



## Policy Paper:

# Building a sustainable social enterprise sector

*September 2023*



## Partners



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Bulgaria



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Technology Ltd (CARDET), Cyprus



Future in Perspective Limited (FiP), Ireland



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## Introduction

In recent years, the emergence of social enterprises has sparked a movement towards more inclusive and sustainable economies. These innovative ventures seek to address pressing social and environmental challenges while generating tangible economic value. As modern societal issues become more complex and new challenges arise, the role of social enterprises becomes increasingly vital in achieving meaningful and lasting change.

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This policy paper draws on real-world insights from social enterprises, aiming to assist young entrepreneurs and individuals in exploring challenges and brainstorming innovative solutions. It also formulates recommendations towards both practitioners and policymakers hoping to improve the fostering of the social economy sector. These recommendations consist of a series of actions based on the experiences and lessons learned throughout the EMPOWER project lifecycle. Additionally, the paper includes best practices of social enterprises as good examples that aspiring young social entrepreneurs may find inspiring.

### [The EMPOWER Project](#)

EMPOWER is an Erasmus+ European project that aims at:

- fostering sustainability and scalability of new and existing social enterprises and
- supporting young entrepreneurs through the development of new learning partnerships between the world of work and the world of youth provision.

Its objectives include:

- Building the capacity of front-line youth workers through a tailored Training Package.
- Supporting social enterprises owners, SMEs owners and young entrepreneurs through bespoke training material.
- Improving the digital entrepreneurship competences of young entrepreneurs and young people.
- Developing a broad set of knowledge, skills, and attitudes tailored to the needs of young people and young entrepreneurs.
- Enhancing synergies and complementarities among key stakeholders and the labour market.

The EMPOWER project is implemented in 6 European countries by 7 partners. Partner countries include Bulgaria, Cyprus, Greece, Ireland, Italy, Portugal.

## Methodology

The development of this policy paper is based on focus groups and individual interviews in the 6 partner countries. The focus groups and interviews were conducted between March 2023 and July 2023 in online and face-to-face formats. In total 7 focus groups and 2 interviews took place in the native languages in the 6 partner countries, while the total number of participants in the research reached 52. Table 1 illustrates the participation by country in figures, while Table 2 includes the questions that participants were requested to answer. The profile of participants included key stakeholders in the social entrepreneurship sector, such as practitioners, experts in the field and representatives of institutional bodies within the social economy. Approaching methods for participants in the research stage included personal emails, online open calls and collaboration with local stakeholders. Limitations of this research include the small number of participants in each partner country individually. Therefore, recommendations in this policy paper are based on research with a small sample size which may not reflect the entirety of opinions in the social enterprise sector in each partner country.

Table 1. The research phase in numbers				
Country	No of Focus Groups	Format	No of Participants	
			Focus Groups	Individual Interviews
Bulgaria	2	F2F Online	11	0
Cyprus	1	Online	10	0
Greece	1	Online	5	1
Ireland	1	Online	11	0
Italy	1	Online	5	1
Portugal	1	F2F	8	0
			50	2
<b>Total</b>	<b>7</b>		<b>52</b>	

**Table 2. Focus Group Questions**

<b>1</b>	What does a Social Enterprise need to become successful?
<b>2</b>	Can you give an example of a successful Social Enterprise in your country? Why that particular Social Enterprise?
<b>3</b>	What are the main challenges that Social Enterprises in your country face?
<b>4</b>	How can these challenges be overcome?
<b>5</b>	What can practitioners do to improve the Social Entrepreneurship sector in your country?
<b>6</b>	What can policymakers do to improve the Social Entrepreneurship sector in your country?

## Best Practices

<b>Name</b>	<b>Botanika Life Foundation</b>
<b>Country</b>	Bulgaria
<b>Starting Year</b>	2015
<b>Ongoing</b>	Yes
<b>Description</b>	<p>Botanika Life Foundation is a non-governmental organisation for public benefit that supports entrepreneurship, creativity, and innovation among young people. The foundation implements activities in the field of ecology, agriculture, horticulture and permaculture. The social enterprise concept of the Botanika Life Foundation includes the realisation of economic activity through the Botanika guest house, the offering of thematic courses for adults and the realisation of agricultural production. With the funds from these activities, the foundation supports young people aged 18-29 for their development in the field of sustainable agriculture. To date, the social enterprise has provided part-time employment to young people with special educational needs, as well as the participation of temporarily unemployed and out-of-school youth in the foundation's online courses.</p>
<b>Website</b>	<a href="https://botanicalife.wixsite.com/botanica-eng">https://botanicalife.wixsite.com/botanica-eng</a>

<b>Name</b>	<b>The Bread Houses Network</b>
<b>Country</b>	Bulgaria
<b>Starting Year</b>	2009
<b>Ongoing</b>	Yes
<b>Description</b>	<p>The Bread Houses Network started as part of the global network of International Council for Cultural Centres (I3C). The first Bread House was born as an innovative community cultural centre in the town of Gabrovo and grew into an innovative social enterprise kneading together the <b>space of a community cultural centre and a community bakery</b>, where people engage with art while the bread is being baked in the traditional fire oven. More than 20 Bulgarian cities and more than 15 countries on 5 continents have been inspired by the model and are currently developing local initiatives as part of the Bread Houses Network. I3C's Bread House in Gabrovo promotes local biodiversity, bio agriculture, and ecological lifestyle. The vision since the Bread House inception was to plant seeds around the world for community cultural centres to understand the potential (and flavour) of mixing art with food as one of the most effective ways to bring communities together and to approach in a holistic manner the issue of community sustainable development. The network trains people from Bulgaria and all over the world through the platform "Bread Therapy" so they apply the model of mixed paid and free services in their countries as a social franchise model. In the programmes participation are people with disabilities, refugees, minorities, victims of violence.</p>
<b>Website</b>	<a href="http://www.breadhousesnetwork.org">www.breadhousesnetwork.org</a> <a href="http://www.breadtherapy.net">www.breadtherapy.net</a>



<b>Name</b>	<b>Agia Skepi</b>
<b>Country</b>	Cyprus
<b>Starting Year</b>	1999
<b>Ongoing</b>	Yes
<b>Description</b>	<p>Agia Skepi is an example of a successful social enterprise in Cyprus that is highly relevant in this context.</p> <p>Agia Skepi, which means "<i>Holy Shelter</i>," operates as a therapeutic community that helps individuals suffering from drug addiction and related disorders. It provides residential care and therapy for those suffering from substance abuse, with the primary aim to rehabilitate and reintegrate them into society.</p> <p>Here are some reasons why Agia Skepi stands out as a successful social enterprise:</p> <ul style="list-style-type: none"> <li>➤ Agia Skepi's purpose is clearly defined and focused on a significant social problem—drug addiction. They aim to support those affected in overcoming their addiction and reintegrating into society, a cause that brings substantial social value.</li> <li>➤ Agia Skepi engages with the broader community, running awareness campaigns about drug addiction and its societal implications. This not only strengthens their impact but also fosters a supportive environment for the rehabilitation of their residents.</li> <li>➤ Although Agia Skepi is largely funded by donations and government support, they also run several businesses, such as a bakery and a car wash, where the residents work as part of their therapy and reintegration process. This provides a sustainable source of income and practical vocational training for the residents.</li> </ul> <p>In essence, Agia Skepi embodies the key characteristics of a successful social enterprise. They have a clear social mission, a sustainable business model, strong community engagement, effective service delivery, and a notable track record of social impact.</p>
<b>Website</b>	<a href="https://www.agiaskepi.org/">https://www.agiaskepi.org/</a>

