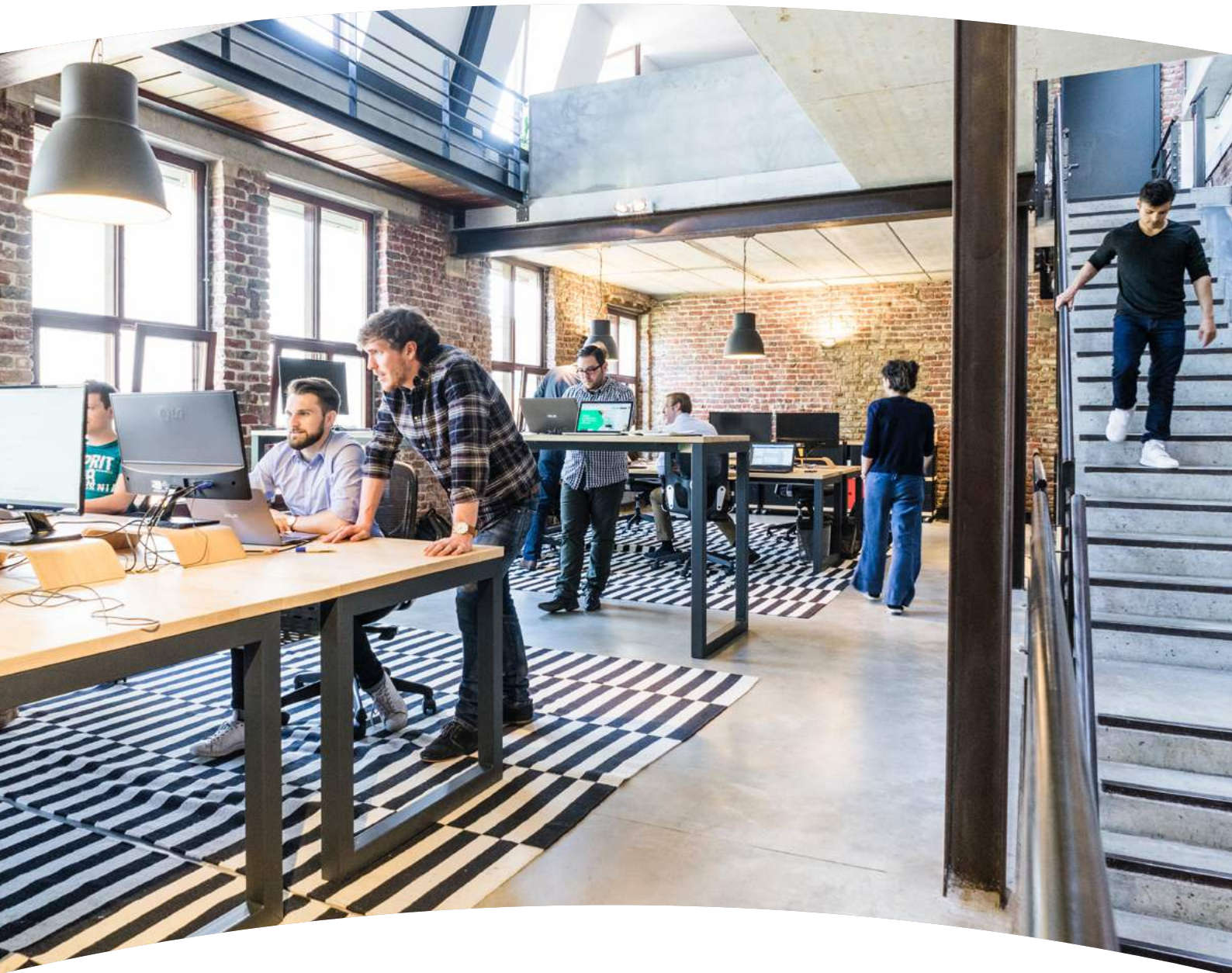




# Recommendations for an Inclusive Social Entrepreneurship Ecosystem

The SEMPRE Accelerators experience



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# The SEMPRES Accelerators experience

