



Report for Politicians

Activity Code: O2-A2

The creation of the resource has been (partially) funded by the ERASMUS+ grant program of the European Union under grant no. 2014-1-DE01-KA203-00624. Neither the European Commission nor the project's national funding agency DAAD are responsible for the content or liable for any losses or damage resulting from the use of this resource.



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Table of Contents

1. Abstract	4
2. Social Entrepreneurship	5
Eco-Systems	5
3. Methodology.....	6
4. Findings.....	8
4.1. Finland.....	8
4.1.1. The Business Ecosystem for Social Entrepreneurs.....	8
4.1.2. Entrepreneur's Perspective	11
4.1.3. Politician's Perspective	12
4.2. France	12
4.2.1. The Business Ecosystem for Social Entrepreneurs.....	12
4.2.2. Entrepreneur's Perspective	16
4.2.3. Politician's Perspective	17
4.3. Germany.....	17
4.3.1. The Business Ecosystem for Social Entrepreneurs.....	17
4.3.2. Entrepreneur's Perspective	21
4.3.3. Politician's Perspective	21
4.4. Hungary.....	22
4.4.1. The Business Ecosystem for Social Entrepreneurs.....	22
4.4.2. Entrepreneur's Perspective	26
4.4.3. Politician's Perspective	27
4.5. Iceland.....	28
4.5.1. The Business Ecosystem for Social Entrepreneurs.....	28
4.5.2. Entrepreneur's Perspective	31
4.5.3. Politician's Perspective	33
4.6. Italy.....	33
4.6.1. The Business Ecosystem for Social Entrepreneurs.....	33
4.6.2. Entrepreneur's Perspective	38
4.6.3. Politician's Perspective	39
4.7. Lithuania.....	39
4.7.1. The Business Ecosystem for Social Entrepreneurs.....	39
4.7.2. Entrepreneur's Perspective	41

4.7.3.	Politician's Perspective	42
4.8.	The Netherlands.....	43
4.8.1.	The Business Ecosystem for Social Entrepreneurs.....	43
4.8.2.	Entrepreneur's Perspective	47
4.8.3.	Politician's Perspective	48
5.	Discussion and Results.....	48
5.1.	Status and current achievements.....	48
5.2.	Implications for Entrepreneurs	49
5.3.	Implications for Politicians.....	50

1. Abstract

Purpose – This paper provides a comprehensive overview of the understanding of politicians about social entrepreneurship and its ecosystem. These findings are contrasted with the needs and wishes of social entrepreneurs.

Design/methodology/approach – The research used a qualitative research approach. We conducted in-depths interviews with entrepreneurs, politicians, and high-level responsible administrators responsible persons of eight European countries. Data analysis covers pattern matching and case comparison.

Findings – The findings revealed that the politicians surveyed had a lack of awareness of social entrepreneurship in many countries. There is a clear mismatch of the reported needs and wishes of interviewed social entrepreneurs and the statements from the politicians.

Originality/value – This research demonstrates the mismatch of the needs of social entrepreneurs and the awareness of politicians.

2. Social Entrepreneurship

Social entrepreneurship is a currently important, but still under-researched topic. Although the concept is not new, concrete understanding of what it is, as well as its expectations differ among decision makers. One definition of social entrepreneurship is that

[i]t combines the passion of a social mission with an image of business-like discipline, innovation, and determination commonly associated with, for instance, the high-tech pioneers of Silicon Valley. The time is certainly ripe for entrepreneurial approaches to social problems. Many governmental and philanthropic efforts have fallen far short of our expectations. Major social sector institutions are often viewed as inefficient, ineffective and unresponsive. Social entrepreneurs are needed to develop new models for a new century. (Dees, 1998, p.1)

Frequently the perception of social entrepreneurship is restricted to exclusively not-for-profit organizations as social entrepreneurs. In a broader sense, the term can refer to business owners integrating social responsibility into their organization. In the context of the European project, Marketing Communication Innovativeness of European Entrepreneurs (MARCIEE), we define a social entrepreneur as ‘...an entrepreneur with a social mission, and he/she uses profit as a mean to achieve the mission. Social mission is related to e.g. social well-being, sustainability, justice, migrants, unemployed, etc.’ (MARCIEE, 2017)

This means we decided to consider a broader definition of social entrepreneurship for the interviews with politicians and social entrepreneurs that were the basis of our research. This enables us to cover the complete picture of social entrepreneurship activities in all its facets without being entangled by various definitions given by national legislation and tax laws.

Eco-Systems

Each entrepreneur conducts their activities while embedded in an ecosystem that enables creation and exploitation of new ideas, concepts and business models. In fact, every ecosystem differs in geographical boundaries. In line with these differences, opportunities for social entrepreneurs differ, but also the entrepreneurial spirit of the societies. Thus, there are micro-cultures within the ecosystems. However, the ecosystems themselves are embedded in the national culture, legal and institutional environment.

The conceptual model (see Figure 1) of entrepreneurial ecosystems established by Isenberg (2011) enables us to cover a set of individual factors such as policy, finance, culture, human capital, supports, and markets, which have been combined in a multifaceted way (e.g. Stuart and Sorensen, 2007). The combination of all these elements could yield an integrative system that would lead to prosperous venture creation and growth. Specifically, integrating these different elements into an all-inclusive system demands a significant amount of attention from governments and public leaders to achieve a favourable outcome. Isenberg (2010) claimed that the failure of many governmental endeavours may

be attributed to their restricted view of entrepreneurial ecosystems, overemphasizing one or two elements.

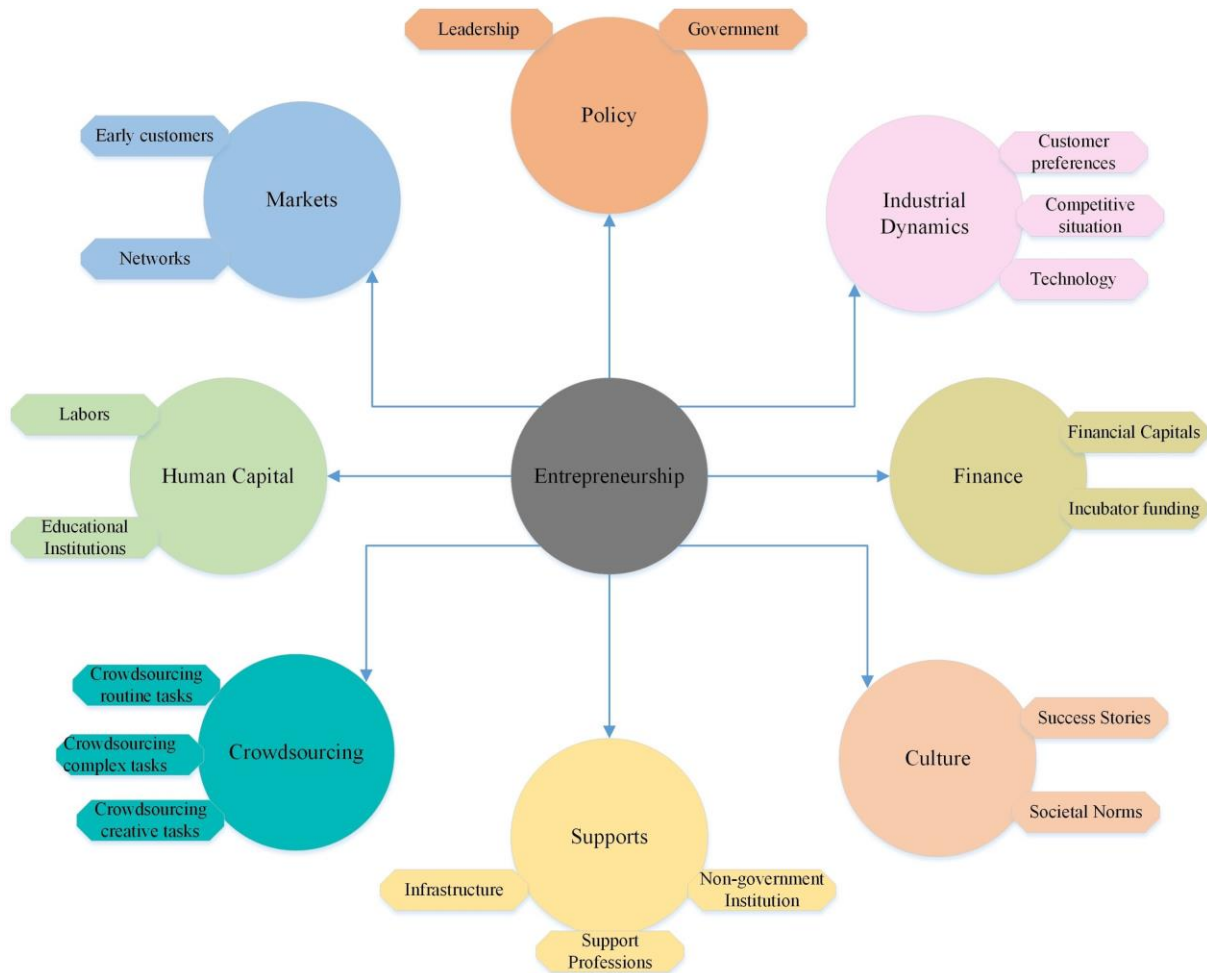


Figure 1. Entrepreneurial ecosystem framework
(from Maroufkhani & Wagner, 2017, after Isenberg, 2011).

3. Methodology

In order to obtain the results outlined in this report, a qualitative technique of extracting information from interviews and websites was applied in a systematic manner. The data analysis pursued cross-case synthesis in two phases: within each country and across countries. In the first phase, participants in the MARCIEE project gathered data by conducting in-depth interviews with social entrepreneurs and politicians or high-ranking administrators in Germany, Finland, Iceland, The Netherlands, France, Lithuania, Italy and Hungary. Since the participants are most familiar with the local entrepreneurial ecosystems surrounding their universities, the respondents were selected by a purposive sampling procedure (Heckathorn, 1997; Reynolds, Simintiras and Diamantopoulos, 2003). This non-random sampling enables a qualified appraisal of information, judgments, and statements given in the

interviews. Due to this familiarity of the researcher teams with the conditions, non-mention of facets and aspects were also assessed as relevant information and added to the interpretations.

The interview guidelines for the entrepreneurs addressed the following questions concerning support for social entrepreneurial companies:

- What is your main motive for being a social entrepreneur?
- Can you provide examples of your social entrepreneurship activities and their consequences/results?
- Which types of support do you get as a social entrepreneur and what does it mean for your company, if you do not get any, which support would you need/suggest?
- Are you aware of support for social entrepreneurs in other countries, if yes, which ones?
- Please describe your embedding (supportive or unsupportive) infrastructure (e.g. your access to resources relevant for you (including financial support), institutional-legal environment, and abilities to communicate with and to your stakeholders)? Can you explain how happy or unhappy you are with the social entrepreneur's infrastructure (resources, institutional legal, educational or communication) in your community/region/country? How can volunteers contribute to leveraging the social impact of your entrepreneurial endeavour? Do others devote resources (e.g. lifetime of money)? Did you ever think about crowdsourcing?
- How do you actually communicate to and with your stakeholders (e.g. customer/clients, volunteers, and public media)? Which media are you using? Are you satisfied with the public awareness of your social impact?
- How and how frequently do you meet with other social entrepreneurs? Where are they located? Do you share your experiences and learn from each other, or are you rather competing for the same resources, or do you even do both? Where do you meet them (physically or virtually)?

The focus of the interviews with politicians and high-ranking administrative persons was on the following issues:

- Can you please explain which types of support you provide to social entrepreneurs at the national level? Are you aware of complementing measures at any regional level?
- What is your assessment of how effective are the measures just mentioned? Which of them are most efficient, which are least efficient?
- Are you aware of support for social entrepreneurs in other countries, if yes, which ones? Do you meet and share experience with political decision makers or administrative leaders from foreign countries who are in charge of regulating and supporting social entrepreneurs?
- How do you benchmark the effectiveness of your activities? What do you consider to be last year's major achievement in supporting social entrepreneurs?
- Please describe the embedding (supportive or unsupportive) infrastructure (e.g. access to resources (including financial support), institutional-legal environment, and abilities to communicate with and to your stakeholders) of social entrepreneurs. Are there any specific issues for social entrepreneurs?

- Please assess the infrastructure by means of effectiveness and efficiency. What is best, what is worst on the national level? Are you aware of regional supports complementing the national infrastructure?
- How can you (or your colleagues) as a politician improve this infrastructure at the national level?
- How do you assess the public awareness of social entrepreneurs' achievements in your country?
- As a politician, which recommendation do you have to increase the public awareness of social entrepreneurs' success on a national level?

We aimed to identify possible similarities among the countries assessed with regard to the wishes, needs and expectations of social entrepreneurs on the one hand and the offers and support by the government represented by politicians or high-ranking administrators on the other.

4. Findings

4.1. Finland

4.1.1. The Business Ecosystem for Social Entrepreneurs

Social entrepreneurship as a concept addresses two different kinds of entrepreneurship in Finland. These two definitions are frequently mixed. There are societal enterprises with a social mission and they devote most of their profits to reach their social goals. These goals can be for example, social well-being, sustainability, supporting groups with special needs, justice, etc. (Arvo 2016; Association for Finnish Work 2016; Sitra 2012). But societal enterprises can also be a social company, i.e. a firm whose goal it is to create jobs for especially long-term unemployed persons and for people who can only work part-time. At least 30 percent of the employees in a social company must be handicapped or long-term unemployed. These companies do not differ in other facets from 'normal' companies. All social companies must be registered in the list maintained by the Ministry of Economic Affairs and Employment (Ministry of Economic Affairs and Employment, 2016a).

