

ComEnt European Report

ACCEU

RO1 National report on the state of the art on innovative models of community enterprise development- ACCEU

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**Co-funded by
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Introduction:

The ComEnt project, a 24-month transnational project funded by ERASMUS+, seeks to develop an innovative accredited educational programme on community enterprise development and provide higher education educators and students with appropriate teaching and learning resources. The ComEnt project consortium consists of the following:

- Technological University of the Shannon: Mid-lands Mid-West (Ireland – lead partner)
- Communities Creating Jobs (Ireland)
- ACEEU GmbH (Germany)
- Archivio della Memoria (Italy)
- Burgas Free University (Bulgaria)
- Fundatia Alaturi de Voi Romania (Romania)
- FHV – Vorarlberg University of Applied Sciences (Austria)

The fostering of community-led and community owned enterprises promotes civic engagement. The knowledge, skillsets and competencies acquired through this initiative will enable university graduates and social innovators to empower marginalised groups and disadvantaged locations. This provides the capacity to create wealth and promote social inclusion, particularly for those who have been less successful in engaging with the dominant neo-liberal and capitalist market system. An enterprising community is not simply concerned with capitalism but seeks to build a viable and sustainable social, economic and cultural ecosystem. Enterprising communities involve an integrated mix of social, private and state enterprise, each adding value to the other. According to Cooke (2018), there are sufficient resources (live and dormant) owned by statutory agencies; community and voluntary sector; and private sector which could be utilised productively to create and sustain community-owned social enterprises.

The ComEnt project defines a community enterprise as an organisation owned and managed by the community, whose mission and vision are centred on serving individuals from a defined geographical area (predominantly disadvantaged locations) and / or communities of interest (predominantly marginalised groups in society). This makes community enterprises a distinct group within the wider social enterprise sector, not only trading for social purposes but reinvesting any profits in ways that provide benefits to a particular community.

Therefore, the specific promotion of community sponsored entrepreneurship within higher education courses is innovative. It is critically important for higher education institutions, in partnership with the community and voluntary sector, to undertake research on the topic of community enterprise. Furthermore, it is equally important to educate students and relevant stakeholders on the ways in which community owned enterprises can facilitate community-led local development.

Context

To what extent does a community enterprise differ from a social enterprise?

Defining a community enterprise in Europe is not an easy task, especially due to the diversity of terms used to describe the organisations operating in the field of social entrepreneurship.

The ComEnt project defines a community enterprise as an organisation owned and managed by the community, whose mission and vision are centred on serving individuals from a defined geographical area (predominantly disadvantaged locations) and/or communities of interest (predominantly marginalised groups in society).

During the workshop held by the ComEnt project partners in Thurles (May 2022), the consortium tried to identify the differences between the terms “social enterprise” and “community enterprise” by providing insights from 6 different countries.

The Accreditation Council for Entrepreneurial and Engaged Universities (ACEEU), representing the consortium partner from Germany, conducted the research from a European perspective, thus, analysing the terminology used by the European Commission to define the enterprising organisations that are operating in the social field.

The results of this research showed that the European Commission (2022) uses the term “social enterprise” instead of the term “community enterprise” in its official documents and website. However, is the meaning and definition attributed to this term by the European Commission substantially different from what the project consortium defined a “community enterprise”?

The European Commission (2022) identifies the mission and vision of a social enterprise as an organisation that combines societal goals with an entrepreneurial spirit. More specifically, the EU uses the term “social enterprise” to cover the following types of business:

- Those organisations that place the social or societal objective of the common good at the centre of their commercial activity, often in the form of a high level of social innovation
- Those organisations whose profits are reinvested to achieve a societal objective
- Those organisations in which the leadership structure reflects the enterprise's mission, using democratic and participatory principles.

The table below illustrates the differences and analogies in the definitions of “community enterprise” and “social enterprise”.

Table 1 Differences and analogies in the definitions of “community enterprise and “social enterprise”

	Community Enterprise	Social Enterprise
Mission and Vision	<ul style="list-style-type: none"> • societal goal + entrepreneurial spirit • Social, environmental or community objectives 	<ul style="list-style-type: none"> • Serving individuals from a defined geographical area (mainly disadvantaged locations) • Serving communities of interests

		(marginalised groups in society)
Type of business	<ul style="list-style-type: none"> • Social objective is the reason for the commercial activity • Profits are reinvested to achieve the social objective • Democratic/participatory principles are embedded in the organisational structure 	An organisation owned and managed by the community.

The main characteristics of the definitions of “community enterprise” and “social enterprise” illustrated in the table above may seem very different, however, they have some analogies. Indeed, both definitions put emphasis on the social (or societal) objective of the enterprise either by defining the aim of the enterprise “social” or specifying the target group and location of the enterprising activities (marginalized social groups/disadvantaged locations). Moreover, both definitions highlight one particular aspect of this kind of enterprise, namely the reinvestment of profits to achieve a social objective.

In conclusion, it seems that the so-called “community enterprises” can be identified as a subcategory within the wider group of social organisations falling under the “social enterprises” category.

National Policy and Research on Social Enterprises

As a matter of fact, the variety of characteristics of social enterprises was highlighted by the European Commission when trying to provide a definition for the term “social enterprise”. In the Social Business Initiative (SBI) (European Commission, 2011) the European Commission explicitly stated that they are not aiming at a standard definition as a starting point for integrated regulations:

In its approach to this varied sector, the Commission does not seek to provide a standard definition which would apply to everyone and lead to a regulatory straitjacket. It offers a description based on principles shared by the majority of Member States, while respecting their diversity of political, economic and social choices and the capacity for innovation of social entrepreneurs. (European Commission, 2011, p. 4)

In a recent report, the European Commission introduces “An attempt to operationalise the concept of social enterprise” (European Commission, 2020, p. 29, Table 2) based on the Social Business Initiative:

Table 2. Social enterprises and their ecosystems in Europe

Main dimension	General definition	Minimum requirements
Entrepreneurial/ economic dimension⁽²⁾	<p>Stable and continuous production of goods and services</p> <p>> Revenues are generated mainly from both the direct sale of goods and services to private users or members and public contracts.</p> <p>(At least partial) use of production factors functioning in the monetary economy (paid labour, capital, assets)</p> <p>> Although relying on both volunteers (especially in the start-up phase) and non-commercial resources, to become sustainable, SEs normally also use production factors that typically function in the monetary economy.</p>	SEs must be market-oriented (incidence of trading should be ideally above 25%).
Social dimension	<p>The aim pursued is explicitly social. The product supplied/ activities run have a social/general interest connotation</p> <p>> The types of services offered or activities run can vary significantly from place to place, depending on unmet needs arising at the local level or in some cases even in a global context.</p>	Primacy of social aim must be clearly established by national legislations, the statutes of SEs or other relevant documents.
Inclusive governance- ownership dimension	<p>Inclusive and participatory governance model</p> <p>> All concerned stakeholders are involved, regardless of the legal form.</p> <p>> The profit distribution constraint (especially on assets) guarantees that the enterprise's social purpose is safeguarded.</p>	The governance and/or organisational structure of SEs must ensure that the interests of all concerned stakeholders are duly represented in decision-making processes.

