



Urban N.O.S.E. Network of Social Enterprises

Thematic Paper on the state of art after the Final Conference

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L.E. Sergio
Campanella



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Thematic Paper

on the state of art of the Urban N.O.S.E. network

after the project Final Conference

This thematic paper gives an overview of the state of art of each one of the partner cities that attended the Urban N.O.S.E. final conference, held in Gela on 8th April 2011. During that last event, each city's delegation spoke, in turn, about a brief updating of the situation of the social economy at local level, about the added value generated by the Urban NOSE thematic network, about their Local Action Plan contents and about their cities' recommendations to policy makers. In the following pages you can read an abstract of the contributions brought by the attending partner cities to the debate: Gela (Italy), Brighton & Hove (UK), Athienou (CY), Grenoble (France), Koropi (Greece) and Pori (Finland).

Updating on the social economy situation in the partner cities

There is a different situation in partner cities donors of knowledge with respect to partner cities being more consumers of knowledge on social economy.

In the first group of cities, we find **Brighton & Hove (UK)**, where there are approximately 110 social enterprises (circa 1,300 employees, based on 2007 research), working across all traditional business sectors. In Brighton and Hove, social enterprise has the potential to hit many of the city's economic, social and environmental targets for future development including increasing entrepreneurship and resource efficiency, creating jobs (especially for those who are at risk of labour market disadvantage), promoting health and wellbeing, strengthening communities, and improving inclusivity.

Another partner city belonging to this first group is **Grenoble (France)** where, in an Urban Area of 400 000 inhabitants', Social Economy represents:

- 16% of the jobs
- 35,000 jobs
- 1,557 organisations with salaries

- 64% of women

Three main actors are dealing with Social Economy on the territory: the Rhône-Alpes region, the Urban Area authority and the city of Grenoble. Each of these institutions has developed policies towards Social Economy. The development of animation and sensitisation activities on Social Economy has been a crucial axis of Social Economy policies on the entire territory.

Strengths

- Numerous actors of Social Economy on the territory
- A dynamic sector, creating jobs
- A motor for social, economic and environmental innovation

Social Economy structures in Grenoble are developing fast and the sector gathers now a great diversity of activities. Public authorities are aware of the importance of this sector, in particular in this period of crisis and strongly support and accompany Social Economy initiatives.

Weaknesses

Social Economy needs more:

- Structures
- Visibility
- Communication and sensitisation actions towards the general public
- Tools to make the activities more sustainable.

The development of Social Economy on the territory also creates an important spreading of structures and initiatives. Local actors are aware of this difficulty and try to solve it by actively working on communication and sensitisation, especially towards the general public. Public authorities are working on the coordination of their own actions as well as the coordination of local actors initiatives in order to create a complementary and visible network.

Among the partner cities belonging to the second group (consumers of knowledge) there is **Pori (Finland)**, where public social services are strong both in the city and in the whole country: most of the services are produced by the public sector, outside the public sector the social economy relies mainly on associations, co-operatives, foundations etc. In Finland, generally, there are very few social enterprises (5,000 actors, 154 registered social enterprises in Finland), in the Satakunta region only 2 companies are registered as social enterprises, but there are much more actors in this field, like associations, co-operatives, etc.. The framework for the social enterprises is changing in Finland and in Pori:

- › new law for the social legislative framework is changing: a national task-force has been set up, working model/trial period is coming (6/11-12/11), elections can change everything... or not;
- › public procurement law enables social criteria and innovative procurement processes, potential not yet widely used.

As for the existing funding models, social enterprises are treated like any other company in Finland and they have to act according to the same rules as any other companies.

A further partner city belonging to the group of 'knowledge consumers' is **Gela (Italy)**: the ongoing financial crisis has negatively affected the whole economic situation and, looking at the social sector, the financial sustainability of social enterprises and a potential social incubator is the major issue at stakes. Moreover, social incubator represents one of the few possible ways for potential social enterprises to survive the start-up phase.

It is possible to identify the strengths and the weaknesses of the area of Gela. In the first case, there is a high level of interest in social issues and a high level of entrepreneurial skills that calls for sponsorships. Looking at the weaknesses, we see that there are several too small social enterprises, almost of them relying on public funding. Moreover it appears clear that there are low levels of organisational skills to get private funding or banking loans.

The perspectives are looking for opportunities for financial sustainability in new markets; going beyond standard provision of social services and exploiting new possibilities, such as industrial conversion, environmental and tourist issues, renewable green energy; all that by exploiting available funds at Regional, National and European level. In Gela, like in Pori or also in Koropi (Greece), there is a good and growing number of social enterprises and local decision-makers are making their best to foster this so important sector for the local socio-economic revitalisation.