Societal enterprises in Finland try to solve societal or environmental problems and produce social well-being. They use most of their profits to reach their social goals. Their operations are profitable, but making profit for shareholders is not their first goal. It is estimated that there are thousands of societal companies in Finland. Usually people think societal enterprises are mostly involved with the social and health sectors, but social companies can operate in variety of fields (Arvo, 2016; Association for Finnish Work, 2016; Sitra, 2012).

There is no special support available for societal enterprises in Finland, and Finnish law does not make any distinction between societal enterprises and other businesses. Sitra, which is a public fund aimed at building a successful Finland for tomorrow, promotes the development of a Finnish model for societal enterprise by creating better operating conditions. It has been strongly involved in creating a definition and a brand for societal enterprises. As a result of these activities, societal enterprise models have been improved by creating opportunities for these kind of social companies to operate. Sitra has actively

been involved with defining societal companies and branding that kind of activity. Complementing activities are developing a funding system for social enterprises (Sitra, 2012).

The Association for Finnish Work launched the Finnish Social Enterprise Mark in 2011. The mark is for companies who give most of their profits to social good and who are trying to develop sustainability and solve social problems. It is a reliable way to show consumers that the company's goal is to ameliorate societal challenges and it also increases public awareness of social enterprises. The purpose of the mark is to help the social enterprises to distinguish themselves from other businesses and to increase the public awareness of social enterprises. That mark is usually granted for three years (Association for Finnish Work, 2016).

Arvo-union is a lobbyist organization for Finnish societal enterprises. The union's goal is to advance the business and combine business and social good in a new way. Members receive a strong and effective network of experts to support the entrepreneur. Also entrepreneurs get advice on different business models and on how to make social entrepreneurship an asset. The union's purpose is to act as a trustee of societal enterprises and to support their success. An explicit aim is to raise the public awareness of societal enterprises and increase the valuation of social companies (Arvo, 2016).

As noted above, the other type of societal enterprises are social companies whose goal is to create jobs for especially long-term unemployed and for people who can only work part-time or with special needs. This type of societal enterprise is more prominent in the public awareness. In 2012 Finnish parliament passed laws governing this type of societal enterprise. Section 1 of this law (28.12.2012/924) has a definition of a social enterprise: a social enterprise provides employment opportunities for people with a disability or illness, or who have been in continuous period of 12 months as an unemployed job seeker or who have received at least 500 days of unemployment benefits. The second section concerns the right to be called a social enterprise: §2 establishes a register of social enterprises, and no other than those that fit within the definition in §1 shall be entitled to call themselves such (Finlex, 2016).

Under Finnish law, social enterprises can only have salary support; there is no other support available for them. TE-services, an administrative unit of the Ministry of Employment and the Economy, grants a pay subsidy for social enterprises in the following situations, the same as listed in §1 of the social law. For example, when the social enterprise hires a person who has a disability or an illness, the amount of subsidy for social enterprise is 50% of payroll costs, up to a maximum of 36 months at a time. The amount of subsidy to be paid and the period over which it will be paid is decided by the TE office on a case-by-case basis (TE-services, 2016a).

Support for start-up social companies in Finland

If an entrepreneur has decided to establish a social company in Finland, she or he needs to find funding just like any start-up company, because there is no public funding particularly earmarked for the business ideas of social entrepreneurs. In Finland, different kinds of financial support for start-ups are provided and a strong start-up spirit characterizes the community. One prominent success in Finnish entrepreneurship society is the world-renowned event Slush, which is the Europe's leading start-up event. The aim of this event is to help the next generation of great, world-conquering companies move

forward. It is a student-driven, non-profit event, which was founded originally to change attitudes toward entrepreneurship. It brings together start-up entrepreneurs and investors. For example, over 2,300 start-ups and 1100 venture capitalists from over 120 countries participated in November 2016 (Slush, 2016).

Start-up grants are offered to encourage new businesses. The grant provides a secure income to the entrepreneurs when they are getting the business up and running, for a maximum of 18 months (TE-services, 2016b). Additionally, many angel investors complement the founding component of the Finnish entrepreneurial eco-system. FiBAN is a Finnish non-profit association inspiring private start-up investments. FiBAN is a network of over 500 investors actively seeking new growth companies (FiBAN, 2016). Finnvera is a specialized financing company owned by the state that provides financing for the start, growth and internationalization of enterprises. By offering loans, domestic guarantees, export credit guarantees and other services associated with the financing of exports, Finnvera's aim is to strengthen the operating potential and competitiveness of Finnish enterprises (Finnvera, 2016). Tekes, the Finnish funding Agency for Innovation that works under the Ministry of Employment and the Economy, offers funding for start-up companies. Their goals are to develop Finnish companies and boost businesses to global markets. In 2015, Tekes spent 140 million euros funding start-ups (Tekes, 2016).

Because societal entrepreneurs are treated the same way as any other entrepreneurs in Finland, the government itself does not offer any additional support in terms of funding for societal activities. However, Finnish companies are able to apply for funding from the European Social Fund or from European Regional Development Fund.

Educational System

Education in Finland puts emphasis on creating positive attitudes, serves basic entrepreneurial knowledge and skills, and is a model for entrepreneurial mode of operation. At the secondary level and in higher education, entrepreneurship education courses are increasingly offered as electives available to all students.

All universities that offer vocational studies for teachers also offer entrepreneurship education courses as electives for teacher trainees. These are usually allocated at the faculties of business administration, business studies and economics. The focus is spreading entrepreneurship and business know-how (Ministry of Education, 2009).

Young Entrepreneurs of Finland (Nuoret Yrittäjät) is a nationwide community of young entrepreneurs and entrepreneurially minded students, functioning within the Federation of Finnish Enterprises (Suomen Yrittäjät). Young Entrepreneurs of Finland organize training and events both at the regional and national level (Young Entrepreneurs, 2016). Five universities support this activity by providing space or even economic support.

Finnish TE Offices (public employment and business services) provide versatile services for entrepreneurs and those interested in entrepreneurship or starting a new business. These offices are part of Enterprise Finland's sub-regional business services network. Business services are also provided in cooperation by the ELY Centres, sub-regional development companies, enterprise agencies

and rural advisory centres. Current or starting entrepreneurs can find plenty of information and advice from the Enterprise Finland's website. Also TE Offices offer training for those who wish to start a business, or have already started one (TE-service, 2016c)

Crowdfunding

Crowdfunding is a funding method that entrepreneurs, companies or (especially) artists can use to collect funding for specific project. Usually the creator of a project puts the project on a funding platform, such as Kickstarter or IndieGoGo, and everyone that likes the project can support it with even small amounts of money. The point is that lot of small backers can create a great sum of money to fund a project (Ordanini, 2009.) Crowdfunding is a relatively new in Finland, and the parliament has legislated law for crowdfunding as lately as 1.9.2016, which eased regulations on equity-based and reward-based crowdfunding platforms. In Finland, it is still not allowed to collect free donations without special permission from the police board (Finlex, 2016b).

Like every entrepreneur, social entrepreneurs can also try to fund their companies with crowdfunding. The need and desire for crowdfunding increases rapidly and even the biggest Nordic bank, Nordea announced that they will launch their own crowdfunding platform (Nordea, 2016). The other biggest crowdfunding platforms in Finland are Invesdor and Mesenaatti. Invesdor and Nordea are equity-based crowdfunding and Mesenaatti is reward-based. Hence, under the new law Finnish companies are now also allowed to use international crowdfunding platforms, like for example, Kickstarter without any problem.

4.1.2. The Entrepreneur's Perspective

Three Finnish social companies were interviewed. Company A's core business is a search and appointment system that helps people in the need for therapy. They can find information about different therapists and their background and work methods in different areas. Company B employs people who are able to work only part-time because of different kinds of disabilities. Its core fields of expertise are metal components and wood/pressboard insulation for transformers. Company C developed a waste food restaurant that serves dishes that are made from food waste of supermarkets.

All of the three interviewees stated that they did not receive any more support as social entrepreneurs than other companies in Finland. The interviewee from Company B expressed the following:

All in all we get the same amount of financial support as any other company in Finland. The members of the ministry of Finland could come here to visit and to look how we run this kind of business and how this model could work in other companies as well and how the government could support societal companies. [...] I think it is pretty obvious that I am quite disappointed that our society does not support this kind of (societal) companies. The society cannot support if it does not even understand.

Finland's National Institute of Health and Welfare recommended that Company C apply for funding from European Social Fund. One entrepreneur noted that the term 'social' even takes on a negative connotation in this context:

I feel that in Finland a social entrepreneur or a company has a negative ring to the word social which means that although a social entrepreneur/company could get financial support they do not want to be one because of the negative impact it has in the eyes of the stakeholders. All in all, I do not find any positive impact the term social would have in the business world in here.
(Interviewee from Company B)

4.1.3. Politician Perspectives

As mentioned before, there are two forms of social companies to be distinguished in Finland. The interviewed Finnish politician was only aware of the support available for social entrepreneurs that hire disabled or disadvantaged people, which is called salary support.

However, she was not familiar with societal enterprises which mission it is, for instance, to solve environmental problems or produce social well-being. She stated the following:

A company's goal is always to make profit so I don't understand what societal entrepreneurs have to do with social entrepreneurs. I only know the social entrepreneurship, the company wants to do social good and hire disabled people and when they do so, they get a salary support from the government.

Consequently, she also did not know anything about governmental support measures for such companies. The lack of knowledge about societal enterprises in this Finnish politician is indicative of the point that in Finland, awareness about these is very low and measures need to be taken in order to create a broader understanding of social entrepreneurship among the Finnish population. Nevertheless, she recommended that social entrepreneurs themselves should initiate the discussion: *'To increase the awareness, we need to get the social entrepreneurs to tell their success stories.'*

4.2. France

4.2.1. The Business Ecosystem for Social Entrepreneurs

France is considered by many as the country who offers the most in terms of social support to its population. In 2015, social services and grant expenses represented around 32% of the French GDP (around 2,421 billion euros); these include Social security, unemployment grants, family grants, minimum wages, retirement subventions, etc.

Since social issues are placed at such a high value in France, it makes sense to presume that laws and regulations covering the social entrepreneurship area have flourished. In France there is a highly political recognition of the 'social and solidarity economy', which includes social companies. We identified laws and regulations aiming at emphasizing and developing this economy as a whole, however no law or regulation directly focuses on social entrepreneurship.

A law went into effect on July 31, 2014, governing the social and solidarity economy and creating a legal body, the Supreme Council for the Social and Solidarity Economy, which is in charge of giving advisory opinions on legislative provisions related to the social and solidarity economy, as well as

pending draft provisions concerning social entrepreneurship. A Ministry for the social and solidarity economy was also created in 2012, later replaced by the “Secretary of State for Trade, Crafts, Consumer Affairs and the Social and Solidarity Economy”.

As defined by Article I of the law, the Social and Solidarity Economy (SSE) is a way of undertaking economic activities. The law itself provides the following set of criteria to judge whether an organization can be considered as one providing a social utility and therefore whether it can be treated as an SSE:

- Existence of an objective other than just profit sharing
- Democratic governance (must be explicitly defined in the statute of the organization) envisaging access to information and the opportunity to take part in the decision-making process.
- Management of the organization complies with the following principles:
 - The majority of the profit is devoted to running and development of the company;
 - Existence of obligatory reserves that are indivisible and cannot be redistributed.
- Possess ‘social utility’ which encapsulates, inter alia: support of vulnerable people either because of their economic, social status or personal circumstances. Such beneficiaries can be customers, members, employees, users or beneficiaries of such an organization.

Start-ups meeting these descriptors are clearly social entrepreneurs according to the MARCIEE consortium working definition provided above. It must be taken into consideration that the concept of coupling business ideas with a social mission is quite new in French business practice. Compared to other forms of companies, no juridical form was truly representative of a concept such as social entrepreneurship, despite the existence of a legal form of social enterprise, created in 2002 (SCIC). Indeed, a company could not be defined as an association in France because of the fact that its main purpose is to make profits, yet SSEs are more than just a business. Therefore, the biggest contribution of this law for social entrepreneurs was to acknowledge them as a being part of the Social and Solidarity Economy, placing them among associations, foundations, and unions.

Funding

One of the most frequent questions entrepreneurs ask themselves when it comes to creating a company is “How do I find the money to start my business?”

In France, if a company wanted to have access to private or public funding, it had to be formally recognized by the government. This was considered a hurdle for social entrepreneurs struggling to find institutions willing to invest in their companies. But since the Social and Solidarity Economy has clearly been defined by the State, they have access, by definition, to their very own core of legal principles. Consequently, these companies have now a much easier access to both private and public investments such as grants, private equity, loans and crowdfunding.

Concerning grants, *Fonds de Confiance*, for instance, is a grant of up to 20,000 euros that aims at fostering the emergence of new social enterprises by financing them during the maturation phase of a project. Through the project *iDéclic Solidaire*, the region Rhône-Alpes supports the development of innovative and job-creating social and solidarity initiatives. The organization *Centre français de dons et*

fondations serves as link between enterprises and all sorts of grants, whether they are governmental or from other sources.

Regarding private equity, the CIGALES association is a solidarity capital risk structure aiming at mobilizing the economy towards the creation and development of small, local and collective enterprises. The concept of business angels is also available in France, i.e. affluent individuals that invest private capital usually in exchange for convertible debt or a portion of the enterprise's shares.

The *Confédération générale des Scop* makes investments in bonds worth between 25,000 and 700,000 euros with a minimum of 7 years conversion time. The cooperation URSCOP makes investments of 5,000 to 30,000 euros, either in bonds or shares. The association Auvergne Rhône-Alpes Active participates in short-term bond investments between 5,000 to 10,000 euros, with a minimum duration period of 18 months for small enterprises who do not yet have enough visibility to acquire medium term loans.

