-invested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.’

However, a social enterprise is not defined by its legal status, but by its nature - its social purpose, the way that its social mission is embedded into the business in its structure and governance, and the way it uses the profits it generates through its trading activities.

Brief characterisation of the social enterprise sector

Although the term ‘social enterprise’ is relatively new, the concept and philosophy dates back to the birth of the co-operative movement in the 1840s, when the Rochdale Pioneers formed the first co-operative.

In the UK, the last two years has seen the publication of the **Government’s national strategy for social enterprises**, a social enterprise business support strategy for London, a review of social enterprises in the UK, the establishment of the London Social Enterprise Network and a host of European and international initiatives (*Economic and Social Development Committee*, 2004).

The importance of the social enterprise sector to the overall economy of the nation and the sustainable growth of the economy has been gaining acceptance for several years. In recent years there has been a step change in the perception of social enterprise, especially in the UK. Not only has there been a Social Enterprise Unit established within government but also there is a junior minister with responsibility for social enterprise. Following the lead set by the UK government the two nations, Scotland and Wales, have produced social enterprise strategies and each of the Regional Development Agencies in England have been required to do the same. Social enterprise appears regularly in the press and there are national award schemes for social enterprises. In the UK, the last two years has seen the publication of the Government’s national strategy for social enterprises.

A **DTI survey** (*IFF Research Ltd.*, 2005) identified over 15,000 social enterprises, employing half a million people and with a combined turnover of EUR 26.83 billion (GBP 18 billion). This represents a contribution to national GDP of over EUR 7.47 billion (GBP 5 billion) a year. The survey also provides a great deal of **detail on** the condition of the **social enterprise sector**.

The survey was based on telephone interviews with 8,401 social enterprises of which 1,480 were in depth interviews. The survey does not claim to include the whole social enterprise population nevertheless it includes a significant sample from those Companies Limited by Guarantee (CLG) and Industrial and Provident Societies (IPS). In terms of the overall business population in the UK, these 15,000 social enterprises represent 1.2 % of all enterprises in the UK.

The regional distribution clearly shows that **London is the preferred place for social enterprises**. It is also interesting that one in seven (14 %) of all businesses are located in London but for social enterprises the figure is one in five (22 %). Conversely the proportion of social enterprises located in East and West Midlands and Yorkshire and Humberside is smaller

than in the respective proportions of all businesses (3 % of social enterprises are located in the region compared with 7 % of all businesses, 6 % and 9 % and 4 % and 8 % respectively).

Compared to the overall business population, social enterprises are considerably more likely to be located in urban areas (89 % are, compared to 67 % of the overall business population).

The **turnover of the social enterprise sector** is around EUR 26.83 billion (GBP 18 billion) or 0.8 % of the turnover of all businesses that have employees. Using a simple average the turnover per social enterprise is around EUR 1.79 million (GBP 1.2 million). This figure drops to EUR 1,344,688 (GBP 900,000) if social enterprises with less than 250 staff are considered. This is very slightly higher than the turnover per enterprise in the SME sector overall. The figures based on turnover are: 14 % turnover less than EUR 74,705 (GBP 50,000), 9 % in the band EUR 74,705 to EUR 147,916 (GBP 50,000 to GBP 99,000), 22 % EUR 149,410 to EUR 372,030 (GBP 100,000 to GBP 249,000), 18 % EUR 373,524 to EUR 745,555 (GBP 250,000 to GBP 499,000), 18 % in EUR 747,049 to EUR 1,494,098 (GBP 500,000 to GBP 1 million) and 19 % over EUR 1,494,098 (GBP 1 million) turnover.

475,000 people in the UK are **employed by social enterprises**. 66 % of the employees are employed full time. In addition, the social enterprises rely heavily on **volunteer staff** and it is estimated that almost 300,000 people are volunteering their input. As with the general business population, the majority of social enterprises are small, with almost half (49 %) having fewer than 10 staff and 38 % having between 10 and 49 staff.

Across all business sizes in the social enterprise sector, all generate between 80 % and 86 % of turnover from earned **income**. Grants and other sources account for the balance. Many social enterprises surveyed had earned income as the sole contribution to turnover.

From the survey it emerged that 83 % of enterprises had the **main objective** of helping people. 53 % said they were helping the environment and 34 % replied that they were helping both.

For those organisations that help people, the largest single **method** is by training and education (22 %), social assistance 13 %, housing 8 %, nursery/child care 7 %, sport and social facilities 7 %, community centres 6 %, day care for the elderly 5 % and others activities such as business advice, art and cultural centre and theatrical events.

The **trading activities** in which most social enterprises participate are health and social care (33 %), other social, personal and community services (21 %), real estate and renting (20 %), education (15 %) and wholesaling/retailing (3 %).

51 % of social enterprises are located in the 40 % most deprived areas of the UK.

Legal forms of social enterprises

Social enterprises can take many legal or organisational forms - **Companies Limited by Guarantee (CLG), Industrial and Provident Societies (IPS), co-operatives, development trusts, social firms, trading arms of charities, community businesses** are just a few.

The Government has created a **new form of limited liability company specifically for social enterprises: the Community Interest Company (CIC)**. The CIC complements existing legal forms for social enterprise, such as the Company Limited by Guarantee or Shares and the Industrial & Provident Society.

Organisational and management characteristics of SE

The companies included in the *IFF* survey (2005) were those listed by Companies House under the two categories Companies Limited by Guarantee and Industrial and Provident Companies. This provided a database of 62,500 companies. This number was reduced by excluding companies in: SIC 65, 66, 67, 8010 and 8021, which seemed unlikely to be social enterprises.

A **company limited by guarantee** is an alternative type of incorporation used primarily for non-profit organisations that require corporate status. A guarantee company does not have a share capital, but has members who are guarantors instead of shareholders. An **industrial and provident society** is an organisation conducting an industry, business or trade, either as a cooperative or for the benefit of the community, and which is registered under the Industrial and Provident Societies Act 1965. The FSA is the registering authority for societies which register under the Industrial and Provident Societies Act 1965 (I&P Act 1965). A social enterprise does not have to be a registered charity. Registered charitable status is just one legal structure out of many possible structures for social enterprises.

Current framework conditions and future perspectives

The **Social Enterprise Coalition (SEC)** is the UK's national body for social enterprise. It is the voice for the sector, which supports and represents the work of its members, influences national policy and promotes best practice.

'**nearbuyou**' is a national trading network for social enterprises and those that wish to trade with them, to find tenders, offers and requests or search for social enterprises near you.

The **Centre for Business Relationships, Accountability, Sustainability and Society** exists to understand and promote the vital issues of sustainability, accountability and social responsibility, through research into key business relationships.

Co-active is one of the most experienced social enterprise development agencies in the UK. Established twenty years ago, Co-active Ltd is a social enterprise working with individuals and communities across the far South West of England.

The **Social Enterprise Partnership** implements infrastructure and systems development, capacity building, research and development for the social enterprise sector in the UK.

Co-Enterprise provides free business advice and support to community groups and individuals who want to develop their business ideas into sustainable social enterprises.

Some **barriers** to the development of social enterprises have been identified by the SEC (among others):

Over the last two years there has been a significant amount of work done to understand barriers to finance for both new and growing social enterprises. In particular two strategic interventions in the debate were made - the Bank of England report in 2003 and the DTI Working Group following that report.

SEC is planning a programme of work in 2006 to address the continuing barriers in both supply and demand of finance, and intends to set up a working group involving members and other stakeholders to inform this work. The Coalition has also produced a Guide to Finance for social enterprises, that explains what kinds of finance are the most suitable for your organisation and how they can be used most effectively; it leads you through the application process and suggests where to go for further information.

employment, serves as a major disincentive to work for many in this country. The Social Enterprise Partnership set out to identify the issues and make recommendations, both to policy makers within government and social enterprises themselves who seek to employ people coming off benefits.

Raising awareness of the benefits of contracting with social enterprises is a key endeavour of the SEC and other representative bodies. Ensuring that public procurement gives equal opportunity to social enterprise enterprises is also an issue.

Despite being seen as a key driver for overall economic change and social cohesion, the sector suffers from a lack of managers with the right strategic management and planning skills to guarantee its long-term future (Liverpool John

Moore's University, LJM receives funding for new postgraduate social enterprise qualification). Managing a successful business that prioritises its social or environmental mission rather than its profitability can be a difficult balancing act for social enterprise managers. Social Enterprise Coalition has worked with a number of partners in the social enterprise sector to develop occupational standards that reflect the complexity of managing or advising a social enterprise, and to increase training and development opportunities for social enterprise leaders and advisers.

Important **drivers** of social enterprise are:

- a passion for helping others, and the dedication that comes with it, is the most important driver for social enterprise success;
- service provision to fill a gap in the market to meet community needs or to add value to existing public service delivery;
- the rise of new ethnically-conscious markets (for example in fair trade and environmentally friendly goods and services);
- changing perception of ethical business, government rhetoric, externalisation in local authorities and the NHS, demographic changes (particularly an aging population & people with vision).

The primary business driver is not profit but the achieving of social aims, including developing capacity within the community.

Cyprus

General information

In Cyprus, the following **definition** is applied to social enterprises (*Ministry of Labour and Social Insurance, 2005*): non-profit organisations, societies, community welfare councils, institutions, companies of limited liability registered under the current legislation having as their main aim, according to their article of association, the fulfilment of social needs of the public at large or certain groups in particular and to deal specifically with voluntary social work and operate programmes in order satisfy these needs.

Brief characterisation of the social enterprise sector

There are about **240 organisations** and **350 programmes**, most of them operate under the Pan Cyprian Volunteerism Coordinative Council (PVCC; former Pan Cyprian Welfare Council). The Department of Social Welfare of the Ministry of Labour and Social Insurance supervises and monitors these programmes. Some of these programmes operate under legislative provision. The annual state contribution is approximately EUR 7 million. The contribution of the sector to the GDP is EUR 24 million (0,03 %). The current population of Cyprus is approx. 740.000 (year 2005, *information from the internet site of the Ministry of Finance/Statistical Department*).

The most important **types of social enterprises** are:

- day-care centres for pre-school and school-age children;
- day-care centres for older persons and persons with disabilities;
- residential care for older persons and persons with disabilities;
- home care;
- group support services to persons with a mental or physical illness, persons who abuse substances, persons who are victims of family violence.

There are two **sectors where social enterprises operate** in Cyprus, i.e. welfare and education. The target groups are pre-school and school-age children, old people, persons with mental or physical illness, persons who abuse substances and persons who are victims of family violence.

The **role of social enterprises** is to identify, prevent and deal with social problems and challenges, to enable families to cope effectively with multiple roles, to secure the welfare and best interests of children and of other vulnerable groups such as the elderly and persons with disabilities, to safeguard the right to a decent standard of living for all persons legally residing in Cyprus.

There are 241 organisations and 357 programmes in operation, mainly of small size.

The **social environment** in Cyprus evolved between mid 1940's and 1960's aiming at the provision of services to poor families, children, old persons and law-breakers and in general the vulnerable groups. The creation of such services resulted from the need to take care of children who lacked a regular family life and were frequently abused by their parents. Today it is well acknowledged that the effectiveness of social policy in Cyprus relies on the co-ordinated efforts of the public, voluntary and private sector. The sector is recognised by state as a reliable qualitative and quantitative proportions meeting the social needs of all of the society's vulnerable groups.

Legal forms of social enterprises

Considering the legal structure there are **companies of limited liability** and **community welfare councils (associations)**.

Organisational and management characteristics of SEs

Social enterprises usually have a **board of Directors** and an article of association which is submitted to the Ministry

of Interior.

Important sources of **funding** are: public subsidies, donations and funds risen through organised charity events. The media in most cases sponsors such events.

Social enterprises use paid personnel as well as volunteers. **Jobs** offered are according to the capacities and capabilities of the persons involved, there is no gender discrimination.

Current framework conditions and future perspectives

The **main barriers** for the development of social enterprises can be seen in limited financial resources, and a small shortage of volunteers. Nevertheless, the National Action Plan for Social Incorporation (*Ministry of Labour and Social Insurance*, 2003) provides for the development and improvement of services available to children, the elderly and other groups which need support.

The majority of the associations are members of the **Pan Cyprian Volunteerism Coordinative Council** (PVCC; former Pan Cyprian Welfare Council) which acts as a co-ordinating body and a number of other associations are under the auspices of the trade unions.

The government is very much supporting and is subsidising the sector since 1968. By having as its main objective the mobilisation of citizens it remains dedicated in supporting the social enterprises (with emphasis in the voluntary ones) by adopting **new policy measures**. The main characteristics of this approach are:

- preparing new legislation for the least requirements the non-government and private organisations that provide home care should meet;
- strengthening of the capacity of voluntary organisations to face social exclusion;
- continuing the efforts for the fully engagement of the civil societies in the planning of new strategic plans (including the one for social exclusion) and their active involvement in the various procedures for the formation of such policies.

Recently local authorities (in particular municipalities who can afford the support of such activities) are getting involved. They create non-profit organisations promoting the social welfare of their citizens. In fact **new programmes** co-financed by the state and the EU aim at promoting the involvement of the local authorities; and it seems that there is interest by the local authorities to this effect.

Most of the social enterprises rely on **volunteering**. In fact much of the funds used for the achievement of the aims and objectives of the social enterprises come through **charity events** and activities from volunteering work.

Generally large economic enterprises sponsor such events while local and national mass communication media promote these events. Some of

these events can afford to spread beyond the national borders seeking the support of Cypriots abroad, due to mass media penetration in Cypriot communities residing in foreign countries. This trend is expected to continue with even more involvement of the private sector and the media.

Dynamic segments are:

- asylum seekers;
- incorporation of foreign workers; • one-parent families;
- persons who abuse substances;
- young defenders and
- early school leavers.

3.2 Existing strategies to promote the growth and job creation

3.2.1 Link to the Operational Programmes (Regional Development Programmes 2007-2013)

Italy

Operational Programme 'Sicily'

Co-funded by the European Regional Development Fund (ERDF) under the Convergence Objective

Purpose and aim of the programme

The overall objective of the programme is to contribute to increasing and stabilising the rate of growth of the regional economy by creating conditions in the region which are more attractive to productive enterprises. Competitiveness will thus be thereby promoted. Development must be sustainable with due regard paid to the environment and to social cohesion.

Priorities

Priority 7. Governance, institutional capacity-building and technical assistance

The following activities are foreseen under this priority: coordination, management, monitoring, evaluation, facilitating, information and communication.

Greece

Operational Programme 'Attica'

Programme for Community assistance from the European Regional Development Fund under the 'Convergence' objective

Purpose and aim of the programme

The strategic objective of the programme is to develop Athens as a metropolitan and international centre in south-eastern Europe while at the same time addressing the infrastructural weaknesses of both Athens and the Attica region. This programme is in line with the new town-planning policy for the region.

The programme has the following four strategic objectives:

- making the region more attractive,
- improving quality of life and environmental protection,
- improving the competitiveness of the region's economy,
- creating more and better jobs.

59% of the resources allocated under the ERDF will focus on what are known as the Lisbon priorities (in accordance with the strategy for growth and jobs defined by the Member States in 2000).

Priorities

Priority 4: Regeneration of urban regions

This objective covers both the renovation of deprived areas, by focusing in particular on the development of parks, and the urban and socio-economic regeneration of suburbs which have development potential. The promotion of activities related to culture, tourism and entrepreneurship is also to be taken into consideration.

Spain

Operational Programme 'Valencia'

Under the 'Regional competitiveness and employment' objective, co-financed by the European Regional Development Fund (ERDF)

Purpose and aim of the programme

The strategy of the operational programme was developed on the basis of:

- regional issues highlighted by the identification and analysis of the region's potential;
- the gains achieved during the previous stages of the Community programme;
- the Community's strategic guidelines and the national strategic framework, which establish the principles for the allocation of European funding.

The region of Valencia has chosen to place sustainable and socially integrated development at the heart of its strategy, i.e.:

- the improvement of regional competitiveness, based on investment in the field of communication and the reinforcement of research, production and the dissemination of
- innovation (particularly innovation in the private sector), as well as access to, and the dissemination of, information and knowledge;
- increased productivity and diversification of production structures;
- regional balance, integration, environmental protection and the management of water resources.

The strategic objective is for Valencia to acquire the physical and technological capital needed to strengthen its international competitiveness.

In relation to the period 2000-2006, Valencia has managed to reduce a number of deficits and achieve relative prosperity, thus allowing it to leave the Convergence objective and move towards joining the "Competitiveness - phasing in" regions. It must now meet new challenges, such as:

- the labour market (high unemployment rate, particularly among women and young people, and low rate of participation);
- immigration issues (training, social, economic and regional integration);
- infrastructure needs for communications and telecommunications and also to ensure the availability of water resources needed to prevent obstacles to development.

The programme aims to make a significant contribution to achieving the objectives of the Lisbon Strategy, with considerable support being provided for research, technology transfer, innovation and entrepreneurship. A number of programme actions will focus on the better provision and accessibility of transport services in the trans-European and

regional networks and also the use of renewable energy, energy efficiency, the management and distribution of drinking water and the treatment of waste water.

Special efforts will be made to promote sustainable development in urban areas and in the mountainous or outlying areas of the region.

Priorities

Local and urban sustainable development [around 8.5% of total investment]

The main actions focus on balanced development in the region. They are based on:

- development assistance in rural areas;
- improvement in the quality of tourism services as a driving force behind rural development;
- the promotion of regional cohesion, using integrated rural and urban regeneration projects aimed at small and medium-sized municipalities;
- the reinforcement of urban development as a means of achieving social cohesion.

France

Operational Programme 'Rhône-Alpes' (*)

Programme relevant de l'objectif 'compétitivité régionale et emploi', cofinancé par le Fonds européen de développement régional (FEDER)

Purpose and aim of the programme

Le projet de proposition de décision de la Commission portant adoption de ce programme opérationnel est le résultat de discussions et de négociations entre la Commission et la France.

La stratégie du programme opérationnel repose notamment sur:

- les enjeux régionaux mis en évidence par le diagnostic et l'analyse des faiblesses et des potentialités du territoire;
- le cadre stratégique communautaire et national qui fixe les principes d'affectation des fonds communautaires.

Le diagnostic rhônalpin met en évidence une double exigence stratégique afin d'assurer la compétitivité des territoires sur le long terme:

- assurer la croissance de l'économie régionale en s'appuyant sur ses domaines d'excellence;
- mener une stratégie active de renforcement de la cohésion territoriale et du développement durable en promouvant les objectifs de cohésion sociale et de protection de l'environnement.

Des principes ont été identifiés visant à orienter l'intervention du FEDER pour la nouvelle période, parmi lesquels la mise en évidence de:

- la valeur ajoutée communautaire;
- l'emploi et la cohésion sociale;
- le développement durable et l'innovation comme dynamiques structurant le développement de la région;
- l'anticipation des mutations sociales, agricoles, économiques, environnementales;
- la logique de projet et, notamment, l'ingénierie territoriale.

Priorities

Priorité 2: diversification et promotion des activités économiques

Cette priorité vise à renforcer le développement durable des territoires et à favoriser la création d'emplois en soutenant l'essor d'activités économiques, en rendant les services accessibles à la population et aux acteurs économiques, et en promouvant l'utilisation des TIC.

(*)= **Official Source:** *Inforegio Website*, available only in French language.

Sweden

Operational Programme 'West Sweden'

Programme under the Regional Competitiveness and Employment Objective, co-funded by the European Regional Development Fund (ERDF)

Purpose and aim of the programme

The main goal of the Regional Operational Programme for West Sweden is to improve economic growth by creating new business operations and entrepreneurship. This goal will also create new jobs and facilitate sustainable urban development. The Programme seeks to:

- enhance knowledge-based innovations
- overcome problems in certain urban areas
- create coherence between urban and regional objectives.

Priorities

Priority 3: Sustainable urban development

The activities under this priority aim to regenerate problematic urban areas. Urban renewal will contribute to the coherence and integration of those urban areas in the whole region.

United Kingdom

Operational Programme 'South-East of England'

Community assistance from the European Regional Development Fund (ERDF) under the Regional competitiveness and employment objective

Purpose and aim of the programme

The aim of this Operational Programme is to promote competitiveness in South-East England whilst contributing to reducing the region's ecological footprint. To achieve this aim, the programme has established the objectives of raising levels of knowledge and innovation across all business sectors in order to support more resource efficient business practices, boosting profitability and long-term competitiveness, stimulating innovation and job creation in new and emerging ecologically-driven market sectors and reducing the rate of growth of the Region's ecological footprint, whilst stimulating economic growth.

The focus of the Programme is on ensuring sustainable production and consumption, through promoting innovation and knowledge transfer and stimulating enterprise and supporting successful businesses. It is intended that this will not only deliver positive sustainable development outcomes, so improving the attractiveness of the region, and secure a more competitive economy but will also lead to the creation of more and, more particularly, better jobs in the regional economy as a whole.

Priorities

Priority 1: Promoting Sustainable Production and Consumption

- Promoting Resource Efficient Business Practices;
- Stimulating Innovation for a Sustainable Economy; and
- Encouraging Sustainable Consumption Practices

Cyprus

Operational Programme 'Sustainable Development and Competitiveness'

Programme under Convergence and Regional Competitiveness and Employment objective, co-funded by Cohesion Fund (CF) and European Regional Development Fund (ERDF)

Purpose and aim of the programme

The Operational Programme foresees investments in necessary environment and energy infrastructure, in order to ensure that the country is able to meet its obligations as laid down in the EU body legislation ("acquis communautaire"). New transport infrastructure is also planned, with a view to improving the country's links with the outside world. It looks to enhance competitiveness through the expansion and strengthening of high value added activities, mainly by providing support to research and businesses, in particular SMEs, in a variety of sectors, including health and tourism. There is also a territorial dimension to the Programme, with investments aimed at improving the quality of life and level of economic activity in both rural and urban areas.

Priorities

Priority 5: Regeneration of Urban and Rural Areas (ERDF)

The central aim of this priority is the creation of "sustainable communities in urban and rural areas". As far as urban areas are concerned, interventions will focus on the four main urban centres of Nicosia, Larnaca, Limassol and Paphos. Regeneration and the improvement of quality of life will be achieved through improvements in the urban environment, the attraction of businesses to stagnating parts of the cities, the creation of a sustainable public transport system, as well as the construction of a multi-purpose cultural centre. Interventions in rural areas will be directed at improving the accessibility of villages, bringing residents closer to necessary services as well as attracting and developing entrepreneurship in these areas. The regeneration of the settlements in mountainous areas will also continue the work commenced under the programming period 2004-2006.

3.2.2 Selected Measures Supporting SE

Overview on the ongoing schemes/measures/regulations identified:

Italy

name
original name
type
objective
description

Regulation of the Social Enterprise

Disciplina dell'impresa sociale

legal regulation

The objective is to give a formal definition and regulation to social enterprises.

This legislative decree (no.155 of March 24th,2006 to law no.118 of June 13th, 2005) consists of 18 sections regarding: definition of social enterprise; definition of social utility, definition of non-profit making; proprietary structure; setting up; patrimonial responsibility; denomination; corporate offices; admission and exclusion; bookkeeping system; supervisory bodies; workers involvement; mergers, splits and acquisitions; work in social enterprise; bankruptcy procedures; monitoring and research activities; coordination measures; financia dispositions.

Greece

Not available

Spain

name
original name
type
objective
description

State Council of Non-Governmental Organisations for Social Action (Royal Degree 235/2005 of March 4th)

Consejo Estatal de Organizaciones no Gubernamentales de Acción Social (REAL DECRETO 235/2005,de 4 de marzo)

fostering co-operation

The objective of this regulation is to promote the dialogue with and participation of NGOs in the elaboration of social policy within the Ministry of Work and Social Issues.

This council has the following functions:

- to promote the co-operation with NGOs in issues related to social services;
- to manage, follow-up and update federal budget;
- to promote the awareness and volunteerism.

name
original name
type
objective

Orientating service for citizen entities in Madrid

Servicio de orientación a entidades ciudadanas en Madrid

business support

This consultation service (free of charge) shall improve the level of management practices used in citizen entities Basically, citizen entities (*entidades ciudadanas*) are associations, federations of confederations that have a non-for-profit, associative nature, which can be grouped under the Organic Law 12002 of 22nd March regulating the Right to Association. The citizen entities to be benefited from this measure have to be geographically located in Madrid, their social goal has to be the representation and promotion of the general or sector interests of the citizens and their activities have to benefit the Madrid citizens. In this respect, these citizen entities encompass non-profit associations included in the non-lucrative sector.

description

The measure offers assessment and training services in legal, tax, labour and economic issues, The service is directed towards singular questions as well as for consultative processes accompanied over time. This later form of service begins with an Initial Conditions Report prepared by the service but with information made available by the person or entity requesting assistance. This report analyses the initial circumstances of the entity and suggests the steps needed for its development as well as an accompanying calendar. This report serves as the basis for an accompaniment process which is finalised via the preparation of a Final Conditions Report that includes conclusions about the evolution of the entity. The service is provided in the services' for citizens offices and requires an appointment to be previously made via telephone or email.

name
type
objective

Web site www.solucionesong.org

business support

The objectives of this web site are: - to share information on the third sector; - to facilitate the work of NGO professionals; - to promote participation of those looking to share their knowledge with an NGO- to facilitate training in the not-for-profit sector. 15.

description

This is a free-access web site dedicated to sharing knowledge on the third sector and NGOs, including in such areas as training, quality, funding, legal, tax, human resources, project management, etc.

France

name

Job Accompaniment Contract

original name **Contract Contrat d'accompagnement dans l'emploi(CAE)**
type financial support
objective This measure shall through provisions in the area of employment favour work integration into jobs, with the aim to satisfy unfulfilled collective needs.
description The CAE is a fixed term (between 6 to 24 months) full-time or part-time (at least 20 hours per week) contract. The wage is at least equal to the minimum salary. It can include accompaniment and training action. Supports for the employer: a monthly financial aid paid by the State to support the payment of the gross salary (equal at maximum to 95 % of the amount of the gross hourly minimum wage per worked hour) and social tax exemptions. Together with the employment contract, a specific agreement (*convention individuelle*) is signed between the employer and the representative of the State (ANPE). This agreement defines the accompaniment actions to be implemented. It can include training actions and can name a tutor in charge of the employee.

name **Contract for the future**
original name **Contrat d'avenir**
type financial support
objective This measure shall through provisions in the area of employment favour work integration into jobs, with the aim to satisfy unfulfilled collective needs.
description The contract for the future (*contrat d'avenir*) is a fixed term part-time (26 hours per week) contract of 2 years. It can be renewed once for 12 months (36 months if the employee is 50 years old or more). The wage is at least equal to the minimum salary. It must include accompaniment and training actions. Supports for the employer: monthly lump sum equato the amount of the minimum income (RMI) for one person (i.e. EUR 433.06 as at January 1, 2006) paid by the State or the Département, a monthly financial aid to support the payment of the gross salary paid by the State (equal to 75 % of the gross wage the first year and 50 % the folowng years) and sociatax exemptions. For integration work enterprises the amount of the monthly fianciaaid is equal to 90 % of the gross wage during the entire duration of the contract. The state can support several contrats d'avenir in the same company.
The contract d'avenir is implemented by local authorities (départements or municipalities) for persons benefiting from the RMI and by the state for other beneficiaries (i.e. unemployed who get unemployment allowances). Local authorities can delegate the implementation to an organisation of the employment public service. When it is implemented by a local authority, this one must first sign an agreement with the State (convention d'objectifs) that defines the number of contrats d'avenir that can be concluded as well as it necessary the organisations to which the implementation is delegated. Together with the employment contract, a specific agreement (convention inviduelle) is signed between the employee, the employer and the representative of the State (ANPE) or of the local authority. This agreement defines the professional project, accompaniment and training actions to be implemented and name a tutor in charge of the employee

name **National council for work integration by means of economic activity**
original name **Conseil national de l'insertion par l'activité économique (CNIAE)**
type fostering co-operation
objective To umbrella structure aims at developing work integration through economic activity.
description CNIAE is in charge of 3 main missions:

- to advice on employment and integration policies;
- to ensure dialogue between stakeholders aiming at the development and reinforcement of the work integration enterprises sector
- to represent this sector beside various national institutions.