But in this group there are other cities, like Athienou (Cyprus), Agrinion (Greece), Alcobaça (Portugal) and Xativa (Spain) that are looking for smart solutions to overcome the economic downturn affecting almost all categories of citizens. Even if they have no experience made on the subject, nor social enterprises acting in their territories, these last four cities have participated to the network with their viable projects of Social Incubator and have been actively exchanging ideas, practices, experiences and case studies to find tailor-made solutions to their local problems, also raising local awareness on potential and likely benefits engendered by social economy development in their territories.

Added value generated by the Urban NOSE thematic network

Consequently, many partner cities believed on the exchange of good practices and the added value that they would have got by joining the project and they participated to this thematic network because they wanted to have the experience of other partners on the matter and the exchange of related activities, for promoting the social entrepreneurship in the cities. What has actually been achieved through the project by the whole partnership was to update:

- › about the new policies running in Europe;
- › the ability to create a social enterprise;
- › local awareness of decision makers on issues of social entrepreneurship.

The establishment and functioning of the network was very important for the whole project, as it was given an opportunity to inform and enable people around the theme of the social economy. Also they produced LAPs which will help them to continue their ideas: they have plans which will help them to implement the ideas that have emerged from their experience and good practices that they have seen in other partner cities.

Before participation in the project, social economy and social enterprises was for some of them unknown words and concepts, especially in the case of Athienou, Alcobaça and Xativa. With their participation in the project they were able to have the knowledge and see through their field visits what does this means. It has also helped them in being able to convey the knowledge to others and this gave added value to their participation in this project.

The added value that existed in exchange at transnational level was that each partner was able to transfer its knowledge and experience but also to support the partners who did not have enough knowledge about the theme of the project. The added-value existed also in the group at a local level, as they could be heard and discussed many opinions about the main topics of the project, but also they helped in the preparation of each LAP: as a result, all the partner municipalities are interested in continuing the meetings of their Local Support Group. This will be useful not only in the development, but also in the implementation of LAPs.

Passing from a general overview to specific situations, **Brighton & Hove** finds they have been very lucky to be part of Urban NOSE. They have learned a lot from the experiences of other cities, and have benefitted greatly from the opportunity to share their own experience and see how it may be helpful to others. Urban NOSE has given them a chance to take a step back, hold a mirror up, and see what it is they are doing

well and what they can do better. There have been opportunities for learning through international, regional and local study visits/training; offering real-world examples of policies and operations that can develop the social enterprise sector. Urban NOSE has also raised the profile of Brighton & Hove, and cemented the city as the UK leader in the social enterprise field. The Urban NOSE experience has also given the city of Brighton & Hove the opportunity to establish relationships with other European cities with common interests; relationships which will undoubtedly last long after the Urban NOSE project is finished.

In the case of **Pori**, for instance, recognition of social enterprises and other solidarity-based initiatives is growing through the participation to Urban NOSE, and it will grow more in the future. The project allowed them to see new kind of partnership with social economy in other cities and in their region they are also building these partnerships. At the moment Pori is creating its own partnership network in city's own service production by doing service strategy work in political and practical levels. They have brought information to the procurement processes in order to create more courage for the public procurement processes. The public procurement legislation allows innovative procurement, but it is not widely used by the cities. Pori could use social criteria and not only financial issues in the procurement processes, stress quality (ethics, organic, fair trade, environmentally friendly...), employment (long-term employment, disabled...) or positive overall economic impact more in the procurement.

Pori sees, that one of the main things in this project is the networking with the national and international actors and aims to have project co-operation with other actors in the future.

And in the future Pori needs still developing its services in order to enhance the social entrepreneurship in the region. The main actions will be informative, the city will organize information and training for local authorities and other actors and create dissemination material and training for the local authorities, both politicians and civil servants. There will also be some training for the business developers and networking with the national level.

Pori will also promote partnership with social enterprises as a possibility and create a partnership programme for the service production within the city actions. It will also network with SITRA, the Finnish Innovation Fund, in order to find new ways of working with the social enterprises.

In **Grenoble**, on the local level, the participation in Urban NOSE project created, through the LSG meetings, a neutral place to discuss and debate on Social Economy

on their territory with diverse actors represented (Local and regional Public authorities, researchers, members of the associative sector, members of the cooperatives sector...). These meetings created a common dynamism and a will to work in common, in order to allow new projects to emerge and older ones to become more sustainable.