<b>Name</b>	<b>dot2dot</b>
<b>Country</b>	Greece
<b>Starting Year</b>	2013
<b>Ongoing</b>	Yes
<b>Description</b>	<p>Dot2dot is a social cooperative enterprise, that was established in 2013 and has been active in the fields of culture, experiential tourism, research, and education.</p> <p>Their initiatives include the creation and implementation of alternative themed tours, educational activities for schools and educational institutions, as well as workshops for children and adults, the organisation of cultural events and the execution of research projects.</p> <p>The innovative themed routes offered by Dot2dot are scientifically designed and carefully curated to the needs and interests of each target audience. The thematic guided tours are targeted towards locals and tourists, companies, children and families, schools and educational institutions, people with a disability and socially vulnerable people.</p> <p>It is considered to be the first cultural company that brought alternative tourism to Greece. Their tours showcase and foster cultural experiences, by providing the opportunity for several people to view their city differently.</p>
<b>Website</b>	<a href="https://www.dot2dot.gr/">https://www.dot2dot.gr/</a>

<b>Name</b>	<b>Food Cloud</b>
<b>Country</b>	Ireland
<b>Starting Year</b>	2013
<b>Ongoing</b>	Yes
<b>Description</b>	FoodCloud is an innovative social enterprise that addresses food waste and food poverty in Ireland. It connects businesses with a supply of surplus food to charities and community groups in need. Through their platform, businesses can upload details of surplus food, and local charities can then access and collect the food. FoodCloud has successfully established partnerships with major retailers and food suppliers, effectively diverting large quantities of food that would otherwise be wasted while ensuring it reaches those who need it most. Their model not only tackles the issue of food waste but also contributes to alleviating food poverty and building stronger communities.
<b>Website</b>	<a href="https://food.cloud/">https://food.cloud/</a>

<b>Name</b>	<b>The Rediscovery Centre</b>
<b>Country</b>	Ireland
<b>Starting Year</b>	2006
<b>Ongoing</b>	Yes
<b>Description</b>	The Rediscovery Centre is a leading social enterprise that focuses on promoting sustainable living and environmental conservation. Located in Dublin, it operates a unique environmental education centre, providing workshops, training, and educational programs on topics such as upcycling, waste prevention, and circular economy principles. The centre also features a café, eco-store, and bicycle repair service. The Rediscovery Centre has successfully combined environmental initiatives with social impact by creating employment opportunities, fostering community engagement, and advocating for sustainable practices.
<b>Website</b>	<a href="http://www.rediscoverycentre.ie/">http://www.rediscoverycentre.ie/</a>

<b>Name</b>	<b>Case Del Cuculo</b>
<b>Country</b>	Italy
<b>Starting Year</b>	
<b>Ongoing</b>	Yes
<b>Description</b>	<p>Case del Cuculo is a small-scale social cooperative that works on enhancing the tangible and intangible heritage of communities. Their mission is to tailor work cultural projects, products and processes aimed at producing social and cultural innovation and urban regeneration through various methodologies: visual, performing, and public arts; facilitation; community building; qualitative research; graphic design and data visualisation; advising and training. They offer several services like: graphic recording, public art, community building, graphic design and facilitation. In this regard, it has equipped itself with facilitation tools applied to multilevel decision making; in fact, it participated in a national project on the topic of 'alcoholism together with the Italian Ministry of Health, playing the role of facilitator during the meetings of the development of the strategy to be implemented at the national level</p>
<b>Website</b>	<a href="https://www.casadelcuculo.org/">https://www.casadelcuculo.org/</a>

<b>Name</b>	<b>Caviro</b>
<b>Country</b>	Italy
<b>Starting Year</b>	1966
<b>Ongoing</b>	Yes
<b>Description</b>	<p>Caviro is a social cooperative of farmers that started as a winery and offers support to farmers in acquiring sustainable practices for high quality wine production. Caviro offers farmers training opportunities, solutions and resources and organises talks on the topics of circular economy, 'organic and sustainable agriculture, and reducing the environmental impact of agricultural production. In addition, the Group is engaged in the recovery of by-products derived from the wine and agri-food chain which are transformed into biomethane and noble products for the food, pharmaceutical, and agriculture sectors. In the market, the Group is a leader in the production of alcohol in Italy and a world co-leader in the production of natural tartaric acid. The mission of Caviro Extra is to safeguard the environment and transform Italian agro-industrial supply chain byproducts into products with high added value.</p>
<b>Website</b>	<a href="https://www.caviro.com/en/">https://www.caviro.com/en/</a>

<b>Name</b>	<b>Just a change</b>
<b>Country</b>	Portugal
<b>Starting Year</b>	2017
<b>Ongoing</b>	Yes
<b>Description</b>	<p>Just a change is a non-profit association that rebuilds homes for needy people in Portugal. The main goal of Just a Change is to improve the living conditions of families and individuals living in poverty, particularly those who are unable to carry out essential home repairs and renovations themselves. By mobilising volunteers and professionals, the organisation aims to create safe and healthy living environments for those in need.</p> <p>Their mission is to provide social assistance and promote social inclusion by renovating and rehabilitating homes. Just a Change believes that everyone deserves a decent place to live, and through their work, they strive to restore dignity and hope to vulnerable individuals and families.</p> <p>The organisation's vision is to build a society where housing is a basic right, and no one is left behind. They envision a community that actively supports and participates in improving the living conditions of those in need, fostering a sense of solidarity and social responsibility.</p> <p>Just a Change operates through a unique model that combines volunteer work and partnerships with local communities and institutions. They organise renovation projects, engaging volunteers from various backgrounds who contribute their time, skills, and resources to make a lasting impact.</p> <p>Through their initiatives, Just a Change aims to empower individuals, strengthen social bonds, and create sustainable solutions for housing challenges. By working collaboratively and focusing on the most vulnerable members of society, they strive to foster a more inclusive and compassionate Portugal.</p>
<b>Website</b>	<a href="https://justachange.pt/en/">https://justachange.pt/en/</a>

## Successes and Challenges

### Successes

#### **Bulgaria**

Several factors can influence the success of a social enterprise:

- **Sustainable financing and financial independence.** There are many examples where functioning enterprises have certain financial dependencies - from municipal budgets (in the cases of enterprises that are part of the municipal structures), from project financing which is unsustainable insofar as it has an unpredictable outcome from donors who might terminate funding.
- **Devoted team** that understands and lives with the SE cause - to be able to work with inspiration and motivation.
- **State-supported employment** (state paying a percentage of the salary). This could be beneficial for the SE to employ more people from vulnerable groups.
- **Wide promotion** of the SE services and products through various media channels. Raising **public awareness** about SE and their impact can contribute to their success.
- **Innovative ideas, good management, social capital and social effect** are also listed as factors for success.

