



Posilňovanie kapacít jednotlivcov prostredníctvom obecného sociálneho podnikania

Strengthening of the capacities of individuals
through establishment of the municipality social business



Strengthening of the capacities of individuals through establishment of the municipality social business

Good practice collection of social entrepreneurship
programs/projects

Content

1. Examples from Poland:

Kooperatywa Izerska.....	3
PANATO - Multi-sector Social Cooperative.....	6

2. Examples from Czech Republic:

Pragulic – Experience Prague the Other Way!, Civic Association.....	9
DISMAS: Café without Prejudices – Innovative Social Enterprise.....	11

3. Examples from Slovakia:

Hrhovské služby (Hrhov Services).....	13
SVEPOS.....	16

4. Slovenia:

SOTRA – Social Market for People with Low Income.....	17
Karso Employment Center d.o.o.....	19

Examples from POLAND

Kooperatywa Izerska

Contact person: **Szymon Surmacz**
e-mail: info@kooperatywa.izerska.org
tel. +48 502 554 352

Web page: **<http://kooperatywa.izerska.org/>, <http://wolimierz.org/>**

Jizerian Cooperative (IC) is an informal network of manufacturers, craftsmen, farmers and social workers who live in Jizera Foothills. The main goal of creating IC was animation and implementation of a new organizational level for people who used to work in informal way or within the association of “Unia Izerska” (Jizerian Union)

In June 2013 Foundation for Support of Ecological and Alternative Cultures –Wolimierz, conducted a series of theoretical and practical training sessions on the subject of social entrepreneurship. The direct result of those training sessions was creation of three new organizations and promotion of the idea of “economization of NGOs” amongst several associations and foundations from the region of Jizera Foothills and Karkonosze Mountains. The main idea of IC are actions under common brand, integrated retail and promotion of Jizerian handicraft and food products.

Wolimierz Association was created to pursue the ideas of active Wolimierz residents. The main goal of the association is to set up a legal organization which will influence local administration on coordination of village development. Association will work in the following areas: improving the aesthetics of the village, developing its economic potential, organization of cultural and educational events for the locals and visitors. In addition, great emphasis is placed on the environmental activities, to restore and protect natural ecosystems of the region.

Described initiative is open and quite spontaneous, therefore it is difficult to determine the number of people employed and forms of employment. There is a different situation in the case of private businesses or non-governmental organizations employing full-time employees, often as parts of ongoing projects. The situation is different when it comes to grassroot and not formalized activities, which bring real income. Parts of the ongoing activities are supported by volunteers, who are either family members or outsiders. An important aspect is that the program has many participants, coming from the local community, their number is variable and constantly evolving.

Due to the open nature of the activities the size of yearly turnover is not possible to determine. Part of the population treat is a main source of income, others – as an additional one.

The activities do not fall under specific business plan, however, many actions have been taken already to clarify a common business strategy. Local initiatives are complementary in certain ways, managing a common market for their products and services, can deliver customers for each other. This scheme works for the following:

- Manufacturers of local products, handicrafts and art
- Owners of agritourism infrastructure

- Artistic groups which create facilities for exhibitions, training, outdoor and indoor events
- A group of experts in various fields who offer a large number of educational opportunities in different areas (art, ecology, social economics, personal development, etc.)

Distribution channels:

- Direct sales of local products through agritourism, hotels, places with a large flow of customers (fairs, galleries, mass events).
- Sales by or in cooperation with tour operators, the idea of a "Jizera basket".
- Trips to market places organized by the partners from the cities, packages delivered directly to customers (via the internet).
- Direct contacts within the branch of agritourism, promotion via the internet, participation in food fairs and tourism events.
- Attracting group clients during business conferences, through direct contact and cooperation with partners – NGO/companies from big cities.
- Direct contact and interpersonal communication, networking via social media, internet websites, presence at the municipal and county events.

The region became a site of ecological disaster and was named "the black triangle". It has a huge impact on situation in the local community and regional development. During the communism period this region has been seriously contaminated by Polish, Czechoslovakian and East German industry, mostly by hydrogen sulfide and dusts. Forests were also attacked by vermin, which led to a partial devastation.

However, the collapse of the state industry in the region increased the level of unemployment and caused partial outflow of the local population, noticeable especially among young people

At that time Jizera Mountains region, where Wolimierz is located, was in the state of ecological disaster, so environmental protection has become a matter of particular importance. Place is also located in a picturesque area and embeds a wide range of tourist attractions.

