

NATIONAL SOCIAL ECONOMY NETWORKS – SUCCESSFULLY CREATING SYSTEMIC CHANGE

1. GENERAL INTRODUCTION

National Thematic Networks (NTNs) are an important feature of EQUAL's architecture. They allow issues to be debated, opinions sounded out, and feedback given between the Member State governments, the development partnerships (DPs) that are working on a given theme, and other important stakeholders. They also provide a platform for collaboration between partnerships working on the same topic, and often lead to joint publications, lobbying efforts and events. In EQUAL's first round, seven countries created a national network in the social economy: Austria, Germany, Greece, Finland, France, Portugal, Sweden and the UK (Great Britain). In the second round, Poland has done likewise.

The typical format is that they bring together all the DPs in the theme, though some differ from this arrangement by including external stakeholders such as representatives of different ministries and academic experts. They are normally chaired by a representative of the EQUAL National Support Structure or Managing Authority. Most set their own meeting schedules, and often rotate around different members' bases. Others meet at a central location in parallel with national networks on other themes.

2. SUCCESS STORIES

2.1. GREECE – A COHERENT DEVELOPMENT STRATEGY FOR THE SOCIAL ECONOMY

The Greek national network has used EQUAL to give a real impetus to the development of the sector. Relatively quickly, a somewhat paralysed situation has given way to the fast development of social enterprises.



A shop opened as part of the 'Active Citizens' development partnership

Admittedly, this is the culmination of a long period of preparatory work during which a suitable legal framework was established and a head of steam built up. But it was EQUAL that enabled the establishment of a national support structure, intensive interchange with partners in Italy, and the launch of five new social co-operatives, currently employing 132 mentally ill people. These constitute the kernel of a future national network of 52 such enterprises. This success has attracted such interest that policy makers are now considering extending the idea to cover other disadvantaged groups.

A stronger theme in EQUAL has also resulted. The work of building up the sector has resulted in a doubling of the number of development partnerships in the theme in the second round. There are now ten, and half of them are adopting a holistic development approach. In particular, the national *Kendavros* project supported by the Central Union of Municipalities and Communities of Greece will

systemically promote the social economy as a provider of jobs, inclusion and local development. The project includes piloting a national Social Economy Resources Centre, a standing forum and an e-forum. One part of the legal framework it will push for is the broadening of the limited liability co-operative (*KoiSPE*) statute, which at present covers only those enterprises employing disabled people, to other target groups, such as women. The budget allocated to the theme in round 2 has also risen by nearly 50%, from €8.3 to €12.4 million.

The government has also reacted positively. Firstly, the Ministry of Health has agreed to support the first ten *KoiSPEs* for mentally ill people, which thus have no need of further EQUAL support. Building on this, proposals are under discussion to extend *KoiSPEs* to cover target groups other than mentally ill people, although not every agency is yet in agreement with this idea. At a more general level, the government is taking a closer interest in the social economy, and the Employment Minister plans to visit other Member State capitals to see how the sector is structured in other countries and how governments relate to it. “We hope this broader knowledge inside government will pave the way for a law on social enterprises,” says Nepheli Yatropoulos, who co-ordinated Greece’s national thematic network in the social economy. Within Greece, the social economy is mentioned in the National Action Plan for Social Inclusion 2005-06 and will constitute a measure in the European Social Fund Operational Programme for the next programming period (2007-13). “This is a major success for us,” Ms Yatropoulos continues, “but the question remains of exactly how this support will be implemented, as we still do not have a clear definition of what a social enterprise is.” Hence the importance of the continued work of the network in the second half of EQUAL. “We think we have built up a head of enthusiasm for the social economy which the development partnerships in the second round will be able to tap into.”

An underdeveloped potential

Unemployment and the marginalisation of disadvantaged groups remain serious problems in Greece. In many countries, the social economy sector plays an important role in stimulating local employment development and social inclusion.¹ Yet in Greece this sector remains fragmented, split essentially into an agricultural co-operative sector, with co-operative banks, on the one hand, and an associations sector active in social service and human rights on the other. There are also a number of urban co-operatives. Development has been held back both through lack of the necessary skills, attitudes and resources, but also by the antiquated legal framework. However two promising developments have taken place, both stimulated by reform of the framework laws.

