The Social Economy in the EU: challenges and opportunities.

Bologna, EVT- 2 Marzo 2016

By: Tamami Komatsu

Introductions

Founding partner of **Social Seed**.

She has her P.hD. in Public Policy Planning from IUAV (University of Venice).

She works in the area of social innovation, culture and urban regeneration.

Founding partner of **Social Seed**. She graduated in Economics and got her Masters in Environmental Economics and Sustainable Development in London.

She worked for 7 years at both large and small firms (Ernst & Young e Indica) as a consultant for CSR and corporate social innovation.

Collaborator of **Social Seed**.

She got her Masters in Social Economics from the University of Bologna.

She works in social innovation and service design for social enterprises and urban regeneration.

AGENDA

H 15:00 > 15:30

Social Enterprise in the EU

INSPIRE

H 15:30 > 16:00

Group Work

CHALLENGE

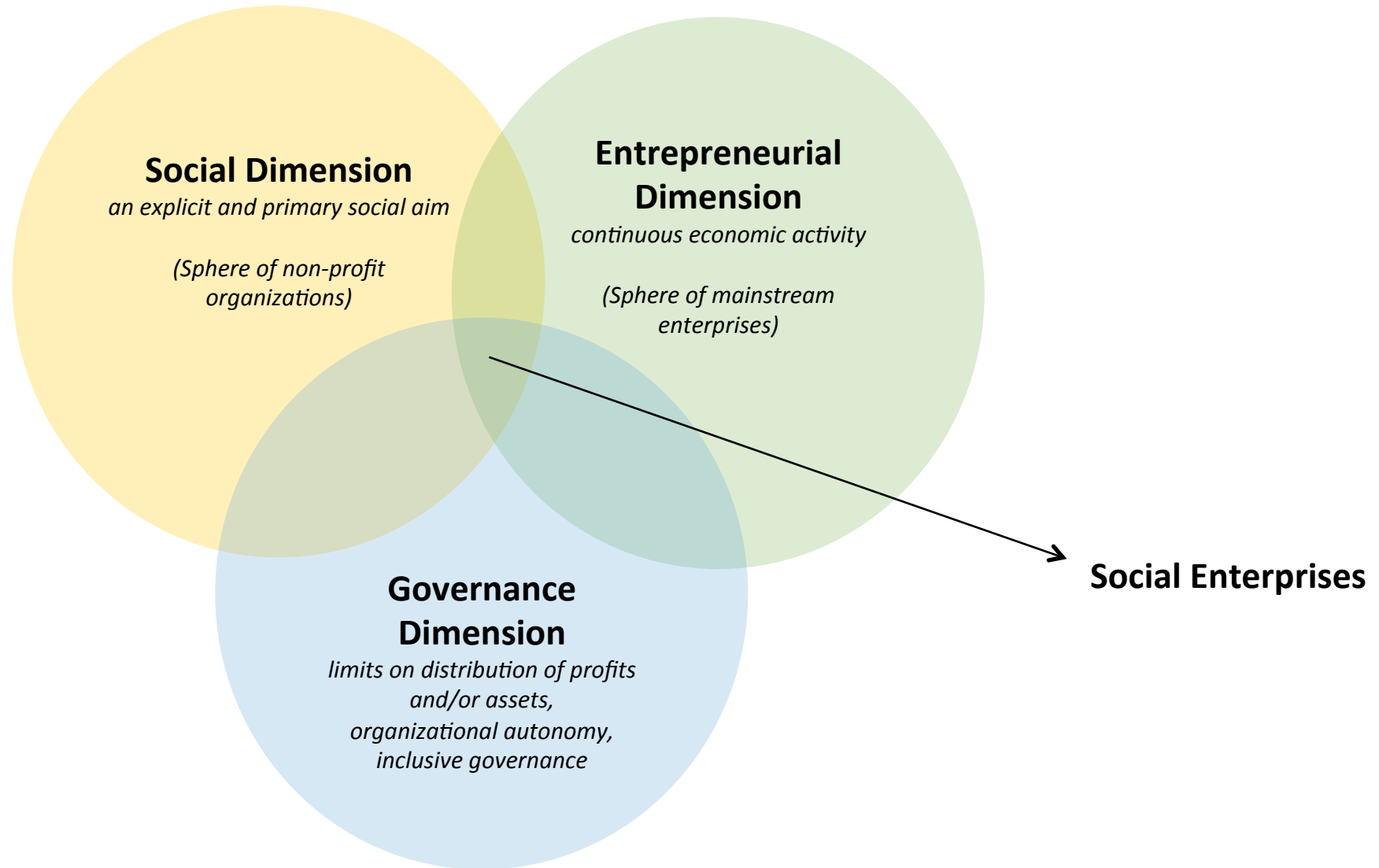h 16:00 > 16:45

Let's explore!