When it comes to loans, the French public sector financial institution *Caisse des dépôts & consignations* makes available equity loans of up to 400,000 euros with up to 15 years length and a maximum tolerance of 3 years. Auvergne Rhône-Alpes Active also provides loans without interest or guarantee requirements, of up to 7,600 euros that need to be repaid in a period of 3 years.

In regard to crowdfunding, the platform *Tous Nos Projets* by the investment bank BPI France is a participatory finance portal with a unique search engine that collects and lists projects of 40 partner platforms, thus, making finding worthwhile projects much easier.

Guarantees & Securities

- Garantie Creation– BPIFrance: a security covering up to 60% of the bank loan (for enterprises no older than 3 years old).
- France Active Garantie - Auvergne Rhône-Alpes Active: a security covering up to 65% of the bank loan (the security is limited to 45,000 euros).
- Fonds de Garantie Entreprise Solidaire - Auvergne Rhône-Alpes Active: a security covering up to 50% of the bank loan (the security is limited to 100,000 euros).
- SOFISCOP Sud-Est - URSCOP (cooperation): a security linked to the loans delivered by the Crédit Coopératif (cooperative loan) covering up to 50% of the bank intervention (limited to 130,000 euros).
- Garantie – SOGAMA: a security covering up to 70% of the investment bank loans.

Other specific funding

Funding targeting companies that are innovative at a social level:

- INNOV'ESS funds - SIFA - Auvergne Rhône-Alpes Actives
- Comptoir de l'Innovation- Inco: first world consortium for the innovative economy. Helps companies to finance their development plans with long-term (6 to 7 years) investments.
- PhiTrust Partenaires: fair-trade investment society

- Innov&Plus Loan - Banque Populaire
- FISO - Funds for the Social Innovation
- INOVIZI - Funding for young and innovative companies. Funds up to 11,000 euros that starts nine months before the planned creation of the company and that ends after three months of life of the company.

Educational System

Here we discuss to what extent social entrepreneurship is being supported through the educational system in France. To describe the educational infrastructure, different levels of support have to be taken into consideration.

For example, the Réseau Inter-Universitaire de l'Économie Sociale et Solidaire (RIUESS) facilitates an exchange between the different shareholders of social entrepreneurs. Another example is ENACTUS, which is a globally acting network that supports young people in developing their own social enterprises and associations. It operates in France as well as in 35 other countries. In France, 55 universities, business and engineering schools are involved. It gives young people the opportunity to work on a social project and improve people's living conditions around the world. One of the main goals of ENACTUS is to improve student managerial abilities; the projects help prepare them to run their own association or company, do relevant networking for their future careers and work in a social environment.

The programme JEUN'ESS promotes work in social enterprises and helps young entrepreneurs finance and create their undertakings. Its online magazine (say-yess.com) advises young people on how to be entrepreneurs and how to finance one's project. It cooperates with important public institutions as well as banks and insurance companies that financially support social projects.

Moreover, nowadays many study programmes focus on social entrepreneurship in France. Different universities and faculties have established an educational system in the field of social entrepreneurship. Already in 2012, French Universities offered 72 different study programmes related to social entrepreneurship. Different faculties such as Law, Management and Social Sciences are involved. One example is the study programme "Droit de l'Économie Sociale et Solidaire" at the Law faculty in Marseille.

Another example is at the University of Savoie Mont Blanc, which offers several courses connected to social entrepreneurship. The newly created 'Sustainable Development Project' helps students to establish their own project with a value for society. Indeed, Bachelor and Master programmes treat topics such as sustainability and give students the opportunity to lead projects in the field. For example, in 2014, with the agreement of the French government, the "student-entrepreneur" status was created. Thus, the University of Savoie Mont-Blanc has been able to set up a Master's program dedicated to students willing to focus on entrepreneurship during their last year of studies. This program gives students the opportunity to follow courses such as creativity, leadership, and innovation in direct connection with local economic actors. The partnership between the university and "Savoie Tecnolac" incubator is an asset of this program. To make entrepreneurship more accessible to students, the

university also offers aid to accompany and finance their entrepreneurial projects. The university itself (USMB), the incubator (STL) and the 'Savoie Mont-Blanc Angels' (SAMBA) offer a partnership that connects students with experts, who convey to them the entrepreneurial spirit.

4.2.2. Entrepreneur Perspective

Four French companies were interviewed. Company A is a pioneer in dealing with insurance for start-ups. Company B supports entrepreneurs with whom it works in various fields of business management: legal framework, professional insurance, and financial, accounting, tax, commercial and social management. The aim of company B's structure is therefore to enable its entrepreneurs to concentrate on their core business. Company C was founded in order to respond to the needs of social cohesion in the local area next to the border to Switzerland. The main motive is to reduce inequalities in this area. The company is aiming to fill the gap by helping social workers, social structures and socio-cultural projects using cultural and artistic tools. Most of the projects are contracted with the city. Company D takes care of collecting computer parts at the end of their cycle. The company uses dedicated software to determine whether the material will be sold as a spare part or if it should be upgraded/reconditioned; reconditioning is its core business, and it resells this material via its website or via its stores present in Annecy, Grenoble and soon Caen.

Executives at the companies were interviewed for their opinions on the level of support for the institutional environment in France. Company A explained that it does not receive any subsidies but as an inclusive company, they benefit from post aid:

The law provides that a person with a disability, due to higher constraints, may be 'less productive' than a person without disability. Consequently, this aid is intended to compensate for this shortfall. This helped us to develop quicker. [...] If we did not have this support, it would have been very difficult to create so many jobs in such a limited time. At this level, we are really satisfied and grateful to be able to benefit from these aids.

The company also reported that they received financial support.

Company B reported that due to a lack of knowledge concerning the support possibilities they did not receive any financial help:

Unfortunately, I was not present at that time, but I think we could have received more help but for that, it would have been necessary to know what aid, what files to mount and from whom. This search for information was at a time complicated for us, because the company also had to take care of its development.

Company C received government support. For instance, the company can rent places that belong to the city for very little money. They profit insofar from their partners that they exchange materials and knowledge on practices. Furthermore, the *communauté de commune* gave the company access to the technical services by lending materials and places to rehearse.

Company D has taken out a loan and the cooperative credit has become surety for it to benefit from this loan. The foundation Agir pour l'Emploi has also donated more than 1000 €. The interviewee

reported that there is certainly other aid that the company could have asked for; however, the search of information was at the time complicated for the company since the company had to take care of its development.

4.2.3. Politician's Perspective

The French politician interviewed commented on the support of the institutional environment in France:

Today, there is no criterion of aid. There is support provided to businesses such as business start-up assistance. These are collective operations to help entrepreneurs. However, this is not financial support. Financial support may be granted on investment aid. There is no aid scheme for the players in the social and solidarity economy.

In general, the political support provided social entrepreneurs is fairly good. Laws have been established, even a special company form exists and financial support is available from various sources. Also the educational sector impresses with a variety of offers in the field of social entrepreneurship. The interviews, however, demonstrate that the field is not as developed as it seems on first sight.

With regard to the access to money, France provides the ESS sector with various means of financial support. Not only the State supports social enterprises. Indeed, some private structures offer financial support as well. The problem is that they are numerous but barely organized.

4.3. Germany

4.3.1. The Business Ecosystem for Social Entrepreneurs

In Germany, social entrepreneurs have to choose a legal form of their organization to start business and gain market access. Table 1 gives a brief overview of common legal forms of German organizations, their main criteria and their advantages and disadvantages for social entrepreneurship.

Criteria	Sole proprietor	GbR	AG	UG	GmbH	Cooperative	e.V.
Founding formalities	++	++	--	-	--	--	-
Founding costs	++	++	--	0	-	--	-
Running bureaucracy	0	-	--	-	-	--	-
Personal taxation	yes	yes	no	no	no	no	non
Duty of double taxation	no	no	yes	yes	yes	yes	no
Register entry	no	no	yes	yes	yes	yes	yes
Creditworthiness	+	++	++	--	0	+	-
Minimum capital required	no	no	50K€	1€	25K€	no	no
Democratic decision-making	++	++	-	+	0	+	++
Personal liability	yes	yes	no	no	no	no	no
Involvement of stakeholders	-	-	++	-	0	++	+
Non-profit status compatible	no	no	yes	yes	yes	yes	yes

Table 1. (Praxisleitfaden Soziales Unternehmertum, Bundesministerium für Wirtschaft und Energie, 2016)

In general, there are no advance restrictions for the choice of legal form for organizations and entrepreneurs, but they have to consider, e.g. the cost and formalities of registration, the need for maintenance of a continuous bureaucracy, creditworthiness, personal liability of the social entrepreneur and integration of stakeholders.

An important question for social entrepreneurs, which is linked very closely to the issue of legal forms, is whether or not the organization is defined and declared as serving the public good. Serving the public good is defined as follows: ‘a corporation is serving the public good if its activities aim exclusively and directly at an improvement in a tangible, intellectual or ethical area without self-interest’. The legal forms mentioned in Table 1, i.e. ‘AG’, ‘UG’, ‘GmbH’, ‘Genossenschaft’ and ‘e.V.’ are compatible with the supplement serving the public good (BMW, 2016).

An organisation that is approved as serving the public good has tax benefits in several dimensions, according to the general tax code (Abgabenordnung) §§51–68, and which have to be applied for by the fiscal authorities:

- Exemption of corporate income tax, solidarity tax contribution and business tax
- Exemption or reduction (7% instead of 19%) of value added tax
- Exemption of gift and inheritance tax

➤ Exemption of real estate tax

Because of the diverse challenges of young social enterprises, their legal form often develops over time and even hybrid legal forms (e.g. motivated by their financing) are common. Thus, there has been an ongoing discussion about creating a new legal form for social entrepreneurs and their organisations (Höll, 2012; Walter, 2015).

Two federal institutions offer support and assistance for small- and medium-sized enterprises. The federal ministry of economic affairs and energy has founded a on-line platform called 'existenzgruender.de', where entrepreneurs get assistance in form of consultancy and sponsorship for consultancy in cooperation with the federal Office for Economic Affairs and Export Control.

Public Grants and Other Financial Assistance

This section focuses on the specifics of financing social enterprises and related barriers. A particular focus is on the possibilities and framework conditions of investment and loan models. They therefore assume a repayment of the capital employed or a (reduced) yield or interest rate expectation (Weber & Scheck, 2012). This means a creation of surpluses is a structural requirement for the social enterprises. Typically these enterprises have hybrid financing models that combine public and private funds, as well as performance-based and non-performance-based income (Mercator Forschungsverbund, 2012). Special regulations apply for the use of funds and prohibitions (e.g. for investment expenditure), which limit operational flexibility. As a rule, concrete project expenditures must be demonstrated; institutional support for the free use of resources is hardly possible, at least within the scope of a scaling process. Suspicion by public authorities leads to substantial reporting costs for social enterprises.

The incentive structures for social innovation leads to the following challenges:

- *Budget constraints prevent investment in preventive solutions and innovation:* Promotion of innovation frequently plays a subordinate role in the public financing landscape, and the given structures accordingly create only small incentives for innovative action. The tense financial situation of many municipalities, for example, which bear the main responsibility in child and youth welfare or social assistance, often only allow the most problematic cases to be covered. Long-term effective investment in preventive offers might be left behind for budgetary reasons.
- *Federalism and other political frameworks increase complexity:* The problems mentioned above are often reinforced by the federal structure and the municipal self-administration. On the one hand, various social enterprises repeatedly report to be pushed back and forth between different levels (for example, violence prevention programs). On the other hand, due to local self-administration, these structural problems are replicated at other locations.

Complementary social enterprises in Germany might also take advantage of a large number of non-repayable funds from private actors. Crowdfunding by private individuals, also strengthened by emerging crowdfunding portals on which social enterprises can present their needs, is an attractive resource for social projects. Administrative processing is normally carried out by the donation portals.

Donations and foundations are often used in the start-up phase, but they can also be permanent financing instruments.

In the recent past, impact investment has become popular – financial instruments with interest rate or return expectations in the social sector. Equity investments are investments in which the social enterprise is given the capital without repayment (if necessary, re-sale or resale), but with a return on expectation. The investor becomes co-owner of the company and gains a voice in how the company is run. Foreign capital is granted in the form of regular loans or microcredit loans with interest expectation and repayment claims to the company; the extent of co-ownership and other rights are not yet established.

Reporting and impact measurement

Some social entrepreneurs see themselves endangered by the extent of their reporting requirements and the documentation of social effects. The extent of paperwork required by investors (but also by public sponsors and foundations), both in the initiation of investments and in the documentation, is seen as reasonable, however, in the perception of some of the interview partners. This also applies to the Social Reporting Standard (SRS), which has been favoured by the main investors in social enterprises in Germany. This poses an interesting challenge in the entrepreneurial process, especially since a key feature of investor capital should also be the higher flexibility in use. With all its usefulness, for example, for internal quality improvements, this is a structural problem: donors and investors require evidence of impact, which costs time and money that could be used to increase impact in the first place.

Educational System

The subject of entrepreneurship is well represented in universities throughout Germany. There are about 200 courses in studies of entrepreneurship (www.studiengaenge.zeit.de, 2016). However, the subject of social entrepreneurship in particular is covered only by very few institutions, e.g. the centre of social investments and innovations in Heidelberg (CSI Heidelberg), the chair of social business at the faculty of Management and Economics of the European Business School in Oestrich-Winkel (EBS), the Leuphana University in Lüneburg with their Master's program in sustainability management, and the Social Entrepreneurship Academy (SEA) in Munich. Some institutions go beyond teaching and offer consultancy services and even fund social innovation projects (European Commission, 2014). For instance, The Science Park Kassel is located on the campus of the University of Kassel. This start-up and innovation centre comprises over 60,000 square feet of office, laboratory and workshop space for spin-offs of the University of Kassel and companies wanting to be close to the university. The space is adapted for diverse needs: daily use of the Idea lab, meeting rooms and co-working spaces, to permanent use of flexible custom offices, laboratories and production space.

