

Guidelines for the selection of the European Capitals of Social Economy and their Social Impact

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Abstract

Social economy is a part of activities for the development of social responsibility toward a socially responsible society (Mulej et al, 2019). In 2018, Slovenia presided over the Supervisory Committee of the Luxembourg Declaration of the Group of European States in the field of social economy. As a result, Maribor became the European Capital of Social Economy for the year 2018. The Association Social Economy of Slovenia as the umbrella organization of the social economy in Slovenia organized or actively participated in more than 30 domestic and foreign events within the project. Based on an analysis of the previous capitals and Slovenian experience, we have developed guidelines for the selection of the following European Capitals of Social Economy. We can call them "criteria", but the term "guidelines" is more appropriate. We found that for different cultural, social and economic environments, uniform criteria cannot be applied absolutely, but only relatively. In addition, different countries and regions have different needs and interests. The greatest challenge in shaping these guidelines is a different notion of what the social economy in a given country means and, consequently, what types of organizations are covered by the social economy sector. Positive impacts on people and the environment can be important criteria. The social impact can quite well unify the ideas of whether and why we need the European Capitals of Social Economy and detect whether their influence is effective enough in the formulation of European policies, for the operation of organizations and businesses in the social economy sector as well as for the lives of ordinary people.

Keywords: European capital of social economy, social effect, Association "Social Economy of Slovenia"

1. Introduction and starting points

The values of the social economy are participatory governance, the return of profits back to society, ethical, socially responsible and sustainable business, the integration of vulnerable and difficult-to-employ groups in order to contribute to innovative, smart, sustainable and inclusive growth and the creation of quality employment. It gives priority to people before the capital.

The social economy is one of the main multidisciplinary topics in Europe, as it addresses most of the goals of sustainable development of the United Nations through the economy, the social activities, philosophy, protection of human rights and the protection of the environment. It, therefore, contributes to the development of a socially responsible society (Mulej dr., 2019). One of the important activities of promoting the social economy objectives are the declarations and **the selection of the European capitals of the social economy.**



Challenges – 1. Professionalization - The project, »Maribor, European Capital of Social Economy 2018«, was carried out **voluntarily**, without the financial means of the European Union, the state of Slovenia or the municipality of Maribor for a team of the responsible organizing committee. It was carried out by the most active members of **the non-governmental organization of the Association Social Economy Slovenia**, in particular, the board of directors and the Podravje branch. At the **national and municipal level, the activities were supported at the declarative level and in the organization of international conferences and some other events.** 2. **The challenge is also the measurement of the social impact of the capitals, as there is no uniform standardized measurement (Rawhouser, Cummings, Newbert, 2017).**

The research area and the purpose of the article - The experience from our capital was the reason for our article because we were interested in how the preparations, the selection, the presidency and the implementation of the activities of the capitals were held in other countries. We also want to standardize and professionalize the activities of the future capitals.

Objectives and purpose of the article - With the guidelines for choosing European capitals, we want to show to the future candidates the challenges from our experience and challenges from the findings of the research of other capitals in order to make them ready before the candidacy. The main goal of the guidelines is to prepare candidates for the European capital of the social economy for the effective implementation of activities. And, the ultimate goal is, of course, to achieve a noticeable and sufficient social impact.

Hypothesis and research questions - Our hypothesis is: Through long-term planning and through the proposed guidelines, it is possible to increase the effectiveness of the European capitals of the social economy in achieving their social impact in the local, national and international environments. The research question is: "What activities can increase the effectiveness of the European Capitals of Social Economy?"

Literature Review - With the research of the topic "European Capital of Social Economy", we found that literature on this subject (sought in affiliates) does not exist in scientific sources in English, but in the language of the presiding country. Most of the information is published online in the form of news or announcements. In the case of Maribor, sources in most cases appear in the form of reports on performed activities. The vast majority of publications refer to Maribor, some to Madrid and Strasbourg. Therefore, we felt the theoretical need to address the necessary topic/issue. In the article we included the sources for the key phrases "European Capital of Social Economy" and »Evropska prestolnica socialne ekonomije« (www.socialnaekonomija.si, 2018), "Capital Europea de la Economía Social" (<http://www.abogadosdecooperativas.com>, 2017) and "Capitale europeenne de l'économie sociale" (www.eurooptimist.eu, 2019); we excluded other keywords from the field of social economy.

