



GOOD PRACTICE WEBINAR

Highlights report

Fostering social entrepreneurship in rural areas through local action

Summary

This first Good Practice Webinar organised by the Rural Pact Support Office (RPSO) brought together around 70 practitioners from 22 EU and 5 non-EU Member States. It offered them an opportunity to get familiar with inspiring initiatives fostering social entrepreneurship in rural areas and to exchange experiences on themes such as finding the right model to address local needs, involving key local actors in supporting local entrepreneurship and ensuring long-term sustainability of social enterprise.

The discussion brought up a number of success factors, challenges and recommendations, for example:

- > building social capital is a process, it needs a first tangible action to mobilise the community,
- > support structures and local intermediaries play an important role,
- > appropriate legal frameworks for social economy are needed and there is scope for exchange of experience of different national models,
- > it is important to educate people about the role of social entrepreneurship for rural areas, and to build confidence that change is possible.

Organiser: Rural Pact Support Office



11 May 2023



Online



70 participants, (local practitioners, researchers, public authorities, advisors, business, producers, other EU-funded projects, etc.)



Presentations & recordings ([here](#))



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Rural Vision & Pact supporting social entrepreneurship



Alexia Rouby (DG AGRI) welcomed the audience and presented the Rural Pact as a means to involve a wide range of stakeholders in the implementation of the Long-Term Vision for Rural Areas (LTVRA). She explained the three key objectives of the Pact (bringing up key rural concerns and topics to the policy agendas, networking, collaboration and mutual learning, and fostering commitments to act), and the key types of stakeholders (public authorities, civil society organisations, businesses, citizens, academic, research and innovation organisations). She presented the updated state of the Rural Pact Community: by May 2023 there were over 1 750 members of the Community, and over 80 stakeholders have made a specific commitment to act for Europe's rural areas.

Setting the scene: social entrepreneurship as a driver for prosperous rural areas



Urszula Budzich-Tabor (Rural Pact Support Office) presented the agenda and objectives of the event and explained the key concepts linked with the topic, as well as the importance of social economy and entrepreneurship as one of the nine Flagship Actions of the EU Rural [Action Plan](#). She stressed that rural areas may need social entrepreneurship more than other types of areas, but they are also fertile ground for the growth of social enterprises.



Anastasia Costantini (Diesis Network) presented the findings of two major studies carried out by Diesis on the impact of social economy on empowering rural communities, and especially rural women. Social economy not only creates jobs, but also fosters the sense of participation and builds an ecosystem for engaging all stakeholders. She also mentioned a number of examples, such as social farming, arts and cultural activities, community cooperatives, illustrating how social economy can create jobs, provide essential services, develop a diversified economy and combat rural depopulation.



Živilė Čimolauskaitė (Lithuanian authority of the European Social Fund - ESF) outlined briefly the ESF+ Social Innovation+ Initiative, in particular the EU-level grant scheme for transnational projects facilitating transfer or scaling up of social innovation, and the European Competence Centre for Social Innovation, which fosters mutual learning, collects and communicates data and information, and manages social innovation database.

Learning from inspirational projects and practices

Silicon Vilstal – Home for new ideas

Silicon Vilstal **Helmut Ramsauer (Silicon Vilstal, Germany)** presented the initiative of a Bavarian village which aims to foster social innovation and make digital opportunities tangible for the rural community through projects and events around STEM education, entrepreneurship and culture. Starting with an experience festival, this initiative has developed over the years to become the first German partner of the New European Bauhaus programme and one of the organising partners of SOCIALTECH4EU, the largest Europe-wide social startup programme.

ESF strengthening social enterprise – Milka dairy plant



Milan Medić (Vallis Collapis LAG, Croatia) shared the experience of using ESF to support a small family

dairy plant to develop into a sustainable social business through training, support to staff salaries and promotion. The “Milka” dairy employs 5 local women and reinvests 75% of its profits into the social enterprise. It purchases milk from 17 neighbouring farms and supplies its products to three supermarket chains in Slovenia.



Bałtów social economy cluster – making social entrepreneurship sustainable

Jarosław Kuba (Bałtów social economy cluster, Poland) told

the story of a social enterprise that helped to turn a declining post-industrial village in central Poland into a vibrant touristic centre, starting from rafting trips on the local river to a comprehensive tourist product comprising the first Jurassic Park in Poland, a horse riding centre, winter sports, questing etc., and hosting almost



500.000 tourists in the peak 2014 year. Over the years this initiative has successfully applied for a wide range of funding sources, including the EU EQUAL initiative, ESF, European Agricultural Fund for Rural Development (EAFRD), Swiss Aid for Poland and many others. In addition to creating almost 300 jobs for the local inhabitants and support to emerging businesses (including 35 rural tourism farms), the project has created strong links with the local community.