The professional and creative environment created and its proximity to the university make the Science Park Kassel an ideal location for innovative start-up companies in all industries. UniKasselTransfer offers advice of experienced specialists in start-up development, product development and start-up financing in house. In addition, the UNIKAT Startup School, also located in the Science Park, provides a diverse workshop programme for all questions about establishing an enterprise.

Another example is SEA, mentioned above, which was established in 2010 as a cooperation network between four Munich universities. SEA has its own study curriculum, supports social start-ups with incubation centres and consultancies, and is building a broad network of stakeholders around social entrepreneurship. Courses in corporate social responsibility and the new ISO 26000 norm on social responsibility are also abundant (European Commission, 2014).

4.3.2. Entrepreneur Perspectives

Six German companies were interviewed. Company A combines the production of wool hats and bringing together people of an advanced age. Company B provides clean drinking water in regions with poor water infrastructure. Company C is an environmentally friendly grocery store that sells food without any packaging. Company D is a state-approved integration company and owns two second-hand stores, a job market and six supermarkets. About half of the workforce consists of people with disabilities or other significant impairments. Company E's services range from facility management to event security, with a goal of hiring immigrants as employees. Company F has the ambition to sustainably reduce youth unemployment. Its focus lies in bringing unemployed people into training/work and creating new perspectives.

Company D mentioned three monetary benefits employing disabled and disadvantaged people: sales tax reduction, salary support and investment grants available to those creating new jobs for disabled persons. None of the other interviewed social companies received more support by the government than conventional companies. The interviewee of Company C noted:

I do not get any financial support for my company. I would like to see some sort of support for companies that protect our environment in the future. Reduced taxes for these companies could be a good solution by our government.

Companies also expressed their lack of knowledge about governmental financial support. Company B, for instance, receives money for many of their projects from corporate social responsibility departments of large firms or donations collected by NGOs. Thus, these are funds that have a social character and are supposed to be used for social purposes.

When it comes to the awareness of social entrepreneurship in Germany, it seems to be growing steadily, for example through organized informational events or the implementation of 'social entrepreneurship' study programs. However, making aware of the activities of social entrepreneurs and their importance can be still challenging.

For instance, Company B struggles with awareness of their social impact as the interviewee explained: *'We are engineers and concern ourselves rather with the subject instead of communication strategies. However, it is extremely important in order to be successful.'*

4.3.3. Politician Perspectives

Three German politicians were interviewed. Comparing the three interviews, a primary result of the research is that the term 'social entrepreneurship' had no unified meaning. The relevance of the concept

and its various manifestations were perceived differently by the German politicians. Whereas some interpreted the terminology rather broadly, there is no common concept of whether social entrepreneurship excludes the entrepreneurial aim of profits – as it is in some rules of the German tax law. As a direct result of the fact that in Germany no specialized legal form for social entrepreneurs – combining social purposes with making profits – has been established yet, there are also no specialized governmental or administrative support measures available.

According to the interviewees, it seems that political decision makers are less aware of the concept of social entrepreneurship and the supporting entrepreneurial ecosystem in Germany. Notably, all interviewees were eager to support social entrepreneurs and aimed to equalize their operational conditions to a level comparable to their not socially oriented competitors.

Social entrepreneurs are invited to participate in educational and informational platform events held by political parties (or their associated foundations) and labour unions. The support for social entrepreneurial issues is on the agenda of the chambers of commerce and start-up centres for young or just started social companies. However, the scope of a supporting infrastructure specifically dedicated to social entrepreneurs is by far not as broad and detailed compared to the infrastructure for start-ups in general.

4.4. Hungary

4.4.1. The Business Ecosystem for Social Entrepreneurs

Similar to Germany, there is no special legal form or status for social enterprises in Hungary. Social enterprises can have a wide variety of legal forms with all their advantages and disadvantages. This results in a colourful palette that is beneficial for the further development of the sector since it leaves room for innovation and experimentation. The most important relevant laws are the following:

- the Civil Code defines foundations and associations,
- the Civil Law valid from 1 January 2012 (CLXXV. 2006. Act about the right of association and the law of public interest status) contains further instructions on NGOs,
- the Law of Business Associations IV. 2006 Act regulates the operation of non-profit business corporations,
- the X.2006 Act and the V. and CLXXVII. Acts 2013 contain the functioning of social cooperation, and
- tax obligations of the non-profit organizations are included in various tax laws.

The Hungarian legal framework allows non-profit organizations to conduct economic and business activity only as a secondary activity. Regulations permit social enterprises to operate, but on the other hand there are plenty of administrative requirements that hamper their implementation, for example issue involving fiscal and labour law.

There are no particular or discriminative acts and taxation for social entrepreneurial enterprises, since they are not a separately defined category. Therefore, there is no clear regulatory environment for only these types of organizations unless they have some special status, such as a benefit for the public. The

social enterprises in non-profit form do not have to pay corporate tax if their activities can be classified into certain specified categories or 'activities by purpose'.

As for the non-profit business associations, economic activity can be exercised only in a complementary basis. The profit from operations of the company cannot be distributed to the members (shareholders), which increases the assets of the company. The complementarity is a limiting criterion since it blocks the growth of the company and through that the improvement of its social impact. Furthermore, it forces the non-profit organization to wrap its 'activities by purpose' in an economic activity or always have a large amount of non-revenue related income. Unless it is also a continuous task of the management to do traditional fundraising, it can unfortunately lead to fragmentation of resources. The explanation for this certainly roots in the fact that in Hungary, non-profit companies are recently mostly the assignee of earlier former public utility companies and thus, most of them are not independent from the public sector and usually do operate in a market-oriented way.

The non-profit organization legal form is also opened for new entrepreneurial organizations. Non-profit business enterprise have problems raising capital in the market, since the form narrows the range of available investors. For this reason, more social enterprises choose to found a business enterprise instead and fix its public objectives and commitments in a different way, such as corporate contracts, vision and mission statements. In Hungary, there is currently no official certification for social enterprises, although many people would welcome a kind of formal business name for this qualification. In line with the European Union's discussion, the topic is addressed in the Hungarian Social Business Initiative as well.

By now there are no explicit infrastructure facilities or support systems to social entrepreneurship in Hungary. Recently, many non-profit organizations have successfully participated in helping social groups in regions which were hit by high unemployment. Their training programs and job search services, which are often operated within the framework of social entrepreneurship, helped hundreds of people to return to the labour market. These social enterprises operate in cooperation with the Labour Office. They actually take over governmental duties and perform successfully, while on the business side they work on their sustainability to avoid depending on state contracts and tenders in the future.

The recent labour market policy measures – such as public works programs or the creation of social cooperatives and accordingly, the transfer of sources – completely shook the position of previous programs and businesses, and some of them closed. Due to this change, many endeavours disappeared that promised long-term and sustainable solutions and through the training element they were also in line with the advertised employment policy objectives and directions.

The Széchenyi Card program, which is a state-funded discount, offers general-purpose credit opportunities for micro-, small- and medium-sized businesses in Hungary. However, for enterprises classified as non-profit social enterprises it is not possible to claim this opportunity, even if based on their business plan they would be qualified as creditworthy. Similarly, non-profit social enterprises can go with still little competition for economic development dedicated to small and medium-sized businesses, while they are also forced out of most non-profit application calls.

Considering social enterprises in Hungary, some organizations provide support and help in navigating potential pitfalls for entrepreneurs in this field. One of them is NESsT, which is a non-profit organization that gives a supporting hand to social entrepreneurs, and whose objective is to promote social development and changes. NESsT aids social entrepreneurs in establishing and strengthening their financial independence and provides solutions to the most pressing social issues in countries with market economies through supporting and developing sustainable social entrepreneurs. Another organization of public utility is the *Kék Madár Alapítvány* (Blue Bird Foundation), which is working to create job opportunities for disadvantaged groups such as the disabled, people with altered working abilities, low educational attainment, or people who have become inactive because of child-raising, with training and preparation programs for as long as needed.

Társadalmi Vállalkozók Klubja (Club of Social Entrepreneurs) was launched in September 2012 as a joint initiative by NESsT and the Blue Bird Foundation. Its aim is to collect anyone who is interested in establishing and operating social enterprises.

Although the social enterprise model is known and established in Western Europe and in the Anglo-Saxon countries for solving social issues and problems, this concept sounds quite strange and unknown to many people in Hungary. Moreover, there is still not common definition of what these are, as there is in many of the EU countries. However, it can have a positive effect in such countries like Hungary, even where the sector of social enterprises is still small, as this situation gives opportunities to include several types of models in this concept and to grow in this way.

Despite the unpredictability of the domestic economic and regulatory environment, there are an increasing number of operating and promising Hungarian social enterprises, as well as programs that seek to support them. Due to the financial issues and the vulnerability of non-profit organizations, more and more organizations are considering the importance of diversification, which makes them think of sustainable solutions. Thus, despite the growing interest characterizing this social area, many individuals are discouraged by being illiterate in the business aspects of entrepreneurship.

In Hungary, most of these organizations have serious difficulties with getting the start-up capital to start a social enterprise. In addition, in order to establish a sustainable enterprise, not only financial support but also skills development programs are needed in the initial stage. But unfortunately, there seems to be shortage of both in Hungary.

One of the most important of good practices for countries with small and fragile social enterprise sector are social and business coalitions and communities and shaping history.

For example, in the autumn of 2012, the Club of Social Entrepreneurs, NESsT and the Blue Bird Foundation organized a program that lasted for eight months and ensured unique and free learning opportunity for the 15 chosen participants in the framework of regular seminars. The participants could gain insight into several topics including the steps of responsible planning processes, such as market analyses, quality-price determinations, marketing, corporate image-making, initial cost calculation, but they also got help to examine organization preparedness, as well as getting knowledge of good domestic and foreign practices. The meetings provided the beginner entrepreneurs with an interesting

forum for sharing their own doubts and getting into touch with leaders of already operating enterprises. They could see practical examples and hear about the positive sides and also the difficulties.

Forthcoming economic and social role of social economy organizations in transition economies - is aimed at investigating the cooperative phenomenon in Eastern, Central and South Eastern European countries, where an immediate challenge for co-operative organization expansion is raised by the disintegration of centrally planned economies.

To give a general overview of the developing role of social economy organizations in transition countries, a number of national analyses are presented. After an initial boom of cooperative development in a number of transition countries (mainly due to the way the privatization process was carried out), a deep crisis followed. All contributions to this volume confirm the existence of a number of critical aspects that jeopardize the development of social economy and, more specifically, co-operative organizations. Moreover, positive co-operative experiences in a number of sectors - credit, housing, agriculture - are explored to provide evidence of the specific capacity of co-operative organizations to replace poorly functioning markets, for example, in Hungary. The limits of the traditional non-profit model are widely perceived. New models have recently emerged for example in Hungary. The general trend is towards a social enterprise model, which makes little use of the co-operative model. The co-operative form has instead regained ground in its traditional functions (credit, housing, agriculture sectors). The successful experiences reported confirm this phenomenon.

Public grants available for those starting new businesses

The start-up boom of the recent era has taken place in Hungary as well, beginning from about 2008. Since then, there has been a continuous increase in the number of start-ups, incubators, venture capital firms, and other kinds of support available for this new kind of small business. However, they are mostly tailored to for-profit companies.

- The Hungarian National Cooperation Fund is the biggest governmental supportive system. Its aim is to help civil organizations, to strengthen the civil community and to facilitate the social engagement of civil organizations. Currently this fund runs two tenders, one is aimed at infrastructural and one financial support.
- Infrastructural governmental support for civil organizations provided from divergent Hungarian bodies relieves societal entrepreneurs by providing infrastructural resources, which basically means space at their location. These include public libraries, public cultural institutions, main city and county government offices, Office for Administration and Justice, National Park Directorate, National Agricultural Advisory, Education and Rural Development Institute.

An example of an operational support organization provided funding to non-governmental organizations in 2017, is HNCF, which supports NGOs by contributing to their operating costs. In 2017, the allocated financial capital for this aim is 2.5 billion HUF (~€8M). Generally, it is divided into small segments of

around 3M HUF (~€10.000) to give out to one certain organization. The tenders are divided by segments and types of different NGOs.

Another example is the Hungarian Enterprise Development Fund, which is a governmental fund directly made for new businesses. It doesn't filter out non-profit organizations; all start-ups can get funding. There are three main programs of HEDF:

- Fixed interest loan: a loan of maximum 10M HUF (~€32.000) for a fixed interest rate of 3.9%, with a 12-month grace period, and fully pre-financed. This is a great opportunity for starting a business or a non-profit organization.
- Supporting young entrepreneurs: a non-refundable governmental support of 3–6M HUF (~€10,000–20,000) for 18–35-year-old aspiring entrepreneurs living mainly in of the central, Budapest area (mid-Hungary and mid-Transdanubian regions). HEDF also offers professional support for youngsters willing to start a business (coaching, business, mentoring, networking). So far, more than 400 new businesses have been established with the help of this project.
- Corporate advisory for SMEs: Educational programs for micro-, small-, and medium-sized enterprises with the aim of developing entrepreneurial skills. HEDF offers 13 industry-specific specializations.

In Hungary, tenders are specifically targeted to a tight segment of non-governmental organizations. The good side is that if the aim of the organization correlates with the aim of a specific tender, they can get financial support, but the downside is that these supports are targeted to a small number of narrow organizational aims.

