



**Northern Periphery and Arctic** 

RESULTS
Mapping of the conditions
for Rural Social Enterprises
in Finland, Iceland, Ireland,
Norway, Sweden







### Social Enterprises are those: (European commission, 2024)

- who the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation.
- whose **profits are mainly reinvested** to achieve this social objective.
- where the **method of organisation or the ownership system reflects the enterprise's mission**, using democratic or participatory principles or focusing on social justice.







## Method used for the mapping

Ecosystem review (EU 2020)

Literature review (119 articles)

Survey – 395 Social Enterprises (24%)

Survey – 403 Support organisations (15%)

Interviews – 13 Municipalities/decision makers







## Social Enterprise Ecosystem









(Source: EU 2020)



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Financing

Policy & Strategies

SOCIAL ENTERPRISE

Public procure-ment

Key actors

Research, education & skills development

Networks & Support mechanism

#### 1. Unreliable data on the number of SE

- 2. SE are a heterogeneous group of businesses
- 3. Networks exist for SE
- 4. Lack of financial support structure for SE

However, the five countries in the Northern Peripheral and Arctic areas that we study have progressed differently.



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## SIMILARITIES AND DIFFERENCES





#### Literature review: What knowledge exists in the area?



Social: Enterprise, Business, Entrepreneurship and Entrepreneur

Community based

Rural areas

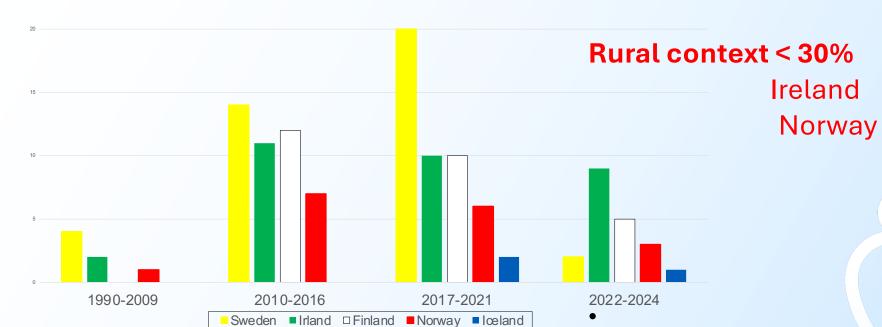


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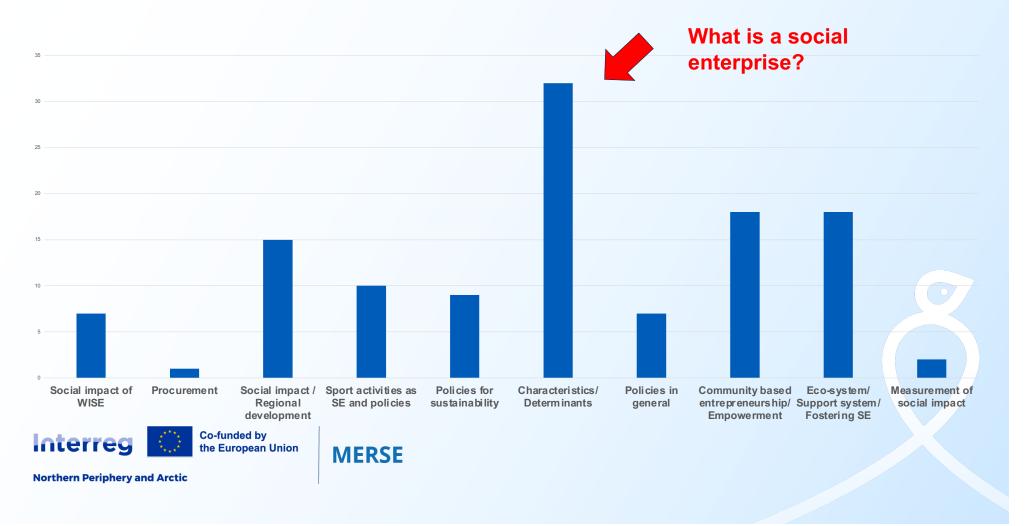
#### In total 119 articles

Most studies: Sweden Recent: Ireland





#### Previous research – What is the research about?



#### What are they not about?

#### Social enterprises in rural areas:

- Prerequisites
- Best practice
- Business models
- Impact measurement



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#### **Survey to Social Enterprises**