CNIAE is composed of 42 members nominated by the prime minister for 3 years:

- 12 members representing national networks of work integration enterprises and/or named as high-level experts;
- 10 members representing ministries and ANPE;
- 10 members representing elected representatives (mayors, presidents of regions, etc.);
- 10 members representing trade-unions and employers organisations.

name **Public procurement regulation (articles 14 and 15)**
original name **Code des marchés publics (articles 14 et 15)**
type legal regulation
objective This legal provision in the area of public procurement shall support work integration programmes.
description Article 14 states that performances in terms of integration of people meeting specific social and

professional difficulties to find a job can constitute an awarding criterion. Article 15 states that awarding entities may reserve the right to participate in public contract award procedures to sheltered workshops or provide for such contracts to be performed in the context of sheltered employment programmes where most of the employees concerned are handicapped persons who, by reason of the nature or the seriousness of their disabilities, cannot carry out occupations under normal conditions (transposition of article 19 of the European directive on public procurement).

Sweden

name *Termination of the monopoly of Samhall*
type legal regulation
objective The objective is to make it possible for all kinds of employers to employ disabled under the same conditions as Samhall.
description Samhall is the leading company in Sweden providing development opportunities for people with disabilities through employment. Samhall is wholly owned by the Swedish government. Samhall's assignment given by the government is to "*produce goods and services that are in demand in order to provide meaningful and developing employment for persons with disabilities, where there is a need*". Samhall has not been able to fulfil the goal of providing work to individuals with functional disabilities. The target group is expected to be reached in a more effective way by termination of the monopoly.

name *Wage subsidy*
original name *Lönebidrag*
type financial support
objective The objective of this measure is to make it easier for disabled with a reduced capacity for work to get an employment.
description The size of the wage subsidy is determined by two factors, the wage costs of the employee and the degree of the reduced capacity for work. The subsidy can for example be given when an employer employs a person with a reduced work capacity that is sick-listed from an employment he/she cannot return to, etc., or when an employee who after being on long-term sick leave needs employment or rehabilitation training to return to work.

Portugal

name *Co-operation Agreements*
original name *Acordos de Cooperação*
type financial support
objective This measure aims at proving basic social support to certain groups of the population (children and youth, elderly, disabled, disadvantaged, families and communities) through giving grants to social enterprises.
description The government, through the social security system, subsidises IPSS private institutions of social solidarity) according to unit subsidies (per month, per user, per action, etc.), established every year by negotiations between the government and the confederations & unions of the private social economy. Some examples of unit subsidies (2005, per person and month):

- Day-care centre (children): EUR 214.98
- Leisure Centre (youths): EUR 69.14
- Children Home: EUR 420.47
- Residential Home (elderly): EUR 834.4
- Day-care centre (elderly): EUR 91.92
- Assistance at Home (elder): EUR 211.67

United Kingdom

name *Social Enterprise Unit (SEU)*
type others
objective This is a central government policy initiative. The Social Enterprise Unit acts as a focal point coordinator for policy making affecting social enterprise, as well as promoting and championing social enterprise.
description The Social Enterprise Unit is responsible for policy development for social enterprise across government. It does not provide advice to the public on social enterprise operations, grants or business development. The following sub-measures can be quoted:

1. Strategy for Social Enterprise (since July 2002): The strategy sees social enterprises playing an important role in helping to deliver on many of the government's key policy objectives by

helping to drive up productivity and competitiveness, contributing to socially inclusive wealth creation, enabling individuals and communities work towards regenerating their local neighbourhoods, showing new ways to deliver and reform public services and helping to develop an inclusive society and active citizenship.

2. Collecting data on social enterprises – A Guide to Good Practice (since February 2004): The aim of this brief guide to good practices to help regional and local bodies collect comparable data on social enterprises, whether as a part of a focussed study on social enterprises or wider research social economy or business community. Regional and local authorities and researchers are addressed by this sub-measure.

name **Community Interest Company (CIC)**
type legal regulation
objective This is a form of company registration that is directly targeted at social enterprises. Community Interest Companies (CICS) are limited companies with special additional features created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage.
description The objective s achieved by a ‘community interest test’ and ‘asset lock’, which ensure that the CIC is established for community purposes and the assets and profits are dedicated to these purposes. Registration of a company as a CIC has to be approved by Regulator who also has a continuing monitoring and enforcement role. CICs can be limited by shares, or by guarantee, and will have a statutory ‘asset lock’ to prevent the assets and profits being distributed, except as permitted by legislation. This ensures the assets and profits are retained within the CIC for community purposes, or transferred to another asset-locked organisation, such as another CIC or charity. A CIC cannot be formed to support political activities and a company that is a charity cannot be a CIC, unless it gives up its charitable status. However, a charity may apply to register a CIC as a subsidiary company.

name **Development Trusts Association (DTA)**
type fostering co-operation
objective Development Trusts secure community prosperity

- creating wealth in communities and keeping it there. DTA has defined four objectives:
- to support the formation of new development trusts
- to help development trusts work more effectively
- to encourage others to support this movement;
- to ensure that the association works effectively.

description The DTA encourages the exchange of information and good practice by supporting nine regional networks and numerous specialist forums. DTA conducts research and publishes a quarterly information bulletin as well as a range of publications. The DTA promotes the work of development trusts, advocates on their behalf by commenting on and contributing to public policy developments, briefing and lobbying central and local government, and liaising wide range of organisations at regional, national and European level.

name **Co-Enterprise Birmingham**
type business support
objective Co-Enterprise provides free advice and development to groups and individuals who want to develop their business ideas into thriving social enterprises.
description Co-Enterprise provides business development by:

- development (hands-on development work, assisting in the research of new social enterprise ideas);
- support (direct help with business planning, feasibility studies, marketing plans and financial reviews, organisational reviews);
- advice (professional business advice on issues such as employing people, finance, marketing and legal structures);
- training (tailor made business and management training for everyone involved in Social Enterprise development).

Cyprus

name **Programmes for Pre-School Children**
original name *Programmata gia paidhia proscholikas ilikias*
type financial support
objective The objective is to provide day-care through community services to pre-school children.

description The programme is offered through government, privates and community day care centres (that can be seen enterprises). The community centres are run on a non-profit basis. During 2005, there were 55 community day care centres in operation. The organisations that offer the programme, and the community day care centres in particular, benefit from the programme because they receive annual subsidies, monitoring, supervision and technical assistance by the department of Social Welfare of the Ministry of Labour and Social Insurance.

name ***Centres for School-Age Children***

original name *Kentra prostasias kai apascholis is paidhion scholiki s ilikias*

type financial support

objective The objective is to provide day-care through community services to pre-school children

description The programme is offered through community day care centres (that are considered as social enterprises) and private ones. In 2005, there were 75 community day care centres in operation. The organisations that offer the programme, and the community day care centres in particular, benefit from the programme because they receive annual subsidies, monitoring, supervision and technical assistance by the department of Social Welfare of the Ministry of Labour and Social Insurance.

name ***Programmes for persons with special needs***

original name *Programmata gia atoma me idikes anankes*

type financial support

objective The objective is to provide day care, home care services, re-integration into employment, psychological support, summer camps and entertainment to persons with special needs.

description Organisations (they are non-profit and devote their activities to the social welfare of their target group) executing these programmes should: - have the capacity and infrastructure to provide the required services; - satisfy certain social needs, in this case for persons with special needs, that are not fully covered by state services; -have the necessary financial resources to guarantee the success and continuation of its programmes.

The organisations implementing these programmes are social enterprises. They receive annual subsidies from the Social Welfare Services and technical support by the Council.

name ***Programmes for the Elderly***

original name *Programmata gia ilikiomenous*

type financial support

objective The objective is to provide day care, home care services, summer camps and entertainment to the elderly

description The majority of these programmes are run by private social enterprises while very few are run by the state. According to the latest available figures (2003) 2.581 elderly were placed in 135 private social enterprises while 213 in 4 state owned. The programmes are subsidised by the government and are administered by the Social Welfare Services targeted to the elderly. The social enterprises that run such a programme also benefit from the technical support they receive from the Social Welfare Services.

name ***Programmes for various groups in need (other programmes)***

original name *Alla programmata*

type financial support

objective The programmes aim at the provision of support and entertainment to various groups of persons in need.

description The organisations implementing these programmes are social enterprises. They receive annual subsidies and technical support by the Social Welfare Services. The programmes include group support services for persons with a mental or physical illness, persons who abuse substances or persons who are victims of family violence.

4 Platforms, Networks and Business ventures in Europe

To complete macroeconomic data, the dynamism and socioeconomic richness of European social economy is assessed also through specific cases. In addition to representing all responses provided by social economy to the various needs and aspirations of the European society, these cases show their great variety of forms and

highlight how, in spite of the extreme diversity of specific dynamics, it is possible to identify common features, which is: belonging of these organizations to a socioeconomic sector between traditional capitalist private economy public economy.

The following table provides information on the degree of structuring of the Social Economy and its components by country.

Platforms and Federations that represent the social economy sector in Europe

Country	Platforms that represent sub-sectors?*	Cross-sector platforms**
Belgium	Yes	VOSEC (Vlaams Overleg Sociale Economie) & CONCERTES http://concertes.be
France	Yes	CEGES (Conseil des entreprises et Groupements de l'Économie Sociale) www.ceges.org
Ireland	Yes	
Italy	Yes	
Portugal	Yes	
Spain	Yes	CEPES (Confederación Empresarial Española de Economía Social) www.cepes.es
Sweden	Yes	
Denmark	Yes	
Finland	Yes	
Germany	Yes	
Greece	Yes	<i>PANKO, the Panhellenic Union of Social Economy, had a short life a few years ago</i>
Luxembourg	Yes	Plateforme de l'économie sociale et solidaire
United Kingdom	Yes	
Cyprus	Yes	
Czech Republic	Yes	
Estonia	Yes	
Malta	Yes	
Poland	Yes	SKES - Stala Konferencja Ekonomii Społecznej in Polsce (Standing Social Economy Conference in Poland) http://www.sk.es.pl

Notes:

* the platform represents part of the social economy: the market sub-sector or the non-market sub-sector.

** the platform represents the whole social economy.

Groupings have also followed other criteria: for instance, the past ten years have seen the appearance of joint networks of platforms that represent the social economy, government bodies (such as town councils) and/or companies and other social organisations. This is the case of ESMED, the Euro-Mediterranean Social Economy Network, made up of the national social economy or co-operative platforms of Portugal, France, Spain, Italy, Morocco and Tunisia, and of the REVES network of local authorities that are actively encouraging the social economy. CIRIEC-International, in turn, is an unusual case of an organisation with a membership that brings organisations which represent companies from the public sector and the social and cooperative economy of many European countries together with researchers who specialise in this field.

The following cases show the heterogeneity characterizing the social economy practices in Europe:

4.1 Networks

CGI – Clinton Global Initiative

The Clinton Global Initiative (CGI) is a non-partisan catalyst for action that brings together a community of global leaders from various backgrounds to devise and implement innovative solutions to some of the world's most pressing challenges.

Today, CGI is reaching even more leaders in diverse regions, future leaders from college campuses, and global citizens through a community of projects evolving from CGI's unique model that focuses on taking action. Since 2005, CGI members have made nearly 1,000 commitments valued at upwards of \$30 billion to impact more than 200 million lives in over 150 countries.

<http://www.clintonglobalinitiative.org/>

OHCHR – Office of the High Commissioner for Human Rights

The Office of the United Nations High Commissioner for Human Rights (OHCHR) represents the world's commitment to universal ideals of human dignity. We have a unique mandate from the international community to promote and protect all human rights.

The OHCHR works to offer the best expertise and support to the different human rights monitoring mechanisms in the United Nations system : UN Charter-based bodies, including the Human Rights Council, and bodies created under the international human rights treaties and made up of independent experts mandated to monitor State parties' compliance with their treaty obligations. Most of these bodies receive secretariat support from the Human Rights Council and Treaties Division of the OHCHR.

<http://www.ohchr.org/>

IRS – Istituto per la Ricerca Sociale

IRS – Institute for the social research is a totally independent non-profit organisation that counts 60 members. The Institute guarantees a wide range of competences in the aim of developing multidisciplinary approaches and integrated modality of job.

IRS takes part in international R&D partnerships and cooperates intensely with prestigious Universities and qualified experts.

IRS services consist in research, consulting, analysis and vocational training.

<http://www.irs-online.it>

ENSR – European Network for Social and Economic Research

ENSR is a network of member-organisations in 32 countries specialized in applied social and economic research. It covers the EU and EEA countries as well as the Candidate Countries. All members are independent and follow a scientific approach to research. In total, more than 600 highly qualified researchers co-operate in the network. Main clients include the European Commission, national governments, business associations, and the like.

<http://www.ensr.eu>

CSR Europe

CSR Europe is the leading European business network for corporate social responsibility with around 70 multinational corporations and 25 national partner organisations as members.

Its mission is to support member companies in integrating CSR into the way they do business, every day.

CSR Europe is a platform for:

- Connecting companies to share best practice on CSR
- Innovating new projects between business and stakeholders
- Shaping the modern day business and political agenda on sustainability and competitiveness

The organisation was founded in 1995 by senior European business leaders in response to an appeal by the European Commission President Jacques Delors. It has since grown to become an inspiring network of business people working at the very forefront of CSR across Europe and globally.

<http://www.csreurope.org/>

UN Global Compact

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary agent driving globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

The UN Global Compact today stands as the largest corporate citizenship and sustainability initiative in the world with over 5500 corporate participants and stakeholders from over 130 countries.

<http://www.unglobalcompact.org/>

IRIS Network

Iris Network is a national R&D institutes network in the field of social enterprises made up to promote and sustain activities on empiric survey and theoretical observation in the aim of facilitating a deep knowledge about social services organizations and improving their growth chances.

<http://www.irisnetwork.it/>

SAI – Social Accountability International

SAI's mission is to promote human rights for workers around the world. It is best known for the Social Accountability 8000 (SA8000) – the comprehensive and flexible system for managing ethical workplace conditions throughout global supply chains.

SAI works with companies, consumer groups, non-governmental organizations (NGOs), workers and trade unions, local governments – as well as a network of agencies accredited for SA8000 auditing, to help ensure that workers of the world are treated according to basic human rights principles.

The SA8000 Standard is an auditable certification standard based on international workplace norms of International Labour Organisation (ILO) conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. A summary of the Standard elements follows: Child Labor, Forced Labor, Health and Safety, Freedom of Association and Right to Collective Bargaining, Discrimination, Discipline, Working Hours, Compensation, Management Systems.

<http://www.sa-intl.org/>

EBEN – The European Business Ethics Network

EBEN, founded in 1987 as a non-profit association, is a cross-national network dedicated to the promotion of business ethics, broadly defined, in academia, business, public sector and civil society.

Its mission is to promote ethics and excellence in businesses, to increase awareness about ethical challenges in the global marketplace and to enable dialogue on the role of business in society. Its members work together to stimulate and facilitate meeting of minds by organizing forum, conferences and publications.

The network members include academics, practitioners and representatives from NGO's and the public sector. The diversity of membership of EBEN (from 42 countries in 2007) means that there are many varied views within the group about business ethics. EBEN is an inclusive network, and accepts this plurality of perspectives.

<http://www.eben-net.org/>

EFC – European Foundation Centre

The European Foundation Centre is an international association of foundations and corporate funders dedicated to creating an enabling legal and fiscal environment for foundations, documenting the foundation landscape, strengthening the infrastructure of the sector, and promoting collaboration, both among foundations and between foundations and other actors, to advance the public good in Europe and beyond.

<http://www.efc.be/>

ICLEI - Local Governments for Sustainability

ICLEI is an international association of local governments as well as national and regional local government organizations that have made a commitment to sustainable development.

Over 977 cities, towns, counties, and their associations worldwide comprise ICLEI's growing membership. ICLEI works with these and hundreds of other local governments through international performance-based, results-oriented campaigns and programs.

ICLEI provides technical consulting, training, and information services to build capacity, share knowledge, and support local government in the implementation of sustainable development at the local level. Our basic premise is that locally designed initiatives can provide an effective and cost-efficient way to achieve local, national, and global sustainability objectives.

<http://www.iclei.org/>

Lisbon Regions Network

The Lisbon Regions Network is a network of 13 ambitious high performing regions with a shared interest in the delivery of the Lisbon Strategy at regional and local level.

Launched in March 2004, it aims to underline the regional and local dimension of the Strategy and contribute to its future development at European, national, regional and local level, stimulating jobs and growth in its regions.

The network provides a platform for regions to:

- exchange experience of implementing the Lisbon Strategy in their own areas, the tools used and the challenges faced;
- analyse the impact of local and regional policies on the different pillars of the Strategy;
- feed in to the wider policy debate at national and European level;
- work together in joint EU-funded projects that help them meet the Lisbon goals and stimulate jobs and growth.

<http://room.projectcoordinator.net/projectweb/43e00b125a33a/Index.html>

REBUS project – (Relationship between Business & Society, an European Investigation in CSR)

The mission of the REBUS project is to investigate how the concept of corporate social responsibility is perceived by management of both large and medium-to-small enterprises in Europe, and by society as a whole, with particular reference to the main stakeholders in firms - shareholders, employees, community, public institutions, trade unions, etc.

<http://www.rebus-csr.org/>

SUDA – Sustainable Urban Development Association

SUDA is a charitable corporation devoted to fostering a healthy natural environment through education about better city-building.

SUDA's mission is to foster a healthy natural environment by encouraging city-building that is highly efficient in land, material and energy resources, and that is also characterized by sustainable transportation.

SUDA can do this by working with stakeholders to increase understanding and acceptance of the importance of sustainable urban development practices; by gathering information and undertaking limited research; and by communicating this information to targeted audiences.

<http://www.suda.ca/index.html>

EMES - European Research Network

EMES is a research network of established university research centres and individual researchers whose goal is to gradually build up an European corpus of theoretical and empirical knowledge, pluralistic in disciplines and methodology, around “Third Sector” issues.

The range of activities carried out by EMES, its members and partners can be divided into:

Research – multidisciplinary studies to understand the diversity of experiences at national levels, and the way third sector enterprises and organisations are embedded in their respective societies.

Educational Programs – EMES supports efforts to teach this field in European universities, be it through the development of university programs, hosting of interns or participation in European initiatives.

Dissemination – EMES aims to make the results of its research projects and publications widely known in the academic world and in various economic, social and political arenas as a way of enriching the knowledge accumulated and contributing to the field.

<http://www.emes.net/>

ISTR - The International Society for Third Sector Research

The International Society for Third-Sector Research (ISTR) is a major international association promoting research and education in the fields of philanthropy, civil society and the nonprofit sector. ISTR reflects the growing worldwide interest in Third Sector research and provides a permanent forum for international research, while at the same time building a global scholarly community in this field.

<http://www.istr.org/>

UNINET - University Network for Social Entrepreneurship

The University Network for Social Entrepreneurship works with professors and researchers, practitioners, and students to develop social entrepreneurship as a vocation and carry its principles into other disciplines and sectors. It is designed to be a resource hub and an action-oriented discussion forum to expand social entrepreneurship education and participation around the world. The UniNet aims to develop social

entrepreneurship as a vocation and a field of intellectual endeavour, and carry social entrepreneurial principles into other disciplines and sectors.

<http://www.universitynetwork.org/>

CINEFOGO Network of Excellence

The Network on Civil Society and New Forms of Governance in Europe – the Making of European Citizenship aims at enhancing the understanding of social and democratic processes, citizenship and democratic participation in Europe.

<http://www.cinefogo.dk/>

4.2 Business ventures

IRIZAR Group

The second greater constructor of luxury coaches in Europe, Irizar is built on a system of self-management and participation, with the goal of achieving Business Excellence through the continuous satisfaction of its customers, people, external collaborators and society at large, thus generating social wealth and employment.

www.irizar.com

Groupe MULTIPHARMA

With more than 2500 collaborators and 250 pharmacies Multipharma is the major pharmaceutical distribution network in Belgium.

www.multipharma.be

EKÜL – Eesti Korterühistute Liitu

Estonian union of building cooperatives societies that provides housing to more than 100.000 persons.

www.ekyl.ee

Groupe CHÈQUE DÉJEUNER

Engagement for the achievement of social and human values, proximity and freedom for everyone.

www.cheque-dejeuner.com

COFAC – Cooperativa de Formação e Animação Cultural, Crl.

The main Portuguese university cooperative, works for the development of the knowledge and of human resources.

www.ulusofona.pt

Grupo ANECOOP

Agricultural cooperative group that aims to conjugate the local and agricultural development with the technological innovation.

www.anecoop.com

BENENDEN HEALTHCARE Society

Benenden Healthcare is one of the UK's longest serving (more than 100 years of caring) and most respected mutual 'not for profit' healthcare societies protecting more than 900,000 people throughout the UK.

www.benenden-healthcare.org.uk

SHELTER

Shelter is a charity that works to alleviate the distress caused by homelessness by housing, giving advice, information and advocacy, and by campaigning for lasting political change to end the housing crisis for good. Shelter has a national network of 27 Housing Aid Centres

<http://england.shelter.org.uk/>

ONCE

ONCE is a Spanish non-profit corporate organisation that focuses its activities on the improvement of the quality of life of people with blindness or severe visual impairment. ONCE, along with its Foundation and

ONCE Business Corporation (CEOSA) generates over 113.000 job positions and takes specialised care required by over 68.000 members with blindness or severe visual impairment.

www.once.es

DAIRYGOLD Co-Operative Society Limited

Support to the agriculturists organization owned by over 10,000 shareholders.

www.dairygold.ie

ARTISANS DU MONDE

With more than 160 sale points in France, Artisans du Monde is today the first association for the fair trade with the Third world. The association is animated from 5.000 volunteers and 85 employees. The several structures are grouped under a national federation.

www.artisansdumonde.org

VZAJEMNA

Vzajemna is the first and the largest voluntary health insurance company in Slovenia. Today, Vzajemna already has over a million subscribers, and annual premium income of approximately EUR 233 million.

www.vzajemna.si

TAPIOLA Group

It offers insurance, bank, savings and investment services. Tapiola was awarded the Finnish Quality Award 2000 as a result of its work to improve the quality of the customer service.

www.tapiola.fi

Cooperativa sociale PROSPETTIVA

Working insertion of the subjects with severe disabilities through the production of artistic ceramics

www.prospettivacoop.it

COMARINE

Founded in 1965, Comarine was conceived as the shipping arm of the Cyprus Co-operative for its considerable exports and exclusive imports of seed potatoes and fertilisers

www.comarine.com.cy

MOTIVÁCIÓ Sérülteket Segítő Alapítvány

The most important Hungarian foundation for social integration of the disabled people.

www.motivacio.hu

TRÅNGSVIKSBOLAGET AB

Trångsviksbolaget is an enterprise that offers public utility services in the North of the Sweden.

www.trangsviken.se

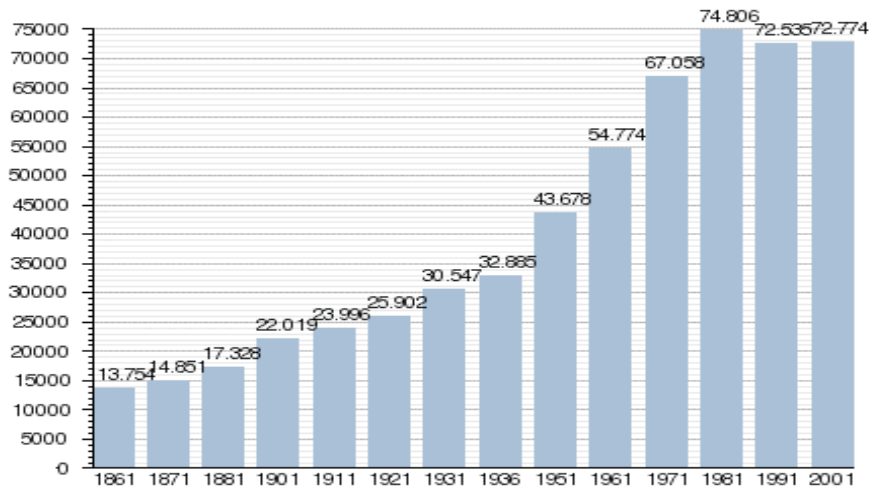
Partner profiles

5 Municipality of Gela – Italy

5.1 Overview of the City

General Overview of the City

Capital City	NO
Regional capital	NO
Is the Urban NOSE project applicable to the whole City or part of it?	The whole city
Number of inhabitants	77,311 January 2007 (ISTAT)
Unemployment rate	25%
Income per capita	not available
Other demographic information	Demographical Evolution of Gela Town Council



fonte ISTAT - elaborazione grafica a cura di Wikipedia

Location & population size Notwithstanding the activation in the early sixties of a Petrol-Chemical Pole – which engendered the arrival of a huge number of foreign workers in the town, since early nineteenth hundreds very numerous have been Gela inhabitants obliged to migrating for job-searching reasons. At the same conditions of many other southern emigrants, the main destinations were, essentially: Northern Italy, Germany and America. Speaking of figures, it is about different tens of thousands people having changed residency and having created there families elsewhere.

Main Gela origin communities in Italy:

Busto Arsizio (Lombardy Region) more than 20,000 citizens of Gela origin – Verona – Parma – Bergamo – Sannazzaro de' Burgundi – Turin – Alessandria – Mestre.

Main Gela origin communities worldwide:

Germany – Belgium – France – United States– Southern America

Strategic importance Situated on Southern Sicily Coast, Gela is the sixth Sicilian municipality for number of inhabitants, the 71st largest city in Italy and the main agricultural, industrial and commercial centre in the district of Caltanissetta, capital of the same name province.

Being a reference point for a large territory of almost 200,000 inhabitants, for decades Gela has been and goes on waiting to be promoted as capital of the so-called Province of the Gulf.

Gela lays in a barycentre position compared to the numerous road connections (it is linked with bus services to almost all Sicilian capitals); it has a large and modern railway station and it is endowed with two harbour structures, one for big tonnage merchant ships and one for yachting and leisure ships. The nearest airports are that one of Catania (110 kms) and that one of Palermo (220 kms), even if in the near future it will be activated the airport of Comiso (45 kms).

Key business & employment sectors

Despite workers in force have very much reduced during the last decades, petrol-chemical sector counts, nowadays, about 1,500 employees.

Following to the labour reduction in petrol-chemical sector, agriculture has regained its record for number of employees in the local economic framework. Tertiary sector counts a non exceptional number of employees in public and private services, but in the last years it is however demonstrating positive trends.