The educational system

Recently universities and similar educational institutions have begun to emphasize business practice-oriented education. This meets the needs of prospective entrepreneurs by enabling them to apply these skills directly. The students do not need to wait until their seventh 'practical' semester to confront their thought, ideas, knowledge and skill with the real world business environment anymore. Students appreciate this didactical change, as by the time of graduation the young entrants have some practical work experience enriching this qualification portfolio. Additionally, this facilitates beginning to build the student's business network.

Enterprise Hungary Ltd is a non-profit organization with the mission to promote and develop the national business ecosystem. They pay especial attention to inciting the entrepreneurial spirit of the young country-wide, support the implementation the innovative ideas coming from Hungarian higher education, and develop already existing enterprises.

4.4.2. Entrepreneur Perspectives

Three Hungarian companies were interviewed. Company A's goal is to combat prejudice and discrimination and to promote social cohesion through dialogue, training, education and advocacy. Company B's goal is selfless assistance to help those who are in need, in collaboration with already proved professional organizations. Their main target groups are homeless people, poor families,

institutions or shelters with minimum support but with important work in the social field. Company C is a bakery that employs homeless and disadvantaged people.

Each company's most important support measures are different types of private donations since there are only limited governmental resources available. As one of the interviewees stated:

Our most important source of support are private donations. For our first 3 years, we were only operating from tangible donations. Afterwards, we established the organization, and started to receive financial donations as well. Various companies started to donate as well. [...] We also apply for tenders, but those wouldn't be enough to maintain the organization. Governmental support covers around 10% of our budget, and another problem is that it is not consistent. The government also offers a low-level of normative support. [...] but this alone is not sufficient to maintain the organization." (Interviewee from Company B)

The interviewee from Company B also stated that they are quite unhappy about social entrepreneur's infrastructure in Hungary and the engagement of the government:

The government sheds a questionable light on the civil organizations, and multiple organizations also had to stop operating because of these factors. Communications-wise, there is a trend towards covering up various things, and not communicating the issue of homeless people as it is. Instead, they try to hide the facts and make the issue seem non-existent. As I talked about the resources, we have limited governmental ones available. The main help we get from the institutional-legal environment is basically that they let us operate.

4.4.3. Politician Perspectives

Two Hungarian politicians were interviewed. Both of them expressed that the concept of social enterprises is not very well-known among the Hungarian populace, which is largely due to the attitude of the government towards such organizations. One of the politicians explained:

In my opinion, the concept of 'social entrepreneurship' is not really widespread in Hungary. One of the causes can be the word 'social' itself, as the current government would like to erase any expressions from the people's minds that resonates with 'socialist'. Such endeavours can be experienced in case of the concepts 'social association' or 'producers cooperatives'.

Support measures are more likely to be found on the EU level such as the ERDF (European Regional Development Fund), ESA (European Space Agency), and EAFRD (European Agricultural Fund for Rural Development) than on the national level. Concerning the infrastructure, one of the politicians even expressed the following:

The Hungarian infrastructure has been interwoven with a stressed degree of corruption, in my view, the allocation of every kind of EU resources is happening exclusively on political basis, moreover the regional-national political elite (partly or wholly) receive parts from it. As I can see, only a few people are aware of this and it is not established in the public awareness.

From the answers of both politicians, we can conclude that the process of establishing the sufficient background and basic infrastructure for social entrepreneurship is a slow process and the endeavours of the state are not enough.

4.5. Iceland

4.5.1. The Business Ecosystem for Social Entrepreneurs

In Iceland, the Ministry of Finance and Economic Affairs is in charge of the issues concerning financial assistance to start-ups, and Ministry of Industries and Innovation is in charge of issues concerning assistance in general and work conditions. The main organizations that provide public funding for entrepreneurs are Innovation Centre Iceland (ICI) and The Icelandic Centre for Research (Rannís). The organizations operate under the Act on Public Support for Scientific Research to support entrepreneurs. They offer diverse subgroups of funds and incubator centres, which are meant for different subgroups of entrepreneurs. Neither of them has a specific fund for the benefit of social entrepreneurs (Nýsköpunarmiðstöð Íslands, 2016; Rannís, 2016a,b).

The government supports entrepreneurial projects in two ways, by tax deduction and public grants, but there is no special support for social entrepreneurs. In general, if an entrepreneur project receives a public grant, this will have an effect on the tax deductions available to it. To get a tax deduction, an entrepreneur project has to have a certificate from Rannís (Rannís, 2016c). The tax deduction is 20% of the grant-eligible costs. For 2017, the eligible cost can go up to ISK 90 million (approx. €762.777). If the tax deduction is higher than the income tax, the difference will be paid out. However, if an entrepreneur is conducting research where the findings will be published in open access, it can lead to an increase in possible support by the government (Ríkisskattstjóri, 2016).

Entrepreneurs need to choose what kind of business entities they want to operate under. Table 2 shows the kinds of business entities available (Nýsköpunarmiðstöð Íslands, 2016). There is no one special form of business entity that fit better than the others for social entrepreneurs. What needs to be taken into consideration is the number of shareholders, how extensive the scope of the business is and other things. Risk involved is an important factor that has to be taken into consideration as well. For instance, Private limited companies and public limited companies have no personal risk for shareholders.

	No. of Shareholders	Start-up Costs	Equity Capital	Income Tax
Sole Proprietorship	1	571.10 €		37,34 - 46,24 %
Private Limited Companies	1+	1,104.20 €	4,230.50 €	20%
Public limited companies	2+	2,166 €	33,843.80 €	20%
Partnership	2+	744.60 €		36%
Limited Partnership Company	2+	744.60 €		36%
Co-operative Societies	15+	2,166 €		20%

Table 2. Business entities available in Iceland.

To sum up, there are no special laws or regulations for social entrepreneurs in Iceland. All entrepreneurs can get extensive assistance from ICI or Rannís regarding how to start their project, apply for public funds, how to apply for tax deductions etc. The government supports start-ups in two ways, by tax deduction and with grants. Researchers that intend to publish their findings can get increased government support (Ríkisskattstjóri, 2016). Start-ups can register their business in various ways, in some cases the option of limited partnership appears more lucrative as taxes on dividends are in some cases non-existent. If the risk is extensive, then private limited companies is in most cases more appropriate.

Public Grants and Other Financial Assistance

The social entrepreneurship environment described in this report focuses more on the financial assistance offered to entrepreneurs as a whole, as it is difficult to distinguish between how it differs between each subcategory of entrepreneurs. Grants and financial assistance for entrepreneurs and start-ups are provided on both public and private level. As public administration was discussed above, this section will focus on other financial assistance available. This assistance for start-ups and entrepreneurs includes venture capital from banks and private investments, non-profit organizations, and various business plan competitions, which provide entrepreneurs with the opportunity to launch their projects (Arion banki, 2016; Gulleggið, 2016; Icelandic Startups, 2016; Landsbankinn, 2016; NSA Ventures, 2016).

Karolina Fund is an Icelandic crowdfunding source. According to their website, they have a 74% success rate with funding projects. The platform lists projects that have succeeded, but how many projects from social entrepreneurs in Iceland have succeeded through this platform is not specifically listed (Karolina Fund, 2016).

The funds available on both public and private level are homogenous in the sense that each organization has categorized funds according to what stage the business is at. To be eligible, entrepreneurs need to apply for grants or financial assistance by submitting a detailed business plan that thoroughly lists operational costs.

In conclusion, social entrepreneurs need to apply for financial assistances like other start-up companies and entrepreneurs. There is no specific fund available for entrepreneurs that categorize themselves as social entrepreneurs. Entrepreneurs can be in contact with most organizations directly and indirectly, and the majority of the websites that the organizations provide have detailed information on how to launch projects and get started. However, there is a lack of transparency, and it can be difficult to find the useful information that social entrepreneurs might need unless they know exactly where to look for them.

Educational system

In the past decade, higher education in Iceland has grown and diversified more quickly and in a more timely fashion than almost any other OECD country (Christoffer, Richard, Iain, Markku & Verbeek, 2009). Maintenance and investment in education, at all levels, is essential in order to provide and protect a growing environment (Christoffer et al., 2009). An action plan for 2014–2016, put forth as a Science and Technology policy by the Prime Minister's office, prioritized strengthening the financing of the Icelandic higher education system and categorising the institutions and their individuals according to their roles and academic strengths. Furthermore, the plan proposed actions to facilitate students in higher education access to projects reflecting challenges in the professional environment (Forsætisráðuneyti Íslands, 2014). In 2009, the Minister of Science, Education and Culture commissioned a national task force to evaluate and propose an enhancement plan for the future of Iceland's education, research, and innovation policy (Christoffer et al., 2009).

Four out of the seven higher education institutions in Iceland fall under public education, others are private. The enhancement plan from 2009 proposed a restructuring of the higher education system in Iceland, moving toward a system of two universities; one of private colleges clustered around Reykjavík University (RU) and the others public around University of Iceland (UI) (Christoffer et al., 2009).

Private higher education institutions are Iceland Academy of the Arts (IAA), Bifröst University (BU), and RU. IAA is responsible for development of the artistic discipline within Icelandic higher education institutions and works towards progression within institutions and operational units therein. IAA places an emphasis on sustainability in their work, and students in different disciplines within the academy are required to connect their graduation project to sustainably and/or socially beneficial goals (Listaháskóli Íslands, 2016).

Crowbar, one of the companies interviewed for this report, started as a graduation project at IAA where one of the founders was studying. They have received ample help from both IAA and UI, where the other founder graduated from. Bifröst University offers services to its academic staff, and promotes cooperation between researchers within Iceland and across borders (Bifröst University, 2016). Reykjavík University aims to foster the entrepreneurial spirit of students and society as a whole, by supporting opportunities for technology to transfer through research, teaching and active collaboration with industry and society. RU has a focus on innovation through research and the application of research of technology to industry. RU offers companies a secure access to use inventions and technologies, most commonly through licensing or the purchase of intellectual property rights (Háskólinn í Reykjavík, 2016a). Furthermore, RU supports the application of knowledge generated at the University through so-called spin-off companies. It currently holds a share in a number of spin-off companies, ranging from pharmaceutical to software, which appears to be areas emphasized by the University (Háskólinn í Reykjavík, 2016b).

A network of public universities in Iceland was established in 2010, following a policy document published by the Ministry for Education and Culture. Members of the network are the public universities: The University of Iceland, the University of Akureyri, the Agricultural University of Iceland and Hólar University College. The objectives of the Network Project are to strengthen and promote the higher education system in Iceland, to achieve more efficient use of resources in university operations and to ensure strong and varied higher education operations throughout the country (Samstarf opinberu háskólanna, 2016).

According to the European Innovation Scoreboard, the highest indicator of growth in innovation has been the production of new doctoral graduates (European Innovation Scoreboard, 2015). In 2006, the University of Iceland set itself a long-term goal to become a leading university in the world, focussing on outstanding research, teaching and support services to achieve that goal. UI has increased their level of innovation in the past years, not only through new doctorate graduates, but also with support through the curriculum. The university has the Division of Science and Innovation, whose purpose is to oversee joint university matters relating to research; i.e. related funding, university statistics and evaluation of performance of academic staff and the work of evaluating committees (Háskóli Íslands, n.d.). In 2014, the masters' program Innovation and Business Development was introduced, and several courses have been added to the curriculum in different departments, whose focus is innovation, social responsibility etc. (Háskóli Íslands, 2016).

The University of Iceland and Reykjavík University are main shareholders in Icelandic Startups (Icelandic Startups, 2016), but all of the social entrepreneurs interviewed for this report have gone through an Icelandic Startups accelerator and received guidance and fundings from the company.

4.5.2. Entrepreneur's Perspective

Three Icelandic companies from different business sectors were interviewed. Company A produces food products using edible insects. Company B's product is an app, which connects owners of electric cars with owners of charging stations. Company C's product is a free travel app for people with reduced

mobility, which helps to get access to information where they can easily enter and get any kind of service.

All three companies received support from the government. One of the interviewees reported:

Regarding the investors' environments we can't complain. There are three funds that specialise in this 'seed investment' for start-ups, for example Frumtak and Eyrir SA enterprise and yes, I think they are concentrating on the tech industry, lots of tech and companies. (Interviewee from Company A)

One of the entrepreneurs from Company B expressed:

We have received some grants, from the Innovation Center of Iceland in regard to a campaign for job creation. We went through a business accelerator that was conducted, and that was very helpful, and we still feel that support.

The entrepreneurs do believe that this network of links and mentors helped them a lot and they think that it was a very important moment in the history of their company. As one of the entrepreneurs from the company C said:

Well, of course we got a lot of support through the competition and then we got connection to all the capitals of the Nordic countries for example, Reykjavik department of welfare and we got the assistance we needed from them really and connection to necessary parties.

He also noted that his company made several important connections that also supported the company.

Furthermore, the flat hierarchy and the island's small population were considered positive for the environment for entrepreneurs in Iceland. This means that access to politicians, even ministers, is relatively easy. Apparently, due to the small population of the country, people were less afraid of reaching out to everyone they know and introducing ideas. People often built up a strong network of useful connections in Iceland and utilized the familiarity of old classmates and acquaintances to make their voices heard. This seems to be an effective way of getting things done and might explain the exuberant environment for innovation in Iceland.

Interviewees from company B and company A spoke about receiving support from the European Climate-KIC (The EU's main climate innovation initiative). Company B was very happy with the initiative's representative showing an active interest in Iceland and the importance and relevance of the entrepreneurial ideas coming from the country.

The interviewee of Company C mentioned various financial benefits associated with social function. First of all, he said that people that are aware of the social part are willing to work for lower wages. He also talked about assistance from FESTA, an independent, non-profit coalition of socially responsible companies that adopt all kinds of projects. FESTA helped Company C by connecting them with an advertising agency and a software company, that selflessly helped for free in various ways. The work contributions were worth ISK 2 million (approx. €16,790).