As it is shown in the table above, the European Commission draws the border of the definition of social enterprises around three dimensions: the entrepreneurial/economic dimension, the social dimension and the inclusive governance-ownership dimension. Therefore, according to this definition, such organisations run commercial activities (entrepreneurial/economic dimension) in order to achieve a social or societal common good (social dimension) and have an organisation or ownership system that reflects their mission (inclusive governance-ownership dimension).

However, the European Commission leaves some freedom in the interpretation of the three dimensions:

Social enterprises may fulfil the three dimensions—entrepreneurial, social and inclusive ownership-governance—in different ways. It is the interplay among the three dimensions that determines whether an organisation may or may not qualify as a social enterprise (European Commission, 2020, p. 29).

In its approach to this varied sector, the European Commission aims to provide a description based on principles shared by the majority of Member States, while respecting their diverse political, economic and social ecosystems and while giving to social entrepreneurs the possibility to innovate and evolve.

The European Commission is extremely engaged and keen on the topic of social enterprises. Indeed, it recognises the importance of social business and encourages the creation and sustainability of social enterprises. This is reflected in various initiatives, including the Social Business Initiative (European Commission, 2011) mentioned above, and the Start-Up and Scale-Up Initiative (European Commission, 2016).

The Social Business Initiative (SBI) aimed to identify and implement actions to create a favourable financial, administrative and legal environment for social enterprises. The SBI focused on three main topics: facilitating the process to obtain funding for social enterprises, increasing the visibility of social

entrepreneurship and creating a friendly legal environment for social enterprises (European Commission, 2011).

One of the follow-up initiatives on the same topic as the SBI is the Start-Up and Scale-Up Initiative. It was launched in 2016 and is currently ongoing. It mainly addresses three issues: to remove the obstacles for start-ups to scale up in the market, to create partnerships and commercial opportunities and skills, and to facilitate access to funds. The relevance of the European Commission's support through initiatives, policies and funds will be shown throughout this report.

Methodology

Research Design

The objective of RO1 for this project is

“National and summary reports on the state of the art on innovative models of community enterprise”, the project has set itself the following objective: To analyse innovative processes and patterns pertaining to models of community enterprise in the selected partner countries and at a European level. To identify and reflect on best practice examples of successful community enterprise and determine their critical success factors. (RO1),

The literature review informed the design of the research methodology and the research design strategy was agreed among the partners at the meeting in Thurles in April 2022.

It was determined that a Case study format was the most appropriate approach as it is ‘A case study is an empirical inquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident’ (Woodside 2017) Yin (2003), in his influential book *Case study research: Design and methods*, suggested that case study research is an appropriate strategy for "how" and "why" questions.

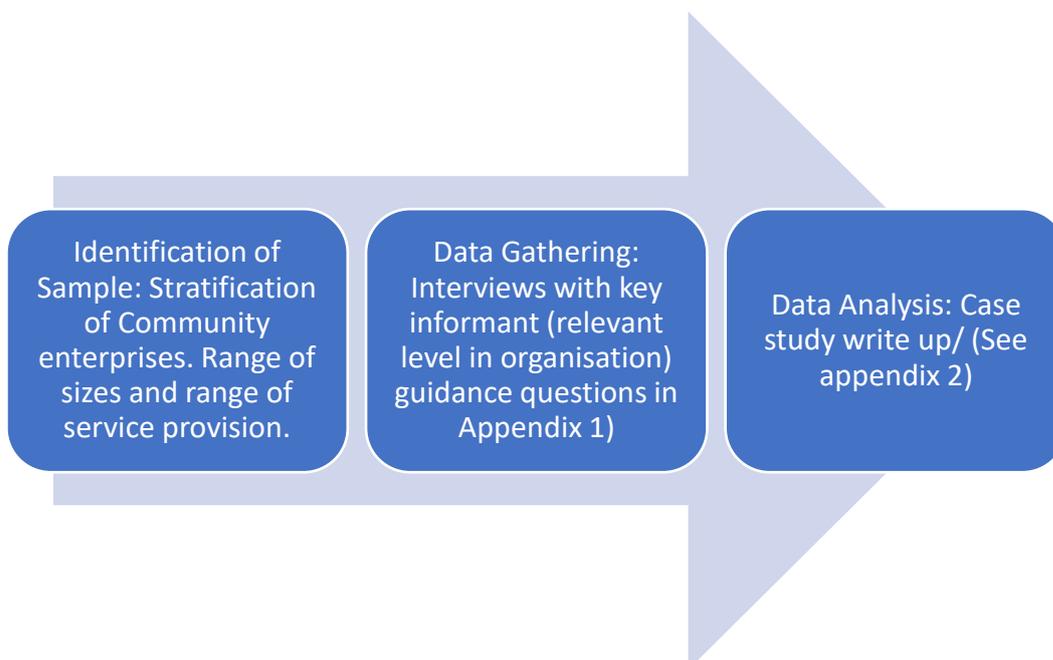


Figure 1: Research Design

Sampling Strategy:

To support the research it was agreed that a stratified sampling approach would be taken to identify a range of community enterprises using: scale, provision of services and duration in existences. The key informant identified to participate in the interviews in each organisation would be taken from the following stakeholder grouping in each organisation will include (a) the Chief Executive /Principal/ Managing Director (paper signer), (b) the financial manager, (c) a separate employee, (d) the chair of the governors/other member of the board, (e) a stakeholder/beneficiary.

Data Collection:

It was agreed that a semi-structured interview approach would be adopted and that these would be conducted face to face with each person and the areas of focus for the interviews would be:

- (i) Information about the organisation**
- (ii) The reasons for starting the community enterprise**
- (iii) The way in which the community owned enterprise operates**
- (iv) The way in which the organisation manages its finances**
- (v) The leadership & management approaches in the organisation & its future directions**
- (vi) And finally ..any other issues that need to be considered**

(See appendix 1 for a full list of support questions)

Research Ethics:

All participants in the process were issued with an invitation to participate, a letter of consent and the research questions in advance. Ethical approval was obtained from LIT (TUS) Research Ethics Committee ensuring best practice in the research process.

