Socially Innovative Entrepreneurship

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Executive Summary

The “Socially Innovative Entrepreneurship” paper discusses the relationship between the concepts of “entrepreneurship” and “social innovation”, both within the current and future activities of the European Social Fund (ESF). It builds on desk research, input received and discussions held during the meeting of the Employment Transnational Network that took place 19-20 March 2019 in Berlin, Germany. The paper presents overlaps and differences between those concepts and provides insights into current activities of ESF Managing Authorities and their partner organisations. Practices are presented and recommendations drawn for future activities within the ESF, such as increased offers for coaching and mentoring for entrepreneurs. Moreover, the paper stresses the need for building ‘enabling ecosystems’ that are necessary for socially innovative entrepreneurs to introduce new products, services or practices and for developing policy frameworks within the ESF (and beyond) that reflect the varying requirements of vulnerable groups when starting a business.
1. Introduction

Entrepreneurship can be socially innovative and a viable alternative to regular employment for all social groups, including disadvantaged ones such as young people, older workers, migrants and women (re)entering the labour market. Creating ‘enabling environments’ through training, mentoring, business support services, regulatory aspects and access to finance is key for socially innovative entrepreneurship to be successful.

The term “socially innovative entrepreneurship” refers to new ways of tackling societal issues through entrepreneurial means. ESF Managing Authorities (MAs), for instance, may draw up policies promoting entrepreneurship where particular attention is paid to new approaches for inclusiveness. Socially innovative entrepreneurship thus relates to both the concepts of entrepreneurship and social innovation and is connected to the ideas of social entrepreneurship and inclusive entrepreneurship.

The Employment Thematic Network (ETN) dedicated a two-day meeting to this specific topic, which took place on 19-20 March 2019 in Berlin, Germany. At the meeting, ESF MAs and their partner organisations presented the state of play of policy delivery and practical implementation, including good practices. The meeting further aimed at raising awareness of the overlaps between existing concepts (i.e. entrepreneurship, social entrepreneurship, inclusive entrepreneurship and social innovation) so that ESF MAs can make best use of each of the ideas’ strengths. Furthermore, the meeting aimed at reflecting and discussing EU Member States’ (MSs) current activities concerning innovative approaches towards entrepreneurship for vulnerable groups.

Key questions discussed at the meeting comprised the following:

- What is the state of play of entrepreneurship? What are the main challenges for vulnerable groups when starting a business? What are the lessons learnt so far?
- How can social innovation be used to promote inclusive forms of entrepreneurship?
- How can the ESF contribute to the promotion of socially innovative entrepreneurship?

The paper “Socially Innovative Entrepreneurship” builds on desk research as well as input and discussions held during the ETN meeting. It provides insights into current activities of ESF-MAs and their partner organisations by presenting practices and drawing recommendations for future activities within the ESF.
The paper is structured as follows: subsequent to the introduction (Chapter 1), Chapter 2 is setting the scene by discussing the concepts and the links between them. Thereafter, challenges for implementation and the added value of socially innovative entrepreneurship are outlined and the Better Entrepreneurship Policy Tool presented. Chapter 3 highlights examples of support service practices in the field of socially innovative entrepreneurship. Recommendations developed during the meeting, especially addressed at public administrations, are summarised in Chapter 4. Finally, Chapter 5 concludes by highlighting key lessons learned.

2. Setting the scene

According to its mandate, the ESF supports “self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises” and “social entrepreneurship and vocational integration in social enterprises (...) in order to facilitate access to employment” (Art. 3 of the Regulation 1304/2013; European Union, 2013). Article 9 of the ESF Regulation is specifically dedicated to social innovation: the ESF is tasked with promoting social innovation, particularly with “the aim of testing, evaluating and scaling up innovative solutions, including at the local or regional level” (European Union, 2013). The ESF thus refers to two concepts that are elaborated here, namely entrepreneurship (including social entrepreneurship) and social innovation. Before continuing, let us briefly dig into the definitions of the terms used.