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SEMPRE Accelerators calls for inclusive social entrepreneurship ecosystems across the European Union. This paper is based on our practical experience of empowering marginalised groups to get involved in co-creation of social services and consequently supporting the initiation of social start-ups across the Baltic Sea Region. Building upon evidence from SEMPRES Accelerators, we provide recommendations for policy and decision-makers to design policies that strengthen the inclusivity and the social dimension of entrepreneurship ecosystems. The evidence presented in this report is based on the practical experience of the eight social start-ups from SEMPRES Accelerators.

## What is an inclusive social entrepreneurship ecosystem?

*Inclusive entrepreneurship contributes to social inclusion by giving all people an equal opportunity to start up and operate businesses. The target groups of inclusive policies and programmes are women, youth, seniors, the unemployed, immigrants and people with disabilities or disadvantaged in entrepreneurship (OECD/ EC, 2019).*

Inclusive entrepreneurship is an opportunity for local economic development and employment and contributes to social inclusion and cohesion. The aim of inclusive entrepreneurship policies is to offer additional options for earning income and contributing to society. It is an attempt to ensure equal opportunities for people and foster sustainable business development, regardless of people's background, age or gender. Local entrepreneurship ecosystems that support inclusive social entrepreneurship comprise various actors from the public and private sectors, business incubators and accelerators working in close partnership with non-profit organisations, local leaders and individuals. Interventions that help to overcome barriers for starting and sustaining those initiatives include flexible and integrated financial programmes, adjusted services, blended learning and other individual training or in-kind support. Individually tailored training and networking platforms facilitate the development of social start-ups and are substantial to exploit the inherent expertise of future social enterprises. (OECD, OECD/ EC, 2019)



### SEMPRES Accelerators for Social Service Co-Creation in Rural Areas

SEMPRES Accelerators (2019-2021) is a project that supports **inclusive social entrepreneurship** in the Baltic Sea Region. Its objective is to accelerate the growth and development of eight local co-creation initiatives, so-called "micro projects", and to turn them into successful, self-sustaining **social start-ups** that consistently offer services and/or products on local and regional markets. The micro projects have been developed in the previous project called SEMPRES – Social Empowerment in Rural Areas (2016-2019). The SEMPRES partners compiled and tested empowerment tools which social service providers can use to assess service needs among disadvantaged groups and to involve members of these groups in the co-creation of new social services.



While SEMPRE focused on the development of business ideas with tools such as the social business model canvas or theory of change, SEMPRE Accelerators goes further. The project partners have formed “accelerator teams”, each of which consists of representatives of the disadvantaged groups and established social service providers. The teams pool the ideas and experiential knowledge of the service users and the professional know-how of the social workers in order to overcome such challenges as setting up stable and efficient management and leadership structures, extending the range or improving the quality of the services, acquiring financing and involving more service users in the start-up.

SEMPRE Accelerators thus creates eight good practice examples of **dynamic and successful social start-ups that enrich the social service landscape** and take pressure off established service providers and public authorities who face increasingly difficult framework conditions for service provision in rural areas.

Examples of start-ups:

- „Stop over in Liepa“: A coffee shop that serves as a meeting space and work place for parents and young unemployed people in Vidzeme, Latvia
- SIVANs: A dog walking service run by people who have had trouble entering the labour market in Luleå, Sweden
- Newspaper & Web: A group of migrants that writes and publishes articles on integration issues in a regional magazine and on a website in Nordfriesland, Germany