Key Findings

Community Enterprise in Practice

The Accreditation Council for Entrepreneurial and Engaged Universities (ACEEU) was in charge of selecting three social enterprises located in Europe. The aim was to analyse their pathway to becoming well-established social businesses with a focus on their best practices, the barriers they encountered, their needs and suggestions for future potential social enterprises. The three case studies are located in Finland (x2) and in Germany (x1). From the case studies analysis, it emerged that all three social enterprises were established to respond to actual needs originating from the social ecosystem in which they are embedded. Indeed, these social enterprises mainly focus on providing concrete solutions to societal complex problems in order to support the more traditional approaches provided by the respective governments. The highlights and best practices of each social enterprise are shown below.

Eleganz, Muenster (Germany) – “We want to help people who need help”

Eleganz, an NGO based in Muenster (Germany), aims to provide further support in integrating immigrants and marginalized youth into society.

Eleganz is specialised in tutoring services for kids and youngsters. However, it aims to inspire and support its target group on many different topics, among which developing awareness of political topics, developing social capabilities, having a healthy lifestyle (sports and nutrition), and much more.

What makes the social enterprise unique: the human touch

People are a central element in the Eleganz NGO, and this is reflected both in the organisational structure and in their approach to work.

The projects implemented by Eleganz are focused on the people of the community in which they are embedded. Initiatives like the “Language Cafè” or the project “People Empowering People” (translated from the German “Menschen stärken Menschen”) are implemented *by* the members of the community and *for* the members of the community. The “human” element turned out to be a winning approach to supporting the community and its needs.

Culture House, Kouvola (Finland) – “Fostering the ‘good’ mental health”

Culture House, based in Kouvola (Finland) works as a bridge to society. Indeed, it offers concrete support to young adults by providing both the facilities and the guidance for learning to carry out day-to-day life activities as well as socialising with peers and taking part in leisure activities.

What makes the social enterprise unique: the “recovery-oriented method” for socially marginalized youth

The reintegration of socially weak people through the “recovery-oriented” method is central to the work of this social enterprise. Culture House was the first association in Finland to adopt this method. The idea behind it is to encourage marginalized young adults to take initiative and implement activities for their community by using their skills, qualities and strengths. Encouraging marginalised young adults to take ownership and responsibility in the Culture House by volunteering or peer-mentoring other participants in the organisation turned out to be an extremely effective method to re-integrate them into society.

Anjala Youth Centre, Anjala (Finland) – “A place for Growth”

Anjala Youth Centre, based in Anjala (Kouvola, Finland), aims to promote a better life for every age group by implementing activities that vary from school camps to intensive coaching for companies, schools and NEET youngsters.

What makes the social enterprise unique: the full involvement of the community in the development of the enterprise’s activities

One particular initiative that highlights the key role of the community in the development of the enterprise is the “Open Night” evenings. Anjala Youth Centre organizes evening meetings in which anybody can take part (external stakeholders, members of the community, employees, etc.). The main purpose of these gatherings is to reflect together on how to develop the youth centre’s area and services in order to benefit the community.

These three social businesses are promoting different social initiatives for a variety of target groups. However, the main aspect that they have in common is the willingness to respond to societal problems in an unconventional way. Indeed, some complex societal issues such as young adults’ mental well-being, the development of a healthy lifestyle for youngsters and the integration of immigrants and of marginalized youth in society can be tackled from an atypical perspective to obtain a different, but still effective, result.

Factors which promote Community Owned Enterprise

During the interviews, several relevant factors for supporting social enterprises were found.

The decisive elements for the effective development and sustainability of social enterprises were mainly three: the public authorities’ support measures, the stakeholders’ participation in designing the social enterprise activity and the creation of strategic partnerships.

The grants and subsidies from public authorities turned out to be a very important element for the sustainability of social enterprises. The potential of social enterprises has led to a growing interest in their development from both private institutions and public authorities (European Commission, 2020). The figure below illustrates the main types of support measures for starting a social enterprise in European countries (European Commission, 2020, p. 73, Table 10).

Table 3. Availability of support structures to start a social enterprise

Type of support measures	Yes, without limitations	Yes, with limitations	Not available
Grants and subsidies from public authorities and European funds	Austria, Finland, Italy, Luxembourg, Malta, Netherlands, Poland	Belgium, Cyprus, France, Germany, Ireland, Latvia, Lithuania, Portugal, Romania, Slovakia	Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Greece, Hungary, Slovakia, Slovenia, Spain, Sweden, United Kingdom
Grants and other support from private stakeholders, foundations and second-level organisations	Austria, Belgium, Croatia, Czech Republic, Germany, Latvia, Lithuania, Luxembourg, Netherlands, Portugal, United Kingdom	Bulgaria, Estonia, France, Ireland, Italy, Malta, Portugal, Slovakia, Spain	Cyprus, Denmark, Finland, Greece, Hungary, Romania, Slovenia, Sweden
Private and public support for incubators and business innovation centres	Austria, Belgium, Cyprus, Estonia, Finland, Greece, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Spain	Croatia, Denmark, France, Germany, Hungary, Ireland, Italy, Portugal, Romania, Slovenia, United Kingdom	Bulgaria, Czech Republic, Poland, Slovakia, Sweden

The existence of a system that supports community enterprises is not only fundamental for the development of the community enterprises themselves but also to foster a specific type of start-ups that are contributing to responding to social needs. Thus, close cooperation with public authorities is considered a fundamental element for supporting the activity of social enterprises (European Commission, 2020).

Another crucial factor that helps the development of social enterprises is the involvement of external stakeholders in designing the activities of the enterprise. Indeed, to develop a social business that responds to the actual needs of society, it is essential not to lose track of what the actual needs of society are. All of the case studies analysed have shown that the constant participation of the stakeholders (i.e., workers, users, volunteers, donors, representatives of the local community, etc.) in the design and implementation of activities has been a decisive factor in the development of the social business itself. Involving the stakeholders closely in the decision-making processes of the social enterprise generates twofold benefits: the stakeholders get to know better the enterprise and its purpose, and the enterprise has direct access to the needs of the community.

