



POLICY BRIEF ON SOCIAL ENTREPRENEURSHIP AS DRIVER OF CHANGE IN MARGINALISED RURAL EUROPE

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EXECUTIVE SUMMARY

ENGLISH: Social entrepreneurship increasingly drives social innovation addressing social challenges in marginalised rural regions. Because social entrepreneurs are seen as promising new players with a capacity to tackle social problems, policies that effectively support social entrepreneurship counteracting challenges in rural Europe are very much needed. This policy brief summarises the EU H2020 funded research and training project RURINNO that investigates the activities and ecosystems of social

POLSKI: Przedsiębiorczość społeczna w coraz większym stopniu napędza innowacje społeczne adresowane wyzwaniom, przed którymi stoją społeczeństwa w marginalizowanych regionach wiejskich. Przedsiębiorstwa społeczne są widziane jako nowe, obiecujące podmioty rozwiązujące problemy społeczne. Dlatego też ważną rolę w skutecznym wspieraniu przedsiębiorczości społecznej w zakresie innowacyjnego przeciwdziałania wyzwaniom pojawiającym się na terenach wiejskich w Europie odgrywa polityka. Informator polityczny zawiera podsumowanie projektu badawczo-szkoleniowego finansowanego przez Unię Europejską, w ramach programu

ΕΛΛΗΝΙΚΑ: Η κοινωνική επιχειρηματικότητα οδηγεί όλο και περισσότερο την κοινωνική καινοτομία στην αντιμετώπιση των κοινωνικών προκλήσεων σε περιθωριοποιημένες αγροτικές περιοχές. Επειδή οι κοινωνικοί επιχειρηματίες θεωρούνται πολλά υποσχόμενοι νέοι παράγοντες για την αντιμετώπιση των κοινωνικών προβλημάτων, είναι ανάγκη να αναπτυχθούν πολιτικές που υποστηρίζουν αποτελεσματικά την κοινωνική επιχειρηματικότητα στην καινοτόμο αντιμετώπιση των προκλήσεων που λαμβάνουν χώρα στην αγροτική Ευρώπη. Η έκθεση πολιτικής συνοψίζει το χρηματοδοτούμενο από την ΕΕ H2020 έργο έρευνας και εκπαίδευσης RURINNO το οποίο

DEUTSCH: Sozialunternehmen widmen sich vermehrt sozialen Innovationen zur Lösung gesellschaftlicher Problemlagen in marginalisierten ländlichen Regionen. Sozialunternehmen gelten als vielversprechende Akteure bei der Bewältigung sozialer Probleme. Es sind daher politische Strategien gefragt, die soziales Unternehmertum effektiv dabei unterstützen, den Herausforderungen im ländlichen Europa zu begegnen. Dieser Policy Brief fasst die Erkenntnisse des EU H2020 geförderten Forschungs- und Ausbildungsprojektes RURINNO zusammen, welches intensiv die Aktivitäten und Umweltbedingungen von Sozialunterneh-

enterprises in rural Austria, Greece, Ireland, and Poland. The three concluding recommendations for policy makers in the fields of social economy and rural development are: (1) assign social entrepreneurship a clear role in rural society and the economy, (2) facilitate sustainable business models for social innovation, and (3) reinforce voluntarism in social entrepreneurship as a mechanism for social inclusion in rural Europe.

Horizon 2020, którego przedmiotem jest dogłębne badanie działań i ekosystemów przedsiębiorstw społecznych na terenach wiejskich w Austrii, Grecji, Irlandii i Polsce. Trzy końcowe zalecenia dla decydentów z dziedziny gospodarki społecznej i rozwoju obszarów wiejskich to: (1) przypisanie przedsiębiorczości społecznej wyraźnej roli w społeczeństwie wiejskim i gospodarce, (2) ułatwienie zrównoważonych modeli biznesowych dla innowacji społecznych i (3) wzmocnienie pozycji wolontariatu w przedsiębiorczości społecznej jako mechanizmu integracji społecznej na obszarach wiejskich w Europie.