- First there are nine women’s agrotourism co-operatives employing some 200 people in rural areas across the country. These have grown up since the 1979 co-operative law was amended by law 1541/85 to include social objectives;
- Secondly, consequent upon the *KoiSPE* law of 1999, seven social co-operatives for mentally ill people have been founded, which currently employ some 130 people.

The first case shows that economically viable social enterprises can be established and can aid economic and social development. The second case illustrates how EQUAL unblocked a stalled process.

A new way of working

“We could see the potential of the social economy to power local development in isolated rural areas, to raise living standards, particularly of women, and to create a more inclusive society,” says Ms Yatropoulos. The EQUAL managing authority took the initiative to set the network up at the end of 2003, along with networks on three other themes. It was made up of the seven development partnerships active in the theme, along with the Ministry of Employment. But the impulse came from a broader range of sources, Vassiliki Staikou, head of transnationality, networking and mainstreaming in Greece’s EQUAL Managing Authority, points out. “The need for a support policy for the social economy had been identified in our National Action Plan for Employment and in the Employment Guidelines. Yet there is no representative body for the social economy in Greece. So the network filled a gap. But ideas of consultation and networking do not

¹ Guideline 18 of the EU’s Integrated Guidelines for Growth and Jobs says that “special attention should be paid to promoting the inclusion of disadvantaged people in the labour market including through the expansion of social services and the social economy”.

have a long history here, so implementing EQUAL posed a number of challenges,” she continues. “The ideas of development partnerships, networking and mainstreaming were all new. Perhaps this explains why the EQUAL Monitoring Committee, which involves the Health, Development and Economics Ministries as well as the social partners, was extremely keen on the idea of dialogue that the national networks embodied.”

Clear roles and targets

The network was given the jobs of compiling and promoting the experience and results of projects, identifying and disseminating the most innovative and effective practices, and framing proposals for the development of the sector and presenting them for public debate. It organised itself into three working groups, to work respectively on policy proposals for the development of the social economy, founding and operation of social enterprises, and entrepreneurship support structures. “The thing that made the network effective was that it was a forum for action, not a forum for discussion,” Ms Staikou says. “We brought in expert help and hammered out a detailed workplan which was agreed by our General Secretary, so everyone was clear what they had to do and by when. We delegated the management of the work programme to one of the development partnerships – they know more about the issues so it made sense. We also made sure the money was there to implement its actions. Each development partnership had 10% of its budget devoted to ‘Action 3’ (mainstreaming), and 3% of this was set aside to fund the network’s actions.”

The network met regularly and created an impressive range of tools. The wisdom and experience of its members was distilled into a *Guide to the Founding and Operation of Social Enterprises*, which was distributed at the network’s conference, to each development partnership’s contacts, and also to the regional business development agencies in the KETA network. “We met at different places around the country, and would always invite the local KETA to come along,” says Ms Yatropoulos. “Some of them were sympathetic but I have to say that others were very sceptical. The social economy is still a very unfamiliar idea.” Based on the experience gained during the first phase of EQUAL, one working group drew up a comprehensive set of proposals for the development of the social economy sector in Greece. These are grouped under seven headings: a supportive legal and institutional framework; business advice and support; finance; human resources; services for disabled people; networking and representation; and better collaboration with the public sector.²

² Proposals for the development of the social economy sector in Greece

The network analysed the development needs of the sector, and convened an international conference in September 2005 in Athens to discuss them. The proposals may be summarised as follows:

1. To create a supportive framework for the development of the social economy in Greece:
 - a national dialogue, launched by the government with the participation of the NTN
 - an interministerial committee to be responsible for the legal aspects
 - clarify and extend the existing KoiSPE law
2. Create a supply of support and advice for social enterprises:
 - transfer the know-how acquired through the 24 regional support structures set up in round 1 of EQUAL
 - investigate ways of continuing their operation
 - incorporate their know-how into mainstream business support agencies (OAED, KETA etc.)
3. Open up sources of finance for social enterprises:
 - create a legal framework for micro-lending
 - establish a loan and guarantee fund, set up regional guarantee organisations, stimulate social venture capital
 - support participation in EU programmes
 - raise the intervention rate of the SME Guarantee Fund to 100%
4. Improve human resources:
 - develop training, materials and qualifications in the management of social enterprises, and in training and advice
 - include social economy in school and college curricula
 - promote public awareness of the sector
5. Improve the position of disabled people in the social economy:

Key proposals include:

- to create an interministerial committee to be responsible for legal aspects, and to clarify and extend the existing KoiSPE law
- to look at continuing support for the specialist support structures established in the first half of EQUAL, as well as incorporating their know-how into mainstream business support agencies
- to create a legal framework for micro-lending as well as a loan and guarantee fund
- to develop management training, materials and qualifications
- to allow disabled people to earn a wage without losing their benefit payments (at least for a trial period)
- to create a representative, co-ordination and support body for social enterprises
- to establish social criteria in public procurement procedures

The network also set up a liaison group to develop contacts with the competent agencies in order to promote proposals, and organised discussion workshops on aspects of development of the social economy with project promoters in the EQUAL programme, with experts and policy making agencies.

But for network co-ordinator Nepheli Yatropoulos, the European conference, held in Athens in September 2005, was a crucial culmination to the network's work in the first half of EQUAL. "We tried to get everyone there who was involved with the social economy in Greece, so that they could establish person-to-person contact," she says. "We also invited all the decision makers, and put our proposals for the development of the sector before them. This has raised the sector's profile a lot, and I am optimistic that the government will move forward on this issue." The Greek Confederation of Employers attended, and is supportive of the social economy unless it sets up in unfair competition with existing firms.

But there were also some setbacks. "The network was the first place where people could really discuss the social economy, but we didn't really have a common language. So we spent several meetings debating definitions and trying to draw up a tighter definition of the social economy, but in the end we decided that this was not a particularly fruitful task when there was more productive work to be done," says Ms Yatropoulos. What this debate did result in was a network that provided its members with very valuable mutual support. Ms Staikou testifies to the energy the network tapped into: "I took part in all four national networks," she says, "and what impressed me was how passionate and interested in their field the members of the social economy network were. They wanted to persuade everybody. Even though they are not continuing, the partnerships from the first round of EQUAL are keen to help those from the second round, so we are organising a meeting to build a bridge between them."

The main building block for the social economy that was not put in place during the first round of EQUAL is the creation of a suitable legal status which is both suitable for trading (unlike an association) and embodies social economy values (unlike the conventional company). "The simplest solution is to extend the existing structure of the KoiSPE to other disadvantaged target groups, but it could take some time to bring about as there are differing views on this," says Ms Yatropoulos. "It's a political question now."

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- allow disabled people to earn a wage without losing their benefit payments (at least for a trial period)
 - provide advisers for disabled people entering employment
 - build capacity of state organisations (KPAs, OAED) to deal with labour market issues for disabled people
6. Improve the sector's networking and representation:
- create a representative, co-ordination and support body for social enterprises
 - support existing networking initiatives
 - promote exchanges with organisations representing vulnerable groups
7. Improve collaboration between social enterprises and the public sector:
- conclude development partnerships between the two sectors
 - establish social criteria in public procurement procedures
 - recognise the social added value of partnership between the public and social economy sectors

Though some of the elements of the network closed their doors when their EQUAL projects came to an end, the network lives on both in human and physical form, in the various organisations in different parts of the country that have been set up. "People who are interested in starting a social enterprise can get in touch with their nearest KoiSPE, or with other agencies such as the Trading Houses that the Dioni partnership has set up in Athens and Alexandroupoli in Thrace," Ms Yatropoulos says.

Social inclusion peer review spreads the word

Other countries, particularly new Member States, are also benefiting from the Greek experience. The limited liability social co-operative (KoiSPE) was chosen as the subject of a European peer review in social inclusion policies, which took place in Athens in October 2005, and attracted a higher than average participation. No fewer than seven peer countries (the Czech Republic, Estonia, France, Latvia, Malta, Poland and Romania) took part, along with three European stakeholder groups. Participants, especially those from the new Member States, identified considerable scope for transfer of the social co-operative model (itself transferred largely from the Italian and Spanish experience). "What was unusual was that even the European NGOs present, which are normally diplomatically critical of what the Member States do, applauded this Greek initiative," commented Wolfgang Schlegel, the peer review manager.³

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2.2. AUSTRIA – A MORE INFORMED DEBATE, PLUS BETTER SOLUTIONS FOR PUBLIC SERVICE DELIVERY

Austrian EQUAL's national network in the social economy has succeeded in renewing discussion of the idea of social economy in Austrian society. Its enduring effect has been that there is now a widespread awareness and debate about the reform of social services that is under way in Austria. As a result, the government certainly sees a larger role for the social economy. Speaking at a network conference in January 2005, Martin Bartenstein, Federal Minister of Economics and Labour, pointed out the growing importance of the social economy in creating both jobs and businesses, and expressed his belief in the role of public-social-private partnership in promoting this. This blueprint for three-way co-operation had already been the subject of a symposium in September 2004. He welcomed the sector's increasing professionalism and sounder finances – helped in part by EQUAL.