The transnational exchange allowed the LSG to identify the weaknesses of Social Economy on the Urban Area's territory, as:

- the lack of structure of actors;
- the need of reinforcing the modes of support of public authorities through the creation of social criteria;
- the discussion led on the possibilities of developing the Incubator of Social Enterprises;
- the discussion on the possibilities to find new ways to insure Social Enterprises activities through the creation of a mutual fund.

The transnational exchange is expected to provide the city of Grenoble examples of actions which will be able to solve these kinds of issues. In other cities, some of these issues have already been solved and it will be interesting to take a leaf out of these experiments, being aware of the need to transpose them to the local context.

On the European level, the project allowed different cities to exchange and experiment together on Social Economy. These exchanges gave to the city of Grenoble the opportunity to confront its point of view and experiments to other way of thinking and other innovative initiatives. Clearly, the discussions and debates they had with their partners made them think about their own situation, their constraints and the solutions they can envisage.

The debates on different perceptions on the definition of Social Economy encouraged the city of Grenoble and its local partners to question the way public policies were implemented and on what to consider belonging to Social Economy sector.

The Rhône-Alpes Region, the Urban Area Authority and the City of Grenoble have worked together to create a network of accompaniment of activity creation. This network aims at helping project holders in every step of their development. Depending the nature of the project, its legal status, and its particularities (of the project holder, of the targeted beneficiaries, of values carried such social interest, sustainable development, jobs creation...), a specific and competent interlocutor will be able to orientate and accompany the project in its development (to find funds, offices, and to proceed to a post-creation monitoring...). In the frame of that network, Social Economy specificities are taken into account and stakeholders benefit from a specific accompaniment. The creation of a practical guide makes this network more visible and accessible to Social Economy project holders.

In **Gela**, the Urban NOSE project changed the way of thinking at social enterprises as providers of social services in outsourcing, aiming at new kind of partnership with social economy, at efficiency/effectiveness, increasing employment. The main messages should be to shift from no-profit to social profit and to increase the networking with national and international actors.

Those targets can be reached by training actors in fund-raising skills; looking for business partners and getting an up-to-date and solid managerial and organisational training.

Local Action Plans contents

The Local Action Plans will try in all the partner cities 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, Social Business Planning, equal opportunities policies and local sustainable development.

The **Athienou's** LAP has been developed based on the model that has been promoted by the Lead Expert. This is for them the first time that such an action plan was drawn up concerning the social economy and social enterprises in general. Both in the municipality of Athienou and in Cyprus the social economy in general is not expanded, so this represents a real innovation. The transnational exchange activities and the exchange of know-how, the case studies and the best practices had a very big impact in their LAP: indeed, their plan has got some elements of good practices and ideas from partners who had something to demonstrate, but were at the basis of the needs of the municipality, its capabilities, but also the culture of the area. The added value of the development of such a LAP under the Urban NOSE project is that it is an innovation which will assist in the creation and development of social enterprises and support them.

In the case of **Brighton & Hove**, the city has had a Social Enterprise Steering Group for a number of years, which developed into the Local Support Group as part of the

Urban NOSE project, and it is this group which is responsible for the Local Action Plan. In August 2008 a local 'Social Enterprise Strategy' was published which set out the Action Plan for the City. In the autumn of 2010 a working group was set up to revise the plan, and a large consultation exercise was carried out with social enterprises invited to give feedback and make suggestions for revising the plan. This included an event where people could come and share knowledge and information, discuss the issues and make recommendations for revision of the plan. The plan was found to be still relevant and largely contained the right strategic priorities, but what was found to be lacking was clear accountability in terms of who was responsible for each action point being met. This is being addressed in an updated version of the Action Plan. Urban NOSE gave this process an added emphasis, new ideas and, importantly, resources.

In Finland, the **Pori's** LAP will highly concentrate on awareness building for politicians, procurement personnel, business development organizations and third sector actors. Pori will also carry on a study on local service structures and partnership possibilities in order to establish new service structures and also in order to boost the social impact and sustainability in future aspects.

