



# INCLUSION AND INTEGRATION – COMPETENCE IN THE FIELD OF SOCIAL ECONOMY



# Inclusion and Integration - Competences in the field of Social Economy



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# 1. Presentation of the project



Contemporary Europe faces numerous social, economic and demographic challenges that require innovative and comprehensive responses. In this context, the social economy (ES), which combines economic activity with a social mission, is playing an increasingly important role. Founded on the values of solidarity, democracy, participation and social inclusion, this sector is becoming an important element of sustainable development strategies, especially in the local and regional context. The subject of this intellectual work is the development of a comprehensive document containing guidelines for the functioning of the social economy in three partner countries — Poland, Lithuania and Italy. The final result of the activities will be this intellectual work, containing a set of recommendations, models and tools supporting the development of the ES sector in a transnational perspective. The guidelines will be prepared taking into account the existing support systems, legal and organisational specificities of each country, and their main focus will be on educational activities and social impact assessment. This approach will not only enable a better understanding of the mechanisms of the functioning of the ES, but will also contribute to the implementation of more effective and sustainable solutions in the future. The development of guidelines will be preceded by a detailed analysis of the needs and capabilities of individual countries. The starting point will be to identify competence gaps among adults working in the field of social economy, as well as to identify the most important social goals, such as: social inclusion, combating poverty, access to education, housing needs or autonomy of the elderly. These aspects will form the basis for the development of tools that can be effectively adapted to national conditions. An important component of the work will be a list of best practices and solutions used in Italy, based on statistical research and qualitative data from the Isnet Observatory. This analysis will allow to assess the possibility of their transfer to Polish and Lithuania. This will ensure that the guidelines are not only theoretical, but will be based on real-world experience and proven models of social enterprise governance. During the course of the project, special emphasis will be placed on the educational and training aspect. The planned activities will include the transfer of know-how and the development

of training paths for mentors and social carers, which will contribute to the creation of new professional roles – the so-called "social entrepreneurship facilitators". These people will support the development of the ES sector in the future, especially in communities affected by exclusion or marginalization. An integral part of the intellectual work will also be the identification of potential partnerships between Italian, Lithuanian and Polish social enterprises. These partnerships are aimed at joint initiatives, exchange of experiences and strengthening the position of ES entities at the European level. As a result, it will be possible not only to increase the scale of operation of these organizations, but also to improve their effectiveness and social impact. As a result of the implementation of the activities, a list will be created containing specific tools and solutions that can be implemented in partner countries. The document will also take into account the results of consultations carried out with representatives of the ES sector and experts. The result will be the selection of those tools and practices that have the greatest development potential and are best suited to local needs and implementation possibilities. The main goal of intellectual work is to democratize access to information and promote equal opportunities in education, knowledge and social participation. The inclusion of disadvantaged groups, increasing the professional competences of employees in the sector and strengthening the institutional capacity of ES organizations are long-term goals that the project aims to support. The activities undertaken as part of the intellectual work are not only to bring concrete results, but also to initiate change processes that will continue even after the end of the project. In conclusion, this intellectual work, which is the end result of the planned activities, will be an important step towards building stronger, better organized and more effective social economy ecosystems in partner countries. Through international cooperation, the exchange of good practices and the joint creation of management tools and models, it will be possible to create a solid foundation for the further development of this sector in Europe.

## **1.1. Genesis of the project**

### **1.1.1. Description of the problem addressed by the project**

The project on the socio-economic activation of people at risk and socially excluded grows out of the analysis of contemporary social and demographic challenges, which are particularly visible in all countries of the European Union. A key element of this analysis is the awareness of the growing number of people experiencing social exclusion, which requires comprehensive and innovative solutions. The project "Inclusion and Integration – Competences in the Field of Social Economy" was created in response to the growing need for socio-economic activation of people at risk of exclusion at the local and regional level.

The social economy has played an important role in complementing public sector activities by offering services that support dependent and marginalised people. The project is based on the belief that the social economy (ES) plays a key role in the process of building civil society and solving local social problems. Social economy entities (PES) are seen as complementary to the activities of the private and public sectors, offering specific support and services aimed at dependent and at risk of exclusion. Their activities not only provide the necessary services, but also activate them by creating jobs, thus becoming an important element of the local and regional labor market.

The genesis of the project is also related to the evolution of the approach to PES support. The initial support, based mainly on subsidy instruments, was necessary to build this sector and create a group of ES entities, e.g. in the Podlaskie region. However, as ES developed, there was a need to shift the focus from funding to strengthening the knowledge, competences and skills of those involved in PES. This need stems from the desire to professionalize and improve the quality of the services provided.

The project aimed to increase the knowledge, competences and qualifications of adults in social economy entities, strengthen the development and innovation potential of these entities and build stable ecosystems supporting the development of PES. The project highlights the crucial importance of education as one of the main factors of social inclusion. Although vocational education is important for equal opportunities, non-

vocational adult education is increasingly important in the context of eliminating social, mental, cultural and other, often unconscious barriers. The need for such education is clearly visible in the Podlaskie region, where PES report a growing demand for consulting and training services. In addition, the project recognizes the need to develop soft skills, such as working in a group or dealing with crisis situations, which are becoming increasingly important at the next stages of PES development.

An important aspect was to enable the exchange of experiences, good practices and joint development of solutions for the introduction of new services by PES. The project focused on the selection and subsequent implementation of organizational and technical solutions necessary for the provision of social services in the local community and the progressive digitization of customer service, which will allow for the improvement of management processes and the adaptation of PES offers to changing market conditions.

The genesis of the project is strongly linked to the inspiration coming from practical social economy activities, especially those carried out by the Italian partner. The project aims to use these experiences to encourage adults to actively participate in the socio-economic life of local communities, which is crucial for their social inclusion. The assumption of the project is to systematically acquire, collect and exchange knowledge and experience at the European level regarding the methods and ways of working PES with the external environment.

As part of the project, activities were carried out to identify models of functioning and management of the social economy in the partners and to analyze the functioning PES support systems in different countries. An important element was to identify potential partnerships of social economy entities in the international arena, which will allow for establishing contacts and jointly developing strategies for the development of ES organizations and PES themselves in the future. Translating good practices of social economy into guidelines and transferring know-how to partners will enable the implementation of proven solutions and increase efficiency of operations. This information was aimed at preparing new professional functions that could in the future act as "facilitators of social entrepreneurship", supporting local ecosystems and strengthening the structure of the social economy through sustainable mechanisms of

cross-sectoral cooperation and strengthening the position of PES in the local area social services market.

An important element was the promotion of a culture of social economy, which contributed to increasing public awareness of its role and benefits. Thanks to cooperation with foreign partners, it has become possible to choose new solutions that do not exist in Poland and Lithuania and expand international cooperation. Further development of the social economy in the Podlaskie Voivodeship can be carried out by improving the quality of PES services, educational support and strengthening their position on the market. The project not only supported the exchange of information and experiences of people involved in ES, but also created space for past activities that will have an impact on the socio-economic development of the region.

### **1.1.2. The purpose of the project and its significance**

The aim of the project is to develop a comprehensive document containing guidelines supporting the development of the social economy sector in three partner countries: Poland, Lithuania and Italy. The end result will be a set of recommendations, models, tools and solutions that can be implemented, which:

- support the development of the social economy in local and transnational terms,
- contribute to improving the professional competences of people working in ES,
- will enable the assessment of the social impact of activities,
- support the creation of new professional roles, such as social entrepreneurship facilitators,
- enable the building of sustainable partnerships between ES entities in Europe.

The importance of the project goes beyond the purely educational aspect – it aims to create the conditions for long-term social change, based on solidarity and inclusion. By democratising access to knowledge and tools, the project promotes equal opportunities and supports the construction of stronger, better-organised ES ecosystems.

Justification for the choice of topic and partnership

### **1.1.3. Justification for the choice of topic and partnership**

The topic was chosen in response to the identified real needs of the ES sector in three countries. Poland and Lithuania, despite the dynamic development of this area, are still struggling with systemic problems, such as a low level of social inclusion of activities or limited access to training for employees in the sector. Italy, on the other hand, has advanced ES infrastructure and extensive experience, especially in the field of social cooperatives.

The partnership was built to take advantage of the complementarity of each country's competences. The Italian partner provides proven practices and models, Lithuania brings experience in the development of local ES structures, while Poland coordinates activities in the field of education and implementation of innovative solutions. Such a configuration allows for a more complete approach to the issue and the creation of tools that can be implemented in various legal and social conditions.

The project "Inclusion and Integration - Competences in the Social Economy" was an initiative aimed at developing a document with guidelines to support the development of the social economy sector in three partner countries: Poland, Lithuania and Italy. Its key objective was to create a set of practical recommendations, proven models, useful tools and innovative solutions that could be effectively implemented in practice.

The final result of the project contributed to supporting the development of the social economy both at the local and transnational level. Thanks to the information obtained as part of the project activities and the materials obtained from the partners, the professional competences of people active in the ES sector were improved. The project also provided insight into the methods of assessing the social impact of the activities undertaken, which contributed to increasing the transparency and accountability of the ES organisation. Importantly, this initiative has supported the creation of new, specialized professional roles, as exemplified by social entrepreneurship facilitators, who play a key role in animating local initiatives. In addition, the project actively promoted and enabled the building of sustainable partnerships between diverse social economy actors across Europe.

The importance of the project went beyond the informational and educational sphere. Its overarching goal was to create a solid foundation, in the form of tools and methods, for long-term social change, based on the values of solidarity and inclusion applied in the EC. By democratising access to specialist knowledge and practical tools, the project actively promoted equal opportunities and supported the construction of stronger and better organised social economy ecosystems in partner countries.

The choice of the project topic was a direct response to the real, recurring identified needs of the ES sector in Poland, Lithuania and Italy. Despite the development of the social economy, Poland and Lithuania still faced significant systemic problems, such as an insufficient level of social integration of the activities undertaken and limited access to specialist training for the sector's staff. Italy, on the other hand, contributed to the project its extensive experience and advanced methodology, organizational experience in the area of ES, especially in the field of functioning of social cooperatives.

The partnership that was established as part of the project was based on the complementarity of the competences of each of the participating countries. The Italian partner shared best practices and effective models of operation, Lithuania brought valuable experience in the development of local social economy structures, while Poland played the role of coordinator of activities in the field of education and implementation of innovative solutions. Such synergy allowed for a more complete and comprehensive approach to the complex issues of the ES sector and contributed to the creation of tools that were potentially possible to implement effectively in a variety of legal and societal contexts.

The guidelines, models and tools developed as part of the project will be a source of knowledge and inspiration for existing and potential social economy entities in the region. Access to proven solutions and good practices from Polish, Lithuania and Italy facilitated informed strategic decisions and effective management of ES organizations. Improving the competences of the sector's staff, which is one of the key results of the project, directly translated into increasing the professionalism and effectiveness of the activities of the Podlaskie ES organizations. The project contributed to raising awareness of the social economy in the voivodeship. Disseminating information about the opportunities and benefits of operating in this sector can inspire local communities and

entrepreneurs to create new social initiatives. Support for the creation of new professional roles, such as social entrepreneurship facilitators, in turn, could strengthen the local ES ecosystem by animating and supporting the emergence of new actors.

The project, by promoting cooperation and building partnerships, will contribute to the integration of the social economy environment in the Podlaskie Voivodeship. Establishing contacts with other ES entities created opportunities for the exchange of experiences, joint initiatives and access to new markets. In the long term, a strengthened and better connected ES sector in the region was more resilient to challenges and able to respond more effectively to local social and economic needs.

The project contributes to the development of the social economy in Podlasie by providing knowledge, raising competences, raising awareness and supporting the construction of a stronger, more integrated ecosystem, which in turn could contribute to the emergence of new and efficiently operating social economy entities in the region.

## **1.2. Methodology**

### **1.2.1. Description of sources of information and research methods**

The project was based on a comprehensive research methodology, combining quantitative and qualitative methods and using both secondary and primary data. The aim was to gain in-depth knowledge about the functioning of the social economy (ES) sector in Poland, Lithuania and Italy, to identify needs and develop recommendations tailored to the realities of individual countries.

**The following methods were used in the research process:**

**1. Desk research (analysis of secondary data):**

Review of existing reports, literature, market analyses and statistics on the ES sector in partner countries. National and international documents, scientific publications, reports of governmental and non-governmental organizations are included.

**2. Statistical analysis:**

Quantitative data from reliable sources such as the ISNET Observatory (Italy), the Polish

Foundation for Social Entrepreneurship (PFFR) and local data from Šalčininkų MDC (Lithuania) were used. These analyses made it possible to assess the scale of ES's activities, demographic trends and development needs.

### 3. **Field research:**

In-depth interviews, surveys and focus groups were conducted with representatives of EC entities, experts and stakeholders in each partner country. This allowed us to identify real needs, barriers and success factors.

### 4. **Case studies:**

Good practices and effective models of ESP functioning, especially in Italy, were identified and described. The analysis of these examples allowed us to indicate solutions that can be adapted in Poland and Lithuania.

### 5. **Expert workshops and consultations:**

Meetings were organized with the participation of practitioners, trainers, decision-makers and industry experts. The aim was to jointly develop guidelines and verify the results of research in a practical and implementation context.

The methodology was based on the **principle of triangulation**, which means combining different data sources and perspectives to produce coherent, in-depth and practical conclusions. International cooperation allowed for a comparison of institutional and legal solutions, increasing the substantive value of the developed recommendations.

## **1.3. Project results**

The main outcome of the project will be the development of **the final version of the guidelines for the development of the social economy** in three countries: Poland, Lithuania and Italy. This document will take into account existing ES support schemes, focusing in particular on:

- educational activities,
- assessment of the social impact of ES's activities,

- adaptation of recommendations to the legal, social and institutional context of each country.

The guidelines will be developed based on the real needs reported by stakeholders and on the conclusions of field research and expert consultations. They will be tailored to national circumstances and are practical – ready to be applied in different local contexts.

**The results of the activities include:**

- **increasing awareness** of the functioning of the power plant among direct and indirect recipients;
- **increasing knowledge** in the field of social economy and its institutional environment;
- **learning and analysing new solutions** in the field of social entrepreneurship and forms of support for ES entities;
- **exchange of experience** on the functioning of the sector in various legal systems;
- **preparation of a summary statement**, which:
  - fills the competence gaps of ES staff;
  - it allows you to understand the organization and image of the ES sector;
  - analyses the interest of stakeholders in the sector;
  - evaluates the effectiveness of existing and planned projects.

**Planned intellectual property activities include:**

- identification and transfer of **good practices**, methodologies, projects and techniques with high adaptive potential;
- **transfer of know-how** in Poland and Lithuania – enabling the preparation of adults for the role of *facilitators of social entrepreneurship*;
- Identify potential **partnerships between social enterprises** in the three countries;
- indicating the main **social goals**, such as: professional integration, urban regeneration, counteracting educational poverty, autonomy of seniors;

- implementation of tools for **the analysis of the social impact** of implemented projects and activities.

**Main elements of the final study:**

- analysis of the context and needs in Poland and Lithuania – identification of areas of activity and social goals,
- analysis of best practices from Italy – using data from the ISNET Observatory,
- identification of management models that can be transferred and adapted,
- preparation of training paths and training of trainers and mentors,
- planning implementation activities and international partnerships,
- democratization of access to knowledge about ES – including among groups at risk of social exclusion.

## 2. Presentation of partner organizations



### 2.1. Polish Pillars of Development Foundation (PFFR)

The mission of the Polish Pillars of Development Foundation is to initiate, support, implement processes and systems of change by engaging residents in order to build active and strong local communities open to dialogue and agreement. The Foundation was established as a result of the observations and experiences of the founders. It is a response to the reported needs of beneficiaries, participants in projects and activities carried out by founders in various organizations, institutions and companies. We gained experience as practitioners planning and implementing social and development activities. The Foundation is a non-profit organization, sensitive and open to the needs of residents. Our initiatives, projects, programs are addressed to non-governmental organizations, local governments and entrepreneurs, institutions of the business environment, education and training, and:

- creating conditions for the development of the competitiveness of regions;
- increasing efficiency, productivity of the economy, work efficiency;
- supporting the development of capital and human resources;
- activities supporting and supporting the development of social, economic, communities and communities;
- initiating, coordinating and supporting supra-regional, transnational cooperation of regions;
- promoting the long-term socio-economic development of the regions;
- supporting the development of social economy entities as key instruments of professional and social integration of people at risk of social marginalisation;
- promoting social entrepreneurship models that combine economic goals with a social mission;
- encouraging and informing about the possibilities of establishing and developing social enterprises;
- creating space for the development of participatory forms of management and decision-making in the spirit of the social economy;

- building an ecosystem supporting social economy projects providing social services of public interest at the local level

We know the problems of the environments in which we operate. The Foundation serves as a tool that helps to eliminate the problems of our recipients, beneficiaries and partners. PFFR is to create, initiate and support socio-economic development through personal and professional development of residents of rural and urban areas as well as inter-sectoral and intergenerational activities.

In our actions, we are guided by the principles of social economy, recognizing the primacy of social goals over profit maximization. We believe that effective solving of social problems requires the use of economic instruments, while maintaining organizational autonomy and participatory decision-making processes. Our activities combine civic activity with an entrepreneurial approach, which allows us to create sustainable and effective social solutions.

The main addressees of the Foundation's activities are; adults, young people, local communities, local leaders, rural residents, groups at risk of marginalisation, as well as:

- existing and potential social economy entities: social cooperatives, social enterprises, non-governmental organizations operating in the field of social economy;
- reintegration units such as Occupational Activity Centres, Occupational Therapy Workshops, Social Integration Centres and Clubs;
- people interested in the development of a social enterprise;
- local governments interested in involving social economy entities in the implementation of social services of public utility.

The Foundation's involvement in the area of social economy allows us to effectively combine social activity with elements of entrepreneurship, creating projects with a clear orientation towards a useful social goal. Thanks to this, we are able to implement solutions that not only respond to current social problems, but also build lasting foundations for the sustainable development of local communities. The social economy is an important element of building social capital in the local dimension, translating into an increase in public services that bind the local community together in relation to its territorial and cultural roots. That is why we actively support the development of social

economy as an element of development policy, engaging in educational, advisory and supporting activities of social economy entities.

The Polish Pillars of Development Foundation implements projects aimed at social and economic development, with particular emphasis on the social economy, through:

Professional activation and improvement of qualifications:

-Vouchers for training in the Łomża subregion: The value of over PLN 22 million. Support for adult residents of the Łomża subregion, including low-skilled people, long-term care workers, inactive women, people 50+ and working Ukrainian citizens, through career counselling and training (including digital and green) to improve competences and qualifications.

- Student internships with employers: Implementation of internships and vocational courses for high school students in Łomża, enabling them to gain experience and qualifications in accordance with the needs of local entrepreneurs.

- Poland at home: Support for adult Ukrainian citizens who arrived in Poland after February 24, 2022, in basic skills, including digital and social skills, to facilitate integration and entry into the labour market.

- Digital Competences, Adult Learning of International Cooperation (Erasmus+): Development of digital competences and international cooperation in the NGO sector.

- Comprehensive system for developing competences and skills of adults: Projects worth over PLN 70 million, aimed at matching adult skills to the needs of the regional economy.

- Support for young people in the Łomża Subregion: A project worth over PLN 3.5 million, supporting the professional activation of young people.

- (We have)Skills and Inspirations for Working on the Web!: Support for women in the field of e-business, remote work and the use of online tools for professional purposes.

Education and Social Development:

- Scientific Events - We Know More and Social and Economic Forum: Popularization of science and promotion of cooperation between science and economy in the Podlaskie Voivodeship.

- A new model of cooperation in the field of prevention of children's postural defects: A project worth almost PLN 60 thousand, concerning health prevention.

- Economics in practice for a teenager: A project developing the knowledge and financial competences of young people.
- Science is an adventure: A project worth PLN 690 thousand, disseminating science among wide social circles.
- Transnational NGO Cooperation (Erasmus+): Development of digital and personal competences of the Foundation's staff and local leaders.
- Creativity in Late Age - Seniotivity (Erasmus+): A project worth almost EUR 220 thousand, focused on the personal development of seniors, building intergenerational dialogue and counteracting stereotypes.
- Re+vida - Revitalisation through Culture (Erasmus+): A project worth almost EUR 300 thousand, supporting local social development, education and rural regeneration through culture and cooperation.
- "How to talk? Promoting information literacy...": Training for representatives of various organisations to develop communication skills and informed citizenship.
- Young. Active. Enterprising: Workshops with students to develop financial competence and entrepreneurship.
- Heroic Land of Łomża - Discovering History and Culture and My History. Poland: Projects cultivating historical memory and promoting local identity.
- Promoting health protection and promotion in the Stawiski Commune: First aid training for residents.