In conclusion, a successful social enterprise is a functioning enterprise with a social cause, a positive financial result, which is independent in the taking of solutions, does not depend entirely on external funding, there is a clear prospect for development and achieves its social goals.

#### **Cyprus**

In the context of social enterprises, success hinges on a clear mission, sustainable funding, community integration, measurable impact, and adept leadership. These key factors intertwine to create an environment where purpose-driven initiatives thrive, making lasting contributions to society. By aligning goals, engaging communities, and demonstrating tangible outcomes, social enterprises pave the way for positive change while embodying the



principles of effective business and impactful social progress. Several factors can influence the success of a social enterprise:

- **Clear Purpose and Mission:** A well-defined and meaningful mission provides a guiding light for the enterprise's efforts, ensuring a focused approach to addressing social issues.
- **Sustainable Funding Model:** Diverse and reliable funding sources allow the enterprise to operate effectively, invest in growth, and maintain impact over the long term.
- **Community Engagement:** Strong ties with the community create a supportive environment, help tailor solutions to local needs, and foster trust in the enterprise's efforts.
- **Social Impact Measurement:** Quantifying and communicating measurable social outcomes demonstrate the effectiveness of the enterprise's work, attracting support and maintaining credibility.
- **Effective Leadership and Management:** Competent leadership ensures efficient operations, strategic planning, and the ability to navigate challenges while steering the enterprise toward its goals.

### Greece

In the case of Greece, the success of a Social Enterprise (SE) is influenced by numerous factors. One of them is related to **employment**. The existence of regular and skilful personnel is crucial for the day-to-day operations of an SE since such a company cannot rely exclusively on volunteers. The role of volunteers is identified as being of a supportive and short-term nature. Therefore, volunteers cannot replace regular staff of SEs wishing to achieve and/or scale their social impact in the long term. Another factor is related to an SE's **strategy**. One common feature of successful social enterprises is the adoption of a concrete strategic plan to have an impact on society, attain their financial objectives and achieve **sustainability** in the long term. A coherent strategy may offer several benefits to an SE such as proper allocation of resources and more targeted efforts for income inflows. In this matter, successful social enterprises proceed with clear **needs analysis**, since it is important to identify the actual problems of a community and where needs exist. Just like a straightforward process, a proper diagnosis of problems and needs allows social entrepreneurs to come up with suitable treatments i.e.,

solutions in the form of products and/or services. One additional element of successful SEs is their **competitiveness**. Products and services offered by SEs should be competitive in the market and also cover the needs and attract the attention of their customer base. This is of crucial importance for SEs who manage to become sustainable. Additionally, the success of a SE is influenced by its **extroversion** and **local reception**. Successful SEs enjoy the acceptance of their local community and they also have increased touchpoints with their target group and stakeholders. This provides them with the opportunity to engage with more people in a friendly environment. Thus, they can become more recognisable in the market and improve themselves through received feedback and better knowledge of the community's needs.

### *Ireland*

The success of a social enterprise is influenced by key factors such as a **clear social mission**, a **sustainable business model**, **effective leadership**, **collaborative partnerships**, and a focus on **measurable impact**. In Ireland, successful social enterprises include:

- FoodCloud: FoodCloud connects businesses with surplus food to charities and community groups in need, addressing both food waste and food poverty. Their innovative platform has gained national recognition and has established partnerships with major retailers.
- The Rediscovery Centre: The Rediscovery Centre promotes sustainable living and environmental conservation through its education centre, workshops, and circular economy initiatives. It has successfully combined environmental initiatives with social impact, creating employment opportunities and fostering community engagement.
- Camara Education: Camara Education refurbishes used computers and provides educational resources to disadvantaged schools in Africa. Their model has had a significant impact on enhancing educational opportunities and digital literacy.
- Social Entrepreneurs Ireland: Social Entrepreneurs Ireland supports social entrepreneurs with funding, mentorship, and resources to develop and scale their ventures. Their programs have contributed to driving social innovation and impact across various sectors.
- Leadership for Inclusion Programme (LINC): LINC is a not-for-profit cooperative social enterprise with a diverse team of multicultural experts focused on community

interpretation and addressing community needs. LINC aligns its projects with the Monaghan Integration Strategy 2020, aiming to foster integration, social justice, and youth development.

- The Cavan Cross-Cultural Community (4C): The 4C Association promotes multicultural development and integration through training, development opportunities, and information-sharing. 4C aims to influence local policies, promote mutual respect, and celebrate diverse cultures.

These examples demonstrate the importance of addressing social issues through innovative business models, partnerships, and a commitment to measurable impact.

### *Italy*

In the Italian case, participants in the research hesitated to discuss the elements that influence the success of a social enterprise. Therefore, no factors of success were identified during the research phase of the Empower Policy Paper.

### *Portugal*

In Portugal, the social entrepreneurship sector has experienced some successes driven by several key factors. Few social enterprises in the country have demonstrated **clear and impactful social missions, effective leadership, and strong business models**. These enterprises have addressed **pressing social problems** and have achieved **positive social outcomes** while also generating **sustainable revenue**. Examples of successful social enterprises in Portugal include Just a change, focused above on best practices as well as:

Associação CAIS – This organisation works with people experiencing homelessness, providing them with shelter, vocational training, and support for reintegration into society. Through social businesses such as a street magazine and a café, Associação CAIS creates employment opportunities and generates income to sustain its programs.

Cogumelo – Cogumelo cultivates gourmet mushrooms using coffee grounds as a substrate. By repurposing coffee waste, they create a sustainable farming system and provide employment opportunities for people with disabilities. Cogumelo's products are highly regarded in the market, promoting environmental sustainability and social inclusion.



**Figure 1. Influential Factors for the Success of a Social Enterprise**

### Challenges

#### **Bulgaria**

Social entrepreneurship works where the government cannot work (due to the lack of funding), and the business does not want to (because of low profitability). Currently Bulgaria is trying to find a solution to the different problems that it is facing such as: aging population, changes of economic gender roles, and environmental problems. In the efforts to get closer to the economic levels of the EU countries, Bulgaria needs to invest more in social development and tries to solve its own specific social problems. The low public spending on health, education and social protection is not conducive to social development.