Domestic institutions and organizations mentioned by the interviewees that had supported their functions and assisted in the process of starting a business were the following: ICI, the Technological Development Fund (TDF) and Icelandic Startups.

Nevertheless, a common theme among the interviewees was that more awareness was needed concerning the social functions of social entrepreneurs. The concept of social entrepreneurship seems to be relatively unknown in Iceland and much work needs to be done to create a public awareness for the circulation and scope of the idea.

When it comes to grant distribution, the interviewee from Company C mentioned that the focus on a quick return on investment and a healthy profit is very high. It was said that it is very common to see large, established companies with millions of euros in revenue receiving grants that should be rather directed towards entrepreneurs in primary stages. Company C also talked about the idea of having a special grant dedicated specifically to social entrepreneurs, as opposed to them falling under the same category as other entrepreneurs.

Furthermore, Company A claimed that the Icelandic ecosystem was too reliant on the laws of the EU, considering the country is not a member (Iceland is a member of the EEA). It claimed that the government tended to transfer laws from the EU into the domestic framework, irrelevant of how and when they fit. The interviewee also said that in the past five years, the emphasis had been on technology-oriented start-ups and that it could be hard to get people in the industry to understand other solutions than technical ones.

More leeway seems to be needed for companies to support social entrepreneurs, e.g. tax benefits. Perhaps some kinds of incentives in the system are needed for start-ups to be more socially responsible, according to the interviewees of Company C.

4.5.3. Politician Perspectives

According to the interviewed Minister, Iceland is actively supporting social entrepreneurs, while promoting some kind of welfare grants. They are especially supporting projects that are connected to the implementation plan about issues of disabled people and immigrants and housing issues.

Talking about the legal environment, the Minister reported that the government is aiming to change the tax system to make it easier to receive tax incentives for socially oriented companies. Nevertheless, he thinks that the discussion about social entrepreneurship in Iceland is less progressed than in other countries.

4.6. Italy

4.6.1. The Business Ecosystem for Social Entrepreneurs

Entrepreneurship in general is on the rise around the world and currently the number of new enterprise creations is higher than ever (OECD, 2016). The spotlight on social entrepreneurship has helped it step out of the shadows and reach out to the masses in order to gain more awareness.



In Italy, the most important revenue stream for social companies has been public procurement opportunities. But since also profit oriented businesses have learned the importance of diversification, it has become more difficult for social companies to compete. Thus, social entrepreneurs are now competing within a new environment and against competitors who are subject to different systems and legal requirements. Therefore, there is an increasing wish in the industry that governmental entities should implement certain rules or legislation in order to support and encourage social enterprises in these kind of procurement processes.

Especially since customers such as public institutes are highly interested in trying to lower their costs as much as possible, this often results in a loss of quality. Due to the difference in size, social companies often cannot make use of benefits of scale, but due to their often long-term experience in the business they are able to deliver a high standard. These conflicts in interest put a high pressure on national authorities.

Social entities are also needed to jump on the track of digitalizing their business processes, but as their main objective is not generating profits, the potential resources for growth are not always easily determinable. Competition is increasingly focused on technical infrastructure, and social entities struggle with the taxation of their reinvested profit, as this is their budget mainly used for research and development. This ultimately hinders the process of growth and expansion.

Consequently, this supports the engagement and establishment of networks in the industry. Enterprises with the same background are coming together in order to find common solutions how to solve the current issues within the ecosystem. Hence the networks of these social entrepreneurs are well developed. A major role in networking has been played by the creation of a national federation for social cooperatives in the 1980s, the so-called Confcooperativa-Federsolidarietà. The main reason for establishing this association was the promotion of the importance within the general public, but also policy makers in order to establish favourable political frameworks that do not hinder development and lower competition between social entrepreneurs (Borzaga, 2011).

The Italian legal framework for social enterprises is primarily defined by the Law 381/91 on social cooperation. It states that social cooperatives (the main Italian legal form that social enterprises can take) must have the purpose of pursuing the general interests of the community of human promotion (personal growth) and social integration of the citizens; in particular, two kinds of social cooperatives are defined depending on their field of action:

- a) social, educational and welfare services, and
- b) work integration for disadvantaged people.

The law has been modified with the law 190/14 (“Stability law 2015”), introducing a provision aimed at increasing the transparency of the selection procedures of agreements between social cooperatives and public organizations or limited companies.

After the implementation of law 381/91, ISTAT has measured a great increase in the number of social cooperatives: from a mere 650 in 1985 to 11,264 in 2011.

Another relevant law on the matter is no. 118/05 (then delegated law 155/06), which properly defines 'social enterprises' as those private non-profit organizations which permanently carry out an economic activity of social utility. Although this is the most fitting law at defining a social organization, only a very small number of social cooperatives (a total of 774 registered in 'section L'; data from IRIS network report, 2011) has taken the characteristics of this legal form; the reason for this may lie in the fact that the law does not provide (further) fiscal advantages for those who adopt this legal form.

The national legislation for social enterprises is then integrated by regional laws. After the approval of law 381/91 the 'Regional Register of Social Cooperative' has been created; law 460/97 ("Reorganization of the tax discipline of non-commercial bodies") allowed classification as an 'ONLUS' (Non lucrative organization) for organizations such as committees, recognized and unrecognized associations, foundations, cooperatives and all the other private organizations (in fact it is forbidden to public entities and associations such as labour unions) giving them some fiscal advantages on their taxation. Law 382/00 is based on the subdivision of competences (in an integrated system) on social services between State, Regions and Local Bodies (Legislative decree no. 112/98); it was implemented through the Regional Laws no. 17 of 2003.

In the years after the first regulations on the social enterprises' environment, there have been several additional laws and regulations passed to further regulate the matter. A bill presented in February 2015 by some deputies, 'Discipline of associations of social promotion', states that its existence arises from the necessity of reorganizing a matter (social associations) that at the present state is regulated by an unbalanced framework that also needs adjustments and updates due to changes in the social context. In fact, it introduces some modifications to the original Law 383/00, which regulated social associations. Some of the changes regard a more specific definition of such associations, an adjustment of the official registers and further details on fiscal advantages.

On a broader and more relevant level, Italy has seen a great change after the legislative decree on the third sector that was approved in June 2016. The reform consists in a revision of the regulatory regime on associations and foundations, as well as social entrepreneurship and national social service. The main points of the 2014 draft included: redefinition of the social enterprise as a private one whose objectives have a general interest and aim at achieving a measurable positive social impact; limitations on commercial activities in the sectors which do not have social aims; possibility of remuneration for capital and profit sharing; taking into account new forms of social exclusions to take care of 'type (b)' organizations; a 'possibility for private enterprises and public administrations to undertake social positions in the administration boards of social enterprises (apart from a management role)'; and 'coordination of the discipline of social enterprises with the system regulating business activities carried out by socially useful non-profit organizations' (EFESEIIS, 2014).

Policymakers include government departments or institutions designing or implementing policy, support instruments and measures for social enterprises and infrastructures, as well as local authorities. Moreover, networks (i.e. Ashoka and Aiccon) have, since their early emergence, played a key role in boosting the widespread replication and growth of social enterprise. In Italy, social enterprise networks can be classified into four main groups:

- representative bodies: provide political representation, advocacy and trade union support;
- consortia: important as a strategy for spinning off new initiatives;
- support networks: provide political representation and also perform a coordination role;
- networks running entrepreneurial activities: engage in the direct production and/or running of trading activities (Venturi and Zandonai, 2016). Networks running entrepreneurial activities are a typical example of the innovative social enterprise initiatives.

According to Matteo Affini, President of ALDIA, *'Networks and mutual support mechanisms are well established in Italy. Social cooperatives often group together in local consortia to be effective in the market place. The consortia are in turn linked together in national federative bodies'*.

On the basis of the type of enterprises served, a series of specific public supports can be distinguished:

- Public support schemes for all SMEs that fulfil specific criteria: the "Guarantee Fund" regulated by Law 662/96 and managed by the Ministry of Economic Development. Through the granting of a public guarantee that complements real guarantees. Thanks to the Fund, SMEs have a real chance of securing funding without the obligation to provide additional guarantees.
- Public support schemes specifically for social enterprises: a dedicated support scheme was established by the Ministry of Economic Development, conceived to support the creation and growth of enterprises pursuing general interest aims. The benefits envisaged by this support scheme addresses the following types of enterprise: social enterprises as per Legislative Decree 155/2006, social cooperatives and consortia thereof, as per Law 381/1991; cooperative societies having the qualification of ONLUS as per Legislative Decree 460/1997.
- Regional and Local Measures: the most relevant public initiatives of support as reported by social enterprises and networks consulted for this study are as follows: Fondo di garanzia e finanziamenti a tasso agevolato a favore delle cooperative sociali ("Guarantee fund and low rate financing for social cooperatives"), Intervento 18 ("Grants for social cooperatives in support of job placement") and Start-up di imprenditoria sociale ("Start-up for social entrepreneurship").

Also important is the new scheme of support measures specifically addressed to social enterprises issued by the Italian Government. Introduced by Art. 50/2016, the 'New Code of Tenders' enlarges the possibilities to make recourse to social and environmental clauses, the new code is expected to further simplify, improve transparency and support innovation in public tenders.

However, MP Chiara Scuvera explained that *'In the current legal system, Regions don't have a real power on policies for social entrepreneurship. This may lead to have some regions which are very active on social entrepreneurship, while in some others there may be difficulties due to the lack of institutional promotion or recognition [...] We should strengthen the role of Chambers of Commerce in the social economy support'*. For instance, in Lombardy and more exactly in the City of Milan, Piano C (an organization promoting the compatibility of family and professional life as well as the gender balance in decision competent management levels) is supported by the City Council.

Public Grants and Other Financial Support

Getting Financial capital is a crucial point for social companies. Part of their financial capital can derive from the revenues companies make by the service offered, but often is not enough to carry out their aims. There are many ways to get capital and some of them are by institutions both national and European. Social companies can apply to public announcements and contracts in order to win a concession of service to the community paid by the public administration. In public announcements, there exists a very high level of competition among companies where the winner is selected for the best services and lowest prices. As Matteo Affini, CEO of Aldia, explains, there are certain complaints about the public announcements due to a lack of transparency and for a short-term concession of service (1–2 years), that do not allow for a long-term vision for the projects and therefore a reduction of quality.

Moreover, there are other kind of announcements usually made by philanthropic foundations which offer to social companies non-repayable funds in order to fulfil social utility projects; in Lombardy, a great example is given by the Cariplo Foundation. As Mauro Gigli, President of Aurora 2000, said, social companies can find support by collaborating with banks, private enterprises, foundations, business angels, carrying out projects in partnership and also getting donation and sponsorship from them. Certainly, social companies can take loans from banks with rates below current market rates and fiscal benefits for the banks.

Even EU union plays a great role, offering various funds to finance social projects and companies and acts as Financing incubator. In accord with Sofia Borri, Director of Piano C, it is not always easy for companies to access to these funds, because they require high projected costs and time and furthermore many partnerships with other entities. Some important funds provided by EU commission are:

- the Program for Employment and Social Innovation (EaSi), which provides insurance to brokers for Default risk (96 million), and moreover provides social companies with equity instruments.
- Social Entrepreneurship Funds (EuSEF): Helps social entrepreneurs to be financed by private capital and help investors to identify investments in social companies.

Another potential source of funding is crowdsourcing.

Education

The recent trend of social enterprises to employ not only workers with a humanist background, but also staff with planning, management and commercial skills, in order to have a structured organization chart with a differentiation and a specialization of roles, has been confirmed by the President of the Aldia social cooperative, Mattia Affini. Further conformation is given by the growing number of Italian universities and schools that have activated, in the last two or three years, undergraduate courses and Master's program courses dedicated and aimed at training professionals in the social sector.

Many courses, regarding the social enterprise or the non-profit sector, have been activated exclusively by the most important Italian universities, like Bocconi University of Milan, University of Trento, University of Bologna, Catholic University of the Sacred Heart of Milan and even in the south of Italy by



the University of Cassino and the Southern Lazio. Moreover, some other training courses for professionals in the social sector have been activated by social institutions or centres of research on the social enterprise or from the collaboration and cooperation between them and some Italian universities. Some examples are:

- Alta Formazione (Advanced Training), a semester or bimonthly courses to train future social entrepreneurs, promoted by AICCON in collaboration with other organizations of the social system.
- Master MUEC, A first-level Master Program in Economy of the Cooperation, the 14th edition promoted by the School of Economics, Management and Statistics of the University of Bologna, supported by AICCON, Alleanza delle Cooperative Italiane (Italian Cooperatives Alliance) and by the three
- Historical associations favouring the cooperative movement (A.G.C.I., Confcooperative, Legacoop).
- Scuola Impresa Sociale by the SIS Consortium, it is an institution accredited by the Lombardy region for the provision of constant training services.

Other educational institutions in Italy, like high schools or primary schools, have carried out some activities in the context of the social enterprise in order to introduce younger students to becoming familiar with the social and sustainable economy. An example is the INFEA Project promoted by the region Emilia Romagna, but currently there do not exist any specific course dedicated to this field.

4.6.2. Entrepreneur Perspectives

Eight Italian companies were interviewed. Company A supports activities for children, the elderly and disabled people in their daily life and within educational institutes. Company B's core business is to create centres for autistic patients, assistance in school for handicapped people, domiciliary support, free time activities and managing of kindergartens. The core business of company C is to help women in difficult situations such as after pregnancy to get back into the working life. Furthermore, a second business is the operation of co-working spaces for entrepreneurs. Company D is developing and manufacturing professional 3D printers to encourage sustainable development and in-house production. Company E is a group of companies focused on engineering solutions in various fields; it is composed by itself plus several subsidiaries. Company F's service is renting, picking up, washing and delivering washable diapers to private and public clients. Company G provides a plug and play platform for mobile ticketing. The purpose is to connect firms which work in the transportation field, with their final users. Company H is an operating system that allows people to get in touch online and send or carry packages. People who ship are usually private citizens or professional couriers that want to maximize resources, be social and support the environment.