ερευνά σε βάθος τις δραστηριότητες και τα οικοσυστήματα των κοινωνικών επιχειρήσεων σε αγροτικές περιοχές της Αυστρίας, της Ελλάδας, της Ιρλανδίας και της Πολωνίας. Οι τρεις τελικές συστάσεις για τους υπεύθυνους χάραξης πολιτικής στους τομείς της κοινωνικής οικονομίας και της αγροτικής ανάπτυξης είναι: (1) να εκχωρηθεί στην κοινωνική επιχειρηματικότητα σαφής ρόλος στην αγροτική κοινωνία και οικονομία, (2) να διευκολυνθούν τα βιώσιμα επιχειρηματικά μοντέλα για την κοινωνική καινοτομία, και (3) να ενισχυθεί ο εθελοντισμός στην κοινωνική επιχειρηματικότητα ως μηχανισμός για την κοινωνική ένταξη στην αγροτική Ευρώπη.

men in ländlichen Regionen Österreichs, Griechenlands, Irlands und Polens untersucht hat. Aus unserer Forschung leiten wir drei Empfehlungen für Entscheidungsträger im Bereich Sozialwirtschaft und ländliche Entwicklung ab: 1. Sozialunternehmen müssen klare Rollen in Gesellschaft und Wirtschaft ländlicher Regionen zugewiesen werden, 2. Geschäftsmodelle zur Förderung sozialer Innovationen müssen stärker gefördert werden, 3. Freiwilligenarbeit in Sozialunternehmen sollte als Mittel sozialer Inklusion unterstützt werden.

INTRODUCTION

THE CHALLENGES FOR MARGINALISED RURAL EUROPE

Structurally weak rural regions across Europe face similar challenges that call for innovative answers. Compared to urban centres, such regions suffer from low economic productivity and a lack of jobs for well-qualified people. Such regions can offer limited educational opportunities and cultural entertainment (EC 2013). As a result, these regions experience out-migration, especially of young, well-educated people. In the worst case, downward spirals are set in motion that further reduce economic opportunities and prevent rural regions from overcoming

their structural deficits (Christmann 2014). Without tailored intervention, rural regions risk falling behind the wider social and economic development in Europe. Their continued marginalisation undermines the social and territorial cohesion in the European Union. Great hope is placed in social entrepreneurs, as they are considered to be change agents who can break unfavourable routines through social innovation (Lang et al. 2014; Kibler et al. 2015, Stephan et al. 2016).

THE KEY: SOCIAL INNOVATION FOSTERED BY SOCIAL ENTREPRENEURS

Social entrepreneurs increasingly drive social innovation to address current social challenges in the marginalised parts of Europe. They develop innovative solutions to existing problems and empower others to do the same. Entrepreneurs drive economic change by innovatively combining existing elements (Schumpeter 2008 [1934]). This also applies to *social* entrepreneurs, who push social innovation at the intersection of the public, private, and not-for-profit sectors (Peredo and McLean 2006). Typically, they operate in fields where the State and the market fail to satisfy social needs (Jähnke et al. 2011; Santos 2012; EC 2013). Social entrepreneurs are seen as having the potential to fill this gap with social innovation. Recently, the European Commission has addressed social

entrepreneurship through policy initiatives such as the “Social Business Initiative” (EC 2011) and the “Social Investment Package” (EC 2013). One reason for the growing awareness of social entrepreneurs is their ability to provide enhanced solutions to social challenges by changing the way individuals think and act. Because social entrepreneurs are seen as promising new players who could help tackle social problems in marginalised rural Europe, policies that effectively support social entrepreneurship and social innovation are much needed. It is therefore imperative to address the question of how to support social entrepreneurs in innovatively counteracting the challenges in marginalised rural Europe.

OBSTACLES TO SOCIAL ENTREPRENEURS UNLEASHING THEIR INNOVATIVE POTENTIAL

To date, the innovative potential of social entrepreneurship has not been fully tapped in marginalised rural Europe. We identify three major obstacles that account for that situation:

First, unfavourable framework conditions prevent social enterprises from having more impact. A recent survey revealed social enterprises felt they lacked adequate support from public administration units (Mercator 2012). Compared to business services for corporations, the support networks and infrastructure for social enterprises remain underdeveloped (EC 2013). At the same time “a low degree of recognition of social entrepreneurship” (EC 2011, p. 5), “a lack of visibility” (EC 2013, p. 81) and poor media coverage (Mercator 2012) were mentioned by interviewees.

