



## **Sustaining innovation in the social economy**

**A survey on the support structures for social enterprises in Europe**

**Edited by DIESIS**



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The report presents the results of a survey conducted on several innovative European best practices that support the new actors of the social economy. The survey was carried out thanks to the following Equal projects that provided documentation and financial resources:

- Innova (Germany), [www.innova-eg.de](http://www.innova-eg.de)
- Quasar (Italy) [www.progettoquasar.it](http://www.progettoquasar.it)
- Essere (Italy) [www.essere-equal.it](http://www.essere-equal.it)
- Create (France) [maryse.lejeune@acepp.asso.fr](mailto:maryse.lejeune@acepp.asso.fr)
- Empso (Austria) [www.sozial-wirtschaft.at](http://www.sozial-wirtschaft.at)
- Sep (Great Britain) [www.sep.gb.co.uk](http://www.sep.gb.co.uk)
- Nese (Sweden) [www.nese.coop](http://www.nese.coop)

The report was compiled by Diesis, a European and international research and development structure for the cooperatives and the social economy (for further information see [www.diesis.coop](http://www.diesis.coop)).

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## Introduction

The idea of conducting a transversal analysis on support structures for social enterprises in Europe arose simultaneously within the SQUARES and SITED transnational partnerships that group together seven Equal projects of six European countries.

Both transnational cooperation agreements (TCAs) foresaw setting up a workgroup on support structures to benchmark the national models and identify best practices and exchange experiences.

During the course of the project, dialogue between the two TCAs was facilitated by various factors:

- the presence of a Development Partnership (Innova) in both TCAs;
- the role of Diesis as the external evaluator of both transnational projects;
- the participation of representatives of the various projects and of Diesis in the European thematic groups organised by the European Commission and, in particular, in the group focusing on support structures (of which Diesis is rapporteur).

During the Bensberg conference (June 2004) organised by Innova and attended by the partners of both transnational cooperation agreements, the steering committees of the two TCAs positively evaluated the idea of teaming up to compile a joint report on support structures for social enterprises and they commissioned its compilation to Diesis.

After having examined the material produced by the various national partners, Diesis, in agreement with the two TCAs, defined the work plan, analysis methodology and final output. In particular, it was decided not to describe in detail the existing support structures or those that have been created by the project participants, but rather to analyse them in order to identify the common denominators and characteristics so as to propose some “ideal types”.

The rich variety of experiences examined and the extensive geographic coverage of the study have allowed us to draw some general conclusions that are useful for policy makers and sector operators across all European countries.

Dorotea Daniele  
Director, Diesis

# 1. The survey objectives and report structure

The debate on social economy, involving academics, experts, politicians, etc., is often focused on defining the distinctive elements that characterise the constituent organisations and, in broader terms, on describing the factors that enhance the sector's development. Indeed, the social economy spans a wide range of organisational models (with different legal forms, sizes, etc.), spheres of activity and coverage at national and European level.

The various definitions of the social economy proposed so far agree on some general aspects such as:

- i) focusing on the needs that are unmet by other public and private agencies as the prime criteria for consolidating mutual interests;
- ii) producing goods and services that contribute to social cohesion in a specific territory;
- iii) democracy and participation as values for defining the governance system.

Instead, as regards the legal forms, actors such as cooperatives, mutual societies, foundations and associations (the latter having an economic activity) are considered to be part of the social economy.

Exogenous variables of various kinds, such as the changing needs in the social context, institutional and regulatory conditions, economic trends, the presence of subsidy policies, etc., tend to prevail in sustaining the sector's economy. Another secondary factor is the ability of the social economy to drive itself and, in particular, the role played by its support structures that carry out representation, coordination and development functions.

This report intends to help fill this gap by proposing the results of a survey that analysed some experiences of organisational structures that were established to foster the development of the so-called "social enterprises" (i.e. the more recent and innovative initiatives set up in the social economy field). The exploratory survey is based on the analysis of a few "best practices" carried out within the framework of some Equal projects implemented in several European countries with the aim of experimenting innovative solutions for sustaining the development of organisations whose purpose is to promote social enterprise initiatives.

## The rationale

The survey objective was to enhance the understanding on how to support the development of social enterprises, which are active in certain fields, by using innovative management techniques. Therefore, it involved rather complex and dynamic emerging actors whose development is crucial for the social economy as a whole so that it can renew its original key mission, not only to gear it to the evolving socio-economic and political changes, but to try and manage these changes. From this standpoint, the support structures themselves collect these elements of change, innovating their own objectives and operating procedures.

In other words, the prime objective of this survey was to verify if and how greater visibility of the social economy and its innovatory ability – defined in operational terms as the ability to respond proactively to the challenges of modern day society – are also linked to the activities of support structures that promote these organisations at local, national and European level.

The support structures are engaged in various tasks (representation, protection, promotion, services etc.) and have diverse organisational structures (some are very “streamlined”, while others are more structured and complex), while the coordination unit interacts in a different manner with the various organisations that benefit from their activity.

Not much is known yet about these structures – also because they have been established very recently – but they seem play an important role for the development of the social economy, for its internal renewal and, above all, in meeting the new needs of citizens and local communities.

Understanding the support structures means exploiting innovative elements in order to tailor development policies in favour of the social economy, making the latter more effective and incisive, particularly at local level.

As regards this prevailing need, the survey’s operational rationale intends to answer the following questions:

- Is it right to talk about “specialist” support structures for the social economy, or are they similar to those of other organisations (even those which have developed in the sector in a conventional way)?
- What is the “life cycle” of the support structures? Which factors contribute to the changes made to the objectives, activities and services over time?

- What is the “added value” of participating in the support structures? What benefits does it create for the single organisation and for the territory in the broadest sense (for instance in terms of well-being and social cohesion)?

## **Survey methodology**

The survey was conducted in various phases. First of all, the documents produced within the Equal initiatives that promoted the survey were collected. This involved a wide range of materials: reports on the survey, operational planning of the individual phases, monitoring and evaluation activities, etc.

Second, existing literature on support structures was consulted, enhancing the knowledge on the topics, both in general terms (forms of representation and coordination ) and referring to issues of specific interest for the social economy. At European level, some scientific contributions have favoured a more effective analysis of the material collected in the Equal projects.

The next step was an evaluative analysis of the data, focusing on two crucial issues in order to respond to the survey rationale.

1. *The process*, or the reconstruction of the life cycle of the support structures, so as to understand how they developed over time (how the problems were solved and the solutions foreseen etc.). This approach was adopted to avoid conducting an analysis focused exclusively on the current circumstances, which would have made benchmarking and transferability of the experiences observed particularly complicated. A static analysis of an initiative that has reached “maturity” makes it seem infeasible in different contexts. However, it should be remembered that conditions of “excellence” and “innovation” need to be broken down into time intervals in order to be properly understood and transferred, allowing the various contributory factors to be identified.
2. *The impact*, that is the search for quali-quantitative indicators that underline the “added value” in creating and sustaining support structures, not only in economic-entrepreneurial terms, but also in achieving the social purposes of the organisations that benefit from their activities more effectively.

The replies to these questions, as emerges from the survey results, are intended not only for experts, those who work in social enterprises and support structures, but also for those institutions that over these years have attempted to build a relational system with these new forms of enterprise (in particular the public administrations, but not only these bodies). It is therefore clear that more extensive and better ties

among the social enterprises and other components of the European, national and local society pass, above all (although not exclusively), through support structures whose goals are representation, coordination and development.