Through the implementation of projects, the Foundation actively supports the social economy, focusing on social integration, professional activation of disadvantaged groups, development of local communities and building human capital, which translates into an increase in prosperity and social cohesion in the region.

The Polish Pillars of Development Foundation wants to continue and expand activities supporting the development of social cooperatives, social enterprises and non-governmental organizations operating in the field of social economy, promoting business, legal, marketing consulting and assistance in obtaining financing. An important element will be to support the creation of new entities in areas where there is a lack of social services or there is a need for professional integration of people at risk of marginalization.

The Foundation wants to cooperate with local governments in order to involve social economy entities in the implementation of public services, such as educational, cultural, reintegration and environmental services or social tourism, acting as an intermediary and advisor. It will support the emergence of social entrepreneurship models that respond to societal and economic challenges, including the digitalisation of social services, the development of the green social economy and the creation of platforms for cooperation between different sectors. Building and strengthening ecosystems supporting the social economy, creating a network of cooperation between entities, local governments, business and educational institutions will be aimed at creating an environment conducive to the development and functioning of social economy entities.

The Polish Pillars of Development Foundation helps to implement forms of management and decision-making based on participation, and to support their development in other organizations and local communities, strengthening the involvement of residents. It will conduct educational activities addressed to various social groups, including entrepreneurs, local governments and young people, raising knowledge about the social economy and its role. The continuation and development of international cooperation under programs such as Erasmus+, the European Social Fund Plus will allow for the exchange of experience and the implementation of solutions used in other countries. This may include joint projects with partners from other countries, exchanges of staff, volunteers and beneficiaries, as well as participation in international networks and platforms. Promoting Polish experiences in the social economy on the international arena, can actively promote Polish models and solutions on the international arena, contributing to the development of the social economy in Europe. The expansion of transnational cooperation in the field of social economy will allow the Polish Pillars of Development Foundation to gain new knowledge, exchange experiences, access innovative solutions and build lasting partnerships, which will translate into even more effective and innovative activities for the development of local communities and the social economy in Poland.

Supporting the professional and social integration of people at risk of marginalization through social economy tools remains an important goal of the

Foundation's activities. Its further development will take into account local needs and building lasting partnerships between different sectors, and experience in the implementation of social economy projects gives the opportunity to effectively implement further initiatives.

## **2.2. ISNET Association - Italy**

### **2.2.1. History and mission of the organization**

Founded in 2007, ISNET was created to respond to the growing demand for support for social enterprises in Italy, a fast-growing sector that plays an increasingly important role in the socio-economic fabric of the country. Since its inception, ISNET has set itself the goal of promoting and facilitating the creation and development of social enterprises, believing that they are an effective response to many contemporary societal challenges.

ISNET's mission is based on the principles of innovation, inclusion and sustainability. The Association strongly believes in the importance of networking between third sector organisations, recognising that cooperation and the exchange of good practices can have a greater positive impact than individual actions. That is why ISNET works tirelessly to foster relationships and synergies between more than 1300 actors and organizations, promoting a constant and fruitful dialogue.

In a context where social and environmental challenges are constantly evolving, ISNET is committed to fostering innovation in social enterprise business models. Through research, analysis and impact assessments, the association not only provides support to existing organisations, but also aims to identify and promote new opportunities for the sector. This proactive approach is at the heart of ISNET's mission: not only to preserve and strengthen existing organizations, but also to build a future where social enterprises can thrive and actively contribute to collective well-being.

ISNET's vision is an ecosystem where social enterprises are free to operate, innovate and respond effectively to the needs of communities, improving the quality of life for all.

### **2.2.2. Organisational and management structure**

ISNET adopts a collaborative governance structure in which the President plays a key role in the strategic and operational direction of the organization. Activity management is divided into several key areas, each with a dedicated manager who oversees and coordinates specific areas of intervention. In particular, the organization employs managers who deal with:

- **Research:** To guide the analysis and identification of new opportunities for social enterprises through sectoral research and observatories.
- **Social innovation:** developing and promoting innovative projects that increase existing resources and attract structural and EU funds.
- **Social Impact Assessment:** which analyses and measures the impact generated by the projects and activities of third sector organisations, both in predictive and real-world terms.
- **Statistical area:** which supports research and evaluation activities by providing quantitative and qualitative data and analyses that are essential to understand and improve societal impact.

A characteristic element of ISNET is a **network of 22 facilitators**, i.e. a group of professionals and experts from the third sector. These coordinators, scattered throughout the territory, share the goals of the association and actively work to identify local opportunities and support the development of non-profit organizations. Facilitators offer expertise in a wide range of areas, including: Economic and Financial; administrative and tax; with a particular focus on the reform of the third sector; communication; technology, robotics and artificial intelligence; digitization of

processes; social planning based on public and private funds; project management and technical and financial reporting; empowering human resources; time management and organization of activities; Structuring roles, functions, and operational flows.

ISNET also participates in important management and steering committees, such as the Biennale della Prossimità and the Fondazione Ebbene. Its participation in strategic consultation roundtables, such as the Banca Etica Table, and its collaboration with academic institutions and third sector organisations guarantee governance based on transparency and efficiency, strengthening the role of the social economy in Italy.

### **2.2.3. Main areas of activity and projects**

ISNET operates in several strategic areas, aimed at supporting and developing the social economy through research, social innovation and impact assessment.

The main areas of intervention are:

**1- Research:** ISNET is involved in the creation of observatories that monitor and analyse opportunities for social enterprises. These include the Entrepreneurship Observatory on Social Impact in Italy, whose 17th edition is the only continuous survey in Italy on the social economy, and the Industry 4.0 Observatory, which examines the impact of innovative technologies on the third sector. Through this research, ISNET is able to provide up-to-date and relevant data, identifying trends and opportunities for social enterprises and contributing to the development of targeted strategies.

In addition to observatories, ISNET conducts ad hoc research on specific topics to support non-profit organizations in a targeted way. These include such analyses as:

- satisfaction surveys of stakeholders and beneficiaries;
- analysis of the organisational climate in order to understand the well-being of work in the third sector;
- Time management analysis to plan and control time to increase the effectiveness and efficiency of third sector organizations.

This research enables nonprofits to better understand their strengths and improve their internal management, increasing the effectiveness of their interventions.

**2- Social innovation:** ISNET is strongly committed to promoting social innovation, developing projects that increase local resources and respond to emerging needs, often through the use of Structural and EU funds.

In particular, the association offers support both in the conception phase and in the implementation of innovative projects. She accompanies third sector organisations in project writing, advising on access to finance and operational management. The aim is to promote new models

a social intervention that can be scalable and replicable, offering concrete solutions to complex societal problems.

ISNET stands out for its ability to network, creating synergies between different actors from the public, private and non-profit sectors to ensure that social innovation projects have a lasting and meaningful impact.

**3- Social Impact Assessment:** Social Impact Assessment (SIA) is one of the central aspects of ISNET's activities. It measures in-depth and scientifically, both evaluative and predictive, using qualitative, quantitative and monetary research techniques (such as SROI | Social Return on Investment Index)<sup>1</sup> how third sector projects and activities can generate change and measurable effects in the communities in which they operate.

ISNET promotes the culture of Social Impact Assessment through animation meetings, seminars, webinars and trainings, both directly and indirectly (promoted by organisations representing the third sector, public and local authorities, public and

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<sup>1</sup> Social return on investment (SROI) is a method of measuring non-financial value in relation to invested resources. It can be used by any entity to assess the impact on stakeholders, determine ways to improve performance, and improve investment performance.

private entities from other European countries).

ISNET has worked with major organizations such as Leroy Merlin, Loro Piana, Milan Foundation, and other major players to measure the social impact of their projects and activities in various fields.

Some of the main issues raised in the evaluations are:

- employing people in a particularly disadvantaged situation, promoting integration into the labour market;
- educating children to combat educational poverty and improve opportunities for young people;
- welcoming and integrating migrants to promote social and cultural inclusion;
- social housing to combat housing poverty.

ISNET's impact assessments enable third sector organisations to refine the design of their initiatives, ensuring that they have a positive and measurable impact on the communities they serve.

Finally, ISNET participated in the work on the Ministry of Labour and Social Policy's table for defining guidelines for social impact assessment.

#### **2.2.4. Other experiences in the field of social economy**

ISNET has a network of over 1400 third sector organizations, representing one of the largest social enterprise communities in the country. This extensive network allows the association to take a comprehensive and global view of the challenges and opportunities of the third sector, facilitating the exchange of experiences and expertise between the actors involved.

ISNET's role is carried out through active participation in strategic consultation tables with important public and private institutions, such as the Ministry of Labour and Social Policy and Banca Etica, where the association contributes to defining policies and strategies to promote the social and solidarity-based economy. With these tables, ISNET can contribute to the development of legislation and guidelines that are conducive to

this sector.

ISNET regularly collaborates with prestigious universities, m.in. La Sapienza in Rome, the University of Bologna and the Politecnico in Milan, contributing to scientific research on the social economy and participating in interdisciplinary research projects. Through this collaboration, the association fosters social innovation and provides key data and analysis to improve public policies and management practices in the third sector.

Another element that highlights ISNET's commitment to disseminating a culture of social economy is its active participation in the development of articles and research in specialist journals and newspapers such as Welfare Oggi, Impresa Sociale and Avvenire Economia Civile. These editorial contributions help raise public awareness and provide third sector stakeholders with the tools and knowledge to address the challenges of social sustainability and economic impact.

### **2.3. Special School in Šalčininkai - Lithuania**

The Special School in Šalčininkai provides education and upbringing to children and young people with mild, moderate, severe or profound intellectual disabilities.

The facility accommodates students from the Šalčininkai region in the age range from 6 to 21 years of age. In addition to intellectual disability, they often also have a number of other limitations resulting from, e.g. cerebral palsy, genetic syndromes, lack or delay of speech development, ADHD, autism.

The main goal of educating our pupils is their comprehensive development and preparation for everyday life so that they are as resourceful and independent as possible, able to control their own behaviour and be able to participate in social life.

Every day we work together for the success of our students and the satisfaction of parents, and the indicator of this is their satisfaction and the prestige of our school in the community.

The priority in our school is to provide the best possible conditions for the comprehensive development of each student to the extent of their abilities.

We are here to support the comprehensive development of a child with moderate, severe and profound mental disabilities, with couplings and autism at all stages of education, and to support their parents and guardians.

The needs of our students are: a sense of subjectivity in the therapy process, support and acceptance, safety, specialist help, an individual educational and therapeutic program, conditions tailored to the needs.

We strive for the comprehensive development of a person with an intellectual disability so that they gain independence according to their individual capabilities and a sense of their own identity and value.

We take care of full integration with the environment through cooperation with educational institutions and institutions supporting child development, as well as organizations supporting the family socially.

There are three economies in Lithuania to a greater or lesser extent: the liberal economy, the public economy and the social economy. According to a concept established in Europe, the social economy (SE) in Europe works on the basis of education and communication and includes legal forms such as: associations, social enterprises, self-help societies, cooperatives, social funds and other organizations operating according to the principles and values listed below. In addition to the above-mentioned forms of operation of SE organizations, some non-governmental organizations of public benefit can also be classified as tools of SE and operate according to the detailed scheme below:

- the principles of the Charter of Social Economy of the European Association "Social Economy Europ";
- principles of social innovation;
- promoting the values of social (apolitical) democracy.

In countries of the world where the social economy (SE) is not yet fully

developed, social business usually helps in its first steps. In this way, a new tradition has been formed in the EU that social entrepreneurship operating in it has also become an integral part of the SE market, trying to serve society in some way. Globally, it is assumed that social entrepreneurship accounts for about 10% on average. SE of each country. Social business is also more closed, i.e. it itself decides what activity will be carried out in the organization and only implements it. Social business also has a closed and internal membership, so external democratic control is necessary.

Social business in Lithuania is regulated by the "Law on the Development of Social Entrepreneurship". The SE market connects social business with SE organizations. The social economy works more through its connections and is collegial in nature. The social economy is characterized by uniting the societies of countries through the pursuit of social objectives, mitigating economic crises and effectively promoting the EU's socio-economic relations. SE does not sell human resources and their skills, but it enlightens, teaches and prepares society for conscious living. SE governs everything not by capital, but by security, reliability and obtained ratings. Which enterprise was considered a social business in the past, and what is it today? If the pursuit of profit is not the sole and not the main goal of the enterprise, but a means to achieve social ends, then such a company could previously be called part of the SE. A social enterprise company was not established to meet the personal needs of this legal entity, but in order to achieve the set social goals, the profit obtained also had to be used to achieve the set social goals. Now, after Lithuania's accession to the EU, the principles of the Social Economy Charter and the principles of social innovation of the European association SE "Social Economy Europ" are additionally important and encourage respect for the values of social (apolitical) democracy. The social economy operates on completely different principles than the public or liberal market economy. The main principle of the social economy is social responsibility. For this purpose, a register of SE participants is kept in SOCIALTOP.LT. In the social economy, for consumers, this means conscious shopping, exchange, responsible consumption and effective saving, and for companies and organizations it means operating through consumer platforms, as a rule, based on a solidarity-based economic model, social connections and declared goals, enabling their potential competitors to compete freely, ensuring equal conditions for participation of

market participants in every economy.



## 3. Descriptions of the situation of the social economy in selected countries

### 3.1. General characteristics and situation in Poland

#### 3.1.1. Social economy entities and their role in society

Social economy entities (PES) are organizations that operate with a primary social goal and are not profit-oriented. Here are some key types of social economy entities:

**Non-governmental organizations:** These are associations and foundations that carry out activities for the benefit of the community, without seeking to make a profit.

**Social cooperatives:** Social cooperatives are enterprises in which employees are also owners. Their goal is to meet the needs of the community, not to maximize profit.

**Non-profit companies:** These are organizations that run a business, but their profits are not intended for shareholders or owners, but are reinvested in social causes.

It is worth noting that each of these entities has its own specific features and goals, but they are united by a common idea of acting for the good of society.

Cooperatives: In Poland, cooperatives have a long tradition, dating back to the nineteenth century. Cooperatives operate in various sectors, such as agriculture (agricultural cooperatives), trade (consumer cooperatives), and housing (housing cooperatives). These are organizations that operate on the principle of democratic management by members who are also their owners.<sup>2</sup>

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<sup>2</sup> National Cooperative Council. "History of cooperatives in Poland." KRS. Access: [krs.org.pl](http://www.krs.org.pl).

Associations: Associations in Poland are non-profit organizations that work for specific social, cultural, ecological or educational goals. Associations are very diverse, from small local groups to large organizations with a nationwide reach.<sup>3</sup>

Foundations: Foundations in Poland operate on the basis of assets donated to them by their founders. They focus on achieving social, scientific, cultural or educational goals. Foundations can run a business, but profits must be used for statutory purposes.<sup>4</sup>

Social enterprises: These are companies that combine business goals with a social mission, reinvesting profits in community development, environmental protection or other social goals. Social enterprises in Poland often operate in areas such as care services, vocational rehabilitation or educational activities.<sup>5</sup>

- The role of ES in the economy and society:

Job creation: ES contributes to job creation, especially for people at risk of social exclusion, such as people with disabilities, the long-term unemployed or young people without work experience.<sup>6</sup>

Supporting social inclusion: ES entities often engage in activities that promote the social and professional integration of people who are excluded or at risk of exclusion.<sup>7</sup>

Sustainability: Social enterprises and other ES actors are often involved in activities that promote sustainability and environmental protection, contributing to the long-term improvement of the quality of life in local communities.<sup>8</sup>

Social Capital Building: ES promotes cooperation, solidarity and trust in local communities, which contributes to building stronger social bonds and community.<sup>9</sup>

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<sup>3</sup> Non-governmental organizations service. "What is an association?" NGO.pl. Access: [ngo.pl](https://poradnik.ngo.pl/stowarzyszenie).

<sup>4</sup> Act of 6 April 1984 on foundations. Journal of Laws of 1984 No. 21, item 97. Access: [isap.sejm.gov.pl](https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU19840210097).

<sup>5</sup> Ministry of Family, Labour and Social Policy. "Social enterprises." MRiPS. Access: [mrips.gov.pl](https://www.gov.pl/web/rodzina/przedsiębiorstwa-spoleczne)

<sup>6</sup> European Commission. "Social enterprises and their ecosystems in Europe. Country report: Poland." 2020. Accessed [europa.eu](https://ec.europa.eu).

<sup>7</sup> Polish Economic Society. "Social economy as a tool for social inclusion." PTE. Access: [pte.pl](https://pte.pl).

<sup>8</sup> The Center CSR.PL. "Sustainable Development in the Social Economy." CSR.PL. Access: [csr.pl](https://csr.pl).

<sup>9</sup> Institute of Public Affairs. "The Role of the Social Economy in Building Social Capital." ISP. Access: [isp.org.pl](https://isp.org.pl).

### 3.1.2. Legal conditions, challenges and barriers to development

Financing: ES entities in Poland often face limited access to financing, which makes it difficult for them to grow and scale their business. There is also a lack of appropriate financial instruments dedicated to ES.<sup>10</sup>

Lack of awareness and understanding: Society, and sometimes policymakers, are not always aware of the value and potential of ES, leading to insufficient support and low level of recognition of ES.<sup>11</sup>

Bureaucracy and regulation: Complex and sometimes unclear legal provisions can hinder the activities of ES entities, especially those that are small and do not have adequate administrative resources.<sup>12</sup>

Lack of infrastructural support: There is a lack of adequate infrastructure to support the development of ES, such as incubators, mentoring programs or support networks.<sup>13</sup>

#### Legal conditions of ES:

- Regulations governing the activities of the ES.

Public Benefit Activities and Volunteering Act: It regulates the activities of non-governmental organizations and volunteering, defining the rules of operation of public benefit organizations that may conduct business activity to a limited extent.<sup>14</sup>

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<sup>10</sup> European Social Fund. "Challenges of financing the social economy in Poland." ESF. Access: [efs.gov.pl](https://efs.gov.pl).

<sup>11</sup> Polish Agency for Enterprise Development. "Labour Market Barometers." PARP. Access: [parp.gov.pl](https://parp.gov.pl).

<sup>12</sup> Ombudsman for Small and Medium Enterprises. "Report on Bureaucratic Barriers in the Social Economy." RMŚP. Access: [rzecznikmsp.gov.pl](https://rzecznikmsp.gov.pl).

<sup>13</sup> Institute for Enterprise Development. "Support infrastructure for the social economy." IRP. Access: [irp.org.pl](https://irp.org.pl).

<sup>14</sup> Act of 24 April 2003 on Public Benefit Activities and Volunteering. Journal of Laws of 2003 No. 96, item 873. Access: [isap.sejm.gov.pl](https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20030960873).

Social Cooperatives Act: Special provisions for social cooperatives that combine economic activity with social objectives, enabling the professional activation of people at risk of social exclusion.<sup>15</sup>

Foundations Act: It regulates the establishment and operation of foundations in Poland, defining the rules for managing the assets of foundations and the purposes for which profits from business activity may be allocated.<sup>16</sup>

- Important legal instruments supporting the ES.

Grants and grants: Government financial programs, such as the Civic Initiatives Fund (FIO), that support the activities and development of ES entities through grants and grants.<sup>17</sup>

Preferential loans: Loan schemes with preferential conditions for social enterprises, such as those implemented by Bank Gospodarstwa Krajowego (BGK).<sup>18</sup>

Public-private partnerships: Provisions to enable cooperation between the public sector and ES entities, for example in the provision of public services.<sup>19</sup>

### **3.1.3. Practical applications of ES in different sectors**

Examples of good ES practices in various sectors:

Agriculture: Agricultural cooperatives that allow small farmers to jointly manage the production, distribution, and sale of products. An example is the Agricultural and Trade Cooperative "Rolnik".<sup>20</sup>

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<sup>15</sup> Act of 27 April 2006 on social cooperatives. Journal of Laws of 2006 No. 94, item 651. Access: [isap.sejm.gov.pl](https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU20060940651).

<sup>16</sup> Act of 6 April 1984 on foundations. Journal of Laws of 1984 No. 21, item 97. Access: [isap.sejm.gov.pl](https://isap.sejm.gov.pl/isap.nsf/DocDetails.xsp?id=WDU19840210097).