Short historic & economic overview

Before the heavy industry period, Gela economy was essentially based upon:

- agriculture (the largest production of wheat and cotton all over Europe);
- fishery (the second fleet of Italy);
- handicraft activities;
- seaside tourism;
- important loading harbour for export;
- wine-producing yards;
- "light" industries (cotton, olive oil, wheat and pasta mills, etc.)

Gela is nowadays one of the most important industrial centres in Sicily, with its Petrol-Chemical Pole (one among the largest in Europe) and the ASI (Industrial Development Board) industrial area with plentiful productive SMEs.

Important agricultural production (appreciated vegetables, wheat, olives and fruits): during the last years have been created several cooperatives for the production, manufacturing and commercialisation of agricultural products.

Tertiary sector in Gela counts a considerable number of family-managed SMEs.

Importance of the SMEs in the local economy

Apart from Petrol-Chemical Pole which, however, represents the main economic pole for Gela, the town economy is mainly embodied by SMEs working in various productive sectors: groceries, housing, waste recycling, electronics, chemistry, metal-mechanics, naval shipbuilding industry, carpentry, etc..

Importance of the Third Sector in the local economy

Third sector has shown positive trends in the last years. Indeed, there are plentiful associations and groups which have been created during these years that, thanks to the strong sensibility of local stakeholders towards third sector issues, offer new chances for the creation of jobs and businesses.

Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development

Social

Gela territory is sadly famous, as it is endemically and structurally injured by so serious, long-duration problems, essentially due to the presence and the continuous action of the organised criminality and juvenile criminality, along with a persisting situation of social and economic degradation that always has made difficult creating and managing enterprises according to the rules of democracy, freedom and free initiative, legality and, above all, safety for both citizens and entrepreneurs.

One of the possible replies to these serious social problems that Urban NOSE project is able to giving is the constitution of an inter-institutional public-private network, operating and well arranged and coordinated, where local Boards, Financial Authorities, Businessmen Association, other entities from the finance and credit world, Trade Unions and third sector organisations, come and pledge in the accomplishment of the ambitious economical and social project to liberate this urban area from a long period of serious economical and social crisis, being stronger of the mutual recognition of their actual identity and institutional missions.

Markets

The main challenge of the Municipality is that one to giving life to a commercial partnership between profit and no-profit enterprises with the objective of:

- seeking out connections with the leading or secondary business of profit enterprises;
- favouring that the enterprise/entrepreneur really welcomes the no-profit enterprise project as of its own;
- considering a variety of proposals to transfer resources (and not only from the profit to the no-profit!): money, time, knowledge, products, material resources (equipments and

	spaces); - forming some circuits (between profit and no-profit) of stable and durable collaborations.
<i>Environmental</i>	Of extreme importance and interest, the Gela zone is heavily threatened from an invasive and pollutant industry, from the chaotic character of the building expansion occurred during the last decades, from the illegal spreading of dumps with litter of every kind. The main challenge in this field which has been put in action from the Municipality is that one to defeat the major naturalistic emergencies of the territory that are individualised in the coastal wet zones among the dunes, and in the landscapes of the surroundings which are protected from legal constraints like Community Interest Sites (CIS) and Special Protection Zones (SPZ) that in this territory have their greater extension in the ambit of Sicilian region.
<i>Physical</i>	From the point of view of physical conditions for the Third Sector development, the Municipality of Gela is working since a long time to the enhancement of local surrounding infrastructures (sporty and recreational services, services to the person, enhancement of the conditions of roads and traffic) that are able to supporting basic services (assistance, accompaniment, administrative management, etc.), that the Town Council already distributes with an efficient structure dedicated to social services and citizenship.
<i>Organisational (Governance)</i>	Setting up a “Social cooperatives' development pact” to achieve the following objectives: - training, developing and consolidating the professional skills of public and private enterprise managers of the social sector; - providing counselling and technical assistance to social enterprises; - identifying new criteria for assigning healthcare services to individuals; - identifying network models for new and better local services; - creating sustainability conditions for the cooperatives and job quality enhancement; - identifying financial tools for credit access by the local social cooperatives.
<i>More specifically</i> <i>Access to finance</i>	Designing and implementing a package of tailored financial services according to social cooperatives' needs by financial and banking entities
<i>Access to innovation, knowledge, R&D</i>	As a matter of fact, third sector organisations enjoy an operational flexibility, associated with their knowledge of local needs, which boosts opportunities for innovation and modernisation of the social welfare system.
<i>Existing strategies and plans that cover Third Sector access to finance and innovation</i>	
<i>National</i>	At national level, Gela has recently been inserted in the national list of the “Urban Free Zones” (21 in all over Italy). The Urban Free Zones (UFZ) are infra-town areas of smaller prefixed dimensions where are concentrated programs of fiscal reduction for the creation of small and micro enterprises. Priority objective of the UFZ is favouring the economical and social development of districts and urban areas characterised from social-economical and employment difficulties, and with unexpressed capacity of development. The initiative is built-up taking example from the French experience of the “Zones Franches Urbaines”, launched in 1996 and today active in more than 100 districts. In its definitive drawing, the approved initiative extends eligibility to benefits for urban areas, characterised from significant social disease phenomena, located in urban areas of the whole national territory.
<i>Regional</i>	At regional level, the more significant strategy to supporting Third Sector is represented from the strategy on urban development contained in the ERDF Regional Operational Programme (R.O.P.) of Sicily Region, more specifically operational Objective 6.1.1: “Realising structures and interventions at urban scale for the settlement and the development of activities and services, also to support the entrepreneurial system”.
<i>City</i>	At city level, the more significant experience is represented from the launching of the Citizen Strategic Plan named "Gela 2010", that surely will integrate the Local Action Plan which will be expressed during the works of Urban N.O.S.E. project.
<i>Links to the Operational Programme of the Structural Funds</i>	
<i>Approval of the Operational Programme</i>	ERDF Regional Operational Programme (R.O.P.) of Sicily Region 2007-2013 already approved.
<i>Nomination of the city in the Operational Programme</i>	YES

Operational Programme priority covering projects of Third Sector access to finance and innovation - topics and elements covered by the Programme

- Operational Objective 6.1.1: “Realising structures and interventions at urban scale for the settlement and the development of activities and services, also to support the entrepreneurial system”
- Operational Objective 6.1.2: “Enhancing regional health poles and adopting advanced technologies in order to qualifying services”
- Operational Objective 6.1.3: “Adapting services and urban mobility structures to criteria of social and environmental quality”
- Operational Objective 6.1.4: “Enhancing the network of prevention services and activities oriented to phenomena of major disease in urban areas”.

Possibilities for local Third Sector SMEs to be created, getting access to finance and working in network. Measures eventually necessary to enhance the situation.

Reaching an agreement with local government for widening social cooperatives’ potential market makes it easier to convince credit markets that Social Economy is a financially reliable sector that deserves easy access to credit. On the other hand, access to finance and a larger market help to develop better skills in the supply of the required services, by exploiting the advantages of a more rational internal organisation justified by the growing market and by the benefits of “learning by doing”.

All this will deliver widespread benefits to society, such as better and probably cheaper services. The comparative advantage enjoyed by social enterprises, in terms of some high labour intensity activities, turns from potential into effective.

5.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

- promoting a process of growth of Gela territory through the support to the constitution and to the consolidation of territorial and administrative units of operating experts in the theme of strategic planning, programming, management, monitoring, and evaluation of public investments: in this framework, the Local Action Plan really is understood like a voluntary tool, not equivalent of the being in force city planning, of the territorial development planning through which the Municipality of Gela provides itself with a strategy to acquit the role of attraction pole of the material and intangible nets that can work as a flywheel towards a durable and sustainable reinforcement of the competitiveness in the territory;
- supporting, at local level, proceedings of institutional, administrative and organisational innovation, joined to the activation of deliberative democracy proceeds able to mobilise a plurality of subjects in the activities of building the future of the town, in line with the indications of the European Commission on the Regional Foresight (European Commission, 2002) as a tool to reach a strategic plan built across the stimulus, the activation and the exploitation of a more spacious project planning, capable to involve public and private actors: this involvement of different entities will be essential for the creation of a net of connections and of strong relations, constituting the true added value and the true propulsive force for the development of the Strategic Plan;
- surveying, systematising and valorising the innovations ripened in the framework of territorial strategic planning: this can be achieved both via the systematic (and critical) spreading of national and international strategic planning experiences that progressively reduced the exclusiveness of the urban-territorial dimension of the considered tool; and via the putting to system of the existing planning and the development of knowledge and deliberation proceedings supported to the process of formulation of the “deliberated strategy”, the recognition and re-reading of the issues and information connected to the “emerging strategy”.

Operational objectives of the Local Action Plan: desired outputs of the Local Action Plan

Being the Local Action Plan contextualised to the planning and to the development of the urban social economy, operational specific objectives will be:

- testing the methods of mobilisation of local communities in favour of co-operation in the process of revitalisation of local labour markets and development of the urban area, including the promotion of entrepreneurs’ contribution to the development and implementation of revitalisation programmes;
- working out model solutions in empowering the third sector, particularly by up-grading employees’ qualifications concerning the management of social enterprises;
- improving the availability of investment capital for social enterprises.

SWOT analysis on the existing local support structures for Third Sector SMEs creation, networking and access to finance

<i>Strengths & Opportunities</i>	<i>Weaknesses & Threats</i>
STRENGTHS	WEAKNESSES
– Presence of a good bank and credit system, also to the	– Insufficient capacity of penetration of the nets in

<p>local level (Co-operative Credit)</p> <ul style="list-style-type: none"> - High birth rate of the local enterprises - Adherence to the partnership planning method converted into "system" 	<p>inhabited contexts of high hill and mountains</p> <ul style="list-style-type: none"> - Weak innovation capacity of the SMEs system - Dimension of the enterprises excessively small - Low level of cooperation between SMEs - Insufficient level of urban welfare services - Scarce level of legality perception - Technical-administrative skills on average inadequate
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - Development of public -private partnerships for the support to social economy. - Possibility to accessing enterprise start-up services at contained costs 	<p>THREATS</p> <ul style="list-style-type: none"> - Persistent deficiency of financial sustainability of initiatives foreseeing services supplying - Still strong and spread presence of organised criminality

Business branches to be strengthened in the city within the Local Action Plan

Main business branches All of the services aiming to the development of social economy like, as an example: Services to the person, health services, sustainable and responsible tourism, cultural heritage valorisation, environmental protection, equity and solidarity commerce, ethical finances, urban green and differentiated waste-collection, schools, prisons and hospitals catering, sustainable architecture and master plans (civil, industrial and traffic plans), etc.

Entrepreneurial fields in the city/region especially qualified for clustering

Social Economy calls for diversified and qualified skills. The further it evolves towards an enterprise-style management, the more it needs negotiating skills, financial skills, lobbying skills, networking and management skills. Special attention should be focused on this problem and the government should be asked to cooperate in view of such skills, both by facilitating mobility from the traditional sector and financing appropriate learning.

Areas/elements of the Local Action Plan for which inputs from the partners and exchange activities of Urban NOSE are require

Social enterprises need networking. Their growth will be fostered by: the creation of horizontal networks that may offer some of the advantages usually provided by scale economies; and by the setting up networks involving potential counterparts and other social actors. Among those actors there may also be representatives of the profit sector in order to identify positive complementarities.

5.3 Local Support Group

Managing Authority (Region, Jeremie Programme, Access to structural funds, etc.)

Organisation **Presidenza della Regione Siciliana - Dipartimento regionale della Programmazione - Regione Siciliana**

Representative Gabriella Palocci

Position Head of European Programmes Department

Expected contribution Links to other structural fund programmes and contacts for regional dissemination of outcomes and best practice from URBACT

E-mail direzione.programmazione@regione.sicilia.it

Other Public Authority

Organisation **ANCI (National Association of Italian Municipalities – Sicilian Region Commission)**

Representative Andrea Piraino

Position Secretary

Expected contribution Support in definition of urban policy and strategy

E-mail ancisicilia@libero.it

Local banks (ethical bank, savings bank, commercial bank)

Organisation **Bank of Cooperative Credit – “Golfo di Gela”**

Representative Michele Arcadipane

Position Director

Expected contribution Financial advice linked to social enterprise issues

E-mail -

Third Sector SMEs representative organisations

<i>Organisation</i>	Sol.Co. CT – Consortium Of Sicilian Sicilian Enterprises
<i>Representative</i>	Edoardo Barbarossa
<i>Position</i>	President
<i>Expected contribution</i>	Support in the definition of issues related to the Local Action Plan
<i>E-mail</i>	solco@solcoct.it

Universities, R&D, etc.

<i>Organisation</i>	University of Catania
<i>Representative</i>	Francesco Liardo
<i>Position</i>	Responsible of Liaison Office
<i>Expected contribution</i>	Scientific and learning support
<i>E-mail</i>	miliardo@yahoo.it

Local media

- Giornale Nisseno (Local newspaper)
- Telecentrosicula (Local television)
- Radio CL1 (Local radio)

6 Municipality of Agrinio

6.1 Overview of the City

General Overview of the City

<i>Capital City</i>	NO
<i>Regional capital</i>	YES
<i>Urban NOSE territorial applicability</i>	To the whole city
<i>Number of inhabitants</i>	57,174 official population (about 100,000 unofficial)
<i>Unemployment rate</i>	13%
<i>Income per capita</i>	10,500 €
<i>Other demographic information</i>	There has been a great increase in the population of the city, during the last decades, due to the arrival of people from Epirus, Evrytania, Trichonida and Akarnania. During the 1920s a number of refugees from Asia Minor, also settled in Agrinio created a dynamic influence on the life of the city.
<i>Location & population size</i>	Agrinion (Modern Greek: Αγρίνιο, Older form: Agrinion, Latin: Agrinium) is the largest city and a municipality of the Aetolia-Acarnania prefecture of Greece, with about 100,000 inhabitants (57,174 official population) home to around a quarter of the prefecture's population. It is situated beside the Achelous river, one of the longest rivers in Greece. The settlement dates back to ancient times. Ancient Agrinion was 3 km northeast of the present town; some walls and foundations have been excavated. In medieval times and until 1925, the area was known as Vrachori.
<i>Strategic importance</i>	Today, Agrinio is one of the largest cities of Western Greece. The majority of local people were for a time tobacco farmers at the close of 19th and beginning of the 20th centuries; companies included the famous Papastratos, alongside Panagopoulou and Papapetrou. Agrinion is agriculturally famous for its main production of Agrinion olives. The movement of the local populations towards the city has established Agrinio as the commercial and financial centre of the whole area. The basic agricultural products, such as tobacco and olive, shaped the local society by creating a “new city” which is not still fully developed. There are also very good facilities for tourists. The archaeological museum, the Papastratios Municipal Library and the grove of Agios Christoforos on the hillside with a panoramic view, are some of the sites worth seeing in town. The city authorities favoured the conditions for the development of cultural activities in the city. There are many indications of this flourishing during the last years. In addition, the last 10 years, the University of Ioannina has established three Departments in the city of Agrinio: Department of Environmental and Natural Resources Management, Department of Business Administration of Food and Agricultural Products, and Department of Cultural Heritage Management and New Technologies.
<i>Key business & employment sectors</i>	– Third sector services (public services, health, engineers, commercial and financial services, etc.).

Short historic & economic overview

Importance of the SMEs in the local economy

Importance of the Third Sector in the local economy

- Significant secondary sector, especially on agro-food industry.
 - Significant primary sector: agricultures, especially olive and greenhouse cultures.
- Located in the Etoloakarnania prefecture, Agrinio was an important tobacco-producing center up to the end of 20th century. Agrinio is now in a decline position after the cease of tobacco cultivation around city (main income source). Among first priorities are to support young people, to strengthen enterprises and to re-orient local economy.
- Almost all companies are SMEs and thus the local economy is strongly depended from SMEs. SMEs constitute the core of the **Region** Economy and are a major factor of social cohesion. They account for a substantial share of the business sector, being the key factor for generating employment opportunities and growth at both regional and national levels. The current policy approach emphasizes the adoption of a new, dynamic, entrepreneurial spirit, emphasizes job creation and aims to foster:
- Qualitative and quantitative improvements in productivity and production costs.
 - Elimination of barriers to the creation of new enterprises.
 - Establishment of a more conducive entrepreneurial environment.
 - Modernization of technology.
- The rest of activities refer to the third sector services, especially public services, health, construction, entertainment, education, commercial and financial services, etc.

According to market research, the statistical elements of inventory in 2001 are marked the followings:

Economically active population	Economically active			economically non-active population
	Employed	Unemployed		
		Total	«Young»	
22.337	19.479	2.858	1.860	27.391

Source: General Secretariat of National Statistical Service of Greece - Inventory of population at 18th March 2001

More analytically and regarding to the qualitatively characteristics of the reported elements:

- The rate of unemployment is calculated in 12, 8%.
- The economically non-active population corresponds in the 55% of the total
- In total 19.479 citizens, the 66,3% of the employed population are men, while only the 33,7 is women.

Regional distribution Gross Domestic Product (GDP) and per capital GDP in euros and in [PPS], 2003.¹¹

Geographic Unit	GDP (mil. €)	Per cap.GDP (€)	GDP in PPS ¹²	Per cap.GDP in PPS
EU25	9.953.329	21.740,6	9.953.329	21.740,6
EU15	9.503.521	24.770,4	9.100.568	23.720,1
Greece	155.543,2	14.110,1	194.390,1	17.634,1
Western Greece	7.951,3	10.904,7	9.937,1	13.628,1

Regarding the level of Education and the quantitative - qualitative characteristics of Municipality Agrinio, are reported the followings¹³:

¹¹ Source: New Cronos, Eurostat 2005

¹² PPS: Purchasing Power Standards are calculated based in the level of income and the level of prices of each country.

Education Level	Total	Percentage %	Men	Women
Not knowing writing and reading	2.453	5,4%	471	1.982
Did not finish the Primary school but know writing and reading	3.301	7,3%	1.191	2.110
Graduates of Elementary education	16.909	37,4%	8.340	8.569
Finished the third Class of High School	5.976	13,2%	3.356	2.620
Graduates of High School	10.511	23,3%	5.078	5.433
Graduates of Technological Institutes and Higher Colleges	1.374	3%	692	682
Graduates of Universities	4.558	10,1%	2.438	2.120
MSc –Phd Holder	138	0,3%	98	40
TOTAL	45.220	100	21.664	23.556

Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development

Social

Agrinio is a city historically driven by the agro-food sector and under a new plan based on innovation and entrepreneurship it could again be the driving force of sub-region's development. In this direction, the new three Departments of University of Ioannina could help, as well as the new planned Research Centre.

Third Sector can be characterized by very different structural and operational patterns. A major challenge in the coming years is to restructure enterprises and to help small enterprises grow. Encouraging trends include the recent robust growth in Greek exports of high technology products, and an annual expenditure on information and communication technologies. The Greek government's industrial policies aim at improving firm competitiveness, to be achieved mainly by addressing the structural problems of industry and of SMEs. In particular, some of the key challenges could be:

- Developing new activities and new forms of entrepreneurship.
- Modernising public administration.
- Rationalising the entrepreneurial environment.
- Simplifying the regulatory framework and procedures.
- Supporting entrepreneurship and R&D with regard to certain population groups, e.g. women, the young, and the disabled.
- Environmental Services
- Support of agro-food SMEs and farmers
- Sustainable tourism
- Protection of cultural patrimony.

Markets

Management and Protection of Environment and Natural Resources

*Environmental
Organisational
(Governance)*

In Agrinio city there are:

- Commercial Chamber
- Various Professional Associations
- Three Departments of the University of Ioannina on Environmental, Natural Resources and Cultural Management and on Agro-Food Enterprises
- Higher schools for professional training

With all of them Agrinio Municipality has relationships mostly on sporadic base.

More specifically
Access to finance

Unfortunately, there are no local or cooperative banks in Agrinio. Of course there are numerous bank offices, branches of National or International Banks. However, the possibility of developing of a business angels' network seems to be attractive for both local investors as well as new entrepreneurs.

*Access to innovation,
knowledge, R&D*

The city authorities favoured the conditions for the development of cultural activities in the city. There are many indications of this flourishing during the last years. In addition, the last 10 years, the University of Ioannina has established three Departments in the city of Agrinio: Department of Environmental and Natural Resources Management, Department of Business Administration of Food and Agricultural Products, and Department of Cultural Heritage Management and New Technologies.

¹³ Source: General Secretariat of National Statistical Service of Greece – Inventory of population at 18th March 2001

Existing strategies and plans that cover Third Sector access to finance and innovation

National

In **Greek regions** basic research performed in many significant research organizations was not appropriately evaluated by the local industry, so far. Maybe, basic research is far from the end users (industries) needs which are interested only for applied research only. Industries preferred to import existing and right applicable knowledge from Central Europe or the USA. It is obvious that there is a gap of communication among research organizations and local industries. For instance, a number of patents, inventions and results from basic research performed by the research organizations, located in the regions under considerations, have been adopted by large factories in Central Europe, USA and Japan while at the same time the potential of local companies is not aware of the produced, locally, knowledge, innovations and inventions.

Regional

In **Western Greece**, the connection of academic and research institutions with SMEs is very loose. A combination of a series of new flexible laws and new motives to SMEs to approach the local research community is needed. On the other hand research organisations shall start working on the direction of applied research which can be easily adopted by SMEs.

On the other hand, significant should be **the fostering of Creativity within SMEs** in order to innovate. The results of a benchmarking study from the Western Greece have shown that there is a higher frequency of high-tech firms that develop products by making use of creativity (40%) than for the conventional food and drinks firms (11%).

City

Municipality of Agrinio has assigned to Patras Science Park (PSP) to develop an incubator for innovative enterprises' creation and growth.

Third Sector support programmes and funding schemes existing on the upper administrative levels

National

Greece's entrepreneurship problems, include weaknesses with regard to the long-term development of Greek businesses and the transition from a SME "family business" to a "professionally managed" business. Compared to other EU member-states, Greece's weaknesses, as regards its SMEs, appear to lie in administration / taxation, innovation and growth sustainability. The aim is to create dynamic, flexible and innovative SMEs, and according to the **National Strategic Reference Framework 2007-2013** (that applies in Western Greece, Epirus and Ionian Islands) particular emphasis must be placed on policy areas presenting a "deficit" during the previous periods, such as:

- Macroeconomic actions: e.g. deregulation of the energy market, privatisation of state enterprises and mergers, development of leading enterprises that have the potential to enter the international market.
- "Targeted" interventions: **support for SMEs**, creation of internationally competitive "development poles" in the regions, emergence of "areas of excellence" in the Greek industry and tourism sector, **regaining of the domestic market by SMEs**.

The principal objective of Greek SME policy is the creation of a favourable entrepreneurial environment capable of securing:

- An increase in competitiveness.
- A return of investment.
- Successful innovation and diffusion of technology.
- An improvement in infrastructure.
- Access to financial and credit institutions.
- Access to international markets.

Regional

The Region of Western Greece is characterized by the existence of a big potential of institutions of a research and technological nature (such as Patras Science Park), as well as researchers in sectors of intense knowledge, and the presence of appreciable enterprising activities. The existing capabilities are represented by the human potential working within innovation services sector and from the strength of industrial areas of Patras and Astakos.

Possibilities for local Third Sector SMEs to be created, getting access to finance and working in network. Measures eventually necessary to enhance the situation.

PROMOTION OF ENTREPRENEURSHIP - GROWTH - EMPLOYMENT

1. Interventions for the reformation of cultivations, the improvement of rural production and the enhance of rural income
2. **Enhance of competitiveness of enterprises and connection of research and innovation with production**
3. **Improvement of entrepreneurship Human Workforce.**
4. **Enhance of Commercial Activity and of the quality of Services**

PROMOTION OF ENTREPRENEURSHIP - GROWTH - EMPLOYMENT

5. Tourist Development.
6. Manufacture and exploitation of **Small Industries Park** in a region where will be assigned by the new General Urban Plan of the Municipality of Agrinio after its completion.
7. Creation of Agricultural Development Office – Agro-tourism in Agrinio, for the for the continuous briefing of residents, the planning, the co-ordination and the follow-up of programs
8. Employment and entrepreneurship for **Young People**.

SOCIAL CONCERN - PROTECTION OF HEALTH

1. Concern for the Third age and the frail groups of population.
2. Creation of statures for Vocational Training – Information, in collaboration with the Prefecture and aiming at the continuous training – Briefing of citizens, establishment of the nursery and kindergartens, as well as kindergartens for children with disabilities,.
3. Structures of Health - Assisting actions - Social Care in groups of people.
4. Foundation of kindergarten and station for dissemble people.

ADMINISTRATIVE REFORMATION

1. Application of Internal Service Agency of Municipality, with priorities the Directorates of Municipal Police and Planning
2. Computerisation of basic operations of Technical Service of Municipality
3. **Qualitative upgrade of provided services of the Municipality.**
4. **Modernisation - Rearrangement of Technical / Financial Service and completion of crewing of Municipality in order to be rendered Final Beneficiary for the Fourth Programmatic Period.**
5. Exploitation and adaptation of Municipal Enterprises, for enhance of developmental possibility of Municipality during the Fourth Programmatic Period
6. Exploitation of the building of ex Depositories Papastratou aiming at the transport of municipal services. The objective is the accommodation of all the Municipal Services (Administrative - Financial - Technical, etc) in united and ergonomic space, for the benefit of services of high quality in citizens.
7. Installation of Court of Appeal in Agrinio.

6.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

- protection, recovery and emergence of natural environment of a region which is considered to be the most “injured” in Western Greece, constitute basic need considering that has to demonstrate points that will bring growth and prosperity.
- enhancement of productive capacity of Municipality, via the assistance in the realisation of investments and the attracting of private capital and diffusion in the active potential of Municipality, constitutes necessity in order to increase employment and the production of added value and the strategic decrease of the disadvantages from the National Strategic Planning.
- planning and growth of an organized programme of exploitation of real estate of Municipality aiming at the appointment of their reciprocity for covering the needs constitute important intervention in the growth of Municipality.
- planning and growth of an organized programme enhancing the tertiary sector and specifically the tourism, as alternative activity, with respect to the environment and the local particularities, is considered absolutely necessary. The primary sector requires modernisation and innovative interventions, alternative ways of entrepreneurship that will approach the Strategic Planning.
- recording of groups of population that live in the Municipality, the detection of problems and needs and the mapping out of social policy that will correspond in the real needs of local society, constitute interventions of major importance.
- creation of offices for the information of unemployed and enterprises, with the networking of citizens of and enterprises and the creation - exploitation of registrations through the informative system that is materialised in the Municipality and by the existing web site of Municipality, is appreciated that will contribute in the exploitation of advantages of the region.
- structures that function for the third age should be extended in a level of offered services, there should also be promoted the posts and voluntary work in social, environmental and cultural activities and be joined the services for the better and effective operation. It is mentioned that for the programs «Help at Home», «Centres for the daily care of old people», «Units of Social Concern», Centres for Creative Employment of Children, Centres for Creative Employment of Children with Disabilities, Crèches, there is a decision of continuation of their financing with Community and National resources. The financing will be continued until 31/8/2008.
- growth of relations of good neighbourhood with the adjacent Municipalities (enhance of municipal collaboration), for the resolution of common problems (Water supply - Sewerage - Litter), will involve economies of scale.