## **The survey report**

The report is divided into three main sections.

1. Chapter 2 aims to reconstruct the “needs” in terms of support provided by social enterprises, which in this report are considered to be the most recent and innovative expression of the social economy. How do they differ from other kinds of organisations (also within the same sector)? How do they reveal specific needs regarding representation, coordination and development? Therefore, which features characterise their support structures?
2. Based on the material collected in the various projects, chapter 3 describes the main features of support organisations for social enterprises that have been set up or are sustained in the various Equal projects promoting this initiative. An analysis is drawn of some case studies, extrapolating a first, preliminary type of support organisation, thus attempting to identify, within the broad spectrum of experiences observed, some “ideal types” or “models” having distinctive features (objectives, organisational structure, governance system, activities carried out, etc.).
3. The publication conclusions identify some key issues contributing to the development and consolidation of the support structures. The section is addressed both to those who manage these structures and to policy makers, who find an important interlocutor in these structures and who therefore could be interested in sustaining them through focused policies.

## 2. What kind of support exists for new social economy initiatives?

### Recent social economy trends

A brief analysis on the features of the support organisations is required to better understand the organisations they intend to support.

Overall, the social economy appears to be a dynamic sector, whose structure changes over time and according to specific contexts. This dynamic can be attributed to the different political-institutional and economic factors in each territory (supranational, national or local), but it is due above all to the fact that these organisations have stemmed from collective processes in which individuals, social groups, communities intervene and coordinate actions to meet the needs that are either unmet or are inadequately fulfilled by other public and private agencies.

However, social economy organisations are set up not only to offset the “failures” of public institutions and market enterprises, but also to fulfil specific needs. We should stress the importance of these needs in the social context and the fact that they are assigned to people and groups who, for various reasons, have limited resources and share capital to meet them. Another key factor are the relations of trust forged among the promoters of this initiative that facilitate the process of clustering together of the stakeholders and stimulate individuals to participate in the initiatives.

The evolving and different nature of the needs and the changes that have occurred in the social fabric have caused an irregular development rate, that is development is achieved in “successive strata”. Each strata of the social economy basically attempts to respond to different needs, which over time have achieved a certain degree of importance in the hierarchy of needs. Furthermore, the particular mix of the social and political-institutional resources of a certain territory in a given period of time are responsible for the “strata-based growth”.

Even in the last years, the social economy has not expended its drive towards innovation; on the contrary, it has probably established a new stratum of its development. In fact, new initiatives have been set up all over Europe. Although they cannot be framed within the historically defined paradigm for the social

economy, they highlight innovative elements relating to the field of intervention, but also as regards organisational and management methodologies.

These organisations, called social enterprises, are the most recent and innovative expression of the social economy at European level. Their entrepreneurial scale – gauged by indicators such as the ongoing production of goods and services, a high degree of autonomy, a significant level of financial risk and the presence of a salaried workforce – is combined with a relatively new way of perceiving the “social” objective of an initiative. In this case, the social dimension can be assessed using indicators such as the fact that an initiative is undertaken by a group of citizens, the decision-making power is not based on the ownership of share capital, the participatory nature that directly involves the people engaged in the activity, the limited distribution of profits and the explicit objective of producing benefits for the community.

This definition of social enterprise, drawn up by the Emes research network, therefore establishes a unique entrepreneurial entity, which falls within the social economy, but at the same time certain elements make its output “irregular” compared to the more “conventional” organisations in the sector (associations, foundations, cooperatives).

The emergence of this new entity poses a series of important questions, also in terms of how appropriate support structures can be foreseen in order to sustain development and consolidation. The next paragraph will attempt to accurately analyse the distinctive features of social enterprises to define their “needs” in terms of support, with the objective of achieving greater coordination, representation and development.

### **The distinctive features of social enterprises**

Starting from the above-mentioned definition, an analysis is required to understand the distinctive features of social enterprises that can be interpreted also in terms of the specific needs of support activities. The following points contain a description, which is not necessarily comprehensive, of the qualifications required by social enterprises, focusing above all on the way in which entrepreneurial interventions are carried out in order to achieve their social objective. These comprise both the internal factors of these organisations and elements that refer to their external environment. The order in which they are presented does not necessarily reflect their degree of importance.

- *The overall interest as an objective.* Social enterprises are characterised by objectives that transcend the specific interests of the organisation's owners, creating benefits for wider targets, such as local communities and different social groups. In this sense, social enterprises can have a "public" objective because they contribute to extending the concept of mutual assistance that underlies the long-standing experiences of the social economy, in the form of cooperatives and mutual bodies. In fact, in these organisations the main focus is on the organisation's shareholders and therefore the benefits produced spin off first on these actors although, especially in the case of cooperatives, particular attention is paid to the involvement in community life where they operate.
- *The relational nature of the goods produced.* Social enterprises produce goods and services in which the dimensions of proximity and relationship with the beneficiaries are crucial to defining the contents and quality of the goods themselves. Often, the beneficiaries are people living in fragile situations entailing social exclusion. This makes it difficult to propose exchange models based on the portrayal of a "consumer" who has the necessary financial and information resources to rationally satisfy his/her needs. Activities such as care services, education, support for inserting disadvantaged people into the labour market, etc. are characterised as intangible goods, whose production requires a relational system involving various actors: the producers of the goods, the person who directly "uses" the goods or indirectly benefits from them, the entities funding the production and those who promote its consumption, etc.
- At the same time, these goods are not only used by the direct beneficiaries, but they are also used by people, groups, communities that indirectly benefit from them in terms of a better quality of life, greater social cohesion, safety, psychological well-being, etc. Thus "mixed" forms of social enterprises, combining producers and consumers (both direct and indirect ones), are quite common. The latter, either directly or through representation, are often involved as shareholders of the social enterprise, or actively participate in the production process (e.g. as voluntary workers or care-givers).
- *The hybridisation of resources as a support process.* Social enterprises achieve their entrepreneurial scale not only through forms of monetary exchange or within specific "trade arenas". In fact, these enterprises obtain the necessary resources for surviving and developing through multiple and complex forms of exchange: the resources resulting from contractual forms, which are typical of the market, combined with others whose roots are to be sought in the distinctive features of the objectives that are pursued and in the activities carried out by the social enterprises. These entail financial contributions and donations by public or private bodies, but also time worked on a voluntary basis, facilities granted on a free loan basis, etc. Thanks to these "additional" resources, social enterprises are

able to operate even in fields of activity where commercial transactions are not sustainable due to the absence (or lack) of demand by beneficiaries who can pay for the services or the fact that other actors are not interested in funding the interventions.

- *The local dimension as a field of action.* The relational nature of the goods produced and the ability to capture resources of various kinds for their support means that social enterprises tend to emphasise the local nature of their interventions. Even in the conventional forms of social economy, the local level of the action is often a unique element. However, as in the case of the objectives, social enterprises tend to attribute more importance to this aspect in order to define the suitable intervention modality. The fact that they are rooted in a restricted territorial context allows these companies to quickly identify the precise needs to be met, but also to recognise and enhance all the resources that can be used to organise appropriate forms of intervention.
- *The multi-party model as a governance system.* The collective nature of social enterprises is key to defining their social and entrepreneurial project. Their aims, the goods produced, the fields of action and the operational resources share a mutual need, that is to involve different people and organisations, both in terms of numbers and, above all, different interests and missions. Thus the government systems of social enterprises often foresee multiple forms of participation (workers, voluntary workers, funders, beneficiaries, etc.). In this case, they differ significantly from the more conventional meanings of social economy, whereby relatively uniform governance systems prevail as they are established around a well defined stakeholder that has a dominant position in defining the management strategies and methodologies. Social enterprises are therefore organisations that involve different stakeholders as they set themselves objectives of general interest, not simply on a one-off basis. Responsibility is not assigned exclusively to a single organisation, but it is a process that must be constructed jointly in daily practice, trying to merge the different positions and interests that exist on the territory.