In the most basic sense, entrepreneurship describes the practice of starting a company. For Joseph Schumpeter, entrepreneurs have a pivotal role in market economies by introducing new products, services or business practices and by combining existing means to new ends. These activities lead to the replacement of old products and practices with new ones and contribute to the process of ‘creative destruction’ which allows capitalist economies to grow and innovate (Schumpeter, 2009; Dees, 2001). As presented by Risto Raivio from the European Commission (EC) during the ETN meeting, entrepreneurship is also used in relation to entrepreneurial competences (skills and mind-sets), which, according to the European Union’s “key competences framework” refer to the capacity to turn ideas into action.¹

Social entrepreneurship is a specific form of entrepreneurship and relates to the use of entrepreneurial approaches to tackling social problems (Dees, 2001). A popular

¹ See https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018H0604(01)&from=EN
example for this type is the Grameen Bank by Nobel Laureate Muhammad Yunus. This entrepreneurial activity provides access to finance for disadvantaged groups who would otherwise be unable to receive loans. Social entrepreneurship thus can be viewed as an activity of “social change makers”; i.e. actors who succeed in implementing and spreading new ideas. In many cases, this is done through creating social enterprises, organisations that do business in order to create positive social impact. The EU Platform for change – the “Social challenge platform” – puts this concept into practice and matches social challenges to entrepreneurial innovation. Not all social enterprises, however, are innovative and not all initiatives of social entrepreneurs lead to the creation of social enterprises – they might be implemented by other actors as well. Moreover, the definition of social entrepreneurship and social enterprises differs across EU-MSs (European Commission, 2014a, OECD/EU 2013b).

Inclusive entrepreneurship refers to policies which aim at making entrepreneurial pathways and career options available to all groups in society. This concept was basically developed by the OECD (Organisation for Economic Co-operation and Development) and the EC. Here, the social aspect neither relates to the goods produced nor to how the profits are used, but to enabling members of disadvantaged groups to become entrepreneurs and/or producing employment opportunities for members of such groups (OECD/EU, 2013a). In other words, the social aspect refers to who is doing it rather than what is being done. The company itself can be a traditional, profit-oriented enterprise without any specific social objective. Groups supported in such ways include women, young people, older workers, unemployed, migrants and ex-offenders.

Finally, social innovation consists in “novel or more effective practices that prove capable to tackle societal issues and are adopted and successfully utilised by individuals, groups and organisations concerned” (Josef Hochgerner, ZSI/Centre for Social Innovation). Social innovation has existed since humans first appeared on the planet. It includes the introduction of mandatory primary education as well as socially applied novelties like regional currencies developed in the economy for the common good. There is no single definition for social innovation and even within Europe the concept understanding varies: social innovation is perceived in most EU countries as a set of complementary actions to the welfare state, whereas the framing of mind-sets in the neo-liberal (Anglo-Saxon) world favours primarily a

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2 Social entrepreneurship is promoted actively by several international networks such as Ashoka and NESsT and they typically use the term “change makers”.
3 See www.socialchallenges.eu
4 See https://www.zsi.at/en/about_zsi/profile
5 For further examples on social innovations please see https://www.si-drive.eu/ (The ‘Atlas of Social Innovations’ provides insights into new social practices across the globe and across seven policy fields, namely education, employment, energy supply and climate change, mobility, health and social care, as well as poverty reduction).
compensatory notion of social innovation, as reported by Josef Hochgerner, founder of the Centre for Social Innovation (ZSI) (ETN, 2019).

According to the EC, there are three interlinked dimensions of social innovation: 1) implement new ideas that meet social needs; 2) benefit society and boost its capacity to act; and 3) renew social relations. The relations between people are thus of great importance when implementing social innovation, as we will see.