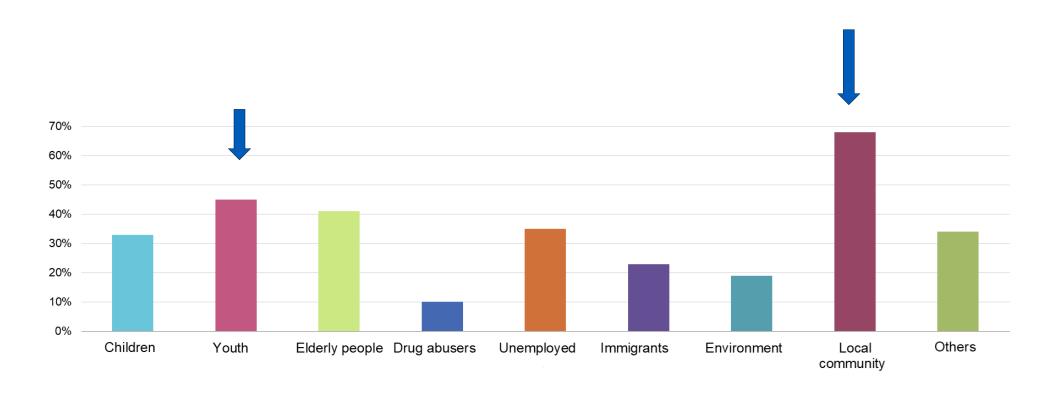








#### **Beneficiaries**



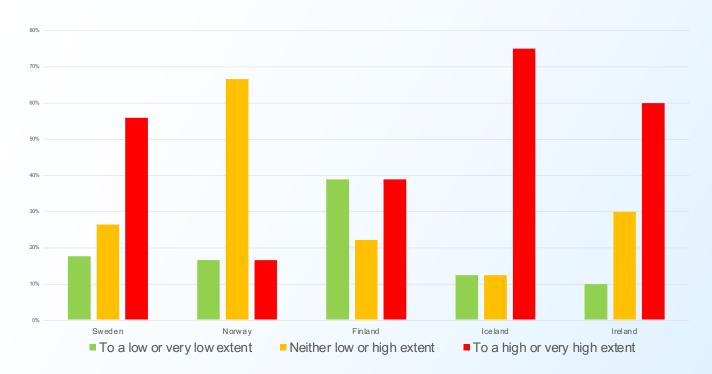
#### **Characteristics**

- The majority of the businesses are more than 10 years old.
- Median age of business owners (respondents) are 52
- 72% of the respondent are women
- SE have employees, median = 5 employees
- The majority have a turnover less than 100 000 500 000 Euro
- Struggle with profitability
- Re-invest money in the company





## How does the rural context affect the mission of the SE?



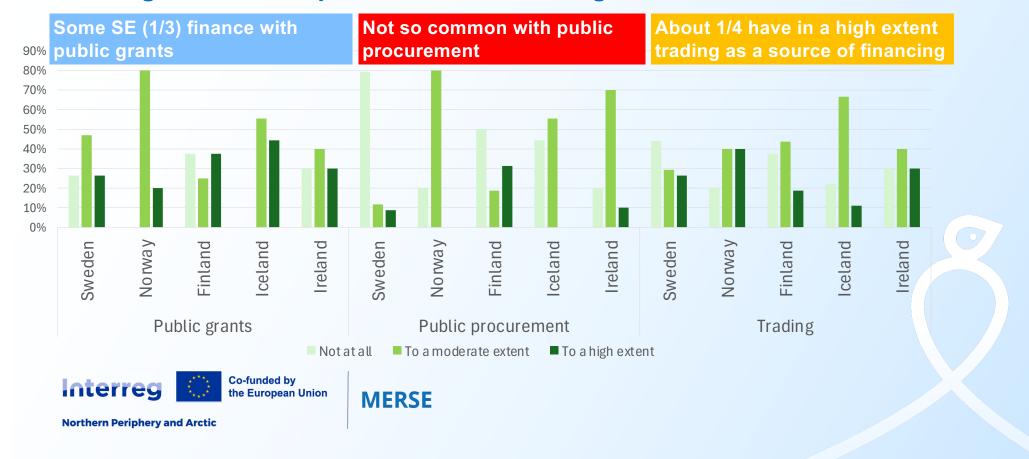




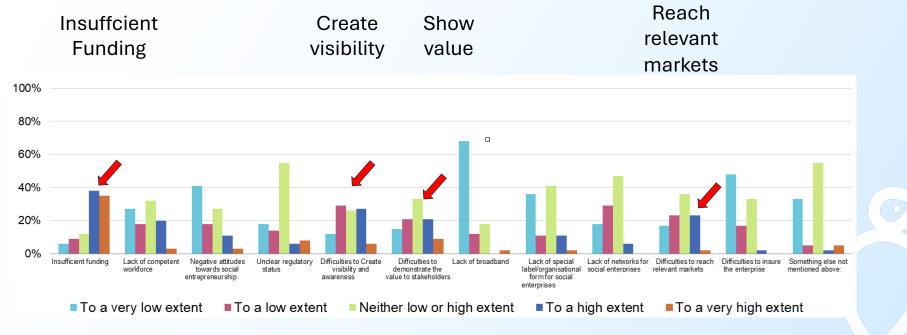
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#### Country differences – Primary sources of financing