A close relationship between the social enterprise and its stakeholders can also lead to the establishment of strategic partnerships with other enterprises in the ecosystem, which could be beneficial in the long term for the sustainability of the social enterprise. Another benefit deriving from strategic partnerships with local enterprises is to boost the economy of the community itself. This was found in the case study of Anjala Youth Centre, a Finnish social enterprise located in a low-density population area. Organising activities and initiatives in this specific geographic area turned out to be a huge support for the local shops, which became popular among the participants.

Thus, networks and partnerships among social enterprises are crucial elements for succeeding in the growth and innovation of the social enterprises' models (European Commission, 2020, p.50).

Barriers

The description of the factors that support community enterprises in the previous section is crucial to understand what could be the barriers that prevent social businesses to develop. Indeed, the lack of public authorities' support measures, stakeholders' participation and strategic partnerships can be considered an obstacle to the development of social enterprises.

Besides the factors mentioned above, the main barriers that were found by analysing the case studies are connected to the access to financial resources.

The European Commission states that the availability of financial resources is fundamental to support the start-up process, as well as the consolidation and growth of a social enterprise (European Commission, 2020, p. 69).

Given the non-profit nature of social enterprises, it may be more difficult for them to generate capital. For instance, potential investors may not be willing to invest as they are likely not to obtain attractive compensation for their risk. At the same time, social enterprises have access to additional resources both private and public (e.g. human resources such as volunteers and financial resources such as donations and fiscal incentives). The arrangement of a stable flow of resources is essential for the development opportunities that target the needs of citizens. (European Commission, 2020).

A recent study by the European Commission showed that the growing interest in social businesses from both entrepreneurs and government actors boosted the improvement of their financial ecosystem:

Thanks to the increasing knowledge of the social enterprise phenomenon and a better understanding of the difficulties these organisations face, new projects and institutions are gradually emerging to fill the gaps. (European Commission, 2020, p. 72)

The need for establishing a network of financial resources and user-friendly administrative processes to access them (OECD, 2017) is an ongoing process in need of continuous improvement. One way to keep improving the availability of financial resources for social businesses could be through constant feedback from the main actors involved in it.

The first step towards uncomplicated and straightforward access to financial resources is the full knowledge and understanding of the actual European policies and funding possibilities.

Policy Considerations

In the case study investigation, it was observed that social enterprises have a mixed system of funding. A recent report from the European Commission, tries to categorise the main funding resources used by social enterprises in Europe and it was found that both Finland and Germany mostly rely on public funds:

Finland: Resource mix in which service-providing SEs are mainly financed by the Funding Centre for Social Welfare and Health Organisations (STEA), a state aid authority operating in connection with the Ministry of Social Affairs and Health. However, the economic activity of most SEs (...) is a mix of different trading activities for private and public entities and public grants and subsidies.

Germany: Resource mix with significant differences in the sources of income among different legal forms and activity performed. Public grants, subsidies and donations still function as very important sources for the organisations for which data is available, although their share has generally fallen in recent years. Regulated service fees (paid by local authorities) are the major source of income for associations and public benefit companies.

(European Commission, 2020, p.79)

The fact that both Germany and Finland strongly rely on public sources of funding shows the importance of knowing about the existence of the funding programs that may be suitable for your social business as well as the need for knowing where to access them.

As mentioned above, one of the main barriers for social entrepreneurs is straightforward access to funds. For this reason, this section will attempt to navigate the various funding possibilities that the European Commission is currently offering.

In the European Commission website section about Social Economy and Inclusive Entrepreneurship (2022), it is stated that Europe supports social enterprises through a series of funds that are part of different European programmes and initiatives. Below are some relevant initiatives carried out by the European Commission:

- *EU Programme for Employment and Social Innovation (EaSI)*: it provides social enterprises access to investments of up to EUR 500,000 through both private and public investors at a national and regional level.
- *Fund for Strategic Investments (EFSI) Equity Instrument*: this fund supports social enterprises through funds linked to incubators/accelerators and co-investments with Social Business Angels.
- *Calls for projects*: a call for proposals was launched in 2017 aimed at encouraging social enterprises in making investments. These funds represent further support to the equity investments; indeed, they can be used to partially cover the transaction costs of intermediaries.
- *Co-funded projects*: from 2013 until today, the EU funded more than 40 projects focusing on boosting the development of the demand-supply side of social entrepreneurship markets in Europe.
- *The European Social Fund Plus (ESF+)*: this initiative from the European Commission provides both direct and indirect funding for projects. The direct funding is awarded directly from the European Commission to the social enterprises, while the indirect funding depends on the

Member States and regions who decide how they wish to implement the European Social Fund funding (they can choose to have a single national program or a set of regional programmes or both). Under this programme, the European Commission can also award prizes.

Education and Training Requirements

The present study revealed some interesting insights on the education and training requirements that according to the social enterprises interviewed would have to be inserted among the training requirements for founding a social enterprise.

It was found that a fundamental component of education and training requirements are the soft skills: effective communication, critical thinking and open-mindedness would constitute a solid base for learning about the dynamics of cooperation and about the establishment of solid partnerships. The social enterprises taking part in the study declared that among the lessons learnt from their experience there was the need for being open-minded (Eleganz), cooperate with your surrounding and connect with your community (Anjala Youth Center) and be open to change and willing to take risks (Culture House).

Besides the soft skills mentioned above, some hard skills have been identified too. The social enterprises involved in this study mentioned that the fundamental hard skills to have are:

1. Knowledge of social media and its mechanisms: social media turned out to be an extremely important tool to reach out to the community. Indeed, depending on the target groups, social enterprises can use a variety of different channels to encourage the community to engage with their initiatives.
2. Financial planning: a fundamental skill for establishing and developing a social enterprise is basic knowledge of financial planning. Having a clear idea of how to invest the capital of the social enterprise is essential for arranging a stable flow of resources.
3. Scouting for EU funds: as it was shown in the sections above, having the knowledge and understanding of what kind of funds are available for your social enterprise represents a crucial element for the start-up and development of a social enterprise.

Conclusion and Recommendations

The case study research was carried out with two social enterprises operating in Finland and one social enterprise operating in Germany. Based on the data retrieved from the interviews, some interesting considerations on the state of the art of social enterprises in Europe can be made.

The terms “community enterprise” and “social enterprise” are not so different. Indeed, the definition of “community enterprise” given by the ComEnt consortium partially overlaps with the understanding of social enterprise given by the European commission. The definition provided by the European Commission represents a good compromise between a vague description in which way too many enterprises would recognise themselves and a restrictive description that would exclude many enterprises from the benefits of *social* enterprises. This definition is based on principles shared by the majority of Member States while respecting their diverse political, economic and social ecosystems and the possibility for innovation of social entrepreneurs (European Commission, 2020).