To sum up the discussed concepts so far, namely entrepreneurship (including social entrepreneurship and inclusive entrepreneurship) and social innovation:

- **Entrepreneurship** describes the practice of starting a company or the skills and competences to turn ideas into action.
- **Social entrepreneurship** is a specific form of entrepreneurship which refers to the use of entrepreneurial approaches to tackle social problems. It often, but not always, leads to the creation of social enterprises.
- **Inclusive entrepreneurship** is a policy approach in which the social aspect refers to enabling members of disadvantaged groups to become entrepreneurs.
- **Social innovation** consists in novel or more effective practices that prove capable to tackle societal issues and are adopted and successfully utilised by individuals, groups and organisations concerned.

## 2.1 Conceptual overlaps and differences

We have seen that the concepts may overlap regarding, for example, their objectives, target groups and ideas. However, there are also major differences, as outlined below.

While entrepreneurs must make their living, actors implementing social innovation do not necessarily have to make money. From the mission perspective, traditional entrepreneurship can thus be opposed to social innovation, whereas entrepreneurship comprises for-profit activities and social innovation follows a social mission. Social entrepreneurship occupies a middle ground being engaged in for-profit activities but motivated primarily by a social mission. Finally, inclusive

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6 Social innovation is defined accordingly, for example, in the EU Programme for Employment and Social Innovation (EaSI); https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0238:0252:EN:PDF

7 While the primarily objective of traditional enterprises is making profit, contributing to social impact but through economically sustainable business is the main intention of social enterprises.
entrepreneurship as a policy approach shall open up entrepreneurial opportunities (both traditional and social) for individuals from underrepresented groups.

Figure 1 provides information about key features of the concepts at hand, namely entrepreneurship, social entrepreneurship and social innovation. Next to the mission, these features encompass the sector, the form of organisation, the funding and the decision-making body for innovations. Inclusive Entrepreneurship can be regarded as a horizontal idea which can be applied within all three concepts.

Figure 1: \textit{Key features of the concepts}

<table>
<thead>
<tr>
<th>Concepts / Key features</th>
<th>Entrepreneurship</th>
<th>Social Entrepreneurship</th>
<th>Social Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission</td>
<td>Making profit</td>
<td>Social mission</td>
<td>Social mission</td>
</tr>
<tr>
<td>Sector</td>
<td>Private sector</td>
<td>(Mainly) private</td>
<td>Non-profit sector</td>
</tr>
<tr>
<td>Form of organisation</td>
<td>Company</td>
<td>Mixed (company as well as associations)</td>
<td>Partnership based</td>
</tr>
<tr>
<td>Funding</td>
<td>Private capital</td>
<td>Public/private mix</td>
<td>No/few/mixed funding</td>
</tr>
<tr>
<td>Decision-making body (innovations)</td>
<td>Market decides on success or failure of innovation</td>
<td>Market and donors (when publicly funded)</td>
<td>Society accepts the new practice</td>
</tr>
<tr>
<td>Horizontally addressed option</td>
<td>Inclusive Entrepreneurship</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As shown in the figure above, the concepts alter regarding their key features: while entrepreneurship activities are borne by the private sector (implemented in companies with investment capital), social innovation is characterised by partnership between different stakeholders (e.g. between the private, the public and the civil society) and funded by different means (public funding yet is rare). Currently, 74% of the ESF funds explicitly allocated to social innovation come from six Member States only (Germany, Estonia, Italy, Austria, Poland, Portugal), while the 22 remaining EU countries account for the remaining 26% (SIC, 2018). This, however, does not provide a full picture, because social innovation can be part of many other ESF supported actions. Social innovation may also be implemented but
not named as such (consequently, actions may not explicitly be allocated to that category).

Another important difference between the concepts concerns the decision-making body of the innovations. While the market is deciding on success and failure of entrepreneurial products, services and practices, society must accept a social innovation (see definition provided above). Like entrepreneurial innovation, social innovation is not good *per se*. It can, for instance, have (unintended) side effects for specific societal groups. Therefore, innovations are not inevitably socially (and environmentally) responsible innovations – be they borne by enterprises (new products, etc.) or by collectively acting partners (social innovations).