DESIGN

h 16:45>18:15

What can we learn?

LEARN

Social Enterprise in the EU

A Snapshot

Social Dimension
an explicit and primary social aim

(Sphere of non-profit organizations)

Entrepreneurial Dimension
continuous economic activity

(Sphere of mainstream enterprises)

Governance Dimension
limits on distribution of profits and/or assets, organizational autonomy, inclusive governance

Social Enterprises

European Commission, A map of social enterprises and their ecosystems in Europe, 2014.

A Snapshot

Of the EU 28 and Switzerland:
- 20 have national definitions of social enterprise (6 of which do not require inclusive governance models);
- In 5 countries, social enterprise = WISE.

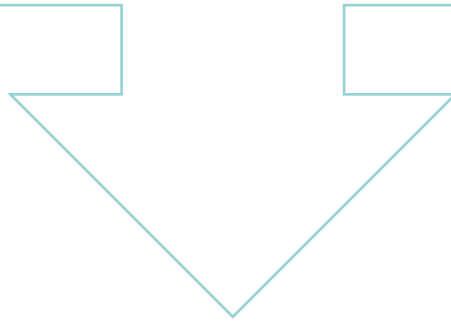Social enterprise vs. De facto social enterprises

Sectors social enterprises work in

- **Social and economic integration of vulnerables**;
- **Social services of general interest** (e.g. long term care for the elderly and for people with disabilities; education and child care; employment and training services; social housing; health care and medical services.);

- Other public services such as community transport, maintenance of public spaces, etc.
- Strengthening democracy, civil rights and digital participation;
- Environmental activities such as reducing emissions and waste, renewable energy;
- Practicing solidarity with developing countries (e.g. fair trade).

Principle Revenue Streams and Challenges

- Market Sources
- Non-market Sources
  - **Public contracts (best value for money vs. diseconomies of scale)**
  - Direct grants/subsidies
  - Membership fees, donations, sponsorships
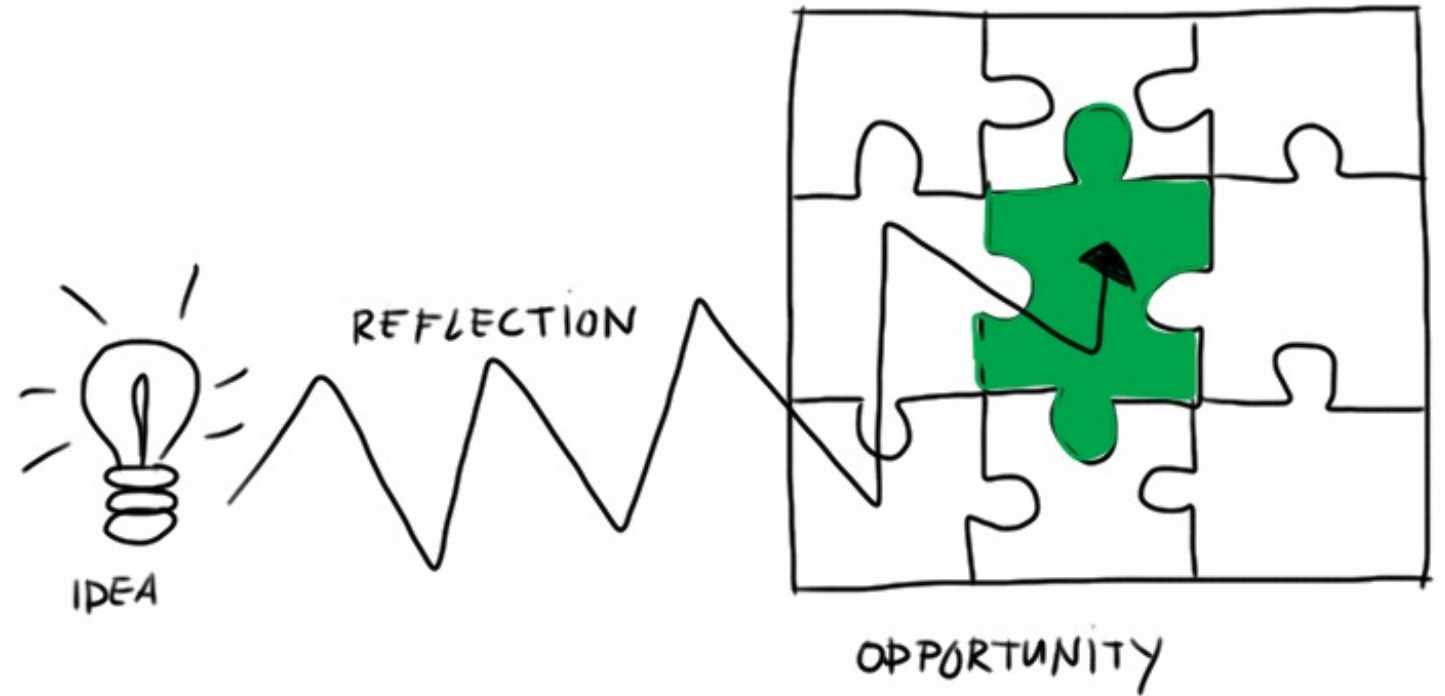 - In-kind donations/contributions.