<sup>17</sup> Civic Initiatives Fund. "Subsidy programs for non-governmental organizations." FIO. Access: [fio.gov.pl](https://fio.gov.pl).

<sup>18</sup> Bank Gospodarstwa Krajowego. "Loan programs for social enterprises." BGK. Access: [bgk.pl](https://bgk.pl).

<sup>19</sup> Ministry of Funds and Regional Policy. "PPP in the Social Economy Sector." MFPR. Access: [mfpr.gov.pl](https://www.funduszeuropejskie.gov.pl).

<sup>20</sup> Agricultural and Trade Cooperative "Rolnik". "History and Activity." Access: [rolnik.pl](https://www.rolnik.pl).

Social Welfare: Social enterprises providing care services for the elderly, disabled or homeless. An example is the "Barka" Mutual Aid Foundation, which runs numerous projects supporting people at risk of exclusion.<sup>21</sup>

Environmental protection: Foundations and associations dedicated to nature conservation, recycling and environmental education. An example is the "Arka" Foundation, which implements educational programs related to environmental protection.<sup>22</sup>

Education and training: Non-profit organizations offering education and training programs for people with difficulties in the labor market. An example is the Association "Working Community of Social Organizations" (WRZOS), which conducts educational and training projects.<sup>23</sup>

- The impact of ES on solving social problems.

Poverty reduction: ES entities contribute to poverty reduction by creating jobs and supporting local initiatives that increase residents' incomes.<sup>24</sup>

Social inclusion: ES promotes the integration of marginalized people by supporting their active participation in social and professional life, which contributes to their better functioning in society.<sup>25</sup>

Sustainability: The activities of ES entities often focus on promoting sustainable practices that contribute to the long-term protection of the environment and the improvement of the quality of life in local communities.<sup>26</sup>

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<sup>21</sup> Mutual Aid Foundation "Barka". "Activities and projects." Access: [barka.org.pl](https://www.barka.org.pl).

<sup>22</sup> "Arka" Foundation. "Ecological projects." Access: [fundacjaarka.pl](https://www.fundacjaarka.pl).

<sup>23</sup> Association "Working Community of Social Organizations" (WRZOS). "Educational projects." Access: [wrzos.org.pl](https://www.wrzos.org.pl).

<sup>24</sup> Ministry of Family, Labour and Social Policy. "The Role of the Social Economy in Poverty Reduction." MRiPS. Access: [mrips.gov.pl](https://www.gov.pl/web/rodzina).

<sup>25</sup> Institute of Public Affairs. "The Role of the Social Economy in Social Inclusion." ISP. Access: [isp.org.pl](https://isp.org.pl).

<sup>26</sup> The Center CSR.PL. "Sustainable Development in the Social Economy." CSR.PL. Access: [csr.pl](https://csr.pl).

Building social capital: By promoting cooperation, solidarity and mutual support, ES contributes to building strong, integrated communities, which translates into greater social cohesion and better functioning of local communities.<sup>27</sup>

## **3.2. Situation of the social economy in Lithuania**

Europe is gradually returning to its roots, that is, to the idea of social Europe. The social economy has deep and long traditions in North America, England, and the EU, and especially in its southern countries. The social economy covers a huge social market and accounts for about 10% GDP of the EU economy as a whole. The social economy in the world functions almost without crises and in Lithuania it is beginning to develop more and more dynamically.

### **3.2.1. What is the economy, business and social innovation? (Key concepts)**

In every European country, there are, to a greater or lesser extent, three economies: the liberal economy, the public economy and the social economy. According to the concept adopted in Europe, the social economy (SE) in Europe is based on education and communication and includes legal forms such as: cooperatives, mutual support organisations (mutual societies, savings and credit unions), associations and foundations, and social enterprises. In addition to the above-mentioned social economy organisations (SEs), certain NGOs in the public interest that have infrastructure and have chosen to act as SEs in accordance with the principles of the Charter listed below, promoting the values of social democracy, can also be included in this group, and if

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<sup>27</sup> Institute of Public Affairs. "The Role of the Social Economy in Building Social Capital." ISP. Access: [isp.org.pl](https://isp.org.pl).

publicly announced, can be included in them. The SE operating tools and how it works are described in more detail below:

- the principles of the Charter for the Social Economy of the European Association "Social Economy Europe";
- the principles of social innovation;
- promoting the values of social (apolitical) democracy.

The social economy is an economic activity in which enterprises and organizations with legal personality, characterized by decision-making autonomy and freedom of membership, as well as related to the unification of communities by focusing on a single goal in order to stimulate development where needs arise that neither the state, nor the liberal market, nor even charitable organizations can meet. The dominant form of ownership in the social economy is cooperative ownership. The social economy also operates according to its own model of the collaborative economy based on solidarity, diverse consumer platforms and creates its own social innovations.

In countries around the world where the social economy (SE) is not yet fully developed, social entrepreneurship usually helps to take its first steps. In this way, a new tradition has emerged in the EU, whereby social enterprises, operating within it and seeking to serve society in any way they choose, have also become an integral part of the social economy market. Around the world, it is widely accepted that social enterprises account for (or rather add to) about 10 percent of the total. the social economy of each country. The social enterprise itself decides what social activities will be carried out in the organization and only implements them. Social entrepreneurship is characterized by a closed, internal membership. It is planned that social activities in Lithuania will be regulated by the "Law on the Development of Social Activities". The social economy market, through its existing infrastructure, connects social enterprises with other social economy organisations, and therefore external democratic control is necessary.

The social economy works most effectively through the links it nurtures and is collegial. The social economy is a hallmark of uniting the societies of different countries in achieving social objectives, mitigating economic crises and effectively promoting the

EU's socio-economic ties. The social economy is not concerned with the trade of human resources and their skills, but educates, trains and prepares society for conscious living. The social economy is not governed by capital, but by security, reliability and grades.

What kind of enterprises were considered social enterprises in the past and what are they today? If the pursuit of profit is not the sole and main end of the enterprise's activity, but rather a means to the attainment of social ends, then such an enterprise might formerly have been called an element of the social economy. A social enterprise was established not to meet the personal needs of a given legal entity, but to achieve specific social goals, and the profits obtained had to be distributed to the achievement of the set social goals. Source: Social Economy, Institute of Social Economy, 2004, Kaunas.

Currently, after Lithuania's accession to the EU, the principles of the Charter of Social Economy of the European Association "Social Economy Europe" and the principles of social innovation are in force, and we are encouraged to respect the values of social (apolitical) democracy.

The social economy operates on the basis of completely different principles than the public economy or the market economy. The basic principle of the social economy is social responsibility. For this purpose, a register of participants in the social economy is kept.

Three different sources of funding:

- Non-governmental organizations (NGOs) make their living mainly from public procurement. Living from purchase to purchase, often not selling any products or services, and having little support, they are financially unstable.

- Social Business uses business models that use the mechanisms of the free market, and at the same time combines the pursuit of profit with selected social goals and priorities. Regulated by law. Usually, more than 50 percent of the income comes from business activities. Financial stability can be further secured by asking for generous support from the state.

- The social economy (SE) uses social models, using the mechanism of the social market (operating through networks, education, social platforms for consumers and solidarity-based sharing models), putting social goals and human protection first. It follows the principles of the Social Economy Charter. Sources of income in the social economy: cooperation, mutually supportive activities, association activities, solidarity sharing, exchange, saving and fund activities. The social economy operates through platforms of competition for users, based primarily on the solidarity-based model of the sharing economy. The current situation in Lithuania is such that due to the implementation of the new EU programming guidelines by the state from 2025, the social economy also becomes mandatory for Lithuania.

### **3.2.2. New specificities and infrastructure of the social economy market**

In each of the other two economies mentioned (liberal and public), there are also enterprises and organizations that can be considered operating in the social economy market – these are enterprises that have decided to participate in it and declare social goals, as well as public sector associations with social goals. Social economy organisations are subject to the Charter of Principles of the Social Economy of the European Association "Social Economy Europe", while social enterprises participating in this market are not subject to this Charter, they must only act in accordance with the law of the Republic of Lithuania and the rules of this market. The new model of social economy in Lithuania is based on examples of good global practices: Social Economy Round Table (Canada); Draft laws on the social economy (Spain); partly based on the solidarity model of the sharing economy (South America), etc. It should be noted that each of the three economies mentioned above operates actively through its main operating instruments – specialty exchanges. The new social economy that is emerging in Lithuania is now starting to operate through its own innovation in the field of social exchange – a public institution of social exchange. The functioning of the social economy is systemic.

On the occasion of the 100th anniversary of the rebirth of the Lithuanian state, our Public Institution Social Exchange proposed a social innovation "Idea for Lithuania". The public and private sectors are already fully formed and well represented, while the civic sector does not yet have a more clearly defined and leading centre. Our organization proposed to implement this through the social economy. The social economy (SE) is a new, systemically operating economy in which the attention of all three sectors is directed towards highlighting and meeting the social needs of people or communities through social economy networking organizations, social exchange innovations and social entrepreneurship. Sources: Social Economy, Institute of Social Economy, 2004, Kaunas and Public Institution Social Exchange Innovation (website: socialtop.lt).

The new specificity of the social economy in Lithuania is characterized by a new market infrastructure, characterized by governance based on the principles of social democracy – a feedback loop operating on the principle of a circle in which everyone is accountable to everyone. We must remember that the liberal principle of governance, sometimes called pyramidal, works from top to bottom.

The infrastructure of the social economy is also adapted to function within a single social economy, alongside the liberal (capitalist) economy.

The main tools for the functioning of the market infrastructure of the social economy:

- Institute of Social Economy (SEI – education, registers, forms of activity, Round Table on Social Economy (SEST), etc.);
- Social Exchange (SB – Solidarity Sharing Economic Model (SDEM), Consumer Platform, Social Economy Round Table (SEST));
- Council for the Promotion of Social Economy (SE) (SEST – Social Economy Law, setting social goals, development of the Social Economy market).

According to the globally accepted classification, the social economy (SE) operates through its networks, education and includes the following legal forms: cooperatives, mutual support organizations (mutual societies, credit cooperatives), associations and

foundations, social enterprises. Non-governmental organisations working for the public good that have chosen to act publicly in accordance with the Charter of Principles of the Social Economy (SE) of the European Association "Social Economy Europe" below may also be classified as an SE if they have publicly declared the conditions under which they will become entities of an SE. The legal forms of a social enterprise are more typical of business economics. A social enterprise, like other civil society organisations, is characterised by partial rather than direct participation in the social economy, but it has the great advantage of using the market and social economy infrastructure.

The social economy is hugely popular in Europe because of its reliability, the constant connections it nurtures, and the high level of trust it enjoys in many regions. Examples of good practice also irrefutably prove the contribution of participants in the social economy to the process of strengthening civil society. By being closer to citizens, these organisations better understand and respond to societal needs, creating quality jobs. The social economy plays an important role in local and regional development, inviting and involving social partners in strategic dialogue and social responsibility.

In order to conduct strategic dialogue and education on the social economy (SE) operating through the network, the SE infrastructure organizations have additionally planned a "Social Economy Roundtable" (ASES) and appropriate training. Most communication errors from an economic and social perspective result from the lack of basic links between ASES. The social economy model that has begun to function in Lithuania offers society a new way of consciously acting in a socially responsible social market. It is widely accepted that the EU economy is probably the most socially responsible economy in the world. The new model of social economy that has begun to function in Lithuania raises the bar of this advantage in the EU even more.

Requirements of the social economy market?

General requirements of the social economy (SE): the principles of the EU Social Charter, the EU principles on social innovation and respect for the values of social (apolitical) democracy, which put individual choice first. In addition to the requirements mentioned, a market economy of a liberal nature, which wants to expand its market through the social economy, inevitably also requires: the recognition of a single

community economy, that is, the social economy; voluntary rules for opening their own market.

What is social innovation?

Social innovation (hereinafter referred to as AI) is new ideas (innovative methods and models, products and social services) that help to meet societal needs, create social connections and contribute to strengthening cooperation between different groups in society. AI is created as a result of the market's inability to respond to specific societal needs, which is why civil society itself takes on the task of delivering them.

The features of SI are:

- 1) open action – knowledge is shared,
- 2) a cross-sectoral and integrated approach to problem solving,
- 3) engaged and empowered citizens/users,
- 4) responding to demand,
- 5) Focus on the individual case – solutions are adapted to local circumstances and individual needs.

In the social economy, innovation is constantly being introduced for the common good. Many of her innovative ideas, such as ethical finance and the fair trade movement, have gone mainstream. The Social Economy Round Table aims to help sectors of the economy jointly solve common problems.

Innovation in social exchange

Social exchange (hereinafter referred to as "SB") is the exchange of social aid and support taking place on the social economy market, according to the "rules of the game" established by society itself for its own good. The SB strives for systemic change through direct actions through the consumer platform and the "Solidarity Sharing Economic Model" (SDEM), using one of the most popular socially responsible solutions – allocating funds to the achievement of social goals. The SB innovation is in fact a completely new, systemic socio-economic approach to the single market. It is safe to say that this new

Lithuanian innovation has been sought for many years by numerous European countries, the United Nations and even the Vatican.

Social democracy is a universal civic, economic and state socially responsible choice to help the poor, it is the priority of personal protection and family care in accordance with the Constitution of the Republic of Lithuania, it is the defense and protection of people's interests and the provision of humane working conditions, with the participation of various civic organizations in solving complex socio-economic problems in municipalities, trade unions in defending the interests of workers, it is the use of various goals social responsibility and their main objective of social responsibility in all socio-economic activities and possible relationships. Traditionally, social democracy has been the ability to freely choose the social protection provided by government institutions or, where appropriate, by civil society organisations, trade unions, religious aid and other support organisations.

Since Lithuania regained its independence, economic development has been associated mainly with market (neoliberal) factors, and the social factor has not been considered an important condition for economic development. According to Professor P. Gylis, when the market principle is absolutized over a longer period of time, the principle of sociality disappears, which is a cause for concern. Can we continue to ignore the social aspect of the economy and the principle of social justice? This would be contrary not only to EU directives, but also to the global economic challenge of creating global public goods. It is unlikely that Lithuania, citing the high social costs of producing such goods, could refuse to co-finance their production. In Lithuania, there are still no institutions operating on the basis of agreements (e.g. social economy organisations) that would represent public interests and could take over the function of state regulation (e.g. regulation of consumer market protection). Their emergence is hampered by the incomplete understanding of the essence of the social economy by the public and government, as well as by an imperfect legal framework.

The experience of Lithuania and other countries shows that GDP growth does not always lead to poverty reduction and automatic solutions to other social problems. To this

end, it is necessary to promote the social economy in Lithuania as a suitable social counterweight to the prevailing liberalism.<sup>28</sup>

Who needs social democracy? The only precise formulation that can answer this question is: "Neither freedom of the press, nor freedom of association, nor freedom of elections, nor parliament, nor beautiful speeches, nor the sovereignty of the nation can feed the hungry, cover the naked, comfort the sad, or help the sick" (Bishop E. Ketteler, Mainz, Germany). Social democracy increases the population. Source: J. A. Antanaitis "National Survival Instinct", 2021, Vilnius.

Social democracy works safely and reliably, therefore, in order to avoid surprises and crises, it connects all feedback loops: structured and agreed, adaptive and uncontrolled. Feedback is used to establish and maintain a socially responsible order, ensure the right long-term direction for social security activities, adapt to short-term conditions, or respond to unexpected deviations. Social democracy does not accumulate, but develops thanks to its freedom to share. It is worth noting that without respect for this value of freedom, no society could survive. However, freedom always accompanies and is associated with responsibility. Social responsibility for the family, the community and the entire nation is the basic goal of broadly understood civil society. The benefit in this case is not the amount of money, but the social responsibility of each of us. The government's responsibility to society is to increase the country's population and improve the standard of living within one term of a politician. Corporate social responsibility is the degree to which a company maintains sustainable development in all three areas of environmental, social and economic activities defined by the United Nations over a given period of time, as well as the degree to which it has demonstrated its social responsibility towards society. It is the responsibility of civil society organisations to determine the extent to which their social objectives coincide with the public good.

Economic democracy is the joint action of liberal economy, public economy and social economy (SE), free choice and the pursuit of greater wealth. Economic democracy

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<sup>28</sup> Source: Monetary Studies, 2004. Economic theory and practice. <https://www.lb.lt/uploads/documents/docs/publications/paliulyte.pdf>, R. Paliulytė (VU, 2004), Prof. Paweł Gyls.

is the principle of democracy, i.e., the realization of the principle of the primacy of the individual in the national economy. Liberal economics is guided by liberal democracy (the unit of measurement is money), social economy is guided by social democracy (the unit of measurement is social responsibility), and public economics is guided by both. These are two radically different systems that work, but are compatible with each other thanks to the principle of feedback. The important thing is that social democracy should not be confused with political social democracy. Economic democracy is becoming especially important in the modern Southeast economy – the world has been "closed to financial democracy" for too long.

Benefits for society resulting from the social economy:

- opens up the social economy (SE) market according to the "rules of the game" set by society itself;
- creates a beneficial opportunity for the three economies of the country to function within one common economy;
- creates new jobs in SE;
- promotes overall equivalence in all three areas: environmental, social and economic;
- increases the economic competitiveness of the country and raises its reputation by raising the socio-economic level;
- reduces the state budget funds allocated to social benefits;
- promotes education and smart growth through social innovation;
- promotes social cohesion;
- reduces social exclusion, inequalities and environmental problems;
- reduces emigration and increases the population;
- and more.
- Productivity in SE is measured by comparing the available resources with the results:
  - change in employment levels (employment rates);
  - poverty reduction (number of people covered);
  - increasing quality of life (reducing the number of people living in poverty);

- development of social ties (increase in the sense of community, stable help to those in need, etc.).

Organisations operating in the social economy can best be described by the following criteria:

- They are more effective in a competitive market, contributing to its efficiency, promoting solidarity and strengthening social cohesion.
- Their primary goal is social goals and benefits for society, not generating profit and distributing it to shareholders.
- Most often, their governance model is based on the principles of solidarity and reciprocity, based on democratic voting of all members, where "one person has one vote". The management of such organizations can be entrusted to employees, volunteers, and even individual umbrella organizations, coalitions, and their unifying public councils, which are an integral part of social economy organizations.
- They are flexible and socially innovative (they easily adapt to changing social and economic conditions, use user-friendly platforms or social systems).
- They are based on the principles of civic engagement and active participation, often voluntary.

Social work organizations are part of the social economy. They work to achieve goals that are beneficial to society (social, social or environmental) and are not solely focused on maximizing profit. Such companies often apply innovative principles when developing products and services or organizing their work and production. They often employ people from the most vulnerable groups in society, thus making a significant contribution to increasing social cohesion, creating new jobs and reducing social inequalities.

A social enterprise can operate in various forms, however, it differs from the traditional business model in that its primary mission is to exert social impact and benefit society – reducing or mitigating acute social problems or market failures – rather than maximizing shareholder profits. Therefore, most of the profit generated is allocated

primarily to the achievement of social goals, i.e. reinvested in the development of its activities or used for social and charitable purposes. A socio-business organization must:

- have a financially sustainable and profitable business model that allows them to generate most (or at least 50%) of their income through commercial activities;
- use innovative solutions (it does not have to be a completely new idea, but at least new in a given field, sector, geographical area, target group, etc.), social innovation or best practices in the development and sale of products or services;
- reinvest most of the profits generated in the development of social entrepreneurship or allocate them to solving social problems in order to increase the impact on society;
- clearly define the social or environmental mission in statutory documents and be able to justify its benefits to society;
- not to pay dividends to investors or shareholders, as its purpose is not to increase the shareholders' capital, but to enable the investor to recover the original investment;
- Provide employees with the opportunity to receive competitive, market-based remuneration and create better working conditions than in an average, traditional for-profit company;
- use open and transparent management methods, involving employees, shareholders and volunteers of the organization in making important decisions;
- to act in harmony with the environment and ensure that resources are used efficiently without harming it.

Despite the very wide range of activities of social enterprises, most of these types of organizations in the European Union operate in three areas:

- Labour market integration (training for the unemployed and reintegration into the labour market)
- Personal services (e.g. childcare, services for seniors, "remote" services, assistance to socially excluded people, etc.)
- development of socially excluded areas (e.g. social enterprises in very remote rural areas, development of housing/rehabilitation programmes in rural areas, etc.)