Raising public awareness

The network's main activity has been public relations. It stimulated debate through a long-lasting awareness-raising campaign, launched a newspaper, and held the first big congress on the subject. "Austria has 6,000 enterprises in the social economy, employing 138,000 people and turning over €4 billion a year," says the network's co-ordinator, Veronika Litschel. "It is a dynamic sector of the economy that makes a big contribution to social cohesion – yet for some reason it is largely viewed as a cost, and the jobs it provides are often demanding and poorly paid." The network aimed to improve on the inconsistent patchwork of laws that apply to the social economy in Austria. A second concern was to promote regulation and quality criteria that would prevent the more difficult cases in social care being left by the wayside.

³ Documents at www.peer-review-social-inclusion.net

“We have put a lot of effort into ensuring that social economy organisations can play their proper role in public sector tendering procedures,”⁴ says Ms Litschel. “Previously, the system was not very transparent but it worked. Now, we have a chaotic situation. A lot is going on, and our network’s lobbying and proposals have opened up the debate so that with any luck better solutions will be found.”

The first promotional tool it employed was the newspaper *SOWISO* (*So Sozial wie Wirtschaftlich* – ‘Social as well as Economic’), three issues of which were written and printed. These were circulated to between 30,000 and 50,000 people, including workers in social economy organisations as well as the general public. “It is regrettable that the Austrian press does not usually take any notice of the issues of and exclusion – they are not entertaining enough,” says Ms Litschel. “However our readers gave us very enthusiastic feedback.”

A second initiative was at a higher academic level. “In December 2004 we were able to take over an entire issue of the journal *Kurswechsel* (‘Change of Course’), published by BEIGEWUM, the Beirat für gesellschafts-, wirtschafts- und umweltpolitische Alternativen (Council for Social, Economic and Environmental Alternatives) and invite a range of academics to contribute their thoughts on the social economy. We also commissioned a set of offprints so that we could reach a wider range of readers. This has certainly been a significant success.”

Then in January 2005 the network organised a conference in Vienna entitled *Sozialwirtschaft in Österreich* (‘The Social Economy in Austria’). “The main objective was promotional,” says Ms Litschel. “It gave all parties, including the Minister and the social partners, the chance to put on record their position on – and support for – the social economy, so it raised the quality of the national debate.”

For the Vienna Chamber of Labour, Christophe Klein said that a flourishing social economy is a key element of social policy. It provides meaningful if demanding work, but is not without its shortcomings as an employer. One issue is that insecure funding leads social enterprises to issue only part-time contracts for what are in effect full-time jobs. For the business community, Reinhold Mitterlehner of the Austrian Economic Chamber also recognised the social economy’s role in meeting the new needs that constantly arise in society. He noted the trend towards professionalisation and quasi-markets, but felt that any competition must be on a fair basis. He objected to sheltered workshops receiving public subsidy if they were going to compete against conventional businesses.

The event gave space to a number of expert panels on key issues:

- the economisation of the social welfare sector: financing strategies in the social economy
- reconciling quality and the social economy
- public-social-private partnership

It was also the forum for the network to launch a series of political demands, under four headings:

- general **acknowledgement** of the social economy, including as an employer and a contract partner
- **security**, including public financing of support structures and long-term finance for social enterprises
- **workplace**-related demands, including improved training opportunities and employment contracts
- **quality**, including the use of quality criteria when awarding public contracts

A well-planned and inclusive process

For Ms Litschel the network’s main success concerns the process it set rolling: “What was important was that we managed to include all the actors in the network, and they succeeded in working together for three years. That had never happened before, and it has changed the policy landscape.” The network started small – just three people – but slowly caught on and eventually

⁴ Integrated guideline no. 7 calls for action to ensure that the EU’s procurement rules are applied effectively, while guideline 8 stresses the need to guarantee the satisfactory delivery of high quality services of general economic interest.

involved around 100 people from all 14 development partnerships in the social economy theme. “We encouraged broad participation,” she explains. “For instance putting together the list of demands that we published at the conference stimulated a lot of debate over several months.”