Operational objectives of the Local Action Plan: desired outputs of the Local Action Plan

More specifically the Developmental Vision of Municipality for the period 2007 - 2010, based in four general objectives, is expressed and developed based in the following six main axes of priority:

- **AXIS 1: Environment - Quality of life** with accent in: a. the Management of Watery Resources, b. the Collection - Disposal of Sewages, c. the protection of Environment, d. Road projects, reformations, traffic interventions,
- **AXIS 2: Education**, with accent in the modernisation of installations that belong to the Municipality and in the exploitation of the Municipal Buildings for relevant activities. Culture, with exploitation of historical heritage of Municipality in order to be shaped high cultural identity. Sports, with growth of sports, creation of modern infrastructures and conditions of exercising for the public.
- **AXIS 3: Promotion of Entrepreneurship - Growth - Employment**, with accent in the exploitation of products of Primary Sector, in the Promotion - Tourist Exploitation of the region, and in the creation of conditions for growth.
- **AXIS 4: Social Concern - Protection of Health**, with accent in actions for the Third age, the frail group of people and the enhance of infrastructures of Health.
- **AXIS 5: Urban and Spatial Planning**, with accent in with accent in the radical reformation of city of Agrinio that foresees the new Community Support Framework
- **AXIS 6: Administrative reformation**, with accent in the upgrade of benefit of services to citizens, the developmental activities of protection of environment and the collaborations in public and municipal level.

SWOT analysis on the existing local support structures for Third Sector SMEs creation, networking and access to finance

<i>Strengths & Opportunities</i>	<i>Weaknesses & Threats</i>
<p>STRENGTHS</p> <p>Transports, Rion-Antirion Bridge, Research Capacity (University, TEI, PSP etc), Tourism, NAVIPE, Relative Balance in Production Sectors, Strong Service Sector</p> <p>OPPORTUNITIES</p> <p>Growing Tourism Market, EU SME Funding Policy, Education & Applied Research, Natural Resources, R&D</p>	<p>WEAKNESSES</p> <p>Region Under Industrial Decline, Interregional Inequalities, Low Competitiveness, Lack of Agricultural Infrastructure, Lack of Skilled Personnel</p> <p>THREATS</p> <p>Globalization, Resistance to Change (Managerial Response to Competition), General Economic Recession, Natural Disasters, Regional Abandonment, Inward migration</p>

Current status of actions concerning Third Sector SMEs creation, networking and access to finance

<i>Tasks/stages already completed</i>	<p>The current policy approach emphasizes the adoption of a new, dynamic, entrepreneurial spirit, emphasizes job creation and aims to foster:</p> <ul style="list-style-type: none"> • Qualitative and quantitative improvements in productivity and production costs. • Elimination of barriers to the creation of new enterprises. • Establishment of a more conducive entrepreneurial environment. • Modernization of technology. • Developing new activities and new forms of entrepreneurship. • Modernising public administration. • Rationalising the entrepreneurial environment. • Simplifying the regulatory framework and procedures. • Supporting entrepreneurship and R&D with regard to certain population groups, e.g. women, the young, and the disabled.
<i>Tasks/stages yet to be completed</i>	
<i>Problems/limitations</i>	<p>Overall, current economic situation is not ideal for the growth of SMEs since there are many depressed sectors of the economy and generic economic recession poses a potential perception of increased risk in any entrepreneurial activity in both sides. Nevertheless, there is a certain dynamic for such growth if policy makers, institutions and SMEs join effectively forces.</p>

6.3 Local Support Group

Managing Authority (Region, Jeremie Programme, Access to structural funds, etc.)

<i>Organisation</i>	Managing Authority Region of Western Greece
<i>Representative</i>	Marios Heiras
<i>Position</i>	Unit B, Management & Supervision
<i>Expected contribution</i>	Observation of Urban Development Interventions
<i>E-mail</i>	mcheiras@mou.gr

Municipality of Agrinio

<i>Representative</i>	Pavlos Moscholios
<i>Position</i>	Mayor
<i>Expected contribution</i>	President
<i>E-mail</i>	dhmarxos1@agrinio.gr
<i>Representative</i>	Panayiotis Zounaras
<i>Position</i>	Head of Planning and Organization Department
<i>Expected contribution</i>	Organization
<i>E-mail</i>	pzounaras@agrinio.gr
<i>Representative</i>	Maria Karra
<i>Position</i>	Planning and Organization Division
<i>Expected contribution</i>	Administrative
Universities, R&D, etc.	
<i>Organisation</i>	University of Ioannina, Agrinio Departments
<i>Representative</i>	Prof. Dimitrios Vagenas
<i>Position</i>	Professor, Vice President of the Department Environmental & Natural Resources Management
<i>Expected contribution</i>	R&D needs' identification and planning
<i>E-mail</i>	dvagenas@cc.uoi.gr
Local media	
<i>Organisation</i>	Local media "Machitis" Newspaper
<i>Representative</i>	Nikolaos Kanis
<i>Position</i>	Journalist
<i>Expected contribution</i>	Dissemination
Others	
<i>Organisation</i>	Patras Science Park S.A.
<i>Representative</i>	Dr. Vagelis G. Papadakis
<i>Position</i>	Coordinator of Regional Innovation Pole of Western Greece
<i>Expected contribution</i>	Incubation mentoring & Innovation management
<i>E-mail</i>	vgp@psp.org.gr
<i>Organisation</i>	Chamber of Commerce of Aitolokarnania
<i>Representative</i>	Panayiotis Tsihrisis
<i>Position</i>	President
<i>Expected contribution</i>	Connection with local SMEs
<i>Organisation</i>	Entrepreneurs AGRINO SA
<i>Representative</i>	Constantine Pistiolas
<i>Position</i>	CEO
<i>Expected contribution</i>	Entrepreneurship

7 Municipality of Athienou

7.1 Overview of the City

General Overview of the City

<i>Capital City</i>	YES
<i>Regional capital</i>	NO (delete as appropriate and explain which region)
<i>Urban NOSE territorial applicability</i>	WHOLE
<i>Number of inhabitants</i>	5,200
<i>Unemployment rate</i>	3%
<i>Income per capita</i>	Unknown
<i>Other demographic information</i>	Athienou young couples enjoy a government financial scheme when they build or buy their first house. This has encouraged young couples to remain in Athienou and not move

to the cities. So, there are many young couples with their children in the municipality (young people of 15-29 are the 25% of the municipality. The elderly population is relatively low, being around 11%.

Another important subject is the migrants. About 1500 of them (about 30%) are in the municipality, working on various jobs and with the need of special attention.

Location & population size

Athienou is a rural municipality. It is located on the seized fire line of the 1974 Turkish invasion. It is an inland city, 40 km from Nicosia, the capital and 20 km from the coasted city of Larnaca, the capital of the District of Larnaca.

Strategic importance

The population is 5200 locals and 1500 Europeans and other ethnic workers. Being on the boarder line between the Greek and Turkish sides, if ever there is a solution, the city will be the centre of commerce between the two sides.

Key business & employment sectors

Farming and breeding of animals like cattle, pigs, sheep, goats and chicken. Factories in agricultural machinery, dairy products, local pork, nuts . Very famous for local bread, therefore a lot of bakeries .

Short historic & economic overview

After 1974 Turkish invasion of Cyprus, the city suffered a serious decline for many years.

In the last 10 years, property went sky high up, employment is booming, there is a growth in house building and there is shortage of working hands that is the reason for the big number of foreigners.

Importance of the SMEs in the local economy

SMEs play an important role in the local economy, considering their production, especially of various local products like bread, milk products, nuts, eggs etc, but also the labour that they engage.

Importance of the Third Sector in the local economy

The third sector is very developed in the city, occupying around 58% (with the 1st Sector occupying 10% and the 2nd Sector 32%).

Main activities are trade (supermarkets, shops, pharmacies, gasoline stations, bookshops etc), education, health and social care, restaurants and taverns, banks and a cooperative bank and others.

Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development

Social

- Understanding the growth and the changing shape of the voluntary sector
- Understanding the local, regional and national context
- Personalising services through the third sector: Unlocking the experience and creativity of our third sector partners to deliver services in new ways
- Identifying and using the third sector's experience in improving our approach to service provision
- Promoting the development of our key partners through grant funding and other means
- Tailoring our approach to engagement for all types of third sector organisations

Markets

The city is between two main city hubs but at some distance from the main markets. This puts its products in a deficiency, raises the cost of transportation and consequently the cost of production. There have to be promoted actions for solving this problem.

Environmental

Due to the big number of animals in close proximity to the populated areas, there are many environmental problems. Serious actions have to be taken for improving this.

Organisational (Governance)

- The municipality council has to address seriously the growing number of migrants within the city.
- Assistance from the governmental social services is needed, in order to address this problem.
- Making best use of central Government resources to support our efforts
- Practical guidance on achieving long-term delivery improvement and efficiencies through third sector involvement

Existing strategies and plans that cover Third Sector access to finance and innovation

National

The governmental social services promote actions of social care for the elderly and they subsidise such actions.

City

The municipality council is paying special attention to the elderly, the youth and the young children, subsidising and/or financing programs that deal with the well being, the physical education etc of all the above.

Governance: the decision-making and regulatory framework concerning the Urban NOSE project in the city, different roles, responsibilities and resources for Third Sector support located on the different levels

<i>Overview</i>	In the city there exist social care institutions, with main goals the well being of the elderly and the young children.
<i>Role of municipality/city council</i>	It participates in social care institutions in the City, with the Mayor holding the presidency.
<i>Role of county/regional authorities</i>	N/A
<i>Role of Managing Authority</i>	N/A
<i>Role of national authorities</i>	They help, they participate in some meetings, when they are called and invited to help.
<i>Specific programme in the area</i>	Specific programme for the elderly and the young children.
<i>Others</i>	N/A

Third Sector support programmes and funding schemes existing on the upper administrative levels

National Programmes that help those in need, through governmental departments. Also there is a volunteering institution, subsidised by the government, that helps all the kind of people in need.

7.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

The Local Action Plan will try to solve problems that the third sector SMEs have. It will try to present proposals supporting the start up of new initiatives of social entrepreneurship and the consolidation and the development of those ones already existing, offering logistic spaces, services of advising, formative activities and instruments for knowledge of the territory. Also, it will give help for the networking of the enterprises. Taking into account the development of related policies in other European partners, it will try to enhance experiences in Corporate Social Responsibility, equal opportunities policies and local sustainable development.

SWOT analysis on the existing local support structures for Third Sector SMEs creation, networking and access to finance

<i>Strengths & Opportunities</i>	<i>Weaknesses & Threats</i>
Strong willing of the people involved to support social enterprises. Rural area with significant willing to reach high welfare level.	Limited financial support, despite of the great needs. Volunteer people system often overworking.

7.3 Local Support Group

Municipality of Athienou

Representative Spyros Papouis
Position Mayor
E-mail s.papouismayor@athienou.org.cy

Representative Kyriakos Kareklas
Position Advisor
E-mail kar@anetel.com

Representative Natasa Georgiou Karousiou
Position Administrative Director
E-mail mail@athienou.org.cy

Representative Michalis Papoutsas
Position Member of Committee Municipality
E-mail mail@athienou.org.cy

Local banks (ethical bank, savings bank, commercial bank)

Organisation **Bank of Cyprus**
Representative Phanos Flourentzou
Position General Manager of the local branch

E-mail fanos.flourenzou@cy.bankofcyprus.com

Other financial institutions

Organisation **Cooperative Financial Institution of Athienou**
Representative Vasos Papaioannou
Position General Manager
E-mail speath@athienou.coop.com.cy

Third Sector SMEs representative organisations (Chambers, Associations, etc.)

Organisation **Cattle Owners Union of Athienou**
Representative George Parpas
Position Secretary

Local media

Organisation **Larnaca Press**
Representative Takis Antoniadis
Position Director

Organisation **“Athienou” newspaper**
Representative Despo Pougerasi
Position Director
E-mail pougerasi@cytanet.com.cy

8 Municipality of Koropi

8.1 Overview of the City

General Overview of the City

Capital City NO
Regional capital NO
Urban NOSE territorial applicability The project is applicable to the whole city.
Number of inhabitants 24.453 officially (around 60.000 unofficially)
Unemployment rate 12%
Income per capita 12.000€
Other demographic information Koropi is now in a status of progressive development due to its proximity to Athens. New habitants are settling down every year. This flow from Athens has changed the city's social structure. Young couples and immigrants have made their appearance in the area. This fact has influenced both the unemployment rate and the income per capita. The percentage of settled immigrants in Koropi reaches almost 10% of the population.
Location & population size Koropi is a suburb in the eastern part of Athens, Greece. It is the seat of the municipality of Kropia, with about 50.000 inhabitants. The Hymettus mountain is to the west. Attiki Odos runs to the east, with a new, extensive network of roads connecting it to the 2-lane Vari-Koropi Road, the Lavrion and Sounion Avenues near Markopoulo, and the Eleftherios Venizelos Airport.
Strategic importance The development of the city was influenced by the construction of the new international airport “Eleftherios Venizelos”, the construction of Attiki Odos (which is the basic axis from Athens to the airport) and the function of the suburban. This fact combined with the proximity to Athens has offered the area an additional privilege. The last 10 years, there has been occurred a great increase in the economic development. New enterprises have settled down and the existence of an industrial park has altered the structure of economy. Koropi local authorities' ambition is to turn the city into a regional transport hub and a sustainable industrialized area.
Key business & employment sectors Koropi is agriculturally famous for its main production of vineyards and olives. Except from the production of basic agricultural products, the residents of Koropi have been occupied in farming. In the 90s, the population has turned to services. The last 10 years, there has been occurred a significant change in terms of economic growth. Several enterprises have settled in the district. Their appearance has influenced the economic activities. The main agricultural activities have been displaced from second

sector activities, but also there has been occurred a horizontal mobility of employees. Nowadays, most of the biggest Greek enterprises are established in Koropi and employ thousands of employees.

- Third sector services (public services, health, engineers, commercial and financial services, etc.).
- Significant secondary sector.
- Significant primary sector: agricultures, especially grapes and greenhouse cultures.

Short historic & economic overview

There are many indications of this flourishing during the last years. (Local GDP has increased, new jobs have been created and new enterprises have made their appearance etc.). Particularly, Koropi is characterised by a rapid increase in industry and handicraft industry. The last decades could be characterised as the most booming economic period.

Importance of the SMEs in the local economy

On the basis of what has been referred above, it can be said that, the region of Koropi comprises an allure for investment for large enterprises. Many large size enterprises have been transferred and settled in the region. The feature of the region's economic activity shows the first indications of change, since the incentives for investment are increasing. The region's economy though is still based on the activities of SME's which do business in the area. The ultimate goal of the Municipality of Koropi is the establishment of conditions and the provision of incentives to businessmen of SME's, so as to protect them from the continuous flow of larger enterprises.

Importance of the Third Sector in the local economy

Koropi is agriculturally famous for its main production of vineyards and olives. Except from the production of basic agricultural products, the residents of Koropi have been occupied in farming. In the 90s, the population turned to services.

The development of the city was influenced by the construction of the new international airport "Eleftherios Venizelos", the construction of Attiki Odos (which is the basic axes from Athens to the airport) and the function of the suburban. This fact combined with the proximity to Athens has offered the area an additional privilege for investments. Several companies were established in the area during the last decade. Their main business concerns principally the third sector. Significant is the presence of financial institutions, publishing companies. The rest of the activities refer to the third sector services, especially public services, health, construction, entertainment, education and commercial etc.

Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development

Social

The Greek government's industrial policies aim at improving firm competitiveness, to be achieved mainly by addressing the structural problems of industry and of SMEs. In particular, some of the key challenges could be:

- Developing new activities and new forms of entrepreneurship.
- Modernising public administration.
- Rationalising the entrepreneurial environment.
- Simplifying the regulatory framework and procedures.
- Supporting entrepreneurship and R&D with regard to certain population groups, e.g. women, the young, and the disabled.

Third Sector can be characterized by very different structural and operational patterns. A major challenge in the coming years is to

- Tackle the unemployment of women and refugees as a consequence of the alteration in the socioeconomic structure of the city and to deal with important social problems, such as the social exclusion of refugees.
- Solve the problems that the rapid growth of the city brings together with industrialisation and causes several dysfunctions as a result of the lack of basic structures.

Markets

- Transition into a new type of economy due to changes which have occurred in the socioeconomic structure of the city.
- The development of the city was influenced by the construction of the new international airport "Eleftherios Venizelos", the construction of Attiki Odos (which is the basic axes from Athens to the airport) and the function of the suburban. This fact increases the need for specialized personnel to be employed and gives an extra cause for reflection to the city authorities.

Environmental

- Environmental Services
 - Protection of cultural patrimony
- Environmental friendly policies in order to:
- face circulatory problems as a result of the lack of urban planning

<i>Physical</i>	<ul style="list-style-type: none"> – modernize the obsolete drainage network – deal with the collection of new type of waste
<i>Organisational (Governance)</i>	<p>Policies for</p> <ul style="list-style-type: none"> – The protection and cleaning of coasts – The noise pollution – The atmospheric pollution – Lack of structures due to an exploding population – Further needs in administrative staff
<i>More specifically Access to finance</i>	<hr/> <ul style="list-style-type: none"> – The establishment of a network for supporting business enterprise and employment – Initiatives for the cooperation between Public and Private Sector
<i>Access to innovation, knowledge, R&D</i>	<ul style="list-style-type: none"> – Creation of incubators enterprises and innovation poles in order to support the already existent enterprises – Provision of incentives to new established enterprises through supporting institutions for enterprises and new investments in the area.

Existing strategies and plans that cover Third Sector access to finance and innovation

National Central developmental goal is the enhancement of competitiveness and extroversion of business and the country's system of production, focusing at the dimension of innovation. The central developmental goal breaks into 3 strategic goals:

- Acceleration of the transition to the economy of knowledge
- Growth of the healthy, sustainable and extroversive entrepreneurship and safeguarding of the natural, institutional and organizational preconditions which serves it.
- Reinforcement of the attractiveness of Greece as a place for the development of entrepreneurial activity, with respect to the environment and sustainability.

The Strategic Goals specialize into 4 General Goals which concern to:

- Intervention in the Energy and Innovation sector
- Intervention in the entrepreneurship sector
- Intervention in the sector supporting the entrepreneurial environment
- Intervention at the energy supply as a condition for achieving competitiveness

For the attainment of the above goals the competent Ministry of Development, as well as, the other competent Ministries are preparing and advancing a set of legislative interventions and arrangements orientated towards the effective support of the National Reforms Program and the safeguarding of the preconditions for its implementation.

Regional The strategy for the Attica region is targeting towards «the Establishment of the Attica Region as an international entrepreneurship centre, enhancement of the extroversion of the local system of production and accommodation of the attractiveness of foreign investments through the encouragement of innovation, entrepreneurship, research and technology and the diffusion of new technologies».

The regional operational plan includes interventions which serve the enhancement of Research and Technology, as well as, the diffusion of its results to the enterprises of the Region, the reinforcement of innovation, the better utilization of Communications and Information Technologies from business, the reinforcement of entrepreneurship, the improvement of the competitive position of the Region's Media, the upgrade of the tourist services and the enrichment of the regional tourist product, the increase of productive investments and the flow of Foreign Direct Investments, the energy production from Renewable Energy Resources and the reinforcement of the institutional productive – entrepreneurial environment.

Scheduled policies of the specific Axis incorporate the regional dimension and are being implemented in the Region in a coherent manner, contributing to the formation of discrete, viable and extroversive competitive advantages.

The implementation of the Axis interventions connects also with accompanying simplification interventions of the entrepreneurial environment (in all sectors), encountering of the size of enterprises, deepening of the single economic market, consumer's protection, sustainable management of the environment etc. Also, the present Operational Program has the capacity to fund, at a complementary manner and within the limit of 10% of European Union's funding, every priority Axis, and actions which fall into field of aid of the European Social Fund, since they are required for the satisfactory materialization of an act and connect directly with her. Within the context of the present Priority Axis the use of the flexibility clause shall be made for the funding of intervention categories like the ones of the European Social Fund, which fall into the

Ministry of Development strategy and contribute at a complementary manner to the implementation of the main indicative categories of intervention of the Priority Axis in question.

City There is a gap of communication among research organizations and local industries. The presence of new R&D enterprises

Governance: the decision-making and regulatory framework concerning the Urban NOSE project in the city, different roles, responsibilities and resources for Third Sector support located on the different levels

Overview Social economies constitute the base line of new types of governance regarding the production and the expanded reproduction, since they manage to be developed in areas, where the state and the private sector cannot enter due to absence of profit or restricted ability of market penetration.

Role of municipality/city council Municipalities constitute privileged areas for the development of the third sector through actions which redefine the relation between the citizens and the dominant economic system and through actions which turn the social policies into local development, eliminate social inequalities, strengthening social capital and reinforcing democratic participation.

Role of county/regional authorities The Region of Attica has a supervisory role towards the municipalities regarding to the projects they implement.

Role of Managing Authority Supervisory authority

Role of national authorities The Ministry of Economics has the distribution role for the project's budget. Part of the initiatives undertaken by the Municipality of Kropias was the creation of those social structures that would improve living conditions of socially disadvantaged population groups. More specifically, there were created the following structures:

- Elderly day-care centres, providing medical and recreational services to the elderly.
- Children' Creative Employment Centres, taking care of children while their parents are at work, thus supporting working mothers
- Help at home program, providing services to families whose members were people with disabilities and elderly.

In addition, the City has implemented a programme of local employment initiatives, under which the target group were unemployed and more specifically special categories of unemployed, such as young people, women and immigrants.

These actions concerned the provision of consultancy services for drafting CVs and training. Through this programme some of the participants have found jobs, others have found subsidised work and finally some have started their own companies (start ups).

The programme has provided substantial assistance to immigrants through learning programmes of the Greek language.

Third Sector support programmes and funding schemes existing on the upper administrative levels

National The Ministry of Development is the accountable body (in charge) for financing the third sector. The principal objective of Greek SME policy is the creation of a favourable entrepreneurial environment capable of securing:

- An increase in competitiveness
- A return of investment.
- Successful innovation and diffusion of technology
- An improvement in infrastructure.
- Access to financial and credit institutions
- Access to international markets

Regional The Municipality of Kropias is characterized by the existence of a big potential of institutions of a research and technological nature (new R&D enterprises)

Regional Programs: EQUAL, LEADER +, 3rd Community Support Programme, Society of Information.

Links to the Operational Programme of the Structural Funds

Operational Programme Within the Regional Operational Program of Attica it is being envisaged the award of subsidies according to the new chart of regional subsidies 2007-2013. In particular:

- priority covering projects* - The Guidelines regarding the Regional Designated State Subsidies 2007-2013
- of Third Sector access to* - The Context of State Subsidies for Research and Development and Innovation (2007-2013).
- finance and innovation -* - The 24th Oct. 2006 Regulation (EU) 1628/2002 of the Commission for the
- topics and elements*
- covered by the Programme*

implementation of the articles 87 and 88 of the Treaty at the regional designated investment subsidies.

Existing funding approval proceedings and management – time planning related to possible calls for tender, competition, etc.

In addition, it's being envisaged the award of subsidies and via an Investment Law Through Ministry of Economics and the National Managing Authorities. Possibly, in April 2009. It not yet defined.

Possibilities for local Third Sector SMEs to be created, getting access to finance and working in network. Measures eventually necessary to enhance the situation.

There exist potential. New enterprises are taking advantage of the opportunities of the region. Enterprises with a complementary framework of operations could create a network for development. There are not big enterprises in the third sector for small enterprises to cooperate with.

8.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

- The enhancement of productive capacity of Municipality, in order to increase employment and the production of added value.
- Facing the unemployment of women, as a consequence of the alteration of socioeconomic structure of the city and to deal with important social problems, such as the social exclusion of refugees and women.
- The detection of the problems and the needs of population that live in the Municipality and the mapping out of social policy that will correspond in the real needs of local society, constitute interventions of major importance.
- The creation of offices for the information of unemployed and enterprises, with the networking of citizens of and enterprises and the creation - exploitation of registrations through the informative system that is implemented in the Municipality and by the existing web site of Municipality, is appreciated that will contribute in the exploitation of advantages of the region.
- The growth of relations of good neighbourhood with the adjacent Municipalities (enhance of municipal collaboration), for the resolution of common problems, will involve economies of scale.
- The creation of social enterprises which will contribute in the protection of environment, unemployed women and immigrants and cultural patrimony.

Operational objectives of the Local Action Plan: desired outputs of the Local Action Plan

- Start up of new enterprises
- A network between local enterprises
- The establishment of a support institution for social enterprises
- Dissemination actions

SWOT analysis on the existing local support structures for Third Sector SMEs creation, networking and access to finance

<i>Strengths & Opportunities</i>	<i>Weaknesses & Threats</i>
<p>STRENGTHS</p> <ul style="list-style-type: none"> – Strong willingness – Previous experience through structures such as the centre for children's creative employment – Enforcement of Corporate Social Responsibility – Financial capacity for funding the start up of social enterprises – Strong Service Sector <p>OPPORTUNITIES</p> <ul style="list-style-type: none"> – R&D, – EU SME Funding Policy, – Education & Applied Research 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> – Lack of funding through official authorities – Legal framework – Bureaucracy – Lack of previous good practices which could be transferred to enterprises – Lack of Skilled personnel – Interregional Inequalities <p>THREATS</p> <ul style="list-style-type: none"> – Resistance to Change – Exclusion of immigrants

Current status of actions concerning Third Sector SMEs creation, networking and access to finance

Tasks/stages already There is strong willingness and close cooperation between city authorities and SMEs

<i>completed</i>	representatives. It has been created an unofficial forum for the exchange of ideas but still there is nothing official or within a legal framework.
<i>Tasks/stages yet to be completed</i>	<ul style="list-style-type: none"> – Developing new activities and new forms of entrepreneurship. – Modernising public administration. – Rationalising the entrepreneurial environment. – Simplifying the regulatory framework and procedures. – Supporting entrepreneurship and R&D with regard to certain population groups, e.g. women, the young, and the disabled.
<i>Problems/limitations</i>	Funding Previous experience or best practices Skilled personnel

Business branches to be strengthened in the city within the Local Action Plan

<i>Main business branches</i>	Logistics, catering, tourist, real estate, publishing and informatics
<i>Existing focus on specific entrepreneurial branches</i>	The existence of an industrial park gives the chances to flourish new R&D enterprises, to introduce the innovation into local economy. There are also many informatics and publishing enterprises.
<i>Specific measures taken by the City in favour of Third Sector businesses, ventures and start-ups</i>	Several dissemination actions on funding schemes in national, regional level have taken place. The city authorities have also provided, in order to support SMEs start ups, employment initiatives and counselling but, till now, there are not specific institutional measures.
<i>Existing focus on specific groups (young people, women, ethnic minorities etc.)</i>	As it has mentioned above, the focus group is unemployed (young and women) and ethnic minorities.

8.3 Local Support Group

Managing Authority (Region, Jeremie Programme, Access to structural funds, etc.)

<i>Organisation</i>	Managing Authority
<i>Representative</i>	Mavrogonatou Alexandra
<i>Expected contribution</i>	Supportive role, provide guidelines
<i>E-mail</i>	amavrogonatou@mou.gr

Third Sector SMEs representative organisations (Chambers, Associations, etc.)