Inclusive entrepreneurship can be applied to traditional and social entrepreneurship and can be an integral part of social innovation. Inclusive entrepreneurship thus can be regarded as a horizontal issue that can be effective within all three concepts.

To sum up, conceptual overlaps but also altering organisational, legal and funding realities exist. The ideas moreover possess varying objectives and may address different target groups. Implementing socially innovative entrepreneurship (i.e. implementing new ways to tackle societal issues through entrepreneurial means) is challenging, as we will see.

### 2.2 Challenges

Supporting actions in the area of socially innovative entrepreneurship is a challenging task for policy makers and public authorities. Building ‘enabling ecosystems’ that are required for entrepreneurs to introduce new products, services or practices is one of them (European Commission, 2013; European Commission, 2016). All forms of entrepreneurship - from the traditional form of entrepreneurship to social and inclusive entrepreneurship - require the right set of conditions.

Research carried out when developing the Better Entrepreneurship Policy Tool, a joint project of the EC and the OECD (see Chapter 2.4), has identified nine areas which must exist for social and inclusive entrepreneurship to prosper and in which public policies can contribute to an enabling environment of these types of activities. These are: *strategies, regulations, skills, finance, networks, culture, markets, impact and institutions.*
Vulnerable groups face distinct challenges which need to be reflected in public policies. Mainstream employment services, for instance, are frequently not oriented to the self-employed let alone to reaching specific target groups. The support for enterprises, especially to the self-employed is fragmented, patchy and under-funded. Peter Ramsden, expert in local, urban and regional economic development, described the support provided by mainstream employment services as “Cinderella services” due to their unjust neglect when giving a key note speech at the ETN meeting (ETN, 2019). Currently, the emphasis lies on business planning, which, according to Peter Ramsden, is not really helpful and of poor quality. Public Employment Services have not yet set up an equivalent system of services for entrepreneurs compared to those for the unemployed. Coaching, especially one-to-one coaching, seems to be most effective. A shortage of mentoring services is also observed.

In addition, members of vulnerable groups often do not have access to support services, such as access to finance, finding appropriate coaches and mentors and joining business networks. Some people seek self-employment because of discrimination in the labour market and out of necessity. How policies are designed makes a big difference. For instance, offers must reflect the people’s motivation to enable them to be successful. Thus, there is a need to adjust support services for entrepreneurship.

When reviewing the gender aspect of entrepreneurship, it becomes obvious that current policy frameworks often fail to reach certain groups, such as women – a significant, diverse group. For instance, women entrepreneurs are nearly missing.
While there is a higher percentage of female social entrepreneurs than in mainstream entrepreneurship, few female entrepreneurs are concentrated in sectors where business is usually small (e.g. retail and services), as explained by Nathalie Wuiame, gender expert of the ESF Transnational Platform. Challenges for women from vulnerable groups comprise discouraging factors such as social and cultural attitudes and gender relations, a low tolerance to risk failure, the tendency of women to operate in locations and sectors where they have experience, a greater difficulty in accessing finance, limited networks and existing barriers relating to benefit systems. Often, women are also forced to dare taking the challenge of becoming an entrepreneur (“necessity versus opportunity”).

Moreover, policy frameworks should be built in which failures are possible, especially when implementing social innovation. Even when ESF programmes allocate money to social innovation, they seem to have trouble spending it. A recent study found that the ‘implementation of social innovation projects often clash with rules and administrative systems that were designed for ‘traditional’ vocational training actions’ (European Parliament, 2018). ESF policy systems need to be built to allow for failures, and administrative burdens have to be reduced.

Another challenge facing social entrepreneurship is the general difficulty to measure and compare the impact of such businesses across endeavours (European Commission, 2014b). This can make it hard for social enterprises to communicate on the impact of their actions to customers and donors. For donors, on the other hand, it is tricky to select the most valuable projects.