#### **Public grants/ Public procurement or Trading**

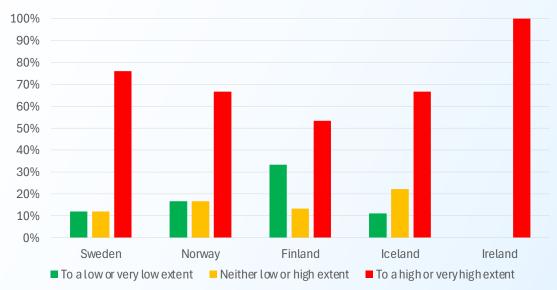


#### Findings - Obstacles





Obstacles – Insufficient public funding

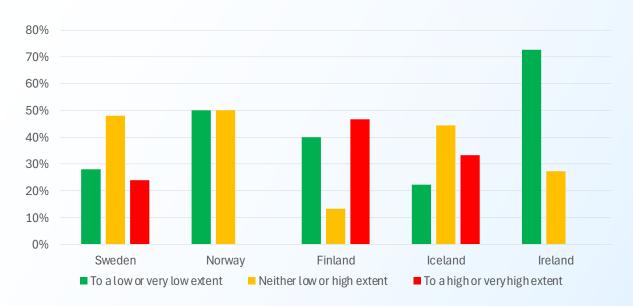






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Obstacles – Reach relevant markets?



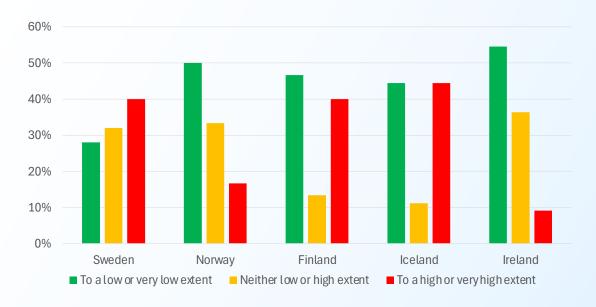
No = Ireland

Yes = Finland





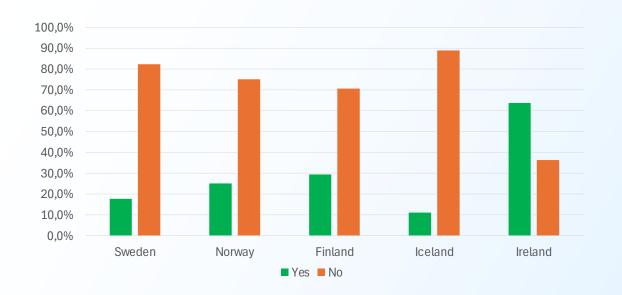
Obstacles - Create visibility and awareness



Yes and No



#### Country differences - Measuring social value



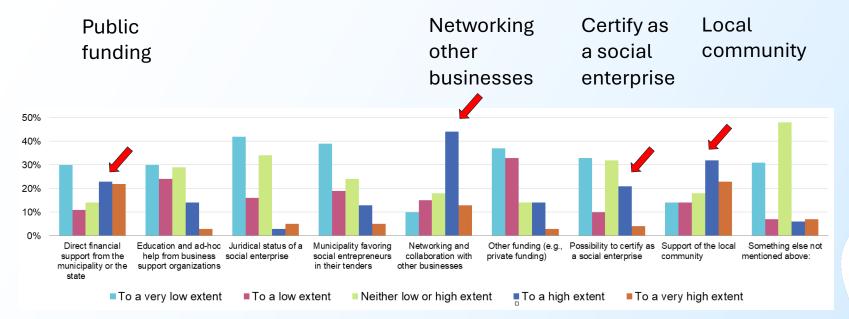
Yes = Ireland

No = Sweden, Norway, Finland, Iceland



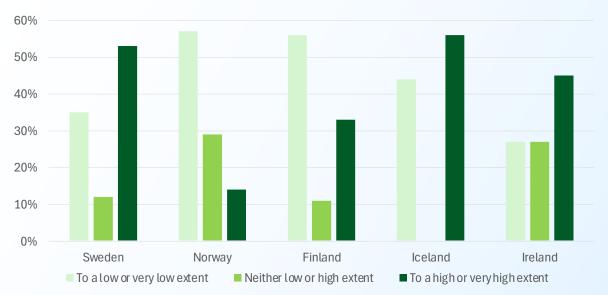


#### Significant received support





• Significant received support - Public financial support?