Being an entrepreneur in Italy is not so easy; regulations and bureaucracy can be a difficult challenge to cope with. The most common perception among the entrepreneurs is that there is nothing to expect from official institutions.

Company A would appreciate help of the Italian government in scaling their business internationally. Company B recommends a breakdown of national organization and initiatives to a more local base and

spread of tasks. Furthermore, the company is asking for a decrease in bureaucratic procedures to support the speed of innovation. Company C is not supported by the government, which they would like to change; also help in stepping abroad is needed. Company D criticizes the taxation system of reinvested profit as well as the procedures in dealing with governmental organizations due to the high level of bureaucracy which leads to an unnecessary disproportionate increase of costs. Company F would appreciate help of the Italian government in developing their business. Companies E, G and H do not consider themselves as social entrepreneurs so they do not expect any financial support.

4.6.3. Politician Perspectives

The Italian politician interviewed, an effective member of the Productive Activities Committee and a substitute member of the European Policy Committee, expressed that first, the law on the third sector, which aims at relaunch social enterprise, has been recently approved. Therefore, they have been recognized as fundamental actors in the third sector, and obviously, the State, with this law (which is not just a regulatory law) aims at excluding from the fiscal benefits those who do not have the requisites needed.

In the current legal system, regions do not have a real power in regulating social entrepreneurship. When dealing with the Fair Trade, there are some regional laws on the matter, though. This may lead to having some regions of Italy which are very forward-thinking and active on social entrepreneurship, while in others they may have difficulties since the regions lack institutional promotion or recognition. For instance, the interviewee stated: *'Southern Italy needs more social entrepreneurship and we have the tools to spread it.'*

Talking about the politician's perceptions on the support of the institutional environment for social entrepreneurship in Italy, it should be mentioned that the situation remains unclear and confusing. The country is not providing direct financial support except for some, more regional initiatives.

4.7. Lithuania

4.7.1. The Business Ecosystem for Social Entrepreneurs

The concept of social entrepreneurship in national policy of Lithuania was approved in 2015. The concept indicates that social business is a business model, when exploiting the market mechanism, where the pursuit of profit is associated with social goals and priorities based on socially responsible business and public-private partnership with the provisions applicable to social innovation.

Before then, only 'social enterprises' (WISE – Work Integration Social Enterprise) were recognized in Lithuania. As described in the Statute of Lithuanian social enterprises, social enterprises are an organizational form of business entity that provides jobs to citizens who find themselves in an unfavourable labour market position and work with people that are excluded from the labour market. In many cases this includes people with physical disabilities, learning difficulties and drug and alcohol dependency.

Despite the recognition of relevance by top political decision makers – even on the ministry level – Lithuania has not enforced financial support schemes or mechanisms specifically for social business so far. Social business financing sources are usually general entrepreneurship-supporting grants, private capital, or bank loans. Banks in Lithuania are not yet inclined to lend directly to social businesses due to the difficulty in determining risk from the use of innovative methods and techniques. However, it is possible to apply to other financial institutions or the state. The main ways to raise seed capital currently are:

- Credit union. These are co-op-based financial institutions, which aim to provide services on more favourable terms than commercial banks. Credit unions can provide a loan for beginning businesses in any sector of the national economy.
- INVEGA (JSC "Investment and Business Guarantees") provides guarantees for loans for beginners in domestic commercial banks.
- Public support. There is the opportunity to receive state support for the creation of jobs by submitting an application to the Labour Exchange for self-employment or to support local employment initiatives projects.

Social entrepreneurship as a business object is very new in Lithuania, and often social enterprises in Lithuania stem from NGO's. For example 'Volunteering for Business' stems from the non-governmental organization 'Social action'; 'Caritas Works' stems from the Catholic organization 'Caritas'; 'Social Taxi' and 'Innovators valley' stem from the National Institute for Social Integration.

In 2014, the Social Enterprise Summit brought together a range of participants from Latvia, Estonia, Belarus, United Kingdom and Lithuania for over two days in Lithuania. The aim of the summit was to bring participants together to debate and discuss ways to contribute toward the development of social enterprises in Lithuania. The Summit focused on four key universal themes:

- The role of government in supporting the social economy
- Support for the social economy
- Awareness raising
- Fostering co-operation between and within the public, private, corporate and social economy.

Another project in Lithuania focusing on social enterprise is called 'Socifaction: social entrepreneurship for regional development'. It is a social enterprise acceleration program which invites youth from Lithuania and Latvia to accelerate their social business ideas. The program included two rounds of workshops, trainings, mentoring and expertise support for passionate young individuals aged 18–29 with a business idea that can make a positive impact on society. The program included two introductory rounds, after these it ran one deeper analysis training course, which was then designed and adapted as a training course for people with disabilities. All participants were invited to share their ideas that could make a positive impact on society. Experienced social entrepreneurs helped participants make their ideas become reality.

Complementing networking events are organized for social entrepreneurs in Lithuania. Every month in different places some social business representatives arrange an event named Evening of Good Ideas. This event is intended to communicate and to share the ideas of social entrepreneurs, NGO's, business representatives and other active citizens. By sharing their ideas, their problems and possible solutions, participants can discover like-minded local individuals and new social initiatives and projects.

Notably, ISM University of Management and Economics has organized every year since 2011 a global social business case competition for students, called Creative Shock. Participants every year are gathered to solve real-life business, marketing and PR problems for social enterprises and organizations. By organizing this competition, the university has sought to introduce students to real-life global social business models, to communicate how all traditional business strategies can be applied to social enterprises and organizations, improve students' strategic thinking by challenging them with real marketing and management problems and promote social business all around the world. In this student competition, participants need to prepare communications strategies for local Lithuanian social enterprises followed by a conference, which is also organized by the university.

The Ministry of the Economy has established a non-profit agency named Enterprise Lithuania in 2009 in order to promote entrepreneurship, support business development and foster export. It helps young entrepreneurs in Lithuania to start businesses, connect with potential partners, and identify and explore business opportunities. The agency organizes various projects, trainings and competitions with opportunities to get financial and practical support to develop social beneficial ideas and business plans. The Social Entrepreneurship Support Network of the Baltic Sea Region platform is also helping young entrepreneurs to communicate and to cooperate with partners in neighbouring countries, to share each other's best practices and develop exciting ideas into action.

As can be seen, the environment for social business in Lithuania improves year by year. There are many private initiatives from various universities, companies and youth groups. An increasing amount of people are involved in social entrepreneurship in Lithuania. The main problem which remains is raising funds for new social business entrepreneurs, because these kinds of businesses are still young and not yet developed enough in Lithuania.

4.7.2. Entrepreneur Perspectives

Three Lithuanian companies were interviewed. Company A provides space for training, work and strategic planning sessions for NGOs, social enterprises, social innovators and for those who implement ideas for social change. Company B provides office space at lower prices in a very convenient area in the city of Vilnius as well as a community, support and advice to NGOs and social entrepreneurs. Company C is an NGO that primarily focuses on coordinating youth volunteer exchanges between Lithuania and other countries.

One of the interviewees noted that there are some initiatives concerning social entrepreneurship in Lithuania. However, they do not come from the government or any local authorities but mostly from non-profit organizations or business companies with the purpose of educating people about social

business. The interviewee added that from his point of view the educational process and the process of creating awareness is already at a high level in Lithuania. One of the interviewees also stated: *“It is becoming more popular, as institutions start to know what social entrepreneurship is. It wasn’t like that before. Anyways, you still have to explain what it means and what they [social entrepreneurs] are doing.”* (Interviewee from Company A)

On the other hand, the companies wished for greater legislative support and that the government and local authorities would be more proactive and more involved in the process of educating and creating awareness of social entrepreneurship. Company B expressed the need for a bigger shared working space such as buildings and premises. The interviewee believed that this would help to strengthen the entrepreneurship community as well as to educate young start-ups. Overall, the interviewee of company B is positive about social entrepreneurship in Lithuania. It is believed that the best times are still ahead but there is much that has to be done in terms of legislative support.

4.7.3. Politician Perspectives

The interviewed Lithuanian politician explains that the perception of social enterprise in Lithuania is blatantly underdeveloped and the concept is understood with difficulty. The state currently identifies only one model of social enterprise – the employment of target groups in social enterprise companies.

The interviewed Lithuanian politician reported that there have been some efforts by the government to develop a definition for social entrepreneurship. Apparently, there is also an annual conference on social entrepreneurship in order to promote the topic on a national level. Nevertheless, he noted that the awareness of social entrepreneurs and the possibilities they can provide is quite low and poses a challenge that needs to be worked on. He recommended that politicians especially should put this issue on their agenda and involve it in their daily business to bring the message to the outside world.

When it comes to best practices, the politician said the following:

We are analysing best practices in other countries. We participate in working groups in the European level. We know about it, because we are trying to develop our national strategy on national policy of social entrepreneurship. Social entrepreneurship is very developed in the United Kingdom and we look at their examples.

Most importantly, it was also stated that at the moment there is no specific support for social entrepreneurs available except for inclusive companies that have some incentives.

Concerning infrastructure, he mentioned the following:

There is an issue of social enterprises because access to traditional financing sources is complicated for social enterprises everywhere. If we will develop the infrastructure of social enterprises in Lithuania, we will also address this issue as well. How it will be implemented is difficult to say now.

4.8. The Netherlands

4.8.1. The Business Ecosystem for Social Entrepreneurs

In the Netherlands, social enterprises are able to generate income from different sources. In addition to their revenue they can receive subsidies, grants and donations. However, for an economically independent company, the latter two may not be the main source of income, except for at the start-up phase. It concerns companies that are economically independent and not be fully and permanently dependent on subsidies, grants and donations.

Attracting funding is often a bottleneck for social enterprises. Compared to other small and medium sized companies, social enterprises have to deal with a number of additional complications in this area. Because the social mission can increase costs and the financial returns do not come first, the financial return is *ceteris paribus*, often lower. Besides that, social enterprises and potential investors often do not speak the same language.

Crowdfunding has become more popular over the last years for social enterprises and is nowadays an interesting funding method. The focus lies on solving social problems, which is what appeals to the 'crowd'. When social entrepreneurs want to do a big investment, they need a combination of many sources. Apart from the way how enterprises do crowdfunding, there is also a difference between the types of organizations that seek capital: social or commercial. An advantage in social crowdfunding is that you can bring a positive message. The crowd can help solving a social problem, together making something exceptional.

There are a couple of companies who offer help to social enterprises in how to do crowdfunding. Some examples of social crowdfunding organizations follow (One Planet Crowd, 2016):

- One Planet Crowd – This is a crowdfunding platform for sustainable and social projects. The mission of One Planet Crowd is to contribute financially to social enterprises who have a good story, and make a sustainable innovation possible. In return for your investment, you get attractive counterparts, such as a product with discounts, or a good interest rate on a loan.
- We Komen Er Wel – The method of We Komen Er Wel brings entrepreneurs with good ideas and investors together. It is a proving form of financing: to start a new business, introducing a new product or service, but also for growth of capital.

Funds for social companies have criteria that companies must comply with in order to be eligible for funding. Table 3 shows the main and most-known funds from the Netherlands for social enterprises (Social Enterprise NL, 2016).

Name of the funds	Mission	Specialty
Anton Jurgens Fonds	The AJF supports initiatives that focus on labour market participation of vulnerable groups in society.	The AJF works with socially inspired pioneers specialised in societal impact from an entrepreneurial vision.
Start Foundation	Start Foundation invests in projects and companies that brings vulnerable people closer to a job.	Start Foundation is an independent social investor who wants to create and preserve jobs to people in a vulnerable position in the labour market.
Stichting Instituut GAK	GAK is a capital fund that provides subsidies to projects.	GAK is active in the fields of social security and labour market in the Netherlands.
VSF Fonds	VSF Fonds supports projects that enhance individual human development and contribution to society.	They specifically targeting the employment of people with a distance to the labour market with money, knowledge and networks.
Skand Fonds	Skand Fonds supports initiatives with opportunities for people in vulnerable situations, money and expertise.	They have their focus on poverty reduction.
Oranje Fonds	Oranje Fonds supports initiatives to increase the involvement and social cohesion in society.	Oranje Fonds promotes social cohesion and social participation.
DOEN	DOEN supports companies and entrepreneurial organizations who have a strong focus on creating, developing and implementing innovative initiatives.	DOEN also supports companies who are able to adapt their method if it turns out that anything else works better.

Table 3. Dutch funds for social enterprises.

An investment fund is a way of investing money alongside other investors in order to benefit from the inherent advantages of working as part of a group. The following are the main Dutch investment funds operating at the moment (Social Enterprise NL, 2016):

- De Noaber Foundation – This foundation stimulates and finances activities that create social impact with a special focus on health care.
- DOB Foundation – An investment fund for organisations who are located in East Africa.

The government recognizes the importance of sufficient funding available for SMEs with a good business plan. Therefore, in the past few years the government has taken steps to support financing SMEs. An important part was the creation of Qredits. Qredits provides microcredit up to 250,000 euros to entrepreneurs with a well-researched business plan but do not have access to regular bank financing. Qredits complement its support with personal coaching to entrepreneurs who want to develop their entrepreneurial skills or need coaching at the start of their new business (SER, 2015).