Benefits for society resulting from social activities

- creates new, long-term jobs;
- promotes a more sustainable business;
- increases the economic competitiveness of the country;
- reduces the state budget funds allocated to social benefits;
- promotes smart growth through social innovation;
- promotes social cohesion;
- reduces social exclusion, inequalities and environmental problems.

What is social innovation?

Social innovation is the development of new social ideas, the transfer and implementation of proven innovative methods and practices from other sectors (products, services, mechanisms) to meet social needs, solve long-standing social and environmental problems, and create new social connections and cooperation. The result of social innovation is the discovery of modern (new), often unconventional solutions. The spread of these innovations was caused by the development of information technologies and the changing balance of influences in favor of the individual (user). This is a principle that can be applied when creating a social enterprise or solving a selected problem.

Who is a social entrepreneur?

A representative of any profession can become a social entrepreneur if they are ambitious and persistent, want to solve an important social problem, and are able to discover and propose new ideas for implementing change on a large scale.

Instead of leaving the solution of social problems to the state, a social entrepreneur is able to recognize society's demand for certain services or products, understand what is not working, and solve the problem by using his knowledge, energy and ideas, as well as applying business principles to change the system or solve the problem.

The best social entrepreneurs are excellent talent hunters and living examples of how people who can turn their ideas into practical work and achieve results can achieve anything.

Social enterprises are organizations whose mission is to find creative and entrepreneurial solutions to society's biggest problems.

Social enterprises not only generate profit, but also solve the problems of poverty, lack of educational opportunities, unemployment, public health, and more.

What is the social economy?

Today's economy encompasses three distinct areas: the private sector, the public sector, and the social economy. The social economy is made up of foundations, non-profit organizations, cooperatives, associations and other groups of active citizens and volunteers whose goal is to serve society and transform it socially and economically. Organisations operating in the social economy can best be described by the following criteria:

They contribute to more effective competition in the market, promote solidarity and strengthen social cohesion.

Their primary goal is not to generate profit and distribute it to shareholders, but to pursue goals that are beneficial to society.

Most often, their model of governance is based on the principles of solidarity and reciprocity, based on the democratic vote of all members, where "one person has one vote". Often, the boards of directors of such organizations do not enjoy the trust of investors, but also employees, customers and even volunteers, who are an integral part of social economy organizations.

They are flexible and innovative (they easily adapt to changing social and economic conditions).

They are based on the principles of active (and often voluntary) participation and involvement.

EU statistics:

- The social economy accounts for 10% GDP of the entire European economy.
- The social economy employs more than 11 million workers, or 4.5% of all employees.

What is social entrepreneurship and what distinguishes it?

Social work organizations are part of the social economy. They work to achieve goals that are beneficial to society (social, social or environmental) and are not solely focused on maximizing profit. Such companies often apply innovative principles when developing products and services or organizing their work and production. They often employ people from the most vulnerable groups in society, thus making a significant contribution to increasing social cohesion, creating new jobs and reducing social inequalities.

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- promotes a more sustainable business;
- increases the economic competitiveness of the country;
- reduces the state budget funds allocated to social benefits;
- promotes smart growth through social innovation;
- promotes social cohesion;
- reduces social distancing

### **3.2.3. Examples of successful initiatives in Lithuania (m.in. First Pancake, Valley of Innovators, Social Taxi, Dignified Home)**

Examples of successful and functioning social enterprises in Lithuania:

#### **FIRST PANCAKE**

"Pirmas blynas" is a social restaurant serving pancakes, where people with disabilities work. Everyone who comes here is greeted with a smile. The menu of the "Pirmo blyno" restaurant includes large and filling sweet and salty pancakes, one of which will satisfy the hunger of even the hungriest guest. The "First Pancake" is waiting for you and guarantees good mood and delicious food!

#### **VALLEY OF INNOVATORS**

The Valley of Innovators is a place where you can feel here and now. The new vision is a combination of powerful stories, unparalleled natural beauty, inspiring ideas and new experiences.

#### **CITY LABORATORY**

A group of enterprising people who create a modern and environmentally friendly social education center - the "Urban Laboratory" in Sapiehajski Park, in the Antokol microdistrict of Vilnius. Here, green initiatives and practices are "nurtured" and presented, which every city dweller can easily implement in their busy lives.

Inspired by examples of the ecological culture of Amsterdam, Copenhagen and Berlin, they try to bring them to our community and educate them about sustainable lifestyles, environmental protection and energy resources and modern urban gardening.

The members of the organization are united by common ideas – environmental protection, efficient use of energy, creating a sustainable society, etc.

#### **SOCIAL TAXI**

A social taxi is a unique service that helps to organize rides for people with mobility disabilities to places of economic and social employment (work, various organizations, hospital, university, cinema, theater, shop, meeting, etc.).

#### **A DIGNIFIED HOME**

Decent Homes aims to provide lonely and poor seniors with a dignified old age physically, mentally and financially, by helping them settle into self-sufficient, supportive families.

#### **NEST FOR A CHILD**

Baby set with high-quality, environmentally friendly and child-friendly products. What's more, by buying it, you will give a bit of peace, comfort and warmth to those who are currently unable to provide comfortable conditions for raising a child on their own.

The "All Newborns Are Equal" campaign has evolved into a social endeavor whereby you donate a second basic set to a socially at-risk mother for every purchase of a "Baby Nest" set. Children deserve to start their lives with everything they need, regardless of what family they were born into.

### **3.2.4. Situation, challenges and barriers for social enterprises in Lithuania**

#### **CREATIVE WORKSHOP "CREATIVE ANGLE 360°"**

Creative Corner 360° is a social initiative that advances the ideas of sustainable consumption and secondary design and aims to create a safer and healthier environment. They carry out educational activities through creativity, organizing various types of events and activities. The main topic of the class is secondary design, i.e. they learn to give objects a second life by making them from secondary raw materials or production waste.

Situation of social enterprises in Lithuania

Social enterprises in Lithuania are becoming increasingly popular due to their potential to effectively address sensitive social problems related to high levels of poverty and social exclusion, as well as the limited participation of certain social groups in the labour market. By combining social goals with economic value creation, social enterprises can actually contribute to economic growth while significantly improving people's well-being [3]. However, social enterprises often face obstacles that prevent them from scaling up and expanding.

Several challenges faced by social enterprises in Lithuania can be highlighted:

3. In Lithuania, there is still no legalized status of a social enterprise. This means that there are no regulations regarding this business model, and there is no way to tell if a business is truly social and if it is achieving the goals of its social mission.
4. Lack of financial instruments for social enterprises. In the case of national programmes or European Union funds, knowledge of the project and proof that specific results will be achieved is required.
5. A negative attitude towards social enterprises still persists in society. In addition, negative perceptions of social enterprises often stem from the legacy of the experience of the Soviet Union.

### **3.3. The situation of the social economy in Italy**

#### **3.3.1. Legal framework and supporting legislation**

Italy has a unique regulatory framework at international level with regard to the social economy<sup>29</sup>. This framework is based on two main pillars: cooperative legislation and the Third Sector Code.

##### 1- Cooperative legislation:

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<sup>29</sup> Polidori S., Lori M. (2023), Social Enterprises: Social Economy Organizations in Territorial and Community Development, Rome, Inapp, WP, 102 <<https://oa.inapp.org/xmlui/handle/20.500.12916/3895>>

One of the foundations of Italian legislation in the field of social economy is Law 381/1991<sup>30</sup>, which established and regulated social cooperatives. These organisations were created to achieve social goals and to work for disadvantaged groups through job placement and the management of social, health and educational services. Social cooperatives are one of the most consolidated models of social economy in Italy, and with the introduction of the third sector reform, they have been recognized by law as social enterprises.

## 2- Third Sector Code

In 2017, Italy introduced Legislative Decree 117/2017<sup>31</sup>, known as the Third Sector Code, which created a uniform regulatory framework for all non-profit organizations operating in the social economy. This Code replaced the previously fragmented system, providing greater coherence and transparency to the sector.

The Code clearly defines which organisations are part of the third sector and lays down rules governing their activities, from administrative and tax management to governance.

Among the entities included are voluntary organizations (ODVs), social promotion associations (APS), philanthropic organizations, association networks, and mutual aid societies.

At the heart of Italian social economy legislation is the social enterprise, a legal form that allows private entities and businesses to carry out activities for civic, solidarity and socially useful purposes, on a non-profit-making basis, which constitutes an activity in the general interest.

Activities considered to be in the general interest are:

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<sup>30</sup> For more information, see Law No 381 of 8 November 1991, Disciplina delle cooperative sociali (<https://www.gazzettaufficiale.it/eli/id/1991/12/03/091G0410/sg>)

<sup>31</sup> For more information, see Legislative Decree 117/2017 (<https://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:decreto.legislativo:2017-07-03;117!vig=>)

- social interventions and services;
- healthcare interventions and services;
- health and social services;
- VET education and training activities;
- interventions and services aimed at protecting and improving the state of the natural environment and the careful and rational use of natural resources, with the exception of the usual activity of collecting and recycling municipal, special and hazardous waste;
- interventions aimed at protecting and improving the state of cultural heritage and landscape;
- education at undergraduate and postgraduate studies;
- scientific research of particular social importance;
- organising and managing cultural, artistic or recreational activities of social importance, including activities, including publication, promotion and dissemination of the culture and practice of volunteering and activities of general interest, referred to in this Article;
- social broadcasting;
- organizing and managing tourism activities of social, cultural or religious importance;
- out-of-school training to prevent early school leaving and achieve educational and training success, prevent bullying and combat educational poverty;
- instrumental services to social enterprises or other third sector entities;
- development cooperation;
- commercial, production, educational and informational, promotional, representative, licensing of certification marks, carried out within or for the benefit of fair trade chains;
- services aimed at the integration or reintegration into the labour market of

workers and particularly disadvantaged people;

- social housing and any other temporary residence activities aimed at meeting social, health, cultural, educational or employment-related needs;
- humane reception and social inclusion of migrants;
- microcredit;
- social farming;
- organization and conduct of amateur sports activities;
- revitalization of unused public property or property confiscated as a result of organized crime.

In addition, Legislative Decree 112/2017 provides that all social cooperatives automatically obtain the status of a social enterprise, without the need to amend their statutes, and can register in a special section of the commercial register.

A social enterprise must adopt responsible and transparent management, actively involving employees, users and other stakeholders, promoting a participatory management model.

### **Legislation supporting the social economy**

The Italian legal framework also offers a number of legal instruments to support the development of the social economy. For example, the Single National Third Sector Registry (RUNTS) facilitates the administrative governance and transparency of organizations by providing them with access to tax incentives and economic benefits to do business.<sup>32</sup>

In addition, Italian law allows social enterprises and cooperatives to access public and EU funds to develop innovative projects and to support initiatives that promote employment and combat educational and social poverty.

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<sup>32</sup> Polidori S., Lori M. (2023), Social Enterprises: Social Economy Organizations in Territorial and Community Development, Rome, Inapp, WP, 102 <<https://oa.inapp.org/xmlui/handle/20.500.12916/3895>>

With this robust regulatory apparatus, Italy is an international benchmark in the field of social economy. The combination of specific provisions on social cooperatives and a unified code for the third sector makes the Italian social economy a highly regulated and innovative sector, capable of responding to the needs of a developing society.

### **3.3.2. Main types of ES institutions (Social cooperatives, Associations, Foundations, Mutual Aid Societies, NGOs)**

In Italy, the social economy is made up of different entities operating in different sectors to promote social and economic well-being.

The main types of social economy courses are:

#### 1- Social cooperatives

Social cooperatives in Italy are non-profit enterprises that aim to meet collective needs and pursue social goals such as community integration and prosperity. These organizations are regulated by Law No 381/1991, which distinguishes between 3 types of cooperatives:

- Type A: Type A cooperatives are oriented towards the management of social, health, educational, and training services. For example, they provide assistance to the elderly, disabled or disadvantaged through day care centres, nursing homes and family homes. They are also active in the education sector, combating phenomena such as early school leaving and supporting vocational training.
- Type B: Type B cooperatives aim to create employment opportunities for disadvantaged people, including people with physical and mental disabilities, people experiencing social or economic difficulties, and other vulnerable groups. They engage in various types of productive activities (agricultural, industrial, commercial, and service), aimed at incorporating the workforce of these categories of people.
- Mixed cooperatives: Mixed cooperatives (type A+B) are cooperatives in which

both social and health services (type A) and professional integration (type B) coexist in order to offer a wider range of services and respond more effectively to the needs of the community.

Social cooperatives are one of the most dynamic and essential elements of the Italian social welfare system and social economy. With more than 15,000 active cooperatives, these companies take care of 12% of Italy's population, exerting a significant impact in the fields of health, work, education and social assistance<sup>33</sup>. Over the past five years, social cooperatives have created more than 50,000 new jobs and employ around 480,000 workers, more than 50% of whom are women. Around 78,000 disadvantaged people are employed in cooperatives.

With the introduction of the Single National Register of the Third Sector (RUNTS), social cooperatives account for around 90 percent of registered social enterprises, further consolidating their dominant role in the Italian social economy.

## 2- Associations

Associations are non-profit organisations made up of individuals or entities pursuing common goals, often related to social, cultural, environmental or sporting issues. Their governance is democratic, and members actively participate in decision-making through a general meeting, where each member has the right to vote regardless of membership fee. These organizations can have different goals:

- Voluntary associations: offer assistance to vulnerable people such as the elderly, the disabled and families in need, often engaging in health and social support activities. They are a fundamental pillar of Italian prosperity.
- Cultural associations: promote artistic, educational and recreational activities by organizing cultural events and events aimed at supporting civic activity and personal development.
- Sports Associations: They promote social inclusion and health through sport,

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<sup>33</sup> Life (2021) From social cooperatives welfare for 12% of Italians. Life. [https:// www.vita.it/dalle-cooperative- social welfare for 12-Italians/](https://www.vita.it/dalle-cooperative-social-welfare-for-12-Italians/)

leading amateur teams, and promoting sporting events at local and national levels.

- **Social Promotion Associations:** These are oriented towards promoting socially useful activities for members or third parties, on a non-profit basis. They can organize cultural, recreational, sports, educational, environmental activities, etc. to improve quality of life and promote social cohesion.

Social promotion associations, unlike other associations, enjoy special privileges and have access to certain public funds.

Associations are a key element of the third sector in Italy, contributing not only to improving the quality of life through basic services, but also to promoting social cohesion and community development.

### 3- Voluntary Organizations (VPOs)

Voluntary organisations (VOs) are third sector entities regulated by the Third Sector Code (Legislative Decree 117/2017), originally introduced by Law 266/1991. These organisations, usually set up as associations, carry out activities in the general interest, mainly for the benefit of third parties, mainly using the voluntary work of their members. Their aim is to respond to specific social and economic needs through free and unpaid contributions from volunteers.

Unlike voluntary associations, which are a more general concept and not always structured, VOs must meet special legal requirements to be officially recognized. Voluntary organisations offer essential support in various fields, including health, social and psychological care, contributing to social cohesion and the development of solidarity networks.

Teachers play a key role in Italian society, contributing to the well-being of the community through various channels:

- **Social support:** Non-medical organizations provide essential services to vulnerable people, such as the elderly, the disabled, and families in financial difficulty.
- **Promoting social cohesion:** They create solidarity networks that foster social inclusion, involving people from different age groups and backgrounds.

- Education and awareness-raising: They promote awareness campaigns on issues such as the environment, human rights, and public health.
- Collaboration with public institutions: Teachers work with public institutions to fill gaps in services offered by the state, increasing the efficiency of the social welfare system.

Voluntary organisations are therefore an important pillar of the third sector, contributing to building a more inclusive and supportive society.

#### 4- Foundations

Foundations are private law entities that have assets intended for the pursuit of public interest objectives, such as scientific research, social assistance or the promotion of culture. Unlike associations, foundations have a more stable and permanent structure, and the management of their assets is entrusted to the board of directors rather than the assembly of members.

Foundations can be of different types:

- Cultural Foundations: Support the promotion and protection of artistic and cultural heritage by funding museums, exhibitions, and educational projects.
- Scientific foundation: They contribute to research and innovation by investing in projects related to health, science and technology.
- Social foundations: They operate locally to support the economic and social development of specific territories, often supporting social and employment initiatives.

Foundations, through their ability to generate and manage financial resources, play a key role in supporting long-term projects and contributing to scientific, cultural, and social progress.

#### 5- Mutual Aid Society (SOMS)

The Società di Mutuo Soccorso (SOMS) is one of the oldest forms of social economy in Italy, founded in the nineteenth century to offer economic and social support to workers in difficult times. Based on the principle of reciprocity, these non-profit organizations require members to make a periodic contribution to a common fund that can be used when needed, such as illness, accidents, or other economic emergencies.

Regulated by Law No. 3818/1886, the SOMS played a fundamental role in the construction of the Italian social welfare system before modern forms of social security and assistance were introduced. Although their role has been partially reduced with the advent of state services, they are still relevant in various sectors, in particular in complementary social security and healthcare.

The main functions of SOMS are:

- Healthcare: They offer health and social services to members and their families, such as reimbursement for medical expenses or access to specialized care.
- Economic support: They provide grants to cope with financial hardships, cover medical expenses, or provide assistance in the event of accidents or illness.
- Cultural and educational promotion: SOMS also organizes cultural and awareness-raising activities on health prevention and solidarity, keeping alive the mutual values that underpin their existence.

Mutual aid societies have played a key role in the history of Italian prosperity. In addition to direct support for workers, these organizations contributed to the formation of the first trade unions, promoting solidarity between workers. Even today, despite the evolution of the public aid system, they continue to play a key role in providing support to people in vulnerable situations, strengthening social and community cohesion.

Today, SOMS have adapted to new needs, offering complementary services and supporting health and social projects in collaboration with local authorities, foundations and other sectors of the organisation's third sector. Despite the changes that have taken place over the centuries, their function of solidarity and assistance remains crucial for the Italian social economy.

#### 6- Non-governmental organizations (NGOs)

Non-governmental organizations (NGOs) are non-profit organizations that operate independently of governments, working to achieve the goals of international cooperation, human rights, environmental protection, and humanitarian aid. Funded primarily by private donations and donations from philanthropists, NGOs may receive public funding in some cases. These organizations are guided by strong ideals and are active at the local, national, and international levels with the goal of promoting positive

and sustainable change in society.

NGOs play a key role in several areas:

- Humanitarian Aid: They provide assistance in emergencies, such as natural disasters or humanitarian crises, by offering necessities and medical care.
- Sustainability: They implement projects to improve living conditions in disadvantaged communities, addressing issues such as poverty and lack of infrastructure.
- Protecting human rights: promote and defend fundamental rights, raising public awareness and influencing policy.
- Environmental protection: NGOs working in this field are committed to protecting biodiversity, tackling climate change, and promoting sustainable ecological practices.

### **3.3.3. Good practices of the institutions (Community of San Patrignano, Il Solco Consortium, Èbbene Foundation)**

Social economy organisations play a key role in promoting collective well-being and sustainable development. Through their engagement in areas such as social welfare, culture, social inclusion and environmental protection, they contribute to a more cohesive and resilient social fabric.

Below are some concrete examples of associations, cooperatives, foundations and NGOs that embody the principles of the social economy and show its positive impact on the community.

#### 1- Community of San Patrignano

San Patrignano<sup>34</sup> is a non-governmental organization (NGO), recognized and accredited by the United Nations with the status of "Special Advisor to the United Nations Economic and Social Council". It offers a wide range of addiction recovery services,

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<sup>34</sup> SanPatrignano Community Website: [https:// www.sanpatrignano.org/](https://www.sanpatrignano.org/)

operating on the basis of an integrated model that includes a social cooperative, a social agricultural cooperative, a foundation, a vocational training association and a sports association.

Founded in 1978 by Vincenzo Muccioli in Coriano (RN), San Patrignano was founded with the aim of offering a concrete alternative to people with addiction problems, often marginalized by society. Today, it is one of the largest communities of recovery from addiction in Europe.

San Patrignano's strength lies in its holistic approach, which combines therapeutic rehabilitation with vocational training and social inclusion, creating an integrated rehabilitation pathway. An essential aspect is that the path offered is completely free, which is a strong message of inclusion and accessibility for anyone who needs it.

Over more than forty years, the community has welcomed more than 26,000 people, guaranteeing not only a pathway to detoxification from addictions, but above all personal recovery, based on work, education, and respect for oneself and others, achieving a total recovery rate of 72% among those who completed the program.<sup>35</sup>

This commitment has had a significant impact on the community, both in terms of crime prevention and reducing the health and social costs associated with drug addiction.