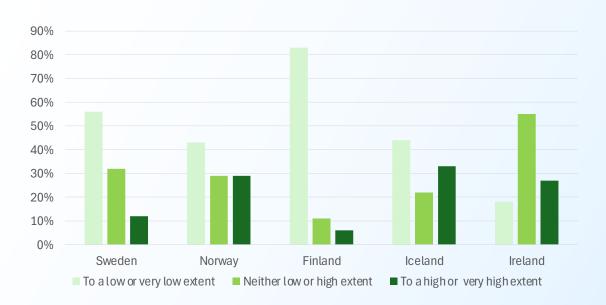


Yes= Iceland, Sweden and Ireland
No= Norway and Finland





Significant received support - Business support organisations?

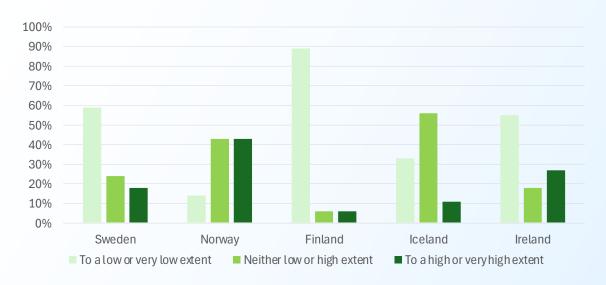


(Yes≈ Norway and Iceland) No= Finland and Sweden





Municipality favoring social entrepreneurs in their tenders? \*



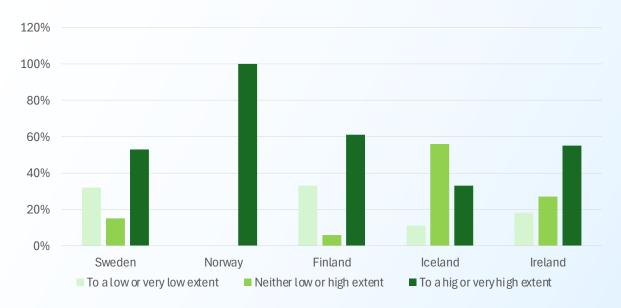
(Yes≈ Norway)

No= Sweden, Finland, Ireland





Networking and collaboration with other businesses\*



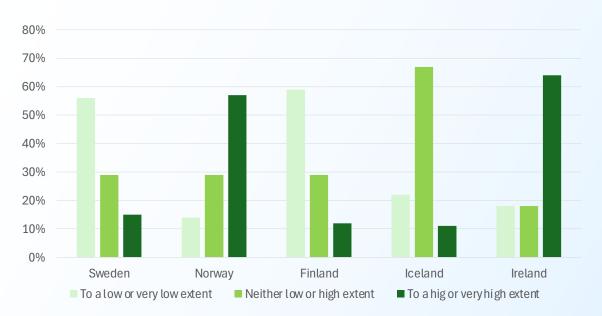
Yes= Sweden, Norway, Finland, Ireland





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Possibility to certify as a social enterprise\*



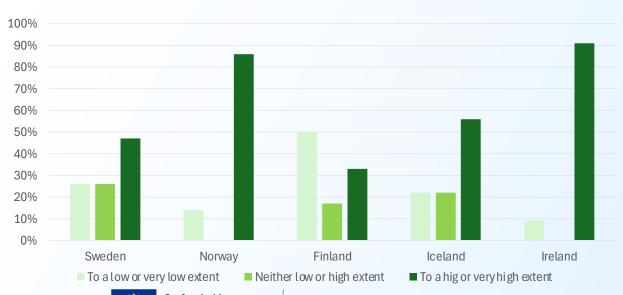
Yes= Ireland and Norway

No= Finland ans Sweden



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Support from the local community\*



Yes= Sweden, Norway, Ireland and Iceland

(No≈ Finland)







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# External support mechanisms that the enterprises <a href="https://hoped.ncbu.nlm.ncb

