ICA-ILO International Research Conference
Cooperatives and the World of Work
Antalya, Turkey
9-10 November, 2015
BASICS: Before and After Social Innovation: Co-operatives offer Sustainability

Research Topic: Innovation in cooperatives (social, organizational and technical)

SOCIAL ECONOMY IN EUROPE

Social economy enterprises = **2 million** enterprises (i.e. 10% of all European businesses)

11 million paid employees (the equivalent of 6% of the working population of the EU)

Much wider membership of social economy enterprises (involving **160 million people**: users, consumers, volounteers)

Ie: In Italy (sept. 2014) there are **>142.000 co-ops** covering all economic sectors

13.000 social enterprises of which 12.000 are co-operatives.

Who is DIESIS?
European Research and Development Service for the Social Economy

Since 1997 DIESIS supports the development of the social economy in Europe through the implementation of knowledge-based activities, such as training, project design, consulting and advisory services, technical assistance and research.

DIESIS is also network of national federations or consortia gathering thousands of enterprises from the social Economy all over Europe.

DIESIS works in partnership with European thematic networks and platforms such as ETUC, REVES, Social Economy Europe, CECOP, EMES and EAPN.

Social Economy and Social Innovation

In order to promote a 'highly competitive social market economy' the European Commission has placed the social economy and social innovation at the heart of its concerns. Both aim to meet unsatisfied social needs and to respond to social challenges. There are tight links between the two field and 2011's Social Business Initiative wants to create a favourable climate for the social economy and the social innovation.

A series of policy initiatives (the Social Business Initiative, the Social Investment Package, actions and programmes developed in the framework of social innovation, as a completion of the EU2020) recognise them as cornerstones to respond to social (mostly) unmet demands, create new relationships and collaborations, improving human well-being, fostering a more inclusive and cohesive knowledge based society.

Social Economy and Social Innovation

The European Union has a rich history of social innovation and we think that co-ops have always been cornerstones for it since long before Social Innovation became a fashionable trademark. This paper focusses on relevant examples of the co-ops contribution to Social Innovation in Europe, especially higlighting how co-operative social innovations can be sustainable and offer higher Social Impact. We also show how these practices are able to find new ways of meeting social needs and create tools for social policy and for founding the creation of a genuine European *social* market economy.

Morevover, many experiences developed on the ground show that co-ops have developed the capacity to implement innovative business models, which can be 'social' and sustainable, in partnership with different stakeholders from different sectors. Indeed, such business models present a number of features that can be supportive of the demands of labour, civil, and business stakeholders for a more integrated and fair way to approach economic development combined to social progress. The paper focusses also on those innovative practices that enable to maximise the social and the economic potential of coops in an integrated way finding collaborations and synergies with other entities: local authorities, civil society, trade unions or third sector, social economy companies or other types of business, more or less traditional.

INNOVATION IN SOCIAL ECONOMY – SECTORS
Some sectors

- Health care and social and personal services

- Social and responsible tourism

- Community services (Culture, energy, social housing, environment protection)

SOME DATA

300 social innovations of which:

- 130 without scaling trajectory

- 170 with multiple scaling trajectories

NO CLEAR IDEA ON THE TYPE OF SCALING WISHED

Strategy 1: Dissemination of Knowledge

Scaling up by using the experiences, knowledge and know-how of a successful social innovation applied to a new context and new team. This could include support to individuals & groups seeking to bring **small-scale innovations** to a new local context, or possible **public authorities** and other bodies that have a defined operating area.

Dissemination of Knowledge - Learnings

- Modelisation/codification: different opinions (useful to make transfer easy and understandable VS lot of work, risk to miss important aspects)

- Need of dissemination/information tools: platform, catalogue, case studies on web page, events, etc.

- Fear of giving up concept, know-how or intellectual property

- Public bodies do not have entrepreneurial mind-set and are not interested in transferring SI (only in improving situation in their territory)

- Need to work more on the recipient of SI (how to find it, how to do the matching)

- Difficulty to measure: how to find evidence that SI is picked up, increase of employment/turnover does not apply to public policies, impact difficult to measure

Strategy 2: Capacity Building

Social innovations that require support for the development of the suitable business model and business plan in order to tap into finance or get the necessary link to the public authority to develop a PPP will be able to benefit from the second path. Over this path they will be able to get coaching support with legal and business counselling through one of the "clusters" defined by the consortium. This path would typically concern **social enterprises that want to grow bigger in the same country**.

Capacity Building - Learnings

- Financial resources are the most requested and most difficult to obtain

- Strong local and national networks and the direct implication of all stakeholders in the whole process is a key factor for scaling up.