Some of the main challenges of the Bulgarian social enterprises are:

- **Lack of adequate funding support** to social enterprises. This is a problem that affects practically all social enterprises in Bulgaria and refers to the initial and revolving financing of the activity of social enterprises.

- **Lack of resources** to start a social business - along with financing, there are several components of starting a business that are usually missing from the majority of social enterprise startups: buildings, land, and equipment.
- Social enterprises are **equal to all other enterprises** in terms of accounting and legislation that regulate taxes and fees for SE activity. There are no tax breaks for social enterprises and there are no incentives for the enterprise to operate as a social business rather than a corporate business.
- **Lack of business management and marketing skills** among employees in this field. This is a general problem of the NGO sector, which attracts personnel with a different profile than that required for managerial or marketing positions. As the civil sector is the most active in creating social enterprises, improvement in this area is becoming a necessity.

A serious challenge is the inability to pay wages other than the minimum wage.

### Cyprus

Social enterprises in Cyprus reveal a nexus of challenges intricately tied to their mission-driven goals and operational dynamics. These hurdles, closely connected to crucial success factors, underscore the dynamic landscape of social entrepreneurship.

Some of the main challenges in Cyprus are:

- **Securing reliable and ongoing funding.**
- Cyprus **lacks a distinct legal structure** for social enterprises, which causes operational difficulties.
- The **public's limited understanding** of social enterprises hinders their ability to gain support.
- **Competing with conventional businesses**, especially in price-sensitive markets.
- Getting funding requires **quantifying and demonstrating the social benefits** that they generate.
- **Balancing SEs' scalability** and expansion **with their social objectives.**

## Greece

Social Enterprises in Greece face numerous challenges. One crucial challenge is the **competition** they have to face in the market. On several occasions, SEs have to compete in the same sector with common companies. However, along with these efforts, they have to maintain their social cause, and, thus, find themselves facing restrictions. Competition and competitiveness are directly related to a company's **sustainability**, as SEs encounter increased difficulty in becoming sustainable when they lack competitive products or services.

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Another challenge that Greek SEs face is related to the current **legal framework**. According to participants in the focus group, current legislation poses limitations to social enterprises in terms of employability and utilisation of revenues, while leaving them little room for development and upscaling of their business. On this matter, one crucial aspect is the **lack of opinion-sharing** between policymakers and practitioners. Social entrepreneurs feel that their ideas and views are not requested by policymakers. Therefore, they feel excluded by the decision-making process on matters related to the social economy, leading to weakened legitimisation of policymakers' acts.

**Employability** is another challenging dimension for SEs. Social enterprises need to ensure they retain a consistent workforce in order to carry out their day-to-day activities and operate effectively. However, the limited revenue of certain social enterprises imposes limitations on the number of regular staff members they can employ. As a result of this situation, SEs find themselves seeking short-term solutions, such as relying on volunteerism, which may reduce their social impact and minimise their upscaling potential. According to the focus group participants, reliance on volunteers is also an alternative to **limited state support** for the coverage of basic functions.

Another challenge for SEs is the **lack of a common vision** between social enterprises and some beneficiaries. The absence of a shared vision between social enterprises and certain beneficiaries poses challenges in attracting individuals who are willing to support the social cause of the enterprise. Consequently, the social enterprise faces additional challenges in reaching out and mobilising both beneficiaries and the general public, requiring extra effort in order to achieve success.

The aspect of **strategy** is an additional challenge for Greek social enterprises. Some SEs tend to lack a coherent strategic plan to proceed with their operations. Due to the absence of a cohesive strategy, SEs miss opportunities to increase their openness, raise brand awareness and become more competitive in the market. A clear strategic plan is also beneficial for the proper diagnosis of social problems they attempt to solve. A proper understanding of the problems allows them to come up with suitable solutions.

Additionally, the performance of a social enterprise is heavily influenced by the **local reaction** towards the SE's activities. Community support and engagement with the SE's products, services and operations may lead to maximised social impact. When faced with negative local reactions, a social enterprise may find itself operating within an unfriendly environment, which can give rise to additional difficulties in its operations and overall performance. Moreover, this element is interconnected with strategy as SEs must ensure that their products and services stem from a comprehensive analysis of the specific issues within the local context.

### **Ireland**

Social enterprises in Ireland face various challenges that can impact their growth, sustainability, and ability to create meaningful social impact. Here are the main challenges they encounter:

- The **cultural mindset** and perceptions around entrepreneurship in Ireland may emphasise more traditional business models. Starting a social enterprise might be viewed as a riskier or less familiar path compared to traditional business ventures. Cultural norms and attitudes towards entrepreneurship can shape individuals' preferences and inclinations.
- Social enterprises in Ireland often struggle to achieve **financial sustainability**. Balancing social goals with generating sufficient revenue can be a significant challenge. They may face difficulties in accessing capital, securing funding, and developing viable income streams to support their operations and social initiatives. A lack of support from the Government of Ireland contributes greatly to this factor.
- Navigating the **regulatory landscape** can be challenging for social enterprises in Ireland. Discovering how to establish and maintain a social enterprise is rarely mainstreamed within educational curricula. Often, individuals have little knowledge of the various legal

requirements, tax regulations, and reporting obligations, which can be complex and time-consuming. The lack of specific legal structures designed for social enterprises adds to this challenge.

- Many social enterprises face the hurdle of **limited awareness** and understanding among the public, potential customers, and investors. Educating the market about their social value proposition and distinguishing themselves from traditional businesses can be a constant challenge. This may impact their ability to generate demand for their products or services.
- Starting any business involves risks, and the **fear of failure** can be a deterrent for potential entrepreneurs. The fear of not being able to achieve social impact, financial sustainability, or the pressure to balance social and financial goals can make individuals hesitant to embark on the entrepreneurial journey.

Addressing these challenges requires supportive policies, access to funding and resources, targeted capacity-building programs, and a supportive ecosystem that recognises and values the role of social enterprises in driving positive social change in Ireland.

### *Italy*

The challenges facing social enterprises in Italy are many and affect various aspects of social enterprises themselves. These are:

- The **absence of a shared methodology to assess** the economic, social and environmental **impact** of the activities produced by social enterprises managing services under contract to public entities. This element is necessary for public entities to understand how to select enterprises in a tender, following the principle of cost-effectiveness expected at the local level. In addition, the absence of this evaluation mechanism generates a lack of recognition of the value of social enterprises in the implementation of national and European (Green Deal) strategies for combating climate change and environmental sustainability. This ensures that at the governance level, there are no policies dedicated to social enterprises, which are therefore sidelined.
- **Poor innovation in service management** for which there is a need to start a process of renewal of traditional services to meet the new social welfare needs of local communities.