<i>Organisation</i>	Attiki Odo S.A
<i>Representative</i>	To be defined
<i>Organisation</i>	International Airport of Athens
<i>Representative</i>	To be defined
<i>Organisation</i>	Confederation of industrialists of Koropi
<i>Representative</i>	To be defined
<i>Organisation</i>	Commercial Chamber of Koropi
<i>Representative</i>	To be defined
<i>Organisation</i>	Commercial Chamber of Athens
<i>Representative</i>	To be defined
<i>Organisation</i>	Trade Union of Labourers of Koropi
<i>Representative</i>	To be defined

Universities, R&D, etc.

<i>Organisation</i>	Panteion University of Athens
<i>Representative</i>	Kethis Vasilios
<i>Position</i>	Professor of Public administration
<i>Expected contribution</i>	Offer solutions into managerial problems, guidelines etc.

9 Municipality of Xátiva

9.1 Overview of the City

General Overview of the City

<i>Capital City</i>	NO
<i>Regional capital</i>	NO
<i>Urban NOSE territorial applicability</i>	100% city.
<i>Number of inhabitants</i>	28.597
<i>Unemployment rate</i>	6
<i>Income per capita</i>	21.239 EUROS
<i>Other demographic information</i>	10% Migrant populations 32,74% populations more 34 old years 10% large elderly population
<i>Location & population size</i>	Xátiva is the capital of the region of the Coastal one, region that is located in the Southwest of the province of Valencia (Spain). His municipal area possesses 56 ' 63 square kilometres and turns out to be divided in two by the mountainous spur of the Serra Vernisa that, in addition, separates the valley of the Coastal one to the north of Bixquert's Valley in the southern part.. To his feet there spread the fields of garden furrowed by the river Canyoles that of West to East crosses the Vega up to joining to the river Albaida in Manuel's neighboring term.
<i>Strategic importance</i>	Xátiva is a city of services of the central regions of the Valencian Community. Placed to 50 minutes of the Capital of the C.V. it is an important core(nucleus) of terrestrial communications. In addition in view of his important historical patrimony it is a city that has between his principal strategies the tourist development. It possesses an extension of to university of Valencia.
<i>Key business & employment sectors</i>	Xátiva has his principal economic activity in the sector services, emphasizing the related ones to the administration and health. It has an important sector related to the retail trade. These three sectors group 70 % of the active population. The rest diversifies in industrial sectors where the most representative is that of the graphical arts.
<i>Short historic & economic overview</i>	Xátiva was declared Historical - artistic Set in 1982, for the monumental wealth(richness) of his(her,your) old town in general, and to the particular significance(meaning) of his(her,your) most emblematic monuments, declared equally Goods of Cultural Interest. Between(Among) his(her,your) more representative monuments they are: the Castle, with remains of different epochs; the Collegiate church of Santa Maria (S. XVI-XX); the Major Hospital of Poor (S. XV-XVI); San Félix's hermitages (S. The XIIIth); of San Jose (S. The XVIIIth) and of Holy Ana (S. The XVIth); San's Pedro church (S. The XVIIth); that of San Francisco (S. The XIVth); the Gothic door of the Trinitarios (S. The XVth), the natal house of the dad Alejandro VI (S. The XVIth); Alarcón's House (S. The XVIIIth) or numerous urban palaces of the nobility setabense, of different epochs
<i>Importance of the SMEs in the local economy</i>	95 % of the companies is representative of segment SME. The companies gather in crowds in the businessmen's association named ADEXA. The employment and the wealth(richness) of the city is based on this type of companies.
<i>Importance of the Third Sector in the local economy</i>	The third sector inside the local economy presents an important number of associations and groups. Nowadays it has registered 30 entities grouped in different topics: managerial (4), foundations (3), mutual (4), saving banks with benefit society (5), educational special centers (5), other: cultural, sports...(9). These entities are promoters in the local development of her take care in collaboration with Xátiva's town hall.
Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development	
<i>Social</i>	Generation of a platform combining non-profit-making organizations involved in the key rendering of services for the city, which acts as loudspeaker of its professional recoveries and is constituted as forum of promotion of its activities and engine of its specialization and maximum search of quality. Promotion of the interconnection between the third sector and the managerial classic associate.
<i>Markets</i>	Deep improvement of the way in which the services lend, organization, visibility of managerial behaviour on the markets, specially in the place and regionally and maximum

<i>Environmental</i>	deepening of the labours of social marketing. Development of a position and joint, solid and public commitment, of the set of non-profit-making organizations of the city on the respect to the environmental questions in the presentation of the services to persons. Development of a position and joint, solid and public commitment, of the set of non-profit-making organizations of the city on the respect to the environmental questions in the presentation of the services to persons.
<i>Physical</i>	Development and putting in march of a centre or common place of promotion of the enterprise culture tied to the third sector
<i>Organisational (Governance)</i>	Managerial professionalism of the groups and non-profit-making organizations in the presentation of the services
<i>More specifically</i>	
<i>Access to finance</i>	Negotiation of a specific agreement for the access to profitable credits for the beginning and / or business consolidation carried out by organizations of the third sector.
<i>Access to innovation, knowledge, R&D</i>	Interconnection of the organizations of the third sector with the businessmen's local association (ADEXA) and thereby to promote the diffusion of the Innovation towards the sector. Moreover, in this moment, ADEXA have very good relationships to reach agreements with Universities and Centres of I+D.

Existing strategies and plans that cover Third Sector access to finance and innovation

There does not exist as such a specific plan directed the promotion of the Third Sector, though it is true that the one most important part of the actions that in social matter are carried out so much by the national authorities since regional try to reinforce the Social Cohesion and to suppose really powerful, but indirect measures, of potential reinforcement, included financier, of the action of the organizations of the third sector.

Besides it, the organizations of the third sector have privileged access (but not only one) to plans and programs, national and regional, specially dependent on the Social European Fund.

National

The putting is foreseen in march of five forms of intervention regions, with thematic approach, in that they inform the organizations that, because of his competition in the matter, carry out actions in these areas.

Five are the thematic approaches that give content to these P.O.:

The actions destined for the promotion of the employment and for the occupational training (Aims 1 and 3) The attention to the groups that need of actions specialized with a specific design (Aims 1 and 3) The organization of the system of vocational training. (Aims 1 and 3) The actions as for permanent training and reinforcement of the entrepreneurship. (Aims 1 and 3) The Spanish system of Investigation, Development and Innovation.

Inside an Operative Program, the authority of management, of agreement with the Commission and with the holder of the Program, can decide that a part of the endowment of the Program finalist should be reserved by character for the accomplishment of certain actions, considered priority: this mechanism is known as global subsidy. In case of the Social European Fund, the article 4.2 of his Regulation foresees to use this formula to facilitate the access of NGOs and associates places to small subsidies.

To manage this reservation of credit, the authority of management signs an agreement with an Intermediary, who must guarantee his solvency, his) experience and his implantation in the territory. In the Spanish programming there have been designed two types of global subsidies:

The majority they devote themselves to promote the associative fabric in the area of the fight against the discrimination of the most disadvantaged Groups; · Others devote themselves to foment the local development by means of interventions in neighbourhoods that present specific difficulties of labour insertion.

Regional

Is outlined the own Operative Regional Plan that in case of the FSE he supposes for the current programming 476,500 Millions of Euros. Great part of the same one (really the practice totality) is articulated in a frame of reference negotiated between the regional Administration, the unions and the Businessmen's Federation named PAVACE, Valencia Plan by the Competitiveness and the Employment, which at this moment one finds being renegotiated for the next years.

Governance: the decision-making and regulatory framework concerning the Urban NOSE project in the city, different roles, responsibilities and resources for Third Sector support located on the different levels

Overview

The project will be managed by the Town hall of the city, and therefore it will show the maximum political responsibility and will determine strategic orientation.

The execution will be chargeable to a Technical Coordination directly dependent on the Businessmen's Association of the city (ADEXA).

For your part the Group of Local Support, including Chamber of Commerce, regional authorities, organizations of the third sector, will act as diffuser of the activities, drive belt of the activities towards the third sector in general and like promoter, in his case, of subsequent actions to the plan of action that they allow his real implementation.

Third Sector support programmes and funding schemes existing on the upper administrative levels

National

In general the central and autonomous administration they have lines and programs for the constitution and consolidation of the entrepreneurship. These helps are managed directly by the administrations towards the citizen, others are yielded to intermediate organisms(organisations) for his execution and development.

Regional

To regional level different private organisms exist dedicated to generating economic resources proceeding from his managerial benefits and that are articulated across the benefit society's concept. This type of entities are of financial character: saving banks. The principal initiatives are destined for the endowment of resources necessary for the city in groups of citizens with needs and dependence.

Possibilities for local Third Sector SMEs to be created, getting access to finance and working in network. Measures eventually necessary to enhance the situation.

The possibilities of generating companies of the third sector are enormous, given the demand of services for dependent persons and disadvantaged existing groups in the area of Xátiva's influence, specially after the approval of the law of dependence and the managerial push that has the sector services in general and specially tourist and culturally in our city.

The agreement with the businessmen's Association of Xátiva (ADEXA) is going to facilitate enormously the task of successful management of the project given his experience in creation of competitive companies, his relate with the Valencia service of Employment and his contacts with the financial world that already previously there have generated financial specific agreements with local and provincial Saving banks for the promotion of new companies.

To improve the situation, evidently it has to be designed and there be started the Plan of action(share) which more excellent measures must place in the area of the formation(training), the management of nascent companies and the advice and information about opportunities of business.

9.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

The Plan of action that is designed associate will have to be destined to promote and strengthen the productive capacities of Xátiva's city associated specially with the rendering of services to the population of the city in risk of social exclusion and / or to the development of complementary services in sectors like the Culture, the Health and the environment, promoting always the maximum employment of the groups implicate.

The process of development of the Plan of Action will be intimately tied to internal processes shared with the Group of Local Support destined to the promotion, development and accompaniment of social companies. In synthesis both processes, parallel and simultaneous, must to contemplate three components:

- Promotion
- Training
- System of Information. (tutorship, advising and consultancy).

In this respect, they will have to be established like priority in the plan of action, programs of integral assistance, directed to achieving that the participants reach technical, technological, financial, managerial and administrative competitions that allow his productive participation in the processes of production of goods, rendering of services and to develop his social commitment with the city and as last end, to achieve the third sector powerful and complementarity with the institutional services for us, the key elements of they own competitiveness.

Operational objectives of the Local Action Plan: desired outputs of the Local Action Plan

Plan of Formation: Offer of formative actions destined to the improvement of managerial attitude in the third sector: Examples: the accomplishment of seminars of good practices in topics like “financial collaboration with private entities” or “social responsibility”, with that there will be elaborated a bank of good practices. Furthermore, we would add topics as finances and strategic planning.

Also it is considered essential to know and to analyze the own reality of the sector, since difficultly it is possible to construct without consolidating the knowledge on his situation. Of this form, studies will be elaborated on topics as the legislation and the plans of voluntary work to European, national and autonomous level, and the financing sources of the ONG.

Finally it is our pretension to construct together with the Group of Support, a Bank of Ideas and projects that visualizes environments and niches of employment potentially for new social companies and that thus acts of reference to the entrepreneurship of the third Sector

SWOT analysis on the existing local support structures for Third Sector SMEs creation, networking and access to finance

Strengths & Opportunities	Weaknesses & Threats
<ul style="list-style-type: none"> - Great experience in the conciliation of agreements of financial support for managerial initiatives and in the own management of the same ones. - Excellent relations with the provincial and regional governments that possibility an easy access to managerial joint initiatives Town hall- Third Sector. - The predictable development of the Law of Dependence generates a legal and financial frame for the entrepreneurship that there give services related to dependent persons, specially if these are coordinated with the local authorities. - Xàtiva is the center of excellent services of a population very superior to the own one of the city, as a whole the area of Xàtiva's influence overcomes 100.000 inhabitants. - Strong links between the Local administration and the Businessmen's Association of the City, facilitating a fluid dialog with the economic fabric where opportunities of business can be detected and manage together services of tutorship and managerial advice of quality. 	<ul style="list-style-type: none"> - Lack of managerial experience of the groups of volunteers at the moment of managing services BY a professional way. - Economic general Crisis in the Spanish State, decrease of opportunities of business and credit restriction. - The services related with the care of disadvantage people have been traditionally realized by the families of the persons in risk of exclusion. The new companies of the third sector need to provide a real and confirmed quality for promoting externalized services. This one will be fundamental for the success. - Absence of a common platform of entities of the third sector that of loudspeaker of own global needs of the third sector. - The growth generated by the crisis of the Welfare state has implied the entry in the Social Market of new competitors who, logically, aspire to obtain a part of the available resources. An immediate effect of this increase in the competition of the sector is that those organizations that not have professionalism and that do not appear authentic strategies of Social Marketing will be led to disappearing. - The negative repercussion or " effect I infect " that takes place(is produced) in the whole Third Sector as consequence of certain scandals that acquire great media reputation, ANESVAD, INTERLIFE, the French Arca de Zoé ... This spoil of image, though it is attributable to minority and exceptional cases, it concerns seriously the whole set.

Current status of actions concerning Third Sector SMEs creation, networking and access to finance

<i>Tasks/stages already completed</i>	<p>Outline agreement of collaboration between the Town hall and the Businessmen's Association of Xàtiva (ADEXA) for the management of this project and, consequently, direct access to the resources and prestige of this Association for the design of the Plan of Action(Share) and the development of the service of managerial tutorship.</p> <p>Summary of all the relevant information for the constitution of companies, financial sources, and more relevant subsidies for put in march diverse types of companies linked with the third sector.</p>
<i>Tasks/stages yet to be completed</i>	<p>Constitution and putting in march of the specific service of support to the social entrepreneur.</p> <p>Negotiation with the financial entities of specific agreements of funding that promote business in the area of the “social services” using the experience of ADEXA in similar agreements.</p> <p>Plan of formation (see before).</p> <p>Bank of Ideas, business and projects that could constitute the base for future companies of social character.</p>
<i>Problems/limitations</i>	<p>Four are the basic problems:</p> <ol style="list-style-type: none"> 1. Lack of professionalism in the business management of the initiatives carried out by social volunteers who still(yet) do not capitalize his experience in the shape of viable companies. 2. General ignorance of the social and economic potentials of the services to persons like source of income and business. 3. Relative withdrawal of the companies already constituted (for example more of them are stakeholders of ADEXA) towards the social services. It's a difficulty for setting up alliances between already existing companies (with resources) and the new entrepreneurs in this sector (social services).

4. Credit restriction on the part of the financial institutions due to the economic crisis

Business branches to be strengthened in the city within the Local Action Plan

Main business branches

Services:

A - Of cultural Character.

B - Related to the environment.

C - Related to dependent persons.

Existing focus on specific entrepreneurial branches

If all those related to the culture, the tourism and the trade

Existing focus on specific groups (young people, women, ethnic minorities etc.)

It does not exist as such a municipal politics specifies of financial support to the companies of this type of groups, nevertheless it is insisted on the part of the Agency of Local Development and the services of advice of the Businessmen's Association of Xàtiva and Chamber of Commerce in the measures that the Region stimulates (subsidies, reduction of social taxes and advantages of all kinds) for the company that is constituted by this type of groups

Entrepreneurial fields in the city/region especially qualified for clustering

Tourism and cultural services.

Key areas/elements of the Local Action Plan for which inputs from the partners and exchange activities of Urban NOSE are require

1. Mechanisms, manners, and joint interventions between companies of the third sector and public entities in the rendering of services to persons. Specially ways of " Sponsorships".
 2. Mechanisms of funding " ad hoc " for companies of social economy.
 3. Joint ventures, pre-established companies of any sector and companies of social economy for the putting in march of new business related with Culture, Environment and Social care.
-

9.3 Local Support Group

Managing Authority (Region, Jeremie Programme, Access to structural funds, etc.)

Organisation

Generalitat Valenciana

(Servicio valenciano de empleo)

Representative

To be defined

Local banks (ethical bank, savings bank, commercial bank)

Organisation

Caixa Ontinyent

Representative

To be defined

Third Sector SMEs representative organisations (Chambers, Associations, etc.)

Organisation

Asociación de empresarios de Xàtiva y la Costera (ADEXA)

Representative

Francisco Pallás Sanchis

Position

President

Expected contribution

Collaboration in the development of the program

E-mail

adexa@servidex.com

Organisation

Agrupación de comercio de Xàtiva

Representative

Cristóbal Merino Grau

Position

President

E-mail

alcys@servidex.com

Organisation

Promoción económica de Xàtiva (PROEXA)

Representative

Joaquin Reig

Position

Secretary

E-mail

adexa@servidex.com

Organisation

Confederación Empresarial Valenciana

Representative

Rosa Climent

Position

Delegation Xàtiva

Universities, R&D, etc.

Organisation Representative **IES la Costera**
Director

Local media
Organisation Representative Position **El informador**
Enrique Mateu
President

10 Municipality of Grenoble

10.1 Overview of the City

General Overview of the City

<i>Capital City</i>	NO
<i>Regional capital</i>	NO
<i>Urban NOSE territorial applicability</i>	YES
<i>Number of inhabitants</i>	155 100 (376 000 urban area)
<i>Unemployment rate</i>	8.2%
<i>Income per capita</i>	€ 15.115
<i>Other demographic information</i>	8 555 inhab/km ²
<i>Location & population size</i>	Grenoble is located in the South Eastern region Rhône-Alpes. Rhône-Alpes is the second economic region in France after Ile-de-France. This is also the 7th European economic region and one the five most tourist regions in Europe. In terms of population and economic dynamism Grenoble is the second city of Rhône-Alpes region after Lyon.
<i>Strategic importance</i>	Settled at the heart of the French Alps, Grenoble benefits from a wonderful natural environment which favours winter as summer tourism. Its economic dynamism as well as its research centres' potential make of it a very attractive territory. Grenoble counts 62 800 students and among them 9 000 foreign students. Grenoble has become a scientific and technologic excellence centre. It counts notorious academic centres (scientific and social sciences universities, Grenoble National Institute of Polytechnics; Grenoble Management School...) as well as national and international research organisations (CEA, CNRS, ESRF, ILL...). Its social economic sector is also very dynamic since the city gathers 14% of employers and 16% of employees.
<i>Key business & employment sectors</i>	<ul style="list-style-type: none"> – Grenoble area counts 26 400 industrial, commercial and service-based enterprises (in July 2008). – Industry, building industry and services to enterprises' sector gather 67% of the area employment. – Regarding the industry, the Information-electronics-optics sector is the one which employs the most (23.6%). – 11% of Grenoble enterprises count more than 10 employees and 89% have less than 10. – 1/3 of enterprises is older than 10. – 90% of enterprises has its decision centre in the area. – The number of Creation of enterprises in 2008 is quite positive (an increase of 14.4% registered in 2008).
<i>Short historic & economic overview</i>	<ul style="list-style-type: none"> – During the 19th century: industrialisation phase of Grenoble mostly due to its hydro-electricity sector development. – Today the City has become a notorious international scientific and technology research centre. Gathering and supporting public-private R&D and Innovation cooperation, the territory attracts and gives birth to high tech companies, both large enterprises (ST Microelectronics, Hewlett Packard..) and SMEs.
<i>Importance of the SMEs in the local economy</i>	SMEs are the most numerous enterprises in the city and the main part of labour market.
<i>Importance of the Third Sector in the local economy</i>	There is a strong subcontracting sector in the area. Indeed 8 out of 10 enterprises are part of the third sector, trade or services-based.

Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development

<i>Social</i>	Better integration of social, economic and environmental considerations within public local policies. Integration of disadvantaged parts of population in qualified positions.
<i>Markets</i>	Public procurement is still a challenge for small enterprises, especially for social economy enterprises. Keep supporting R&D and innovation within enterprises. Fostering export capacities of SMEs.
<i>Environmental</i>	The City is surrounded by three mountain chains. Important density of population. There are pollution problems due to transportation issues.
<i>Physical</i>	– Density due to mountains and high prices of real estate. – Ground water.
<i>Organisational (Governance)</i>	Clarify and simplify organisation of actors supporting enterprises, State, operators, local authorities or consular networks. A rationalisation should create a more efficient support to enterprises.

More specifically

<i>Access to finance</i>	Increase visibility on resources available and refine eligibility criteria.
<i>Access to innovation, knowledge, R&D</i>	There is a strong public support from local authorities and other intermediate facilities such as the Chamber of Commerce, AEPI (Isere Agency for the promotion of investments) but strong need for better coordination and rationalisation. Also need for a simplification (less bureaucracy).

Existing strategies and plans that cover Third Sector access to finance and innovation

<i>National</i>	National Reference Strategic Framework (NSRF)
<i>Regional</i>	– Regional development economic strategy – Regional Operational Programme
<i>City</i>	Local authorities co-support the third sector development by creating a favourable and attractive local environment (urbanism, transportation, measures towards businesses...), and by supporting creation of activities, associations, entrepreneurship (financing, structural support...)

Governance: the decision-making and regulatory framework concerning the Urban NOSE project in the city, different roles, responsibilities and resources for Third Sector support located on the different levels

<i>Overview</i>	The Economic Development Department would be responsible within the city for the design of the strategy in close cooperation with other relevant departments of the city and of the urban community county council.
<i>Role of municipality/city council</i>	Lead partner
<i>Role of county/regional authorities</i>	Associated partners
<i>Role of Managing Authority</i>	Associated partner and adviser on future financial viability of the local plan
<i>Role of national authorities</i>	Responsible of the operational programme management and thus in charge of the national and territorial cohesion of activities.

Third Sector support programmes and funding schemes existing on the upper administrative levels

<i>National</i>	All kind of initiatives from the Industry Ministry, and innovation financing agencies such as Oséo (R&D support, guarantees to loans...).
<i>Regional</i>	The social economy sector is supported by different ministry delegations. Regarding social economy: – Sectoral Economic Plan towards social economy (€ 3 million 2007-2009) – I Declic Solidaire (2.6 million for direct aids to enterprises) – Employment forum – Transmea investment fund (€ 5.5million whom 1M€ of the region dedicated to financial support and enterprise taking over) At the local level, the Urban community council has been supporting the development of the social economy sector as well as the city council since 1995. A specific fund enables the economic development department to design and implement a set of policies and activities in this field.

Links to the Operational Programme of the Structural Funds

Nomination of the city in the Operational Programme

Operational Programme priority covering projects of Third Sector access to finance and innovation - topics and elements covered by the Programme

Yes in the regional Operational Programme

Axe I Innovation and knowledge economy
Support to financing of R&D collaborative research, technology transfer and support to entrepreneurship culture of SMEs. This first line offers a lot of financial and structural possibilities for SMEs to access innovation.

Axe II supports diversification and promotion of activities
It aims at supporting economic development of SMEs, commercial activities, handicrafts and services.

- Engineering territorial actions to set up a development strategy by improving enterprises' environment and by stimulating innovation and entrepreneurship.
- Collective actions to favour very small enterprises' environment
- Collective actions to improve and facilitate creation, handing over and development of SMEs.
- Animation of local initiatives platforms
- Support to creation of enterprises' incubation

Existing funding approval proceedings and management – time planning related to possible calls for tender, competition, etc.

There are both open calls and calls for proposals towards eligible applicants.

Possibilities for local Third Sector SMEs to be created, getting access to finance and working in network. Measures eventually necessary to enhance the situation.

Third sector enterprises benefit from a strong public support environment for entrepreneurship. Nevertheless this support should be still fostered and better target social enterprises. Small enterprises still need support to grow up. The city has a strong innovation based policy to foster R&D and networking between actors (academic, enterprises, financiers...). It financially supports clustering of actors but also fosters their cooperation through structural measures.

10.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

No specific strategy has been yet designed regarding the future project implementation but a key objective would be to set up a relevant policy strategy in the field of social economy and keep fostering entrepreneurship in this sector. The local action plan in Grenoble would target social enterprises' creation and development and should thus ensure sustainable employment on the territory. Such strategy should involved all relevant actors of the sector, from academics to entrepreneurs, financiers and all kind of intermediaries. There are still a lot to do to foster, strengthen and promote this sector. Besides, local policies must be better integrated and consider economic, social and environment challenges to create the sustainable development of the territory.

Operational objectives of the Local Action Plan: desired outputs of the Local Action Plan

- Better networking and coordination between actors and competencies
- Better local support to actors
- Increasing visibility of these actors' fields of activities and interests within the municipality
- Enrichment and design of new local policies and initiatives

SWOT analysis on the existing local support structures for Third Sector SMEs creation, networking and access to finance

<i>Strengths & Opportunities</i>	<i>Weaknesses & Threats</i>
<ul style="list-style-type: none"> - Requests for an alternative economic development model - A strong public support network - A good public-private cooperation 	<ul style="list-style-type: none"> - A lot of bias towards social economy - Lack of available premises for young entrepreneurs - Lack of post creation support - Lack of knowledge and promotion of the sector actors and competencies

Current status of actions concerning Third Sector SMEs creation, networking and access to finance

<i>Tasks/stages already completed</i>	– Support to entrepreneurship (creation and development of enterprises) – Support to the design and development of incubation facilities
<i>Tasks/stages yet to be completed</i>	– Strengthening an appropriate and efficient environment for incubation of social enterprises (better cooperation and promotion of actors....)

Business branches to be strengthened in the city within the Local Action Plan

<i>Main business branches</i>	Fair Trade; Social tourism; housing; environment
<i>Existing focus on specific entrepreneurial branches</i>	There is both a strong support local policy towards scientific and technology development, as well actions in the field of social integration in the local economic life.
<i>Specific measures taken by the City in favour of Third Sector businesses, ventures and start-ups</i>	The city closely works with the Chamber of Commerce and all public venture funds. It also implements a R&D support policy through its involvement in the competitiveness cluster policy. It support innovation forum such as Forum 4i in the technology field, Employment forums.
<i>Existing focus on specific groups (young people, women, ethnic minorities etc.)</i>	Yes the city implements a social and economic integration policy (proximity activities towards job seekers, employment forums, integration of women through European projects, integration of migrants...)

Entrepreneurial fields in the city/region especially qualified for clustering

The City currently counts a relevant number of clusters. This is a tradition in the area to support cooperation between enterprises, universities and research organisations.
In Grenoble thus exists technology clusters such as Tenerrdis for renewable technology, Minalogic for micro-nanotechnologies or Lyon Biopôle for biotechnologies. The City is part of a pro-Inno initiative, Innet project, supporting internationalisation of these clusters.
There are also other types of cluster initiatives such as Cluster 14 on social economy.

Key areas/elements of the Local Action Plan for which inputs from the partners and exchange activities of Urban NOSE are require

- Concept of incubation within other partners' territories
 - Development of innovative tools for creation of social enterprises
 - Definition of tools for visibility of the sector
 - Growth of the sector
 - European standards for incubation of social enterprises
 - Tips for a better general environment (finance, structural support..)
-

10.3 Local Support Group

Managing Authority (Region, Jeremie Programme, Access to structural funds, etc.)

<i>Organisation</i>	Préfecture Région Rhône-Alpes
<i>Representative</i>	Karine Gordo Paquier
<i>Position</i>	In charge of European projects
<i>Expected contribution</i>	Coherence and viability of the local activities
<i>E-mail</i>	Karine.gordo@rhone-alpes.pref.gouv.fr

Local banks (ethical bank, savings bank, commercial bank)

<i>Organisation</i>	Crédit coopératif
<i>Representative</i>	To be confirmed
<i>Expected contribution</i>	Financial advice regarding social economy

<i>Organisation</i>	Oséo
<i>Representative</i>	To be confirmed
<i>Expected contribution</i>	Financial and support to SMEs

Third Sector SMEs representative organisations (Chambers, Associations, etc.)