Identify new market opportunities;
Re-evaluate services and re-design business models;
Leverage local assets.

challenges (opportunities?) facing social enterprises
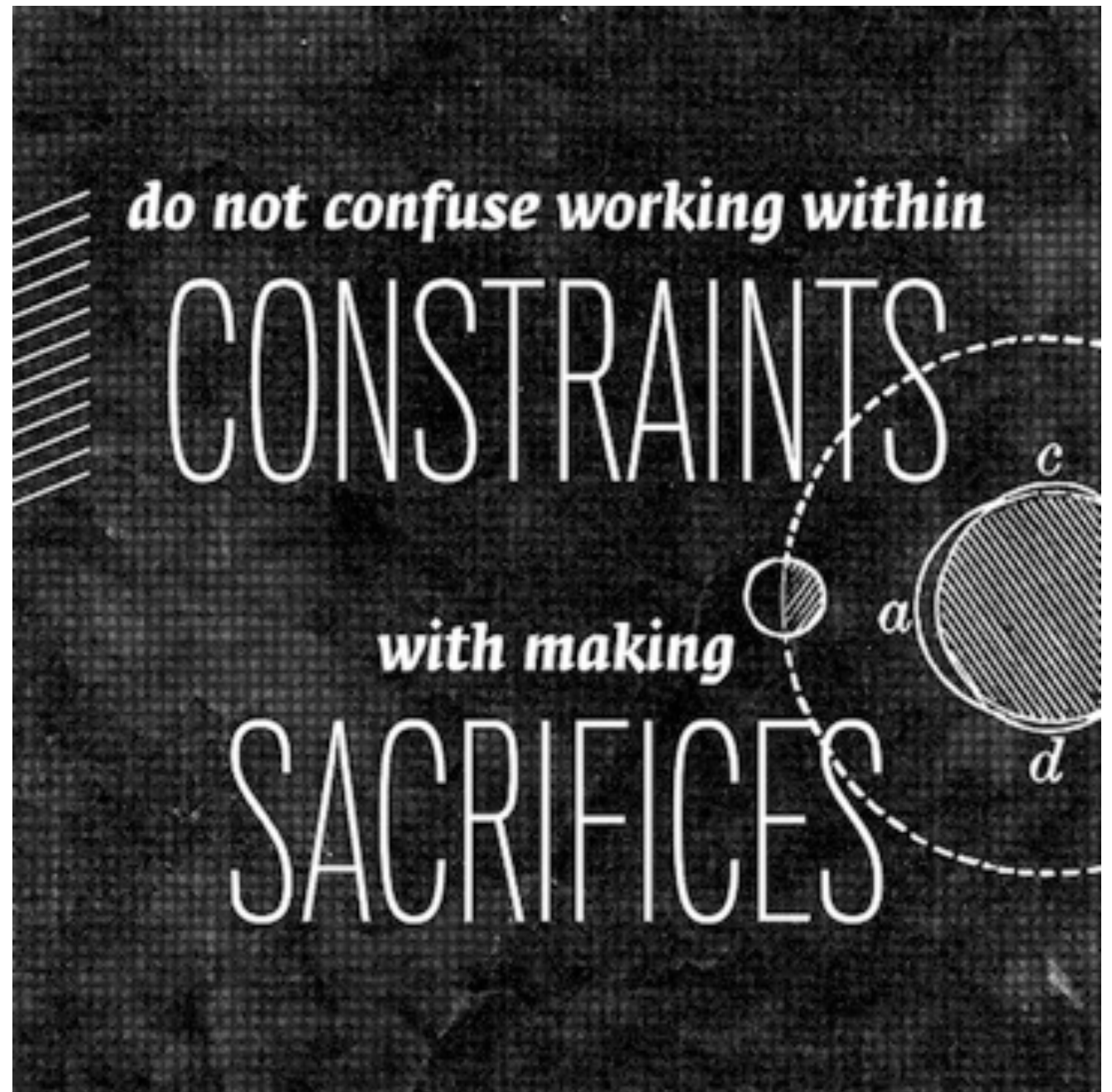
Antagonistic Assets and Logics