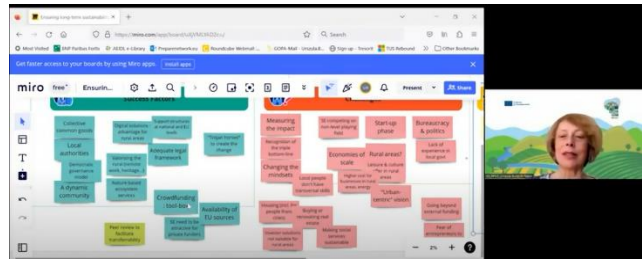
Panel discussion: Key learnings and recommendations

The panel discussion with project promoters and **Gianluca Pastorelli (Diesis Network)** identified the following lessons:

- > when developing social entrepreneurship in rural areas, the local community needs to be involved and mobilised from the start. Organising a tangible activity such as an event or festival can help;
- > LEADER LAGs can encourage local entrepreneurs and help them to access or manage funding and to create the necessary linkages, for example with key suppliers and potential markets;
- > developing a sustainable social business requires strong leadership with a long-term vision and business experience, as well as strong roots in the local community;
- > local authorities can play a big role in supporting social entrepreneurship in rural areas;
- > it is important to develop a working mode of several actors with complementary skills and combining multiple sources of funding, while avoiding too much dependence on one funding source;
- > possibilities of learning and exchanging between different rural communities should be fostered.

Main messages from group discussion

Participants gathered in groups to exchange about the success factors, challenges around three crucial aspects for bringing forward social enterprises. The main messages are summarised below:



Finding the right social entrepreneurship model for local needs

- > Social entrepreneurship model needs to be built on a **holistic, integrated and strategic** approach taking into account sustainability principles. It should allow integration of different types of territorial capital.
- > A starting point should be to build the community infrastructures and to work with local resources, using a **participatory approach**. Social networks can be an intermediary between internal and external resources.
- > There is no common **legal framework** at EU level and definitions of social enterprise vary between Member States, so there is scope for mutual learning.
- > In countries where there is less tradition in the field of social economy, there is lack of knowledge or scepticism about the existing models and their benefits. Greater **awareness** is necessary so that they are known and that an increase of interest can push the creation of a legal framework.
- > The specificity of social enterprises means they don't attract, or cannot easily benefit from, mainstream **funding sources**. There is a need for adapted funding systems built from the bottom-up and taking into account local needs.

Identifying and involving key local actors to support social entrepreneurship

- > Support is needed not only for individual projects, but more broadly to **foster multi-stakeholder approaches**. As far as possible, such support should use already existing structures.
- > A good identification of **local needs** at the beginning, and **local leaders** with a long-term vision, are needed to secure the involvement of local actors.
- > **Animators** can help connect with entrepreneurs, associations and local authorities. **Business sector stakeholders** can be particularly difficult to mobilise, but they may be encouraged by supportive local infrastructure and access to funding.
- > It is important to show stakeholders that **things can happen**: demonstrating successful and innovative projects can foster trust in the community and motivate newcomers.
- > A barrier in involvement can be lack of **education and information**, especially if stakeholders don't believe/trust that changes are possible. Actors involved in social entrepreneurship may need specific capacities, such as democracy, inclusion, community approaches.

Ensuring long-term sustainability of social entrepreneurship

- > Social enterprises operating in rural areas face a number of constraints, they benefit from economies of scale to a lesser degree than their urban counterparts, so they are competing on a **non-level playing field**.
- > Long-term sustainability of social entrepreneurship needs **adequate support structures** both at the local level (in particular local authorities), as well as at national and EU level.
- > In the long-term social enterprises must be able to attract not only public funds, but also **funding from private sources** (including crowdfunding).
- > Building **awareness** and promotion of social entrepreneurship would be needed to different audiences. This would involve improving the knowledge, exchange of good practices, giving the floor to local practitioners. Peer reviews can facilitate transferability of successful solutions.
- > Measuring and demonstrating **impact** of social enterprise can be a challenge. Innovative projects should be allowed to fail, provided lessons can be drawn from such failures.
- > **Bureaucracy**, political conflicts and lack of experience of public authorities can threaten sustainability of rural social enterprises.

More information from group discussions is available on the whiteboards uploaded on the [website](#).

Concluding remarks



Valentina Caimi (AEIDL) shared her reflections on the discussions conducted during the day. She stressed that in addition to agriculture and nature-based activities, rural areas offer much more: services, tourism, creative economy, long-term care, housing and others. Social economy facilitates a sense of belonging and fosters collaboration more than competition.

Leadership, vision and shared strategy are important, as well as developing connections at regional, national and EU levels. Legislative solutions and supporting ecosystems as well as varied funding sources are needed, but social enterprises need to find their own model to reach sustainability.

The final comments at the event came from RPSO Deputy Team Leader **Enrique Nieto**, who outlined the upcoming activities of the RPSO, and from **Marie Lambert (DG AGRI)** who thanked all those who contributed to this successful event.



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