San Patrignano's impact on society is significant, not only in terms of crime prevention, but also in reducing the health and social costs associated with drug addiction. In 2023, its social impact calculated using the Social Return on Investment (SROI) is 2.63, which means that for every euro invested in the community, a return of 2.63 euros of social value is generated<sup>36</sup>. This means that investments in

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<sup>35</sup> A multidisciplinary study of retention in treatment and follow-up on a large sample of former community residents (Oltre la comunità, Franco Angeli editore,) - University of Urbino and Pavia.

<sup>36</sup> Community of San Patrignano 2023 Social Report ([https:// www.sanpatrignano.org/wp-content/uploads/2024/05/Bilancio\\_sociale\\_Comunita\\_2023.pdf](https://www.sanpatrignano.org/wp-content/uploads/2024/05/Bilancio_sociale_Comunita_2023.pdf))

Rehabilitation not only directly benefits the people involved, but also creates economic value for society.

San Patrignano also has a positive impact on the local economy, thanks to the production activities it offers, from agriculture to viticulture, from handicrafts to gastronomy. These activities not only provide training, but also enable guests to acquire specific skills that make it easier for them to reintegrate into the world of work. This not only helps individuals rediscover their own worth and skills, but also contributes to changing society's perception of drug addicts, recognizing them as individuals who can bring value and knowledge.

San Patrignano also stands out for its prevention program called "WeFree", an educational project that engages young people throughout Italy that aims to raise awareness and prevent the risk of addiction. Every year, thousands of students participate in educational courses designed to strengthen personal awareness and a sense of responsibility for themselves and others.

San Patrignano's impact on society is therefore profound and multidimensional: on the one hand, it rehabilitates people through a model of social economy based on production and work, and at the same time it has an important educational and preventive function. This approach, which combines solidarity, sustainable economic development and social inclusion, is a concrete example of how the social economy can address some of the most complex and deep-rooted challenges of contemporary society.

## 2- Il Solco Consortium

Consorzio Il Solco<sup>37</sup> represents an important reality in the scene of territorial prosperity, exerting a significant influence on the province of Ravenna and the neighboring provinces of Ferrara, Forlì-Cesena and Rimini. Its mission is focused on promoting the social and professional integration of the most vulnerable.

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<sup>37</sup> Consorzio Il Solco website: [https:// www.solcoravenna.it/](https://www.solcoravenna.it/)

With 18 affiliated type A and B social cooperatives, it supports the elderly, disabled and disadvantaged people through a wide range of social welfare services, re-employment pathways and an ongoing commitment to education, rehabilitation and self-reliance support.

The impact of the consortium is visible in the lives of those who have been helped: the elderly who receive care and services to maintain a dignified life, people with disabilities who find concrete support on the path to autonomy, and disadvantaged people such as convicts, addicts or people suffering from mental pathologies, who manage to reintegrate into the world of work and society through job placement pathways. In particular, Solco has gained recognized expertise in the field of professional integration, helping these people not only to find employment, but also to build a path of personal and professional development that fosters real economic and social emancipation.

One of the most innovative projects of the consortium is "Housing First", a program that aims to help people in a difficult housing situation find a stable and dignified solution, going beyond the traditional concept of temporary assistance. This approach has lasting effects, as it not only offers accommodation, but also accompanies users in their quest for autonomy through support in job search, vocational training and social inclusion. The consortium, together with Associazione Isnet, carried out a social impact assessment of the project, which showed that 60 percent of participants noticed an improvement in their health and 74 percent improved their employment status. The "Housing First" project has also achieved an excellent economic impact indicator. The SROI (Social Return On Impact) index is 1.93, which means that for every euro invested, 1.93 euros of social value is generated, mainly due to the improvement of the employment conditions of participants and the reduction of the costs of social services.<sup>38</sup>

In addition, the consortium is actively involved in social farming, offering professional integration opportunities to disadvantaged people, such as people with

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<sup>38</sup> Social impact assessment of the activities under the project "Housing First" Ravenna, Isnet Association

disabilities or those with a history of work dependence. Through social agricultural cooperatives, it develops projects that combine agricultural production with social rehabilitation, promoting autonomy and re-employment. It is also committed to the production of organic and zero-mileage products, paying special attention to environmental impact and promoting a sustainable model that respects the territory, guaranteeing high quality food and reducing the ecological footprint.

The consortium is also a leader in the reception of asylum seekers and beneficiaries of international protection, offering basic services such as food, accommodation and healthcare, but also cultural and professional integration pathways that foster long-term integration. Through its coordinating role, Il Solco facilitates interaction between public authorities, the private social sector and the local community, contributing to the creation of a "climate of trust" that is essential for the success of joint initiatives.

In short, Il Solco is not only a service provider, but also a social transformation agent that has a profound and lasting impact. By promoting dignity, autonomy and inclusion, the consortium contributes to building a more equitable and supportive community where every person, regardless of the difficulties they have faced, can find their place.

### 3 - Èbbene Foundation

The Èbbene Foundation<sup>39</sup> represents the innovative Local Foundation model, with an approach focused on proximity as a core value for the well-being of communities and territories. Its mission is based on the idea that closeness embraces all people, making each person an integral part of the generative social fabric. Through a network of Places, Centers and Nodes of Bliskospice, the Foundation works to create synergies between the different realities operating in Italy, aggregating meaningful experiences that have a common approach. This process of systematizing initiatives aims to ensure that each person can be supported in their life journey by building individual Life Plans that take

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<sup>39</sup> Foundation Well website: [https:// www.ebbene.org/](https://www.ebbene.org/)

into account all individual and family dimensions.

The Èbbene Foundation is committed to collaboration, acting as a synthesis point for the aspirations of organizations with different matrices. The Foundation promotes the creation of a proximity network that permeates every territory, building on the work of the Centers for the Support of the Civic Economy and Proximity. A key principle of Èbbene's approach is the circular economy applied to people: The Foundation strongly believes that even those who are considered "waste" by society can become agents of change, contributing to the betterment of communities through experiences of rebirth and personal growth.

Through emblematic projects such as "Regenerated Communities", which led to the creation of a neighborhood center in Messina to give space to young people and enable them to take care of their own territory, and "Accùra", a social health center dedicated to vulnerable people in Palermo, the Foundation shows its concrete commitment to promoting social inclusion and collective well-being. In addition, through the "Prosperity of Proximity" initiative, Èbbene aims to create centers throughout the country, increasing the social engagement of new generations and promoting their protagonism.

The Foundation works with a variety of partners to address the challenges faced by vulnerable people, including those in the mental health department. Through this synergistic work, the Èbbene Foundation acts as an agent of social transformation, in which the prosperity of the nearby is not seen as a cost, but as a driving force for economic development that starts with people's talents and leads to sustainable business experiences. In this way, the Foundation contributes to building a more just, solidarity-based and inclusive society, guaranteeing every person, regardless of the difficulties they face, the opportunity to find themselves in the community.

#### **3.3.4. ISNET project societal objectives and research partnerships**

With this project, Associazione Isnet has pursued several social objectives, with a

strong commitment to promoting the social and labour integration of Italian social cooperatives, true excellence in the social economy panorama and unicum at European level, in making communities more just and supportive, improving the living conditions of people at risk of exclusion.

During the project, the partners involved had the opportunity to gain an in-depth understanding of the specificities of the social economy sector in Italy. Through the exchange of good practices and visits to Italian social cooperatives, problems and potentials related to the professional integration of people at risk of social exclusion, such as people with physical and intellectual disabilities, former drug addicts, convicts and other vulnerable groups, were identified.

The Italian cooperatives we visited, which are mainly active in the agri-food and catering sectors, showed concrete how employment opportunities can be created for people who are marginalised in the labour market, contributing to their reintegration into the labour market and social inclusion. A particularly significant example was the day centre dedicated to the reintegration of people with disabilities into the labour market, where it became clear that professional integration is not limited to employment, but includes structured paths for the development of personal and social autonomy.

Another important point was the comparison of Italian social collaborators with the contact persons of social actors from other European countries, such as Lithuania and Poland. This exchange has enabled the creation of a network of knowledge and expertise, facilitating the exchange of experiences and the adoption of common good practices. This has contributed to the spread of sustainable social economy models, addressing issues such as urban regeneration, the fight against educational poverty and poverty.

### **Isnet partnerships with other social economy entities**

In Italy, partnership activities between social economy entities are mainly regulated by Articles 55, 56 and 57 of the Third Sector Code. These articles establish a

legal framework for cooperation between public administrations and third sector entities in order to promote and implement activities of general interest, such as social welfare, social welfare and health, education and environmental protection. The principle of subsidiarity, reinforced by the judgment of the Constitutional Tribunal No 131 of 1 July 2020, underlines the importance of the active involvement of third sector actors through forms of co-planning, co-planning and accreditation, recognising the fundamental role of these actors in the implementation of public policies.

In addition, the Public Procurement Code (Legislative Decree No 36/2023) introduces the concept of 'social partnership' in Article 201, which combines and rationalises the previous provisions on administrative barter and horizontal subsidiarity interventions<sup>40</sup>. This regulatory instrument enables cooperation between public authorities and social economy entities in the management of green spaces, buildings dedicated to social and cultural activities, the enhancement of urban decoration and the implementation of works of local interest, presented by citizens or associations. Social partnerships also offer tax benefits by encouraging the active participation of third sector actors and promoting projects with a broad societal reach.

A concrete example of partnership between institutions are projects implemented by ISNET in cooperation with local public authorities, universities and social cooperatives under the Social Innovation Fund of the Ministry of Public Administration. These projects aimed to optimise public spending and reduce the costs of interventions in critical areas such as the vulnerable situation of young people and housing poverty by introducing innovative approaches. Knowledge sharing was facilitated by a feasibility study, which allowed for a detailed analysis of the needs of local communities, the development of joint intervention plans and the forecasting of expected impacts, especially in economic terms. The co-design activities took place in close synergy, and

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<sup>40</sup> Social Entrepreneurship Magazine, 2024, Luigi Gili, Social Partnership in the New Public Procurement Code (<https://www.rivistaimpresasociale.it/forum/articolo/il-partenariato-sociale-nel-nuovo-codice-dei-contratti-public>)

each of the entities provided their expertise:

For example, ISNET provided its expertise in social impact assessments, while local authorities supported the search for information needed for analysis.

Other initiatives further facilitated the exchange of knowledge between the different actors involved organised study visits where participants could share good practices, exchange operational guidance and deepen their competences. In addition to these moments of confrontation on the ground, meetings, both face-to-face and online, were held to jointly plan activities and define work plans, allowing for more structured and coordinated collaboration. Working tables were set up, with the participation of both public and private actors, in order to promote a continuous and constructive dialogue, providing a conducive environment for the exchange of experiences, the discussion of common challenges and the identification of innovative solutions.

These spaces of dialogue and confrontation have played an essential role in strengthening synergies between the different organisations involved, improving the effectiveness of working together and contributing to greater coherence between partners. The best solutions, developed by one organization, were systematically adapted by others, always taking into account the specificity and needs of the local contexts in which they operated.

In addition, in some cases, all partners have developed common guidelines to formalise the exchange of expertise and ensure that the accumulated knowledge is shared in a structured and accessible manner to all actors involved. In other cases, especially for projects to combat educational poverty, a more practical approach was to appoint a manager from one of the partner organisations to visit other organisations to offer training sessions on specific skills in which their organisation was best. This method of direct transfer of skills facilitated mutual development and strengthened the capacities of individual organizations in strategic areas.

This collaborative approach has enabled social economy organizations to more effectively address emerging societal challenges, improve social inclusion, access to employment opportunities and the overall well-being of the communities served. The

result is a deeper and more lasting impact through the integration of best practices and collaboration based on trust and knowledge sharing.

## 4. Partnerships between Social Economy Entities



### Partnerships in the social economy

Social economy partnerships are a form of cooperation between different PES entities operating in a given area, such as non-governmental organizations or social enterprises, m.in. The aim of these partnerships is to jointly solve social and economic problems and develop local communities.<sup>41</sup>

The most complete, although quite general definition of local partnership can be found in the publication of the Ministry of Labour and Social Policy entitled: "Through cooperation to success". Local partnership in the labour market. This partnership is understood there as a platform for cooperation between various partners who jointly and systematically plan, design, implement and implement activities and initiatives aimed at the development of the local socio-economic environment and building local identity among community members.<sup>42</sup>

In other words, local partnership is about the cooperation of representatives of different groups living or operating in a given area, striving to fully exploit the potential of the area and solve problems. A key element of local partnership is to identify local needs and meet them through bottom-up initiatives implemented in broadly understood collaborations between local PES.

So far, only cooperation between the public and business sectors has been formally regulated on the basis of the Public-Private Partnership Act. However, work is underway on the Act on Public-Social Partnership, which recognizes non-governmental

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<sup>41</sup> SGH Journals: Majka Łojko, "Local Partnership in the Social Economy as a New Paradigm for Building Social Cohesion", <https://econjournals.sgh.waw.pl/kwes/article/view/196/175>

<sup>42</sup> Sobolewski A. (ed.), Through cooperation to success. Local Partnership on labour market, Ministry of Labour and Social Affairs, 2007, Warsaw, p.10.

organizations, church organizations and groups associating representatives of the local community as the social side.<sup>43</sup>

## **4.1. Definition, characteristics and objectives of local partnerships**

### **Characteristics of local PES partnerships:**

- Voluntariness: Cooperation is based on the voluntary decision of all participants.
- Equality: Partners have equal rights and obligations.
- Complementarity: Each partner brings their unique resources, knowledge and experience to the cooperation.
- Long-term: Partnerships are often formed over a longer period, allowing for more complex projects.
- Orientation to the needs of the local community: The activities of the partnerships are aimed at improving the quality of life of the inhabitants of a given locality.<sup>44</sup>

### **Objectives of PES Local Partnerships:**

- Development of the local economy: Creating new jobs, supporting social entrepreneurship.
- Social inclusion: Inclusion of socially excluded people in the life of the community.
- Improving the quality of life: Implementation of projects in the field of education, culture, environmental protection.
- Strengthening social capital: Building trust and cooperation between residents.<sup>45</sup>

### **Why are local PES partnerships important?**

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<sup>43</sup> The Act of 19 December 2008 on public-private partnership, Dz.U. 2009 No. 19, item 100.

<sup>44</sup> <http://www.espoleczna.spoldzielnie.org/index.php?id1=14>

<sup>45</sup> <http://www.espoleczna.spoldzielnie.org/index.php?id1=14>

- Synergy: By joining forces, partners can achieve more than acting alone.
- A holistic approach to problems: Partnerships allow you to analyze problems from different perspectives and implement more effective solutions.
- Citizen participation: Through partnerships, residents have a greater impact on the development of their town.
- Efficiency: Collaboration allows for better use of available resources.

**Examples of areas of cooperation within local partnerships:**

- Creating jobs for people at risk of social exclusion
- Development of local tourism
- Environmental protection
- Supporting seniors
- Development of culture and education

Local partnerships in the social economy are an effective way to solve social and economic problems at the local level. By working together between different actors, it is possible to achieve greater effects and create more sustainable development.<sup>46</sup>

Cooperation between ES organizations brings numerous benefits:

**Knowledge Exchange:** On effective social inclusion strategies.

**Joint implementation of projects:** Aimed at local communities.

**Improving ES practices:** By adapting best practices to local needs.

## **4.2. Sharing knowledge and experience on social inclusion**

The exchange of knowledge and experience between social economy entities is a key element in the creation of effective social inclusion strategies. By working together

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<sup>46</sup> Regional Centre for Social Economy in Krakow, "Local Partnerships in Social Economy"

and sharing good practices, organizations can achieve a greater impact on social change and improve the quality of life of excluded people.

### **Advantages of knowledge and experience exchange**

- Increase efficiency: By working together, organizations can make better use of their resources, avoid mistakes, and achieve better results.
- Innovation: The exchange of knowledge allows you to discover new solutions and approaches to social problems.
- Strengthen your network: Building relationships with other organizations allows you to build broader coalitions and expand your reach.
- Improving employee competencies: Participation in knowledge exchange programs allows employees of the organization to develop professionally and acquire new skills.
- Increasing public awareness: Sharing experiences contributes to increasing public awareness of the problems of excluded people and the needs of local communities.<sup>47</sup>

### **Disadvantages of knowledge and experience exchange**

- Differences in attitudes to work: Different organizations may have different organizational cultures, which can make collaboration difficult.
- Lack of time and resources: Knowledge sharing requires time and commitment from employees, which can be difficult for organizations with limited resources.
- Intellectual property protection: Organizations may be reluctant to share their knowledge and experience for fear of losing their competitive advantage.
- Difficulties in evaluating effectiveness: Assessing the effectiveness of knowledge exchange programmes can be difficult, especially for long-term projects.<sup>48</sup>

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<sup>47</sup> Regional Centre for Social Economy in Krakow, "Local Partnerships in Social Economy"

<sup>48</sup> <https://www.es.malopolska.pl/publikacje/pobierz/40,estrateg-model-w%C5%82%C4%85czania-ekonomii-spo%C5%82ecznej-do-lokalnych-strategii-i-program%C3%B3w.pdf>

## Examples of knowledge and experience exchange between social economy entities in Poland

- Cooperation networks: There are many cooperation networks in Poland that connect non-governmental organizations, social enterprises and local governments. Examples of such networks are: the Network of Local Initiatives, the Network of Non-Governmental Organizations, or the Social Economy Network.
- Conferences and trainings: NGOs regularly organize conferences and trainings where representatives of various organizations can share their experiences.
- Mentoring programs: Mentoring programs allow you to establish relationships between experienced employees of the organization and beginners, which allows you to transfer knowledge and skills.
- Joint projects: Cooperation in the implementation of joint projects allows for the exchange of knowledge and experience in practice.<sup>49</sup>

The exchange of knowledge and experience between social economy entities is extremely important for the development of the sector and the effective implementation of social goals. By working together, organisations can better respond to societal needs, increase their impact and contribute to building a fairer and more sustainable society.

### **4.3. Joint implementation of projects aimed at local communities**

Cooperation between social economy entities in the implementation of projects aimed at local communities is an increasingly common practice. By combining strengths, diverse competencies and resources, these organizations can respond more effectively to societal needs, create innovative solutions and achieve greater impact on local development.

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<sup>49</sup> <https://www.gov.pl/attachment/0c441eaa-fcdb-46b5-8454-465dee3cd791>

## Why is it worth implementing joint projects?

- Synergies: Combining the strengths of different actors allows for the use of complementary resources, increasing the effectiveness of activities and achieving better results.
- Increase reach: Collaboration allows you to reach a wider audience and deliver projects with a larger reach.
- Strengthening relationships in the community: Joint activities contribute to building trust and cooperation between different social groups, which leads to the strengthening of social capital.
- Innovation: The exchange of ideas and experiences fosters the emergence of new, creative solutions to social problems.
- Comprehensive approach to problems: Thanks to cooperation, it is possible to take action on many different levels, which allows for comprehensive solutions to social problems.<sup>50</sup>

## Examples of joint projects

- Food banks: These are increasingly popular forms of cooperation within the social economy. NGOs, local governments, shops and food producers work together to collect surplus food and donate it to those in need.
- Revitalization of public spaces: Local partnerships often take actions to improve the appearance and functionality of public spaces. Residents, architects, officials and entrepreneurs work together to create projects for green squares, playgrounds and bicycle paths.
- Integration of foreigners: Partnerships are being established in many Polish cities to help refugees and other people from abroad integrate into the local community. Non-governmental organizations, schools, offices and residents themselves jointly organize language courses, professional workshops and cultural events.