## Existing entrepreneurship support structures

Local entrepreneurship ecosystems consist of business incubators, business accelerators and other entrepreneurship support systems. Traditionally, they target rather advantaged and capable groups and individuals. Resources are available for the development of service portfolios, supporting start-up initiatives and entrepreneurship management skills. These offers are embedded in local growth, innovation and business development strategies. Local entrepreneurship support initiatives are part of the existing economic development framework and can provide access to financing such as grants, crowdfunding, seed capital, or loans. Current support measures help in coping with standardised application forms, for example regarding requirements (business plans) with detailed description of financial outputs (see LEADER programme, national/local grants, fundraising competitions etc.). The SEMPRE Accelerators experience confirmed that existing entrepreneurship support serves mostly individuals who already possess a certain degree of entrepreneurship skills or administrative capacity. Some of the training and upskilling initiatives are explicitly targeted at youth (pre-incubation and start-up initiatives) or other specific groups. As a result, these support structures foster traditional, individual-oriented competitive business development - benefiting those who are highly skilled, have a good employment perspective as well as resources and practical experience.

## The European Union and inclusive social entrepreneurship ecosystems

A stronger focus on the social policy dimension of the European Union was a response to the failure of the Lisbon Strategy. The Europe 2020 strategy called for the mobilisation of the creativity of people and organisations on a large scale and to create effective solutions for major challenges. Thus, the EU supported a common social policy framework for social innovation, social relations and entrepreneurship as a part of the knowledge-based economy. Today, the European Commission supports networking activities related to social innovation and new solutions through incubation and funding, and promotes improved conditions for social enterprises (European Commission, OECD/EC 2019). Following EU and OECD guidelines and funding opportunities, the EU Member States started to develop their own entrepreneurship ecosystems – comprising various business incubation and social innovation models. Yet this work is still in the initial phase, and much remains to be done.



## Recommendations for an inclusive entrepreneurship ecosystem

Resulting from the practical experience in SEMPRE Accelerators and based on workshops with decision-makers in the partner regions and interviews with representatives of business incubators and local politicians, we compiled the eight most important recommendations. They address policy and decision-makers at the local, regional, national, and partially also European level. With these recommendations, we would like to show how better framework conditions can empower disadvantaged groups to develop their own social start-ups.



### Informal support

- **Show up, support social start-ups in your region, be an ally!**

If you and other decision-makers in your region manage to create a supportive atmosphere that shows appreciation for the work of social start-ups, then you already reached an important milestone that comes at no extra costs. The experience in SEMPRE Accelerators revealed a lack of knowledge and awareness among public authorities regarding disadvantages experienced by disadvantaged (future) social entrepreneurs, especially in rural areas.

- **Open doors, be an advocate!**

Evidence from SEMPRE Accelerators shows that, as social entrepreneurs, vulnerable groups require strong advocacy and support from door-openers. Advocacy includes support in communication and outreach, as it may be difficult for these groups to

get heard in society. Door-openers can provide access to otherwise inaccessible resources (be it financial resources or just the right contacts). Social entrepreneurs sometimes require access to municipalities and national or regional authorities, and door openers can facilitate these links.



### Infrastructure for support and capacity-building

- **Create tailored entrepreneurship support offers for disadvantaged groups.**

In SEMPRE Accelerators, social entrepreneurship and start-up initiatives, seed-money and other supportive measures were partly available in different stages during the project implementation. However, we also experienced that public funding initiatives are mainly offered in one “common basket” for highly skilled organisations and individuals.

- **Establish the “one roof principle” for disadvantaged communities and increase their capacity for active participation.**

The “one roof principle” is an idea to establish and maintain one platform (digital and physical) which specifically targets the involvement and activation of disadvantaged groups and supports their participation in the development of business initiatives, social start-ups or other formats that create a positive social impact. From our experience there is a need for practical support, guidance and information about resources that are accessible for vulnerable groups, especially in rural communities.