One key factor in the network’s achievements was forward planning. “The development partnerships took the initiative right at the start of EQUAL to found the network, so we were able to write a work plan and implement it with the help of an EQUAL budget,” Ms Litschel recalls. The other thematic networks did not have this support. In fact, the initiative can be traced to three individuals: Ms Litschel herself, Petra Wetzel of L und R Sozialforschung (part of the partnership *Der dritte Sektor in Wien: Bestandaufnahme und Weiterentwicklung*) and Katrina Moser of Volkshilfe (and the partnership *Erarbeitung eines nicht diskriminierenden bundesweiten Muster-Kollektivvertrages*). Ms Litschel puts the fact that all three are women down to coincidence.

Better routes to welfare reform

For the moment, the network’s activities are sporadic, since the political consensus to continue its activities in the second half of EQUAL fell apart at the last moment. “We had prepared a proposal to continue the network, and everyone was on board, including the *Wirtschaftskammer* in Vienna. The stumbling block was a sudden reversal in the attitude of the national *Wirtschaftskammer*,” Ms Litschel says. But the voluntary sector also wavered. “The five large welfare organisations have their own communication channels to government, so saw no advantage in opening up the field to other social economy organisations.” Nevertheless several of the network’s members have formed an association to carry on its work in a voluntary capacity, and a new network – called *SocialResponse.at* – has been formed out of the five development partnerships in the theme in the second round of EQUAL. Work is in progress to create a ‘virtual competence centre for the social economy’ to facilitate mutual learning.

Andrea Grabher of the Public-Social-Private Partnership DP in Graz echoes this: “The main prejudice we have to overcome is not doubt about social values, but the opposite – suspicion of introducing market principles into social services. What is most important for the social economy is that different forms of economic entity can learn to coexist in an atmosphere of mutual respect and trust. Our partnership approach aims to win for the social economy the emancipation and recognition it deserves.”

“Our main area of work at the moment is to ensure that social economy organisations can get fair access to public sector contracts as more and more social services work is put out to competitive tendering. We want to ensure that public utility (*gemeinnützig*) organisations are not eclipsed by profit-making service providers, and we have expert lawyers such as Professor Dimmel of Salzburg University working on this,” says Ms Litschel.

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2.3. SWEDEN – A FIRM PLACE FOR SOCIAL FIRMS

In a country that prides itself on the universal coverage of its welfare state, it has not been easy to establish a role for the social economy. But by focusing on the wonders that empowerment can work for the most excluded people, Swedish EQUAL’s national network in the social economy has won ministerial recognition for social enterprise and found a permanent place in employment policy. A National Action Plan for Social Enterprise is now under discussion.

Sweden established its national thematic network in the social economy almost by accident. When it first set EQUAL up, the government wanted to take a broad approach to entrepreneur-

ship, and so invited proposals for the theme in general. But once the development partnerships (DPs) had been selected, it transpired that all six were actually working in the social economy, and so under this impulsion the thematic network *Socialt Företagande – en väg till Arbetsmarknaden* (*Social Entrepreneurship – a Way to the Labour Market*) was born.

The network is the place to be

“The network was set up in 2003 primarily to facilitate internal networking among the development partnerships, but with the aim of forming a National Thematic Group,” says Stig Wikström, who is responsible for supervising the network on behalf of the Swedish ESF Council. “Apart from representatives of the six DPs, the ESF Council and NUTEK (the government’s business development agency), we have Jon Olsson, who represents the local co-operative development agencies (LKUs) as well as being a member of the European Economic and Social Committee. Most importantly the network is chaired by the Social Democrat MP Eva Arvidsson, with her Centre Party counterpart Margareta Andersson MP as Vice-Chair. There are also some beneficiaries – ex-prisoners and addicts – and finally we invite the evaluators from each of the DPs who form a sort of research sub-committee. So at full strength a network meeting can involve nearly 30 people.”