These include: Spa in Świeradów Zdrój, attractions in Szklarska Poręba area, Leśniańskie and Złotnickie lakes, Czocha castle and many more.

The program targets local inhabitants (manufacturers of local products, handicrafts and art, owners of agritourism infrastructure, artistic groups a group of experts who offer a large number of educational opportunities in different areas), volunteers and guests / recipients (individual tourists visiting Jizera Foothills, participants of organized workshops, events and festivals, consumers of local products in nearby big cities).

Kooperatywa Izerska promotes idea of self-employment and exchange of material goods, agricultural crops and seeds. Therefore it requires from participants to approach multiple business and personal ideas. In this case, there is necessary to provide training in field of Cooperatives available to all members of the community and the local institutions that may provide support.

In December 2013, in cooperation with the Leśna Municipality IC organized a conference which aimed to give knowledge and inspiration to representatives of the local governments, councillors, village leaders, NGOs and local entrepreneurs on the methods and opportunities for local development provided by the instruments of social economy. Invited experts, presented both new ideas for the development of active forms of fighting against unemployment, especially in view of EU funding 2014-2020, as well as practical solutions for social and economic development of municipalities and villages.

The conference was a summary of the project "Jizera Cooperative. School of Local Economy", funded by The Fund for Civic Initiatives (FIO). Leśna municipality is a strategic partner of many ongoing initiatives, giving the possibility of gaining funding (eg. EU funds, ROP, etc.).

Consulting firms and organizations in big cities supports selling the offer to the groups.

Local economic entities actively participate in tenders for the public procurement and their implementation.

Contacts with foreign partners are maintained (Germany, Czech Republic, Austria) - mainly with organizations which are working towards the development of rural areas - partnership and cooperation in the field of "systemic solutions", Wolimierz as a promising experiment and in the future - good practice guideline.

There is no "core" of the organization and written, formal rules, which prevents decision-making and enforcement of any regular activities. The wish to remain as a "group of friends" cases the lack of coordinating body that could take a long-term action. Instead of this IC is a form of informal action group, wherein spontaneous joint initiatives are taken.

Too much focus is on individual actions, which causes lack of time for joint actions. From the point of view of the whole group it can be seen as a waste of time and resources, but from an individual perspective, those actions have reasonable basis of "taking care of your own business". Moreover, people who are committed to IC actions are spaced apart few or even tens of kilometers from each other. This has caused difficulties in organizing meetings and integrated operations.

The main success of the program was setting up a creation of a diverse and attractive offer of both products (crafts, excellent food) and services (craft workshops, offer self-catering), additionally, gathering a group of people, with very diverse skills, diversity of talents and a wide range of knowledge, to be involved in IC projects. There is a willingness to cooperate - good, friendly relations between involved people and as well, communication tools and the size of the email group (e-mail mailing list having 85 signed people) are developed. Moreover, there is a large number of initiatives, having the potential of co-financing "the core" of the organization in the form of contributions or margins on products or services sell. In 2013, Wolimierz was awarded by the Lower Silesian Marshal's Office for the maintenance of the cultural and spatial order and also social activism. In the same year, a joint tourist offer was created for Wolimierz: a promotional folder, a logo, a website and a Facebook profile. All these activities are aimed at the promotion of Wolimierz brand.

The IC is a unique on a national scale, grassroots initiative witch combine cooperation and development of local community with private interests. The initiative is planned as a long-term project. For the part of the participants it is also a way of life. Working together and the common interest is the way of integration for the local community. The formula of the project is very open, it can accept new members but it's not depending on the participation of any individual entities. Development caused by new initiatives had have a huge impact on the local community. It also helped to save village from increasing depopulation and provide a chance for its restoration.

PANATO Wielobranżowa Spółdzielnia Socjalna

Multi-sector Social Cooperative

Contact person: **Rolland Zarzycki,**

Tel. +48 71 735 16 35

e-mail: biuro@panato.org

Web page: **<http://panato.org/>**

PANATO is a grassroots, independent initiative, which combines creative industry with business. It is active in developing market conditions for local projects and ecological production. Currently PANATO manages two types of activities: gadget design and production and organization of socio-cultural events in the thematic coffee shop.