The methodology used - We used the application and development method since the findings in the article can be used in practice. We used the inductive method in particular, since from practical examples from Maribor (<http://socialnaekonomija.si>) we prepared guidelines, in terms of their social impact. However, since the social impact in the European Union is not standardized either in the sense of a uniform definition nor a uniform measurement system, we use it as a red thread in the article, and as the focus, we have in mind when proposing guidelines for the selection of capitals. **In this phase of development of the European Capitals of Social Economy, the guidelines in this article at the same time present a**



proposal for the activities for their effective implementation. This is essential because candidate countries show the level of understanding of the social economy, the ability to cooperate and maturity for preparation, organization, staffing and communication procedures. The proposals also show the ability to achieve the more efficient development of the social economy sector in the local, regional, national and also international level. This is important also for achieving the social impact of their activities.

Social impact - Social impacts are values that one often cannot define financially, such as involvement of normally excluded and new jobs (Cojocar, Sfetc, 2013), freedom, socialization, happiness, sense of accountability, and above all the health, which is basically a consequence and a combination of the above. **Measuring the social impact is indispensable not only for measuring the effectiveness of the European capitals of the social economy, but for all activities of all organizations, companies and public administrations, and for their comparison and evaluation.** IRDO model of measuring social effects enables social enterprises to evaluate the results of their work and effectively present the results to others (Mulej, Kojc, Hrast, 2014).

2. Madrid, the European Capital of Social Economy for 2017

In 2017 Madrid, after numerous activities were done in the field of social economy and the rich history of co-operation in Spain, became the first European capital of the social economy. Due to the limited space here, let us mention here a few milestones.

On 23 May 2017, the Madrid Declaration positioned the social economy as a "business model for the future of the European Union". (www.revesnetwork.eu, 2017). The declaration was signed by 11 countries at an event organized by Cepes, Social Economy Europe and the Spanish government in the presence of 400 participants. The declaration supported the existing social economy declarations, among which the Luxembourg Declaration of 2015 is a milestone, which also laid the foundations for the election of the European Capital of Social Economy, as it turned out later (but only at the declarative level). This was also agreement on a common promotion of the social economy between Luxembourg, France, Italy, Slovakia, Slovenia and Spain. The promotion and positioning of the social economy in Europe continued with the Bratislava Declaration in 2016, and the Ljubljana Declaration 2017 when new EU countries joined.

We were not able to find any reports regarding the Madrid capital's activities carried out on the Internet. Therefore, communication with the public and reporting of results are missing in order to measure the results and social effects of the capital.

3. Maribor, European Capital of Social Economy 2018

On November 16, 2017, the Supervisory Board of the Luxembourg Declaration met in Goeteborg, which, on the proposal of Spain, elected Slovenian State Secretary Tadej Slapnik as the new Chairman of the Supervisory Board. In this way, the Republic of Slovenia took over the presidency and the management of the Supervisory Board of the Union of the 14 EU Member States in the field of social economy for 2018. On the proposal of the Tadej Slapnik and Nena Dokuzov from the Association for Social Economy of Slovenia, Maribor became the European Capital of Social Economy, because in this city the social economy was



developed most in comparison with other Slovenian cities (www.socialnaekonomija.si, 2018) in the last period. Due to the lack of planning, support or even communication, Slovenia and the municipality of Maribor responded neither with a prepared budget to cover the cost of carrying out the capital activities, nor with a national campaign. That is why we have carried out the presidency and the capital within the framework of the Association Social Slovenia, its technical secretariat and operational persons within the Volunteer Coordination Committee within their time, personal and financial capabilities. However, it is important to emphasize the support of the state and the municipality of Maribor, assuming some of the costs for the implementation of events (conference organization costs). (author's experience).

Activities and results

As volunteers, we emphasized three matters: the connection between social enterprises, education on social entrepreneurship and the promotion of social entrepreneurship. Activities: mapping active social enterprises in Podravje, organizing 3 international conferences and participating in 10 abroad, organizing 30 events in Slovenia (education, workshops, fairs, booths). Results: More than 350 companies and 450 individuals were included in the activity (www.socialnaekonomija.si 2018, 2019). In the meantime, we also set up the Responsible Creators Cooperative (www.create-responsible.eu). The result is an increased number of members of the Social Economy Association of Slovenia through the campaign »Buy responsibly«. The results were also shown in May 2019 with the opening of zero-waste stores without plastic packaging (www.socialnaekonomija.si, 2019). Social impact on concrete examples of social enterprises will be described on our future works since we have a lack of space in this article.