Not unsurprisingly, social enterprises are often small-sized organisations (in terms of number of people involved). Their restricted size is advantageous, among other things, for maintaining an important relational system – in an unbureaucratic and anonymous form – both inside the organisation and in the relations with other actors (primarily with the beneficiaries of their own activities).

- *The emerging character and the issue of legitimacy.* Social enterprises are emerging actors that are now widely present and officially recognised. This leads us to surmise that they will become institutionalised. In general though, social enterprises have to compete with more structured entities (public bodies, market enterprises, but also other social economy organisations) compared to which they

sometimes have a subordinate role. This can be observed when social enterprises are too dependent on financial contributions (e.g. public grants) or when there is organisational isomorphism (adopting management tools which are peculiar to for-profit enterprises) and a poor ability to design and promote their own political-cultural project (because they are too concerned with daily management issues).

This is further underlined by the fact that social enterprises operate in sectors characterised by a high degree of dynamism and uncertainty as regards the evolution of needs and the availability of resources to support entrepreneurial initiatives (although with social objectives). On the other hand, these same sectors – for instance the social safety sector and education – have introduced significant changes also due to the role played by agencies, which traditionally operated in this sector (for instance the role of public administrations), thus leaving significant leeway for innovation and enlargement in other fields.

### **The needs in terms of support**

The analysis performed in the previous pages helped us to identify a series of elements that clearly illustrate the emerging and innovative forms of social entrepreneurship, which in the last decades have gained ground within the social economy sector in various European countries.

Although considering the differences – often significant – on how this phenomenon occurs, it is clear that relations are the key factor around which a specific identity is established in social enterprises, even as regards other experiences of the social economy. The relational character is translated, in operational terms, in the social enterprises' strong flair for building ties among the different actors – both with people and organisations – within their own "organisational boundaries" (for instance the composition of an ownership structure system), and in inter-institutional relations.

In other words, we can affirm that the organisational model of these new forms of social economy finds in networks not only a strategic option among various development prospects, but also an important constituent element. Obviously, these relations occur in a different manner based, on the one hand, on the characteristics of the actors involved and, on the other, on the nature of the objects and resources that are exchanged.

On this basis, the following chapter proposes a qualitative analysis focused on a particular type of relational system, based on the presence of structures that have the specific task of promoting and strengthening networking ties among the social enterprises and among these and other actors on the territory. Aspects such as the objectives, organisational structure and management system of these support structures will be analysed, thus collecting further useful information on the “typologies” that will help us understand the benefits they produce and against which costs.

### **3. A European review of support organisations for social enterprises**

The presence of support structures is essential for the social economy in order to guarantee its existence and development, as is claimed by some important documents such as the preparatory dossier for the conference on social economy held in Prague in 2002 and the evaluation report of the pilot guidelines of the European Commission "Third System and Employment" in 1999.

From this starting point, we have inserted the observations contained in the previous chapter relating to social enterprises, intended as a more recent and innovative form of entrepreneurship in the social economy. For these organisations the presence of support structures is an essential prerequisite, not only for contingent reasons, such as the search for a greater visibility and legitimacy within the framework of European institutions, but also to be able to actually implement their organisational model. In other words, the creation of specific support structures for social enterprises can be traced back to the emerging nature of these enterprises and also to the fact that in order to operate efficiently they need extensive relational systems through which they can understand the needs, capture resources, create a sense of belonging, foster inclusion in society, etc.

First of all, the chapter proposes an analysis on the general features of the support structures inferred from the material supplied by the Equal projects that have supported this survey.

It deals with issues relating to the way in which the support structures are set up, their functions, the methodology of the actions, the internal organisation and the funding methods. The boxes contain a brief description of the national typologies of support structures present in the Equal projects that participated in the survey.

Following the description of the general characteristics of the support structures, a SWOT analysis is proposed, summarising the strengths, weaknesses, opportunities and threats. The chapter ends by proposing a model for support structures that is appropriate for the new forms of social enterprise.

## **A brief overview on the experiences: the start-up phase**

Some factors emerge rather clearly on the support structures from the material supplied by the Equal projects involved in this survey.

The support structures are nearly always created as a network with a key promotional objective, that is to foster the visibility of a “young” sector whose structure is not always clear. Not surprisingly therefore, the support structures try, right from the start-up phase, to achieve a well defined basis of legitimacy. This is generally achieved by grouping together – in different forms and manners – social enterprises and other actors interested in developing this form of enterprise.

The support structure does not operate independently, but foresees, almost as a prerequisite for its existence, the presence of a network of actors that has developed a close-knit relational system able to provide the support structure with a clearly defined mission (this will obviously be confirmed and modified over time).


From this point of view, the support structure can be defined as a network composed, either entirely or partially, of the same organisations that are the beneficiaries of the support actions (social enterprises), but also of actors of a different nature that are interested in fostering its development. This kind of network identifies a specialist “node” within its structure, which is assigned an objective that can entail both support, consolidation, extension of the network and various activities, whose objective is not the network from which the structure stemmed. Appropriate resources and skills are allocated according to the tasks assigned.

Although support structures of social enterprises find fertile ground for their development in inter-personal and inter-organisational relational networks, a “bottom up” process tends to prevail in the concrete manner in which they are established. They are developed in some “mature” areas (e.g. where the social enterprise sector is already widespread and relatively consolidated), or on the basis of specific initiatives (e.g. an awareness-raising campaign or lobbying actions for the approval of a law) that then tend to be distributed on a uniform basis in broader contexts.

As a rule, they are established thanks to the commitment of small groups of organisations (“micro” bottom up), which then tend to extend the association base, although in some cases the support structures emerge within the networks that are set up by a rather large number of members (“macro” bottom up).

However, this is not the only start-up modality. There are also “top down” processes, that is support structures that try to consolidate existing networks of social enterprises or to group together various networks (“self-managed” top down).

In other cases, the support structures are established through external institutional initiatives (in particular public administrations, but not only these) that support the processes of establishing forms of representation to enhance the dialogue with social enterprises. In this case, start-ups can be defined as being “heterodirect top down”, where these support structures are also somehow “obliged” to carry out networking actions in order to establish their own legitimacy and sense of being.