- **Establish systematic and regular capacity building, upskilling and training activities for vulnerable groups and rural communities.**

Integrated and alternative, systematic capacity building, upskilling and training activities shall be available on local level – as close as possible to the living places of individuals. Our evidence demonstrates that it is rather difficult for socially disadvantaged groups to participate in activation measures offered by public social services or employment services. In SEMPRE Accelerators, success factors were existing local networks and the creativity and commitment of NGOs and other leaders to attract external resources for upskilling and training activities for vulnerable groups (such as migrants, NEETs, ex-offenders etc.). However, these resources were mainly project-based, while systematic and regular community work requires reliable long-term funding.

- **Encourage knowledge transfer and exchange of best practices.**

The transfer of knowledge and exchange of best practices among different stakeholders is essential. In SEMPRE Accelerators, mutual visits, regional conferences, practical seminars, team meetings and other activities were success factors for knowledge transfer. Social start-ups would benefit from the institutionalisation of such schemes.



## Policy interplay

- **Social entrepreneurship is diverse. Make sure that policies at local, regional and national levels cater to this diversity.**

Several actors work with the concept of social innovation: traditional for-profit businesses, socially responsible enterprises, NGOs, established welfare organisations and more recently also new social enterprise umbrella initiatives. Social innovation and social entrepreneurship policies on national and regional levels are often either

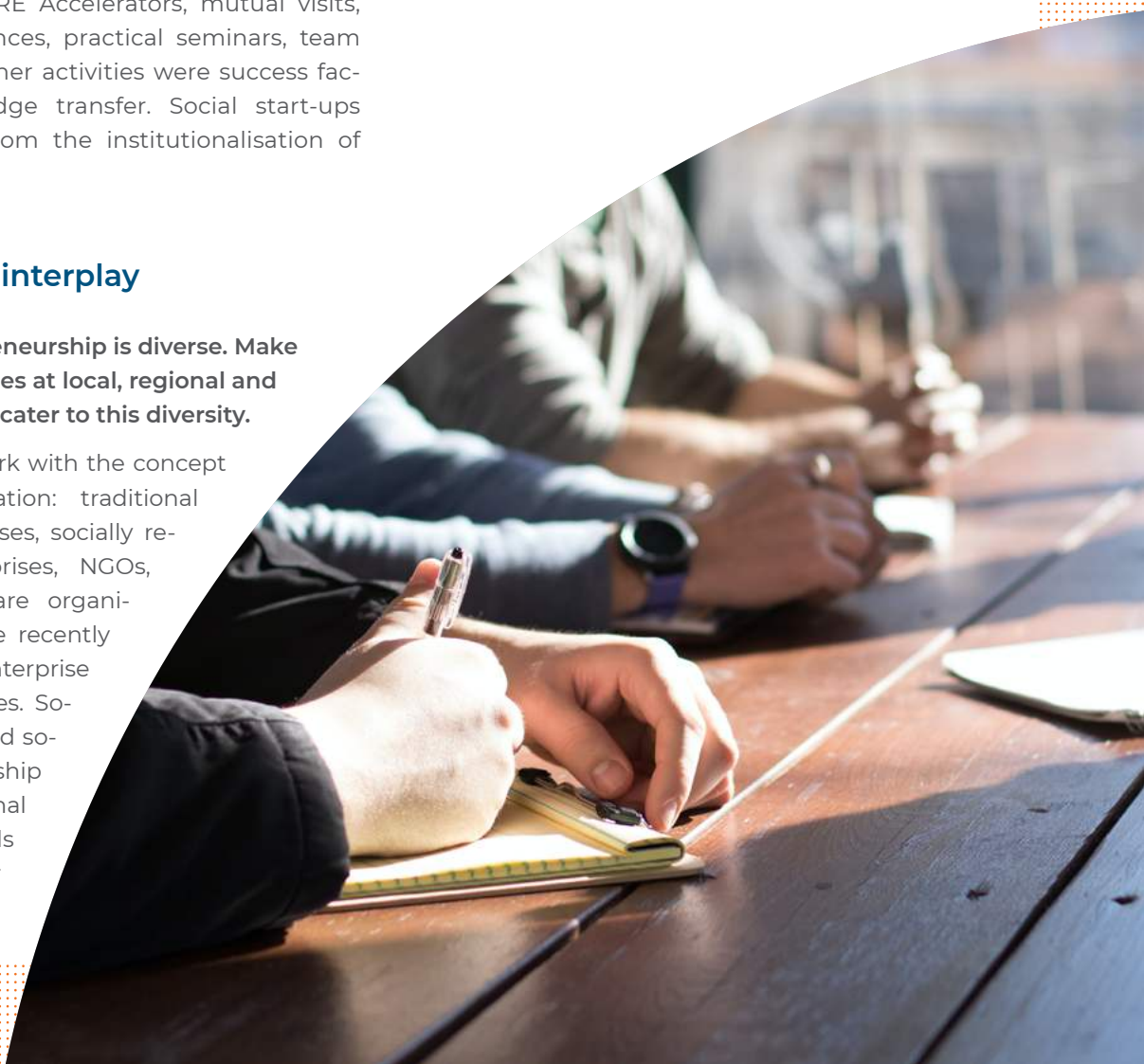
missing or incompatible with this diversity of initiatives. One success factor is a clear logic of macro-level policy structures, in which it is easy to identify the place for micro-level individual initiatives. Administrative requirements and bureaucratic procedures resulting from such policies should be tailored to the needs of vulnerable groups.



