

1. Social entrepreneurs driven by a vision and mission to generate societal value and impact, notably by contributing to smart, sustainable and inclusive development, rather than to primarily generate profit for owners and stakeholders. They are engaged in developing and spreading business models that provide **new solutions** and have the potential for making a significant impact on society, economy and the environment.
2. Social entrepreneurs do so by playing a role of **change makers**, and experimenting with alternative ways of producing products and services, or organising production processes and means of service delivery. Social entrepreneurs have been pioneers in re-engineering supply chains and distribution networks, or developing, promoting and establishing business standards and norms for inclusive and sustainable development.

A recent study¹ on 500 social enterprises in 5 EU Member States found that social entrepreneurs are much more likely to have introduced new-to-the-market innovations in goods, services or processes over the past 12 months compared to commercial entrepreneurs.

3. Embedding a social enterprise in civic and community initiatives leads to generating new interfaces and linkages between public, civic and private organisations, economic sectors, fields of administrative responsibility, and their commitment to participation and empowerment to an active involvement of producers, consumers, users and citizens. In other words, social entrepreneurs do not only change economic structures and processes, but also institutional relations. As such they are drivers of **social innovation** processes, which deliver better social outcomes.
4. Close links with civic and community organisations are not only a key success factor for making an impact, but also facilitates **access to markets and finance, and greater scale of activities**.
5. In essence, social enterprises operate in a broad range of markets. Often, they are **pioneers in developing new markets** and business models by aggregating demand and facilitating market access and by supplying affordable and acceptable products or services of higher quality,. The same SELUSI study showed that 57% of start-up social enterprises launched ventured into a new market in the sense that there were no other organizations that they were competing against, providing similar services or products. Key markets are:
 - improve social and health care, well-being,
 - facilitate social and work integration,
 - participate in, and benefit from education and lifelong learning,
 - nurture culture and arts,
 - enable participation in the digital society,
 - provide public services such as community transport, utilities,
 - reduce emissions and waste,
 - use natural resources efficiently,
 - operate in urban and rural areas.
 - organise and finance community development, and
 - promote fair trade.

¹ <http://www.selusi.eu>

6. Most social enterprises are small or medium sized businesses. In addition to the barriers to start, develop and grow faced by many SMEs, social enterprises are confronted with specific disadvantages and obstacles, which also constitute barriers to develop and scale social innovations. The most important ones are:
- An underdeveloped finance system for innovative social enterprises in comparison to mainstream businesses - throughout the life cycle of a business;
 - Insufficient capabilities to start, develop and expand social enterprises. This barrier has many causes, starting from low levels of investment in education and training for developing the necessary mindsets, skills and competences for social entrepreneurship and insufficient knowledge about proven business models that might act as exemplars for adapting into different local, regional or national contexts, and going on to inadequate support and infrastructures (such as incubators, living labs and clusters) providing business development services and low levels of exchange of good practice across Europe.
 - Lack of awareness and recognition of the social value which social enterprises generate, and of their role in strengthening key determinants of civic society development and social innovation such as empowerment; new forms of partnership, or credible entrepreneurship.

Issues for discussion:

1. Europe has a great tradition of entrepreneurship. In times of economic crisis, the rate of start-ups actually increases. At the same time, values around doing business are changing, away from purely profit-driven, to delivering social and societal value. In this context, social values such as responsible business gain in importance.

Can Social Entrepreneurship offer - in particular for young people – a role model that demonstrates the social usefulness of doing business and rehabilitate entrepreneurship?

2. The European Union has set itself ambitious targets for the next decade. New are needed to reach the ambitious objectives of the Europe 2020 strategy on employment, innovation, education, social inclusion and climate/energy. However, regions and cities, organisations and citizens have not yet sufficiently taken ownership of the Europe 2020 agenda.

Can a wide spread recognition and support of social entrepreneurs help to bring the EU2020 agenda closer to the citizen as they illustrate and demonstrate the necessity and feasibility of supporting:

- inclusive growth by generating sustainable jobs and facilitating social and work integration, improving the quality of social and health care;
- sustainable growth by introducing efficient ways to reduce emissions and waste, and to use natural resources and energy more efficiently);
- smart growth by stimulating innovation and the participatory use of the internet.

3. In many countries, administrative responsibilities for promoting social innovation and social entrepreneurship are fragmented and not aligned.

How can governments and other public sector organisations stimulate and develop synergies and close links between social entrepreneurs and civic and community organisations?