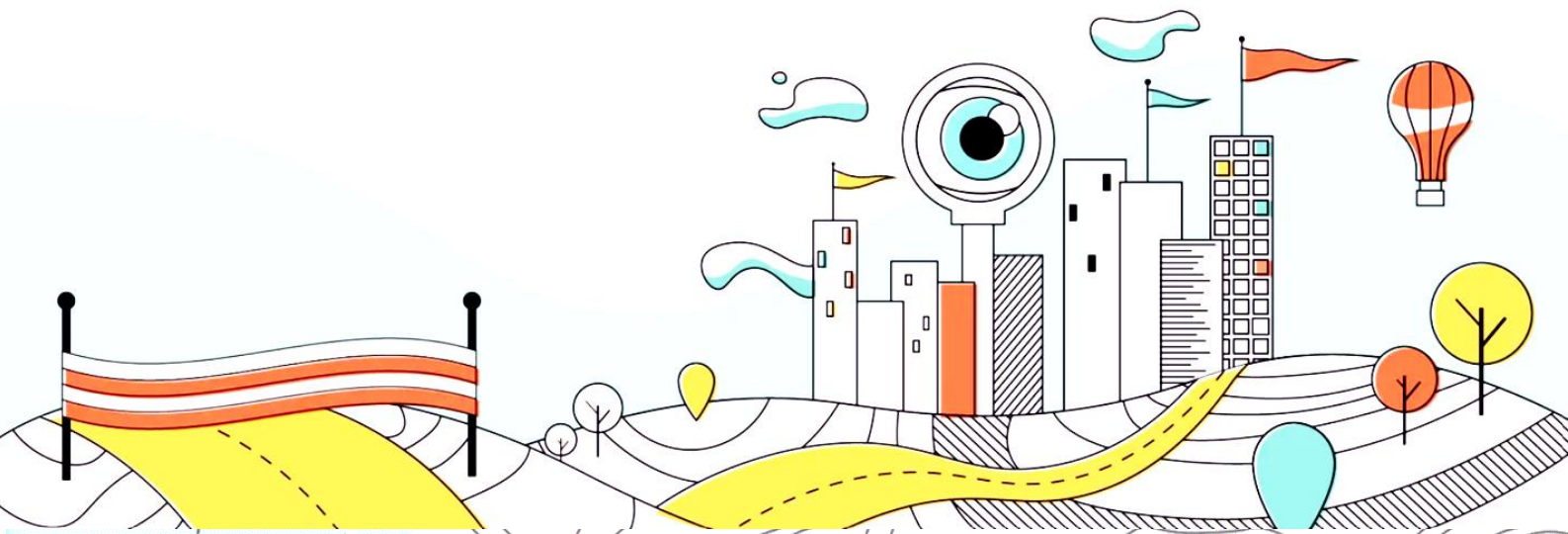




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# Common Framework



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## Background

The economic and financial crisis of a decade ago, along with other negative events and the recent Covid-19 pandemic, has left behind significant socio-economic and demographic challenges. The persistent threat of unemployment, leading to poverty and social exclusion, urgently requires sustainable solutions. Unqualified young women and men are particularly vulnerable. Many current strategies, especially those implemented by the public and third sectors, are inadequate, inflexible, or not fully sustainable.

Social entrepreneurship, where private individuals and organizations take the initiative to address social challenges within their communities, offers a promising avenue to tackle these issues. This approach may involve developing new products and services that address public health, safety, environmental protection, education, labor conditions, human rights, and more.

Despite its growing importance, social entrepreneurship has yet to reach its full potential. It faces challenges related to policy-making and legal frameworks, institutional and operational support, and low levels of social, educational, and cultural awareness within the field and its ecosystem, including the motivation to become a social entrepreneur.

Local governments, as central hubs for information and networking, are key players in addressing these challenges. However, many municipalities lack practical knowledge about establishing, supporting, or running social enterprises and the benefits they offer. Nonetheless, municipalities can play a crucial role in promoting social entrepreneurship by providing information (publicity, tailored assistance, consultations), engaging the broader ecosystem (public, private, education, non-profit sectors), coordinating efforts, offering financial support (through public budgets and procurement), providing non-financial support (such as rent-free spaces), and acting as catalysts for policy changes at local, regional, and national levels.