The present study also investigated the factors that can promote or can undermine the development of social enterprises. It was found that the decisive elements for the effective development and sustainability of social enterprises are mainly three: the public authorities’ support measures, the stakeholders’ participation in designing the social enterprise activity and the creation of strategic partnerships. The lack of these factors can be considered an obstacle to the development of social enterprises.

Moreover, it was found that a decisive obstacle in the sustainment of social enterprises can be the access to financial resources. Indeed, the European Commission stated that the availability of financial resources is fundamental to supporting the start-up process, as well as the consolidation and growth of a social enterprise (European Commission, 2020, p. 69). One way to overcome this barrier could be the full knowledge and understanding of the actual European policies and funding possibilities.

This study also summarised some of the policies and funding opportunities that the European Commission is currently offering. However, given the variety of material available, this report only covered a limited amount of it.

To conclude, this research provides an overview of the capacity-building needs of social enterprises. According to the interviewees, potential founders of social enterprises should have both soft and hard skills. Soft skills like communication, critical thinking and open-mindedness would be very helpful in the management of social enterprises. At the same time, some hard skills are needed too. Among them, the study highlighted: the foundations of social media and its mechanisms, financial planning and scouting for EU funds.

The results of this study could be an encouragement for all the stakeholders involved in the development of social enterprises (from the social entrepreneurs to the governance) to foster an ecosystem that limits the barriers to the development of social enterprises and build the capacities of social entrepreneurs considering their learning needs. This would create better chances for social enterprises to succeed, grow and share their model.

Case Studies (Appendix)

ComEnt Case Study 1: Anjala Youth Center

Section A: Organisational Details

Name: Anjala Youth Centre

Location: Kouvola, Finland

Aims and purpose of Organisation: The Centres serve primarily regional, national and international youth activities, camps and nature school activities, and youth activities promoting active citizenship and social empowerment.

Number of Staff:

- 17 fixed staff
- 7 trainees

Number of Volunteers (if applicable)

- 1 long-term international volunteer
- 12 short-term international volunteers

Number of Clients (if applicable / available): /

Economic Sector / Activity: Non-formal education and Youth

Principle goods / services provided by the Community Enterprise: Youth activities (providing instructing services, hostel and restaurant services, events, workshops).

Website: [Nuorisokeskus Anjala - Merkityksellistä nuorisotyötä](#)

Facebook: [Nuorisokeskus Anjala | Facebook](#)

Twitter: /

Instagram: [Nuorisokeskus Anjala \(@nuorisokeskusanjala\) • Instagram-Fotos und -Videos](#)

Section B: Reasons for Establishing the Community Enterprise

The Youth Centre Anjala was founded in 2001 in Kouvola as one of the one of the nine national youth centres in Finland, supervised and supported by the Finnish Ministry of Education and Culture. It is currently part of the Ankkapurha Culture Foundation, a background association that is officially recognised as a Social Enterprise¹. The organization behind Youth centre Anjala is Ankkapurha culture

¹ The Finnish Social Enterprise Mark communicates that the company has been established to promote a social goal and most of its profits are aimed at advancing social good. Social enterprises reform service structures, produce welfare services in a manner that is sustainable for the economy and the people, create jobs and develop services locally and dedicate their profits to improving wellbeing in the local community and develop

foundation (Ankkapurhan kulttuurisäätiö). The foundation's primary task is to develop and support youth work as a national and international youth centre.

The main reason for founding the Youth Centre Anjala complies with its mission and vision: to promote a better life for children and youngsters as declared in the ministerial guidelines of the Youth Act².

Anjala is one of the nine national youth centres in Finland providing services for children, youth, teachers, trainers and youth workers. The national youth centres have a non-profit civil responsibility to support a good quality of life for children and youth. The main activity they provide is organised camps for children and youth, "adventure days" for all age groups and many other tailored events on request.

The Anjala Youth Centre is located in a very remote area in the South-East of Finland. The choice of the location was not coincidental, as it aims to keep alive the small villages located in the countryside of Kouvola and to offer them services primarily for children and youngsters.

Indeed, the local surrounding communities have massively benefitted from the creation of the enterprise, especially in socio-economic terms. Below are some of the benefits that the community experienced from the creation of the Anjala Youth Centre:

- It provided new job opportunities for the community by working with local youth workers
- It provided collaboration with local schools: the Anjala Youth Centre support both students and teachers/educators in their work by organizing team-building days, and tailored activities on a variety of topics (e.g. on the topic of the environment). Anjala brings both support and non-formal teaching methods to the formal education system.
- It offers facilities (meeting rooms, nature activity places, restaurant services, sports courts etc.) for different organizations/companies to have their own meetings there.
- They also organize events collaborating with sports organizations, youth services or other organizations in the surrounding community. These gatherings are to share good practices as well as to help local organisations to overcome economical difficulties by bringing many different stakeholders together with their knowledge, expertise and tools.

Some specific challenges that the organisation has helped to overcome are:

- Socialisation: Anjala Youth Center has wide experience in teambuilding activities and they are specialized to support group cohesion problems for example for youth sports teams, camp school classes and companies
- Coaching NEET youngsters: "Nuotta-coaching camps" are built for both NEET youngsters and their youth workers (who work with them on a daily basis). The feedback from the participants has shown that youngsters feel that their self-esteem raised and that they feel like they accomplished something. Also, the youth workers feel that they are more connected to their mentees and got in touch with new tools to use in their daily work. The same kind of feedback has been given also from school camp groups (by both students and teachers).
- Keeping the community alive by promoting initiatives in the area of Anjala.

viable solutions for environmental problems. The Finnish Social Enterprise Mark is granted by the The Association for Finnish Work. (From the Ankkapurha website: [Our story - Nuorisokeskus Anjala](#))

² The Finnish Youth Act was published by the Ministry of Education with the purpose of supporting young people's growth and independence, to promote young people's active citizenship and empowerment and to improve young people's living conditions.