In **Koropi**, the LAP is developed in strategic chapters, each one of them dealing with sensible issues emerged during their participation to Urban NOSE. A first chapter, *Basic training needs of executives of S.E.*, will focus on the development of networking, lobbying and "convey the message" skills; on participatory management (team working, collective problem solving etc); on quality control and monitoring of economic performance and social impact; along with an emphasis not only in training of workers but on their development too:

- *mentoring;*
- *coaching;*
- *job rotation;*
- *tuition assistance programmes.*

A second chapter, *Promoting other forms of cooperation and mutualisation of resources*, will centre on consolidating the notion to the main economic players that social economy is a win-win game; on mutualisation of resources between existing co-operatives with similar areas of activities (i.e. agriculture); on promoting territorial pacts and memorandums of cooperation; and on investigating relevant enterprises which could form cluster network. Another chapter, *Recognition and promotion of S.E. and other solidarity based activities*, will concentrate on animating synergies of local authorities, SME's and initiatives of individuals for the setting up of social enterprises;

promoting the notion of solidarity and mutualisation processes at different local levels (education, administration, businesses); providing incentives for the equal participation of weak categories of population in different aspects of community life. A fourth chapter, *Integration of clustering initiatives in local policies and programmes*, will integrate the Urban Nose LAP to the Operational Programme of the Municipality / Region by exemplifying the incubator as a model of cluster creation, by transferring know-how from the incubator to similar undertakings; and by integrating the notions of social economy to the social strategies and priorities of the Municipality. A fifth chapter aims at the *Promotion of a new culture of cooperation and governance*, mainly by reinforcing private - public partnerships and establishing the LSG as a permanent structure to serve as a liaison between the municipality and social enterprises; and by animating the cooperation of enterprises and the third sector through the corporate social responsibility channel (social enterprises as clients: e.g., Eleftherios Venizelos Airport).

In Greece, they are also aware that an incubator of social enterprises may require significant investment in human capital and “pre-incubation” activities, with no assurance that early-stage business incubation can begin. Furthermore, when the incubator does not own the property, investment may be a high risk activity, due to the time that may take for returns to realize. Choice of legal form may be crucial for the operation of the incubator:

- » as a partnership without legal entity => lack of institutional visibility
- » as a non corporate entity => loose and fable partnership that does not promote matchmaking and social entrepreneurship values.

Solutions learned during the exchange with other partner cities have been welcomed, like the ones favouring a public-private Consortium or a Foundation, both leading the social incubator management and involving the city and the main local, public and private, stakeholders.

In the case of **Grenoble**, in order to make sure that the LAP is implemented correctly, it is crucial to make sustainable the dynamic process of meetings and cooperation encouraged by the LSG. The City also needs to carry on actions of communication and sensitisation such as the “YESS!” event (www.alpesolidaires.org) and think about other forms of events or actions to reach a larger public. This will allow to reach the objective of structuring the network and making it more visible and understandable. The need of sensitizing the general public on Social Economy is crucial in order to promote its economic dynamism. There is a need of making Social Economy and the values it promotes more visible to enlarge the public of possible consumers. Parallel to

that, sensitization also aims at making Social Economy more accessible in terms of job offers and social actions, to disadvantaged people.

Regarding to the issue of structure and sensitisation on Social Economy, the common assessment is that Social Enterprises are not considered as a whole. In other words, Social Economy is not fully known as an economic sector, gathering actors that follow the same values and lead an economic activity with a strong social usefulness. It seems thus necessary to lead actions allowing, on one hand, to identify Social Economy actors as a specific and structured economic sector, and on another hand, to emphasize the economic impact of these structures on local economy. On this point, two actions have been put forward. Following the success of the YESS! event which took place in September 2010, the LSG thought about creating a periodic event of the same kind, every two years. This will aim at making people aware of what is Social Economy, what kind of actors it gathers and what kind of goods or services it provides. For 2012 it is envisaged to organise such an event in disadvantaged neighbourhoods in order to reach another kind of public. Actions of communication and sensitisation are crucial for their LAP, and participate in the structuring of the Social Economy on the territory. Focus is made on mutualisation of communication tools, search of funds (MCAE), premises... The creation of a mutual fund aims at helping associations to overcome their treasury limits in pooling resources through donation. Mutualisation of funding sources, work on the perspectives and possibilities of donation in the sector of Social Economy. Common communication tools provided by Alpesolidaires is considered as a main access to Social Economy events and has a great importance in the LAP's communication tools of Grenoble.

In **Gela**, the best operational model they suggest is to create a network of social enterprises as a Consortium. Several positive effects from such way can be financial risk sharing; being one big entity, it would be easier to apply successfully to financial resources and to submit joint projects putting together different fields of specialisation; the Consortium may better "lobby" the decision-makers; it may be able to make successful tender for contracts with public and private sectors; it should have at least one ethical or social bank as a member to ensure a quick and verified channel to micro-loans to social enterprises.