Identify new market opportunities

IDEA

REFLECTION

OPPORTUNITY

Legal Constraints

Hybridity

do not confuse working within CONSTRAINTS with making SACRIFICES
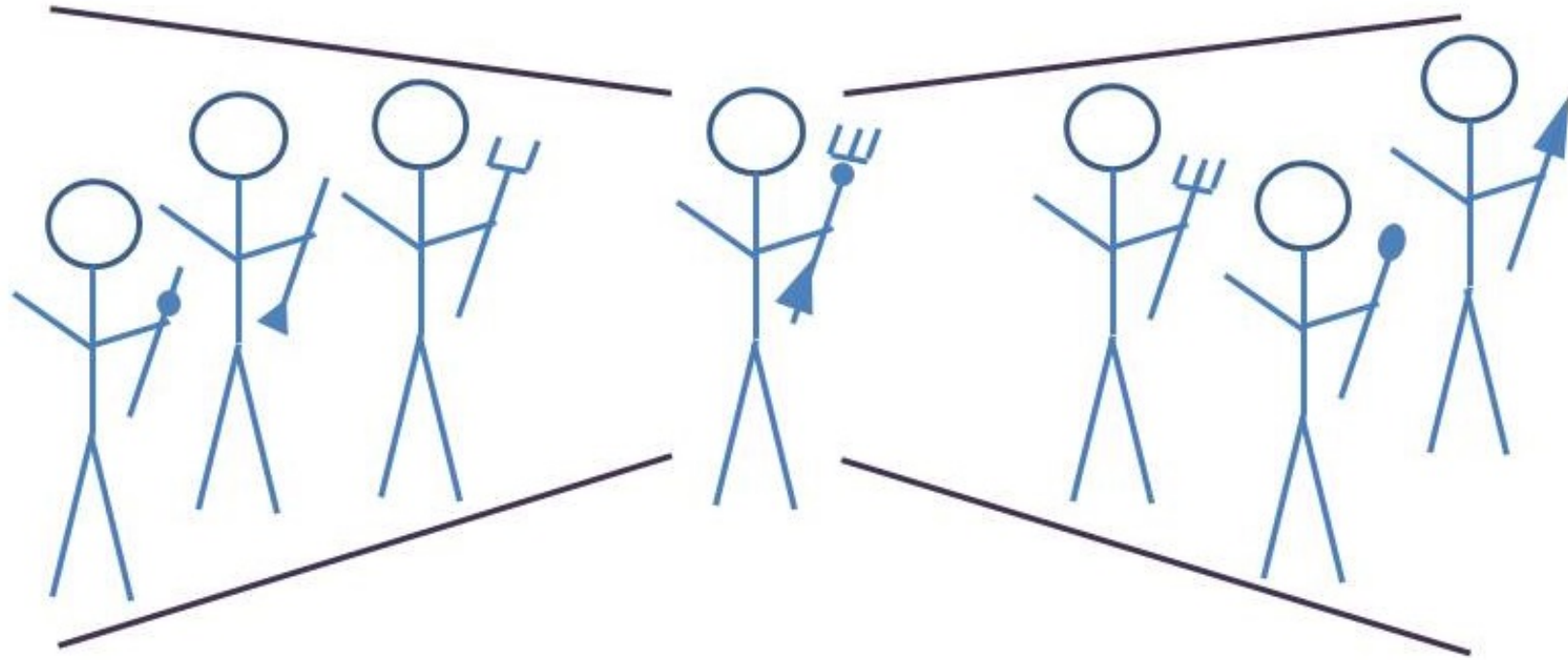
Divergence in allocation of cost, use and benefit