<i>Organisation</i>	Association "La Pousada"
<i>Representative</i>	To be confirmed
<i>Expected contribution</i>	Expertise on enterprises' support for creation and development

<i>Organisation</i>	Alpes Solidaire association (platform for social economy sector)
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<i>Representative Expected contribution</i>	To be confirmed Representation of local social economy sector interests
<i>Organisation Representative Expected contribution</i>	Chamber of commerce To be confirmed General representation of local enterprises
<i>Universities, R&D, etc. Organisation Representative Expected contribution</i>	IEP Grenoble (Institute of Political Sciences) To be confirmed Academic input, notorious master on social economy
<i>Organisation Representative Expected contribution</i>	Management School of Grenoble To be confirmed Link between research and management of economic projects
<i>Organisation Representative Expected contribution</i>	Rhône-Alpes Research cluster To be confirmed Expertise on social economy actors, challenges
<i>Local media Organisation Representative Expected contribution</i>	Les Nouvelles de Grenoble To be confirmed Promotion and visibility of activities within the city
<i>Organisation Representative Expected contribution</i>	Alpes Solidaire To be confirmed Promotion of LSG's activities
<i>Others Organisation Representative Expected contribution</i>	AIRES (Regional Observatory of Social Economy Sector) To be confirmed Expertise on the sector

11 Municipality of Herrljunga

11.1 Overview of the City

General Overview of the City

<i>Capital City</i>	NO (delete as appropriate)
<i>Regional capital</i>	NO (delete as appropriate and explain which region)
<i>Urban NOSE territorial applicability</i>	The whole municipality
<i>Number of inhabitants</i>	9280 (dec 2007)
<i>Unemployment rate</i>	1,7 % (2,6 %)
<i>Income per capita</i>	N/A
<i>Other demographic information</i>	Few inhabitants in the age of 25-40 years.
<i>Location & population size</i>	The Municipality of Herrljunga is located in West Sweden. Herrljunga is placed in the central part of the Region of Västra Götaland. Västra Götaland is a large region, counted in inhabitants as well as in area. The largest city in Västra Götaland is Gothenburg, about an hour by train from Herrljunga. Our municipality has 9280 inhabitants, which is smaller than the average municipality in Sweden. It lives approximately one million people within one hour by train/car from Herrljunga.
<i>Strategic importance</i>	Herrljunga is an important hub for regional as well as national railway traffic, for both passenger transportation and goods traffic.
<i>Key business & employment sectors</i>	Manufacturing is the main business in the MoH. Farming and forestry businesses are more common here than in general.
<i>Short historic & economic</i>	Land base production such as farming and forestry is in general among the most

<i>overview</i>	contractive economic activities. Although they are well founded and stable in the area of Herrljunga, land based production is in a period of long-lasting transition. The EU CAP will of course play a certain role as will the demographic change and technological progress. On the overall the transition will lead towards more knowledge and information based production.
<i>Importance of the SMEs in the local economy</i>	SMEs plays a very important role in our municipality. They constitute the main part of labour market. We expect the growth in the business sector to take place in smaller companies, primarily in the service sector and in the tourism industry and commerce.
<i>Importance of the Third Sector in the local economy</i>	Much of our work depends on the third sector. People tend to do much volunteer work, of different kinds. We have many Non Governmental Organizations (NGO's) compared to our size (about 600) but fewer companies related to the third sector. We want our third sector to be developed in a more professional and entrepreneurial way.

Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development

<i>Social</i>	We have to influence people's way of thinking. As a result of the great volunteer work and the many NGO's is the social capital strong. Even though it is strong it has to be developed by influence by more business related thoughts. We have to create structures in order to enable going from non-profit activities to profitable ones. There are a lot of business opportunities in the non-profit sector.
<i>Markets</i>	We have to do efforts to open up the possibilities within the public purchases, for SME's. It is a great market with lots of possibilities. Another important market which has to be developed is the tourism. The industry is underdeveloped in Herrljunga with a lack of profitable businesses.
<i>Environmental</i>	Locally produced goods and services are key factors to spare the environment. To set a mindset where economical, ecological and social perspectives of sustainable development interact is important, both for sellers, buyers and decision-makers. In order to develop the local market we have to work with public affairs as well as with the possibilities within refining of goods and services.
<i>Physical</i>	As a result of the increasing price of non-renewable fuels the railway-traffic has been more valued. With the great possibilities in commuting to and from Herrljunga, we have a possibility to maintain and develop our geographical position – as an important hub in West Sweden. Therefore the possibility in transportation of goods has to be developed ahead.

More specifically

<i>Access to finance</i>	The municipality of Herrljunga is placed in the working field of Sparbanken Alingsås. It is a savings bank who contributes to develop the area in which they are located apart from the ordinary bank services. Handelsbanken, one of the largest commercial banks in Sweden is also represented in Herrljunga. There are also two member based banks in Sweden: Ekobanken and JAK-banks who are providing funding under special circumstances. Region Västra Götaland has contributed to the start of a Credit Guarantee Association for the third sector. It is linked to Companion, an organisation financed by the state, region and the municipalities, who provides business advice to the third sector.
<i>Access to innovation, knowledge, R&D</i>	Within one hour by train/car we have five universities with different profiles and there are plenty of professional vocational education facilities.

Existing strategies and plans that cover Third Sector access to finance and innovation

<i>National</i>	National business programmes are carried out by The Swedish Agency for Economic and Regional Growth (NUTEK). A new programme on social enterprises is under way but little is known today about framework, content and scope of the programme to be. A general start-up support programme is at hand within a governmental organisation named ALMI Företagspartner AB with regional offices in many places.
<i>Regional</i>	On the regional level there are regional growth programmes which relates to the national and the European strategies like the Lisbon and Gothenburg strategies. The growth and development issues in Region Västra Götaland are handled by a programme for Region Västra Götaland but there is also sub-programmes linked to the four Associations of Local Authorities, placed in the region. The keyword in Sjuhärad Association of Local Authorities' programme is "The meeting". The meeting between people, in order to enable cooperation. The three key statements are: to strengthen the power of long-term development and promote innovations, to develop the human capital, social capital and contribute to cultural renewal and to develop, boost and market the strengths. They point

out stimulating of social economy/the third sector as one of the prioritized issues the coming years.

We have a resource centre in the area of Sjuhärad, named ESPIRA. Several organizations have gathered in one house where entrepreneurs and company-owners can get advice and eventually also financing.

City

We are preparing a program for development of the municipality right now. The municipal assembly shall adopt the programme during the autumn of 2008. The main theme is empowering people to create entrepreneurial activities for sustainable development (economical, ecological and social). We have worked together with the private sector and the social economy sector to hammer out the program.

The Municipality of Herrljunga cooperates with Företagarna (Federation of Private Enterprises) in Herrljunga to provide counselling to entrepreneurs and companies, both in the private sector and in the third sector.

Companion Sjuhärad provide the third sector/the social economy in our area with business counselling. The municipality of Herrljunga is one of the member in Companion Sjuhärad.

Hushållningsällskapet

Third Sector support programmes and funding schemes existing on the upper administrative levels

National

No support programme is yet in power (except national financing of Companion business support) but a new programme is under way.

Regional

Region Västra Götaland has been working with the development of the third sector for several years, in a very conscious way on the regional level. There is a board for the third sector which includes representatives from the sector as well as from the politics. They are members of REVES- European Network of Cities and Regions for the Social Economy.

Possibilities for local Third Sector SMEs to be created, getting access to finance and working in network. Measures eventually necessary to enhance the situation.

Creating phase

The need of measures starts in the pre-creating phase. To achieve the desirable goals we have to influence people's way of thinking. To create a support-structure for transformation of entrepreneurial activities into businesses is a key-factor. It has to be linked with relevant information and solutions of financing and networking.

Financing

The main part of the existing third sector in the Municipality of Herrljunga is unaware of the European options of financing activities.

Networking

The participants in the third sector have to network within their sector but just as much with people in the business world and the public sector. They have to understand and take advantage of the know-how, how to use the established structure, in order to create new business opportunities.

11.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

General

All growth is locally created. It is the creative power of the entrepreneurs that together with the employees work found our common welfare. Successful companies and entrepreneurs are a prerequisite for local growth.

The huge public sector has reached its upper limit. Renewal is needed and two driving forces are at hand in the national, regional and local economies. One is the financing problem of public service production requiring new organisational forms and payment principles. Another is the transition of people from being today accepting care receivers of what is publicly produced to future modern care consumers demanding new services accessible when and where they want them. A minor revolution is expected to take place supported from above by the government and from below by demographical changes. It will lead to forced competition in regional and local public care service production by radically increased public procurement processes. Hence, new business opportunities for social enterprises will dramatically expand.

We see social enterprises as an integrated effort between public and private. It is a kind of enterprise that will not appear as a pure open market initiative. Nor is it a kind of enterprise that will be established by the public sector. But as a combined and integrated public and private initiative based on a clear entrepreneurial driving force, social enterprises will fill a gap and operate on a market in-between public and private. This market is what we define as the Third Sector. This perspective on social enterprises differs quite substantially from the general Swedish definition of social enterprises in which democracy and the wealth of the employees is in focus.

Within the framework of regional and local growth plans we form the Local Action Plan. The LAP aims at leap forging up the value-added chain. We base our LAP on seven catch phrases:

Open up

Change will not occur by itself. The LAP must contain measures for a mind shift in public sector as well as among common people focusing business opportunities in competition as the most efficient and effective way of producing consumer services on new markets. We foresee the need of raising knowledge and increasing opportunity insights among and within common people, for existing businesses and in the local public sector.

Pull out

Commitment will not occur by itself. The LAP must contain measures for pulling out the willingness to participate and take actions accordingly in the ongoing local change in many dimensions. We foresee the local user-group to be the frontier in stimulating curiosity, networking and engaging new groups of social entrepreneurs.

Invent

Innovation does not come by itself. The LAP must contain measures for creating a continuous flow of multi-type knowledge as well as clustering of applicative capabilities resulting in new business opportunities. We foresee a close public-private-third sector cooperation in forming triple-helix experimental and application centres in key areas of existing business activities for detecting new business opportunities.

Demonstrate

Examples are the well-known way to demonstrate that new solutions to old problems will work. The LAP must contain measures for producing knowledge of working solutions, ways for seeing them in action and options for testing them locally. We foresee a 'best practise search' function, extensive exchange of ideas and a visiting scheme combined with a lecturing programme. This networking project in itself will be a part of this ambition.

Support

Support is the way to lead and realise a desired development. The LAP must contain measures of supportive organisational structures under each of the seven catch phrases. We foresee building support structures as the core of the local Herrljunga project for a coherent local development during the project life time. We foresee the most important support structure as converting the creative, idea rich project environment into a powerful permanent development force.

Evaluate

Comparing before and after as well as investigating the long term consequences of the initiated change processes is of key importance for achieving the desired development. The LAP must contain measures for evaluating each step taken as well as analysis of societal systemic effects. We foresee linked in university based action research in several academic disciplines. We also foresee actions to guarantee an overall socio anthropological evaluation of the project.

Feed back

Learning is the mother of all development. The LAP must contain measures for a detailed, systematic and holistic feedback learning loop for both success and failure in every step of the initiated change processes. We foresee seminars and workshops for all involved at all levels for creating continuous learning capabilities.

Operational objectives of the Local Action Plan: desired outputs of the Local Action Plan

Setting operational objectives in the Local Action Plan is a function of two restrictions – resources available and local adoption. Resources available will be a result of how well we succeed in adjusting to existing development programme 2007-2013 in a combined effort with the regional fund (ERDF), the social fund (ESF), the agricultural fund (RDF) and co-financing. Local adoption will be a result of how well we succeed in adjusting to existing facilities and structures and of timing to the general business development. Given this, we specify our operational objectives in the following way:

The overall ambition for the local action plan is to achieve three expected results:

1. Increased entrepreneurship and an increased number of social enterprises on the market in-between public and private;
2. A general increase of the degree of value-added and more knowledge based production;
3. A reinforced immigration of enterprising people to the municipality of Herrljunga.

Within the framework of the local action plan, we need to initiate and/or strengthen four types processes of business related development:

1. A process for creating new markets locally and regional.
2. A process for networking among people in the local public authorities, existing private companies and entrepreneurs, and emerging social enterprises entrepreneurs.
3. A process of innovation in new areas founding emerging social enterprises.
4. A process of integration of scattered home based production and small scale firms into a productive entirety.

These processes will be directed towards establishing important support facilities:

1. Establish an education and training facility for public procurement and public subcontracting aiming at open up the local public sector for external competition on new social enterprise markets.
2. Establish a forum or virtual market place for strengthening B2B cooperation within and between people in various

<p>business activities.</p> <p>3. Establish a facility for innovative experiments and applications of new technological combinations within existing and new production sectors.</p> <p>4. Establish a facility for integration of small-scale, part time entrepreneurial firms into a competitive whole, for different types of commodity and service production.</p> <p>5. Establish a business incubator for (primarily) social enterprises bringing together entrepreneurial knowledge of business opportunities and enterprising persons ambitions.</p> <p>A detailed operational plan will gradually evolve while the knowledge and experience among entrepreneurs, public service production and local community grow in the ULSG.</p>

SWOT analysis on the existing local support structures for Third Sector SMEs creation, networking and access to finance

<i>Strengths & Opportunities</i>	<i>Weaknesses & Threats</i>
<ul style="list-style-type: none"> - Strong social capital – much activity in the NGO’s - Locally owned savings bank - Companion - Region Västra Götaland’s work for the third sector - The energy conversion – locally produces goods and services - Herrljunga – an important railway hub - Nearby the Gothenburg region - Focus on sustainable systems 	<ul style="list-style-type: none"> - Lack of business-thinking in the third sector - Lack of enterprising people establishing new enterprises

Current status of actions concerning Third Sector SMEs creation, networking and access to finance

<i>Tasks/stages already completed</i>	<p>We are involving them in the strategic planning in the same way the private sector is included. It is an important basic condition for further development.</p> <p>Through the work with the strategic planning and the other contacts we have with non-profit organizations, on their own or in group, we have created a great foundation to be successfully explored in the coming work.</p>
<i>Tasks/stages yet to be completed</i>	<p>We have to increase the business and entrepreneurial related part of the third sector.</p> <p>The networks between the participants in the third sector and between the participants in the third sector and the private sector have to be further stimulated.</p>

Business branches to be strengthened in the city within the Local Action Plan

<i>Main business branches</i>	<p>Tourism industry and commerce, social services, refining of locally produces goods and services. They have to be seen integrated between themselves as well as with the traditional industries in our area.</p> <p>The traditional industries in our area are agriculture and manufacturing. The agriculture industry has been developed over years to be a modern industry with far-sighted company-owners. Some of them have very efficient, large and specialised farms while others have developed combination activities. Tourism, refining of provisions and other farming products and construction services are most common. The manufacturing industry in the municipality is diversified, both subcontractors and product based production.</p>
<i>Existing focus on specific entrepreneurial branches</i>	<p>Commercialization of experiences will include the cultural economy. NUTEK, The Swedish Agency for Economic and Regional Growth, has recently written a report about “Handicraft as industry branch”. They are giving examples of how to develop an industry which do not appear as an industry at first sight. By the use of cultural values and institutions as the churches in a proper way we will create brand new and different business based on experiences.</p>
<i>Specific measures taken by the City in favour of Third Sector businesses, ventures and start-ups</i>	<p>We support start-ups generally by counselling. It is done through the cooperation with the Association of Entrepreneurs in Herrljunga.</p> <p>In the municipality’s own affairs we do not take any measures to favour the business part of the third sector. Partly it depends on how we have interpreted the law of public procurement.</p>
<i>Existing focus on specific groups (young people, women, ethnic minorities etc.)</i>	<p>On the average, the female wage level is substantially lower than for men. Therefore we pay special attention to job creation and income generation for women. Combination of activities and/or employment is a solution which shall be considered, at least in a period of transition while creating their own businesses.</p> <p>An increase business activity in the service sector in combination with more knowledge based production will attract newly graduated students to the local market and in the long</p>

run provide a positive effect on local population.

Entrepreneurial fields in the city/region especially qualified for clustering

Small scale, home based, part time entrepreneurial activities need for long term survival to be integrated into competitive business clusters. We find such activities among handicraft, tourism, theatre, niche food, catering, etc.

11.3 Local Support Group

Managing Authority (Region, Jeremie Programme, Access to structural funds, etc.)

Organisation **Regional fund (ERDF)**

Representative John Wallon

Organisation **Agriculture and rural development (ARD)**

Representative Kjell Wirhammar

Organisation **Social fund (ESF)**

Representative To be defined

Local banks (ethical bank, savings bank, commercial bank)

Organisation **Sparbanken Alingsås (local savings bank)**

Representative Siv Olofsson

Organisation **Handelsbanken (commercial bank)**

Representative To be defined

Organisation **JAK-banken (members bank)**

Representative Oskar Svärd

Other financial institutions

Organisation **Kreditgarantiförening Social ekonomi Västra Götaland (credit guarantee association)**

Representative To be defined

Third Sector SMEs representative organisations (Chambers, Associations, etc.)

Organisation **Nätverket By och skola (Network working for village/school issues)**

Representative Tua Hurtig Wigforss

Position Member, spokesperson

Organisation **LRF (Association of farmers)**

Representative To be defined

Organisation **Företagarna Herrljunga (Federation of Private Enterprises)**

Representative Bo Alavik

Position chairman

Organisation **Köpmannaföreningen (Federation of merchants)**

Representative Katarina Branmark Hinton

Position chairwoman

Organisation **Lokalproducerat I Väst (Association for locally produced food)**

Representative Tua Hurtig Wigfors

Organisation **Kommunbygderådet (village association on the municipal level)**

Representative Holger Sandin

Position coordinator

Organisation **Local Action Group (LAG) Leader**

Representative Jan-Åke Sjökvist

Position chairman

Organisation **Hela Sverige ska leva (National association for rural development issues)**

<i>Representative</i>	Staffan Bond
<i>Organisation Representative</i>	Social ekonomi Sjuhärad , SES (Association of third sector organizations) To be defined
Local media	The partners have a relation to local media which is characterized by independence therefore they can not engage them in the LSG. They have generally good relations to the local media why they are quite sure of their interest in these issues.
Others	
<i>Organisation Representative Position</i>	Companion (business-advising organization for third sector companies) Anna Fagefors Managing director/business advisor
<i>Organisation Representative Position</i>	Hushållningssällskapet (association for agriculture related enterprises) Janne Pettersson Business advisor
<i>Organisation Representative</i>	Västra Götalandsregionen, VGR (Region Västra Götaland) To be defined
<i>Organisation Representative Position</i>	Kommunalförbundet Sjuhärad (Association of Local Authorities. Nine municipalities are members of the organization: Bollebygd, Borås, Herrljunga, Mark, Svenljunga, Tranemo, Ulricehamn, Varberg, Vårgårda) Camilla Winter Coordinator
<i>Organisation Representative Position</i>	Svenska kyrkan Herrljunga (church) Catarina Granath Johnsson Deacon
<i>Organisation Representative Position</i>	Herrljungaföretagarna (local business-advising company) Per Florén Manager business development

12 Municipality of Alcobaça

12.1 Overview of the City

General Overview of the City

<i>Capital City</i>	NO
<i>Regional capital</i>	YES
<i>Urban NOSE territorial applicability</i>	Whole City
<i>Number of inhabitants</i>	56000 inhabitants
<i>Unemployment rate</i>	8%
<i>Income per capita</i>	90% of national average
<i>Location & population size</i>	Alcobaça is located in Centre of Portugal, more specifically, in West region, being very close to Atlantic coast. Its location is privileged once it's situated about 100 km far away from Lisbon. It's the second larger county of Leiria's district, in terms of population (about 56.000 inhabitants).
<i>Strategic importance</i>	This region is gaining a big strategic importance, as a regional capital, but not only. The tourist factor is extremely important, due the existence in this city of Monastery of Santa Maria of Alcobaça, which attract a lot of tourists (national and foreign) everyday. Despite Alcobaça not being the most economical and urban pole of the Centre region, it's getting more importance like a pole sub-regional, due to its great and central location. It's remarkable the increase of population and a certain tendency for economical and tourism investment.
<i>Key business &</i>	The most relevant sectors of employment and business are ceramics; agriculture (apple

<i>employment sectors</i>	culture); glass factories (crystal); animal raise; plastic, leather, knives and shoes factories.
<i>Short historic & economic overview</i>	Alcobaça's history is associated to the presence of the Cistercian monks during almost seven centuries. They were the pioneers of the economical activities started and developed in this region, like agriculture, gastronomy, ceramics, etc.
<i>Importance of the SMEs in the local economy</i>	The SMEs are an important key in Alcobaça area, because they constitute the larger piece of industrial sector in this municipality. Some activities were already referred above: ceramics, plastic, gastronomy, glass, fruit distribution (apple).
<i>Importance of the Third Sector in the local economy</i>	Due the globalisation, the new paradigm of global economy and the consequent barriers that the second sector face in this territory, like unemployment, third sector becomes an alternative for that problem, once it can offer a different kind of jobs (commerce; bank institutions; public services). The social services and employment centres are essential to support and (re)integrate some vulnerable groups as, elder population, youth (to prevent risk behaviours), ethnical minorities (gypsies, for example) and, of course, the unemployed ones. That services generally offer the opportunity of people create their own job and business.

Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development

<i>Social</i>	The main challenge is the qualification of labour resources in order to respond to market needs.
<i>Markets</i>	Diversification, fitting the needs by providing qualified answers to the demand.
<i>Environmental</i>	Implementing good practices in material use, respecting the directives, rational use of energy and taking environmental friendly actions.
<i>Physical</i>	Having neighbourhood answers at social level is important in the way that the target is widespread through the territory.
<i>Organisational (Governance)</i>	It is our duty to make things easier on entrepreneurs, changing and modernising public services framework.
<i>Others</i>	Politically this should be some kind of acting vector. Social local network has already made some prospective studies.

More specifically

<i>Access to finance</i>	Disseminate actual existing financial means, showing their advantages, their target, their framework and studying eventual new resources of financing.
<i>Access to innovation, knowledge, R&D</i>	Training personal, organising seminars, workshops makes dissemination of R&D possible. It is not possible for every single enterprise (at this level) to have R&D department, so it is proper to follow some best practices.

Existing strategies and plans that cover Third Sector access to finance and innovation

<i>National</i>	<ul style="list-style-type: none"> – National Strategic Reference Framework (NSRF) – FINICIA Jovem – it's a joint initiative of Instituto Português da Juventude (Youth Portuguese Institute) and Instituto de Apoio a Pequenas e Médias Empresas e à Inovação (SMEs and Innovation Support Institute). Their objectives are the promotion of entrepreneurship, providing information about all available mechanisms and supports, making easier the access to the financing. Advising services and training.
<i>Regional</i>	<ul style="list-style-type: none"> – Regional Development Plan of Centre Region; – Centre's Regional Operational Programme
<i>City</i>	<ul style="list-style-type: none"> – The political coordination and strategies' definition are responsibility of Mayor and his support office (support team). – Permanent dialog with all other LSG.
<i>Specific measures for neighbourhoods within your City</i>	There are not neighbourhoods policies, since in Portugal exist intermediary policies between Municipalities and population (Parish). Those organizations in partnership with some associations, like Social assistance private associations, etc, promote local policies and actions, that only has as target a few part of population.

Governance: the decision-making and regulatory framework concerning the Urban NOSE project in the city, different roles, responsibilities and resources for Third Sector support located on the different levels

<i>Role of municipality/city council</i>	Municipality of Alcobaça will be the public organism responsible for the implementation and support of this project (NOSE) in this geographical area. It will be provided expert services and financial supporting (in partnership with other institutions) to everyone who wishes to obtain our help to create a new business in social
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	entrepreneurship area.
<i>Role of county/regional authorities</i>	Our Municipality shall validate (or not) the proposals for businesses presented. Regional authorities shall take that decisions that the Municipality cannot take. In other words, the decisions that depend of superior hierarchy. Expert support is expected by these authorities. Some financial support.
<i>Role of Managing Authority</i>	The Managing Authority shall provide Technical and Bureaucratic Support. It must help the Municipality to manage the funds received and give some orientations about the way that they must be applied (activities, seminaries, meetings). It must be the intermediary between us, Municipality of Alcobaca, and superior level of administration.
<i>Role of national authorities</i>	National authorities will provide the essential strategies and orientations to follow, according the political priorities of the Gothenburg and Lisbon Strategy. Some specialized help is expected.

Third Sector support programmes and funding schemes existing on the upper administrative levels

<i>National</i>	Competitiveness' Factors Thematic Operational Programme (2007-2013) – included in NSRF – 6 Priority Axes: <ol style="list-style-type: none"> 1. Technological Knowledge and Development; 2. Innovation and renewal of Enterprise Model and Specialisation Standard; 3. Financing and Share of Innovation Risk; 4. An Efficient Public Administration with Quality 5. Collective Networks and Actions of Enterprise Development 6. Technical Assistance
<i>Regional</i>	Centre's Regional Operational Programme (2007-2013) – 3 Priority Axes: <ol style="list-style-type: none"> 1. Support to the Investment of Municipal and Intermunicipal interest; 2. Integrated actions of territorial basis; 3. Intervention of Central Administration regionally spread.

Links to the Operational Programme of the Structural Funds

<i>Operational Programme Approval</i>	Yes, the Operational Programme (National Strategic Reference Framework) has been approved already.
<i>Nomination of the city in the Operational Programme</i>	Yes, once Alcobaca is integrated in Centre's Regional Operational Programme.

Operational Programme priority covering projects of Third Sector access to finance and innovation - topics and elements covered by the Programme

Priority Axe III of Competitiveness' Factors Thematic Operational Programme:

This Operational Programme makes a public intervention in order to take a perception about the risk of certain economical activity. It uses too, a public instrument called "Financing the Innovation Support Fund", that guarantees that the available resources have got the necessary dimension to act well in financial markets, being used (the resources) efficiently and in a selective way, to reach the aims of the programme.

The public instruments of risk capital will act in partnership with private agents (risk capital societies; risk capital funds, business angels) in order to share the risks – innovation implementation and competitiveness increase of SMEs.

The targets of this Axe are: Public Institutions that join in "Financing the Innovation Support Fund".

The topics covered by this Programme are:

- Operational Agenda for Human Potential ;
- Operational Agenda for Competitiveness Factors:
 - 3 incentive systems:
 - 1) Technological R&D
 - 2) Innovation
 - 3) Qualification of the SMEs
- Operational Agenda for Territorial Valorisation

Existing funding approval proceedings and management – time planning related to possible calls for tender, competition, etc.

It exists open calls for everyone who wants present proposals. The amount of proposals is significant.

12.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

Our Local Action Plan focuses on some problems: lack of physical, human and financial resources; the inexistence of citizen awareness; public institutions haven't got too much experience working in partnership. With this plan, Municipality of Alcobaça wants to create a Social Entrepreneurship programme. Training is one of the priorities of our Local Plan.