Second, the development of social enterprises is often hampered by a lack of specialised training, education, and knowledge exchange (EC 2013). In addition to the liabilities of smallness and newness faced by all new ventures that can cause them to have a shortage of time and money, and to struggle to establish a reputation

(Stinchcombe 1965), social enterprises typically work in niche areas of society and, thus, also suffer from limited knowledge exchange with other entrepreneurs active in a similar business (Mercator 2012). This isolation of the social entrepreneur is aggravated in marginalised rural regions, where the social acceptance of entrepreneurial activity is typically low (Kibler et al. 2015).

Third, although social entrepreneurs have been recognised as drivers of social innovation in the politics and research spheres (SEFORIS 2015, SI-DRIVE 2015), the empirical knowledge base for formulating context sensitive policies capable of fostering social entrepreneurship and innovation remains weak. The specific conditions and processes of social innovation have not been understood so far (Neumeier 2012). What is clear, however, is that context matters. Thus, EU policies targeted at fostering social entrepreneurship and innovation have to take the specific issues of rural regions into account. They also have to be aware of the fact that these contexts can vary considerably across different rural regions in Europe (Breitenecker and Harms 2010).

APPROACH

THE RURINNO RESEARCH AND TRAINING PROJECT

Against this background, the EU Horizon2020 research and training project “Social Innovation in Structurally Weak Rural Regions: How Social Entrepreneurs Foster Innovative Solutions to Social Problems” (RURINNO) creates an empirical knowledge base that can be used to tap the potential of social enterprises in marginalised rural Europe. Two high-profile research institutes (IRS in Germany and IFI in Austria) and four acknowledged social enterprises (Ballyhoura Development in Ireland, NIDA in Poland, OTELO in Austria and Stevia Hellas in Greece) work together in the project. RURINNO strives to address the three obstacles mentioned above: It aims to place the

social entrepreneurial approach on the agenda of policymakers and authorities. It develops a tailored training programme for social entrepreneurs to help them develop and implement social innovation in marginalised rural Europe. It is also building a knowledge base to support formulating recommendations on how to foster social innovation to meet social needs and social challenges in marginalised rural Europe. For this purpose, RURINNO researchers investigate in long-term research secondments the innovative activities and institutional ecosystems of the four involved social enterprises. RURINNO lasts from February 2016 until March 2018.