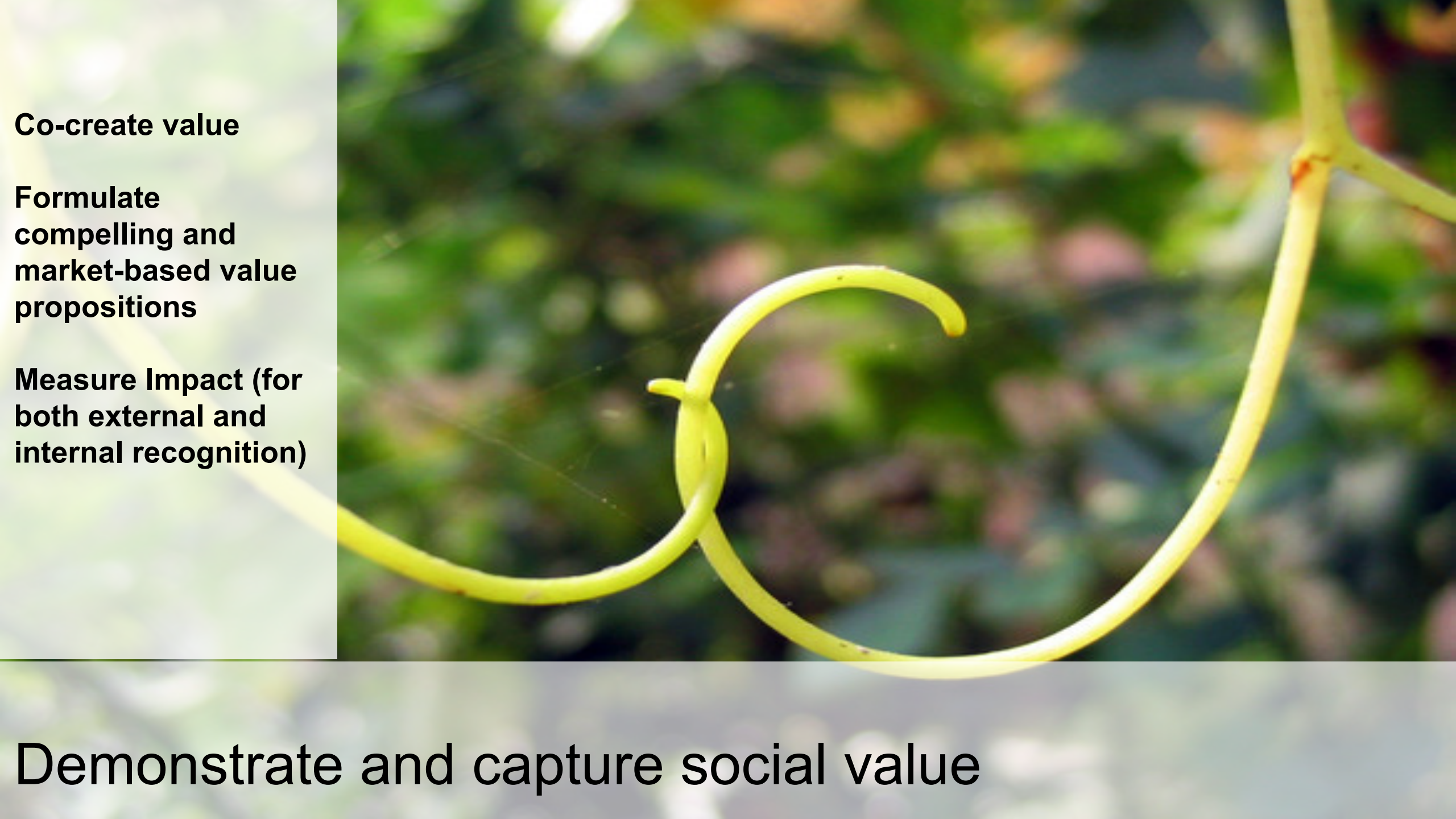# Multi-actor business models

Resource scarcity

Frugal Innovation

Re-design services and business models

What do social enterprises need to do today?

Co-create value

Formulate compelling and market-based value propositions

Measure Impact (for both external and internal recognition)