Operational objectives of the Local Action Plan: desired outputs of the Local Action Plan

This specific action of the Local Plan (Social Entrepreneurship) will be composed by three phases, being expected different outputs from each one:

1. **Information** – creation of projects of small dimension (e.g. Forums in high schools), in order to promote the circulation and discussion of information about social movements, the public policies and the main challenges in social fields.
2. **Training** – instrumental training in social management (some courses in that area – project planning, social marketing).

Intervention – direct support programmes towards youth groups with proposals of social intervention; creation of a physical structure that provides support during a limited period of time, in a way to allow youth individuals start or expand their own proposals of social, cultural or environmental intervention, without competition spirit and profit objectives.

SWOT analysis on the existing local support structures for Third Sector SMEs creation, networking and access to finance

<i>Strengths & Opportunities</i>	<i>Weaknesses & Threats</i>
<ul style="list-style-type: none"> – several local support structures; – the NSRF Operational Programme offers a lot of possibilities of creation, networking and access to finance 	<ul style="list-style-type: none"> – none of them (local support structures) is representative enough; – the competition between neighbour cities (only the best prepared get the better chances) – the new technologies of information are a barrier for local businesses and enterprises, since people prefer to recur to bigger national enterprises with online services; – there are some difficulties to Alcobaça enterprises take a position in national or international level and consequently, to get a scale economies.

Current status of actions concerning Third Sector SMEs creation, networking and access to finance

<i>Tasks/stages already completed</i>	The Municipality of Alcobaça has created already an Entrepreneurship Office. We provide financial and technical support for who wants to create a new business in Alcobaça county. This support (FINICIA Oeste Programme) is given by some entities, in partnership: Alcobaça Municipality, an Industrial Agency of West Region and a financial institution (bank). The essential condition for one project to be approved is its innovation grade.
<i>Tasks/stages yet to be completed</i>	It doesn't exist an approved project, yet. Information and dissemination about the Programme shall be improved.
<i>Problems/limitations</i>	FINICIA is a restrictive programme, since it limits a lot the possibilities of business. Not everyone is eligible, there are a lot of requirements to follow, that limit in large scale the group of people that can benefit from it. The financial support takes a form of loan, situation that makes interested people to back away/off and quit to present their proposals. The bureaucracy is a significant problem, too.

Business branches to be strengthened in the city within the Local Action Plan

<i>Main business branches</i>	Third sector, with special incidence in social field.
<i>Existing focus on specific entrepreneurial branches</i>	Yes, there's a good relationship between some Municipality and Superior Teaching Institutions (Universidade de Coimbra, Instituto Politécnico de Leiria), once they are represented here, in our town. We are opened to all innovative business ideas.
<i>Specific measures taken by the City in favour of Third Sector businesses, ventures</i>	FINICIA

and start-ups

Existing focus on specific groups (young people, women, ethnic minorities etc.)

Yes, Alcobaça Municipality provides a service for help young people, where they can spend their free-time and take some advises about different aspects and typical worries of their age.

Entrepreneurial fields in the city/region especially qualified for clustering

There are two activities which Alcobaça is an international reference: cultural heritage management and religious tourism.

12.3 Local Support Group

Município de Alcobaça

Representative José Sapinho
Position President / Mayor

Representative Eduardo Nogueira
Position Mayor's assistant

Representative Joana Gama
Position European funds coordinator

Representative Milton Dias
Position Social Network assistant

Local banks (ethical bank, savings bank, commercial bank)

Organisation **Caixa de Crédito Agrícola Mútuo**

Representative José Fernando Maia Alexandre
Position CEO

Others

Organisation **ACSA**
Representative Jorge Vasco
Position President

Organisation **IEFP**
Representative Paula Vaz
Position Director of Alcobaça's Labour Office

Organisation **ANJE**
Representative To be defined

13 Municipality of Brighton & Hove

13.1 Overview of the City

General Overview of the City

Capital City NO
Regional capital NO – there is no regional capital
Urban NOSE territorial applicability The Urban NOSE project is applicable to the whole City but with targeted interventions for deprived neighbourhoods
Number of inhabitants 251,000
Unemployment rate 6.4%
Income per capita £17,230
Other demographic information Large working age population (69%)
Highly qualified population (38% with degree or higher)
Location & population size Situated on the south east coast of England, 50 miles south of London and 30 miles south of Gatwick airport. Population size is 251,000
Strategic importance Brighton & Hove is a major tourist and conference centre with strategic links to London.

<i>Key business & employment sectors</i>	<p>It is a very popular visitor destination for people from around the world with 8 million visitors a year. The city is one of the larger urban conurbations in the region, has good transport connections (road, rail and bus) including proximity to a major international airport (Gatwick) and cross channel ferries (Newhaven and Portsmouth). The city has a strong academic sector with two universities, an art college and music academy.</p> <p>Service sector dominated economy (93% of jobs) of which public sector is 30%, financial and business services (27%) and retail/hospitality (23%) the major components. The city is well known for its strong independent shops, music venues, European HQ of American Express and hosting the largest arts festival in England every May. Creative industries are a key growth sector, especially digital media.</p>
<i>Short historic & economic overview</i>	<p>Brighton & Hove originated from a fishing village and became established during the 19th Century with the growth of railways and seaside tourism. It was designated a city in 2000, reflecting increasing importance as a regional centre. After a period of economic growth from 1995, there are increasing signs that the economy is slowing down as part of a national/international economic pressures.</p>
<i>Importance of the SMEs in the local economy</i>	<p>Only 0.05% of local businesses employ more than 200 people so SMEs dominate the local business base.</p>
<i>Importance of the Third Sector in the local economy</i>	<p>The city has a large, diverse and thriving third sector with over 550 groups in membership of the local Community & Voluntary Sector Forum. There is also a growing social enterprise network involving nearly 100 social enterprises. An economic and social audit of the sector will report this September.</p> <p>The most common activities for third sector groups are social care, arts, environment, social housing, advice services and community development. The sector is especially effective at reaching marginalised communities, for example people on low incomes, black & minority groups, mental health, women, lesbian & gay and disabled people.</p> <p>The city council invests over £30 million per year in third sector activity with further investment coming from other public bodies, charitable trusts and public giving.</p>
<i>Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development</i>	
<i>Social</i>	<p>Developing leadership skills, support infrastructure and training/learning opportunities</p>
<i>Markets</i>	<p>Influencing public and private procurement & commissioning practices and coping with a downturn in the economy and availability of credit</p>
<i>Environmental</i>	<p>The city is hemmed in by the sea and an area of outstanding natural beauty so there is little room for physical expansion</p>
<i>Physical</i>	<p>There is a shortage of suitable premises for third sector activity</p>
<i>Organisational (Governance)</i>	<p>The growth of the sector has led to competition for good quality trustees. The increase in public service delivery requires higher level of skills</p>
<i>More specifically</i>	
<i>Access to finance</i>	<p>There are a wide range of grants, loans and commissioning opportunities but it is a challenge for smaller and newer groups to access them. The total funds available are in decline.</p>
<i>Access to innovation, knowledge, R&D</i>	<p>There is much innovation happening on the ground but this needs better co-ordination and sharing. Our proximity to London means we have good opportunities for knowledge exchange and access to R&D nationally.</p>
<i>Existing strategies and plans that cover Third Sector access to finance and innovation</i>	
<i>National</i>	<p>There are a number of national initiatives in this area including:</p> <ul style="list-style-type: none"> – ChangeUp –third sector infrastructure development strategy – Capacity Builders – funding programme for ChangeUp – Community Development Financial Institutions – specialist grants and loans for third sector – Futurebuilders – national grants and loans programme for third sector involvement in service delivery – National Programme for third sector commissioning
<i>Regional</i>	<ul style="list-style-type: none"> – Regional Economic Strategy - includes targeted support for social enterprise – Regional Action South East – regional support strategy for third sector – Community Development South East – regional community development and empowerment strategy
<i>City</i>	<ul style="list-style-type: none"> – Local Area Agreement – city wide cross sector strategy – Local Development Framework

<i>Specific measures for neighbourhoods within your City</i>	<ul style="list-style-type: none"> – Social Enterprise Strategy – City Employment & Skills Plan – Stronger Communities Partnership – business plan – Community Engagement Framework – Local third sector infrastructure plan – Reducing Inequalities Review – Neighbourhood Manifesto – Community Development Commissioning strategy and funds – City council grants programme – Neighbourhood Management Team plan – Working Neighbourhoods Fund – Healthy Neighbourhoods Fund – Targeted initiatives for adult learning, housing, adult social care and children & young people
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Governance: the decision-making and regulatory framework concerning the Urban NOSE project in the city, different roles, responsibilities and resources for Third Sector support located on the different levels

<i>Overview</i>	The decision-making and regulatory framework has yet to be established for this project. However, there is a cross-sector partnership in place for driving forward the city social enterprise strategy and this will form the start point for the Urban NOSE project.
<i>Role of municipality/city council</i>	Full partner
<i>Role of county/regional authorities</i>	Formal links established with South East England Development Agency (SEEDA) and Government Office South East (GOSE)
<i>Role of national authorities</i>	Involvement from: <ul style="list-style-type: none"> – Department for Communities & Local Government through our status as national ‘Community Empowerment Champions’
<i>Specific programme in the area</i>	Local Authority has just produced a social enterprise strategy and is now examining implementation options from the priorities identified. There are many ad hoc social enterprise activities taking place in the city
<i>Others</i>	The Municipality is working in close partnership with the local umbrella body for the third sector, the Community & Voluntary Sector Forum (CVSF)

Third Sector support programmes and funding schemes existing on the upper administrative levels

<i>National</i>	<ul style="list-style-type: none"> – Capacity Builders – national funding programme for ChangeUp – Community Development Financial Institutions – specialist grants and loans for third sector – Futurebuilders – national grants and loans programme for third sector involvement in service delivery – Invest to save – Grass Roots small grants programme
<i>Regional</i>	<ul style="list-style-type: none"> – Capacity Builders – regional funding programme for ChangeUp – Community Grants (European) – Business Link – business support including specialist social enterprise

Links to the Operational Programme of the Structural Funds

<i>Operational Programme Approval</i>	Both the ERDF and ESF programmes have been approved. The ERDF competitiveness programme offers potential links through its actions to: <ol style="list-style-type: none"> 1. Build the capacity for innovation in SMEs 2. Develop & facilitate networks 3. Support for knowledge transfer activities All these actions are in support of promoting resource efficiency and encouraging sustainable consumption and stimulating innovation in key environmental sectors. The ESF programme offers the opportunity for providing training courses for both unemployed and working people to gain qualifications and access job opportunities.
<i>Nomination of the city in the Operational Programme</i>	Brighton & Hove is named in the ESF prospectus as a target area for projects working with older people and young people not in education, employment or training (NEET)
<i>Operational Programme priority covering projects of Third Sector access to</i>	Both ESF and ERDF secretariats have made a commitment to involve third sector organisations in the programme as much as possible to harness their specialist knowledge in interacting with beneficiaries at a local level.

finance and innovation -
 topics and elements
 covered by the Programme
 Existing funding approval
 proceedings and
 management – time
 planning related to
 possible calls for tender,
 competition, etc.

Under ESF the three organisations issuing tenders are the LSC, Jobcentre Plus and SEEDA. All these are through co-financing, where the organisations provide the match to the ESF through their own activities and expenditure. All three have completed their first round of project selection. Under ERDF, SEEDA has issued a Pre Qualification Questionnaire, the successful completion of which allows bidding against the contracts issued under tender. Brighton & Hove City Council have submitted a PQQ. The Council has already successfully passed the PQQ for the LSC tenders and so can apply in future ESF rounds.

Possibilities for local Third Sector SMEs to be created, getting access to finance and working in network. Measures eventually necessary to enhance the situation.

There are strategies in place to assess and support third sector groups to start-up and to grow. This includes general and specialist business advice, financial advice (fundraising and managing) and various networking activities, some of them cross-sector.

Measures to enhance the situation include more targeted grants and commissioning, enhanced training and learning opportunities, tailored business and enterprise support, advice & information, piloting of new initiatives, increasing access to workspaces (incubators) and further networking opportunities.

13.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

The main objective of our Local Action Plan will be to support and co-ordinate third sector development across the city, with a focus on social enterprise. This will be achieved through the development of a social enterprise network, foundation and centre, including incubation space. The Plan will aim to create employment, services and products that benefit the city as a whole with particular benefits going to disadvantaged communities and neighbourhoods.

Priority actions will include

- incubation space for new and developing social enterprise
- training & knowledge development across a broad spectrum of relevant skills and aptitudes
- working with commissioners of products and services to maximise opportunities for third sector to generate income and viability
- building links with wider third sector and business support services
- promoting trading activity between third sector organisations
- building environmental sustainability into the third sector economy

Operational objectives of the Local Action Plan: desired outputs of the Local Action Plan

- Improve quality of life
- Create and retain jobs and enterprises
- Increase skills levels and knowledge of enterprises, public sector and citizens
- Increase awareness of the benefits of social enterprise (people, planet & profit)
- Increase viability of social enterprise across the city
- Build a network that supports co-operative thinking and actions
- Inspire and increase entrepreneurial action and innovation
- Improve transparency and quality
- Maximise local economic, social & environmental impact

SWOT analysis on the existing local support structures for Third Sector SMEs creation, networking and access to finance

<i>Strengths & Opportunities</i>	<i>Weaknesses & Threats</i>
<ul style="list-style-type: none"> – Variety of funding – Strong networks – Good partnership working – Diverse sector – Robust strategies 	<ul style="list-style-type: none"> – Patchy support in neighbourhoods – Patchy support for some communities of interest & identity – Future funding outlook (recession) – Shortage of premises – Weak business support

Current status of actions concerning Third Sector SMEs creation, networking and access to finance

Tasks/stages already – Grants & Commissioning programmes

<i>completed</i>	<ul style="list-style-type: none"> – Advanced draft Social Enterprise Strategy – City Employment & Skills Plan – City third sector infrastructure strategy – Stronger Communities Partnership business plan – Neighbourhoods Manifesto
<i>Tasks/stages yet to be completed</i>	<ul style="list-style-type: none"> – Economic & Social Audit of third sector – Implement Social Enterprise Strategy (centre, foundation, network) – Implement third sector infrastructure strategy – Community Engagement Framework – Refreshed Neighbourhoods Strategy
<i>Problems/limitations</i>	<ul style="list-style-type: none"> – Finance – Premises – Business support – Knowledge/Skills – Lack co-ordination

Business branches to be strengthened in the city within the Local Action Plan

<i>Main business branches</i>	Within third sector, most promising areas identified so far are creative industries, adult social care & health and environment. More generally, promising areas are environmental services and digital media/performing arts.
<i>Existing focus on specific entrepreneurial branches</i>	Will include main business branches above
<i>Specific measures taken by the City in favour of Third Sector businesses, ventures and start-ups</i>	There are specific measures in the Stronger Communities Partnership programme, Social Enterprise Strategy and City Employment & Skills Plan
<i>Existing focus on specific groups (young people, women, ethnic minorities etc.)</i>	Yes, targeted interventions for hard to reach groups including those furthest from the labour market such as women, young people, and ethnic minorities

Entrepreneurial fields in the city/region especially qualified for clustering

Creative industries, arts/digital media including electronic games design and web solutions. Also environmental sector and aspects of social care/health

Key areas/elements of the Local Action Plan for which inputs from the partners and exchange activities of Urban NOSE are require

Developing practical and inspiring ideas, networking, sharing information & good practice, learning opportunities, trade networks between third sector organisations.

13.3 Local Support Group

Managing Authority (Region, Jeremie Programme, Access to structural funds, etc.)

<i>Organisation</i>	South East England Development Agency (SEEDA)
<i>Representative</i>	James Rule
<i>Position</i>	Head of European Programmes
<i>Expected contribution</i>	Links to other structural fund programmes and SEEDA contacts for regional dissemination of outcomes and best practice from URBACT
<i>E-mail</i>	jamesruel@seeda.co.uk

Local banks (ethical bank, savings bank, commercial bank)

<i>Organisation</i>	Co-operative Bank
<i>Representative</i>	To be confirmed
<i>Position</i>	To be confirmed
<i>Expected contribution</i>	Financial advice linked to social enterprise issues
<i>E-mail</i>	To be confirmed

Third Sector SMEs representative organisations (Chambers, Associations, etc.)

<i>Organisation</i>	Business Community Partnership
<i>Representative</i>	Thea Allison

<i>Position</i>	Director
<i>Expected contribution</i>	Conveners of Social Enterprise Network and leading on implementation of city Social Enterprise Strategy
<i>E-mail</i>	thea.allison@bhbc.org.uk
<i>Organisation</i>	Community & Voluntary Sector Forum
<i>Representative</i>	Sally Hiscock
<i>Position</i>	Chief Officer
<i>Expected contribution</i>	Conveners of Stronger Communities Partnership and main third sector networker in city
<i>E-mail</i>	sally@cvsectorforum.org.uk
Universities, R&D, etc.	
<i>Organisation</i>	University of Brighton
<i>Representative</i>	Fran Anderson
<i>Position</i>	European Business Development Manager
<i>Expected contribution</i>	Link the Higher Education sector to Framework 7 programme and other business development programmes

14 ASI Consortium for the Area of Industrial Development – Gela – Italy

14.1 Overview of the Partner

General Overview of the Partner

Brief description

The Consortium for the Industrial Development Area of Gela is a non economic public right Authority submitted to the vigilance and protection of the Regional Councillorship for Industry.

All the ASI Consortia of Sicily, including that one of Gela, are regulated from the Regional Law n. 1 of 1984 and, in a more particular way, each one of them is regulated from its own definite Statute. The institutional purposes of the Consortium are established, in a general way, from the art. 3 of the aforementioned law and in particular manner for the ASI Consortium of Gela, from the art. 5 of its actual Statute that foresees:

- promotion of the installation of small and medium enterprises in the Consortium district, constituted from the territory of the municipalities of Gela, Niscredi, Butera and Mazzarino;
- predisposition and updating of the directory plan of the industrial area of development;
- acquisition of areas and buildings necessary for the exercise of the Consortium activities;
- execution and development of the works for equipping the industrial zones;
- acquisition and transfer to industrial and handicraft enterprises of areas and buildings aimed to industrial initiatives, also in financial renting;
- management of infrastructural works for the production of services to be supplied to the enterprises of the Consortium area;
- employment of whatever other initiative suitable for the achievement of the institutional objectives.

The A.S.I. Consortium of Gela has its actual head office inside of the industrial conglomerate of Gela. Inside the same area it is also present a building with a room able to receive one thousand persons and endowed with a series of large rooms, provided of all the services. The structure is at present lacking furnishing and used for events of high importance.

Key business & employment sectors

As the ASI Consortium of Gela operates on the industrial area of greater importance of the whole province of Caltanissetta, it may be useful to this purpose stretching the field of inquiry and extending it to all the area named "nissena" (i.e., belonging to Caltanissetta territory). The productive structure of the *nissena* province (about 23,017 enterprises, 84th in Italy, and 71st for entrepreneurial density with 8.4 every enterprises every 100 residents) results as characterized from the small business dimension. Relevant resources for the provincial economy are, from one side, agriculture (29.9% of the total businesses compared to the national 18.1%) and, from the other one, commerce

that constitutes about 31.7% of the local enterprise (4th regional value and 19th national one). To be mentioned the first place at national level of the enterprises extracting minerals. Marginal it appears the weight of craftsmanship on the local economic fabric that does of Caltanissetta the eighth smaller craftsman vocation of the Country, with a contribution equal to 17,5%. The growth in number of enterprises in 2006 was equal to 0.77, data decisively inferior to 2 of the region and to 1.39 of the whole Country. The modest entrepreneurial dynamics of Caltanissetta is to be attributed to a low rate of birth rate (6.2 that represents the 100th national value) and from a mortality (5.4) superior to the average regional value. As well as for other Sicilian realities, rather consisting is the contribution of one-man businesses: with a percentage of 81.4%, the province lays at the 15th place in the related list. The province, as far as it concerns the comprehensive tourist enterprises, holds the second worst position in national field with only 38 enterprises for 2,085 beds.

Key challenges that need to be addressed in order for the Third Sector community to enjoy successful and sustainable development

<i>Social</i>	Key challenges are creating open and fluid forms of governance, encourage a local culture of enterprise and entrepreneurship and customise or create insertion programmes suitable to the specific needs of the industrial area of Gela.
<i>Markets</i>	Creating a new climate of creativity that spawns new forms of entrepreneurship alongside old. This climate will be more recognisable in the SME and social enterprise sectors, enhancing innovation in community development, in policy design and in trying out of new local forms of governance.
<i>Access to finance</i>	Financial support is needed but should come from a mixture of sources (public sector, local authorities, market, donations, and the SME and business sectors)

14.2 Local Action Plan – objectives and priorities

Overall objective of the Local Action Plan: problems and topics to address with the Local Action Plan

- Sustainability is crucial at every level. Social enterprises should become self-sustainable in order to provide long-term employment to excluded people. In order to do so, public funding and incentives are necessary to fill the productivity gap of integration enterprises. Public procurement opportunities are also a positive way of promoting financial sustainability.
- Support structures should obtain financial sustainability, as consortia do in Italy, through mixed sources of funding. They may be publicly financed; nonetheless, they are obliged to remain autonomous in order to represent the interest and the need of the Social Economy. Continuity is also relevant, as the development of social enterprises is a long process that requires a long-term strategic vision (as has been proven by all the successful models of support structures: i.e. consortia, cooperative development agencies).

Operational objectives of the Local Action Plan: desired outputs of the Local Action Plan

Support as provincial development agency: identifying local markets for social cooperatives, testing different possibilities for cooperation between social cooperatives and other local community actors, cooperation with partners (mainly with the business sector and financial institutions), support to groups and emerging social cooperatives, evaluation of business plans, advice regarding the creation of social enterprises by non-governmental organizations and assistance in searching for possibilities of financing them, promotion of products and services made by social cooperatives and social enterprises, testing of different possibilities of financing.

14.3 Local Support Group

Managing Authority (Region, Jeremie Programme, Access to structural funds, etc.)

<i>Organisation</i>	Presidenza della Regione Siciliana - Dipartimento regionale della Programmazione - Regione Siciliana
<i>Representative</i>	Gabriella Palocci
<i>Position</i>	Head of European Programmes Department
<i>Expected contribution</i>	Links to other structural fund programmes and contacts for regional dissemination of outcomes and best practice from URBACT
<i>E-mail</i>	direzione.programmazione@regione.sicilia.it

Other Public Authority

<i>Organisation</i>	Province of Caltanissetta
<i>Representative</i>	Renato Mancuso
<i>Position</i>	Responsabile Servizi Sociali e Culturali
<i>Expected contribution</i>	To define new management's models of social services
<i>E-mail</i>	r.mancuso@provincia.caltanissetta.it
<i>Organisation</i>	Chamber of Commerce of Caltanissetta
<i>Representative</i>	Santo Di Bella
<i>Position</i>	Secretary
<i>Expected contribution</i>	To define a new public-private partnership for the social economy
<i>E-mail</i>	giovanni.savarino@cl.camcom.it
<i>Organisation</i>	Industrial Association of Caltanissetta (Confindustria Caltanissetta)
<i>Representative</i>	Salvatore Maganuco
<i>Position</i>	Responsabile Area Lavoro e Relazioni Industriali
<i>Expected contribution</i>	To define a new public-private partnership for the social economy
<i>E-mail</i>	info@confindustriacl.it
Local banks (ethical bank, savings bank, commercial bank)	
<i>Organisation</i>	Bank of Cooperative Credit – “Sofige Gela”
<i>Representative</i>	Silvio Pedrazzi
<i>Position</i>	Director
<i>Expected contribution</i>	Financial advice linked to social enterprise issues

Synthesis

15 Urban N.O.S.E. in the European, National, and Local Contexts

The following pages will show the close connections existing between European, national, and local contexts and Urban N.O.S.E. project contents and related activities. Not only the solid consistency of this project with existing policies, recommendations, and guidelines, but also the huge potential of innovation, participation, and cross-cutting integration of this project are really impressive. By skimming through these pages, what a model of sustainable urban development like this one would be capable of generating in terms of local growth, employment and, above all, quality of life immediately stands out, with its concrete contribution to real updating and improvement of some current economic development models.

15.1 Urban N.O.S.E. in the European Context

“Cities are home to change based on innovation, spirit of enterprise and economic growth. Economic growth is sustainable when it is accompanied by measures designed to reduce poverty, social exclusion and environmental problems. The question of the sustainable character of growth is particularly important in cities most exposed to problems of social exclusion, deterioration of the environment, wastelands and urban sprawl. Cities can register significant differences in economic and social perspectives. There may be spatial inequalities (between neighbourhoods) or social inequalities (between different groups). Frequently, disparities include both dimensions.”

The natural conclusion of the analysis at European level leads to establishing how Urban N.O.S.E project is conceptually placed within EU Policies in the field of urban development and understanding the future contribution of project activities for achieving European objectives on cohesion policy.

As concerns this point, it is crucial to refer to the **COMMUNICATION OF THE COMMISSION TO THE COUNCIL AND EUROPEAN PARLIAMENT “Cohesion Policy and Towns: the Contribution of Town and Urban Settlements to Growth and Employment within the Regions”**. Through this communication, the Commission set EU strategic orientations and defined the action fields privileged upon preparation of 2007-2013 operational programmes of cohesion policy. This communication also highlights some specific aspects of the urban dimension, which may be pertinent in this context, aspects on which the construction activity of the project Urban N.O.S.E. is based.

For these reasons, it was considered as useful to provide a list – in the following sections – of the main topics highlighted by the European Commission, and compare them with the degree of correspondence of Urban N.O.S.E. activities with these topics. Additionally, the ability of the project of influencing and integrating other “transversal” topics regarding urban development, which may be included in other project initiatives approved within URBACT II, in some specific cases, was also assessed. This additional feature will ensure two further potentials that the project can use:

- 1) In the construction of Local Action Plans, which do not only concern the development of municipal project in the framework of social services, but have a broader scope, because these are public use services in the context of social economy (*environment and public parks and gardens, urban mobility, services for access to labour market, sustainable building planning, ethical finance, responsible tourism, identity culture, fair trade, collection and disposal of solid waste, tutoring services, school services, etc.*);
- 2) In participation and sharing of activities and outcomes of Thematic Poles, in relation to points of contact and integrations that may be transferred from and to Local Action plans of other Urbact projects.

Therefore, the compliance investigation with EU Policies was classified according to two main project topics:

- 1) Specific project topics;
- 2) Transversal project topics for all urban development projects.

By sharing this organization, the partnership decided to “self-assess” the project, assigning a score to each aspect considered, according to the following classification:

- A = aspect where Urban N.O.S.E Project is very compliant with EU orientations
- B = aspect where Urban N.O.S.E Project is quite compliant with EU orientations
- C = aspect where Urban N.O.S.E Project is compliant with EU orientations
- D = aspect where Urban N.O.S.E Project is not very or not compliant with EU orientations.

To facilitate presentation and reading, the comparison will be made through tables.

SPECIFIC PROJECT TOPICS

15.1.1 The support to innovation, entrepreneurial spirit, and knowledge economy

“Cities often naturally provide a stimulating environment for innovation and businesses to flourish and there are steps they can take to further foster this environment. The added value of city-level actions is that they have more information on the specificities of the business environment and are able to carry out smaller scale complex actions tackling multiple interlinked problems.”