1) Public financial support

2) Municipality favoring SE in their tenders

No significant country differences





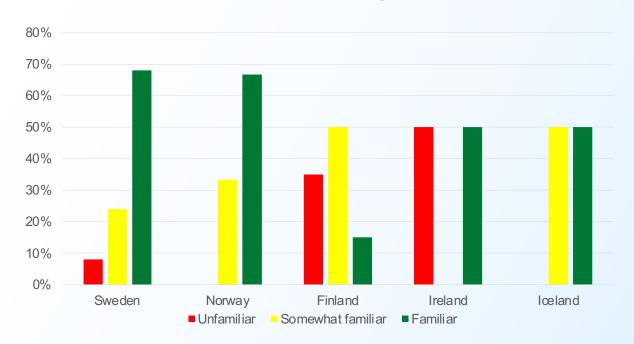
#### **Survey to Support Organisations**







# How familiar are you with social enterprises in your organisation?



Familiar= Sweden, Norway And Iceland, Ireland

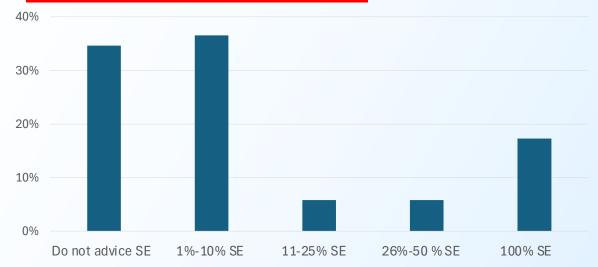
Not so familiar= Finland





# Share of social enterprises of total advising?

61% of the support organisations do not advise SE at all, or just in a low degree

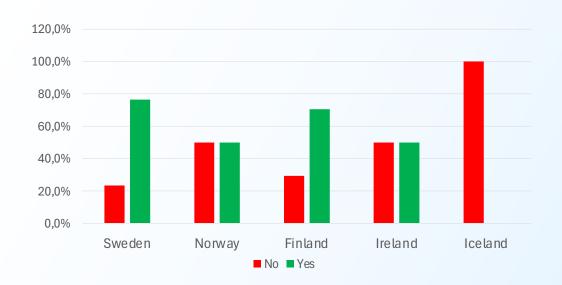






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# Do you have the same possibiliteis to offer the same support to rural and urban (social) enterprises?



Yes= Sweden and Finland

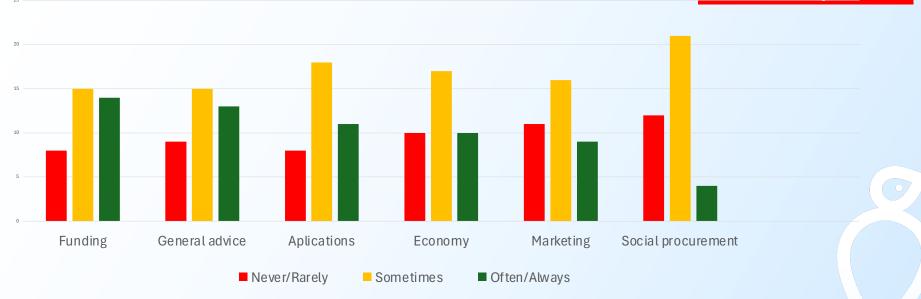
No= Iceland





## What kind of support do (social) enterprises demand in rural areas?

We have very little experience with social enterprises





Interviews-13 Municipalities in Five Countries

- The SEs operates in many different industries and areas
- Most municipalities in have good knowledge of SE
- Only municipalities in Ireland, and one in Sweden, has developed strategies for SE
- Irish municipalities support SEs to the greatest extent
- Public procurement is used in Ireland, Finland and Sweden
- It is difficult to measure the value, it is done in Ireland and Finland
- Irish and Finnish municipalities are the ones who measure value
- The municipalities believe that SEs play an important and central role in the development of municipalities and counties, particularly in rural areas.





#### **SUMMARY**

- The rural environment affects to a large extent
- Difficult to get profitability in social enterprises
- The vast majority re-invests in the business
- Few stated that they had trading as part of their business activities

Lots of similarities but also differences

- > Ireland is far ahead in terms of research
- > Iceland, a young but emerging field
- > Still a lack of knowledge about social enterprises and the benefits they create
- Support organisations have knowledge about SE, but do not support them
- Municipalities, knowledge exist but lack of policies and strategies













#### CONCLUSION

SEs are important enablers in rural areas, but they struggle with the economy and need to be more recognized



## Thank you!

https://www.interreg-npa.eu/projects/merse/home/