In the personal services sector, there is a discrepancy between the goals and strategies of public administration compared to the real needs of families in need.

- **Scarce collaboration with for-profit enterprises:** it is necessary to collaborate with for-profit enterprises because internally they have developed skills, sensitivities and knowledge that can be useful to social enterprises and consequently cascade to local communities, without going into competition.
- The **increase in bureaucracy** and the **much-reduced funding**, in the face of higher expenses. In addition, there is a **legal vacuum** in the face of social innovation projects developed by social enterprises.
- **Creation of a common paradigm** at the European level that accommodates all social enterprise challenges: too much discrepancy among European social enterprises with respect to common values and goals. The absence of shared values and principles among the members of the social enterprise itself leads to failure. In addition, collaboration among social enterprises at the European level is slow and poor.
- **Poor knowledge and understanding** of the social enterprise vis-à-vis third parties and competitors that results in poor awareness among clients and investors about the concept of social enterprise. This determines a lack of opportunities to receive adequate support and backing from these actors.

### Portugal

Despite few successes, the social entrepreneurship sector in Portugal faces several challenges that hinder its growth and impact. These challenges include **limited access to funding and financial resources** – social enterprises often struggle to secure adequate funding and investment to start or scale their operations. Limited access to capital can impede their growth and sustainability. **Lack of awareness and understanding** – many people in Portugal are still unfamiliar with the concept of social enterprises and their potential impact. This lack of awareness can make it challenging for social enterprises to gain recognition, attract customers, and build partnerships. **Regulatory and legal complexities** – Social enterprises in Portugal may face bureaucratic hurdles and regulatory complexities that impede their operations. Navigating the legal framework for social entrepreneurship can be challenging due to its evolving nature. **Balancing social and economic objectives** – Social enterprises aim to create both social and economic value. Finding the right balance between generating

revenue and fulfilling their social mission can be a constant challenge. **Scaling and replicating successful models** – Scaling up successful social enterprise models can be challenging due to resource limitations and the need for sustainable growth strategies. Replicating successful models in different regions or sectors may require tailored approaches and collaborations. **Building networks and collaborations** – Establishing strong networks and collaborations within the social enterprise ecosystem is crucial for knowledge-sharing, resource pooling, and collective advocacy. However, developing and maintaining these networks can be a challenge, especially for smaller or geographically dispersed social enterprises.



**Figure 2. Challenges for Social Enterprises**

## Recommendations for Practitioners

### *Bulgaria*

Based on the identified challenges, a series of recommendations can be formulated to improve the environment for social entrepreneurship in Bulgaria.

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#### *Continuous improvement of skills of social entrepreneurs*

Continuous improvement of skills and continuous exploration of the environment for development. There is need of young educated and highly skilled social entrepreneurs, who are familiar with the area and with the local authorities. The Bulgarian social entrepreneurs need additional capacity in development of projects to bring additional funding, as well as for organisational development capacity, strategic and business planning. Additional training in the field is required in business planning, accounting, financial management, marketing, building of partnerships and coalitions, fundraising, etc.

#### *Social entrepreneurs need to learn to think and act like entrepreneurs*

Most socially engaged people in Bulgaria have humanitarian interests and are educated, when it comes to business, it is useful to have a particular opinion about the direction of validating the product in the market and especially with regard to the strength and quality of the product. Social entrepreneurs have to think of their venture as a business with a cause and thus, always think about the quality of the products they create and not rely on the cause alone to make consumers buy the goods again and again.

### *Cyprus*

#### *Explore alternative funding avenues such as impact investors, social venture capital funds, crowdfunding, and specific grants for social enterprises*

One such avenue involves engaging impact investors who are committed to supporting enterprises that generate positive social and environmental outcomes. By aligning the mission of the social enterprise with the values of impact investors, practitioners can attract funding that not only aid achieving their social goals but also provides a pathway to financial returns. Another avenue to consider is social venture capital funds, which specialise in financing businesses driven by a strong social mission. These funds offer not only vital

financial support but also bring expertise, guidance, and extensive networks that can propel the enterprise's growth and impact. Additionally, leveraging online crowdfunding platforms can empower practitioners to directly engage with a diverse range of supporters who resonate with their cause. Crafting compelling narratives and transparent campaigns on these platforms can encourage individuals to contribute funds directly to their enterprise, fostering a sense of community involvement. Lastly, actively seeking out and applying for specific grants tailored to support social enterprises can yield substantial funding opportunities. Government agencies, philanthropic organisations, and corporate foundations often offer grants that align with social enterprises' mission, providing essential financial resources to expand SEs' impact. By diversifying funding sources through these alternative avenues, practitioners can establish a resilient financial foundation, mitigating the challenges associated with reliance on a single funding stream and enabling them to drive meaningful change within their communities.

[Create networks and platforms for social entrepreneurship, fostering a supportive community.](#)

[Establish and foster networks or platforms that allow social entrepreneurs to connect, collaborate, and learn from each other.](#)

To enhance the social entrepreneurship landscape in Cyprus, practitioners should actively establish and foster networks or platforms dedicated to connecting and supporting social entrepreneurs. These networks serve as valuable hubs for collaboration, knowledge-sharing, and mutual learning. By creating spaces where social entrepreneurs can connect, exchange insights, and collaborate on innovative solutions, practitioners can cultivate a vibrant community that collectively addresses challenges and seizes opportunities. These networks can provide mentorship, peer support, and a platform for cross-pollinating ideas, ultimately contributing to a more robust and impactful social entrepreneurship ecosystem in Cyprus.

## **Greece**

### [Increased cooperation](#)

Based on participants in the research phase of the Empower project, the first step for practitioners to improve the social economy sector is to realise their place in the market by acknowledging the potential power they have in their hands and their limited options. One way to improve the situation in the sector, and simultaneously, maximise their collective activities is through increased cooperation. According to Arranz Peña & Fernández de

Arroyabe (2002), cooperation among enterprises offers numerous advantages, encompassing both **financial and strategic benefits** (p. 39). Financially, collaboration enables businesses to enhance their capacity and expertise without the requirement of acquiring or developing new capabilities and resources. Strategically, cooperation empowers businesses to gain an advantage over their competitors by saving time and maintaining flexibility, crucial for adapting to the dynamic environment in which they operate. Furthermore, collaboration proves highly advantageous when businesses possess complementary or synergistic resources, as it facilitates the optimal utilisation of diverse assets through resource integration. Cooperation may be among social enterprises, common companies in other sectors or even Non-Governmental Organisations (NGOs).

Various types of collaboration can be pursued, including **networking**, engagement in **joint initiatives** regardless of their scope and scale, and utilisation or **promotion of each other's products and services**. It would also be possible to organise specialised **trainings** for personnel to enhance employees' knowledge, skills and competencies.