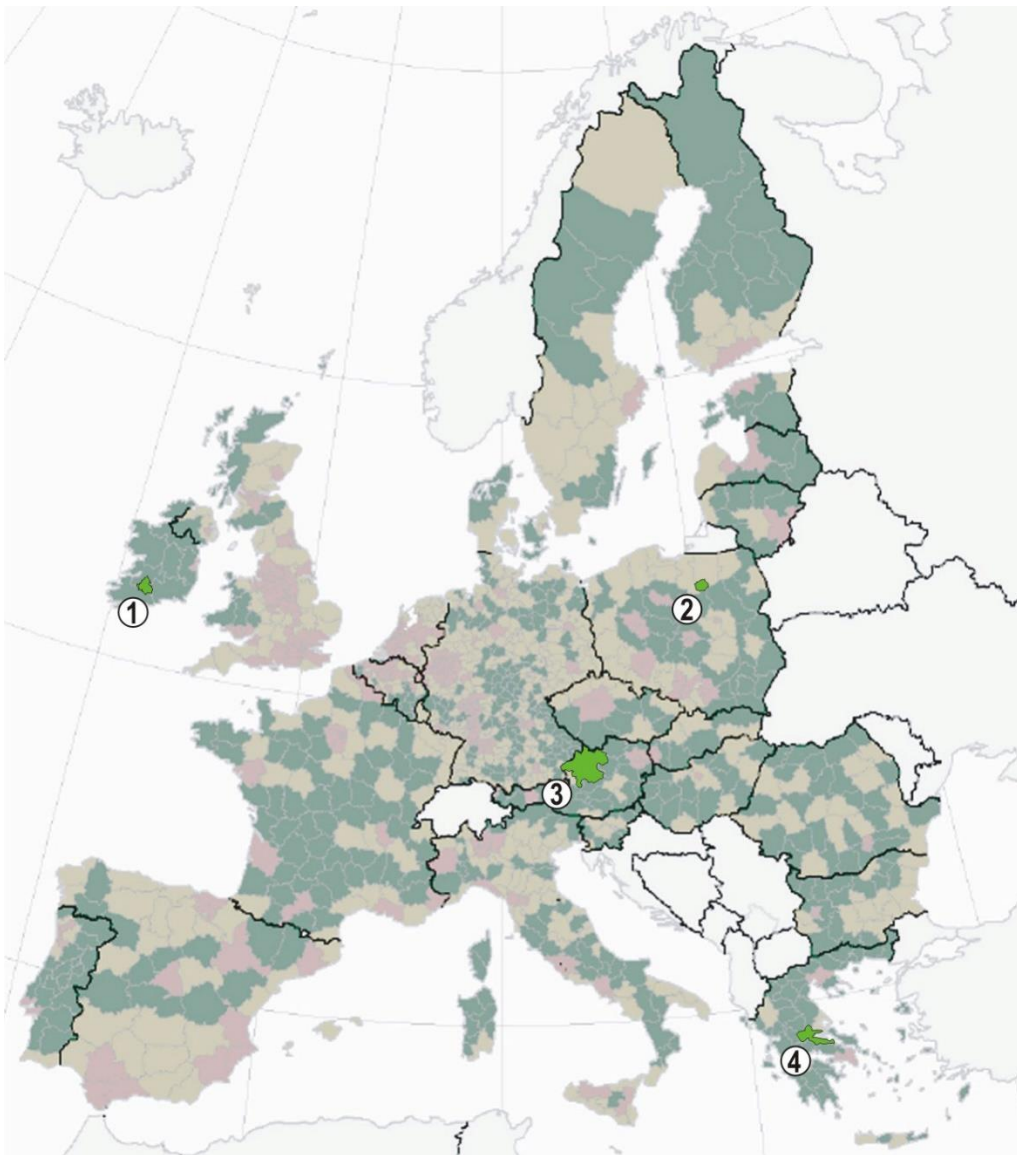


Fig. 1: RURINNO case studies: Ballyhoura Development CLG, Ballyhoura area/Ireland (1), NIDA Development Foundation, Nidzica region/Poland (2), OTELO eGen, Upper Austria (3), Stevia Hellas, Phthiotis region, Central Greece (4)

Source: EU (2013): Rural Development in the European Union; Urban-rural typology: Predominantly rural (green), Intermediate region (yellow), Predominantly urban (red)

RESULTS AND CONCLUSION

THREAT TO APPROVED RURAL DEVELOPMENT MODEL: THE CASE OF BALLYHOURA DEVELOPMENT IN MID-WEST IRELAND

Local public authorities once had little input into delivering core services to communities in rural Ireland. Political representation and administration have traditionally been concentrated in cities like Limerick, Cork, and Galway. Rural communities are remotely controlled by authorities located in these urban centres. Rural development companies like Ballyhoura Development emerged to fill the gap that public authorities left in the rural hinterland. Their business models focus on the provision of core public responsibilities such as delivering regional, national, and EU funding programmes aimed at social, economic, and environmental development, enhancing employability among the unemployed, supporting micro-sized and small businesses and promoting the Ballyhoura region as a tourist destination. Rural development companies take a participative approach. They strengthen the capacity for self-help and enhance social cohesion across communities by facilitating community-led local development activities.

However, recent government reforms endanger the approved business model for the delivery of public services by rural social enterprises. While the replacement of contracts for delivering public service by tenders ensures transparency and avoids the distribution of funds becoming path dependent, it simultaneously impairs planning reliability and carries the risk of a race to the bottom. Furthermore, newly established opportunities for rural communities to receive state support with less administrative burden make funding procedures bypassing rural development companies and undermine their role as intermediaries between funding schemes and rural communities. Finally, the Irish LEADER budget shrank considerably from EUR 425 million (programme period 2007–2014) to EUR 250 million (2014–2020) due to a reduction of co-financing by the Irish government.

Ballyhoura Development responds to the challenging situation with a strategy of service and funding diversification. While regional development often merely pays lip service to participation and empowering people, we

BALLYHOURA DEVELOPMENT CLG (IRELAND)

1988	Founding year
40	Number of employees at the end of 2016
783	Number of people supported into employment between 2009 and 2015
3,350	Number of children and young adults supported in social inclusion activities between 2009 and 2015

ENABLING AND HINDERING FACTORS FOR SOCIAL ENTREPRENEURSHIP IN RURAL IRELAND

- + Openness for delivery of public services by social enterprises
- +/- Change from revolving contracts to tenders in sourcing the delivery of public services from social enterprises
- Reform closed gaps in local-level government structure that provided business opportunities to social entrepreneurs
- Substantial cut in LEADER budget

found Ballyhoura Development to succeed in supporting participative bottom-up community initiatives without forcing its own ideas on the communities. Once communities recognise a common need and search for ways in which it can be implemented, Ballyhoura Development comes into play, lending its expertise in mediating community activation and mentoring application processes for suitable funding schemes. However, Ballyhoura Development is very clear about the fact that the impetus has to remain with the communities. This keeps community members engaged, makes them take ownership of the process, and makes rural communities more inclusive.