Project ActSEnt (Active Social Entrepreneurs) responds to this situation and challenges and provides practical methodology and tools to foster social entrepreneurship especially among young people, with special focus on local-level policy makers' actions.

## ActSEnt introduction

ActSEnt project drives from the potential and challenges described above with following main objectives:

### ActSEnt Objectives:

1. To promote social entrepreneurship among young people and local governments' structures and foster connections within the ecosystem
2. To increase social entrepreneurship skills among young people through tailored trainings
3. To improve readiness and response of municipalities towards social entrepreneurship initiatives
4. To achieve sustainability of project and its outputs through provision of replicable methodology and possible local and regional policy reforms

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### Project partners:

ActSEnt partnership was comprised of 5 partners:



**MEPCO** (International Advisory Centre of Municipalities) supports local and regional authorities to implement innovative solutions to enhance their services to citizens.



**ipcenter** is one of the leading private training and education providers in Austria. provides vocational education and professional training for adults and youth (around 300 apprentices), within the scope of public labor market policies as well as for the public sector



**Pannon Novum West-Transdanubian Regional Innovation** Non-profit Ltd, with main competences in training, coaching, and mentoring, preparation of development strategy, concept, study, organization of study tours, conferences, workshops, innovation project development consulting, business plan, feasibility study development, innovation marketing



**Institute of Public Service Development (IPSD)** is an NGO, supporting public activities with a special aim at bodies of state administration, self-government and schools.



**LOITE S.r.l.** is a consulting company specializing in providing support to the training and consulting needs of businesses, internationalization processes, local development, support for innovation.

## ActSEnt Common Framework- general overview

ActSEnt Common Framework builds upon regional analysis developed by the ActSEnt partnership within 5 countries: Czech Republic, Austria, Hungary, Slovakia and Hungary. The main goal was to set up a unified structure that outlines core principles and strategies for municipalities to support social entrepreneurship at the local level, providing similarities, differences and common challenges.

Developing ActSEnt Common Framework is an important initial step in the ActSEnt project, serving as a foundational reference for creating methodologies, guides, and toolkits aimed at enhancing municipal capacity to support social entrepreneurship. It enables local governments and policymakers to better understand the specific needs of their regions and to craft targeted strategies for fostering a supportive environment for social enterprises.

The ActSEnt partnership conducted a thorough examination of various areas to identify similarities and differences across participating countries. The key focus areas included:

1. **Historical Context:** Understanding the evolution and historical factors influencing social entrepreneurship in each country.
2. **Legal Framework:** Analyzing the legal definitions and regulations related to social entrepreneurship.
3. **Ecosystem:** Mapping the support networks, institutions, and resources available to social enterprises.
4. **Public Awareness and Impact Measurement:** Evaluating public understanding of social entrepreneurship and methods for measuring social impact.
5. **Municipal Approach:** Assessing how local governments support or hinder social entrepreneurship through their policies and actions.
6. **Challenges:** Identifying common and unique obstacles faced by social entrepreneurs.
7. **Development Potential:** Exploring opportunities for strengthening the social entrepreneurship ecosystem and enhancing support mechanisms.

This analysis aimed to provide insights into the social entrepreneurship landscape across different countries, highlighting best practices and areas for improvement.

Based on insights derived from the Common Framework, the following key documents were developed to guide municipalities and regional bodies in promoting social entrepreneurship and enhancing capacity-building initiatives:

1. **ActSEnt Social Entrepreneurship Guide for Municipalities:** A step-by-step manual providing a justification for supporting social entrepreneurship, along with practical guidance on implementing capacity-building activities for citizens.
2. **ActSEnt Social Entrepreneurship Training Toolkit:** A resource offering ActSEnt Social Entrepreneurship training module and tools for educators and trainers to deliver comprehensive social entrepreneurship education.
3. **ActSEnt Policy Recommendation and Action Plan for Selected Municipalities/Regions:** Tailored recommendations and strategic action plans designed to enhance social entrepreneurship in each of the analyzed regions, focusing on policy development, stakeholder engagement, and capacity building.



4.

## Historical context

Social entrepreneurship, the pursuit of innovative solutions to social problems through entrepreneurial means, has different historical contexts and developmental trajectories in Central and Southern Europe. In comparing the development of social entrepreneurship in the Czech Republic, Austria, Hungary, Italy, and Slovakia, several similarities and differences emerge based on historical, economic, political, and cultural contexts.