Multi-sector Social Cooperative PANATO was established in April 2012 by a group of young people who decided to create a workplace for themselves. The cooperative provides a working space for various professionals including, interior and industrial designers, craftsmen, artists, marketing and promotion specialists, cultural animators and social activists. The experience, skills and talents of the members result in creation of exceptional and unique products. Open workshops are accessible the members and not affiliated individuals.

Since September 2014 Social Cooperative BIZ:ON has been running the first cooperative coffee shop – PANATO Café. The venue is unique as it charges the clients for the time spend inside, and not for their orders. The café serves as a space for various socio-cultural activities.

PANATO was established by seven persons (4 of them were registered as unemployed). Presently 18 persons are actively involved in daily operations. They are employed based on short-term contracts and work agreements. The members of PANATO decided collectively that this form of gratification will be used until the financial situation of the enterprise will stabilize. 25% of each individual income is invested in the cooperative in order to progress its development and cover operation costs (i.e. rent, accounting services and administration).

The monthly turnover of PANATO is approximately 25 000 PLN (6 250 EUR) and the monthly turnover of BIZ:ON is approximately 5 000 PLN / (1 250 EUR) 0 profit with small loss.

During the first year of its operation PANATO was crafting and testing potential offers and services. Through trial and error, PANATO established standards for customer care and contract servicing, and its strategy is based on observing budgets of specific services and their profitability. On this basis the decision was made that services should make 70% of the activities, 20% should be allocated for arts and craft production.

The handmade crafts make up only 20% of the offer, because in general there are not profitable. This kind of production requires costly materials, is time-consuming and delivers a fairly small amount of final

product. Optimal calculation of these three factors is extremely difficult. In Poland clients are still not ready to pay high prices for creative manually made product, especially since the market is saturated by mass produced items.

The remaining 10% is earmarked for free of charge statutory activities such as:

- Workshops (charged and free of charge)
- Social projects financed from public grants
- Participation in social actions and events

In the framework of PANATO two economic entities cooperate together. It is caused by specific legal-administrative model used by the organizations. Both entities are financial separated what gives them extra assurance in the case of financial problems. This model also allows for securing financial grants for further development and access to additional capital.

PANATO provides services and is involved in production of goods. It delivers creative graphics design upon orders and develops projects. The members of the cooperative create new lines of products, for example new gadgets for the Municipality of Wrocław. Production is based on manual craftsmanship. In some instances specialized machines are used.

The cooperative is also organizing cyclical workshops (free of charge for the participants). These include, 3D printing demonstrations, screen printing workshops, sewing workshops, craftsman workshops, upcycling/recycling workshops and cuppings. These activities take place in specialized studios. A number of these activities are open to individuals not affiliated with the cooperative.

BIZ:ON is a manager of Wrocław's socio-cultural coffee shop – PANATO Café. In this place the clients are not paying for orders but for the time spent inside. The rate per minute is calculated on competitive bases (the first half an hour costs 0,25 PLN/0,06 eurocent, with rates decreasing with time). In some situations the payment is voluntary. The coffee shop offers Wi-Fi, a wide variety of boarding games and a small library. PANATO Café has a rich socio-cultural offer. It organizes numerous events, social meetings, discussions, debates, exhibitions and concerts. It is also open for initiatives created outside the framework of the cooperative.

PANATO members are searching for the ideal economic model for their organization. They are constantly experimenting with different solutions relying on Business Model Generation (BMG) method.

The financing of the activities is mostly based on a regular market basis. Only small part of capital is gained from grants. The facilities are leased on the regular commercial rate.

PANATO provides services for unemployed artists, designers and social activists, who have difficulties finding regular employment in their professions. The social character of the cooperative was crucial already at the stage of recruiting the members. The key idea was to create workplaces which could provide an opportunity for self-development and secure decent life conditions for members of the cooperative. The emphasis was also placed on the development of capabilities necessary to establish and run social enterprises tailored to the needs of local population. Finally there was a strong push for professional reintegration of educated and experienced people with unique professions.

The cooperative is also working with the local community. Neighbourhood where headquarter of the organization is situated is called Nadodrze. This pre-war district is located close to the city centre and it is affected by patterns of socio-economic exclusion. Currently the district is being revitalized.