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<sup>50</sup> <https://www.es.malopolska.pl/publikacje/pobierz/40,estrateg-model-w%C5%82%C4%85czania-ekonomii-spo%C5%82ecznej-do-lokalnych-strategii-i-program%C3%B3w.pdf>

- Development of local tourism: Local partnerships can contribute to the promotion of tourism in smaller towns. Non-governmental organizations, local entrepreneurs and local governments work together to create attractive tourist offers, organize cultural events and promote local products.<sup>51</sup>

#### **4.4. Challenges and barriers to cooperation**

Being aware of the potential barriers and problems that may arise when creating local partnerships can help to prevent them and find effective solutions. The most common problems include:

- Differences in attitudes to work: Different organizations may have different organizational cultures, which can make collaboration difficult.
- Lack of time and resources: Collaboration requires time and commitment from employees, which can be difficult for organizations with limited resources. Lack of time and willingness to cooperate often results in the fact that cooperation exists only "on paper".
- Intellectual property protection: Organizations may be reluctant to share their knowledge and experience for fear of losing their competitive advantage.
- Difficulties in evaluating effectiveness: Evaluating the effectiveness of joint projects can be difficult, especially for long-term initiatives.
- Uncooperative organizational structure of partners.
- Problems with communication and information exchange, both within the institution and between partners.
- Ignorance of the partner's activities and common goals.
- No specific partnership leader.
- A poorly defined common goal of action.
- Conflict of interest between partners during the course of cooperation.
- Inefficient actions.<sup>52</sup>

<sup>51</sup> <https://www.es.malopolska.pl/publikacje/pobierz/40,estrateg-model-w%C5%82%C4%85czania-ekonomii-spo%C5%82ecznej-do-lokalnych-strategii-i-program%C3%B3w.pdf>

<sup>52</sup> <https://rops.krakow.pl/pliki-do-pobrania/wpis,partnerstwa-lokalne-w-ekonomii-spoecznej,84>

## **4.5. Conditions for the functioning of the ES in Italy from the perspective of international projects**

### **Main features of the social economy in Italy**

In Italy, we have legislation that is unmatched both in Europe and in the world. On the one hand, we have the provisions on cooperatives with articulation and a constitutional basis, which are characterized by a reference to the historic Law 381/91, which established social cooperation. On the other hand, we have the Third Sector, which is regulated by a unified corps by Legislative Decree 117/2017. In other European countries there is nothing similar, while Italy has created a Code that defines a framework that has its own coherence and merit for better organizing a previously fragmented sector.

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#### **Article 1 Concept and classification of social enterprise (in Italian law)**

All private entities, including those established in the forms set out in Book V of the Civil Code, which, in accordance with the provisions of this Decree, carry out on a permanent and main basis economic activities in the general interest, non-profit-making, and with civic, solidarity and socially useful objectives, adopting responsible and transparent management methods and fostering the widest involvement of employees, users and other stakeholders in their activities, can obtain the status of a social enterprise.

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In short, it can be said that a social enterprise is an organizational type of the Third Sector specifically provided for by the legislator to carry out economic activity, although such activity is not generally excluded for other Third Sector entities (such as voluntary organizations (SBs), social promotion associations (SDAs), philanthropic entities, networks of associations and mutual aid societies). Due to this characteristic, the discussion focuses on social enterprises, examining their main characteristics through the analysis of normative dictation. They play an important role as an organised legal formula aimed at carrying out activities in the general interest and pursuing objectives in the general interest.

This model finds, with the reform, a new reference and a specific location thanks to Legislative Decree 112/2017, according to which social cooperatives automatically obtain the status of social enterprises by operation of law, passing to a special section of the Register of Companies, without the need for statutory changes. The status of a Social Enterprise can be obtained by private entities and companies that carry out, on a permanent and main basis, economic activity in the general interest, non-profit and with civic, solidarity and socially useful objectives, as defined in Article 1 of Legislative Decree 112/2017<sup>53</sup>.

**The following activities are considered to be of a general nature:**

- Intervention activities and social services;
- Intervention activities and health care services;
- Social and health benefits;
- Educational, educational and training activities;
- interventions and services aimed at preserving and improving environmental conditions and the careful and rational use of natural resources, excluding routinely practiced activities consisting in the collection and recycling of urban, special and hazardous waste;
- Interventions for the protection and enhancement of cultural heritage and landscape;
- Undergraduate and postgraduate education;
- Scientific research of particular social importance;
- Organisation and management of cultural, artistic or recreational activities of social importance, including activities, including publishing, promotion and dissemination of the culture and practice of volunteering and activities of general interest referred to in this article;
- Broadcasting audio in communities;

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<sup>53</sup> Full text: [legislative decree 112/2017](#)

- Organization and management of tourism activities of social, cultural or religious importance;
- Extracurricular training to prevent early school leaving and educational and training success, prevent bullying and combat educational poverty;
- Instrumental services for social enterprises or other third sector entities;
- Development cooperation;
- Commercial, manufacturing, educational and informational, promotional, representative and certification mark licensing activities carried out within or for the benefit of fair trade supply chains;
- Services aimed at the inclusion or reintegration into the labour market of employees and disadvantaged persons;
- Social housing and any other temporary housing activity aimed at meeting social, health, cultural, educational or employment needs;
- Humane reception and social integration of migrants;
- Microcredits;
- Social agriculture;
- Organization and management of amateur sports activities;
- Re-management of unused public property or property confiscated by organized crime.

The activities of an enterprise of general interest are considered to be carried on as the main purpose when its revenues exceed seventy percent of its total revenues. An activity of general interest, regardless of its purpose, is also considered to be an economic activity in which, in order to achieve civic, solidarity and socially useful objectives, employees in a very difficult situation and people with disabilities or beneficiaries of international protection, homeless people who are in a situation of poverty that makes it impossible to find and maintain an independent place of residence are employed.

Generativity, understood as the ability to find new solutions for the life of the community, is an aspect inscribed in normative dictates, in the ability to achieve the civic, solidarity and socially useful goals required of this type of enterprise. These are goals

whose responses are mobile, resulting from the fact that the very needs and requirements of the social fabric are constantly changing.

The arguments presented show that we are facing an economic model that has a "software" of actions the same for all the organizations that compose it, consisting of not distributing profits and assets, but with the priority of the person over capital, with democratic or participatory management principles. The perception is that, starting with a different way of doing the economy, we can also rethink the issue of institutions and social cohesion. It is therefore important to emphasize the economic dimension.

\*\*In this context, there are many aspects that make social enterprises-cooperatives independent and unique economic phenomena capable of intervening in social needs with an innovative approach:

- they are often created 'from the bottom' on the initiative of civil society leaders, in some cases in conjunction with volunteering activities and associations already established on the ground;
- they are capable of combining economic, social and participatory dimensions in a way that is not artificial, but concretely embedded in socio-economic contexts;
- evaluate relational aspects with a constant focus on the human factor;
- emphasise the initiative of citizens as individuals capable of actively participating in solving social problems;
- promote stakeholder engagement through participatory decision-making processes, local rooting resulting from a specific knowledge of the strengths and weaknesses of a given area;
- develop networks of actors and organisations that are not part of the social base, as a result of close interaction with local stakeholders and their needs.\*\*

The world of social cooperatives is a living reality, with 7.2 million people cared for by 15,000 active social cooperatives in our country, which take care of 12 percent of the population, in fact being the backbone of the Italian social welfare system. Bearers of a new cultural and economic paradigm, thanks to social cooperatives, social welfare has

become a business. And this happened thanks to the focus on women and young people in particular. Over 480,000 people are employed in social cooperatives, of which over 50% are women, and 50,000 jobs have been created in the last five years. 78 thousand people are employed in conditions of physical, mental and social disability (40 thousand disabled people, 18 thousand people with disabilities and over 20 thousand people with other serious problems). With the launch of the Single National Register of the Third Sector (RUNTS), social cooperatives under l.381/91 account for about 90 percent of the total number of social enterprises, while the remaining 10 percent are non-social cooperative entities.

With regard to sectors of activity, around 49 percent of social enterprises operate in typical social care sectors, managing social services such as day care centres for the elderly and disabled, social housing for the elderly and disabled, and family homes. Another area of activity is the professional inclusion of the weak and disabled (12.2 percent), followed by cultural and sports services (6.1 percent), catering, hospitality and tourism promotion services for the area (4.3 percent). Hence the leading role of Italian social cooperatives in key sectors such as work, health, education, environment, care, training and professional inclusion of people with disabilities. Thoughts are made of the importance of combating school dropout, action against food poverty and working with vulnerable people, in a system that tends to exclude and marginalise people with personal difficulties.

## 5. Good practices in partner organizations



The concept of best practices derives from the achievements of the science of business management. Its idea can be traced back to Taylor, who used the term "the one best way" (Kanigel, 1997). Contemporary studies on good practices appeared in the eighties of the twentieth century, such as the works of T.J. Peters and R.H. Waterman (1982). In the 1990s, due to the development of the concept of New Public Management in public institutions, best practices began to be identified with the public sector. <sup>54</sup>

### 5.1. What are good practices and their criteria in NGOs?

Generally speaking, "good practices" are all solutions and ways of doing things that surpass commonly used solutions based on common tools. Well described, they are a model and a reference point for the development and implementation of similar solutions by other non-governmental organizations. They refer to procedures, methods, processes, programs, initiatives, and sometimes transformations or innovations.

It can be said that "good practice" defines an action that has brought specific, positive results, contains an element of innovation, is durable and repeatable, and can be applied in similar conditions elsewhere or by other entities. <sup>55</sup>

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<sup>54</sup> GOOD PR AKTYKI IN IMPROVING BUSINESS PROCESSES dr Renata Brajer-Marczak Studia Informatica Pomerania nr 1/2017 (43) | [www.wnus.edu.pl/si](http://www.wnus.edu.pl/si) | DOI: 10.18276/si.2017.43-02 | 15–25

<sup>55</sup> Innovativeness in social economy entities in Poland. Qualitative study. Arkadiusz Karwacki, Aldona Glińska-Noweś Social Economy No. 2/2015, pp. 21–42 ISSN: 2081-321X, eISSN: 1898-7435 DOI: 10.15678/ES.2015.2.02

## Criteria of good practice in NGOs

In the paper "Entrepreneurship and Social Benefits: Identifying Good Practices in Economics", the following criteria for the selection of good practices are suggested

Effectiveness: Achieving assumptions, implementing plans, realizing the organization's mission, linking plans and goals, contributing to further development, recognizing the environment through research, talking to project addressees and gathering information about people's real needs.

1. Planning: Analysis of the situation and conditions, development of an action strategy and preparation of an operational action plan.
2. Innovativeness: The level of novelty of the proposed practice.
3. Efficiency: Qualitative and quantitative analysis and analysis of the use of tangible (finance, technology, infrastructure) and intangible (human and social capital) resources.
4. Reflectiveness: The existence of evaluation tools and their application, the assessment of the objectivity of the tools, the use of evaluation results to improve activities.
5. Versatility: The ability to adapt completed projects to new or similar conditions and contexts or use them as a source of inspiration.
6. Ethics: Compliance of the proposed action with the law and moral norms in force in a given society, industry or area of activity, good image of the organization.
7. Entrepreneurship: Usefulness for the implementation of the mission, having a "business line", financial independence, operating in a niche area of the market, economic rationality, recognizing a group of beneficiaries and customers.
8. Realization of social benefits: Creation of jobs, impact of the project on the independence of beneficiaries, adequacy of practice in relation to needs, provision of good quality services.<sup>56</sup>

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<sup>56</sup> Karwińska A., Wiktor D. (2008), Entrepreneurship and Social Benefits: Identification of Good Practices, Social Economy texts, no. 6 (pp. 6-8):

## 5.2. Introduction of innovative practices

Introducing innovative practices in an NGO organization brings many benefits. Good practices often assume the introduction of new solutions, technologies or processes that can contribute to the growth of innovation and momentum of the organization.

It is worth remembering that good practice effective in one organization does not necessarily have to be effective in another. Each organization has its own unique needs, goals, and conditions that need to be taken into account when implementing good practices.

It should be emphasized that not all good practices identified in one organization can be automatically applied in every other entity, which results from the unique elements characterizing the socio-economic or institutional environment of individual organizations.<sup>57</sup>

## 5.3. Case studies – good practices of NGOs in Poland

### 5.3.1. Social Enterprise "Kitchen of Conflict" (KK)

Kuchnia Konfliktu (KK) is an extraordinary social enterprise based in Warsaw, which combines cuisine with a social mission. Below I will present key information about its activities, history, mission and achievements.



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<sup>57</sup> Final report Benchmarking of smart specialization monitoring systems and the Entrepreneurial Discovery Process Benchmarking at the regional level Authors: dr Marcin Pierzchała – principal investigator, dr Tomasz Geodecki, Wojciech Onyśków, Agnieszka Otręba-Szklarczyk, Waclaw Piekara, Karolina Roźniatowska, Marcin Rzepka, Magda Szczypka, dr Dariusz Szklarczyk, dr Roksana Ulatowska Cooperation: Marta Lesiak, Jacek Pokorski, Jacek Szut (PARP)

The Conflict Kitchen began its operations in 2016, initially operating seasonally in the summer. Thanks to a crowdfunding campaign and an auction of works of art at the Museum of Modern Art in Warsaw, it was possible to raise funds for the purchase of a food truck and its equipment, as well as for professional training of employees. In 2016, after winning the CEE Starters competition, it acquired sponsors who helped open a permanent restaurant in the center of Warsaw.

The mission of the Conflict Kitchen focuses on the professional activation and integration of refugees and immigrants into the labor market. The company strives to:

- **Breaking stereotypes** about foreigners and refugees.
- **Promote cooperation** in a multinational and multicultural team.
- **Supporting refugees** in the labour market by providing a safe and discrimination-free working environment.
- **Creating a community and a meeting place** to counteract loneliness and social exclusion of foreigners.

KK employees acquire new professional skills, improve their Polish language and integrate into the community, which helps them regain their self-esteem and self-confidence. The company also organizes counseling meetings for refugees, helping them solve everyday problems, such as looking for housing, writing CVs or translating documents. It also supports them in cases of domestic violence by establishing contact with appropriate organizations.

Even though KK is a small business, it employs 10 people, serves about 35 customers a day, and supports about 40 refugees. The company is self-sufficient, although it does not generate much profit.

The Cultural Centre has won many awards and distinctions, which confirm the effectiveness of its activities:

- **2018:** "Discovery of the Year" award in the Jacek Kuroń competition for the Best Social Enterprise of the Year and a distinction for Jarmiła Rybicka, the founder of KK, in the Businesswoman of the Year competition.

- **2017:** "Social Initiative of the Year" in the National Geographic Traveler competition and the Residents' Award in the S3KTOR 2017 competition.
- **2016:** Special Award "Nocny Marek" by Aktivist magazine, victory in the CEE Starters competition, the Lord's Skin Award 2016 and a distinction by the Ashoka Foundation as the best social start-up.

The CC effectively identifies and solves the problems of social exclusion, unemployment and discrimination against migrants in the labour market. He regularly monitors and evaluates the effectiveness of his work through surveys and employee meetings, which allows for ongoing adaptation of activities to the needs of employees and customers. KK's business model, based on culinary activities, is innovative and can be replicated elsewhere.

In the future, KK plans to diversify its sources of funding and improve its business model, seeking additional funds from grants and national and European institutions. The company's goal is to support foreigners and socially excluded people so that they can implement their plans and ideas for the future, not necessarily related to work in gastronomy.

Conflict Kitchen is an excellent example of a company that successfully combines business goals with a social mission, supporting the integration and professional activation of refugees and immigrants.<sup>58</sup>

**Assumptions and Methodology:** Conflict Kitchen (KK) is a social enterprise that works for the professional activation of refugees and their integration into the labor market and society. The Catholic Church carries out its mission through:

- 1 Restaurant and Catering:** Offering vegetarian dishes inspired by cuisines from different parts of the world, often affected by conflicts.

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<sup>58</sup> GOOD PRACTICES OF SOCIAL ENTERPRISES Annex I of Transnational Report on Successful Stories and Recommendations for Social Entrepreneurship Enhancement Institute of Environmental Protection – National Research Institute (POLAND) Foundation "Institute for Private Enterprise and Democracy" (POLAND) Emphasys Centre (CYPRUS) DIMITRA Education & Consulting SA (GREECE) Social Enterprise International LTD (UK) Tiber Umbria Comett Education Programme (ITALY) Warsaw, 09.2020

- 2 Culinary Workshops and Training: Organizing workshops and trainings that allow refugees to acquire new professional skills and integrate into the local community.
- 3 Counselling and support: Helping refugees with everyday problems, such as finding housing, filling out VAT returns, writing CVs, as well as in crisis situations, such as domestic violence.

### **Benefits and Results Achieved by Implementation**

1. Refugees gain financial stability and new skills, which increases their chances in the labour market.
2. KK employees have the opportunity to improve their Polish language and co-create an educational and cultural program.
3. Through the activities of the CC, negative stereotypes about foreigners are broken down, and a positive example of cooperation in a multinational team is promoted.
4. KK offers help in situations such as domestic violence or legal problems, working with appropriate organizations.
5. Former KK employees often become independent and pursue professional careers or set up their own businesses.

### **Possibility of Transfer to Other Organizations**

KK's business model is designed to be open source, which means that it can be successfully used and replicated by other organizations. KK offers support and know-how to others who want to open a similar business. An innovative model of solving social problems through culinary activities, workshops and catering services can be adapted to different local contexts, where there are similar problems of integration of refugees and foreigners.<sup>59</sup>

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<sup>59</sup> <https://kuchniakonfliktu.pl/> accessed from 01-08-2024

### 5.3.2. Social Cooperative "Siedlisko" (Our Beloved Home)



#### Our Beloved Home - social cooperative "SIEDLISKO"

In the Polish reality, people with intellectual disabilities do not have many job opportunities. They need adequate support, which they are usually unable to obtain from employers. Young people with disabilities are most likely to stay at home without working, leading to social isolation and many forms of exclusion. In order to counteract such situations, a unique Association was established in the Opole region 14 years ago. As a result of his actions, a few years later, the first nursing home in Poland was opened, in which about 60% of the staff were disabled people.

The beginnings of the social cooperative called Siedlisko date back to 2006, when the Siedlisko Association for Assistance to Disabled People was founded in Zawadzkie, in the Opole Voivodeship. The initiative to create the Habitat was taken by teachers, parents and guardians of children and young people with mental disabilities. The founders wanted to develop a model of active support for the independence of this group and at the same time solve the problem of professional passivity. Initially, the organization focused on activities aimed at equalizing educational opportunities for children, young people and graduates of a special school complex at the social welfare home in Zawadzkie. Educational, therapeutic and recreational trips were organized, and funds were obtained for the treatment of children. The Association has established friendly relations with institutions and organizations operating in the Strzelce district and the local community, which has contributed to its constant development. Soon, the authorities of Siedlisko began efforts to open a center for the elderly and chronically ill, where people with disabilities would find employment. It lasted 6 years. The establishment of the nursing home was possible thanks to the favor of the local authorities (the Kolonowskie municipality sold the closed primary school building on preferential terms, located in Staniszcze Wielkie in 2010) and co-financing from the European Regional Development

Fund under the Poland-Czech Republic Cross-Border Cooperation Programme 2007-2013. Siedlisko was established on 1 July 2015, conducting activities in the field of providing round-the-clock care services for the elderly and chronically ill, as well as catering services, which are the main source of income of the organization, covering all its liabilities resulting from its activities. In both industries, people with disabilities work under the supervision of qualified personnel. They are employed in auxiliary positions related to the performance of basic care activities and in gastronomy, e.g. peeling vegetables, cleaning, washing dishes, etc.

Currently, the company takes care of 24 seniors and employs 31 people, of which 24 are people at risk of social exclusion. As part of its catering service, Siedlisko cooperates with local schools, kindergartens and hospitals, e.g. in Ozimek. The company serves about 600 meals a day. Both for seniors in the Nursing Home and for all clients using catering, the company offers high-quality services. The concept of the kitchen is based on healthy and natural food, free of preservatives and enhancers, which is in line with modern consumer trends and results in numerous orders.

The Siedlisko nursing home is not only the first such complex in the Opole region, but also a unique idea on a national scale. The company professionally activates people with disabilities, while creating great conditions and a place for seniors, enabling integration with the local community.

The idea of merging two groups at risk of exclusion and marginalization has worked well so far. A habitat is a place where stereotypes are broken and the differences between healthy and sick people are blurred. Cooperation is based on a partnership relationship. People with disabilities get along well with seniors, creating a unique atmosphere of this place. The company is profitable not only in the financial context, but above all it has a huge social value. The activities carried out by the association are increasingly noticed on the national forum. The company is already well known in the region and works with local authorities and the community. In 2018, Siedlisko received a distinction in the Icebreakers competition at the regional stage (the edition included 4 voivodeships: Lower Silesia, Lubuskie, Opole and Silesia). Icebreakers is a competition promoting the employment of people with disabilities and eliminating social divisions

towards people with disabilities. Siedlisko also won the Main Prize and the title of Social Enterprise of the Year 2019 in the Jacek Kuroń Competition. The company was awarded for creating a unique workplace in the local community. The greatest achievement of the association is the continuous development of the company, increasing the number of employees and seniors. The habitat maintains a stable financial situation thanks to effective fundraising, high quality of services provided and a positive impact on the local community. It is worth noting that the interest in places in the nursing home is very high (about 7 calls a week asking for a place).