### Similarities

- 1. Historical Roots in Civil Society and Charitable Organizations:**
  - All five countries have historical traditions of civil society, philanthropic activities, and social movements that can be traced back to the 19th and early 20th centuries. In these countries, religious organizations, charities, cooperatives, and mutual aid societies were early examples of social enterprises.
  - The Catholic Church, Protestant movements, and other religious organizations have been instrumental in shaping social entrepreneurship in Austria and Italy. Similarly, the Czech Republic, Hungary, and Slovakia have histories of charitable organizations, often linked to religious or community-based groups.
- 2. Impact of Socialist Regimes:**
  - For the Czech Republic, Hungary, and Slovakia, the socialist regimes of the 20th century significantly impacted civil society and social entrepreneurship. During socialism, many civil society organizations were either dissolved or brought under state control. After the fall of socialism in 1989, these countries saw a resurgence of civil society and social enterprises, fueled by a desire to fill gaps in social welfare left by the retreating state.
  - Austria and Italy, while not under socialist regimes, also experienced significant political and social changes in the 20th century that shaped their civil society landscape, such as the effects of the world wars and economic restructuring.
- 3. European Union Influence and Support:**
  - For all five countries, joining or being part of the European Union has provided significant impetus for the development of social entrepreneurship. EU funding programs, policies promoting social innovation, and transnational networks have contributed to shaping the modern landscape of social enterprises across these countries.
- 4. Legal and Policy Framework Development:**
  - In the last two decades, there has been a trend across all these countries towards formalizing the legal and policy framework for social enterprises. Austria, Italy, the Czech Republic, Hungary, and Slovakia have all developed policies or laws that recognize social enterprises as distinct entities, though the extent and scope of these frameworks vary.
- 5. Focus Areas of Social Enterprises:**
  - Across these countries, social enterprises often focus on similar sectors: social inclusion, employment for marginalized groups, education, environmental sustainability, and community development. This alignment is often due to shared EU social and economic priorities.

## Differences

### 1. Historical Development and Civil Society Context:

- **Italy:** Social entrepreneurship in Italy has deep roots in the cooperative movement and the tradition of mutual aid societies. Italy has a long history of social cooperatives dating back to the late 19th century, and the cooperative movement was formalized with specific legislation in the 1990s. Italy's legal framework for social enterprises is among the most developed in Europe, with the establishment of social cooperatives (Type A and Type B) in 1991 and the social enterprise law of 2006.
- **Austria:** Austria's social entrepreneurship is strongly influenced by its welfare state model, which historically relied heavily on public and religious organizations to provide social services. Social enterprises in Austria often work closely with the government and benefit from the country's strong welfare policies, which focus on work integration and environmental sustainability.
- **Czech Republic, Hungary, Slovakia:** The socialist era's legacy significantly impacts the development of social entrepreneurship in these countries. Social entrepreneurship began to develop in earnest after the transition to democracy in 1989, initially driven by civil society organizations and later supported by EU accession and funding. Compared to Italy and Austria, the social entrepreneurship sector in these countries is less mature and more fragmented, with a diverse range of organizational forms and limited legal recognition until recent years.

## Definition- legal perspective

Based on regional analysis, the following observations with respect to legal perspective within social entrepreneurship were identified:

- **Italy:** Italy has a well-developed legal framework for social enterprises, with distinct categories like social cooperatives and social enterprises recognized by law. This has created a robust ecosystem for social entrepreneurship, supported by national and regional policies.
- **Austria:** While Austria has a comprehensive welfare system and a strong tradition of civil society, the legal framework for social enterprises is less specific compared to Italy. Social enterprises in Austria often operate as non-profits, associations, or cooperatives but lack a specific legal designation that distinguishes them from other types of organizations.
- **Czech Republic, Hungary, Slovakia:** The legal frameworks for social enterprises in these countries have been developing more recently and are still evolving. Hungary and Slovakia, for example, have seen efforts to formalize social enterprises, but there is still a lack of clarity and consistency in the definitions and legal forms available. The Czech Republic has started recognizing social enterprises but mainly through broader policies rather than specific legal frameworks.

## Ecosystem

The social entrepreneurship ecosystem in Central and Southern Europe varies significantly across countries, shaped by historical contexts, economic conditions, and policy frameworks. In comparing the ecosystems of social entrepreneurship in the Czech Republic, Austria, Hungary, Italy, and Slovakia, we can analyze similarities and differences based on the presence of social enterprises, key initiatives, support structures, funding opportunities, and policy frameworks.