An example of the result: Social Impact of the Daily Activity Center for the elderly »TOTI DCA, so.p.«. (author's experience and Holc, M., 2019).

Social enterprise "TOTI DCA Maribor, so.p." carries out complementary social programs for the elderly. The client is the Municipality of Maribor. TOTI DCA offered space for the seat of the Association Social Economy of Slovenia. In the DCA Tabor unit, Gorkega street 34, half of the events under the project "Maribor, the European Capital of Social Economy" were carried out, and some also in the DCA Center unit on Partizanska street 12, where the Association offered the branch office for the Podravje branch. Thus, TOTI DCA as a social enterprise positioned itself as a major supporter of the social economy both in Maribor and Slovenia (and even more widely). In this way Toti DCA increased its visibility and involvement in wider social economy area. New opportunities showed up in both the social and economic spheres. For activities, there was also great interest among the users of Toti DCA who also transferred the information to the local environment. In 2018, this social enterprise successfully developed new free programs for the elderly, which is why the number of social service users increased by 16% (to almost 400), financing by as much as 22% and donations by 10%. The social impact of TOTI DCA is the socialization of the elderly engaging in one or more of the 30 different free activities offered. This increases the psychophysical health of the users and, as a result, relieves the Health Fund, prolongs life in the home environment. Due to the participation of over 40 volunteers, from students to



pensioners, who perform free activities as volunteers, activities mean also the intergenerational cooperation and transfer of knowledge. Due to the extremely high demand for inclusion in the activities of Toti DCA, the needs and opportunities for new premises are opened up. Toti DCA also gained excellent experience and references for obtaining funds in public tenders.

Social impact on more examples of social enterprises can be described on our future works.

Communication of activities and project reporting

We prepared an interim and final report of the results of the capital and presented it to the public (chronologically): June 31st 2018 at the University of Maribor (www.socialnaekonomija.si, 2018); July 11th 2018 as part of the Interim Report of the Social Economy of Slovenia Association (www.socialnaekonomija.si, 2018); December 3rd 2018 at the final Buy Responsibly Conference on the 9th Days of the Social Economy at the Hotel City in Maribor (www.socialnaekonomija.si, 2018), where the title »European Capital of Social Economy« was also transferred to Strasbourg representatives; December 5, 2018 at the 9th Days of the Social Economy at the European House in Ljubljana (www.socialnaekonomija.si, 2018, 2019); December 7, 2018 on Net TV (<http://www.net-tv.si/>, 2018) as part of the annual report of the Association Social Economy of Slovenia (www.socialnaekonomija.si, 2019); April 2nd, 2019 as a workshop about experience from Maribor's capital to new capital in Strasbourg; June 20, 2019 through this article at the IRDO Conference. Communication in the media is on the link <http://socialnaekonomija.si/onas/medijsko-sredisce/> (still updated).

4. Strasbourg, European Capital of Social and Solidarity Economy 2019

On December 6, 2018, the French High Commissioner for Social and Solidarity, Christophe Itier, announced: "I have the pleasure to announce, alongside Roland Ries, that Strasbourg will be the European Capital of Social and Solidarity Economy in 2019, after Madrid and Maribor! We will work with the City, the Metropolis, the Department, the Region, and all stakeholders to create an ambitious program." (Poussard, 2018). Therefore, in addition to the »social economy«, the Alsatian capital also included the expression »**solidarity economy**«. (French Impact, 2019).

The first opportunity to visit Strasbourg was on April 2, 2018, when we were invited to present the experience of our presidency to the new European capital of Social Economy. In the morning, a meeting of the Supervisory Board of the Luxembourg Declaration was held, and in the afternoon, a formal part with workshops on the theme of co-operatives, ecology, and the social economy. On this occasion we presented our experiences from the project Maribor, European Capital of Social Economy 2018. (author's experience).

5. Guidelines for the selection of the European Capitals of Social Economy

Note: The guidelines are indicative, based on the author's experience. At a later stage, they would be made into a »programotek« (framework procedures system), i.e. a dialectical system of framework programs, which include the experience of creative work processes (Mulej et al., 1985). It could cover tasks in the phases (1) of the device, the design, (2) the program



implementation, (3) after the completion of the capital, e.g. on the guidelines provided here. This could make the teams of next capitals have a much easier work.