<p><b>ACEPP (France)</b></p>	
<p>ACEPP (Association des Collectifs Enfants Parents Professionnels) created in 1981, today joins together more than a thousand local initiatives offering services to children and families.</p> <p>The objectives of ACEPP, which co-ordinates and manages this parent-based educational movement and sustains its development, are of three types:</p> <ol style="list-style-type: none"> <li>1. To give life to adequate services at local level that improve the quality of life of the inhabitants and contribute to the creation of employment;</li> <li>2. To strengthen the ties of local solidarity and the relationships between families given that these are essential factors for social cohesion and in the fight against social exclusion;</li> <li>3. To consolidate services and sustain the participation of the users and operators in management and operation so that they can adapt to the evolution of needs.</li> </ol> <p>The Acepp network acts at two levels.</p> <p><i>At local level</i> autonomous associations are responsible for the services offered to children and families. These are for the most part crèches or children schools, but include also games centres, pre-school receptions, playrooms, parent guidance centres etc.</p> <p><i>At national level:</i> the small local structures join on a voluntary basis Acepp that represents them at national level with regard to policies for children and families and offers the following activities:</p> <ul style="list-style-type: none"> <li>- <i>advice:</i> personalised support for the creation of projects for children based on a participative model;</li> <li>- <i>services:</i> to facilitate the functioning of the reception structures (insurance, financial management, human resources, etc.);</li> <li>- <i>training</i> the volunteers of the associations, the operators of the services and the staff;</li> <li>- <i>research actions</i> using specialised methodologies for rural environments and deprived urban areas;</li> <li>- <i>local development actions</i> in underdeveloped territories in order to stimulate the inhabitants to take their future into their own hands through the creation of social cohesion initiatives;</li> <li>- <i>publishing activities</i> addressed to various actors operating in the field of children services.</li> </ul> <p>At provincial and regional level there also exist thirty autonomous associations that represent the decentralised “antennae” of Acepp.</p> <p>Acepp is financed up to 70% by institutional partners at national and local level, but also by the decentralised territorial antennae, on the basis of monies drawn mainly from the Ministry of Social Affairs, but also from the Ministry of Labour and from other structures that support women's' rights, the social economy etc. Moreover, a significant part of Acepp funds comes from membership fees which are used to finance general services.</p>	

## **The nature of the ties**

The networks, as well as the support structures that create them, can be considered as emerging actors. They are relatively recent experiences and are still evolving. They are therefore considered to be innovative “dynamic identities”, although difficult to frame in specific typologies. Furthermore, they are often set up due to informal relations forged first among people rather than organisations (they are people-focused and not only inter-organisational-focused). This is why, for a certain period of time, some of them maintain an informal, loosely structured framework.

Having thus defined the support structure, in its start-up phase, the focus of the survey shifts onto finding one or more elements that can be considered as the network “bonding factors”: the legal form, business sector, beneficiaries etc. These elements are the basis upon which the specific “ideological” orientation of the network is formulated which takes the shape of a particular political – strategic stance that determines the various activities carried out by the support structure.

A further element qualifying the experiences of the support structures examined within the survey is the nature of ties among the various network “nodes” that promotes them and shapes their actions. In general, loose ties prevail, which tend to be activated (or they are activated by the same support structure) on specific issues, problems, actions (for instance a campaign, a development project, a lobbying action, etc.). Thus the possibility of activating the network ties in a timely and efficient manner focuses on the “ideological bonds” that create the mutual identity of the network and mission of the support structure.

As mentioned above, various aspects should be borne in mind: ranging from the sector of intervention to the legal form and from the value system to the fact of belonging to the specific territory. In any case, the objective of all the support structures is to clearly state their overall strategic objectives and promote an ongoing process of disseminating and sharing information and experiences among their members.

They are unlikely to be “neutral” structures, in particular as regards their political-ideological positions, even when the support structure carries out a technical-specialist activity (for instance administrative, counselling services). This is probably why many structures have adopted (or intend to do so) social communication, monitoring and reporting and record keeping not only of their activities, but in more general terms covering their identity, meaning their ethics and values (code of conduct) and vision, addressing not only the specific interest of the network


components, but in more general terms the territory and/or the business sector in which they operate.

A solid ideological base ensures that these structures have “multi-functional” characteristics, that is they are able to carry out a broad range of different activities that tend to change according to their life cycle. The most important aspect in this case is the level of coherence of the various activities carried out compared to the value point of view and strategic policies.

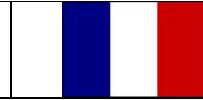
These observations allow us to make some remarks on the “management” aspect of relations within the network and between this and the support structure. The documentation collected shows that the relational system established between the support structure and the various actors that form the network prevail. On the other hand, it is clear that there is also an attempt to foster collaboration and exchange and, in some cases, there is a real integration of activities “in the chain” focusing on the same territory and field of activity.

Finally, it should be remembered that the support structures do not operate only as a horizontal network, but one of the tasks that is often attributed to them is the development of a vertical integration in regional, national and European networks, thus achieving local interchange opportunities within the framework of the actions that the social enterprises prefer to carry out.

Support structures of social enterprises follow a development route which leads them to consider themselves always as “focused connection sites”, or fields in which it is possible to access widespread and consolidated relational systems, both in horizontal and vertical terms. However, these systems cannot be accessed indiscriminately as the structures must conform to a system of values based on precise strategic actions.

<b>Social Firms UK</b>	
Social Firms UK became a legal entity in 1999. The majority of the Board of Directors are representatives of the regional networks of social firms. This ensures that programmes and measures undertaken by the national organisation reflect the needs and interests of social firms throughout the UK. The national organisation has a relatively small core which undertakes promotional activity, research, lobbying and has a resource centre of reports, books, videos and other downloads. SFUK's regional networks of social firms provide locally oriented and practical assistance to existing and emerging social firms.	

## Boutiques de gestion (France)



Boutiques de gestion represent an broad network of organisations aiming at supporting enterprise creation from business idea to start up and development (for a maximum of two years).

At territorial level Boutiques de gestion is composed by 665 employed consultants, 700 volunteer administrators operating in 299 sites covering 72 departments (out of 95) in all the French regions.

Their mission is to:

- Stimulate individual initiatives for the creation of economic activities and employment;
- Promote and support the creation and the development of small enterprises; Sustain project holders all along the start up phase;
- Propose advisory services for the managers; Propose adapted training; Actively participate to the «revitalisation» of the economic environment and to local development. They address mainly unemployed people and in particular long term unemployed, RMistes (people receiving low income benefits), handicapped workers, youngsters, women “alone” and travellers.

Boutique de gestion is funded by a mix of national and local funds coming mainly from public institutions financing unemployed.


## The functions


Having described the general features, we can turn our attention to the functions carried out by the support structure. These are general outlines that emerged from the material collected. It is interesting to observe that the functions have a different priority not only according to the structure examined, but also based on the life cycle of the structure. Some tasks are more apparent in the start-up phase, while others prevail in the consolidation and maturity phases of the initiative.

The following points attempt to define a kind of “function typology” of the support structures of the social enterprises, trying to present them on a priority basis, as observed in the material collected.

1. *Associative and promotional function.* The support structures generally group together “micro” experiences around one or more common distinctive elements which define the interests that will be promoted and represented. Furthermore, they also link the local networks “vertically” at regional, national and supranational level.
2. *Internal consolidation function.* The structures operate mainly to support the development of their representation system – but also of the single initiatives and new contexts – focusing on economies of scale by integrating a large number of actors, but above all working on increasing and disseminating the specific information and competences of each node of their own network and not only of the organisation that has the specific task of coordinating and managing the network.
3. *Policy function.* One of the key functions of the network is to draw up a political – strategic vision (both within and outside its own context) that will organise and

strengthen the “network pact”, besides raising the level of awareness of the nodes on the sense of belonging. Once the terms of the “contract” which binds the network members has been established, it is easier to organise forms of dialogue with other actors on the specific platform which clearly illustrates the orientation, strategies, expectations, needs.