Some of the network’s popularity and effectiveness doubtless stems from its high political profile. “We meet in the parliament building and have a good reputation in the government,” Mr Wikström continues, “so we have a significant influence. For instance the government consults us systematically on new policy developments. The network has become a social actor in its own right.”

A working definition

The network saw social enterprise as a much-needed solution to long-standing labour market exclusion.⁵ “In Sweden 350,000 people are on early retirement pensions, 130,000 are on income support, 100,000 have been on sick leave for over a year, 36,000 have been unemployed for over two years and 26,000 are prisoners, homeless or substance abusers,” says network co-ordinator Eva Johansson of NUTEK. “Many of them want to work but cannot do so without a structure that empowers them.”

The network aimed to work on specifically entrepreneurial aspects, rather than the social economy in general, which would have been too broad a field. So one of the first things it did was to try to draw up a working definition of what a social enterprise (*sociala företag*) is. “We decided that the criteria are that the enterprise aims to integrate disadvantaged people, is independent from the state, is democratically managed and does not distribute profits,” Mr Wikström says. “Participation and empowerment are key values. The reason social enterprises work so well is that their members are close to the users because they share the same experiences – an ex-addict can understand another addict’s needs so much better than a government official.” In a country where social services have traditionally been the preserve of the public sector, there is some suspicion that social enterprises might lead to loss of service quality or exploitation of workers. “In the end, the market will decide,” Mr Wikström thinks. “If social enterprises produce good quality it will open people’s minds.”



A Swedish NTN meeting in parliament. From left to right: Eva Johansson, Eva Arvidsson MP and Margareta Andersson MP

⁵ in accordance with integrated guideline no. 18

According to Eva Johansson, social enterprise is a new name for a well-established phenomenon: "We are beginning to achieve recognition of social enterprises as businesses and as a way to integrate disadvantaged people into the labour market. We have started with the groups who are most in need, but more and more people are looking to social enterprise as a solution for a broader range of people. It is a vehicle to deliver services that are complementary to those delivered by the state," she adds.

Going public

In October 2005 the network hosted a major conference in Stockholm entitled *Det Sociala Företaget – en spirande Möjlighet?* (*Social enterprise – a growing possibility?*) that attracted 170 people. The event signalled several significant changes brought about by the network's activity over the first half of EQUAL.

Addressing the conference, the Minister for Working Life, Hans Karlsson, admitted that he had always thought the public sector should meet all needs, but had now changed his view: "I'm glad I was forced to build up knowledge in the field of social entrepreneurship.... Now I regard myself as a devoted enthusiast who really wants to work for a positive development.... Social entrepreneurship is important because it involves people who are not reached by general labour market policies."

Then in December 2005 the Ministry of Industry, Employment and Communications hosted a learning seminar for politicians and civil servants from all ministries, to discuss the whole spectrum of EQUAL findings. The Social Entrepreneurship network was present on the theme 'Ways to the Labour Market' (covering those furthest away from the labour market, social enterprise, ways back to working life, access issues etc.) as well as three other themes. Finally, to strengthen the impact the government has invited the network for a further hearing or learning seminar in February 2006.

So it seems that at last the message has percolated up to the top levels of government. "The issue of social entrepreneurship covers many policy areas. So when we were looking for a speaker at the above conference no minister saw social enterprise as their responsibility," says Mr Wikström, "but I am glad to say that our Chair, Eva Arvidsson, intervened. She went to see the Prime Minister, Göran Persson, and asked him to nominate a minister. This he did, so now social enterprise at least partly has a home in the cabinet, within the Ministry of Industry, Employment and Communication."

Action plan

The conference was also the venue for the unveiling of a proposed national action plan for social entrepreneurship entitled *Growth through more and stronger social enterprises*. "This is a living document, that grows as we go along," says Mr Wikström. "It starts with the needs of the most disadvantaged persons, such as ex-drug addicts and ex-prisoners, for whom social enterprises can have spectacular benefits. So it focuses on integration enterprises – what in Britain would be called 'social firms' – rather than the social economy in general, and links this to the goals of the Lisbon strategy.

It defines the key challenges for social enterprises as being building knowledge, achieving recognition, gaining fair treatment and legitimacy, raising finance in the market, switching from a subsidy to a contract culture, becoming active in labour market policy, supporting new social entrepreneurs and setting up support structures.