Upscaling innovative approaches is another challenge faced by all forms of entrepreneurship as well as social innovation. Developing effective partnerships across actors and sectors and strengthening the implementation of collective approaches is a necessity when aiming at supporting socially innovative entrepreneurship. Partnerships may also help to upscale innovation, since all actors are needed to accept a social innovation.

### 2.3 Benefits

Fostering socially innovative entrepreneurship (and improving links between concepts) can yield the following benefits:\(^8\):

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\(^8\) Please note that the list is not exhaustive.
• Reinforcement of the partnership approach that is embedded in social innovation (social entrepreneurship does not inevitably rely on partners acting collectively);

• Enhancement of equal opportunities to operate businesses aiming at tackling social or societal issues for all people, regardless of their personal characteristics and background (although following a social mission, inclusive entrepreneurship does not aim at meeting societal challenges per se; however, solutions of this kind are gaining importance);

• Increase of EU Member States’ capacities to turn ideas solving social or societal problems collectively into action since the approach fosters matching social challenges to entrepreneurial innovation;

• The approach is likely to help develop enhanced socially (and environmentally) responsible innovations due to the synthesis generated by the implementation of the partnership approach (collective action during development and acceptance of the innovation by the society) and the market as decision-making body for innovation.

Designing policies that promote new ways of tackling social or societal issues through entrepreneurial means, especially for people who otherwise face difficulties in finding employment, may thus be a valuable option for ESF MAs.

The Better Entrepreneurship Policy Tool can provide guidance to ESF MAs at all governance levels and help identify areas in which enabling ecosystems need to be strengthened (see following section).

### 2.4 Better Entrepreneurship Policy Tool

The Better Entrepreneurship Policy Tool³ is an online tool designed for policymakers and other interested parties at local, regional and national level who wish to explore how public policy can support youth, women, migrants and the unemployed in business creation and self-employment; and the development of social enterprises.

³See https://www.betterentrepreneurship.eu/
It can be used to assess the entrepreneurship environment in a given city, region or country and for specific groups of vulnerable people. Among other actors, the tool is specifically addressed to ESF MAs. The tool enables for a quick assessment of the biggest hindrances to social and inclusive entrepreneurship, allowing for policy priorities to be set. Peter Ramsden recommended using the tool in groups as an instrument supporting effective dialogue between policy makers. The objectives of the tool are to:

- Stimulate a reflection on inclusive and social entrepreneurship policies and programmes;
- Create a dialogue among policy makers and with other stakeholders;
- Promote mutual learning among policy makers and practitioners transnationally; and
- Support better policy design and implementation.

3. Status Quo & Good Practice

3.1 Status quo of activities implemented by ESF-MAs

This chapter presents the ESF activities in the Member States participating in the ETN meeting. This information is not exhaustive and builds on knowledge of attending participants only.

In line with its mandate, the ESF has a special role to play in promoting socially innovative entrepreneurship. This concept, through its combination of entrepreneurial approaches and social innovation, may be considered in the future when setting up innovative actions fostering the social inclusion of vulnerable groups, embedded in regional contexts.

The ESF already supports entrepreneurship for people who otherwise experience difficulties finding employment as part of its mission to create pathways to work. The actions taken comprise training, mentoring, business support services, access to finance and building enabling environments of stakeholders acting jointly, where implemented practices are reflected, potentials analysed and new ways to tackle
social/societal challenges are developed, to pursue the goal of fostering socially innovative entrepreneurship.

Within the ESF, however, there seems to be room for a better focus on socially innovative entrepreneurship. Despite the introduction of innovation aspects in their ESF programmes, many EU MSs miss clear definitions and optimal implementation of socially innovative entrepreneurship. Participants also reported a lack of a general positive attitude towards inclusive entrepreneurship. In all 19 regional and three national Operational Programmes in Spain, the ESF has a specific objective supporting social enterprises. The main concern here is the missing fruitful working environment for entrepreneurs and the absence of a partnership attitude. There seems to be a lack of flexible and enabling ecosystems for entrepreneurs - not only in Spain, but elsewhere in Europe.