5.1 Concept

For the efficient implementation of the capitals, we propose the definition of a professional basis: the vision, mission, strategy and purpose of the state-level presidency and the project of the capital at the local level; corporate visual identity - graphic design (logo, possible forms of use for various purposes, media and materials); resources (financial, personnel ...); planning of impacts (financial, non-financial, social, environmental, moral ...); planning potential stakeholders (users of services and social economy products, individuals and organizations that are motivated by ideas or already carry out activities in the field of social responsibility, sustainable development and social economy, social economy enterprises, socially responsible, sustainable and ethically oriented companies; politics), public services, government organizations and institutes ...).

5.2 Activities in the candidature phase

Activities in the candidature phase take place at least a year before the election. This phase is as important as the implementation phase. Even if the announcement does not take place during the planned year, the activities can be done, while the goal is to raise the social economy to a higher level.

5.3 Objectives and their complementation with development policies and strategies

The definition of goals that we want to pursue both at the state level and at the level of the municipality of the capital, is important also from the aspect of social impact planning, specifically for municipalities (Korosec, Ronnie, Berman, Evan, 2006). The goals should be aligned with the existing policies and strategies in terms of their supplementation, **and to influence the creation of new ones in accordance with the objectives of the social economy sector.**

5.4 Support and communication

The candidates will be more successful if the social economy sector has state-level support: **e.g. the law or the strategy of social entrepreneurship already exists or the process is in progress.** This is the basis for a better understanding of the social economy and a more efficient implementation of the activities.

In the local environment (municipality) and the competent ministry (national), it is necessary to empower the person responsible for communicating with the organization responsible for the implementation of the capital or the organizational committee of the capital. Namely, all actors have to speak the same language, know the purpose of the social economy and the goals of the capital, otherwise it cannot work effectively enough. A state-level competent person may be a State Secretary or a senior official **who can act interdepartmentally.**

5.5 Promotion and reporting of activities and social impact



Activities in the field of promotion of social enterprises, the social economy sector (including cooperatives) and communication with the media have to be planned. Possible types of promotions are: paid (advertising in the media, cooperation with an advertising agency or individual creators ...), unpaid (organic, self-promotion, prepared by the team itself within the project), fieldwork (guerrilla, implementation of events, such as the preparation of conferences, fairs, participation in foreign events, lectures ...) and media (publication of advertisements in various media).

For each event, a report is to be prepared, as a part of the strategy (for example sustainable development, precarity, social responsibility, a specific project implemented within the capital, challenges of social enterprises, examples of good practices ...). Reports on performed activities can be published on the website and social networks, presented at conferences, used for communication with the media, for communication with stakeholders in the social economy sector and with decision makers in other sectors and as part of the material for investors. All reporting should be prepared with a view to using it to measure the social impact. Since the methodology is not yet unified or standardized, one of the existing one can be used (**GECES, SROI - Social Return on Investment, Impact Wizard, Reach for Change ...**).

Above there is an indicative list of essential activities required. The actors should be able also to perform activities, which could be facilitated by making the »programotek« (framework procedures system) mentioned here earlier. In this article, we have no room for a more detailed explanation.

6. Conclusion (confirmation of the hypothesis, answer to the research question and further research)

The European Capital of Social Economy is **the title, it's just a name**; in a way, it is given and by itself does not mean anything if the stakeholders do not use it. They actually create it in a way to live. The capital is an opportunity to connect actors in the field of social economy: social enterprises, supportive environment organizations, umbrella association(s), municipalities, competent ministry. It turned out that the Slovenian Presidency and, consequently, the project »Maribor, the European Capital of Social Economy« could even be implemented for the following reasons: due to the extraordinary activities of State Secretary Tadej Slapnik and Nena Dokuzov; due to the extraordinary enthusiasm of the board of directors of the National Association of the Social Economy Association of Slovenia and because the Republic of Slovenia has already adopted the law on social entrepreneurship and also fact Slovenia has relatively well-developed sector of social economy.

By examining the existing European capitals of the social economy we also found that they were carried out **within government or public institutions, except in Maribor**. Better preparation in both vertical and horizontal areas and reporting would certainly contribute to the efficiency of the social economy sector in the presiding country, as well as to greater visibility in the economy, society and citizens of the capital.

Most of the information is published on the web in the form of news or announcements in **French or Spanish** (in the case of Maribor also in the form of reports of activities carried out, including in English). With additional research in these languages, we can obtain more material for the in-depth article. **In the expanded article, we will also include a graph of**



the timeline of measuring social effects and media monitoring of activities, because here we go beyond the available space.

By further studying the social impact, we can present it in more detail with existing measurements focused on the aspects of the topic under discussion.

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