## Similarities

### 1. Presence of Diverse Social Enterprises:

- In all five countries, the social entrepreneurship ecosystem consists of a diverse range of social enterprises, including cooperatives, non-profits, social cooperatives, social businesses, associations, and foundations. These enterprises operate in various sectors such as social services, work integration, environmental sustainability, education, health, and community development.
- Across these countries, many social enterprises focus on addressing social and economic exclusion, particularly by creating employment opportunities for marginalized groups (e.g., people with disabilities, long-term unemployed, ethnic minorities).

### 2. Support from EU Funding and International Organizations:

- The development of social enterprises in all five countries is significantly influenced by European Union funding and policies. EU programs like the European Social Fund (ESF), European Regional Development Fund (ERDF), and Horizon 2020, as well as international organizations like the OECD and the World Bank, have provided substantial support for social entrepreneurship development.
- Many social enterprises in these countries rely on EU grants and funding programs for capacity building, scaling operations, and implementing innovative projects.

### 3. Growth of Social Innovation and Impact Investing:

- There is a growing trend in all these countries towards social innovation and impact investing. Increasingly, social enterprises are using innovative business models to address social issues, and there is a rising interest in impact investing among private investors, foundations, and public funds.
- Initiatives such as impact funds, social investment funds, and social innovation competitions are emerging in all five countries, reflecting a broader European trend toward fostering social entrepreneurship.

### 4. Emergence of Ecosystem Support Organizations:

- All five countries have seen the emergence of support organizations such as incubators, accelerators, co-working spaces, networks, and associations dedicated to promoting social entrepreneurship. These organizations provide training, mentorship, networking opportunities, and financial support to early-stage social enterprises.
- Organizations like Impact Hub (present in multiple countries), Ashoka, and the Social Impact Award operate across these countries, promoting social



entrepreneurship and providing platforms for collaboration and knowledge sharing.

#### 5. **Increasing Awareness and Policy Development:**

- Across the board, there is increasing awareness of the importance of social entrepreneurship, both among policymakers and the general public. Governments are recognizing the role of social enterprises in addressing social challenges, and policy frameworks are evolving to provide greater support and recognition.

### Differences

#### 1. **Number and Maturity of Social Enterprises:**

- **Italy:** Italy has one of the most mature ecosystems for social entrepreneurship in Europe, with thousands of registered social cooperatives and enterprises. Italian social cooperatives (Type A and Type B) are legally recognized and constitute a significant portion of the country's social enterprises. Italy's ecosystem is characterized by well-established social enterprises that provide a wide range of services, from social care and education to environmental services and work integration.
- **Austria:** Austria has a well-developed social entrepreneurship ecosystem, but it is more focused on social businesses, work integration enterprises, and environmental sustainability. The Austrian ecosystem includes a mix of traditional non-profits, cooperatives, and new social ventures. Social enterprises in Austria often collaborate closely with the government and receive public funding for social service delivery.
- **Czech Republic, Hungary, Slovakia:** The social entrepreneurship ecosystems in these post-socialist countries are younger and less mature than those in Italy and Austria. The number of social enterprises is lower, and they are often smaller in size and scope. The focus tends to be on work integration, social services, community development, and environmental sustainability. The legal and policy frameworks are still evolving, and there is less clarity in defining what constitutes a social enterprise.

### Public awareness and social impact measurement

- **Austria and Italy:** These countries have a higher level of public awareness and acceptance of social entrepreneurship, supported by government policies, media coverage, and strong networks. There is also a greater focus on measuring social impact, with established frameworks and tools used by social enterprises to assess and communicate their social value.
- **Czech Republic, Hungary, Slovakia:** Public awareness of social entrepreneurship is still developing, and there is less emphasis on formal social impact measurement. Social enterprises often struggle with visibility and gaining public recognition as a distinct sector, and there is a need for capacity building in impact measurement and communication.

## Municipal approach towards social entrepreneurship

Municipal approaches to social entrepreneurship support can vary significantly based on local policies, historical contexts, economic conditions, and regional governance structures. The cities of Brno (Czech Republic), Vienna (Austria), Szombathely (Hungary), Dozza in the Emilia-Romagna region (Italy), and Bratislava (Slovakia) each have unique approaches to fostering social entrepreneurship within their municipal frameworks. Here is a comparative analysis that highlights similarities and differences in their approaches to supporting social entrepreneurship.