The success of the company is undoubtedly related to the experience of the leaders of the organization, who were educators and teachers in a special school before founding the company, so they knew perfectly well the needs of their charges and the problems related to working with people with disabilities. Thanks to this, it was possible to develop an effective plan for social and professional activation. "We taught most of our employees at school. Now the sick help other patients. We have noticed that people with disabilities are confined to their homes after graduating from school. They are physically fit, have many interests and a desire to work. We should use it somehow, so they work here, earn money, are treated like other employees," said Magdalena Grzymek, a member of the association's board (Wrona and Ruszczewska, 2018), in one of the interviews. The working hours of disabled people and the scope of duties are fully adapted to their capabilities and willingness. These are usually simple, repetitive tasks. The authorities of the association emphasize that the most important factors in working with people with disabilities are: lack of competition and feelings of stress, an understanding approach to the employee and a clear division of duties. With the right rules, people with disabilities can work like healthy people. It is also worth emphasizing the approach to caring for seniors living in a nursing home. In Siedlisko, the "active model" was adopted, the basic assumption of which is to use the individual potential of each resident in the course of care. An individual approach allows for the intensification of the social activity of the elderly, which in turn often brings them considerable satisfaction. For example, physically fit residents of Siedlisko do not receive meals in their rooms, they are mobilized to eat meals together on the ground floor. The association also organizes many entertainment and educational activities for seniors, trips, visits and many other similar actions, which

are carefully reported on social media. The photos available on the Siedliska Facebook profile show the everyday life in the nursing home full of optimism. Thanks to this, the public perception of his activities is met with enthusiasm and sympathy.

A similar solution was implemented by the Czech partner of the association. As part of the project, disabled people from the Czech Republic completed an internship in Siedlisko, which prepared them for paid employment.<sup>60</sup>

### **Assumptions and Methodology of the Siedlisko Social Cooperative**

6. **Vocational Activation:** Supporting people with disabilities in gaining independence and professional skills. Employing people with disabilities in support roles in the care and catering sector. The tasks are adapted to their capabilities, e.g. peeling vegetables, cleaning.
7. **Social Inclusion:** Reducing social isolation of older people and people with disabilities. Collaborative activities and activities that connect nursing home residents with the local community, such as field trips, educational and team-building activities.
8. **Individual Approach:** Making the most of each person's potential. Personalization of care and tasks depending on the individual needs and capabilities of seniors and employees.

### **Benefits and Results**

#### **1. Social and Psychological:**

- **Inclusion and Acceptance:** Breaking stereotypes about people with disabilities.
- **Self-reliance:** Increase the independence and self-esteem of employees.

#### **2. Economical:**

- **Employment:** Creating jobs for people at risk of social exclusion.

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<sup>60</sup> GOOD PRACTICES OF SOCIAL ENTERPRISES Annex I of Transnational Report on Successful Stories and Recommendations for Social Entrepreneurship Enhancement Institute of Environmental Protection – National Research Institute (POLAND) Foundation "Institute for Private Enterprise and Democracy" (POLAND) Emphasys Centre (CYPRUS) DIMITRA Education & Consulting SA (GREECE) Social Enterprise International LTD (UK) Tiber Umbria Comett Education Programme (ITALY) Warsaw, 09.2020

- **Financial Stability:** Income from catering and senior care activities ensures the stability of the organization.

### 3. Social:

- **Cooperation with Institutions:** Building relationships with local schools, kindergartens, hospitals.
- **Supporting the Local Community:** Strengthening ties through local events and integration.

### Possibility of Transfer to Other Organizations

#### 1. Model Adaptation:

- **Flexibility:** The model can be adapted to different local conditions and societal needs.
- **International Cooperation:** The example of cooperation with the Czech Republic shows that this model can be transferred to other countries with similar needs.

#### 2. Support and Partnerships:

- **The role of local authorities:** The support and understanding of local authorities is crucial for the success of such initiatives.
- **Access to Funds:** Use of European and national funds for the development and expansion of infrastructure.

#### 3. Education and Training:

- **Training for Staff:** Training programs can be shared with other organizations as an example of good practice.
- **Promoting the Model:** By sharing successes and methodologies in national and international forums, "Habitat" can inspire other organizations to adopt similar solutions.

With its comprehensive methodology and effective practices, "Habitat" is a model for other organizations that want to introduce social change and create inclusive workplaces.<sup>61</sup>

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<sup>61</sup> <http://siedlisko.org.pl/> accessed from 05-08-2024

### 5.3.3. Laboratory of Miscellaneous Things SYNAPSIS



Fundacja dla dzieci  
i dorosłych z autyzmem

#### Workshop of Miscellaneous Things SYNAPSIS

The SYNAPSIS Various Things Workshop was founded by the SYNAPSIS Foundation, which provides professional assistance to children and adults with autism. The SYNAPSIS Various Things Laboratory provides employment and occupational therapy for adults with autism spectrum disorders.

The SYNAPSIS Foundation was founded in 1989 to help people with autism and their families. In the first years, co-workers, teachers and parents were trained. New diagnostic methods were introduced, and therapeutic and educational methods were adapted to the needs of the Program of Assistance to Autistic Children and Their Families. In September 1993, a team of therapists specializing in child development disorders was established.

In the years 2004-2007, the SYNAPSIS Foundation implemented the "Partnership for Rain Man" project, which created a model of a social enterprise for people with autism spectrum disorders, created by institutions from three sectors – NGOs, private companies and public administration. International partners also participated in the project. The project was co-financed by the European Social Fund as part of the EQUAL Community Initiative and funds from the Marshal's Office of the Mazowieckie Voivodeship in Warsaw.

The construction of the building for the social enterprise in Wilcza Góra near Warsaw began in 2005 and lasted for a year. The SYNAPSIS Various Things Workshop was launched in March 2007, and the first adults with autism were hired a month later.

Currently, the laboratory provides employment and therapy for 24 people diagnosed with autism spectrum disorders from Warsaw and the surrounding area.

According to estimates ("More and more cases of autism"), in 2018 there were about 70,000 adults with autism in Poland. Most of these people are not working or have problems finding a job, and work is very important in their therapy and rehabilitation. That is why the SYNAPSIS Foundation has established the SYNAPSIS Various Things Workshop. The studio combines business and social activities – by creating workplaces tailored to the needs of people with autism, it provides professional and social activation. Work in the Studio was supposed to be a transitional stage, enabling employees to take up employment on the open labor market.

Four workshops were organized: carpentry, ceramic, office and paper workshops, as well as handicrafts, in which stained glass, jewelry, etc. are created. The number of employees increased from 20 to 24, as planned. The specificity of autism disorders does not allow for mass production; The workshop produces "tailor-made" products, in short series or as single copies. The production process must be adapted to the skills of each employee, and at the same time the product must respond to the customer's needs. During the existence of the workshops, a work model, sales channels and marketing activities were developed to maintain and increase sales.

Currently, the main source of funding is PFRON funds intended for the activities of ZAZ, donations from the SYNAPSIS Foundation, profits from the sale of products and occasionally projects. Due to insufficient funds, staff salaries are insufficient, and the modernization of the workplace, equipment and equipment is postponed.

The result of the "Partnership for Rain Man" project is the first social enterprise in Poland, employing 24 adults with various autism spectrum disorders. It was the only project out of a hundred in the EQUAL program in which the construction of the building was financed (Atlas of Good Practices). The project was awarded the title of "Best Investment in Human" by the European Social Fund in 2007 and the European Entrepreneurship Award 2007.

Thanks to the Laboratory, employees work systematically (all on the basis of an employment contract), receive professional support and learn to be independent. They are not residents of nursing homes and do not sit idle at home. The continuous operation of the Studio, despite the completion of the start-up project, is considered the most important achievement and priority for the founders. For 13 years, the Laboratory has been conducting professional and social rehabilitation activities for people with autism through workshops, individual and group training, and external internships. Revalidation activities are carried out, m.in, in the form of training, art therapy or board games. Employees acquire the skills and competences necessary for independent, effective cooperation – communication, organization of place and time of work, cooperation in a group. The company provides employment and therapy for 24 adults. The support staff consists of a manager with a marketing team, a fundraiser, a team of job coaches and an industrial designer. The studio offers training and study visits on the functioning of this type of enterprise, and also cooperates with local non-governmental organizations.

**The Studio's strategy focuses mainly on:**

- maintaining the online store, daily updates and seasonal offer,
- active search for customers on the Internet/social media and regular information campaigns regarding the Studio's products,
- promotion of products and the Workshop during local events, conferences, etc.,
- presentation of products at the Lesznawola Commune Office and the headquarters of the SYNAPSIS Foundation,
- organizing promotional meetings with potential business clients, representatives of state and local government administration,
- maintaining regular contact with existing customers, including business customers,
- offering training on working with people with autism and the opportunity to observe practical solutions used,
- cooperation with local NGOs.

The team of trainers regularly participates in competence building trainings to increase knowledge about autism disorders. Employees are periodically evaluated, the

system for implementing new work coaches is updated, and innovative projects are implemented as part of the Foundation's activities. Creating a model enterprise for use by other organizations was part of the plan. The possibility of organizing a study visit, the purpose of which is to observe the practical solutions used in the Studio, can be a source of inspiration and practical knowledge about working with people with disabilities.

Constant adaptation of the Studio's offer to the changing market with the full participation of supporting staff, development of local activities in the Piaseczno district, increasing individual sales, concluding long-term contracts with the business sector and increasing participation in environmental projects.<sup>62</sup>

### **Description of the Assumptions and Methodology of the Practice**

The SYNAPSIS Various Things Workshop was created to provide adults with autism spectrum disorders (ASD) with employment opportunities and occupational therapy. It is a project of the SYNAPSIS Foundation, whose mission is to support people with autism and their families in Poland.

#### **Assumptions**

- **Social integration:** The SYNAPSIS Workshop of Various Things was created as a social enterprise that combines business goals with activities for the social activation of people with autism.
- **Occupational support:** Providing adults with ASD with a workplace that is tailored to their individual needs, abilities and limitations.
- **Skills development:** Focus on developing the professional and social skills of employees through occupational therapy and hands-on training.

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<sup>62</sup> GOOD PRACTICES OF SOCIAL ENTERPRISES Annex I of Transnational Report on Successful Stories and Recommendations for Social Entrepreneurship Enhancement Institute of Environmental Protection – National Research Institute (POLAND) Foundation "Institute for Private Enterprise and Democracy" (POLAND) Emphasys Centre (CYPRUS) DIMITRA Education & Consulting SA (GREECE) Social Enterprise International LTD (UK) Tiber Umbria Comett Education Programme (ITALY) Warsaw, 09.2020

- **Transition to the open labour market:** To create opportunities for employees to gain experience and competencies that will enable them to later take up work in the open market.

## Methodology

- **Individualized approach:** Each employee has an individually tailored daily schedule and work system that takes into account their specific needs and skills resulting from autism disorders.
- **Diverse workshops:** Organization of work in four workshops: carpentry, ceramics, office and paper workshops, as well as handicrafts. Each of the workshops focuses on creating unique products in short series.
- **Training and support:** Constant presence of job trainers and marketing experts who support employees in developing their skills and help in running the Studio's commercial activities.
- **Social enterprise model:** Functioning as a Vocational Activity Center (ZAZ), which allows the use of funds from PFRON and obtaining funds from donors and the sale of products.
- **Cooperation with NGOs and institutions:** Building partnerships with local NGOs, companies and public administration in order to implement joint initiatives and projects.

## Benefits and Results Achieved by Implementation

### Benefits

- **Employment for people with ASD:** The workshop provides a workplace for 24 adults with autism, which contributes to their social and professional activation.
- **Competence development:** Employees acquire social and professional skills, such as communication, work organization, cooperation in a group, which are necessary to function in the open labor market.
- **Social support:** Enabling employees to participate in social life, which has a positive impact on their well-being and self-esteem.

- **A model example:** The workshop is a model for other organizations and social enterprises that want to support people with disabilities.

## Results

- **Awards and recognition:** The "Partnership for Rain Man" project has won awards such as the "Best Investment in Human" from the European Social Fund and the European Enterprise Award.
- **Long-term activity:** The studio has been operating since 2007, constantly developing its activities and adapting its offer to the changing needs of the market and the local community.
- **Increased social awareness:** Thanks to the activities of the Workshop, social awareness about autism and the need for support for people with ASD has increased.

## Possibility of Transfer to Other Organizations

### Transfer Potential

- **Work model:** SYNAPSIS Workshop of Various Things can serve as a model for other organizations wishing to create jobs for people with disabilities. Study visits to the Laboratory can be an inspiration and a source of practical knowledge.
- **Cross-sectoral cooperation:** The approach based on cooperation between NGOs, the private sector and public administrations can be adapted to different contexts to create effective social enterprises.
- **Individual approach to employees:** The principles of adapting workplaces and tasks to the individual needs of employees can be implemented in other organizations that employ people with autism or other disabilities.

## Transfer Guidelines

- **Assessment of local needs:** Any organization interested in adapting the model should conduct an analysis of local needs and opportunities to adapt the working methods to the specifics of their region.
- **Securing funding:** Ensuring stable funding, including the use of available public funds and building partnerships with the private sector, is a key aspect.
- **Training and support:** It is essential to provide appropriate training for staff and to create a team of professionals to support employees in their daily work and skills development.

## Examples of adaptation

- **Establishing new ZAZs:** Organizations in other regions can set up similar Occupational Activity Centres, using the experience and knowledge gained by the Workshop.
- **Developing local partnerships:** Working with local NGOs, businesses, and administrations can help you successfully implement the model in new locations.
- **Social education:** Organizing information campaigns and educational workshops to raise awareness about autism and promote a model of working with people with ASD.

The SYNAPSIS Workshop of Various Things is an example of an innovative approach to supporting people with autism by creating adapted workplaces, which can be an inspiration for other organizations in Poland and around the world.<sup>63</sup>

Each of these organizations contributes to positive social and ecological change using its unique approach and methodology. Their actions:

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<sup>63</sup><https://synapsis.org.pl/> accessed from 06-08-2024

- They promote social inclusion by offering support and employment to people from different social groups, including refugees, people with autistic disorders and people experiencing life crises.
- They support sustainability through organic production practices and the promotion of healthy lifestyles and sustainable nutrition.
- They raise public awareness of diversity, acceptance and inclusion by conducting education and social campaigns.

Through these practices, their operating models can be adapted and developed in other communities, promoting sustainability and social inclusion on a wider scale.



Funded by  
the European Union

Project titled "Inclusion and Integration - Competencies in the  
Social Economy Sector," co-financed by the European Union.



# APPENDIX 1.

## IDENTIFICATION OF SOCIAL ECONOMY MANAGEMENT MODELS IN PARTNERS



INTERNATIONAL  
COOPERATION



INNOVATION



DEVELOPMENT



PARTNERSHIP  
FOR THE FUTURE



Co-funded by  
the European Union

Project titled "Inclusion and Integration - Competencies in the  
Social Economy Sector," co-financed by the European Union.

## **Appendix 1.**

### **Identification of social economy management models in partners**

The social economy management models used by the different project partners differ in terms of organisational structure, decision-making methods and methods of managing resources and stakeholders. These differences result from different socio-economic conditions, legal frameworks and institutional experiences functioning in partner countries. Despite these differences, all partner organisations base their activities on common values characteristic of the social economy, such as social responsibility, transparency of activities, participation and the primacy of social objectives over profit.

The identification of management models in the three project partners – from Polish, Italy and Lithuania – shows different approaches to the organization and functioning of social economy entities (PES). The partner from Polish represents a model based on strong local cooperation, the use of cross-sectoral partnerships and the activation of local communities. The Italian partner brings experience related to developed models of social cooperatives and participatory management, where the involvement of members of the organization and stakeholder co-determination play an important role. The Lithuanian partner, on the other hand, presents a more flexible and innovative approach, focused on social entrepreneurship, organizational adaptability and the search for new models of financing social activities.

Comparison of management models used by partners allows for the identification of good practices and knowledge transfer between the organizations participating in the project. The diversity of experiences is an added value of international partnerships, fostering the development of more effective and sustainable solutions to support the development of the social economy at local and European level.

## 1. 1. Poland – Polish Pillars of Development Foundation (PFFR)

The management model used by the Polish Pillars of Development Foundation (PFFR) is based primarily on a participatory approach to management, assuming the active involvement of stakeholders in decision-making processes and building co-responsibility for the achievement of the organization's goals. This model combines elements of social entrepreneurship with civic activity, creating a management structure focused on long-term social and local development.

One of the key elements of this model is the use of participatory forms of management and co-decision. Decision-making processes take into account the participation of various stakeholder groups, including members of the organization, local partners, beneficiaries of activities and representatives of local communities. Such an approach strengthens the transparency of activities, increases the level of identification of participants with the implemented initiatives, and fosters building lasting relationships based on cooperation and trust.

An important aspect of the PFFR management model is also the combination of civic activity with an entrepreneurial approach. Social economy entities operating in this model maintain organizational autonomy and independence in decision-making, while using tools characteristic of entrepreneurship, such as strategic planning, resource management or the development of economic activities supporting the implementation of the social mission. This allows to achieve greater organizational stability while maintaining the social nature of the activities.

Another important element is the focus on building and strengthening the local ecosystem supporting the development of the social economy. The Foundation actively creates and develops networks of cooperation between social economy entities (PES), local government units, the business sector, educational institutions and civil society organizations. Such a model of cross-sectoral cooperation allows for more effective identification of the needs of local communities, increases access to resources and competences, and supports the creation of sustainable mechanisms of social development.

The fundamental principle of management in PFFR remains the primacy of social goals over the maximization of economic profit. This means that the organization's activities are primarily subordinated to generating social value, counteracting social exclusion, strengthening social capital and creating solutions that respond to the needs of local communities. The financial

resources generated are treated as a tool enabling the implementation of the organization's mission, and not as an end in itself.

The presented management model reflects the approach characteristic of modern social economy entities, which combine organizational efficiency with a high level of social responsibility and active involvement of local communities.

## **2. Italy – ISNET Association**

The management model used by the Italian partner – the ISNET Association – is based on networked cooperation, a high level of competence specialization and a decentralized management system. It is a highly structured model that aims to ensure effective coordination of activities while maintaining organizational flexibility and strong local roots. This approach reflects the developed tradition of the Italian social economy, based on cooperation, partnership and active stakeholder involvement. A central role in the organizational structure is played by the CEO, who is responsible for both setting the strategic directions of the organization's development and supervising key operational activities. At the same time, the management model is not based solely on the centralization of decisions – responsibility for individual areas of activity has been divided among specialized functional units. Areas such as research, social innovation, social impact assessment or statistical analysis are supervised by dedicated managers with expert competences in their fields. This division of responsibilities enables the effective use of expertise, streamlines management processes and increases the organization's ability to respond to the changing needs of the social economy sector.

One of the most characteristic elements of the ISNET management model is the functioning of an extensive network structure comprising 22 facilitators operating in different geographical areas. These are experts and professionals supporting the development of local non-profit organizations and social economy entities. Their role is to build relationships between organizations, support competence development processes, identify the needs of local communities, and transfer knowledge and good practices between different network participants. Thanks to this, the organization functions not only as a single entity, but also as a platform for cooperation and exchange of experience between various stakeholders in the sector.

An important pillar of the ISNET governance model is also organizational transparency and the participatory nature of decision-making. According to the Italian regulations on social enterprises, such organizations are obliged to implement accountable and transparent governance mechanisms that take into account the active participation of employees, service users and other stakeholders. In practice, this means applying democratic management principles, broadly consulting decisions and creating space for the participation of different groups in organizational processes.

The ISNET governance model is also based on the fundamental principle of the social economy, which assumes the primacy of man and social values over capital. The priority remains to generate a positive social impact, strengthen the potential of social organizations and support the sustainable

development of local communities. This approach allows you to combine high organizational effectiveness with the implementation of a social mission and building long-term social value.

The analysis of the ISNET governance model shows that the combination of specialization, network management and participatory decision-making mechanisms can be an effective model supporting the development of the modern social economy in the local, regional and international dimensions.

### **3. Lithuania – Special School in Šalčininkai and Lithuanian ES market**

The management model represented by the Lithuanian partner – the Special School in Šalčininkai – and the broader context of the functioning of the social economy in Lithuania are based on the principles of social democracy, co-responsibility and horizontal organisational structures. The Lithuanian approach to the management of social economy entities is moving away from traditional, highly hierarchical organisational models in favour of more flexible structures, based on cooperation and participation of all parties involved.