ACTIVATING PEOPLE IN SPITE OF CONTRADICTIONARY POLITICAL SIGNALS: THE CASE OF NIDA FOUNDATION IN NORTH-EAST POLAND

A challenge for rural development in north-east Poland is the prevalent indifference and passivity of parts of the local population. A legacy of the state farms of the communist era is that today many people still wait for help from the administration rather than taking the initiative themselves. Social economy organisations like the NIDA Development Foundation fight this unfavour-

able legacy by developing positive role models and fostering self-employment through consultancy and financial support.

One of NIDA's most influential initiatives is the Pottery Village ("Garncarska Wioska"). Since 2007, NIDA built up a traditional settlement that houses, among other attractions, a pottery workshop, a tavern, a blacksmith's

workshop, a cinema, an amphitheatre, and a “paradise garden”. By bringing to life traditional local handcraft and organising markets and festivals, the pottery village imparts knowledge about traditional village life and fosters a positive image of the region. It offers a new gathering place for the community and a tourist attraction in a region economically dominated by agriculture. NIDA created a number of jobs particularly for people with few qualifications and weak job prospects. While NIDA’s pottery village followed examples from Austria, France, and Germany it has further developed the concept and adapted it to the specific setting of rural Poland. Meanwhile, it has become a role model for other rural communities in Poland. A number of theme villages such as the Wool Village, the Wicker Village, and the Herb Village have been established.

Additionally, NIDA empowers locals to engage in social entrepreneurship. As regional coordinator of the public support scheme OWES, NIDA provides comprehensive start-up support to social enterprises. This includes coaching, training, business incubation, and start-up grants. OWES highlights the importance that the Polish government assigns to the emerging social economy. This policy focus is also reflected in a new administrative clause that favours social enterprises in public tenders. However, other recent governmental decisions undermine the ambition for social business development. When the government introduced considerably increased child allowances (“Rodzina 500 plus”) the number of social business start-ups immediately dropped. The social policy

NIDA DEVELOPMENT FOUNDATION (POLAND)

1994	Founding year
16	Number of employees at the end of 2016
142	Number of companies created using loans, guarantees, and grants provided by NIDA
3 m	Euro in loans provided by NIDA to 246 small and medium businesses and social enterprises

ENABLING AND HINDERING FACTORS FOR SOCIAL ENTREPRENEURSHIP IN RURAL POLAND

- + National and regional programme for the development of the social economy
- + Capacity-building in regional social economy support centres (OWES)
- + Clause favouring social enterprises in public tenders
- Lack of systemic support for the activities of OWES
- Negative incentives contradict the empowerment of people (e.g. “Rodzina 500 plus”)

measure, while being welcomed by many people, proved to be a negative incentive for social entrepreneurship. In general, social entrepreneurship and innovation would benefit from a more coherent, long-term orientation that would deliver a reliable policy for rural Poland.

FACILITATING BRAIN GAIN RATHER THAN PREVENTING BRAIN DRAIN: THE CASE OF OTELO IN UPPER AUSTRIA

Although rural regions in Austria perform comparably well, they share the experience of out-migration of young and well-qualified people with rural regions in other countries. While rural regions typically fight brain drain by encouraging out-migrants to stay, the Austrian social cooperative OTELO has adopted a strategy of attracting in-migrants to the region. The OTELO idea is to create inspiring environments that attract talented and open-minded people to live in rural communities. For that it creates “open spaces” and “open technology labs” in small towns and villages that offer a place for experimentation as well as for the development and exchange of ideas. OTELO creates “white spaces” in an environment that often lacks public, easy accessible spaces to encourage creativity.