Nevertheless, there are promising practices to learn from in Europe.

### 3.2 Case descriptions

This section reflects two examples presented at the meeting: the “Social Impact Hubs” in Germany, presented by Thorsten Jahnke, Social Impact gGmbH (Table 1); and the activities of BNP Paribas Fortis in Belgium, presented by Lode Leirens, BNP Paribas Fortis (Table 2).

Both practices represent organisations offering support to entrepreneurs, albeit not funded by the ESF. While supporting entrepreneurs is a core activity within “The Social Impact Hubs”, the support offered in the second example can be regarded as a side activity of the bank.
### Table 1: “Social Impact Hubs” in Germany

<table>
<thead>
<tr>
<th>Country</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale</strong></td>
<td>The Social Impact Hubs were founded by iq consult GmbH to support social start-ups in 1994. The hubs serve as a good example for collaborations between social entrepreneurs and “intrapreneurship” actors (actors of big welfare organisations such as Caritas). Cooperation thereby builds on sharing and jointly addressing social problems (e.g. homelessness, robotics/ethical issues, empowering people with cognitive problems to conduct a task/job).</td>
</tr>
<tr>
<td><strong>Specificities of the approach</strong></td>
<td>The approach enables for connections and win-win collaboration between smaller social enterprises and traditional big welfare organisations by implementing “intrapreneurship” (i.e. generating innovations within, for example, welfare associations under the concept of CSR (Corporate Social Responsibility)).</td>
</tr>
<tr>
<td><strong>Aims</strong></td>
<td>The Social Impact Hubs innovate by collaboration; thereby linking different actors via workshops and networks and offering access to media, funds and assistance in setting up the cooperation. An example for this activity is organising a hackathon with the help of which patients are practically supported by using new technology (collaboration between digital nerds and welfare organisations).</td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>The work is funded by companies (only 1 out of 9 offices are funded by public funds).</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td>Currently, the Social Impact Hubs have over 100 employees in 12 offices and labs. Since 2011 they have supported more than 600 social start-up teams; thereby creating approx. 1 200 new workplaces.</td>
</tr>
</tbody>
</table>

While “The Social Impact Hubs” in Germany itself is a social enterprise, it supports both social and inclusive entrepreneurship. As part of its CSR activities, BNP Paribas Fortis bank presented as a second example in the following table, also supports social and inclusive entrepreneurship:

### Table 2: “Activities of BNP Paribas Fortis” in Belgium

<table>
<thead>
<tr>
<th>Country</th>
<th>Belgium</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale</strong></td>
<td>BNP Paribas Fortis bank supports social entrepreneurship as part of its CSR activities.</td>
</tr>
<tr>
<td><strong>Specificities of the approach</strong></td>
<td>The specifics of the approach are the organisational way of working in partnership with various enterprises and organisations. The partnership with the King Baudouin Foundation can serve as an example in which socially responsible investment is jointly undertaken (they, for instance, also provide microfinance and social enterprise loans by applying specific criteria).</td>
</tr>
<tr>
<td><strong>Aims</strong></td>
<td>Within various projects the bank supports social enterprises addressing issues such as access to employment, health care and social housing; combating poverty and social inequality; environmental protection and responsible consumption; access to education and equal opportunities; microfinance and support of entrepreneurship; and the integration of refugees and youngsters living in poverty. Monetary as well as non-monetary support is provided. In the latter area support comprises capacity building, networks, logistics, etc.</td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>The activities are programmes/actions funded by the bank in partnership with other actors within the CSR of the bank.</td>
</tr>
<tr>
<td><strong>Impact</strong></td>
<td>There are various programmes implemented by the bank. To provide an example, the results of the Rising You(th) project, which aims at the integration of refugees and youngsters living in poverty are, for instance: 5 programmes completed (N=60); 2 programmes ongoing (N= 24); No drop outs; 98% success rate in completed training programmes; and employment rate of alumni (to date): 95%.</td>
</tr>
</tbody>
</table>
“Jeremie”\textsuperscript{10} - an ESF-supported micro-finance scheme helping social enterprises to grow in Sicily/Italy (December 2013-July 2016) – and the GUIDE project in Munich, Germany, are two other examples of promising practices. Launched in 2005, the latter supports women returning to the labour market after raising children and who may have problems finding employment, as well as women over the age of 50 to start their own companies. The project was co-funded by the ESF in between 2008 and 2015. Today, it continues to operate with the support of the Bavarian government and the city of Munich.