<b>FKU (Sweden)</b>	
<p>The Association for Cooperative Development, FKU (acronym for the Swedish <i>Förening för kooperativ utveckling</i>) is a federative national organization of local cooperative development agencies (LKU). Each LKU is a fully independent local association. The organization, whose roots reach back to the mid-80s, was formally established by its members in 1994. It has at present twenty-five members that together constitute a cooperative development system with a nationwide coverage. The cooperative development system provides national impact, and high performance. On the face of it, the FKU system could be viewed as an ingeniously constructed quasi-public agency that implements government policy in the field of social integration and job creation. Simultaneously, it also has clear characteristics of an idea-based interest organization, that advances and lobbies with considerable success for an own agenda in the field of local development and social services, which needs not be identical with that of the government's.</p> <p>The system's evident success and high performance can be traced back to a number of key features. These are:</p> <ol style="list-style-type: none"> <li>1) <i>Public baseline financing</i>, that provides a minimum level of stability and continuity (and, thus, reliability in the eyes of important others)</li> <li>2) Resource dependence on the political center is balanced by an institutional requirement for <i>matching financing</i>, that motivates each LKU to cultivate its local contacts and maintain its embeddedness.</li> <li>3) A loosely-coupled <i>federative structure</i> that allows sufficient leeway for member-LKUs in accommodating to local demands, while handling relationships with central political levels.</li> <li>4) A <i>community of practice</i>: that stewards and nurtures its own body of knowledge and competence, and links the individuals active within the association in a professional organization of cooperative consultants.</li> </ol> <p>Success should not be attributed to any single feature of the design. Instead, it hinges on a careful balancing of <i>all</i> these ingredients. This complex balance was reached through a process of gradual, largely spontaneous development, and a series of incremental adjustments, through which the elements were assembled and attuned to each other.</p>	


<b>Cooperative Development Bodies (UK)</b>	
<p>They were born in the early 1980s as a response to deindustrialisation and rapidly growing unemployment. Left-wing local governments funded radical economic development projects such as co-operative development agencies (as they were generally called) as a form of resistance to the Thatcher government. At one point there were about 75 CDAs, covering much of the UK, particularly the urban areas. Many of them closed down as the funding was cut, but some of the current CDBs are survivors from that time. They have largely survived through entrepreneurial growth and diversity of funding, pursuing whatever economic development programmes were available whilst trying to hold onto their original mission. That means most CDBs now deliver a wide range of services to a wide range of clients. They nearly all have a social enterprise rather than purely co-operative focus.</p>	


## The operational methodology

The functions carried out are further detailed by describing the main activities carried out by the support structures.

- *Representation of interests.* This is a “classical” function whereby the support structures carry out promotional actions addressed to external interlocutors on the needs and requirements of the social enterprises (either belonging or not belonging to the network) presenting them as a single actor with well defined aims.
- *Facilitating ties.* Next to representation, it is the most frequent activity carried out by the support structures. In fact, the latter are equipped with more or less sophisticated computerised systems with the aim of creating an in-house relational system to facilitate the exchange of information, knowledge and expertise that the different nodes of the network have acquired.
- *Formulation and dissemination of strategies.* In this case, the support structures adopt decision-making processes that involve social enterprises in order to define the guidelines for the work to be performed by the network, and they implement initiatives to carry them out (mission statements, strategic development plans, codes of conduct, social financial statements etc.).
- *Delivery of services.* This activity is not carried out in all the support initiatives involved in the survey, as there are organisations that operate also on other fronts (representation, formulation of strategies, etc.). In any case, some directly manage – or, more often, manage through their specialised nodes in the form of agencies, service centres – the delivery of services, such as training, counselling, project design, etc. These activities often focus on supporting the start-up of new social enterprises in innovative sectors.
- *Business development.* In some cases, the support structures examined also contribute to the development of new business activities which generate revenue and development opportunities for the members of its own network and, in more general terms, for other strategic stakeholders. In this case, the most used tool is to access funding through projects, but also through initiatives focused on creating alliances among actors within and outside the network whose aim is also to develop business activities (e.g. by participating in public calls for tenders).
- *Quality control and assurance.* In this case, the support structures guarantee the definition and protection of quality standards by adopting marks, certifications, etc., that is tools that protect and enhance products or, in more general terms, the intervention modalities that characterise the work of their members.
- *Innovation.* The support structures tend to sustain and promote the more innovative initiatives in order to identify new fields of activity that are in line with

their mission. Some project initiatives concentrate on the start-up of new initiatives or the management of existing business activities, for instance through funded projects, allowing the exchange and transfer of good practices.


<p><b>Social Enterprise Coalition (UK)</b></p>	
<p>The Social Enterprise Coalition was established in July 2002 to provide a co-ordinated voice for social enterprise and enable stakeholders to work together to develop the sector. It brings together all the apex social enterprise organisations. It is funded by its members, by government and by sponsors. The emphasis is on lobbying and promotion at a high political level. It grew out of the recognition that although social enterprise is a rapidly growing and exciting sector of the economy, and one that has enormous potential, it has been fragmented and disorganised. One of SEC's priorities is to encourage the growth of regional social enterprise networks, each of which is entitled to a seat on SEC's Board. Social Enterprise networks have sprung up in many of the nine English regions and in Scotland, Wales and Northern Ireland. .</p>	

<p><b>The Civil Economy Observatories (Italy)</b></p>	
<p>The Civil Economy Observatories are the result of the collaboration - within the EQUAL QUASAR project - between Aster-X (Agenzia di servizi per il Terzo settore) and the Chambers of Commerce. They are formally constituted as organs of the chambers of commerce, which guarantees the revenue needed to survive. They are led by a president, who is a member of the council of the chamber of commerce, and who is supported by a co-ordinator and a secretariat. They are overseen by a committee bringing on board the combined strengths of the chamber of commerce, university, voluntary service, social associations and social co-operatives. Their tasks are:</p> <ul style="list-style-type: none"> <li>▪ to carry out research and supply information in support of the chambers' policies;</li> <li>▪ to represent the third sector;</li> <li>▪ to offer social enterprises tools, information, and skilled technical assistance to support their consolidation and development; these are delivered jointly by the Special Agency of the Chambers of Commerce and local third sector organisations;</li> <li>▪ to assist social enterprise start-ups, by giving them the possibility to become part of a system which has high quality standards and shares best practice.</li> </ul> <p>The observatories also play a role in transmitting the social enterprise culture, to everybody's benefit. They are being experimented in eight Italian provinces (Milan, Treviso, Forlì, Florence, Cagliari, Potenza, Bari, Palermo).</p>	

## The priorities

Besides the general activities carried out by the support structures, we can also identify some priorities which characterise "the agenda" of these organisations in the short–medium term. Contrary to what is proposed in the description of the functions, the presentation of the following points should not be considered in order of importance due to the great variety of initiatives managed by each of the networks involved in the survey.

- The first point refers to the extension of its association base, grouping together the existing initiatives but also promoting the start-up of new social enterprise experiences.
- The second priority is the effectiveness of the representation, both in quantitative terms – by increasing the number of associated actors – and in terms of “weight” brought to bear within the institutional system (for instance in the places where co-planning is achieved among the various actors for formulating intervention policies).
- Another priority related to the efficiency of the internal communication system is the development of benchmarking thanks to the better circulation of information among the network nodes, through which it is possible to identify innovative experiences that can be replicated in other territories and/or fields of activity.
- Finally, the visibility and influence on the external environment should be considered, in particular as regards some specific initiatives, the introduction of regulations in the specific sector, promotional actions in some more complicated contexts, awareness-raising and communication campaigns.