Demonstrate and capture social value

Network

Partnerships

Local assets

Construct innovative supply and value chains

Community

Technology

Collaboration

Restructure the enterprise like a platform
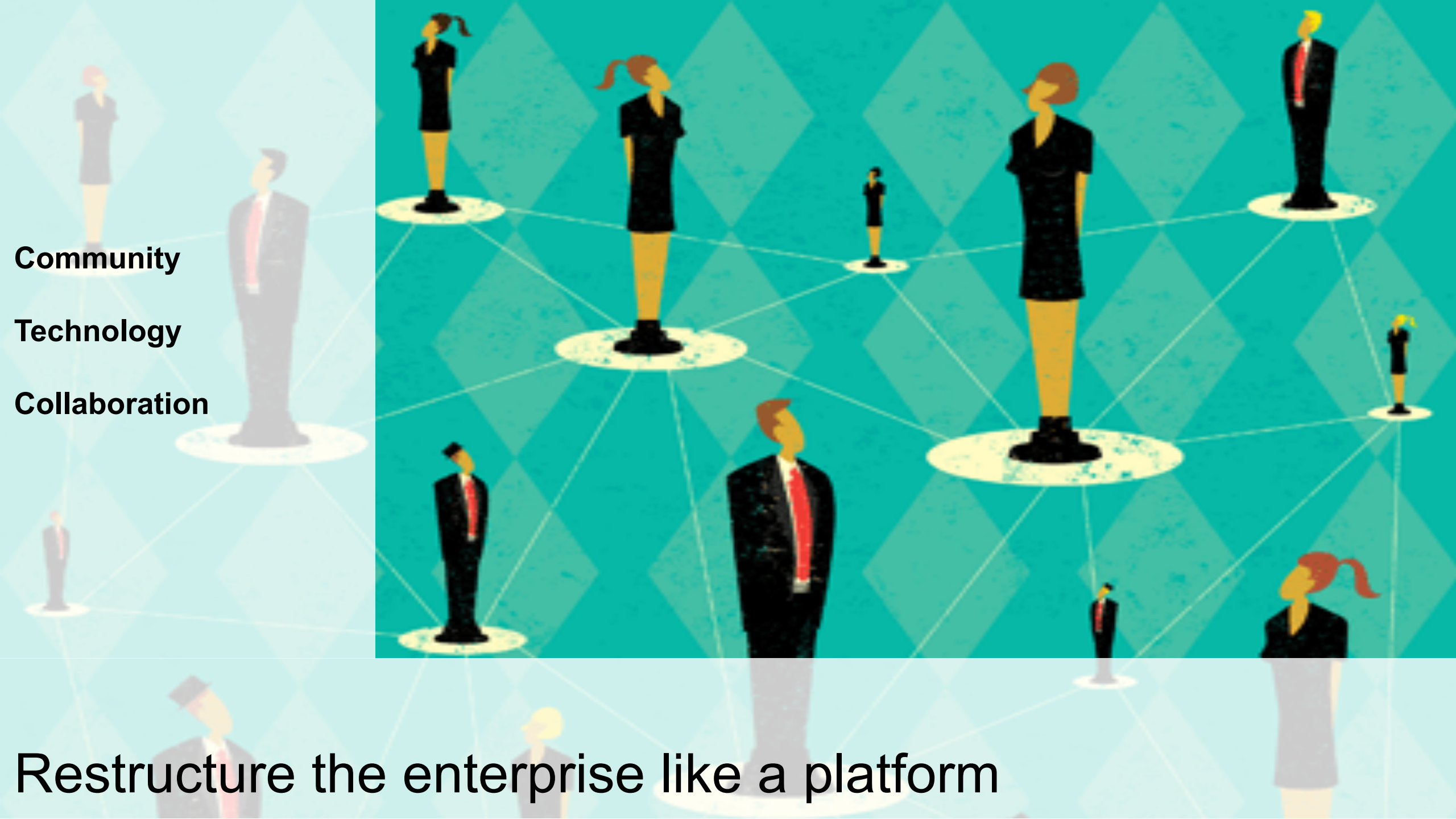
How?

Go from being an operator to being an **ENTREPRENEUR**

From a planner to a **DESIGNER**

Innovation comes from a culture of CURIOSITY,
not a culture of demand.

BE PIONEERS

design for social enterprises

DESIGN as a PRACTICE

"design in relation to practice theory, value is not perceived to reside in products or services themselves nor in the meanings attached to them (for example through product styling, branding or advertising), but it emerges in practice itself"
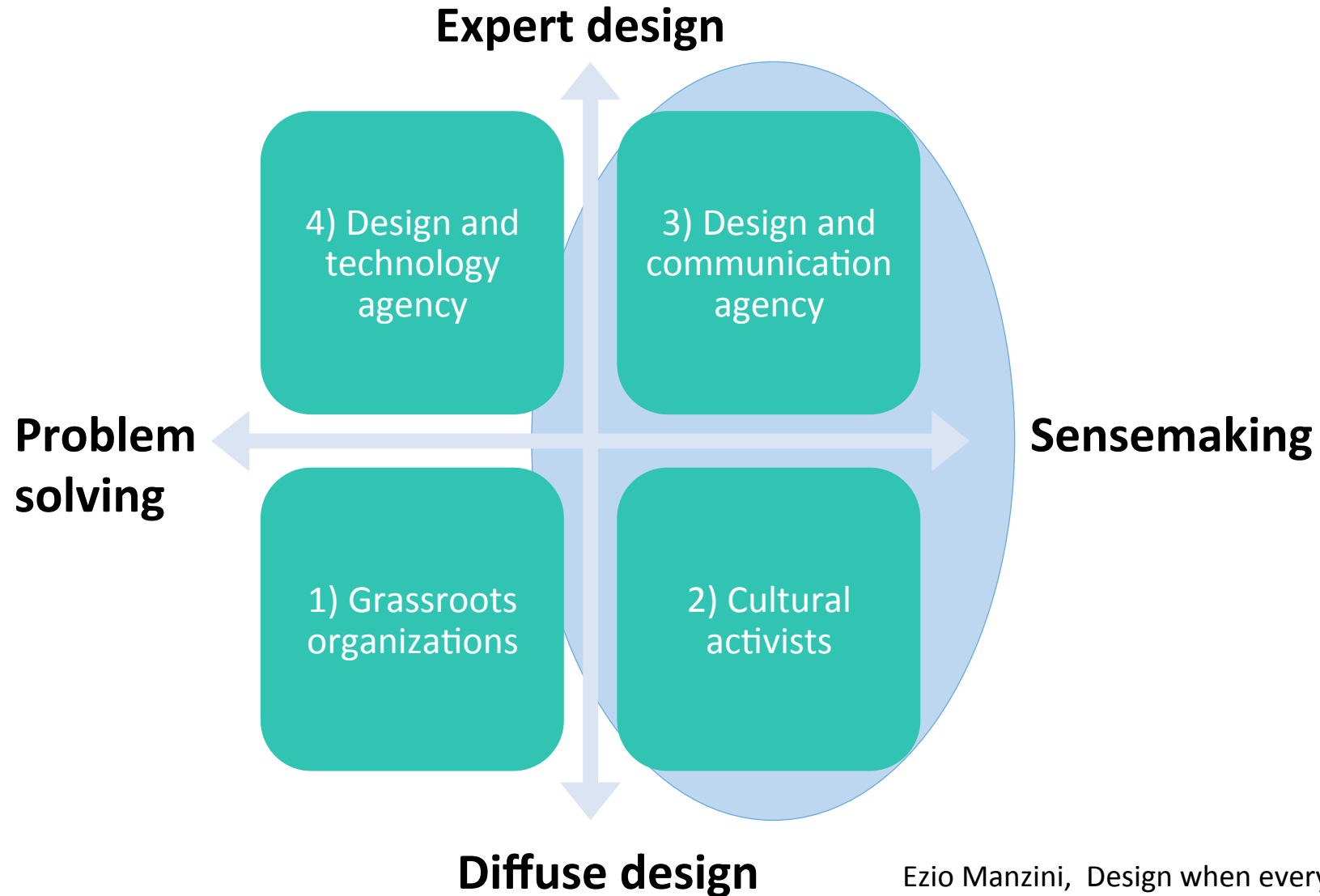
(Shove, Watson and Ingram 2005).