### Similarities

#### 1. Focus on Social Inclusion and Local Development:

- All five cities/regions share a common focus on using social entrepreneurship as a tool for social inclusion, local development, and addressing social challenges. These municipalities see social enterprises as valuable partners in delivering social services, integrating marginalized groups into the labor market, and fostering sustainable urban development.
- Social enterprises in these cities typically focus on areas such as employment generation, social services, community development, environmental sustainability, and supporting vulnerable groups (e.g., people with disabilities, long-term unemployed, minorities).

#### 2. Utilization of EU Funds and Programs:

- Each city/region leverages European Union funds and programs to support social entrepreneurship initiatives. EU structural funds such as the European Social Fund (ESF) and the European Regional Development Fund (ERDF) are commonly used to finance social innovation projects, capacity building, and social enterprise development.
- These municipalities often collaborate with regional and national governments to access and distribute EU funds for local social enterprises, supporting initiatives like social inclusion, employment for marginalized groups, and sustainable urban development.

#### 3. Supportive Ecosystems with Incubators, Networks, and Collaboration Platforms:

- All five cities/regions have developed local ecosystems that support social entrepreneurship through incubators, accelerators, networking platforms, and collaboration spaces. These structures offer training, mentoring, funding opportunities, and networking for social entrepreneurs.
- Organizations like Impact Hub (present in Brno and Vienna), local Chambers of Commerce, universities, and municipal bodies play key roles in fostering social entrepreneurship by providing capacity-building programs and facilitating collaborations.

#### 4. Public-Private Partnerships and Cross-Sector Collaboration:

- Municipalities in all five regions are involved in fostering public-private partnerships and cross-sector collaboration to support social entrepreneurship. These partnerships involve the municipality, social enterprises, private businesses, academic institutions, and non-profit organizations working together to create a conducive environment for social innovation and impact.

#### 5. Growing Policy Support and Public Awareness Initiatives:

- In recent years, all five regions/ cities have seen increased policy support for social entrepreneurship, with growing public awareness of its potential to address local social challenges. Local governments are increasingly recognizing the importance of social enterprises and are actively seeking to include them in strategic urban development plans.

## Differences

### 1. Level of Institutional Support and Policy Framework:

- **Vienna, Austria:** Vienna has a well-established institutional and policy framework for supporting social entrepreneurship. The city benefits from Austria's robust welfare state model and social policies, which provide substantial support for social enterprises. Vienna's municipal government collaborates closely with social enterprises, offering grants, subsidies, and procurement opportunities, especially for work integration social enterprises. The city has a strong network of support organizations, including Vienna Business Agency and Impact Hub Vienna, which provide targeted support for social enterprises.
- **Dozza, Emilia-Romagna, Italy:** The Emilia-Romagna region, where Dozza is located, is known for its strong cooperative movement and supportive policy environment for social enterprises. The regional government, in collaboration with local municipalities, provides significant support through the promotion of social cooperatives, grants, and favorable procurement policies. The cooperative tradition in Emilia-Romagna shapes local municipal policies, where municipalities like Dozza promote social cooperatives (Type A and B) as key providers of social services and employment for marginalized groups.
- **Brno, Czech Republic:** In Brno, social entrepreneurship is supported through a combination of local and regional initiatives, with emerging policy frameworks. While there is increasing recognition of social entrepreneurship, the support structures are less developed than in Vienna and Emilia-Romagna. The city collaborates with local social enterprises through projects supported by EU funds, but there is a need for more comprehensive policy frameworks and funding mechanisms to strengthen the ecosystem.
- **Bratislava, Slovakia:** Bratislava is gradually developing its support for social entrepreneurship, primarily through EU-funded projects and regional initiatives. However, the municipal policy framework for social enterprises is less defined compared to Vienna or Dozza. Bratislava focuses on fostering social innovation through collaborations with NGOs, universities, and social enterprises, but the support is often fragmented and lacks consistency.
- **Szombathely, Hungary:** In Szombathely, the support for social entrepreneurship is relatively nascent, with a focus on leveraging EU funds and collaboration with regional initiatives. The city has yet to develop a comprehensive local policy framework for social enterprises, and support is primarily provided through individual projects and partnerships rather than a coordinated municipal strategy.