Section C: Community Enterprise Operations

Refer to the following items:

- **Decision Making**

The Anjala Youth Centre is divided in different sectors:

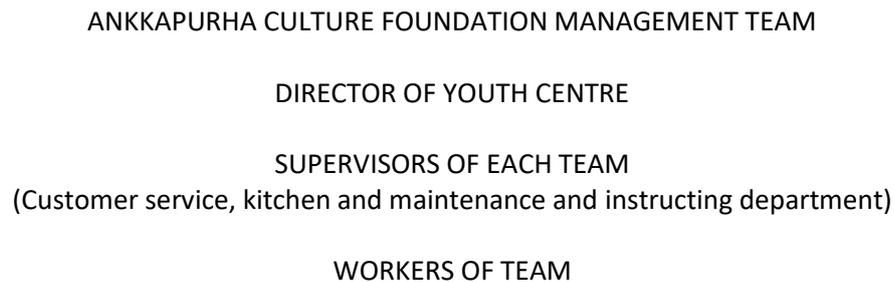
1. Customer service
2. Kitchen, maintenance and cleaning department
3. Instructing department

All sectors have their own supervisor that is presenting the sector updates in a weekly management meeting. The supervisors of each team are then discussing within their respective teams.

The Director of the Anjala Youth Centre is the person responsible for making final decisions with the approval of the Ankkapurha foundation management team.

- **Operational Structures**

The operational structure of the Anjala Youth Centre is determined by the following hierarchy:



There is a common strategy for all Finnish national youth centres that is based on the guidelines given by the Ministry of Education. Every youth centre is responsible for making its own strategy for the following year involving all the staff members. The supervisor of each team is the person responsible for the official writing process of the strategy built upon the feedback and ideas of the rest of the team.

- **Role of Stakeholders**

The main stakeholder groups involved in the Community Enterprise are:

- Schools (both classes and teachers) from the region (Southern Finland)
- Youth workers from the region (Southern Finland)
- Youth sports groups from the region
- Different non-governmental associations (youth, sport, travelling) from the surrounding area
- International youngsters (volunteers)

The stakeholders of the Anjala Youth Centre are an essential component of this social enterprise. Indeed, the employees of the youth Centre always collect feedback from their customers to keep on developing their services in the direction that is requested/needed by the community. The

main channels for the Anjala Youth Centre to communicate with its stakeholders are: feedback questionnaires, meetings and shared projects.

One particular initiative that highlights the key role of the stakeholders is the “open night” evenings. Anjala Youth Centre organizes evening meetings in which anybody can take part (stakeholders, members of the community, employees, etc.). The main purpose of these gatherings is to reflect on how to develop the youth centre’s area and services.

Section D: Financial Management

Outline how the community enterprise manages its finances

The initial start-up was financed through grant funding provided by the Finnish Ministry of Education and Culture. This source of funding is to date the main source of income that allows the Anjala Youth Centre to be stable and financially independent. Other sources of income are provided by the customers who are paying for services offered at the youth club (restaurant, hostel, instructing, etc.).

Anjala Youth Centre in numbers:

- Percentage of funding derived from enterprise activity? About 30%
- Percentage of funding derived from grant aid donations/philanthropy? About 70%

The person who is looking after the day-to-day financial management of the Enterprise is the Director of the youth centre.

Anjala Youth Centre aims to keep developing actions and enquiring both old and new customers to use their service. Moreover, they are always on the lookout for new projects and funding opportunities.

Being a non-profit association, all the profits generated by the Anjala Youth Centre are reinvested to improve the quality of work and to support youth work initiatives. The percentage of the surplus is hard to calculate especially after the Covid-19 pandemic.

Section E: Legal Framework and Organisational Structure

In the beginning, Ajala Youth Centre was a governmental organisation embedded in the Kouvola city services. In 2013 they became an independent NGO supported by a new background organization: Ankkapurha Cultural Foundation (founded in the same year).

One of the reasons for this change in the legal structure of the organisation was the need to have a lean bureaucracy in order to allow projects and ideas to be developed quicker, without waiting for the approval of a different body (Kouvola city services).

Section F: Leadership Structures

The leadership style of the Anjala Youth Centre is based on participation. According to the interviewee, the main role of the director is to “make things possible” through funds and guidelines for the employees. Every employee working in Anjala Youth Centre is involved in the creation of the strategies and in the decision-making process.

This participatory leadership is implemented through the participation of one representative from each sector of the youth Centre in every meeting. This allows the management not only to receive continuous feedback from the employees but also to support them when needed.

Section G: Final Thoughts

The key lesson learnt that this social enterprise wants to share is that connecting and cooperating with your community is everything. Cooperating in projects and events has been fundamental for understanding the needs of the community and creating an effective answer to those needs.

“we can do things together because alone we are quite alone and yeah, we do small things, but there are more people, more organization, more stakeholders. (...) So I think that like even taking more people to think, like about the future of the area, for example, will help a lot too. Make it more sustainable so that everybody knows that what we are doing and what we are doing and what is the aim and how we can do things together. That is the main thing.” – Hanna, instructor at Anjala Youth Center

Insert 3 – 5 photographs





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ComEnt Case Study 2: Culture House

Section A: Organisational Details

Name: Kulttuuripaja Kulta

Location: Kouvola, Finland

Aims and purpose of Organisation: To support the youngster's mental health and promote socialisation among marginalised young adults.

Number of Staff: 29

Number of Volunteers (if applicable): 45 in total, 20 of them are active at the moment.

Number of Clients (if applicable / available): /

Economic Sector / Activity: Youth services, cultural sector

Principle goods / services provided by the Community Enterprise: activities and initiatives for the youngsters

Website: [Kulttuuripaja Kulta - Kakspy](#) (background association) & [Kulttuuripaja KULTA \(one branch of the main association and focus of this case study\)](#)

Facebook: [Kulttuuri- ja liikuntapaja KULTA \(facebook.com\)](#)

Twitter: /

Instagram: /

Section B: Reasons for Establishing the Community Enterprise

The background organization of *Kulttuuripaja Kulta*, *Kakspy* originated from a community need. In the 1990s in Finland, many hospitals specialised in mental health services were shut down due to some changes in the public health system. One common belief among health professionals in Finland was that people with mental health issues would live better in their houses and receive assistance there rather than in a government facility.

In order to fill up the gaps in public health services in 1998, the current manager of *Kakspy* association decided to found an association aimed at supporting people with mental health issues. This association started as a community-owned business as it was founded by the members of the community, specifically, by the family members of some patients that were sent home from the hospitals that closed.

In 2019, the branch of *Kulttuuripaja Kulta* was created. It translates as “culture house” and its mission is to improve the *good* mental health of young adults (age 18-35):

“All people have mental health and it can be good or bad. We are aiming for the good mental health”
– Kati, Project Manager at Culture House

The main target group of the Culture House association is young adults who are at high risk of becoming marginalized or excluded by society (i.e. people suffering from depression, loneliness, people who struggled with addiction problems in the past, etc.).