Design is a practice which has as its objective to construct a mindset as it works to create organizational change.

DESIGN as CULTURE

Today design, understood not only as an operative method but also as culture, is oriented in two directions: the one aiming towards isolation, focusing on the formal qualities of products with the most evident aesthetic content. The other approach consists in facing the present-day challenges, and intervening on the strategies that determine the social and environmental quality of the changing world of today.(Manzini 1998: 57)

Design helps generate sense-making of systems of value.

Design for social enterprises

Ezio Manzini, Design when everybody designs, 2015.

Design as a practice and design in practice for:

1) Facilitating transitions

2) Re-combining existing assets (especially dormant ones)

3) Sensemaking

4) Establishing an "open" mindset

What can design do for me

1) Diversify and create new services

2) Review my vision and organizational structure/processes

3) Re-design services based on the person/beneficiary

4) Incorporate innovation coming from other worlds and types of companies as well as those self-generated
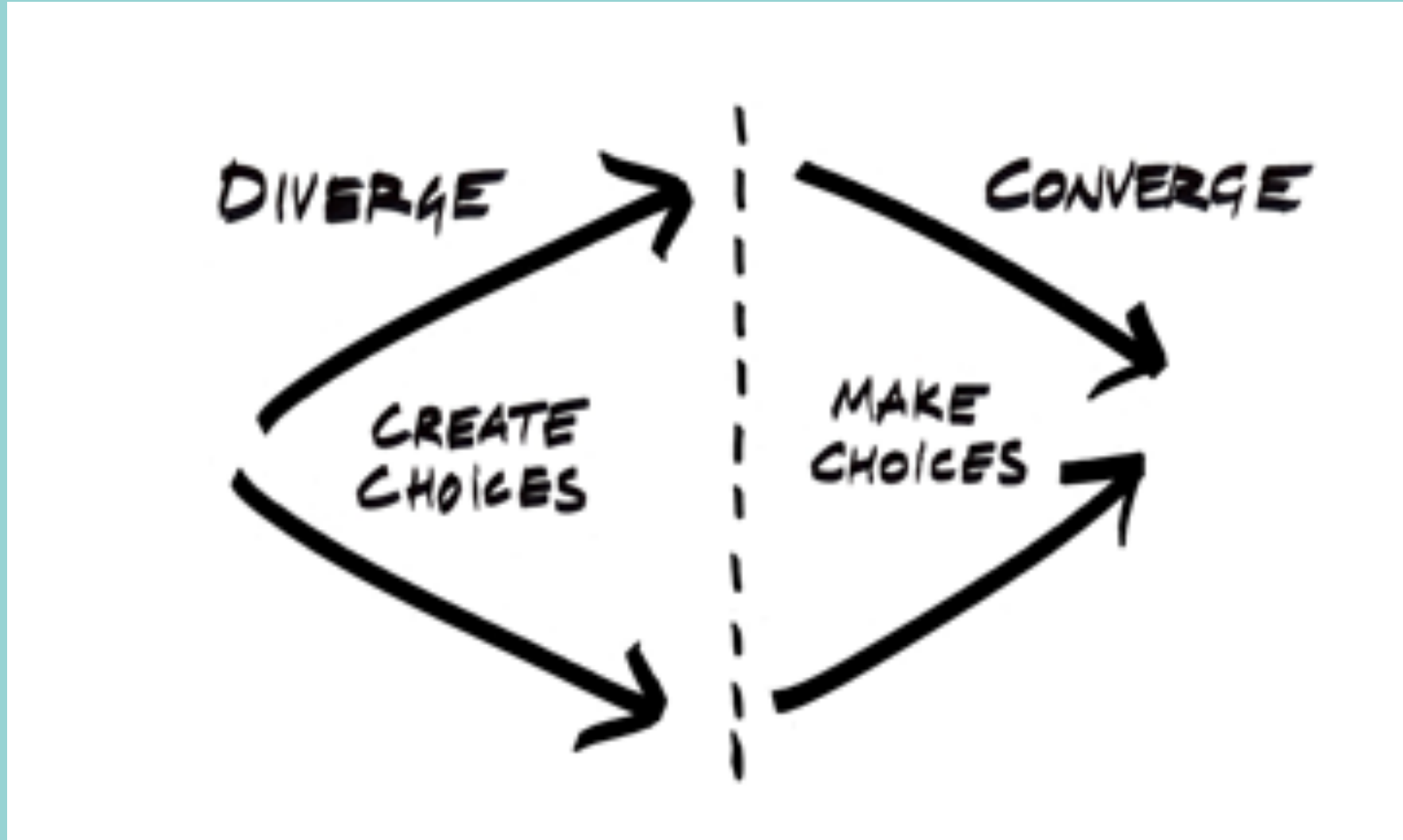
<Diverge >Converge