One of the key elements of this model is the concept of circular management, also referred to as a system based on feedback and mutual responsibility. Unlike classical management models based on vertical decision-making structures and top-down decision-making, the Lithuanian model assumes the functioning of the organization as an interconnected system of relationships. Responsibility for the implementation of organizational goals is distributed among all participants in the process, which promotes greater transparency, strengthens the sense of co-ownership of activities and increases the level of stakeholder involvement.

Open and transparent organizational methods are also an important element of the Lithuanian management model. Organizations operating in the field of social economy are obliged to implement transparent management procedures and create mechanisms that enable wide participation of stakeholders in decision-making. Particular emphasis is placed on the active involvement of employees, shareholders, volunteers and beneficiaries of social activities in the processes of planning and implementing organizational activities. Such an approach is conducive to building social trust and strengthens the sustainability of the initiatives undertaken.

A characteristic feature of Lithuania's social economy is also a strongly developed culture of cooperation and collegiality. The functioning of social organizations is based on nurturing relations between institutions, building lasting partnerships and creating cooperation networks enabling the exchange of knowledge and resources. The collegial nature of management allows to reduce organizational barriers, increases flexibility of operation and supports a more effective response to local social needs.

The Lithuanian model shows that effective management of the social economy can be based on the decentralization of decision-making processes, broad stakeholder participation, and building relationships based on cooperation and collective responsibility.

## **Common features of management models in the social economy**

Despite the differences resulting from different socio-economic contexts, legal conditions and organizational specifics of the project partners, the analysis of management models used by organizations from Polish, Italian and Lithuania allows us to indicate a set of common principles and values that are the foundation of the functioning of social economy entities. The identified similarities show that, regardless of the national context, the social economy develops its own, distinctive management model, different from both classic commercial enterprises and traditional administrative structures.

One of the most important common elements is the fact that management processes are based on the principles of solidarity, reciprocity and social responsibility. In practice, this means that the organization's activities are not only subordinated to the criteria of economic efficiency, but also take into account the social impact, the needs of local communities and the long-term consequences of the decisions made. This approach changes the way of perceiving organizational success – financial metrics are no longer the only determinant of effectiveness, and social indicators, the level of community involvement or the sustainability of generated changes are becoming increasingly important.

Building social capital also remains an important aspect common to the analysed models. Social economy organizations function not only as entities providing services or implementing specific project activities, but also as institutions strengthening social ties, developing a culture of cooperation and increasing the ability of local communities to self-organize. In the literature on the subject, social capital is considered to be one of the most important factors influencing the sustainability of local development, so its strengthening can be treated as one of the key results of the activities of social economy entities.

The second important area of similarities is democratic decision-making mechanisms. In most of the analysed management models, the principle of participation remains the basis for functioning, manifested by the involvement of various groups of stakeholders in consultation and decision-making processes. Of particular importance here is the principle of "one person – one vote", which limits the dominance of entities with more economic capital and strengthens the egalitarian character of the organization.

However, the democratization of management processes also brings certain challenges. The greater the number of participants in the decision-making process, the greater the risk of prolonging organizational processes, conflicts of interest or difficulties in reaching consensus. However, the analysis of the project partners shows that social economy organizations increasingly treat these

challenges not as a barrier, but as an element of building lasting commitment and responsibility of the participants in the process.

A common feature of all the analyzed models is also the extension of responsibility for management beyond formal organizational structures. Employees, volunteers, beneficiaries, local partners, umbrella organisations and entities cooperating within the network and coalition are involved in decision-making processes. This approach can be interpreted as a shift from the traditional hierarchical management model to a network management model, in which responsibilities and competencies are distributed among many participants.

From the perspective of contemporary societal challenges – such as ageing societies, social exclusion, economic crises or digital transformation – the network model can be an important advantage of social economy organisations. Structures based on cooperation and relationships tend to be more resilient to crises, adapt faster to change and make more effective use of local social resources.

The primacy of the social mission over the logic of economic profit also deserves special attention. The analysis of the project partners shows that all organizations, regardless of the management model adopted, treat economic activity as a tool supporting the achievement of social goals, and not an end in itself. This approach distinguishes the social economy from the commercial sector and is one of its most important differentiators.

It can be noted that the common elements of the project partners' management models form the foundation for effective international cooperation. Despite structural differences, organizations operate on the basis of similar values and mechanisms of action, which is conducive to knowledge transfer, exchange of good practices and the creation of lasting transnational partnerships. In this context, the diversity of governance models is not a barrier, but a resource for mutual learning and the development of innovative social solutions.

The analysis indicates that the future of the social economy is likely to be based on further strengthening participatory, networked and shared responsibility models. The project partners show that effective social governance does not require uniform organisational structures – it does require shared values, trust and the ability to build relationships between people and institutions.

## SWOT analysis of management models in the social economy based on project partners (Poland–Italy–Lithuania)

### **STRENGTHS**

Strong rooting in social values and orientation towards the needs of local communities

Democratic decision-making mechanisms to increase stakeholder engagement

Extensive networks of cooperation between organizations, local governments and stakeholders

High level of social responsibility and transparency

Organizational flexibility and adaptability to local needs

Involving employees, volunteers and beneficiaries in management processes

Possibility of transfer of knowledge and good practices between international partners

### **WEAKNESSES**

Prolonged decision-making processes resulting from the participatory nature of management

Risk of dispersion of responsibilities in network and collegiate models

Difficulties in measuring social effects and the impact of actions

Limited financial and human resources characteristic of the PES part

Dependence on project and public funding

Potential conflicts of interest between multiple groups involved in governance

Uneven level of professionalization of organizations in different countries

### **SZANSE (Opportunities)**

Development of international partnerships and exchange of experience within Erasmus+ projects

The growing importance of the social economy in EU public policies

Growing interest in social responsibility and social entrepreneurship

Leverage digitalization and social innovation to increase efficiency

### **THREATS**

Economic instability limiting funding for the social economy sector

Changing legal regulations affecting the functioning of PES

Risk of overloading the organization with administrative and reporting responsibilities

Burnout of volunteers and leaders of social organizations

**SZANSE (Opportunities)****THREATS**

Expanding cross-sectoral cooperation (local governments-business-NGOs)

(local Difficulty in maintaining stakeholder engagement in the long term)

Development of methods for measuring social impact and professionalization of the sector

Excessive commercialization that can weaken the social mission of the organization

Building sustainable local support ecosystems

Regional disparities affecting access to resources and competences

**Conclusion from the SWOT analysis:**

The management models used by the project partners show high social resilience and high development potential, but their effectiveness depends on the ability to balance participation with organizational efficiency and on maintaining stable cooperation and financing mechanisms.







# 1. PESTEL analysis – a project for the development of the social economy

Factor	Impact on the project	Impact of the project	Opportunities	Risks / threats
<b>P</b> – Political 	<ul style="list-style-type: none"> <li>• Support from the EU for social and economic policies</li> <li>• Social integration strategies</li> <li>• Erasmus+ programme</li> <li>• National policies towards NGOs and social economy</li> <li>• Policies for partner countries</li> </ul>	 <p>Public policies influence the direction of activities, project funding, financing, and the ability to achieve results.</p>	 <ul style="list-style-type: none"> <li>• High level of EU support for social integration</li> <li>• Possibility to use EU funding programmes</li> <li>• Development of social policies</li> </ul>	 <ul style="list-style-type: none"> <li>• Changes in political priorities</li> <li>• Regulatory uncertainty</li> <li>• Changes in public finance systems</li> <li>• Changes in the organization of social finance</li> </ul>
<b>E</b> – Economic 	<ul style="list-style-type: none"> <li>• Inflation, energy costs and transport</li> <li>• Exchange rates</li> <li>• Economic situation of partner countries</li> <li>• Availability of financial resources</li> </ul>	 <p>Affects the cost of mobility, organizational activities and maintaining the quality of results.</p>	 <ul style="list-style-type: none"> <li>• Possibility to obtain funds from EU and industry sources</li> <li>• Economic growth as a sector development opportunity</li> </ul>	 <ul style="list-style-type: none"> <li>• Rising travel costs</li> <li>• Budget constraints</li> <li>• Economic differences between partners</li> </ul>
<b>S</b> – Social 	<ul style="list-style-type: none"> <li>• Social exclusion</li> <li>• Aging of society</li> <li>• Migration</li> <li>• Local community needs</li> <li>• Employment activation</li> </ul>	 <p>The project addresses the needs of at-risk groups by addressing exclusion and supporting local development.</p>	 <ul style="list-style-type: none"> <li>• Growing importance of social integration</li> <li>• Greater social awareness</li> <li>• Development of social entrepreneurship</li> </ul>	 <ul style="list-style-type: none"> <li>• Low level of participant engagement</li> <li>• Social and cultural barriers</li> <li>• Limited activity of local target groups</li> </ul>
<b>T</b> – Technological 	<ul style="list-style-type: none"> <li>• Digital organizationalization</li> <li>• Online training development</li> <li>• Digital education</li> <li>• Collaboration platforms</li> </ul>	 <p>Facilitates international cooperation, project monitoring and effective results communication.</p>	 <ul style="list-style-type: none"> <li>• Development of e-learning tools</li> <li>• Greater access to knowledge</li> <li>• Possibility of remote collaboration</li> </ul>	 <ul style="list-style-type: none"> <li>• Low level of digital competence</li> <li>• Technical issues</li> <li>• Exclusion of digitally vulnerable participants</li> </ul>
<b>E</b> – Environmental 	<ul style="list-style-type: none"> <li>• Green design practices</li> <li>• CO<sub>2</sub> emissions reduction</li> <li>• Sustainable transport</li> <li>• Resource optimization</li> </ul>	 <p>Influences how mobility and organizational activities are carried out.</p>	 <ul style="list-style-type: none"> <li>• Lower material costs</li> <li>• Greater environmental awareness</li> <li>• Opportunity to co-create green solutions</li> </ul>	 <ul style="list-style-type: none"> <li>• High environmental costs</li> <li>• Limited availability</li> <li>• of sustainable transport</li> <li>• Environmental impact of intensive travel</li> </ul>
<b>L</b> – Legal 	<ul style="list-style-type: none"> <li>• Regulations on social economy</li> <li>• EU regulations</li> <li>• GDPR</li> <li>• Labor law</li> <li>• Project funding rules</li> </ul>	 <p>Determines how activities are carried out and how results are implemented.</p>	 <ul style="list-style-type: none"> <li>• Possibility to create compliant recommendations</li> <li>• Harmonization of regulations</li> <li>• Standardization of activities</li> </ul>	 <ul style="list-style-type: none"> <li>• Legislative differences between partner countries</li> <li>• Changes in regulations</li> <li>• Administrative requirements</li> </ul>

The project operates in an environment strongly dependent on political and legal factors, as the social economy is an area intensively supported by public policies and European funds. The greatest opportunities result from international cooperation, the availability of digital tools and the growing importance of social inclusion. The most important risks relate to economic factors (inflation, cost increases), systemic differences between partner countries and regulatory changes that may affect the implementation of project results. Such an analysis allows for better planning of remedial actions and increasing the durability of the results achieved.

## Ishikawa diagram – analysis of the causes of the problem

Main problem: Difficulties in implementing good social economy practices between partner countries

Main category of cause	Identified causes	Impact on project implementation / potential consequences	Possible risk-mitigating actions
 <b>People</b>	 Language barriers	Communication difficulties among partners and limited mobility	 Provide interpreters, multilingual materials, language support
	 Differences in participant skills	Uneven level of knowledge and challenges in task execution	 Organize preparatory training and mentoring
	 Limited human resources	Overload of project teams and delays in activities	 Involve additional people in project implementation
 <b>Methods</b>	 Differences in working methods	Difficulties in standardizing activities and collaborating	 Develop common procedures and harmonize practices
	 Different models of support for the social economy	Limited possibility to transfer development solutions	 Analyze and adapt existing systems and best practices
	 Lack of unified procedures	Risk of inconsistencies in project results	 Develop common guidelines and project templates
 <b>Law / Environment</b>	 Differences in legislation	Limits in implementing development solutions	 Analyze legal frameworks and provide adaptation recommendations
	 Different public support systems	Difficulties in transferring action models	 Consider local conditions and contextual factors
	 Administrative procedures	Delays in activity implementation	 Plan formalities in advance
 <b>Finance</b>	 Increase in implementation costs	Risk of exceeding the project budget	 Monitor expenses and make necessary financial corrections
	 Inflation	Increase in costs of services and mobility	 Update budgets and optimize costs
	 Limited own financial resources of partners	Difficulties in ensuring own contribution	 Seek additional sources of funding
 <b>Communication</b>	 Geographical distance between partners	Difficulties in international collaboration	 Schedule regular online meetings
	 Information timing	Organizational issues and decision-making delays	 Use consistent reporting and communication channels
	 Organizational differences	Differences in ways of working	 Clearly define responsibilities and collaboration rules
 <b>Technology</b>	 Uneven level of digitalization	Problems in using online tools	 Provide digital training and technical support
	 Technical issues	Communication and project work disruptions	 Select reliable platforms and tools
	 Limited digital competence	Difficulties in carrying out online activities	 Provide user manuals and supporting materials

The greatest impact on the difficulties in implementing good practices of social economy is the systemic differences between partner countries, communication barriers and organisational and financial constraints. The introduction of common procedures, regular monitoring and tools to support international cooperation reduces the risk of problems and increases the effectiveness of knowledge transfer.

# Analysis of Porter's 5 Forces – Social Economy Sector

Competitive force	Level of strength	Key characteristics (factors)	Impact on project / sector	Opportunities	Threats
<b>1 Rivalry in the sector</b> 	<b>Medium</b>  <b>Medium</b>	<ul style="list-style-type: none"> <li>many local organisations</li> <li>competition for grants and funding</li> <li>growing number of EU entities</li> </ul>	 Measured competition for funding and projects	 Opportunity to cooperate and build partner networks	 Dispersion of activities, competition for resources
<b>2 Threat of new entrants</b> 	<b>High</b>  <b>High</b>	<ul style="list-style-type: none"> <li>low entry barrier for NGOs and social enterprises</li> <li>access to EU funding</li> <li>development of social initiatives</li> </ul>	 Steady influx of new organizations, increasing sector dynamism	 Innovation, fresh ideas and local development	 Sector dilution, increased competition for funding
<b>3 Bargaining power of suppliers</b> 	<b>Medium</b>  <b>Medium</b>	<ul style="list-style-type: none"> <li>experts and trainers</li> <li>educational institutions and researchers</li> <li>project partners</li> </ul>	 Dependence on external expertise and resources	 Access to high-quality expertise and know-how	 Rising costs of expert services, limited availability of specialists
<b>4 Bargaining power of recipients</b> 	<b>High</b>  <b>High</b>	<ul style="list-style-type: none"> <li>project participants expect practical results</li> <li>institutions providing funding require measurable results</li> <li>end beneficiaries (NGOs, SEs)</li> </ul>	 Strong pressure for quality and effectiveness of activities	 Improvement in project quality and measurable results	 High expectations, pressure on accountability and effectiveness
<b>5 Threat of substitutes</b> 	<b>Medium / High</b>  <b>Medium / High</b>	<ul style="list-style-type: none"> <li>commercial training</li> <li>national support programmes</li> <li>e-learning and online resources</li> </ul>	 Alternative ways of acquiring knowledge and support	 Opportunity to integrate methods and educational tools	 Competition for projects funded by the EU and other sources

The social economy sector is characterised by moderate to high competitive pressure and strong influence from recipients and funding institutions. The key factor for the success of projects is the quality of international partnership, the ability to transfer knowledge and the ability to adapt activities to changing economic and social conditions. Transnational cooperation and the exchange of good practices remain the biggest competitive advantage, while the main challenge is to maintain stable funding and high-quality results.



## APPENDIX 2.

# IDENTIFYING POTENTIAL PARTNERSHIPS OF SOCIAL ECONOMY ENTITIES (PES) INTERNATIONALLY



INTERNATIONAL  
COOPERATION



INNOVATION



DEVELOPMENT



PARTNERSHIP  
FOR THE FUTURE



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## **Appendix 2.**

### **Identifying potential partnerships of social economy entities (PES) internationally**

The identification and development of partnerships of international social economy entities (PES) is a key element in strengthening the social economy sector in Europe and improving its professionalisation. Transnational cooperation between organizations from Polish, Italian and Lithuania enables social economy entities to effectively go beyond the local and regional level, fostering the exchange of experiences, knowledge transfer and implementation of innovative solutions.

The aim of building sustainable partnerships between PES is above all:

- strengthening cooperation between organizations from different European countries,
- joint development of long-term strategies for the development of the social economy,
- increasing the scale of the organization's impact through transnational activities,
- transfer and adaptation of good practices and innovative models of operation between partner countries,
- strengthening the competences of PES staff through the exchange of experiences and learning between organisations.

The development of partnerships is carried out with the use of available European instruments, in particular programs such as Erasmus+ and the European Social Fund Plus. These programmes provide funding for joint initiatives, mobility, study visits and the exchange of experiences.

As part of the cooperation, it is crucial to:

- organization of joint international projects,
- mobility of employees and representatives of organizations,
- creation of cooperation networks and knowledge exchange platforms,
- developing new professional roles, such as social entrepreneurship facilitators.

International cooperation enables the transfer of proven models of operation between countries.

Examples include:

- implementation of Polish models of social activation, such as social cooperatives, in other European countries,
- implementation of projects supporting people with disabilities, which are then adapted in other countries,
- the creation of social enterprises as a result of international partnership projects that combine different approaches and experiences.

An example of effective knowledge transfer is the development of models for the professional activation of socially excluded people and the creation of social enterprises as a result of international cooperation, which confirms the high effectiveness of the partnership approach.

The development of PES partnerships brings a number of benefits, including:

- increasing the availability of innovative solutions for local organizations,
- improving the quality of services provided by social economy entities,
- the opportunity to compare different models of PES functioning in Europe,
- strengthening the institutional potential of the organization,
- development of staff competencies through international exchange.

The partners bring complementary experience to the cooperation: Italian organizations provide advanced methods of social impact assessment, Lithuanian entities bring experience in building support structures, while Polish organizations act as coordinators of the implementation of innovations and educational activities.

International partnerships in the field of social economy are an important factor in the development of the sector in Europe. They enable not only the transfer of knowledge and good practices, but also the creation of sustainable cooperation structures that strengthen the potential of organizations and increase their social impact. Through transnational cooperation, PES entities can respond more effectively to societal and economic challenges in their countries and develop innovative models of action that can be implemented in different European contexts.



## APPENDIX 3.

# TRANSLATING GOOD PRACTICES INTO GUIDELINES AND KNOW-HOW TRANSFER



INTERNATIONAL  
COOPERATION



INNOVATION



DEVELOPMENT



PARTNERSHIP  
FOR THE FUTURE



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### Appendix 3.

#### Translating good practices into guidelines and know-how transfer

Translating good practices into guidelines and know-how transfer is a key element of the project's education and training activities. This process is based on the identification of effective tools, best working methods and management models with a high adaptive potential, with particular emphasis on the experience of the Italian partner, including the analyses carried out by the ISNET Observatory.

The aim of these activities is to develop a set of practical guidelines that can be adapted in the socio-legal conditions of Polish and Lithuania. Knowledge transfer enables the implementation of proven solutions, and thus contributes to reducing competence gaps among employees of social economy entities (PES) and strengthening their organizational potential.

One of the key and innovative results of the project is the development and implementation of training paths for mentors and social caregivers, leading to the creation of a new professional role – a facilitator of social entrepreneurship.

The model of this function was inspired by the experience of the Italian partner ISNET, which develops a network of professional facilitators supporting non-profit organizations in areas such as: management, law, tax, digitalization, HR and project management.

#### **Key tasks of social entrepreneurship facilitators:**

- **Animating local social initiatives** – supporting the community in taking action and initiating new social economy entities.
- **Support for groups at risk of social exclusion** – activities aimed at strengthening the potential of people and communities in a difficult life situation.
- **Building a network of local cooperation** – creating and strengthening lasting relationships between public, social and private sector entities.

Democratization of access to knowledge and the development of precise guidelines allows future facilitators to effectively support the development of the social economy, as well as to use analytical tools, including methods of assessing social impact.

In the long term, the implementation of the new professional role will contribute to strengthening the professionalisation of the sector, improving the quality of services provided and building more stable and integrated social economy ecosystems in partner countries. The transfer of know-how is thus the foundation for the sustainable development of competences and innovation in the area of social economy.

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