- Important to have a clear vision and understand where are there clear segments for growth (geographical, market)

- Capacity to prepare a viable business plan

- Partnership models and strategies can make scaling successful but need time (especially if PAs are involved).

- Solid management capacity and skills needed for the replicability of the innovation (need of specialised support and advice)

- A cluster approach at the economic context can allow overcoming the research for innovation within a single enterprise

Strategy 3: Joint venturing and franchising (affiliation)

Social innovations for which ongoing local adaptation is necessary, but which could benefit from ongoing close partnership with existing successful implementations of the social innovation could benefit from the third scaling strategy. In this path, social innovations can explore options for **developing legal agreements to govern differing degrees of cooperation** and explore methods for adapting **franchising models** found in the private sector to social-mission driven enterprises and organisations.

Joint venturing and franchising (affiliation)- Learnings

- It takes time, effort and money to design the proper legal and organisational structure, to find the right people and place

- The challenge of the regulatory environment: how to do business in other regulatory environments (need for expert legal advice)

- Access to feasibility studies or local expertise would help to validate potential for success in transferring business models to new environments

- Capacity to coach and train staff from different country/culture

- Risk of mismatch between ambition of the original/mother entity and the affiliated entities

- Partnership models and strategies can make scaling successful but need time (especially if PAs are involved).

Strategy 4: branching / new sites

Social innovations which are already successful in a particular country but would like to scale up into the other countries or develop similar initiatives in the other countries will be able to benefit from a third path – based on the network we create with this project and transfer of information between a variety of clusters. With this path an organisation or an individual – established in one country will be able to get a qualified support through one of our centres established elsewhere in the EU and moreover explore the opportunities to tap into the local financing schemes and public contacts.

Branching / new sites - Learnings

- Lack of methodology to see what is best Branching or Affiliation

- Access to capital is crucial

- There is a need for relevant cross-Europe legal advice

- Need of clear vision and principles to align the branches with the mother entity

- Need for feasibility study to assess the environment where the innovation is supposed to be transferred

- Capacity to coach and train staff from different country/culture

- Complexity in governance when you create a new branch in another country

Dissemination of Knowledge

Modules

| Scan via SharePoint | Collection of knowledge | Analysing | Scaling actions | Monitoring |

Actions

Scan via SharePoint

Fix interview with social venture

Collection of Data

Very important to clearly integrate the innovativeness of the feature.

Confirm their interest to Disseminate knowledge and share it (ie – scale)

Collection of knowledge

Develop monitoring indicators:

A) Awareness Raising Success
B) Transfer Success

Check in SharePoint if there are any volonteers who want to be a "Scaler"

Check the RESOURCES table on SharePoint and identify

Analysing

Identiftying who might be interested to scale this example:

- Benchmarking of organisation who have an interest of picking up this social innovation
- Reach

Scaling actions

- Help to write a good case

- Share data on BENISI webpage / News letter

- Develop Catalogue

- Share selected examples within the BENISI / SIAN network (Ex: 3 per month)