### Extroversion

Social entrepreneurs need to adopt approaches targeted towards the enhanced extroversion of their companies. Companies with extroverted approaches tend to gain **brand awareness**, which in turn leads to larger local support and revenues. Extroversion may mobilise the general public to better understand the sectors and the beneficiaries' needs and also the value added by a social enterprise. Such an approach may offer social enterprises opportunities to reach wider and different audiences, promote their activities to new stakeholders and gain popularity within the market. It may even offer opportunities for **self-improvement** through interacting with and receiving feedback from a larger pool of customers and stakeholders. According to the focus group participants, one possible way for a social enterprise to become more extroverted and "open" to the market is by investing in **marketing and advertising**. Such instruments could prove to be helpful for social entrepreneurs in their efforts to raise brand awareness, increase their revenues and upscale their social impact.

## *Ireland*

### *Raise Awareness*

Educators, youth workers, volunteers, etc. can play a crucial role in raising awareness about social entrepreneurship and its potential for positive impact. They can organise workshops, seminars, and networking events to educate aspiring entrepreneurs about social enterprise models, successful case studies, and available support networks. Collaborating with educational institutions, community organisations, and government agencies can help create tailored programs and courses that highlight the benefits and opportunities of social entrepreneurship in Ireland.

### *Provide Support*

To encourage people to start social enterprises, practitioners should provide comprehensive support and resources throughout the entrepreneurial journey. This can include mentoring programs, incubators, and accelerators specifically designed for social enterprises. Accessible funding options, such as grants, loans, and impact investment opportunities, can also motivate individuals to pursue social entrepreneurship. Additionally, providing guidance on legal and regulatory compliance, impact measurement, and business planning can help aspiring social entrepreneurs navigate the challenges more effectively.

## *Italy*

### *Communicating Social Innovation*

One of the main aspects to insist on regarding the area of social enterprises is how to communicate social innovation at various levels of governance and to local communities. To do this, it is necessary to provide experiences of active involvement of people whose enterprise it is, to acknowledge the importance of entering the process of social enterprises. This also enables a deep paradigm shift (shared values and principles) it takes time but by involving people, they can understand the changes, opportunities, and ideas. Observing and studying other European models of social enterprise can also help communities (especially other community stakeholders such as local institutions and for-profit enterprises) understand the internal processes that are triggered in a social enterprise.

### Assess the Impact of Social Enterprises

To develop and use tools and methodologies shared nationally and beyond to assess the economic, social, and environmental impact of the activities of social enterprises involved in job placement and personal services, using a tracked system that includes technical and specific criteria is important.

### Training & Certification

In order to ensure a higher quality of the services provided to the communities, it is essential to organise life-long learning training opportunities for the staff of the social enterprises that could also help them in coping with the challenges faced at national and international level, by smoothing the interaction and collaboration with other social enterprises in the EU networks. In addition, by insisting on the adoption of specific certifications or labels related to gender and environmental sustainability, the social enterprises could be better qualified and attractive for potential investors and co-workers.

### Strengthening Advocacy

It is essential that practitioners conduct research on their impact, provide success stories and models to policy makers so they can give their input and design supportive policies in favour of social enterprises. In this way the ecosystems of support for social enterprises is created. Promote strong interventions among administrators in favour of social enterprises that can lead the way for other like-minded administrations.

## **Portugal**

### Foster collaboration and knowledge sharing

Fostering collaboration and knowledge sharing is crucial for the growth and development of the social entrepreneurship sector in Portugal. By establishing networks, platforms, and communities of practice, practitioners can create an environment that promotes the exchange of experiences, best practices, and lessons learned. Collaboration and knowledge sharing play a vital role in driving innovation, enhancing impact, and addressing complex social challenges.

Collaboration enables social entrepreneurs to leverage their collective expertise, resources, and networks to tackle social problems more effectively. By working together, social entrepreneurs can share ideas, insights, and experiences, fostering learning and inspiring new approaches to social entrepreneurship. Additionally, collaboration encourages the pooling of resources, reducing duplication of efforts, and maximizing the use of available resources.

To foster collaboration and knowledge sharing, practitioners should take initiatives to establish networks and platforms that bring together social entrepreneurs, stakeholders, and other relevant actors. These networks can serve as spaces for regular interactions, where individuals can share their experiences, challenges, and successes. Online platforms, conferences, workshops, and communities of practice can facilitate knowledge exchange, collaboration, and networking opportunities. Moreover, practitioners should actively seek partnerships and collaborations with government entities, corporations, academic institutions, and civil society organisations. These collaborations can provide access to diverse expertise, resources, and networks, amplifying the impact of social entrepreneurs and driving collective action.

### [Advocate for supportive policies and regulations](#)

Advocating for supportive policies and regulations is vital for the advancement of social entrepreneurship in Portugal. By actively engaging in advocacy efforts, practitioners can strive to create an enabling environment that recognises and incentivise social entrepreneurship. This involves advocating for the establishment of legal frameworks that provide clarity, support, and protection for social enterprises.

One key aspect of advocating for supportive policies is pushing for legal frameworks that specifically address the unique needs and challenges of social enterprises. These frameworks should define and recognise the legal status of social enterprises, ensuring that they are distinct from traditional for-profit businesses and nonprofit organisations. Clarity in legal definitions and requirements can help social entrepreneurs navigate regulatory processes and access relevant support mechanisms. In addition to legal frameworks, advocating for tax incentives and procurement policies that prioritize social value creation is crucial. Tax incentives can encourage investment in social enterprises by providing financial benefits or exemptions. These incentives can attract private investors and promote sustainable funding



models for social entrepreneurs. Moreover, procurement policies that prioritise social value creation can create opportunities for social enterprises to participate in public procurement processes, ensuring that social and environmental impact is considered alongside economic factors.

To effectively advocate for supportive policies and regulations, practitioners should engage in dialogue with policymakers, government agencies, and relevant stakeholders. Building relationships and partnerships with decision-makers and influencers can amplify the voice of the social entrepreneurship sector and increase the chances of policy reform. Collaborating with industry associations, civil society organisations, and academic institutions can also strengthen advocacy efforts by demonstrating the collective impact and diverse perspectives of the sector. Ultimately, advocating for supportive policies and regulations requires a long-term commitment and strategic approach. It involves actively participating in policy discussions, providing evidence-based research and case studies, and showcasing the positive impact of social entrepreneurship. By advocating for policies that recognise and incentivise social entrepreneurship, practitioners can create an enabling environment that fosters the growth, sustainability, and impact of social enterprises in Portugal.

### *Foster collaboration with stakeholders*

By seeking partnerships and collaborations with government entities, corporations, academic institutions, and civil society organisations, social entrepreneurs can leverage the collective power of these stakeholders to drive positive social and environmental change. Collaborating with stakeholders brings together diverse perspectives, expertise, and resources that can significantly enhance the effectiveness and impact of social entrepreneurship initiatives. Government entities can provide valuable support through policy advocacy, funding opportunities, and regulatory frameworks that foster an enabling environment for social enterprises. Partnering with corporations can offer access to funding, mentorship programs, and business expertise that can help scale and sustain social ventures.