### 2. Key Municipal Initiatives and Programs:

- **Vienna, Austria:** Key initiatives in Vienna include the "Social Entrepreneurship Challenge" by the Vienna Business Agency, which provides funding, mentoring,

and networking opportunities for social enterprises. The city also integrates social enterprises into its public procurement process and offers subsidies for social service delivery.

- **Dozza, Emilia-Romagna, Italy:** In Dozza, municipal support is heavily influenced by the region's cooperative culture. Key initiatives include grants for social cooperatives, support for cooperative education, and a focus on sustainable agriculture, community services, and work integration. Municipalities in Emilia-Romagna also partner with cooperative associations like Legacoop and Confcooperative to support social enterprises.
- **Brno, Czech Republic:** Brno's key initiatives include collaboration with the South Moravian Innovation Centre (JIC), Impact Hub Brno, and local universities to promote social innovation. The city also participates in EU-funded projects focusing on social inclusion and sustainable development.
- **Bratislava, Slovakia:** Bratislava's initiatives focus on promoting social innovation through collaborations with NGOs and academic institutions. The city is part of regional and national networks that provide support and training for social enterprises, but specific municipal programs are limited.
- **Szombathely, Hungary:** Szombathely's approach involves collaboration with local civil society organizations, regional agencies, and international partners. The city supports social entrepreneurship through EU-funded projects and local initiatives targeting social inclusion, but specific programs or municipal frameworks are still emerging.

### 3. Level of Integration into Urban Development and Public Procurement:

- **Vienna, Austria:** Vienna has fully integrated social enterprises into its urban development strategy and public procurement processes. The city actively includes social enterprises in its economic and social development plans and provides favorable procurement conditions for social enterprises to deliver public services.
- **Dozza, Emilia-Romagna, Italy:** Similar to Vienna, Dozza integrates social cooperatives into its local development strategies. The municipality collaborates with regional authorities to create an enabling environment for social cooperatives through public procurement and regional development programs.
- **Brno, Czech Republic, and Bratislava, Slovakia:** Both cities are in the early stages of integrating social entrepreneurship into urban development strategies. They focus on specific projects and collaborations rather than a comprehensive approach to public procurement.
- **Szombathely, Hungary:** Szombathely is at the beginning stages of integrating social entrepreneurship into urban policies and public procurement processes, relying mainly on EU projects to initiate such efforts.

### 4. Availability of Local Funding and Incentives:

- **Vienna, Austria, and Dozza, Italy:** Both cities offer a range of local funding options, grants, subsidies, and incentives to promote social entrepreneurship. These municipalities have specific budget lines for social enterprises and often provide co-financing for EU-funded projects.
- **Brno, Czech Republic, and Bratislava, Slovakia:** These cities primarily depend on regional, national, and EU funding, with limited local funding or municipal incentives specifically dedicated to social entrepreneurship.



- **Szombathely, Hungary:** Similar to Brno and Bratislava, Szombathely relies on external funding sources, such as EU funds, for supporting social entrepreneurship.

## Challenges

When comparing the challenges faced by municipal approaches to supporting social entrepreneurship across Brno (Czech Republic), Vienna (Austria), Szombathely (Hungary), Dozza (Emilia-Romagna, Italy), and Bratislava (Slovakia), several common themes and issues emerge despite the differences in regional contexts and support systems. Here's a comparative analysis of the similarities in challenges faced by these municipalities.

Despite differences in their approaches and levels of support, Brno, Vienna, Szombathely, Dozza, and Bratislava face several common challenges in their municipal approaches to supporting social entrepreneurship. These challenges include limited awareness and understanding of social entrepreneurship, fragmented support structures, inadequate funding, bureaucratic hurdles, limited integration into urban planning, difficulties in scaling, challenges in impact measurement, and the need for capacity building. Addressing these challenges requires coordinated efforts to improve awareness, streamline support mechanisms, enhance funding access, reduce administrative barriers, and integrate social enterprises more effectively into municipal strategies and policies. Based on regional analysis, there are several common challenges that are relevant for most of the cities and regions. The following similarities and have been identified:

### 1. Limited Awareness and Understanding:

- **Across all municipalities**, there is often limited awareness and understanding of social entrepreneurship among local policymakers, businesses, and the general public. This lack of awareness can hinder the development of supportive policies and the integration of social enterprises into broader economic and social strategies.
- In Brno, Bratislava, Szombathely, and Dozza, social entrepreneurship is still an emerging concept, and its potential benefits are not fully recognized by all stakeholders. Vienna, despite its advanced ecosystem, also faces challenges in ensuring comprehensive understanding across all sectors.