For further information, please visit the ESF database which lists 18 projects promoting social enterprises since 2011 (as of 12 April 2019).\textsuperscript{11}

4. Recommendations

These recommendations were developed during the ETN meeting and are directed at public administration, especially ESF MAs, other national and regional policy bodies, as well as European institutions such as the EC.

ESF MAs called for applying an integrated approach to supporting entrepreneurship, starting with sharing practices and increase the visibility of socially innovative ESF projects. Moreover, participants suggested putting more emphasis on innovation when funding social enterprises and on increasing support to people with fresh ideas. Participants insisted that social enterprises should be more supported, for instance in terms of human resources and work organisation, in order to help them function well as a company. ESF MAs welcomed the Better Entrepreneurship Policy Tool, stating their interest in applying it and recommending activities to help test and scale up existing innovations in other circumstances and contexts, e.g. in other EU MSs and territories.

Participants suggested to create an EU-wide database on socially innovative entrepreneurial approaches, and to draft clear, simple documents describing the various concepts and definitions in national languages. The group suggested the possibility to mainstream the Portuguese experience at EU-level, in which an intermediate body coordinates the social entrepreneurship agenda through

\textsuperscript{10} For further information see OECD/EU (2017).
\textsuperscript{11} See http://ec.europa.eu/esf/main.jsp?catId=46&langId=en&theme=51
capacity building, setting up entrepreneurship-friendly ecosystems, supporting social impact bonds, etc.

Another important topic discussed during the ETN meeting and thus briefly mentioned here, although not directly linked to the ESF, concerns the need for a certain level of social security to be provided to innovative actors and social entrepreneurs. Taxation for social enterprises at the national level should be reviewed and adjusted accordingly.

Socially innovative entrepreneurship was seen as becoming part of the education curricula (to add to attainment targets). ESF MAs recommended increasing support for the provision of offers for coaching and mentoring, strengthening cooperation between all actors, and building fruitful ecosystems for socially innovative entrepreneurs.

The participants concluded that socially innovative entrepreneurship should be strengthened and mainstreamed at all governance levels.

5. Conclusion

Entrepreneurship can be socially innovative. Socially innovative entrepreneurship is to be distinguished from regular entrepreneurship. It links social entrepreneurship and inclusive entrepreneurship with social innovation. Challenges faced during the implementation of activities within this scope encompass the need for building ‘enabling ecosystems’ that are required for entrepreneurs to introduce new products, services or practices. Vulnerable groups face distinct challenges, which must be reflected in the approaches taken by the public, especially by the ESF.

Consequently, actions from ESF MAs should enable fruitful learning and economic environments. Support for the provision of offers for coaching and mentoring must be increased.

More generally, there should be more focus on innovative approaches within the ESF and more specifically, on inclusive entrepreneurship. Socially innovative entrepreneurship is considered to add value, especially due to the reinforcement of the partnership approach. In promoting socially innovative entrepreneurship, EU
MSs may increase capacities to turn ideas that solve social or societal problems collectively into action. Participants appreciated the idea of strengthening the link between entrepreneurship and social innovation to foster social inclusion of vulnerable groups via entrepreneurial means.