One of the projects “PANATO Podwórko” (PANATO Backyard) was active in revitalization of neglected courtyard surrounded by buildings inhabited by close to 180 persons. The project brought together local residents and facilitated discussions about the crucial needs of the neighbourhood. The Project was very successful and promoted interaction among very diverse local community by passing generational and economic differences. The project also provided consultations and various activities for children.

Goods produced by PANATO include: hostels, coffee shops, art galleries, small and medium businesses and the municipality of Wrocław. Because of its location and specificity of the activity (coffee shop and workshops) there are almost no random clients of the entity. It is important for cooperative to gain clients who are socially aware and committed to building active local community. The majority of clients are young people with leftist worldview, urban dwellers, students, and social entrepreneurs - people who are looking for socio-social solutions to urban problems.

PANATO works with a wide range professionals, artists, and artisans. The recruitment takes place via internet, social media outlets and non-for-profit communication networks. Emphasis is placed on recruiting people with unique, innovative skills and qualifications.

People who are interested in social economy and those who share PANATO's worldview are welcome to join the organization. PANATO is open for new ideas and projects.

In 2013 the members received formal support from the Foundation for the Development of Social Economy (FRES) and the Support Center for Social Economy (OWES). The supports took shape of consultation on legal issues. Nevertheless PANATO did not manage to establish legal entity on time thus it did not qualify for financing. Thus unlike other social entities it did not benefit from PA.

PANATO maintains stable contacts with:

- Public sector: participates in commercial tenders and public orders; leads lobbying activities; consults the authorities on partnership possibilities and promotion of social enterprises
- Individual clients: Outreach activities targeted at youth and entrepreneurs; education activities in the field of social economy, ecology, recycling, upcycling etc.
- Business sector: Develops trade partnership with commercial sector; established marketing network with hostels, cafes, art galleries; distributes creative crafts and innovative gadgets
- NGO sector : Provides spaces for different types of activities and acts as partner for local NGO initiatives; provides training for NGO about social economy
- Education Institutions: provides training and workshops about social economy to students

There are several challenges which project has to face. The neighbourhood where cooperative operates is extremely poor affected by high unemployment and social pathology. However, presently the area is transforming rather quickly what creates space for innovative initiatives.

Clients very often do not understand the rules of the PANATO coffee shop, what leads to tensions. As well, there is a problem with cash flow – adjusting the supply and planning demand (this is a typical problem experienced by small enterprises), financial instability and problems securing operational capital. Because of the financial investment from one of the founders of the cooperative, PANATO is often seen as a private company despite of the democratic way it is management. The offer of the cooperative is not very extensive and cannot compete with private firms. Thus creation of ambitious and innovative solutions constitutes an ongoing challenge

PANATO created modern and innovative offer, unique in the scale of a whole country. Cooperative was able to create a specific business model, which combines three groups of professionals: designers, craftsman and business personnel.

It was also able to implement democratic way of management – based on collaboration and transparency. The established activities have great development potential and are able to create new jobs opportunities, and popularize products manufactured by social enterprise on the local market. In 2013 PANATO received an award for the best social enterprise operating in the Lower Silesia Region as well as the best social enterprise in the category “Idea for Development”. In 2014 it received a third prize in the national contest for the best social enterprise. PANATO is certified with ES quality.

In the beginning members of PANATO worked on voluntary basis in order to speed up the development to the initiative. The first large order from public institution was delivered through volunteering work. The whole profit was invested in the entity (administrative costs, purchasing of equipment and prototypes for future products).

Some of the initial investment was also collected from private donors in form of materials and financial donations. In the case of BIZ:ON the investment was secured through dotation for cooperative development and financial capital from one of the founders.

The social economy itself is an innovation in the Polish labour market and attracts the attention (both of the customers and the media) and builds positive image. The coffee shop PANATO is managed by innovative financing methodology and develops highly innovative products including pen-drives made from concrete, 3D printers. Mentioned production is based on fair-trade principles and focuses on environmental sustainability. There are numerous volunteers working in creating the space, which facilitates team building, social integration and local empowerment. The activities are also directed to the neighbourhood community.

Examples from Czech Republic

Pragulic – Experience Prague the Other Way!