### 2. Fragmented Support Structures:

- **Support structures for social entrepreneurship** are often fragmented across these municipalities. In many cases, there is no single, cohesive strategy or centralized body responsible for supporting social enterprises. Instead, support is provided through various programs, initiatives, and organizations that may not always coordinate effectively.
- This fragmentation can lead to inefficiencies and gaps in support. For example, while Vienna and Dozza have more developed ecosystems, there can still be issues with coordinating between different support organizations and ensuring that resources are optimally utilized. Brno, Szombathely, and Bratislava face similar challenges in aligning their various support mechanisms.

### 3. Inadequate Funding and Financial Support:

- **Access to adequate funding** remains a challenge across these municipalities. Social enterprises often struggle to secure sufficient and consistent funding from



local sources. While EU funds are available, they can be competitive and challenging to navigate.

- In Brno, Szombathely, and Bratislava, there is a reliance on external funding sources, with limited local financial support. Even in Vienna and Dozza, where funding structures are more developed, there can still be issues related to the adequacy and accessibility of financial resources for social enterprises.

#### **4. Bureaucratic Hurdles and Administrative Barriers:**

- **Bureaucratic challenges** and administrative barriers are common across all municipalities. Social enterprises often face difficulties navigating complex regulatory environments and accessing support due to bureaucratic red tape.
- This is evident in Brno, where new social enterprises encounter challenges in understanding and complying with regulations. Similar issues are present in Szombathely, Bratislava, and even in more advanced ecosystems like Vienna and Dozza, where administrative procedures can still be cumbersome.

#### **5. Limited Integration into Urban Planning and Policy:**

- **Integration into urban planning and policy** is another challenge. Social enterprises are sometimes not fully integrated into broader municipal strategies and urban development plans.
- In cities like Brno, Bratislava, and Szombathely, social entrepreneurship is often addressed in isolated projects rather than being embedded into comprehensive urban development strategies. Vienna and Dozza, while more advanced, also face challenges in ensuring that social enterprises are systematically included in all relevant urban planning and policy discussions.

#### **6. Challenges in Scaling and Growth:**

- **Scaling and growth challenges** are common across these municipalities. Social enterprises often struggle to scale their operations and impact due to limited resources, inadequate support systems, and difficulties in accessing new markets.
- This is evident in Brno, where early-stage social enterprises face obstacles in scaling up. Szombathely and Bratislava also face similar issues, with social enterprises finding it difficult to expand their operations and achieve sustainable growth. Even in Vienna and Dozza, scaling challenges persist despite more developed support ecosystems.

#### **7. Need for Better Measurement and Impact Evaluation:**

- **Measuring and evaluating impact** is a common challenge. There is often a lack of standardized metrics and tools for assessing the social and economic impact of social enterprises, which can hinder their ability to demonstrate value and attract support.
- In Brno, Bratislava, Szombathely, and Dozza, there is a need for more robust frameworks for impact evaluation. Vienna, despite having more advanced support structures, also faces challenges in consistently measuring and communicating the impact of social enterprises.

#### **8. Capacity Building and Skills Development:**

- **Capacity building and skills development** for social entrepreneurs are crucial challenges. Social enterprises often lack the necessary skills and expertise to effectively manage and grow their operations.
- All municipalities, including Vienna and Dozza, face challenges in providing adequate training and support to social entrepreneurs. There is a need for more

targeted capacity-building programs that address the specific needs of social enterprises at different stages of development.

### Potential for development of social entrepreneurship

When examining the potential for enhancing municipal approaches to social entrepreneurship across Brno (Czech Republic), Vienna (Austria), Szombathely (Hungary), Dozza in Emilia-Romagna (Italy), and Bratislava (Slovakia), several similarities emerge. These similarities highlight areas of potential growth and development for each municipality. Here's a comparative analysis of the potential for enhancing municipal support for social entrepreneurship:

#### 1. Growing Interest in Social Innovation:

- **All municipalities** are experiencing a growing interest in social innovation and social entrepreneurship as a means to address local social challenges and foster sustainable development. This growing interest provides a strong foundation for enhancing municipal support structures and integrating social enterprises into broader economic and social strategies.
- In Brno, Vienna, Szombathely, Dozza, and Bratislava, there is increasing recognition of the role that social enterprises can play in creating social value and driving innovation. This trend indicates a positive environment for expanding and strengthening municipal support for social entrepreneurship.