Austria offers favourable conditions to rural social enterprises. In rural Austria, there is a tradition of voluntarism and a sufficiently large proportion of the population is open to new ideas. Combined with a high standard of living and multiple public and private funding opportunities, this provides an enabling environment for social enterprises. Municipal decision makers tend to be supportive of non-profit organisations. For example,

OTELO eGEN (AUSTRIA)

2014	Founding year
12	Number employees at the end of 2016
24	Number of open technology labs established in rural Austria, Germany, Italy, and Spain
1,000	Number of regular users of open technology labs

ENABLING AND HINDERING FACTORS FOR SOCIAL ENTREPRENEURSHIP IN RURAL POLAND

- + Rural municipalities are responsive to requests from non-profit organisations (e.g. free of charge provision of rooms, energy, and internet access for OTELO labs)
- + Multitude of funding opportunities (private, public, philanthropic)
- Culture of reciprocity and focus on personal contacts bring risk of losing business if decision makers change

municipal councils enable the establishment of OTELO labs by providing rooms with basic facilities such as electricity, heating, an internet connection, a toilet, and a kitchenette free of charge. However, the culture of reciprocity and the strong reliance on personal contacts make Austrian social enterprises vulnerable to changes of key decision makers in the public or private domains. This

is because changes to political decision makers or top managers of sponsoring firms threaten the continuity of revolving contracts and, thus endanger the financial stability of the social enterprises. OTELO suffered from this issue when a project was unexpectedly terminated when a change in regional government introduced a new decision maker.

INDEPENDENCE FROM PUBLIC FUNDS AN ADVANTAGE IN TIMES OF AUSTERITY: THE CASE OF STEVIA HELLAS IN CENTRAL GREECE

The Phtiothis region in central Greece is economically dominated by agriculture. Traditionally, the cultivation of tobacco provided a considerable share of the income of small family farms. The downturn of the tobacco industry threatened the survival of the family farms and, coincidentally, opened the door to innovation. Former tobacco farmers became aware that the stevia plant – a low calorie, diabetic-friendly, sugar substitute – thrives in conditions similar to those supporting the tobacco plant. In close cooperation with universities and research institutes, the farmers developed cultivation and processing methods and founded the social cooperative Stevia Hellas in 2012. Since then, 70 members have joined the cooperative. The cooperative educates the farmers in cultivation methods, supports harvesting, collects and processes the leaves and markets the extracted stevia sugar. Instead of only producing the raw product, Stevia Hellas aims to cover the whole value chain from the plant to the final product. The actions of the social cooperative direct the value added from throughout the value chain to the small farmers, preserve jobs in a region with a youth unemployment rate of 60 per cent, and improves the economic resilience of the Phtiothis region. Today, Stevia Hellas is among the few stevia producers in Europe.

Farmers in the Phtiothis region tend to be risk averse and conservative regarding innovation. However, the successful move into stevia production and the foundation of the social cooperative have changed the mindset and practices of local farmers. While in the past farmers used to favour only producing and selling the raw product, the new cooperative initiated an upward integration of the value chain that empowers farmers to play an important role in the new market for stevia. The Greek recession has intensified the demand for social enterprise services such as the support of disadvantaged people and fostering self-employment. However, due to

its austerity policy, the Greek state has limited leeway to support social enterprises in their delivery of social services. As a cooperative, Stevia Hellas is less affected by the austerity policy, because it is financed by cooperative shares and members' contributions. While the cooperative enjoys its independence from public funds, it suffers from the burden of over-bureaucratic and slow public administration as well as poor access to research and development support.

STEVIA HELLAS (GREECE)

2012	Founding year
7	Number employees at the end of 2016
70	Number of members in the cooperative in Dec 2016
280	Number of people indirectly supported by the Stevia Hellas cooperative
100	Tons of dried stevia leaves (estimated harvest in 2017) after 70 tons in 2016 and 50 tons in 2015

ENABLING AND HINDERING FACTORS FOR SOCIAL ENTREPRENEURSHIP IN RURAL GREECE

- + Cooperatives are widely recognised organisation models with committed members
- +/- Self-financing meets with difficult funding opportunities
- Limited public budgets to charge social enterprises with service delivery
- Lack of support for research and development
- Bureaucracy and slow public administration

CONCLUSION

The four case studies can be summarised along three dimensions: first, challenges occurring in rural regions; second, activities of social enterprises to counter these