This association works as a bridge to society. Indeed, it offers concrete support to young adults by providing both the facilities and the guidance for learning to carry out day-to-day life activities (e.g. cooking), as well as socialising with peers, and taking part in leisure activities. One peculiarity of the Culture House is the variety of activities offered to the youngsters. Some remarkable activities for young adults are:

1. Taking part in the activities organised in the culture house (they do not need a diagnosis from the doctor in order to be welcome in the culture house, and they can keep anonymity – it is not even required to use their real name).
2. Taking responsibility and becoming volunteers/mentors: after taking part in training that provides them with the basic skills needed for mentoring, they can volunteer as mentors for their peers.
3. Playing an active role in shaping the Culture House by proposing new activities/workshops to be implemented (e.g. creating a music band, forming a soccer team, etc.).

Section C: Community Enterprise Operations

- **Decision Making**

The highest decision-making body of the organization is the “meeting of the association” (translated from Finnish) or “association committee”. This committee elects the board of the association (executive board). The Board is responsible for the implementation of the decisions taken during the meetings and it is the body that elects the Executive Director.

MEETING OF THE ASSOCIATION (or association committee)

BOARD OF THE ASSOCIATION (or executive board)

EXECUTIVE DIRECTOR

HEAD OF UNIT

(Culture house - Kultturipaja is one of the units. Kakspy has 5 units with permanent funding from *Veikkaus* and 3 projects at the moment)

The team of the Culture House is constantly involved in the decision-making process of the organisation. This is ensured through weekly meetings with the Culture House project manager.

- **Operational Structures**

The board of Governors is composed of a Chairman and six members who are elected by the annual meeting of the association. The board of governors meets six to eight times a year.

Even though there are no quota seats on the board, there are elected representatives from the following groups who join the board meetings:

1. Users of the Service
2. Relatives of service users

The operational model can be considered participative because the service users and their relatives are involved in the planning, implementation and evaluation of activities. This does not yet apply to all units, but the Kakspy association aims to expand this operational model.

There are two separate operational plans, one for the background association (Kakspy) and one specifically for the Culture House. The operational plan for the Culture House is written by the head of the unit, who considers the requests of the customers as well as of the employees. It is reviewed once a year.

- **Role of Stakeholders**

“People who are joining our work in culture house or in the whole association, have a big impact on the development of it and on what we are working on, what we are creating.” – Kati, Project Manager at the Culture House

The interviewee highlighted that all the activities developed in the Culture House are related to the needs of their customers. The customers who spend time at the Culture House have a say in both smaller and bigger-scale initiatives. For example, the customers may request the Culture House manager (who is also one of the educators who is organising and taking part in the activities) to provide some material to carry out activities (e.g. some musical instruments for a music band, some food ingredients for a cooking club, a board game for carrying out social activities, etc.). Moreover, if the youngsters have a bigger-scale project that they would like to implement in the Culture House, they have the chance to communicate it to the association board that will discuss its implementation with a representative from their group.

Section D: Financial Management

Outline how the community enterprise manages its finances

The association aims at operating responsibly and thus strengthening its position in the operating environment. In addition, the manager is constantly looking for financing opportunities that are suitable for the organisation’s operations and values.

The association procures financial administration services from a limited company owned by it. Moreover, the association has an external auditor.

Kakspy in numbers:

- percentage of funding derived by the enterprising activity: 23%
- percentage of funding derived from grant aid donations/philanthropy: 75%

The rest of the funding is retrieved by membership fees and donations (2%).

All profits are used to maintain and develop the association's operations. Profits are not distributed outside the association.

Section E: Legal Framework and Organisational Structure

The legal form of the organisation did not change throughout the years, it has always been a non-profit organisation.

Section F: Leadership Structures

The management of Culture House promotes a highly participative model of leadership.

Weekly meetings are held with the customers, the staff and the volunteers who are joining the association. The aim of these meetings is to share the work duties (among employees) as well as to discuss and plan together with the youngsters the upcoming projects, workshops, events and activities to be carried out at the Culture House.

The manager of Culture House aims at creating an open environment where everybody feels free to share their ideas.

Section G: Final Thoughts

One remarkable value to share with other social businesses is to foster a sense of community considering the context of *your* community. The Culture House association was created by the community and for the community.

In a country where socialising may be not easy due to cultural characteristics, this association went the extra-mile to *develop* a sense of community. By founding Culture House some of the pillar needs of the community were resolved:

- Creation of common spaces (building) that represent a safe environment for people who are at high risk of exclusion from society.
- Reintegration of socially weak people through the “recovery-oriented” method: culture house was the first association in Finland to adopt this method. The idea behind it is to encourage the people who have mental issues to take initiative and do things for their community regardless of their diagnosis and shaped on their strengths. Encouraging them to take ownership and responsibility in the Culture House (for instance, becoming a volunteer or through peer-mentoring practices) leads these youngsters to the realisation that they are capable of meaningful things.

Culture House contributed to changing the lives of many people, and by doing so it contributed to benefit the community from the socio-economic point of view.

“We have seen that people who came here three years ago are now studying and/or working.”

The main lesson learnt from this social enterprise are:

- Being ready to try new things and not afraid of mistakes.
- Learn from mistakes because they are the most important part of the learning process.
- Make the stakeholders from the community part of the decision-making. It has an incredible impact on the services that the social enterprise will be able to offer.

ComEnt Case Study 3: Eleganz

Section A: Organisational Details

Name: Eleganz

Location: Muenster, Germany

Aims and purpose of Organisation: “to help people who need help”

Number of Staff: 70 employees

Number of Volunteers (if applicable) /

Number of Clients (if applicable / available):

Economic Sectors/Activity: The organisation is active in the areas of education, language, and integration as well as in child and youth welfare.

Principle goods/services provided by the Community Enterprise: language courses, integration courses, tutoring for youngsters, counselling services for families, leisure activities and workshops.

Website: [Eleganz Bildungsplattform e.V. – ...erfolgreich in die Zukunft! \(eleganz-bp.de\)](http://eleganz-bp.de)

Facebook: [Eleganz Bildungsplattform e.V. - Startseite | Facebook](https://www.facebook.com/eleganzbp)

Twitter: /

Instagram: [Eleganz Bildungsplattform e.V. \(@eleganzbp_ms\) • Instagram-Fotos und -Videos](https://www.instagram.com/eleganzbp)

Section B: Reasons for Establishing the Community Enterprise

“We want to help people who need help”

This is the slogan of Eleganz, a non-profit organisation based in Osnabruck, Germany.

Eleganz was founded in 1996 in Osnabruck and recently opened a new branch in Muenster, in 2020.