#### 2. Availability of EU Funding and Programs:

- **Access to EU funding** presents a significant opportunity for all municipalities. European Union programs and funds, such as the European Social Fund (ESF) and the European Regional Development Fund (ERDF), provide resources that can be leveraged to support social enterprises.
- Each municipality can benefit from EU funding to support social entrepreneurship initiatives, scale existing programs, and develop new support mechanisms. The availability of these funds offers a strategic opportunity to enhance municipal support structures and programs.

#### 3. Existing Support Ecosystems:

- **Presence of existing support ecosystems** is common across these municipalities. Incubators, accelerators, and networks dedicated to social entrepreneurship already exist in Brno, Vienna, Szombathely, Dozza, and Bratislava.
- These existing ecosystems provide a foundation upon which municipalities can build and enhance their support for social enterprises. By strengthening and expanding these support structures, municipalities can create more robust environments for social entrepreneurship.

#### 4. Potential for Public-Private Partnerships:

- **Opportunities for public-private partnerships** exist in all municipalities. Collaborations between local governments, private sector actors, and social enterprises can enhance the effectiveness and reach of support programs.
- Municipalities in Brno, Vienna, Szombathely, Dozza, and Bratislava can leverage these partnerships to provide additional resources, expertise, and networks to support social enterprises. Public-private partnerships can also help in co-designing and implementing innovative solutions to social challenges.

#### 5. Commitment to Sustainable Development:

- **Commitment to sustainable development** is evident across these municipalities, reflecting an alignment with the goals of social entrepreneurship. Each municipality is engaged in efforts to address environmental sustainability, social inclusion, and economic development.
  - This shared commitment creates opportunities for integrating social entrepreneurship into broader sustainability and development strategies. By aligning social entrepreneurship support with sustainability goals, municipalities can enhance their impact and effectiveness.
- 6. Increasing Integration into Urban Development Plans:**
- **Integration into urban development plans** is becoming more common in these municipalities. Social entrepreneurship is increasingly being recognized as a valuable component of urban and regional development strategies.
  - This trend provides an opportunity for municipalities to further integrate social enterprises into their urban planning and development initiatives. Enhancing this integration can lead to more effective support for social enterprises and better alignment with local development goals.
- 7. Rising Awareness of Social Impact Measurement:**
- **Growing awareness of social impact measurement** is a shared trend among these municipalities. There is a recognition of the importance of measuring and demonstrating the social impact of social enterprises.
  - Municipalities can capitalize on this trend by developing standardized impact measurement frameworks, supporting social enterprises in their impact assessments, and using impact data to inform policy and support decisions.
- 8. Educational and Capacity-Building Opportunities:**
- **Opportunities for educational and capacity-building programs** are present in all municipalities. Universities, training centers, and local organizations offer programs that can support social entrepreneurs in developing the skills and knowledge needed to succeed.
  - By expanding and enhancing these educational and capacity-building initiatives, municipalities can strengthen the capabilities of social entrepreneurs and improve the overall effectiveness of their support programs.

## Conclusion

The potential for enhancing municipal support for social entrepreneurship in Brno, Vienna, Szombathely, Dozza/Emilia Romagna, and Bratislava is significant and shared across several key areas. These similarities include a growing interest in social innovation, access to EU funding, the presence of existing support ecosystems, although with several potential for development, opportunities for public-private partnerships, commitment to sustainable development, increasing integration into urban development plans, rising awareness of social impact measurement, and educational opportunities. By leveraging these similarities and addressing common challenges, municipalities can further strengthen their support for social entrepreneurship and enhance its impact on local communities and development.

ActSEnt project will leverage the common framework across the partnership countries and utilize this information during the development of ActSEnt Social Entrepreneurship Guide for Municipalities and ActSEnt Social Entrepreneurship Training Toolkit, providing valuable input for municipalities willing to enhance social entrepreneurship approach within their areas.



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