Engaging with academic institutions brings research capabilities, innovation, and knowledge exchange to the table. By collaborating with universities and research centres, practitioners can tap into academic resources, conduct rigorous impact assessments, and develop evidence-based practices. This collaboration also nurtures a pipeline of talent, fostering a

culture of social entrepreneurship among students and researchers. Involving civil society organisations allows social entrepreneurs to connect with grassroots movements, community networks, and those directly affected by social issues. By working closely with local communities, practitioners can gain valuable insights, co-create solutions, and ensure their initiatives are truly impactful and sustainable.

To foster effective collaboration, practitioners should proactively reach out to stakeholders, foster trust, and create platforms for dialogue and shared decision-making. Building strong relationships based on mutual respect and common goals will ensure that collaborations are built on a foundation of shared values and a commitment to creating positive change.



**Figure 3. Recommendations for Practitioners**

## Recommendations for Policymakers

### *Bulgaria*

#### *Optimising legislation and creating a flexible legal environment*

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It is a necessary condition for the development of the sector. There is need for wider financial support for social enterprises. Tax reliefs and preferences should be implemented for encouraging the activity of social entrepreneurship in Bulgaria.

The Bulgarian Law on enterprises, social and solidarity economy came into force in 2019. There is a Register of social enterprises stipulated in the act, stating that only registered organisations will have access to special and supportive measures provided by the government. Currently there are only a few organisations on the list since the measures benefiting them are too few, with very little support. In other words, registration brings obligations that far outweigh any benefits to the social enterprise. Quite a number of social enterprises operate without being officially registered as such.

#### *Recognition of social entrepreneurship as an effective tool for social integration*

Support for social entrepreneurship should be embedded in development programmes and policies. The presence of long-term unemployment in Bulgaria for certain social groups, the limitations of traditional labour market policies and the need for more active and innovative integration policy, raise questions about the place of social enterprises and the important role they can play to address unemployment and encouraging the growth of employment. Social enterprises can assist with the labour integration of low-skilled unemployed people who are at risk of long-term exclusion from the labour market. This is why social enterprises should be targeted and the supporting measures from institutions at European and national level should be taken.

### *Cyprus*

#### *Introduce specialised financial resources dedicated to social enterprises*

These could include various forms of support such as grants, loans, impact investment opportunities, and seed funding for startups. Policymakers are urged to develop specialised financial resources designed to promote social companies in order to revitalise Cyprus' social

entrepreneurship scene. These resources ought to include a variety of possibilities, including grants, loans, impact investing opportunities, and seed money for new businesses. Policymakers may offer crucial capital injection, encourage innovation, and promote positive social change by designing financial mechanisms to the specific demands of social businesses. This will ultimately help to create a healthy ecosystem of mission-driven companies in the nation.

*Develop a straightforward legal framework that precisely identifies social enterprises and furnishes them with an operationally sound structure, while also providing tax advantages*

Policymakers are advised to provide a clear legal framework that specifically distinguishes social enterprises in order to foster an environment in Cyprus that is conducive to social entrepreneurship. These initiatives should receive a formal operational model from this framework that caters to their particular requirements and goals. Policymakers can also think about including tax benefits that are particularly created for social companies to encourage their expansion and impact. Policymakers may support a positive ecology that enables social enterprises to flourish, innovate, and advance both economic and social progress by providing a clear legal framework and focused fiscal advantages.

## *Greece*

### *State support*

The role of the state is recognised as essential for the proper functioning of the social economy sector in Greece. Participants in the EMPOWER research agreed that state support is necessary for the well-being of social enterprises. They also mentioned that currently, state support is limited, leading social enterprises to short-term solutions e.g., reliance on volunteers. State support may take several forms. One way is through providing **additional funding**. Such an approach may assist social enterprises to cover some basic needs, at least at their first steps until they reach a certain level of sustainability. A second type of state support identified in the EMPOWER research is through potential **motivations** for social enterprises e.g., tax reliefs. These types of motives present potential avenues for existing social enterprises to get one step closer to achieving both sustainability and financial prosperity while upholding their social mission. The social economy sector could also witness the mobilisation of new social entrepreneurs, driven to enter the market. This could lead to

augmented social impact within the entire sector. A third mode of state assistance is in the shape of **material support**. This form of support may occur through direct collaboration and transactions between state agencies and social enterprises. E.g., public agencies could turn to products and/or services provided by social enterprises. This may prove to be helpful for both social enterprises and the agencies themselves. Social enterprises may increase their revenues and social impact, while public agencies may raise their social profile by supporting companies with a certain social mission. The fourth type of state support identified in the focus group discussion is in the form of **training**. State employment agencies and organisations could provide educational programs and training focused on the social economy. This approach has the potential to result in a more qualified, knowledgeable and competent workforce for social enterprises.

### Legislation & Legitimation

The topic of the current Greek legal framework emerged on several occasions throughout the Focus Group discussions. Participants who raised this issue were mainly sceptical about the **limitations** posed to Greek social enterprises **by the legislation**. Through the discussion, the current law 4430/2016 was argued to be “*a political declaration*” that poses restrictions to social enterprises in terms of employability and utilization of their revenues. According to the participants, the current legal framework restricts social enterprises from creating new job vacancies based on their revenues instead of their net income. This situation constrains social enterprises’ development and upscaling, influencing their activities, resource allocation and eventually their sustainability. One essential theme that emerged through the focus group discussion was related to the **policymakers’ legitimisation** to decide on social economy matters. The involvement of active social economy agents in legislation discussions is considered to be extremely limited, with the dominance of a top-to-bottom model of decision-making in the sector. This situation leads to practitioners feeling ignored since their views and ideas are not sought on matters that greatly affect them. It also undermines the legitimisation of policymakers due to the lack of opinion-sharing amongst them and the practitioners. It is essential to **engage more social economy agents** such as organisations and practitioners in the decision-making process. This approach has the potential to ensure the best possible quality of future decisions while empowering the legitimisation of policymakers.

## Ireland

### Supportive Policy Environments

Policymakers, such as Government Ministers (Teachtaí Dála), Government Departments, Local Authorities, Regulatory Bodies, and Cross-Departmental Committees can work to create a supportive policy environment that encourages and enables the growth of social enterprises in Ireland. This can involve introducing specific legal structures or frameworks tailored to social enterprises, simplifying regulatory processes, and providing clarity on legal obligations. Policymakers should also consider offering varied financial incentives, such as tax breaks or grants, to support the establishment and growth of Irish social enterprises. Additionally, creating procurement policies that prioritise social value and consider social enterprises in public procurement processes can create market opportunities and increase their visibility.