## Financing

- **Introduce tailored seed-funding schemes for initiatives owned by vulnerable groups.**

Separate, low-threshold seed-funding shall be available directly to vulnerable groups for their individual initiatives and projects. In most cases, seed-funding or local funding is not specifically targeted at these groups and criteria such as social innovation or social inclusion are not considered. Existing funding schemes are highly competitive and require project management skills both for project writing, project implementation and reporting. This also includes the EU funding such as LEADER, where it is difficult to develop a social start-up without additional financial and human resources.

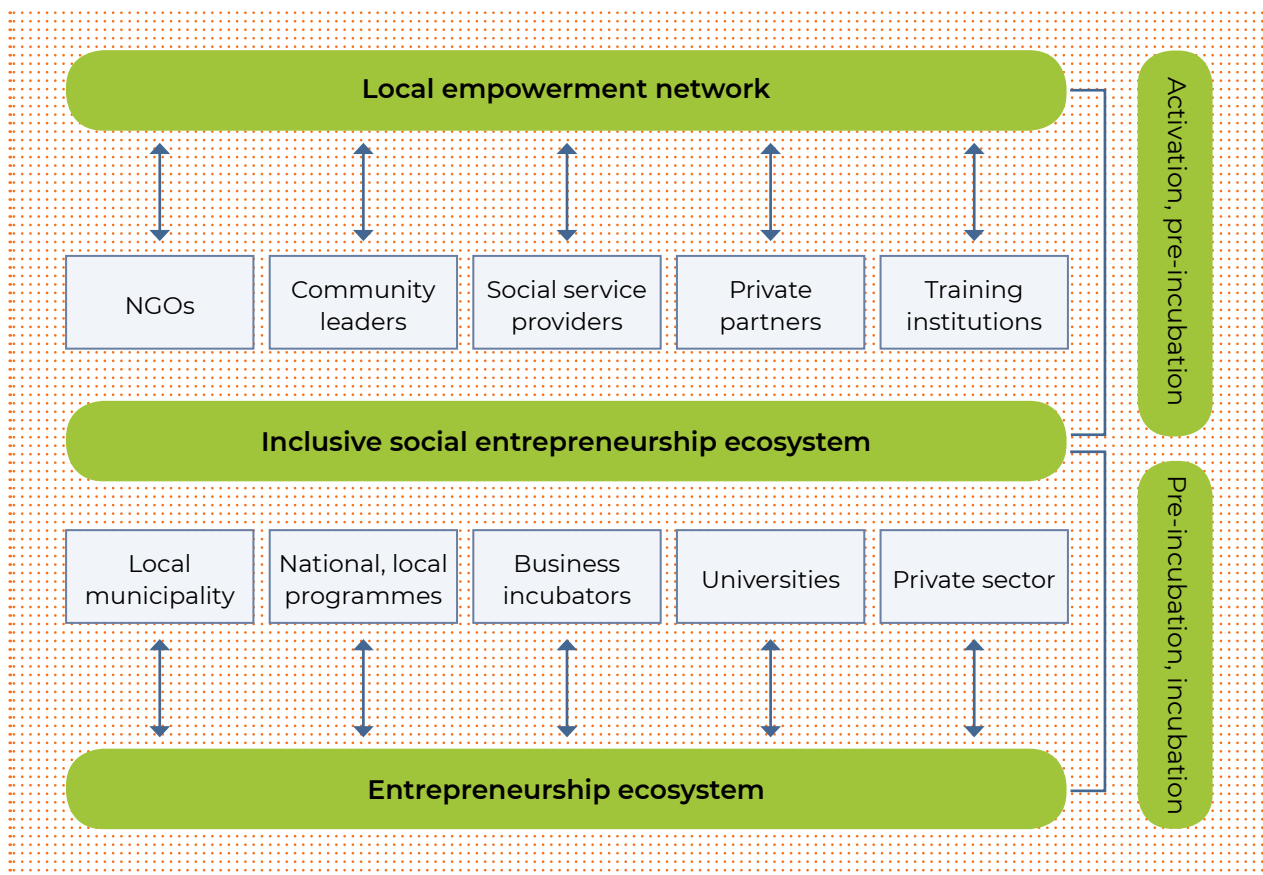


# Background: SEMPRE Accelerators and inclusive entrepreneurship ecosystems

When implementing the eight social start-ups in SEMPRE Accelerators, we identified two types of organisations that were essential players in the respective support structures:

- Firstly, SEMPRE Accelerators builds upon the existing expertise in the consortium: the project partners have long-lasting relations within the NGO and public sector which are aware of social inequalities, social needs and social services. These actors provided substantial support for the establishment of the social start-ups. Social support groups were mobilised, bringing together committed citizens and community leaders in so-called local empowerment networks (LEN), in close collaboration with social service providers.
- Secondly, new contacts had to be approached: local leaders, social thinkers, business incubators or business partners and public authorities on the local and national level. Bringing together local entrepreneurs and public and private sector stakeholders was an important success factor; evidence from SEMPRE Accelerators confirms that this cooperation was fruitful and creative in the process of developing various types of social enterprises (see figure 1).

Figure 1: Inclusive social entrepreneurship system – a generic model



Source: author's own (based on SEMPRE and SEMPRE Accelerators evidence)