<b>FAF (Germany)</b>	
<p>FAF is a not-for-profit limited company, owned by the German BAG Integrationsfirmen, the German national social firm association that represents over 500 social firms in Germany with about 8,000 full-time jobs for people with disabilities and other people.</p> <p>FAF was started more than 15 years ago. After the first social firms were founded in Germany, the need for specific support came up, especially in the field of professional business consulting, training for social firm managers and other technical support. Today FAF has three offices in Germany (Berlin, Koeln, Chemnitz). FAF provides:</p> <ul style="list-style-type: none"> <li>- Business consulting</li> <li>- Training for social firm managers</li> <li>- Research and Evaluation</li> <li>- And co-ordinates European funded regional and national projects.</li> </ul> <p>The support structures have different areas of activities. However, they all have developed a set of tools that is needed to meet the demands of social firm development on different levels. It is important to provide business-plan development and business consulting to organizations or groups who want to start a social firm. These organisations and established social firms benefit from specific training courses which are designed to provide social firm managers with the necessary know-how and tools to plan, manage and run a social firm.</p> <p>Another important element is the culture of social entrepreneurship. People who start-up and run social firms are entrepreneurs who are highly motivated to move things in business and the social field. Social firm support structures are providing those people with the special support they need. Social firm support structures have played an important role for the development of a new culture of entrepreneurship and business management. Social entrepreneurs and social firms have the potential to provide positive influence to both, the social service sector and the world of mainstream business. On a broader level, it is necessary that social firms and social entrepreneurs have forums where they can network and exchange information and establish links to the business community, decision makers and other organisations. These forums need to be established on the local, regional, national and European level</p>	

## **The organisation and governance**

The organisational and governance solutions reveal further elements that show how social enterprises have equipped themselves with particular coordination and support systems.

There are a number of legal forms, but the association format prevails, thus proving also in this case that priority is given to grouping together and therefore to the presence of company ties which are not excessively binding, especially from the point of view of the responsibility of their directors. However, legal forms such as cooperatives, consortia structures, mixed forms of companies etc. are also widespread. These feature a greater involvement of the network members in development initiatives where a higher level of investment and responsibility (also in economic terms) is required.


The governance system broadly resembles the forms used within social structures, that is extended collective bodies that elect governance (boards of directors) and, in some cases, within these bodies the management tasks of managing directors and executive committees. It is interesting to observe how in some of the support structures involved in the study different forms of membership are foreseen with different decision-making powers and organisational guidelines. The most widespread case is that of the association base, composed not only of social enterprises but also of a mix of private and public actors, or the presence of ordinary members and members who are simply observers.

The choice of modulating the association mechanisms and therefore allocating the ownership rights is probably due to the fact that these bodies have similar interests although they operate in a different socio-economic context than that in which the support structure operates.

We should also mention the organisational model adopted by the support structures. In general, it can be observed that the main challenge for this structure is the creation of a management unit composed of managers and middle level managers with precise management tasks. In many cases, the support structures are small and have poor technical assistance skills. This occurs by choice because the idea of a "streamlined organisation" prevails, limiting the risk of bureaucratic self-focus – but in some cases also due to necessity (mainly due to limited financial resources). In order to meet this challenge, structures have adopted a solution that entails building "modular" organisational systems – based on project thematic groups – that carry out initiatives requiring specific skills for a limited time frame. They are subsequently wound up, leaving room for new activities.

In actual fact, the core activities of the support structures of social enterprises lie with the government bodies that often retain the management functions within their structure. Only in the course of time – and with a certain difficulty – do these structures manage to acquire suitable “team building” skills for the management of complex short-medium term projects requiring specialist skills.

<p><b>Federation of Socio-Economic Companies (Austria)</b></p>	
<p>At the beginning of the 1990s, federations of socio-economic companies were created in certain Länder (e.g. Federation of Socio-economic Companies in Styria). At federal level the Federation was set up in 1993 with the aim of drawing up a collective contract. Given, however, the almost daily struggle for survival that most of these enterprises face, this aim lost in importance. Therefore, today the Federation of Socio-economic Companies main aim is to create the necessary conditions for socio-economic companies to develop their supply on a steady basis.</p> <p>One interesting initiative was set up in summer of 1996 by the Upper Austria AMS, in the aim of creating a network between the socio-economic companies and conventional companies through an exchange system. The theoretical basis for this initiative is Michel Linton’s Local Exchange and Trading System (LETS).</p>	

<p><b>The consortia of social cooperatives (Italy)</b></p>	
<p>Consortia are second level co-operatives made by other social co-operatives (at least 70% of the associates, according to Law n. 381/91). According to the latest data there now exist approximately 200 consortia, and their rate of growth runs parallel to that of the social cooperatives. It should be recalled, however, that the consortium form of aggregation represents merely one, albeit consistent, part of social cooperation, while another, not insignificant, part is not linked to networks of this or any other type. This latter tendency is particularly visible in the south of Italy, where approximately 2/3 of the cooperatives do not belong to any consortium whatsoever, while in the centre-north the percentage lies between 35% and 40%.</p> <p>The consortium of social co-operatives achieves several highly desirable outcomes in Italy:</p> <ul style="list-style-type: none"> <li>– There is an integrated structure of support for new and established co-operatives (and other member bodies), which they are unlikely otherwise to find affordable;</li> <li>– Co-operatives can achieve economies of scale through their membership of a consortium, without growing to a size where their democratic structures or sense of member identity are threatened;</li> <li>– It provides brand identity for co-ops;</li> <li>– It enables a structural body to lead in initiatives, without undermining democratic principles through top-down measures;</li> <li>– Consortia arrange lower cost loans for members, through preferential arrangements with banks;</li> <li>– Consortia can act as intermediaries for municipalities to enable large contracts to be fulfilled by several member bodies operating together;</li> <li>– They provide a democratic forum for co-operatives to promote their interests;</li> <li>– They can assist member bodies to increase their influence in the planning and organisation of social care contracts.</li> </ul> <p>Participation in representative and co-ordinating networks, and in consortia in particular, does not merely signify a cultural or “ideological” choice, but has precise implications on an organisational level. The choice of belonging to a consortium is coherent with the “strawberry field” model, or, in other words, cooperatives that focus on small dimensions, on specialisation and deep-rooted intervention in</p>	

restricted territorial contexts, in order to qualify such intervention and be capable of genuinely promoting initiatives for social cohesion and development. The realisation of this model needs, as a basic requirement, that the social cooperative possesses a means of strong local aggregation. The consortium, in this regard, serves to safeguard the characteristics of the social enterprise model described above, while simultaneously permitting an access to economies of scale and the experimentation of complex and innovative services.

At national level, CGM is the main consortium of social cooperatives. It brings together 80 local consortia representing in turn 1350 cooperatives for a total of 35,000 workers, 5,500 volunteers and an aggregated turnover of 1 billion of euro nationwide.

CGM acts as a strategic agency in order to support and increase the integration of local consortia and promote a common notion of how a social enterprise should operate to the benefit of local communities. Its most typical product is thus to create and offer services capable of facilitating or developing the activities of member consortia, through a wide and complex range of actions.

At external level, CGM acts as a national actor of active social and labour policies.

## **The funding**

The economic sustainability of the support structure basically derives from three main sources:

1. Membership fees paid by the network members: It is generally not a marginal amount of resources but it is not sufficient to support the work carried out by the structure itself.
2. Revenue generated by the support structure through the sale of services, both to the organisations forming part of its network and to other public and private structures.
3. Revenue from funded projects, sometimes derived from credit facilities relating to the social enterprise context in a more or less explicit manner.