### Fostering Collaboration and Partnership

Policymakers can foster collaboration between social enterprises, Government Departments, businesses, and the nonprofit sector to amplify social impact. This can be achieved by establishing platforms for collaboration, such as social innovation networks (such as the SIFI, SEI, etc.), or working groups, where stakeholders can come together to share knowledge, resources, and best practices. Policymakers can facilitate partnerships by encouraging cross-sectoral collaborations and supporting initiatives that promote knowledge exchange and capacity building. Additionally, policymakers can create funding programmes specifically dedicated to fostering collaborative projects between social enterprises and other stakeholders (such as the *Social Enterprise Development Fund*, *Social Innovation Fund*, etc.), encouraging innovative solutions to social challenges.

## Italy

### Spill-over effect

If local decision makers decide to undertake bold choices that favour social enterprises and the innovation processes they create, they can positively influence other local governments in the surrounding area in the same direction.

### Co-design services with SE

Policymakers must adopt the measures and tools already present in national and local legislation in order to produce specific regulations on certain steps related to job placement programs and the possibility for social enterprises to co-design the service. This implies that administrators will necessarily have to collaborate with other parties (social enterprises) in the management of public contracts. In addition, this solid collaboration at the strategic planning stage can contribute to the reduction of the regulatory vacuum related to innovation processes promoted by social enterprises.

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### Less Bureaucracy

Local governments need to incentivise investment by reducing bureaucracy while encouraging the establishment of new social enterprises through, research collecting impact data, increased knowledge and awareness of the activities and achievements of social enterprises. This would help administrators understand the impact that social enterprises share at a local level.

### A common standard to assess Impact

Develop a standard of assessment for measuring the impact of social enterprises, but this issue must be dealt with at the national level and not at the local level since municipalities cannot legislate in areas of national competence.

## **Portugal**

### Create a favourable legal and regulatory environment

To promote and enhance the social entrepreneurship sector in Portugal, policymakers should prioritise the creation of a favourable legal and regulatory environment. This involves developing a clear legal framework tailored to social enterprises, establishing supportive regulations, and providing financial incentives.

The first step is to establish a distinct legal framework that provides clarity on the legal status, governance structure, and accountability mechanisms for social enterprises. This framework should recognise the unique characteristics and contributions of social entrepreneurship, facilitating access to funding, resources, and support. By offering a clear legal identity, social

enterprises can navigate the business landscape more effectively and attract the necessary investments to further their impact.

Additionally, policymakers should implement supportive regulations that reduce administrative burdens and streamline processes for social enterprises. Simplified administrative procedures and reduced bureaucratic barriers will encourage more individuals and organisations to engage in social entrepreneurship. By creating an enabling ecosystem, policymakers can foster the growth of social enterprises, promote innovation, and address societal challenges more effectively.

Furthermore, policymakers should explore financial incentives to incentivise social entrepreneurship. This can include tax incentives, grants, subsidies, and preferential procurement policies that prioritise social value creation. By providing financial benefits and support, policymakers can attract more entrepreneurs to the social sector, stimulate innovation, and drive positive social impact. These incentives can also foster collaboration between social enterprises and other stakeholders, such as government entities, corporations, and academic institutions, creating a collaborative ecosystem where different actors work together towards common goals.

### *Foster collaboration and dialogue*

To advance the social entrepreneurship sector in Portugal, policymakers should actively promote collaboration and dialogue among all relevant stakeholders. This entails nurturing an environment that encourages the exchange of ideas, experiences, and resources, while cultivating a collective sense of ownership and shared responsibility.

Policymakers can facilitate the cultivation of collaboration by fostering the formation of networks, consortia, and partnerships that bring together social entrepreneurs, governmental entities, private corporations, academic institutions, and civil society organisations. These interconnected networks serve as conduits for knowledge-sharing, expertise, and opportunities, nurturing a culture of cooperation that transcends traditional boundaries.

Additionally, policymakers should promote dialogue and engagement between social entrepreneurs and policymakers themselves. This can be accomplished through interactive



forums, inclusive workshops, and participatory consultations. By actively involving social entrepreneurs in the policymaking process, policymakers can gain valuable insights into sector challenges, identify areas for improvement, and co-create solutions based on the collective wisdom of those directly involved.

By promoting collaboration and dialogue, policymakers can cultivate an ecosystem that nurtures innovation, drives social impact, and empowers social entrepreneurs to thrive. This approach not only leads to the development of effective policies and regulations but also establishes a solid foundation for sustained growth and resilience within the social entrepreneurship sector.



**Figure 4. Recommendations for policymakers**

## Conclusion

The EMPOWER research raises some significant points on the situation of the social enterprise sector in Bulgaria, Cyprus, Greece, Ireland, Italy and Portugal. Participants in all partner countries highlighted similar issues that SEs deal with. In terms of success factors, the most common themes include sustainability and financial resources' distribution, meaning that successful SEs have to find ways to secure their economic survival in order to fulfil their social mission. Another crucial theme is related to management, with the main sub-topics being strategy, leadership and human resources. The human factor is of high value for SEs due to the need for qualified and devoted social capital. Also, SEs that want to reach success require a suitable business model and a clear link between an innovative social purpose and the means to achieve it. Other important success factors are connected to the SEs' degree of openness, and community engagement. The success of SEs is highly interconnected to the community, the context within which they operate and their willingness to collaborate with and engage with other external actors. Additionally, a successful SE is one that is capable of measuring its social impact and counting the social value it brings to its community and target groups.

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The challenges that SEs in partner countries face derive from similar topics compared to factors of success, meaning successful SEs are the ones who overcome their challenges. Common themes include financial issues, such as access to funding and securing financial sustainability, but also management in terms of people's management skills and adoption of innovative business models. Another crucial theme raised among research participants is centred around the legal framework in the countries under study. More specifically, despite the differences in the regulations within the EMPOWER countries, many participants raised the issue of lacking or restricting regulatory frameworks that pose challenges to the proper functioning of SEs. Another highlighted challenge is the public response to SEs' nature and activities. The general public seems to lack essential understanding and knowledge about the role of SEs in the national economy. This leads to lack of awareness about their activities and social mission which in turn limits the SE's access to funding, potential collaborations, promotion opportunities or simply to success of achieving and/or scaling their social impact. Public reaction is interrelated to a SE's openness, and its attempts to build and find supportive networks and reach a common vision to empower its position in the market. Furthermore,

competition and competitiveness are of great importance for Social Enterprises. Practitioners recognise their struggle to compete with regular companies and achieve the appropriate balance between financial sustainability and the maintenance of their social mission.

The EMPOWER Policy Paper includes recommendations for both practitioners and policy-makers that consist of answers to what these two types of actors can do to improve the situation in the social entrepreneurship sector. These recommendations cover a variety of initiatives that hopefully will lead to a brighter future for Social Entrepreneurs.

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