The implications to the Gela's Local Action Plan focus on aiming at financial sustainability (for example social incubator users may be asked to pay a fee as reimbursement for the service provided) and logistic needs (ASI can provide logistic solutions for any potential social entrepreneur needing a place where to start his activity for a low fixed rent).

Recommendations of the partner cities to policy makers

Key policy recommendations that came through the LAP refresh made by **Brighton and Hove**, are as follows:

Sharing, Collaboration & Mixed Economy:

- *Encourage and enable consortia to bid/more joint tendering;*
- *Sharing of physical resources and services/office space/co-location;*
- *Pooling of expertise/a forum/skills, knowledge and learning*

Enterprising Behaviours/Entrepreneurship:

- *Greater emphasis on profit/trading and doing business better; along with an emphasis on SE being more strategic;*
- *Professionalise Social Enterprise/entrepreneurship and enterprise;*
- *Raise profile of SE through other business networks/maximise use of current networks/more strategic networking*

Access to information on finance support/information/expertise

- *Create a one-stop shop on sourcing finance, resources and expertise in this area/sign posting service/hub of knowledge/website/what's going on locally*
- *Provide a variety of financial information (funding opportunities, commissioning, procurement etc.)*

Impact, Learning & Skills

- *Enable knowledge exchange and develop and promote training across sectors, organisations/networks (workshops and training/master classes/business skills/trustees). Address any gaps*
- *Capture and show value of SE through impact measurement*
- *Create SE champions*

As recommendations for the decision-makers, **Pori** stresses the importance of the following aspects:

At the local level, recognition of social enterprises potential, moving from procurement to true partnership and creating courage to the procurement procedures.

At the regional level, politicians should guide more funding for social enterprises, not just for social firms, and in the national level they wait for more clear and supportive political legislation. The legislation for social enterprises has been coming for a while now and this uncertainty creates problems for both the enterprises and the support organizations.

At the EU level they would like to see funding, that will support knowledge transfer and benchmarking between international partners. It is very useful to see new ideas and learn from each other.

Recommendations produced by **Koropi** are as follows:

- › Creation of an integrated policy for supporting vocational training of basic categories of activities of social entrepreneurship are very much needed, due to the fragmented nature of training programmes in Greece. Investigate the possibilities of vocational training through the channel of corporate social responsibility outsized for profit enterprises, which have relevant activities of the demanding social enterprises.
- › Application of the European Qualifications Framework (EQF) to all trainers/consultants that participate in training and development programmes of Greek social enterprises.
- › Creation of local funding programmes for social enterprises incubators not managed at a central level, as 'central public administrations are not made to grant venture capitals'
- › Implementation of specific laws and regulations for social enterprises, towards the need to increase the institutional visibility of social incubators to gather support and funding from multiple sources
- › Cultivating the notion of social economy to different policy levels starting from the policy makers themselves – recognition of its added value.
- › Promotion of solidarity and cooperation culture starting from the base of the local society- primary and secondary education.
- › Consistency in dissemination practices - follow ups of information activities, capitalisation of contacts and possible partnerships.
- › Institutional and legislative provision for facilitating the operations of incubators of social enterprises
- › Initial funding for the first 5 years of operation by the government because it may take a lot of years to release returns
- › Combine all different elements of the main operational – funding models

Recommendations from **Grenoble**:

For all levels of decision-making: it is crucial to elaborate strategies which can complement each other to reach the goal. A focus should be put on action of sensitisation to make people understand what is Social Economy , to show its economic, social and environmental impact.

Local level: the City should coordinate its Local Action Plan with the Development Plan of Social Economy led by the Urban Area Authority

In order to have a coordinated policy on the territory it seems necessary to work together with the Urban Area authority, which also leads an active policy on Social Economy matters. Structuring and orientating public actions towards Social Economy aim at coordinating the policies to avoid each authority's competences to overlap each other. This will also allow some strategic axes to be reinforced through the common support of both public authorities. This coordination will have as effect to make more pertinent and to reinforce local public policies on Social Economy.

Also in the case of **Gela**, their recommendations for decision-makers can be applied to different levels.

At a local level, recognition of social enterprises potential, communication as a tool to improve the opportunities of fund-raising, social enterprises as partners and not as subsidised Municipality's branch.

At a Regional level, funding for social enterprises to be used for specific need such as logistics, organisational skills and specialist guidelines for social entrepreneurs, communication as a tool to improve the opportunities for fund raising.

At a National level, clear and supportive legislation with special attention to fiscal issues.

At a European level, focus on knowledge transfer and benchmarking.

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