- Peer-to-Peer process

- Present selected examples at conferences / events

- Promote these social innovations through i other actions

Monitoring

Ensure the successful scled –up actions through ensuring that actions have been picked up and translated into reality.
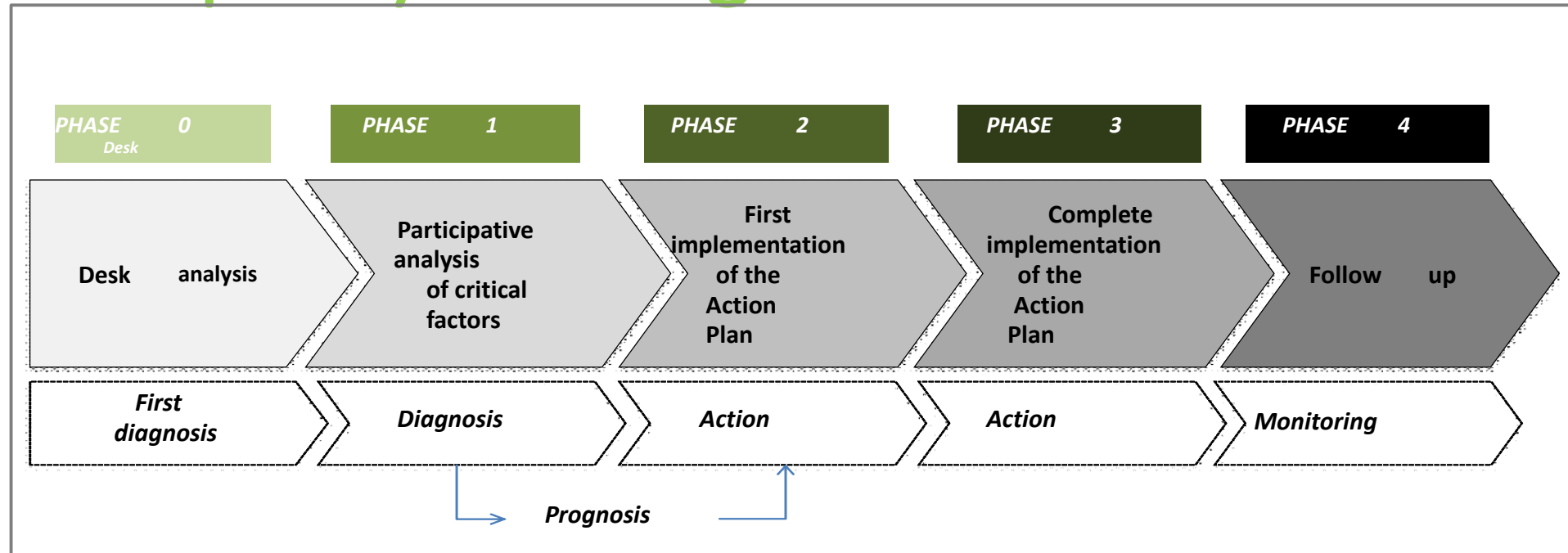
Estimated effort:

| 5% | 5% | 15% | 70% | 5% |

Capacity Building

PHASE 0 Desk	PHASE 1	PHASE 2	PHASE 3	PHASE 4
Desk analysis	Participative analysis of critical factors	First implementation of the Action Plan	Complete implementation of the Action Plan	Follow up
First diagnosis	*Diagnosis*	*Action*	*Action*	*Monitoring*

Prognosis

Identification of <u>one specific area</u> to focus on.
- Agree scalable indicators

Any specific methods or tools that could be used?

i-propeller has designed some modules focused on identification of needs. To be checked with them.

Is there a need to define tools for specific skills? Shoudl we limit it to 3-4 areas? Ex: legal / Business model rethinking / finance

- Identification of the problem
- analysis of skills "to be"
- Gap analysis
- Desk research
- Benchmarking
- Development of proposed solutions

- Meeting with the Social Innovator

- Support the planning of the implementation based on desk research / benchmarking etc

- Link to the relevant isntitution (Can we use SIAN/ Resources table?)

- Any tools that can be applied or used for this?

- Follow-up meeting or phone conversation to collect the latest data

- Introduction of the necessary data into SharePoint .

- Introduction of the scaling: turnover/ personnel/ social impact

Affiliation

Modules

| Scan via SharePoint | Assessment | Feasibility Check | Scouting | Capacity building | Access to funding |

Actions

Scan via SharePoint

Fix interview with social venture

Check its social focus and innovativeness via the Scan

Confirm their interest to Affiliate

Assessment

Analyse the data provided:

Is there a real market?

Check any information via SIAN partenrs

Check the RESOURCES table on SharePoint

Feasibility Check

Critically analyse if the SI has identified the right market?

The right legal practice and form?

Spend additional time trying to focus Social Innovation to go to particular one market in one geography.

Scouting

Scout the market:

Identify similar organisations by benchmarking
Develop a list of such organisations
Contact them to get feed-back

Scout the talent:
Check the databases of BENISI
Contact SIAN / Geocluster Leader
Identify the right trusted person locally

Capacity building

Help develop a franchise model throught advicing on tools / legal issues / local particularities

Help the process of identification of local partners/ fracnhees

Help with decision-making turns

Link with other organisations following similar path

Access to funding

Check Database of Resources
Contact SIAN members active in a market
Check possible financial support schemes available at local economy.

Match with potential funders to fund local setup in new market

Help to tap into the right funding

Estimated effort:

| 5% | 5% | 10% | 20% | 40% | 20% |

Branching

Modules

Scan via SharePoint	Assessment	Feasibility Check	Scouting	Capacity building	Access to funding

Actions

Scan via SharePoint

Fix interview with social venture

Check its social focus and innovativeness via the Scan

Confirm their interest to Affiliate

Confirm the Critical Mass of the

Assessment

Analyse the data provided:

Is there a real market in the new location ?

Check any information via SIAN partenrs

Check the RESOURCES table on SharePoint

Feasibility Check

Critically analyse if the SI has identified the right market?