- (1) While each of the rural regions investigated faces specific challenges, they have some major issues in common. Each region faces an out-migration of young and skilled people. This results not only in a shortage of skilled workers, but often also in a lack of critical minds questioning the status quo who are willing to contribute to change. Critical
- (2) Rural social enterprises incorporate three characteristics that make them important agents of rural development and change: First, they are innovative players who address rural challenges with innovative solutions such as open technology labs, theme villages, and new crops and cultivation methods. Second, they create social value added
- (3) Rural social enterprises benefit from enabling environments, partly due to social entrepreneurship policy measures, and partly because of traditions in cooperative and volunteer work. Nevertheless, social entrepreneurship is still a vulnerable field of activity. Social enterprises are often dependent on public funds, which can be

challenges; and third, enabling and hindering factors for the emergence of social entrepreneurial solutions.

selection effects can lead to higher poverty rates and social exclusion among those left behind. At the same time, the observed rural communities are characterised by social proximity and a culture of mutual help and responsibility. Together with gaps in the provision of public services the situation offers potential for social entrepreneurship in rural regions.

(e.g. new jobs, enhanced skills, empowered communities) and deliver services that have previously not been provided. Third, they are intermediaries who are both embedded in rural regions and involved in supra-regional networks. This allows them to mobilise ideas, resources, and support in other contexts to the benefit of rural regions.

risky if subsidies are reduced or withdrawn, public programmes are terminated, or decision makers change. Social entrepreneurship continues to be a marginal issue in social and economic policy which is reflected in a low degree of institutionalisation and sometimes even in contradictory political signals.



Fig. 2: Repair café in the OTELO open technology lab Vorchdorf, Austria

IMPLICATIONS AND RECOMMENDATIONS

ASSIGN SOCIAL ENTREPRENEURSHIP A CLEAR ROLE IN RURAL SOCIETY AND ECONOMY

Policy makers on the national and the European level need to decide which role social entrepreneurship is to play in rural society and the economy. Social entrepreneurship has great potential to contribute to society and the economy in many ways, but it is not a panacea that solves everything for everyone. **We call for a responsible discussion and a reasoned political decision on which areas of social needs governments will allocate to social business to cover.**

However, delegation must not result in the State withdrawing from the provision of core services in rural regions. A clear position on the role of social entrepreneurship in the delivery of answers to societal challenges would enable policy makers to formulate a consistent social entrepreneurship policy that provides stability and planning security for social entrepreneurs. This in turn is a prerequisite for a vivid and sustainable development of social entrepreneurship in rural Europe.

FACILITATE SUSTAINABLE BUSINESS MODELS FOR SOCIAL INNOVATION

While social entrepreneurship is sometimes seen as a euphemism for the cost-driven outsourcing of public services to private contractors, at its core is a social mission complemented by an entrepreneurial mission. Over and above the positive aspects of entrepreneurship, such as innovation and structural change, the business models of social entrepreneurs address societal challenges like unemployment, poverty, social exclusion, and marginalisation. This extra contribution of social entrepreneurship justifies favourable institutional conditions such as simplified accounting procedures,

social clauses in public procurement, access to funding schemes, or tax breaks. **We call for support schemes for social entrepreneurship that utilise a pro-active and risk-taking mindset to facilitate innovative answers to societal challenges based on a sustainable business model.** Social innovation can be reflected in new means of service delivery or in the delivery of new services that address previously neglected societal challenges. The delivery of standardised public services, however, should not be subsidised beyond the value of the outsourced services.

REINFORCE VOLUNTARISM IN SOCIAL ENTREPRENEURSHIP AS A MECHANISM FOR SOCIAL INCLUSION IN RURAL EUROPE

Voluntary work remains a strong tradition in communities across rural Europe. Social entrepreneurship draws heavily on this resource, as it not only helps to deliver social services that would otherwise not cover their costs, but more importantly enhances social inclusion. Particularly groups that are threatened with marginalisation in rural communities such as unemployed, retired, or disabled people, and also immigrants can build social relationships by contributing their time to voluntary work for a social enterprise in their local community. By involving volunteers, social entrepreneurship improves skills and enhances social inclusion. Moreover, providing

token payment and insurance protection is a sign of appreciation and reduces the threat of exploitation. However, many national contexts hamper the contribution of volunteers in social enterprises due to unfavourable legal regulations. The access to potential volunteers is often blocked by privacy laws. **We call for a regulatory environment that is more supportive of the contributions of volunteers in social entrepreneurship and that enables governmental bodies to effectively link social entrepreneurs with potential volunteers.**

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