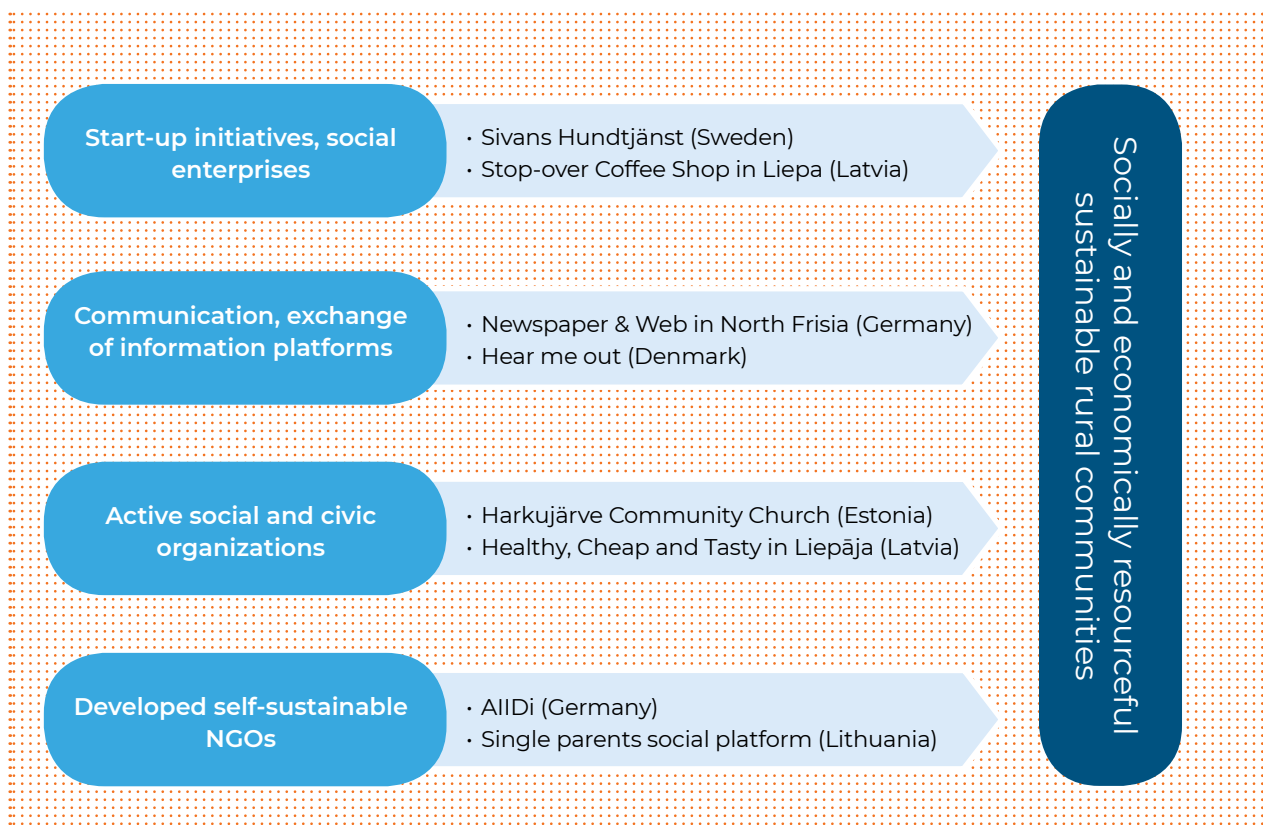


The social start-ups in SEMPRES Accelerators reached out to different stakeholders and established partnerships with business incubators, co-working and co-creation places, universities and educational institutions, social service providers and public sector institutions, social enterprises, private and NGO sector representatives, local leaders and other individuals on the national, regional and local level. This support strengthened individual capacities and demonstrated how empowerment works in practice. Networking and management support helped the social start-ups to develop mature organisational setups.

The scope of the social start-ups in SEMPRES Accelerators differed:

- Two of the micro projects successfully managed to set up self-sustaining social enterprises offering activation and employment opportunities for vulnerable groups.
- Two of them created information and exchange platforms, which are less business-oriented, targeting migrants and persons with mental difficulties respectively.
- Another group of social start-ups represents established, active social and civic organisations offering social services and strengthening community building.
- Finally, two of the groups developed self-sustaining NGOs supporting single parents and other vulnerable groups (see also Figure 2 and read more about the social start-ups at <https://www.sempre-accelerators.eu/sea-micro-projects>).

**Figure 2: SEMPRES Accelerators outcomes**



Source: author's own (based on SEMPRES and SEMPRES Accelerators evidence)

With the help of empowerment support tools, it was possible to build trust among participants, overcome specific shortages and challenges, develop activation and motivation strategies, emphasise communication and information exchange, set specific goals and reach out to external resources (for further details please refer to the Empowerment Handbook: a handbook on user involvement in social service design and delivery <https://www.sempre-accelerators.eu/results>)



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