The organisation started with the aim of helping immigrant families in their integration process. In the first years of activity, Eleganz offered primarily tutoring for kids who needed support at school. Its main target group was youngsters who moved to Germany from other countries (the vast majority of them coming from Turkey). Thus, the offer was focused on, but not limited to, immigrants who came to Germany and did not speak German language.

At the moment, Eleganz is still specialised in tutoring, however, it has a much broader offer that includes bigger projects aimed at helping kids and youngsters on many different topics, among which developing awareness on politics, developing social capabilities, having a healthy lifestyle (sports and nutrition), and much more.

At the moment, Eleganz offers the following services:

- Tutoring: tutoring at Eleganz is an holistic learning support that focuses on the individual with his strengths, needs and difficulties. Tutors accompany students on their educational path as partners and supporters (for all classes, all subjects, and all types of schools).
- Homework support: lecturers help with daily tasks, problems and comprehension difficulties. Homework support takes place daily in both Osnabrück and Diepholz.

- Preparation for school exams: this initiative is aimed at supporting students to prepare their school exams. This service includes many different options, among which: individual exam preparation in all subjects, individual learning and repetition plans, test simulations under real conditions, preparation for the oral exam, including simulation, tips and tricks against nervousness and test anxiety, fast and direct help with specific questions.

Besides tutoring, Eleganz is also involved in many projects aimed at supporting youngsters' wellbeing and promoting intercultural education. Some of them are:

- MIA: "Migrants simply strong in everyday life!" (translated from German): At the heart of the project is a course concept that includes modules in the focus areas of learning, empowerment and attitude, application of what has been learned in the integration course and literacy.
- (Mobile) language café (translated from German):
"Learning language, making a home, creating community – this requires more than participation in language or integration courses" (from the Eleganz website).
This project aims to support immigrants in their everyday life, by creating a bridge between the local community and immigrants. It provides a safe space for intercultural exchange and communication in order to foster integration.
- "People Empowering People" (translated from German): In the project, people are encouraged to commit to fellow human beings from socially disadvantaged contexts. The program focuses on direct help from one person to another. In practical terms, this means that a tandem of mentor and mentee is formed between two people or two families. The design of the shared experience is left to the tandems themselves: whether in the form of homework help, German lessons, joint excursions or a simple get-together.

Section C: Community Enterprise Operations

Refer to the following items:

- **Decision Making**

The decision-making mechanisms are best described by the organizational structure.

Indeed, depending on the magnitude of the decisions, it can either be the board, the CEO, the branch managers or the administrators that make decisions. Usually, the decision-making process happens in regular meetings, where everyone involved is welcome to offer suggestions and opinions.

- **Operational Structures**

As a "gemeinnütziger Verein" (translated from German, "non-profit association"), Eleganz has a board that consists of two chairmen, a treasurer and a secretary. The daily business is overseen by a management team consisting of the CEO and two deputy managers.

Each branch has a branch "coordinator." The "administration" is subdivided into public relations, accounting and quality management. Each branch has a coordinator for our tutoring services. The language and integration courses are managed by two administrators. Our projects for children and young people are also managed by a coordinator as is our integration project "House of Resources". Finally, we have a consulting team for families, refugees and migrants that need support, advice etc.

The operational plan is usually reviewed during the regular general meeting (which usually takes place once or twice a year). Depending on how the branches develop and which projects we acquire, a review of the plan and possible adjustments are being discussed in between.

- **Role of Stakeholders**

The stakeholders of Eleganz play a fundamental role in the development of the organisation. Indeed, the main target group, the migrants, are represented in the board meetings, and therefore play a key role in the decision-making. All the projects carried out by Eleganz originated from the needs of the community.

The main stakeholders of Eleganz are:

- Youngsters and children (among which young migrants and marginalized youth)
- Elderly people
- In general, anybody who needs help.

Section D: Financial Management

“it's not about making money. It's about making enough money so we can still help people” – Simon, Branch Manager, Muenster.

The organisation managed to become financially independent through the following activities: tutoring, language and integration courses and funding, membership fees and projects of various kinds. The finance is managed by an accountant who works with the board and CEO.

As a non-profit organization, Eleganz invests surplus money in the continuation and improvement of its projects, classes and other measures to reach its goals.

Section E: Legal Framework and Organisational Structure

Eleganz started as an “MSO” “Migrantenselbstorganisation” (which translates as “autonomous migrant organisation) and now it is a “gemeinnütziger, eingetragener Verein” (which translates as “registered charity” or non-profit organisation).

Eleganz Bildungsplattform e.V. is well-established and respected in Osnabrück, a well-known registered charity with many integration and language classes and projects for kids and young adults.

The reputation of the organisation led the Münster “Integrationsrat” (integration council) to promote Eleganz Bildungsplattform as a role model for smaller and inexperienced registered charities and autonomous migrant organisations in Münster.

One characteristic of this organisation is that its legal structure enables the participation of external stakeholders in the decision-making process too. Indeed, the external stakeholders can have a say and stay updated on Eleganz's projects simply by becoming members of the organisation. Members can participate in the board meetings held by the council and influence the decision-making process by giving suggestions and/or criticising some directions and decisions.

Section F: Leadership Structures

In general, Eleganz Bildungsplattform e.V. offers many opportunities for everybody to contribute to decisions with their suggestions and opinions. Each branch of the organisation has weekly meetings to discuss current and future topics.

One concrete example of participative dynamics in the organisation emerged from the interview with the branch manager of Muenster's site:

“A few months ago, the CEO asked everybody to define the goals of the organisation and in a second step he asked whether we reach our goals and if not, how can we improve this.” – Simon, Branch Manager, Muenster.

At Eleganz, gathering continuous feedback from the employees is the main leadership strategy to promote participation. The interviewee also highlighted that the director of the social enterprise often emphasises the vision and mission of the organisation in order to motivate its employees.

Section G: Final Thoughts

A lesson learnt that the branch manager of Eleganz wanted to share with other social enterprises is regarding social media. He recommends not to underestimate social media, as they have a pivotal role in spreading the word about his social enterprise and its activity. In the case of Eleganz, it helped not only in advertising the social enterprise’s initiatives and attracting new stakeholders but also had a central role in the development and organisation of the activities offered.

As important as they are, keeping social media up and running may be very time consuming and may lead the enterprise to lose contact with reality. For this reason, the interviewee strongly suggested “having a face for your organisation”, to meet personally your stakeholders and target groups, to meet other organisations and to keep the contacts alive not only on social media. The human touch is core to people who are involved in *social* enterprises.

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