The right legal practice and form?

Spend additional time trying to focus Social Innovation to go to particular one market in one geography.

Is there a critical mass?

Identify local institutional setting

Scouting

Identify similar organisations by benchmarking Develop a list of such organisations Contact them to get feed-back

Is it possible to develop a tool suggesting a better approach for branching : ex 4- models fro branching?

Capacity building

3 coaching sessions specifically focused on on tools / legal issues / local particularities

Help design a model to fund the expantion

Identify the ability to get the new resources.

Link with other organisations workign on the same path/ industry

Access to funding

Check Database of Resources Contact SIAN members active in a market Check possible financial support schemes available at local economy.

Match with potential funders to fund local setup in new market

Help to tap into the right funding

Estimated effort:

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Common learnings

1. Scaling needs a lot of time and resources

2. Results may appear only in the long term

3. Individual approach and local support is needed

4. Financial resources and specialistic advice are key

5. Soft support (networking, information, visibility) is useful but hard support is needed (finance, legal, fiscal, managerial)

6. Maturity of the Business and the ecosystem as key enabling factors

7. Platforms, marketplaces are needed

SOCIAL ENTERPRISES – COOPS - SCALING WITHIN BENISI

"1000 solar roofs" is implemented in the region of Umbria and in other italian regions in order to install 3KWp photovoltaic panels on private roofs. PV plants are installed only on roofs.
This scheme has got an environmental impact as well as an economic-social impact as it allows many homeowners to take advantage of free electricity for 20 years.

Welfare Italia Servizi's: franchising system offering quality health care services for everyone at affordable prices involving local stakeholders: doctors, trade unions, social enterprises, communities…

Le Mat is a European registered Trademark for quality hospitality and sustainable and community tourism. Le Mat hospitality model was replicated from Italy to Sweden and Poland.

Gift box "Equotube" includes accommodations, services and restaurants that respect and work with the principles of Responsible and sustainable tourism. They use only organic food and promotion at km 0 product in order to protect the environment and create jobs for disabled people.

41 cooperative organizations are part of Consorzio ABN, employing more than 11,000 people.
50% of the associated organizations have a minimum of **30%** of disadvantaged employees
One of ABN's initiatives - Distributed "solar power stations" in Umbria, Toscana, Friuli Venezia Giulia, Calabria, Sicilia with full involvement of citizens: Only in Umbria region 1.500 families involved

"1000 solar roofs" is implemented in the region of Umbria and in other italian regions in order to install 3KWp photovoltaic panels on private roofs. PV plants are installed only on roofs.

This scheme has got an environmental impact as well as an economic-social impact as it allows many homeowners to take advantage of free electricity for 20 years.

The involvement of citizens takes place through public calls Project's parteners are responsible for planning, supply, installation, ordinary and non ordinary maintenance

ABN is the promoter of the scheme and it has created a network/partenership with local authorities, financial institutions, and GRTN

**A community based model
'1000 solar roofs' scheme**

1000.TETTI.SOLARI
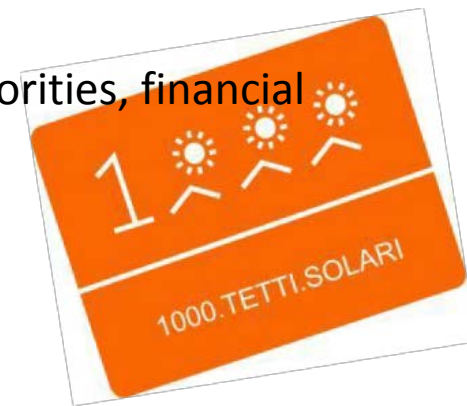
SOCIAL ECONOMY/CO-OPS AS AN ECOSYSTEM FOR SOCIAL INNOVATION
- How it works

Two ways a Social Innovation can « born »

1 - From scratch, New initiative

2 - From an existing group or single organisation a new SI takes shape and is created in order to respond to a new social need, a new challenge…

In both cases SI can easily access the Social Economy /co-ops network via Local/regional level offices and get support for scaling and incubation

SOCIAL ECONOMY/CO-OPS AS AN ECOSYSTEM FOR SOCIAL INNOVATION
- The advantages of scaling within Social Economy: Social Innovations can benefit of…

- ✓ Established Enabling Environment
- ✓ Financial tools and Support structures
- ✓ Hard and soft support (legal advice – capacity building), tested methodologies and clear legal frameworks
- ✓ Intersectorial/Cross-sectorial/Multisectorial approach
- ✓ Mutual learning and dissemination of knowledge = role of networks (local, national, EU)