Although innovation aspects are sometimes included in operational programmes, we are still missing an “ideal” implementation and positive attitude towards inclusive entrepreneurship. The ESF thus has a special role to play in promoting entrepreneurship for people who otherwise face difficulties finding employment, as part of its mission to create pathways to work and in building ‘enabling ecosystems’ that are required for entrepreneurs to introduce innovative products, services or practices that are both socially and environmentally responsible.

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Table 2  “Activities of BNP Paribas Fortis” in Belgium

Figure 1  Key features of the concepts
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SIC/Social Innovation Community (2018). How can ESF+ be optimised for social innovation? D5.7 Annual State of the Union Report – Part 3. Authors: Sophie Reynolds (Nesta), Madeleine Gabriel (Nesta), Laura Whittall (The Young Foundation), Ningqian Yang (The Young Foundation), Francesca Rizzo (Polimi). The Young Foundation/Nesta.
Technical dossiers online at https://ec.europa.eu/esf/transnationality/library:

0. TRANSNATIONAL COOPERATION in the ESF 2014-2020 – An introductory guide – November 2015
This guide describes the Common Framework for transnationality in the ESF in the 2014-2020 period, including the common themes, calls for proposals, thematic networks, and how the ESF can contribute to Macro-Regional Strategies. It concludes with a list of National Contact Points.

1. THEMATIC NETWORKING – A guide for participants – April 2016
This user guide to the nine thematic networks that support transnational co-operation in the ESF sets out the stakeholders involved, and suggests principles and tools for animating their interaction.

2. ESF TRANSNATIONAL CALLS – Writing and managing calls for proposals – February 2017
A step-by-step guide to designing transnational calls for proposals in the ESF, from added value, institutional capacity and priorities, through design, partner search and the TCA, to assessment.

3. INTEGRATED SERVICES – Early lessons from transnational work in the European Social Fund – October 2017
Drawing on evidence from the employment, inclusion, youth employment, governance and partnership thematic networks, this dossier presents the theoretical and practical arguments for service integration.

4. CO-PRODUCTION – Enhancing the role of citizens in governance and service delivery – May 2018
This dossier articulates the various ‘co-trends’ and shows how they are being applied in inclusion, migrant integration, social enterprise, community development and social innovation.

5. SYSTEMS THINKING for European Structural and Investment Funds management – May 2018
This handbook explains how to apply the Vanguard Method to improve service quality in managing European funds.

6. Tackling Long-Term Unemployment through RISK PROFILING AND OUTREACH – May 2018
This discussion paper from the Employment Thematic Network reviews approaches to risk profiling and outreach, summarizes their benefits and challenges, and gives case examples.

7. REVIEW OF THE EUROPEAN CODE OF CONDUCT ON PARTNERSHIP (ECCP) – Thematic Network on Partnership – May 2018
The main aims of the review were to assess the usefulness of the ECCP, learn more about the challenges encountered in its implementation, and develop recommendations to embed the partnership principle into the next European Structural and Investment Funds (ESIF) programming period.

8. FEMALE (UN)EMPLOYMENT AND WORK-LIFE BALANCE – November 2018
This paper examines gender equality issues in employment (including segregation, the pay gap, entrepreneurship and care responsibilities), describes ESF projects which address it, and concludes with the ESF Employment Thematic Network’s recommendations.

9. Addressing youth unemployment through outreach, activation and service integration – November 2018
This dossier consolidates the three sharing papers published by the Youth Employment Thematic Network on outreach, activation and service integration. It features studies of Ohjamo in Helsinki, Rubikon Centrum in Prague, So Stay in Gdańsk and MRC Pathways in Glasgow.

10. Inspirational practices for tomorrow’s inclusive digital world – May 2019
Digitalisation is not only transforming the economy; it is transforming our society as a whole. This dossier presents the contribution of the ESF Transnational Platform Thematic Network on Learning and Skills to the ambitious policies developed both at EU and national levels: building an inclusive, knowledge-based digital economy and society in Europe.

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