According to the Sociaal-Economische Raad (SER, 2015), investors and social enterprises do not speak the same language. For many traditional players, the mission to just focus on social impact and financial return is new. At the same time, specialized financiers or departments increasingly arise. 'Social' impact investment is an important new trend at the national and international level. Impact investing is investing in activities of companies or organizations that pursue social and/or sustainable goals and also generate financial returns. There are three main Dutch impact funds (Social Enterprise NL, 2016):

- Social Impact Ventures provides growth capital and venture assistance to Dutch social enterprises. They support companies that provide market-based solutions to social or environmental issues, thus combining sustainable social impact with a good business model.
- ABN AMRO is one of the biggest banks located in the Netherlands that has decided to invest in social and sustainable enterprises. ABN AMRO will not only be active in the young and innovative market for social entrepreneurs, but also wants to contribute to its development. In the coming years, a budget of 10 million euros will be available for these investments, which will vary between 250,000 and 1.5 million euros. ABN AMRO uses the subsequent criteria to qualify entrepreneurial projects for the fund. The company must have an innovative business model and make an innovative contribution to the market; the company must have a "Theory of Change". Thereby, the social impact should be specific and identifiable.
- SI² Fund – SI² provides risk capital and support to social enterprises in the start-up and growth phase, seeking to strengthen their social added value. It is about companies that tackle social problems and integrate this approach in their business model, and thereby combine a proven social value with a fair financial return. The network where SI² Fund is part of guarantees adequate and professional guidance from seed stage to full independence.

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The support that social entrepreneurs receive comes mainly from independent organizations. There are two organizations that give advice to the government in order to provide precise and up-to-date insight

into the current situation. These entities are Movisie and the Sociaal-Economische Raad. They conduct independent research and with the expertise from experts they give the government advice.

Besides these organizations, there is a growing number of platforms nowadays where social entrepreneurs get support from specialists concerning social entrepreneurship. One of the most well-known platforms in the Netherlands is 'Social Enterprise'. There are two kinds of membership from which social entrepreneurs can choose. The difference between these memberships is the level of development of a social entrepreneur. If a social entrepreneur is not well-developed, the Social Enterprise will help them to boost their business. This includes finding the right funds or adjusting marketing strategies. For the more developed social entrepreneur, Social Enterprise is a platform to share and gain knowledge and to create more awareness for their own business and for the social entrepreneurship (Social Entrepreneurship, 2016).

Impact Hub is also a platform where the local community, professionals and entrepreneurs can come together to share and gain knowledge. It is a platform known in 63 cities and counts a network of over 16,000 social entrepreneurs worldwide. The Impact Hub platform was founded due to the lack of infrastructure to remove barriers to solve social issues. It provides a network platform, but it is also a platform to provide the knowledge and innovation for local, national and international start-ups (Our purpose, 2016).

Public SPACE is an independent network organization that aims to help with social issues. They work with influential officials, entrepreneurs, scientists and opinion leaders to gain and share knowledge. Members bring more awareness regarding social entrepreneurship, conduct research and support new initiatives. Furthermore, they are currently stimulating and supporting many social entrepreneurs in the Netherlands (About Public Space, 2016).

Despite the support of these organizations, social entrepreneurs are used to being on their own and starting their businesses with a self-sufficient business model, since the Dutch government does not support them. However, support and recognition of the government is urgently needed in order to strengthen and accelerate social entrepreneurship in the Netherlands. Up to now, the self-sufficient business models of social enterprises were the reason for the Dutch government to have a laissez-faire attitude. Nonetheless, if the government decided to support social enterprises, the potential of these enterprises would increase. Besides, if the government were to adjust rules and laws, consider the social impact in government procurements, and create research and standardization, then the Dutch social enterprises would also grow faster. This is due to the fact that the fewer barriers to social entrepreneurs, the more business for social enterprises (Verloop, 2015).

However, the current movement mentioned above should increase government support. This is shown in the following actions undertaken already (Ministerie van Sociale Zaken en Werkgelegenheid, 2015):

- The bundling of up-to-date digital governmental information that is relevant for social entrepreneurs.
- The exploration of possibilities to create an advantageous ecosystem for social entrepreneurs and other social enterprises.

- The better utilization of the space provided by the government procurements legislation with an eye on social objectives.

The Dutch government is requesting the Sociaal-Economische Raad to continue giving advice. Besides, the rising commitment of politicians will presumably have a positive effect on the policy of social entrepreneurship.

4.8.2. Entrepreneur Perspectives

Three Dutch companies were interviewed. Company A serves as a platform where organizations, social entrepreneurs and initiatives come together to solve social and environmental challenges. Company B develops technology and manufacture products that keeps radiation, e.g. from smartphones, away from people. Company C has created a platform to encourage people to do things they cannot imagine doing. The company calls this concept 'Possibilizing'. For instance, they have organized projects like Sencity, the international music event for deaf, hard-of-hearing as well as hearing youngsters.

Company A received a one-time start-up grant from the municipality of Utrecht which they used for their product development. The company actually developed from an event called 'Social Enterprise Day' organized by the municipality of Utrecht with a theme of social entrepreneurship. The interviewee also stated that there are certain banks such as RaboBANK, Triodos or ASN bank who want to fund and support social entrepreneurs. Nevertheless, the interviewee wishes that there would be more support available:

What I would personally like would be a centre where we could share information because we all with the same problems: financial administration, HR, marketing and communication. Thus, it would be really cool if we would have like a shared service centre for this supported by who have a lot of knowledge for this. (Interviewee from Company A)

The other two companies did not receive any financial support by the government. This is also due to a lack of knowledge on how to apply successfully for funding programs as one of the interviewees explained:

I think our company is not there yet. We first have to make a proof of concept with our solution since we design technology that keeps radiation away from the people (smartphones). First, I think we should get some traction, some companies we can work together with. And then we can show the government; listen, this is really becoming a thing. How can you help us getting bigger and protect more people. (Interviewee from Company B)

In contrast, Company C has a different approach regarding financial support by the government. In the words of the interviewee:

When it comes to being supportive I am quite liberal. I don't think you can expect any support, because in the end you must do it yourself and you have to develop yourself and do what is necessary to achieve success. What I do expect from the government is that they don't work against you. So, they don't make it any more difficult than it already is. If I look at our government,

*I think it is relatively easy to start-up an organization, company, or to become your own employer.
Thus, that is relatively easy and the government is doing a good job on that.*

4.8.3. Politician Perspectives

According to the interviewed Dutch politician, most political parties are willing to make regulations for social entrepreneurs. However, he mentioned that the General Chamber blocks such efforts and the former regulations made in the beginning of 2015 are still not fully implemented.

There is no infrastructure and no support by the government for social entrepreneurs at the moment. The interviewee is an advocate of including and recognizing social enterprises in the Civil Code. This can be done through coupling a modality to the current legal forms. This links to the Parliament's response to the advice of the Sociaal-Economische Raad: It is up to the Social Enterprises to take the initiative to create a new label. If such an initiative arises, the government will look at this positively, he said. This shows that even though there is currently no infrastructure or government support, there are still some political parties willing to raise awareness for social entrepreneurship. However, with the General Chamber blocking everything it will be a long road to achieve anything, the politician said.

5. Discussion and Results

5.1. Status and current achievements

Summarizing the descriptions of the ecosystems of social entrepreneurs in the considered European countries and consolidating the information obtained from the interviews with European social entrepreneurs and the responsible political/administrational decision makers, we can conclude that social entrepreneurship is an up-and-coming trend in all of the considered nations. The good news is that a positive attitude towards social entrepreneurs seems to dominate in each society. The ecosystems for social entrepreneurs are developed to divergent extents, and the perception of the stakeholders varies. Particularly, the respondents had difficulties to confine social entrepreneurship to social businesses and non-profit businesses.

This issue roots in the self-concept of the social entrepreneurs. They frequently need some external funding for the seeding period, but differ from conventional social businesses and conventional non-profit organizations by their self-sufficient business models, which allow maintaining the business without ongoing external (e.g., from the local or national governments or administrations) subsidies.

By definition, social entrepreneurs are allowed to generate profits with their business, but differ from conventional entrepreneurs that the profits are not the ultimate goal of the business but a means to achieving an ultimate goal of changing or improving the society.

Therefore, social entrepreneurship is clearly not transfer business of taxes. Meeting this conceptual consideration, most of the respondents reported that their entrepreneurial endeavours were not supported by direct payments from governments and administrations. However, social entrepreneurs who are working on the integration of handicapped persons or fighting the unemployment of

disadvantaged people took advantage of reduced taxes. This subsidy is common practice in some domains of social business. Particularly, when value-added taxes are relevant, the social entrepreneurs are enabled to compete with conventional vendors in social business. However, they should differ by the entrepreneurial component of their business model: its innovation.

For flourishing within their ecosystem, social entrepreneurs need to cope with challenges that are quite similar in all considered nations.

- National legislation frequently lacks a special category for social entrepreneurs. Thus, they need to define means for demonstrating and communicating that their business differs from conventional business.
- Bureaucracy and administrative burdens.
- Scarce resources, particular financial resources and qualified contributors.
- Public awareness of both the achievements of social entrepreneurs and their specific needs.
- Competence transfer, adaption and quick learning are need for the survival of social entrepreneurs in a market-based competitive environment that leads to a Darwinism in the selection the best social entrepreneurial business models.

5.2. Implications for Entrepreneurs

For meeting the above-listed challenges the (prospective) social entrepreneurs are advised to validate and revalidate the sustainability and robustness of their business models. Participation in competitions and applying for seed funding from national agencies or business angels provides an external validation of their evaluation of their sustainability. However, entrepreneurs should keep in mind that this service is not free but costs substantial resources in terms of time and money devoted to writing and rewriting business plans and preparing the necessary documents supporting the plans.

The business environments and the support offered are quite heterogeneous in the considered European nations. For instance, the interviewed Hungarian entrepreneurs need to rely on private donations and are unhappy with the engagement of the government for social entrepreneurs. On the other hand, the Icelandic entrepreneurs are very satisfied with the governmental support available.

In addition to political lobbying, which social entrepreneurs can facilitate when joining in organizations and networks, their expectations should not go beyond self-sufficient business models, because social entrepreneurship is not a transfer business. For mobilizing private donors in the seeding and start-up phase as well as for facilitating and fostering crowdfunding, social entrepreneurs need to document the social facets of their business as well as sustainability of their business models clearly and precisely. The attitude expressed by the Dutch respondents is promising guidance in this regard.

Networking is substantially needed for the exchange of experiences, particularly for obtaining the informal knowledge as to how to cope with bureaucracy. The services offered by Company B from France might be considered as an example for a best practice. If social entrepreneurs focus on their core business and delegate as many administrative tasks as possible to specialists they might be able to leverage their social impact and to increase the probability of surviving substantially.

Moreover, it is worth mentioning that crowdfunding is not limited to financial resources. If social entrepreneurs establish platforms for using the expertise and time of qualified individuals (similar to the new trend of clickworkers) they can benefit from qualified and experienced individuals who are willing to support their social mission.

Since several respondents mentioned that they did not identify or comprehend all the ways of applying for support programs, some type of resource and information aggregator may improve their situation. Here networking and the development of (digital) platforms might be not sufficient. Professional environmental scanning (Scholz & Wagner, 2006; 2008) needs a critical mass of social entrepreneurs sharing similar interests for mobilizing the necessary resources.

Notably, the awareness of social entrepreneurship differs between countries. Through organized events and the implementation of the concept at universities, the awareness seems to be spreading among the population in, for example, the Netherlands and Germany. In Lithuania, awareness was considered quite high as well, but it was expressed that initiatives do not come from the government or any local authorities but mostly from non-profit organizations or business companies with the purpose of educating people about social entrepreneurship. In other countries like Finland, entrepreneurs stated that the awareness is quite low. They even expressed that in this context, the word 'social' has a negative connotation, which means that although a social entrepreneur/company could get financial support, they do not want to be one because of the negative impact it has in the eyes of stakeholders.

However, all respondents of the study agreed in their assessment of the contemporary awareness that in each country that there is the need to draw a greater attention to the achievements of social entrepreneurship. Clearly, the social entrepreneurs should take this challenge as their responsibility.

5.3. Implications for Politicians

Based on the interviews, we can conclude that most social entrepreneurs wish for greater legislative support. Establishing a legal constitution for social entrepreneurship is a responsibility that need to be covered in all European national legal systems. The interviews reveal that even the responsible decision makers do not have an unified view on social entrepreneurship. Thus, political awareness needs to be established in addition to public awareness. The latter is heterogenous with respect to the European nations studied, but also with respect to various segments of their societies. Educational institutions contribute substantially, but are unlikely to reach the elder population cohort. For this issue, none of the interviewed respondents had developed solutions.

The social entrepreneurs are smart in utilizing social laws when serving as inclusive companies that employ disabled or disadvantaged people. Such companies have been interviewed in countries like Finland, France and Germany. All of them reported that they receive at least some governmental support such as sales tax reduction, salary support or investment grants when creating new jobs for disabled persons. Since social entrepreneurs by definition should differ from transfer-oriented organizations in social business, they might offer efficient solutions to social challenges of their societies. Thus, the scope of this scheme could be widened to additional domains. However, this requires the definition of clear criteria that social entrepreneurs have to meet to be considered as social

entrepreneurs. The French respondents directly addressed this issue. The solution in the Netherlands might serve as a best practice example.

Similarly, the bundling of up-to-date digital governmental information that is relevant for social entrepreneurs, as provided by the Ministry van Sociale Zaken en Werkgelegenheid in the Netherlands is an best practice example that provides benefits not only to the social entrepreneurs but also would enable political and administrative decision makers to inform themselves in an efficient manner.

For spreading the concept of social entrepreneurship, political decision makers need to take their responsibility seriously (by means of updating legislation and reducing bureaucracy) as well as developing a toolkit (particularly addressing the entrepreneurial ecosystems) and roadmap (including benchmarks) for the roll-out of the concept in their societies.



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