As regards the different kinds of funding, it should be noted that the percentages vary from one experience to another and they tend to change over the course of time.

This confirms how the search for economic sustainability by support structures of social enterprises can follow different strategies because it refers to transactions having different interlocutors and nature of exchange.

If we consider the sale of goods and services, there is an “internal market” (composed of the network of social enterprises), where the support structure usually has the advantage of recognising demand and therefore of modulating the offer. At the same time though, it is difficult to define the price of the service as the client is also the owner that therefore already contributes to its survival by paying a membership fee.

The “external market” to the network can be an interesting source of revenue, but in this case the support structures must measure themselves competitively with other

actors, which are often better structured and have a higher degree of skills as credit facilities are rarely “devoted” to social enterprises. Furthermore, the risk of an excessive dependence of the support structures on external actors with which they have entered into a limited number of agreements but from which they derive most of the revenue required for their survival. This excessive dependence means that the support structure tends to respond more frequently to the funder’s interests than to the requirements expressed by the network which has set it up.

<p><b>Centre for the Development of Social Economy (Italy)</b></p>	
<p>Promoted by the Equal project Essere, the Centre for social enterprise development intends to reinforce management skills and to get more quality in order to improve third sector positioning in local market. It has been constituted in the form of “association” by four local consortia of social cooperatives and some projects have been defined in order to get resources. In particular a good relationship has been developed with FILSE, (Financial Company of the "Regione Liguria", the operational arm of the Regional Government for the implementation of its economic and social policy), that helps and supports the Centre in terms of tools and promotion.</p> <p>Its main fields of work are:</p> <ul style="list-style-type: none"> <li>- To create a database on economic information on employment and social enterprises productive sectors;</li> <li>- To check progresses and outcomes;</li> <li>- To improve the relationship with press and media;</li> <li>- To improve the relationship with universities and schools in order to better reach teachers and young people;</li> <li>- To improve the relationship with profit enterprises on effective forms of cooperation;</li> <li>- To make more visible the employment potential of third sector;</li> <li>- To promote training projects strongly connected with productive strategies of social enterprises;</li> <li>- To create cultural events on social economy, involving the economic and financial world;</li> <li>- To identify a stakeholder map.</li> </ul>	

### **Summary of the Swot analysis**

The wealth of experiences observed in this survey can be further summarised through a SWOT analysis that defines, in general terms, the strengths, weaknesses, opportunities and threats of the support structures of the social enterprises, as they have emerged from the preceding paragraphs.

### **Strengths**

- Widespread dissemination, especially in some territories where it is possible to extend the number of participating actors.
- Prevalence of streamlined and flexible structures fostering the development of the sector, without them becoming too bureaucratic.

- Good allocation of social capital among the network members and among the networks themselves, allowing these organisations to organise and re-organise themselves over time in order to carry out specific activities.
- Drive towards innovation and development: the networks do not only operate to consolidate and “institutionalise” the sector, they also try to invest financial resources and know-how for the development and research in the field of innovation.

## **Weaknesses**

- Territorial differences: the support structures operate in contexts, even local ones, where there are several differences and peculiarities. They must therefore operate not so much to reduce the scope of the differences, but to try and manage the complexity.
- Scarce human and financial resources: sometimes the “streamlined” nature of the network management agencies is such that the support structures find it difficult to carry out the foreseen activities.
- “Stress due to excessive growth”: social enterprises are experiencing a phase of strong growth in most European countries. Support structures are therefore obliged to manage significant quantitative trends.
- Excessive informality / personalisation: in this case too, there is an element of weakness caused by an excessive emphasis on the peculiar elements of these structures, that is they are “personality-focused”.

## **Opportunities**

- Extensive dissemination and consolidation: the growth of the sector allows further success opportunities for coordination and support organisations.
- Strong internal and external drives towards clustering together: the support structures, but also their main interlocutors are interested in achieving a greater grouping together in order to increase the visibility of the sector.
- New opportunities to enhance the social enterprise: the role of these subjects is quoted more often in legal provisions and planning documents. Therefore new development and consolidation prospects emerge.
- Participation in the social dialogue: social enterprises are increasingly recognised as a “social partners” within social dialogue (in particular at local level).

## **Threats**

- Inclination towards self-focus: in particular as regards the creation of vertical coordinations between the support structures.

- Excessive mutualism: although support organisations are oriented towards developing their own network, there is however the risk of a “concentration on mutuality aid” prompting the support structure to operate so as “to protect its own interests”, losing sight of the overall interest objective that characterises social enterprises.
- Split offs, overlapping: the large number of organisations risks making the system of representation and interconnection of social enterprises with their interlocutors unclear.
- Trend towards technicality and specialisation: the general interest aim of social enterprises contrasts with the creation of excessively specialised networks.
- Dependence on public grants: if on the one hand financial contributions are a form of legitimacy granted by the public administrations, which recognise the importance of the sector as its own “official” interlocutor, on the other hand the excessive weight of this kind of revenue risks restraining the strategic and operational autonomy of the support structures.

## **A proposed typology**

Based on the general observations made in the preceding paragraphs, this section of the report proposes a typology of support organisations of the social enterprise that tends to achieve two objectives:

- to highlight the distinctive features of the social enterprise, also as regards the manner in which it promotes and manages the support structures;
- to summarise internally the extensive range experiences observed in the project material and literature on the topic. Therefore it is not only a matter of systematizing the “best practices” relating to Equal projects that have promoted the survey, but it also involves attempting to identify and analyse some “ideal types” of support structures.

The typology is based on the description and benchmarking of four models of support structures that are widespread in social enterprises (i.e. coalitions, agencies and network-based enterprises).

- *The coalition model* emphasises the clustering nature of the support structure as regards a specific issue, around which the social enterprises unite, but also other actors that have specific interests in the same. Coalition-based support structures therefore have one or more cohesion factors from which they draw their legitimacy and based on which they define their activity. They can be either temporary coalitions, in which case they are organised in a rather simple and “streamlined” manner or complex structures that tend to remain over time. The

presence of an extended network is useful to achieve the objectives, as the coalition operates through forms of lobbying towards external actors (for instance legislators).

- *The service centre model* is an effective way of guaranteeing to social enterprises, through the support structure, access to those services that are required to foster the development in the different phases of their life cycle (start-up, reorganisation, spin-off etc.). This type of service centre offers a broad and varied range of services: administrative and management control, training, strategic planning, research and development functions, etc. The service centre modulates its offer according to the needs of its associates, and follows market trends of these services delivered by other actors and to other kinds of enterprises. In this sense, the service centre can play different roles: it can directly manage some activities (in some cases even for different clients), but it can carry out a selection and “accreditation” function of external providers to which it guarantees access to its own network.
- *The agency model* assigns a promotional function to the structure in favour of the social enterprise, which is then implemented through technical – specialist activities, similar to those of service centres but in the different fields where the public and private actors of the territory plan the development policies. In this sense, the agency model support structure tends to take on a specialist connotation compared to the network of actors which promotes or, in more general terms, benefits from its activities. It is not surprising therefore that the agencies can have different legal forms and governance systems, where different actors are represented (for instance a public/private mixed format). Finally, the agency does not necessarily operate exclusively in favour of social enterprises. In fact in some cases, their activities can be addressed to the latter within the context of a more complex local development strategy.
- *The network-based enterprise model*: this is not a simple clustering of different actors or an agency specialised in promoting and developing initiatives but a real autonomous entrepreneurial entity stemming from the functional integration of social enterprises operating in the same territory and/or similar fields of activity. The network-based enterprise acts on the basis of strategies and regulations established by the actors that compose and govern it (social enterprises but also other actors). In this case, the support structure has “strategic node” function, carrying out the design, management and maintenance of the overall system of organisations.