Table 1 - The actions in favour of SMEs and micro-enterprises

Some orientations proposed by the Commission

**Scoring
N.O.S.E.**

Promotion of enterprises requiring the improvement of economic infrastructures, such as transport, accessibility, and renewal of buildings, industrial districts, enterprise incubators, and trade centres

A

Provision of consulting and other enterprise support services, including social economy enterprises. This measure includes assistance in the adoption and effective use of new technologies, scientific districts, communication centres regarding information and communication technologies, and enterprise incubators. It also includes support in management, marketing, technical skills, recruitment, and other professional and commercial services.

A

Promotion of cooperation between local partners – including enterprises, labour unions, universities, NGOs, training organizations and local community. Knowledge and experience sharing systems, such as the organization of work teams, forums, networks, and exhibitions, helping in effectively establishing contacts with potential partners.

A

Improvement of access to funding sources. For example, partnership between local authorities, investors, service suppliers, and SMEs facilitate sharing financial and non-financial instruments aimed at meeting local needs. These instruments may include financial support, micro-credit systems, guarantee funds for risk sharing, loans, “mezzanine funding”, consulting, and training. Towns may play an essential stimulation role in this sector, in coordination with regional and national financial initiatives.

A

Cooperation with specific groups, such as young entrepreneurs or women entrepreneurs, or also entrepreneurs from disadvantaged groups, ethnic minorities in particular. The issue of funding access may be problematic in disadvantaged areas – public powers and NGOs may play a mediation role, for example by ensuring the quality of projects.

A

15.1.2 More and better quality jobs

“The Paradox of Cities: many jobs, yet high unemployment. The paradox is that cities concentrate both needs and opportunities. Highly qualified people are over-represented in cities, so are those with very low skills and levels of qualifications.”

Table 2 – Actions in favour of unemployment reduction

Some orientations proposed by the Commission

**Scoring
N.O.S.E.**

Towns and cities should be able to use analysis systems and instruments required to anticipate future economic and social changes at local and regional level. They should also adopt measures to improve administrative effectiveness through single special offices and action to combine several

B

Some orientations proposed by the Commission

Scoring
N.O.S.E.

services together

Towns and cities can adopt initiatives for creation of new jobs and fight against unemployment at local level, with the support of regions and member States

A

Towns and cities should count on their own energy. In particular, they can create partnerships and agreements for employment and innovation, which are able to involve the main stakeholders active in a given area – political representatives, entrepreneurs, NGOs, interest groups, and universities – for launching positive and dynamic economic and social development actions.

A

Towns and cities should fight their weaknesses and support job inclusion within disadvantaged groups having more difficulties in finding a job, such as women, youth, older workers, ethnic minorities, long-term unemployed, homeless and disabled people.

B

15.1.3 Intra-urban disparities

“The urban paradox is also reflected in disparities between neighbourhoods. The Urban Audit shows that almost all cities where unemployment is at a level of 10% or higher, have certain areas within which unemployment rates are at least double the city average. In some cases, unemployment rates reach up to 60%.

Within such deprived neighbourhoods, high unemployment is compounded by multiple deprivations in terms of poor housing, poor environment, poor health, poor education, few job opportunities and high crime rates.”

Table 3 - Promotion of social integration and equal opportunities

Some orientations proposed by the Commission

Scoring
N.O.S.E.

Cooperation between urban authorities, schools, and local community to provide education to young people. Some towns have obtained very positive results, through the involvement of young people in designing and implementing these programmes.

B

Adoption of measures aimed at strengthening skills and qualifications of women, facilitate their job re-inclusion after a period of exclusion, give them the opportunity to obtain the knowledge and qualifications required for creation of an enterprise or the management of an independent activity, and assist single mothers and other women (in particular, women from ethnic minorities) in overcoming the obstacles found in the labour market. In particular, women will take advantage of specific training and supports.

A

15.1.4 Governance

“What is required is flexible co-operation between the different territorial levels. Cities must find forms of governance which respect the institutional organisation of each Member State and which are able to manage all aspects of urban development.”

Table 4 – Cooperation between towns and regions

Some orientations proposed by the Commission

Scoring
N.O.S.E.

Develop partnerships between towns, regions, and State authorities, in the framework of an integrated approach consistently with urban development.

A

To tackle the challenge of world competition, it will often be necessary that European towns and cities develop coordinated strategies at settlement level or in network, in order to achieve a critical mass.

A

The management of interface between urban area and rural area involves the coordination between urban authorities (town centre and suburbs), on one side, and rural and regional authorities, on the other side. Urban areas provide services to the whole of the region in terms of job opportunities, public services, public areas, social centres, as sport and cultural infrastructures. Rural areas have contacts with a broader audience, providing beautiful locations for leisure activities and natural and environmental reserves. Coordination is particularly important in areas around towns.

B

Towns and cities can take advantage of technical assistance from structural funds to create and develop the competences required to manage all aspects of urban development. Increasingly often,

A

Some orientations proposed by the Commission

Scoring
N.O.S.E.

the EU Member States provide competences and resource centres, as well as the possibility to create networks to exchange experiences. Competences in new sectors – beyond traditional professional barriers – are particularly important.

In compliance with the general regulation regarding the structural funds, Member States have the opportunity to delegate the management of resources allocated to urban action in the framework of operational programmes to towns and cities. To take full advantage from the *partnership*, towns and cities should be accountable for the entire duration of the process, and this involves, in particular, their responsibility for design and implementation of the delegated part of the programme.

B

“Urban development is a complex and long term process. Cities should integrate this development in a long term perspective in order to maximise the many factors of success.”

Table 5 – Integrated approach of sustainable urban development

Some orientations proposed by the Commission

Scoring
N.O.S.E.

Towns and cities should have a consistent and long term plan for each of the various factors of sustainable growth and employment. The actions performed in a sector should be compatible with those carried out in another sector. For example, it is important that economic measures are sustainable in social and environmental terms. Monitoring and assessment systems should be created for checking for outcomes on the field.

A

It is important to involve the main partners – private sector, local communities and NGOs, as well as local, regional, and national governments – in planning, implementation, and evaluation of urban development.

A

“Citizen participation is a democratic imperative - the engagement of local residents and civil society in urban policy can give legitimacy and effectiveness to government actions.”

Table 6 – Community involvement

Some orientations proposed by the Commission

Scoring
N.O.S.E.

It is important to involve local communities, including young people, informal groups, and associations in the promotion of sustainable urban growth and employment, from an environmental and social standpoint. Communities provide new competences and give the project a special legitimacy for local population.

A

The provision of training and other forms of improvement of capacities and knowledge of local groups in a common and crucial aspect of successful involvement of local communities.

B

The gap between time of communities and political schedule should be reduced – increasingly often, local stakeholders do not understand the terms required by the political agenda and administrative or bureaucratic procedures.

B

Table 7 – Networks and exchange of experiences

Some orientations proposed by the Commission

Scoring
N.O.S.E.

Skills and knowledge are essential elements of urban revitalization. Effective solutions usually require specific skills, such as the capability of organizing cooperation beyond administrative and professional boundaries. Therefore, towns and cities must use the knowledge acquired and united in the framework of the URBACT programme, as well as through the other European and national networks.

A

For the period 2007-2013, the Commission proposes the creation of a European reference programme for exchange of experiences and good practices. This programme will be based on the works developed by URBACT and extend them – to date, URBACT has focused on the experience of towns and cities involved in the EU initiative URBAN. The new reference programme will include towns from all Member States, as well as experiences acquired through national networks and resource centres of urban policies.

A

15.1.5 Funding of urban renewal

“Urban renewal has been extensively supported by the EU Structural Funds. In the framework of the new regulations for the European Regional Development Fund (ERDF), the Cohesion Fund and the European Social Fund (ESF) the managing authorities of operational programmes will be able to finance a wide range of urban development projects. Urban development may also be supported by further initiatives that will allow for an increase in the leverage of public resources by attracting contributions from the private sector.”

Table 8 – Funding of urban renewal

Some orientations proposed by the Commission	Scoring N.O.S.E.
Private funds are useful and often necessary to complete public funds. A clear legal picture must ensure the reliability of public-private partnership (PPP) projects.	A
The private sector provides not only financial instruments, but also complementary competences and attitudes.	A
An effective public-private partnership (PPP) requires both a long-term strategic vision and technical and management skills from local authorities.	A

PROJECT TOPICS TRANSVERSAL TO ALL URBAN DEVELOPMENT PROJECTS

15.1.6 THE ATTRACTIVENESS OF TOWNS AND CITIES

“European cities attract investment and jobs. They have many tools at their disposal to strengthen their attractiveness. The proposals of the Commission for Cohesion Policy contain many elements able to support these initiatives.

The challenges to be met vary from one city to the next. Some cities have to solve the problems caused by population growth, increase in property prices, lack of available land, traffic congestion, and overstretched public services. Other cities suffer from population loss, dereliction, too few jobs or low quality of life.

At least four key issues require attention: transport, accessibility and mobility; access to services and amenities; the natural and physical environment; the cultural sector.”

Table 9 – Accessibility and mobility

Some orientations proposed by the Commission	Scoring N.O.S.E.
Sustainable urban mobility requires the best use of all transport infrastructures, coordination between the various transport modes, and promotion of the use of less polluting modes.	C
For effective management of urban transports, the surrounding town and region should, in general, coordinate transport planning and construction, and land planning. The new projects must be included in an integrated strategy of transports for the urban area. The topics to be considered must include road safety and public health requirements, noise reduction and air quality, in particular.	C
In the framework of an integrated approach, towns and cities should encourage the use of alternative “soft” transport, as much as possible. In particular, this initiative requires the control of demand, regulation of access to sensitive areas in towns – or their transformation into pedestrian areas, construction of bike tracks and pavements, as well as the promotion of low energy consumption vehicles and alternative fuels, such as bio-fuels.	C
Transport planning must consider people who have no car or cannot drive (in particular, elderly and young people, and people with reduced mobility). This measure aims at ensuring access to job opportunities and services (healthcare, trade), and facilitate people autonomy.	B

Table 10 – Access to service infrastructures

Some orientations proposed by the Commission	Scoring N.O.S.E.
A competitive town must invest in modern, effective, and inexpensive services easily accessible	A

Some orientations proposed by the Commission

**Scoring
N.O.S.E.**

on-line. The main services are healthcare and social services, education, and public administration. These services must develop by adapting themselves to present and future demographic changes, aging of population, in particular.

It is important to ensure service access to people living in disadvantaged town districts. One of the innovative solutions to this problem is the creation of a structure for the entire urban population in a disadvantaged district.

A

Some groups, like migrant and disadvantaged people need help to have access to healthcare and social services. A better participation of people with different age and origin to planning and implementation of these services should help preventing discrimination and ensuring the consideration of cultural barriers.

A

Through new technologies, towns and cities can provide effective and innovative solutions in public services, healthcare, administration, and education.

A

Table 11 – The natural and physical environment

Some orientations proposed by the Commission

**Scoring
N.O.S.E.**

The requalification of abandoned industrial areas and renewal of public spaces, which improve the quality of services and the area involved, and allow avoiding the use of unexploited land, at the same time.

A

The coordination of arrangement policies of an area and investments of the Cohesion Fund and Structural Funds between urban areas, rural areas, the region, and country, to manage the problems caused by enlargement of urban areas. Initiatives aimed at transforming urban areas and city centres into attractive places to live.

B

Investments for achieving the conformity with EU regulations in the field of air quality, waste water treatment, waste management, water supply, and noise.

B

Active management of areas with traffic difficulties, demand for transport and public transport networks to improve air quality, reduce noise, and stimulate body activities.

C

An effective use of energy in urban areas. Consistent investments and economic management of energy resources are necessary. Municipal authorities have an important role to play in promoting energy efficiency and renewable energy sources: in urban planning, municipal regulations, and public contracts; through model sustainable constructions and promotion of these practices; through cooperation with the local community.

B

Table 12 – Culture

Some orientations proposed by the Commission

**Scoring
N.O.S.E.**

Through a continuous cultural policy, towns and cities must promote living culture based on equipment provision, such as cultural and scientific centres, museums, libraries, and conservation of cultural, historical, and architectural heritage. This equipment, associated with a programme of cultural activities – including youth activities – make towns and cities more attractive for residents, enterprises, workers – in particular, mobile and highly qualified workers – and visitors. This also supports town image, pride, and identity feeling of local population. Culture and cultural tourism are also quickly developing sectors.

A

Active cultural policy is a valuable tool for construction of bridges between populations of different origins, and for strengthening of integration of immigrants and newcomers.

A

15.2 Urban N.O.S.E. in National Contexts

The consistency of Urban N.O.S.E. on the various contexts of Member States participating in the project is based on the project capability to recognise the role played by social enterprises in the context of *welfare* policies for development, to increase the effects of the various National Support Frameworks.

This vision actually originates from the analysis of *National Reference Strategic Frameworks*: basic documents of new planning, which consider the subject of social inclusion as part of national strategies for Structural Funds, according to a common organization, which includes actions dedicated to social inclusion, sometimes developed into specific objectives, such as:

- *Develop integration processes and improve job (re)inclusion of disadvantaged people against any kind of discrimination in the labour market;*
- *Promote and strengthen social inclusion and services for life quality and local attractiveness.*

In this context, it is clear how, for the various Member States, the implementation of social inclusion policies during the 2000-2006 period mostly became training activities, especially due to poor capability to promote the most innovative actions and poor development of the awareness of connections between economic development and social inclusion.

Therefore, the new planning includes the approach based on which “*social inclusion must be supported through integrated projects, having beneficiaries of services (social, social-healthcare, social-educational, social-assistance, job inclusion, contrast against violence, etc.) as the main focus*”, with a special care for integrated processes supporting job inclusion of disadvantaged people, which ensure on one side “*the personalization of actions, and on the other side cooperation between employment services, social-assistance services, and enterprise systems, including social enterprises*”.

The concept of integrated processes for job inclusion and re-inclusion is also highlighted in the context of other priorities (*improvement and promotion of human resources*) and (*competitiveness of productions systems and employment*), stressing in some cases the importance of support to entrepreneurship in the third sector.

Urban N.O.S.E. effort goes in this direction, aiming at playing a connection role between national and regional policies, providing the various National Authorities with a real economic development case, which may be adapted as national urban development model due to its intrinsic aspect.

15.3 Urban N.O.S.E. in the Local Context

The evolution process involving local development policies is increasingly characterized by actions, strategies, and practices based on models of “inclusive” networks and partnerships implemented by all parties involved or stakeholders. Public and private parties (profit and non-profit), able to project relationships towards a joint project and project – at local level, in particular – consolidate multicentre systems and inter-institutional partnerships.

The so desired *welfare community* consists of “new” actors, builders of practices and “enterprise initiatives”, able to provide opportunities and share needs.

The impact of *Baseline Study* on project activities regarding the local aspect was essentially aimed at the two following aspects:

- The connection between Local Authority and Third Sector;
- The role played by social enterprise incubators in the *partnership* areas;
- The role played by Local Action Plan for social economy in the *partnership* areas.

15.3.1 The connection between Local Authority and Third Sector

Public-private relations, public-private non-profit in particular, will be expressed in original links, where local authorities do not only receive contributions from formal and informal contexts of the Third Sector, and will drive their development in the reference area.

The experiences of “Social Enterprise Incubators” propose instruments oriented to the so-called *social empowerment* and a public-private model, which activates good practices and network actions.

There are no doubts on the significant and institutionally recognised role played by the “local” Third Sector in social changes.

Local development is strongly connected with the creation of new job opportunities (and inclusion in the labour market), of “other” entrepreneurial formulas helping local development, in particular, in economically depressed areas characterized by serious social, economic, and urban degradation.

The recent policies for promotion of “social entrepreneurship” put the theory above into practice.

They promote the inclusion of disadvantaged people in the labour market (do not only refer to women, young and disabled people, but also ex offenders, unemployed, migrants, and undeclared workers), and *start-up* of own social enterprise ideas.

However, the connection between local authority-Third Sector does not always include contents and practices, which produce local outcomes. In reality, in most cases, this connection is limited to dedicated days, information campaigns, seminars, and conferences more oriented to marketing of “good intentions” of local councils than to promoting actual development actions.

On the contrary, the model offered by Social enterprise incubators will appear as a successful one.

Local authorities are initiative promoters, but also trainers and guides. In *partnership* with other local, national, and transnational stakeholders, the model supports future social enterprises in their becoming “enterprises” and identifying themselves as organisations structurally oriented to recovering, managing, and democratically distributing resources in a stable, efficient, and innovative way for common good.

15.3.2 The role played by social enterprise incubators in the partnership areas

The Social Enterprise Incubator will be a physical space equipped with diversified tools and supports, which is capable to provide:

- Essential services for *start-up* of newly established enterprises (“incubated” enterprises);
- Various kinds of consulting services (commercial, financial, legal, human resource management, marketing) for social enterprises already operating in the “market”.

The Social Enterprise Incubator implements techniques and methodologies used for the establishment of new enterprises and will address them to groups of population excluded from job opportunities and to new entrepreneurial actors oriented to creating “social” enterprises in sectors like (in addition to services to individuals) renewable energy sources, fair trade, responsible tourism, free *software*, ethic finance, and valuing of identity culture.

A general incubator purpose will be to support design, development, and promotion of local community through the creation of a network system supporting social economy. This network is aimed at providing information and transforming it into development opportunities for social enterprises, and the improvement of job quality created by them at the same time.

The central role of Third Sector organizations in active policies for social services, employment, urban requalification and local reconversion, and, more in general, in the government of social inclusion processes, it suggests new scenarios where the action of Social enterprise is focused.

The purposes agreed by the *partnership* on incubator objectives are:

- Facilitate the establishment of new Social Enterprises;
- Support the development of existing social enterprises;
- Promote and develop a natural environment in urban context included in the actions, but also infrastructures, services, and activities, which is favourable to the establishment and expansion of Social Enterprise Incubators;
- Promote the consolidation of social economy in towns and cities connecting social entrepreneurship initiatives with current local development, in order to strengthen the ability to create new jobs, support integration processes, develop sustainable economic activities;
- Contribute to local development, promoting the participation of non-traditional parties in economic activities, support social integration of individuals helping the creation of social enterprises (associations, social cooperatives, etc.);
- Highlight and disseminate the identity and culture of social enterprise;
- Increase the specific skills of social economy operators regarding the creation, management, and innovation of social enterprises;
- Promote the development of a “practice community” between social enterprises, which allows the transfer of tacit knowledge (able to create new knowledge, if systematized) for specific thematic topics and professionals considered as crucial for development in specific fields/sectors;
- Disseminate outcomes also through news, *forum on-line*, publications, and conferences.

There is also a clear vision of the role of Social Enterprise Incubator for urban social enterprises:

- It will be an opportunity for those who want to establish a new social enterprise, or extend/diversify and existing one. Social enterprises can choose whether establishing their headquarters within the incubator or just become members to take advantage of its services. Incubated social enterprises will sign a specific *Regulation*, which defines the ways to use the incubator and can have access to a number of free and customized consulting services.
- It will be a meeting, interaction, and exchange place. The incubator will be proposed as a crossroad able to ensure a space for exchanges and dialogue, promote the formulation and sharing of analysis instruments of the local context within which new experiences may be included, facilitate a kind of cooperation and *partnership* to form the real and virtual network used for strengthening the other kind of economy.

- It will be a support system and qualified reference for those who have a social entrepreneurial initiative or those who already have a social enterprise and want to assess new projects. Qualified professionals offer their support in strategic business decisions, the definition of development plans, planning of activities, and regular analysis of results.
- It will be an opportunity to be up to date in the field of social enterprise management. In fact, specific seminars are organized about: *designing a business plan and market survey activities; communication, promotion, and social marketing; administrative and accounting management; project design and fund raising; financial management, access to credit and ethical finance; legal forms of the other economy and their evolution; social reporting; quality systems and corporate social responsibility; human resource management and contracts.*
- It will be a virtual place formed by the network of relationships, contacts, and exchanges between the incubator, its users and local stakeholders, which will refer to similar national experiences in a European dimension.

These are the possible services implemented within the incubator:

- Technical assistance to social enterprise initiatives;
- Organization secretariat;
- Logistic services (common spaces: training room and meeting rooms);
- Consulting and support during *start up*;
- Customized consulting for social enterprise development (legal, financial, administrative, management, organization, project design, social marketing, quality);
- Internal and external *networking*;
- Training and seminars of social enterprise culture;
- Partnerships and connection with local development networks;
- Assistance in localizing the activity at the end of the incubator period.

Therefore, social enterprises will have the opportunity to find one headquarter and, through one interlocutor, answers to their different needs. They can also:

- Check for (economic and functional) feasibility of their business initiative with no risk that their initial investment is too big;
- Develop relationships and share knowledge within the incubator and network;
- Give visibility to their initiative;
- Quickly develop the skills of their human resources;
- Take advantage of specific privileged channels and facilitations to have access to services, based on agreements and protocols decided by the incubator with the network of local stakeholders.

The experiences of Social Enterprise Incubators proposed by local public authorities of the partnership can be a real opportunity for construction of attractive poles for all local stakeholders sharing the same purposes and local development strategies.

Therefore, the incubator is considered as a job incentive tool, as one of the institutional solutions in the provision of public services, as promoter of participatory and inclusive processes for public and private stakeholders considered as a whole.

The connection between them properly interprets the meaning of partnership between stakeholders at an equal level, with none of them occupying, in fact, a prominence position.

15.3.3 The role played by Local Action Plan for social economy in the partnership areas

Why a town Local Action Plan for social economy: the urban dimension in social policies

In urban areas involved in the project, peculiar demands and social needs appear, which may be properly interpreted and dealt with starting from the aspects and size of the town. For this reason, it is necessary to recognize cultural density, institutional pregnance, and programme importance to a unit project of an Urban Welfare System, through the definition of a framework system for social policies, which may be represented by the Local Action Plan of social services, since municipalities are responsible for planning, designing, and creating the integrated local system of actions and social services.

The launching of Local Action Plan of social services is – for municipalities – the commitment to redesign urban *welfare* in its local decentralized and interdependent developments, in terms of system actions for coordination and support of social policies.

The purpose of this institutional architecture is to implement a model ensuring the global aspect of town dimension and specificities of local needs (*e.g. districts*) at the same time.

Why an Economic-Social Management Plan: coming out of residual aspects of social action

The purpose of the Social Plan is to commit municipal authorities in planning, designing, and creating the town system of services and social actions.

However, at the same time, the Local Action Plan of social services is designed as the tool to understand town development policies from the standpoint of social needs and demand. Too often, social actions remain limited to assistance, with no real integration with training and active job policy processes. On the contrary, social actions should be included in the context of exclusion risk prevention actions and integrated inclusion measures. The Local Action Plan of social services is the tool through which the "social" context calls and transversally directs the following urban policies in a key of real sustainability:

- Housing and infrastructures
- Schools and child services
- Training and labour
- Urban environment
- Transports and urban mobility
- Suburbs and disadvantaged districts
- Healthcare, assistance, and inclusion
- Equal opportunities for men and women
- Culture and leisure activities
- Time in town.

Through the Plan, it is necessary to implement a support and development policy for social enterprises, which are the best local answers for:

- “Non-traditional” urban economic development;
- Guarantee of social services to users/residents.

It is not enough to improve social services to be more effective and operate better. This is necessary, but not enough. We need to support an overall growth of wellbeing in town, to be more open for all, more agreeable, more “socially compatible”, friendly with children, women, elderly and disabled people, and all people alone and in difficult situations: in other words, it is necessary to improve the quality of living for all residents.

The Local Action Plan Planning Process for Town Welfare

Through the adoption of Local Action Plan of economic-social services, the Municipality lays the foundations to coordinate, harmonize, and support the construction process of district Plans, by adopting a specific organization model for inter-institutional Governance of the entire urban welfare system. This is translated into the identification of stakeholders (ULSG), concerted action and participation processes of organization and timing, such as:

- The **various institutional parties** (Municipality, Province, Region, local Healthcare Units organized in Districts), in the framework of their competences, jointly formulate, implement, and assess social policies;
- **Local communities, families, individuals** are actively involved in social policies and play a crucial role in system design and implementation;
- **Third Sector parties** (non-profit organizations, social cooperatives, volunteer activities, social promotion associations and organizations, foundations) jointly act in planning, organizing, and managing the integrated system;
- **Production activities**; enterprises must be invited to play a social role, with full implementation of "enterprise citizenship" jointly working with the Third Sector;
- **Labour union organizations** and **user protection associations** participate in formulating social wellbeing objectives and assess their achievement;
- **Research and education**, with many opportunities in urban contexts, are involved – through their scientific contribution and knowledge – in the analysis, evaluation, and preparation of human resources;
- **Finance and credit** is crucial for implementing an efficient, ethical, and sustainable system of actions and services.

The launching of Local Action Plan of social services must be operated within an agreement process shared between central and local bodies, in order to ensure a balance of powers and relationships between the various institutional parties. Therefore, the promotion of a cooperation context between the various institutional levels, social parties, and productive parties involved is a required condition for setting up and developing *welfare of responsibilities* founded on the main principles regarding the exercise of social solidarity rights/duties.

16 Conclusions

The conclusions of the *Baseline Study* are summarized in the following list:

- Social enterprises provide services to the environment and individuals also of global and innovative type, within a given area, operating to oppose marginalization from the society and labour market.
- Therefore, the opportunity of increasing the social capital of local communities and the national and EU context, as a result, needs local development projects assigning a central and strategic role to social enterprises.
- The social capital – which is Third Sector’s economy – is the real added value to local development, and not just a collateral product that produces positive effects. In any case, it is to be said that the contribution of social enterprises is not an automatic achievement ensured just by the presence within the area, but it appears as an ecological opportunity, meaning that it requires specific conditions to come to the surface.
- Consolidated practices of Member States and regions belonging to the Urban N.O.S.E. project show that social economy determined and is still able to determine considerable outcomes in terms of unemployment and social exclusion reduction.
- From the standpoint of transnational cooperation, there is the opportunity to refine the existing social economy models within the Member States. The diversity of models also provides Member States with a real opportunity to develop solutions, which are able to meet local features of the labour market and national legal system.
- The main project *items* to be developed will be related to:
 - Promotion of social economy;
 - Identification and dissemination of good practices identified at the national and EU level;
 - Increase of knowledge level of the society about Third Sector potential for job creation;
 - Development of social economy model, definition of its role and tasks in re-launching depressed or marginalized areas also through experiences from other Member States;
 - Development of effective support systems to social enterprises, obviously first the creation of incubators, testing support models for creation of social enterprises;
 - Creation of cooperation and information networks between social economy stakeholders, through the establishment of partnerships and innovative operational models;
 - Study of development perspectives of an environment surrounding Social Enterprise Incubators not only natural, but also with infrastructures, services, and activities, which is in favour of their start-up and expansion in the urban contexts involved in the activities;
 - Development of new social economy tools and models calibrated on the needs of the various social groups and the aspects of the various areas, so that the development of social economy supports the economic urban growth;
 - Testing of regional animation models supporting social economy and development of urban areas;
 - Development of *capacity building* methodologies in the Third Sector through training of operators and *management* of social enterprises;
 - Increase of investment capital availability for social enterprises.
- The expected support to development of social economy innovative models does not include the creation of support systems to groups exposed to marginalization risk, but it also aims at re-developing the local context and reducing regional *gaps* through the integrated approach in urban revitalization processes.

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