Although design processes are in reality nonlinear, it is possible to articulate an **outline structure**. It is important to understand that this structure is **iterative** in its **approach**.

[THIS IS SERVICE DESIGN THINKING]

<Diverge >Converge

Human Centered Design

The human-centered design process oscillates between very tangible and very abstract thinking modes as you journey through the three phases. The process starts by getting out into your community and learning from people. Next you'll go broad while brainstorming and exploring lots of potential solutions. The process then gets tangible again as you rapidly build and evolve your prototypes based upon real feedback.
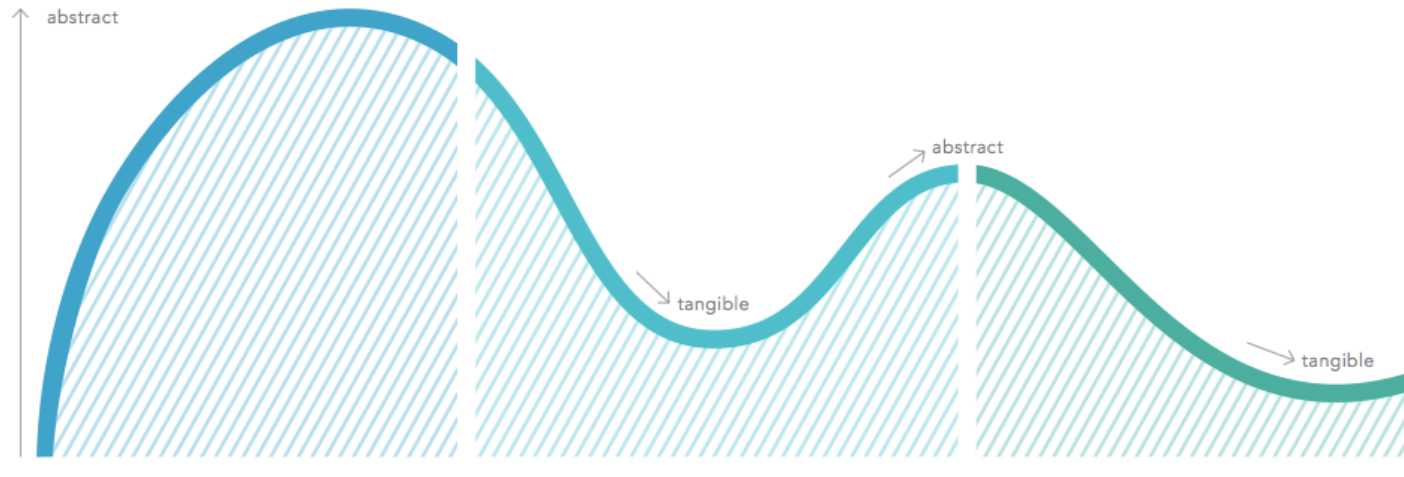
DISCOVER

I have a challenge.
How do I approach it?

IDEATE

I learned something.
How do I interpret it and begin designing from what I learned?

PROTOTYPE

I have an idea.
How do I build and refine it?

abstract

tangible

tangible

How might we help social enterprises develop the right skills to face these challenges?

What new professional figures should be introduced into social enterprises?