For each of the proposed models some variables have been identified and described, underlining their characteristics as regards the aims, ownership structure, and governance system, functions and activities, internal organisation, methods of

funding and type of support. A last variable refers to the strengths and weaknesses of each structure referring to the peculiar features of social enterprises, as described in the previous chapter.

The typology obviously does not claim to be comprehensive, that is to cover all the possible ways of supporting the development of social enterprises. Furthermore, the models are not analytically distinct, but they overlap on different levels. Therefore the typology is focused on understanding the factors contributing to innovation that characterise the support structures, trying to link them to the peculiar elements of this specific entrepreneurial phenomenon. This does not mean that social enterprises have not found adequate support, even within the more “conventional” structures developed by the enterprises in general and above all within the social economy (e.g. large political trade unions of the cooperative world).

Finally, it should be remembered that the typology does not outline a sort of “life cycle”, it does not assume the shift from a coalition-based support structure to a service centre, agency or a network-based enterprise, but it simply highlights certain features for each model, which in actual fact can be combined within the same structure.

<b>Support structure models</b>	<b>Coalition model</b>	<b>Service Centre model</b>	<b>Agency model</b>	<b>Network-based enterprise model</b>
<i>Objectives</i>	Grouping together to achieve a specific objective	Support for the development and consolidation of social enterprises	Promotion of the social enterprise as an actor of local development	Establishment of a new entrepreneurial entity
<i>Governance</i>	Prevalence of forms of associations with an extended base	Service company which can have a different legal form than that of social enterprises	Specialisation of the support structure also through mixed ownership models (public/private)	Functional integration of the networked enterprises
<i>Functions and activities</i>	Representation of interests versus the objective	Delivery of services for the development and internal strengthening	Interconnection of the social enterprises in the territorial development policies	Implementation of new economic and entrepreneurial activities
<i>Organisation</i>	Determined by the nature of the objectives	Specialist competences (also external) compared to the range of services offered	Prevalence of competences linked to the medium-term strategic planning	Systems governing relations and the ability to manage complex economic activities
<i>Funding methods</i>	Resources of promoting entities prevail in the form of a membership fee	Prevalence of revenue from the sale of services to members and external clients	Mix of public/private resources derived from funded projects	Re-distribution of the surplus of the entrepreneurial activity (e.g. general contractor)
<i>Strengths compared to social enterprises</i>	Grasps the emerging nature of the social enterprise and promotes it as a separate sector	Strengthens the organisational and productive factors	Inserts the social enterprises in the co-planning systems with other economic and social actors	Develops an autonomous entrepreneurial dimension which is coherent with the social aims
<i>Weaknesses compared to social enterprise</i>	Low level of structuring and ability to respond to multiple needs	Techno-structure unconnected to the value- and strategic- based elements of the network	"Top down" relations among agency and social enterprises; scarce interest for these enterprises in territorial policies	Creation of holdings which restrict the autonomy of the network "nodes"

## 4. Conclusions: why should support structures be sustained?

The analysis performed in the previous pages allows us to propose some final considerations on the role of the support structures for social enterprises and, in particular, the possibility that they can be sustained in their action through focused policies.

Therefore, why should support structures be sustained? The replies to this question have been formulated as “recommendations” addressed to those who are involved, either directly or indirectly, in these organisations.

- The social enterprises are often supported by structures which are set up in a “bottom up” manner based on a close-knit network of relations among organisations and people and, above all, that can be set up in an efficacious manner around specific activities and initiatives. Thus through these structures it is possible to “get in touch” with an innovative phenomenon of the social economy and in more general terms with a new way of running a business.
- These organisations are usually set up around a complex development project relating to the territory or rather some communities or social groups. The support structures operate based on a vision that takes into account specific interests of social enterprises which have promoted them, but also aspects of general interest that transcend their own network. They are therefore an ideal partner of the public administration in policy making activities.
- The support structures carry out an important promotional function aimed at creating a new entrepreneurial entity which is becoming more popular across Europe, but there are significant territorial differences (at economic, social, legal etc. level). Without the intervention of these structures there is a real risk of a growth of the social enterprise only in some territorial “niches” or sectors of activity, thus only partial legitimacy in these innovative forms of enterprise will be achieved.

The situation is clear at European level, where social enterprises are becoming more widespread, nearly exclusively in some national contexts, while in others they seem to be infeasible. The support structures could therefore contribute to overcome this strong internal differentiation, favouring, for instance, the spread of definitions of social enterprise formulated at scientific level but often not yet recognised by the “experts”.

- The support structures do not spread uniformly, but they tend to concentrate in territorial contexts where the social enterprise has already reached a high presence on the territory and the ability to integrate themselves. This means that even support structures can magnify the differences in creating social enterprises therefore adequate measures are required to transfer and disseminate the best practices. In this sense, the conventional “bottom-up” start-up model (which generally requires medium-long implementation periods) can be integrated also by “top down” initiatives undertaken by the public administration, but also by the most important support structure networks at national and European level, for instance by concept modelling, exchange laboratories, replacement management, “twinning” of the structures which operate in different fields, etc.
- The structures have a very “streamlined” organisation, therefore at the moment there are no risks of excessive bureaucracy and self-focus that arise due to the need to act so as to ensure their survival and not to generate development opportunities for social enterprises. Furthermore, they are multi-functional structures able to carry out different activities in a flexible manner, according to the needs that are considered to be of prime importance.
- These features can also be considered weaknesses, especially when the support structures are going through critical phases of their life cycle such as their extension on the territory, the increase in the number of social enterprises that benefit their activity, the scarce financial resources to fund innovation or access specialist competences, etc.
- The support structures examined so far are characterised by a marked functional specialisation compared to social enterprises, as a promotion-oriented approach prevails in all the forms observed that tends to safeguard the specific elements. Social enterprises are a form of emerging entity and therefore are not yet well known in their context. Furthermore, it undergoes the risk of different forms of isomorphism compared to the organisational models and management tools formulated in other fields. A confirmation of the centrality of social enterprises emerges if we consider the composition of the ownership structure of the support structures in which these enterprises often occupy the position of dominant stakeholder.
- This does not mean, in perspective, that the support structures cannot enter into relations with similar organisations that have developed a particular focus on social enterprises. The “ground” on which the comparison between specialist and non specialist support structures can occur refer in particular to business related services (counselling, training, planning, quality certification, etc.). The results are not entirely predictable in this phase, although a trend emerges from the analysis highlighting specialist structures that take on a “gateway” role to their own entrepreneurial network, carrying out forms of “selection” and

“accreditation” of external suppliers with which contracts are stipulated, but also partnerships and strategic alliances.

Summarising the recommendations, we can affirm that there is a need to strengthen the support structures because through their actions it is possible to intervene on development factors that are fundamental for the success of social enterprises and that concern the visibility and reputation as well as the ties with the other public and private institutional actors, the strengthening of the entrepreneurial dimension and the ability to clearly express and account for their social mission.

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