The plan makes the following policy recommendations:

- NUTEK should continue to support the sector, via intermediary organisations like the LKUs;
- social enterprises should be used as an instrument both in labour market policy, complementary to the existing Samhall sheltered workshops, and also in regional policy (fitting in with the Lisbon strategy and the EU Structural Funds);
- a shift should be made from benefits to wages, based on the principles of empowerment, user choice and rehabilitation;
- public procurement should take account of social aspects and the interests of users.

If this plan is adopted, it could make for far-reaching changes. But change is already visible, as Mr Wikström explains: "There is already an opening for smaller social enterprises. Previously, the government channelled all its support for the work integration of disadvantaged people through

one state-owned sheltered enterprise, Samhall, which employs 23,000 people. Now, smaller social enterprises can bid for support, and the grant follows the person (even if, for the time being, the sum is reduced)."

As far as the EU's Structural Funds go, the social economy is already written into the National Action Plan for Employment for 2005-2008. Guideline 17 of this document says: "Social enterprises could play an important part in the work to integrate vulnerable groups in society and working life. These firms facilitate the transfer from passive subsidies to rehabilitation, training and work in an effective way through entrepreneurship which develops new business areas and new companies. Thereby they can contribute both to economic growth and a higher employment rate. Within the framework of the EQUAL project 'Social Entrepreneurship' a proposal for a National Action Plan has been elaborated in order to improve the conditions for social entrepreneurship. The project constitutes a platform for co-operation between social firms, advisers, interest groups, NUTEK and the Swedish ESF Council." Regional offices have already been enquiring about how best to implement this guideline, so it seems that the social economy has won support both at national and local level.

From strength to strength

The coming of round 2 of EQUAL does not mean a disruption in the network's activity: three new development partnerships join the network, but most of the old ones will stay involved. "Legal structures are not what is needed, but quality is a big issue," says Mr Wikström, "so the network will carry on working on social auditing. But there are some new issues too. Topics to be developed are agency or service co-ops for the self-employed and social franchising."

But as before the key factors are knowledge and recognition for social enterprise."

Ms Johansson sees one of the network's key results as being a stronger national and regional support network for social enterprises. "At the moment, the government supports the local co-operative development agencies, through NUTEK, to the tune of €4 million a year, as well as supporting dedicated agencies for women's and ethnic minority businesses. We hope that they might upgrade this into a more ambitious ten-year programme. EQUAL has helped build the case for a stronger support structure."

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3. LESSONS LEARNT

Funding innovation can achieve results: The Greek case shows the valuable role EQUAL resources can play a useful role in kick-starting an innovation which has been held up for lack of resources. Successful use can also be made of other EU programmes and tools for disseminating new policy developments, such as the peer review programmes in employment and social inclusion policies, to mainstream the lessons of EQUAL. However this can be a slow process if there is no national impulsion.

Plan well: The Greek case shows the value of thorough project planning – broad inclusive dialogue can easily get stuck going round in circles. Once it has set the agenda for action it is crucial to lay down an action plan with clear tasks and responsibilities.

Delegate: It also shows the value of delegation. “The DPs know more about the subject matter than the ministry does,” says Vassiliki Staikou, “so it makes most sense to empower them to do the work.”

Budget adequately: Fourthly, the Greek system set aside a guaranteed budget for the NTN’s work – 10% of each DP’s budget was allocated to ‘action 3’ (mainstreaming) and, of this, 3% went to the NTG while the remaining 7% was used by the DPs individually. The Austrian case also shows the value of setting aside a budget at an early stage.

Don’t undervalue public relations: The experience of the Austrian network shows that a lot of the work that has to be done to change things is down to public relations.

Be realistic: However Austria’s experience also shows that political circumstances can change unpredictably, demanding flexibility and a fallback strategy.

Limit your objectives: The Swedish case is an example of a network that has given itself a clear task, to promote a specific part of the social economy, the work integration social enterprise – rather than the whole spectrum. This makes the job more achievable

Inclusiveness brings credibility: The inclusive nature of Sweden’s network, which brings together practitioners, beneficiaries, civil servants, academics and MPs, gives it a high level of credibility, so that government listens to its opinions on social and labour market issues.

Get an MP on board: Finally, the Swedish network found that having a Member of Parliament as Chair of the network (and an opposition MP as Vice-Chair) opens doors and speeds policy impact.