Civic Association

Contact person: **Tereza Jurečková,**

E-mail: t.jureckova@pragulic.cz

Phone: 728315719

Web site: **www.pragulic.cz**

Pragulic is a social enterprise that allows interested public to discover and experience the world of homeless people and thus change stereotypes regarding the homelessness. We offer untraditional tours

in Prague through the eyes of homeless people with whom tourists will recognize the hidden corners of the city and people's fates.

The project takes place in the City of Prague. Mentioned city is the place with a high number of homeless people who naturally migrate to the capital from other regions of the country, but also from abroad. Prague is one of the most popular tourist destinations at the same time.

Pragalic social enterprise builds on the unique knowledge and skills of homeless people. They know city streets much better than anyone else, and the guide service is based on this fact. The project is not a social service; it is a means of integration of motivated individuals. It builds awareness of problems associated with homelessness at the same time. The social enterprise operates on market principles and makes a profit, it is financially sustainable.

Homeless people employed as guides are the target group. Responsible management consists of 2 people, 8 guides are employed, there are freelancers or persons employed on agreement on work performance (accountant, psychologist, etc.) The enterprise cooperates with 60 volunteers who translate tours.

Creation of unique jobs with the possibility of regular income and other benefits (clothing, help with looking for housing and work, counselling, etc.), the return of the lost confidence and social status are set as the goals of the project.

The employees – guides have their own system of benefits and employment program which helps them arrange things necessary for stabilization of their living situation according to their individual needs.

Tourists interested in tours – costumers are considered the second target group. There are 60 % of domestic and 40 % of foreign tourists, approximately 4 000 customers a year. A unique experience, changing public attitudes towards homelessness and education of the society in an experiential and attractive form are other objectives of the project.

Apart from occasional gifts or financial awards in competitions, fees from customers and income from sale constitute the main income of the enterprise. Guides have their employment contracts and receive a fixed salary for each tour, in case of satisfaction they are rewarded by tourists themselves. Profits are used for the operation of the organization and its development as well. The annual turnover is around CZK 1 million.

The social enterprise cooperates with various organisations in different areas. In the field of networking and know-how, Impact Hub, Ashoka Foundation and other institutions are our partners. We cooperate with organisations as Naděje [Hope], Salvation Army, or Nový prostor [New Space] in the field of homelessness. As for tourism, travel and experience agencies are our partners. A series of street celebrations “Zažít město jinak” [Experience City in Different Way] is our partner in the area of public space. We also cooperate with various media. There has been pro bono cooperation established in the fields of PR and legal aid. We have also implemented specific common projects with private sector businesses, PHD Agency, or SKODA, for example

Winning of several international competitions and obtaining foreign philanthropic investor's satisfaction are the successes of the project.

Gaining an appreciation from the Czech Republic and starting cooperation with the Government are the project's main future challenges.

DISMAS: Café without Prejudices

Innovative social enterprise

Contact person: **Kateřina Plhakov**

E-mail: Katerina.plhakova@dismas.cz

Phone: 724839501

Web page: **www.dismas.cz**

The project is implemented under the heading of Lilla handmade, Ltd., social enterprise. There is an intention to set up a new organization named Dismas, Community Interest Society in the future.

The project is implemented in Prague. The cafe has a very strategic location in the centre. Compared to competitors, it offers not only freshly roasted coffee and homemade fresh lemonades, but also food from their own production with an emphasis on quality, nutritional value, freshness and presentation of modern trends. The social enterprise cooperates with Czech manufacturers and suppliers. The food and drinks offered are prepared primarily from domestic products. Cafe's menu consists of a wide range of hot and cold beverages, desserts and cakes, soups, salads, sandwiches and baguette sandwiches. Guests can take away almost all the food in practical packages. The take away food constitutes up to 20 % of the total turnover. The complete menu of the cafe will be available on the Cafe's website. Special offers will also be promoted on billboards inside and outside the cafe.

The target group of the project are formerly imprisoned persons. This group of inhabitants is disadvantaged on the labour market from a number of objective and subjective reasons. To be more specific, some of them are: the loss of work habits, professional knowledge and skills, and motivation to work, the risk of the recurrent criminal behaviour, a long-term stay outside the normal life.

The target group members have multiple handicaps. Their ethnic origin, a low level of education or no work experience are among them. Other disadvantages of former prisoners on the labour market are: their criminal record, family and financial problems, problems with accommodation, the risk of homelessness, and, last but not least, various changes in the labour market during their imprisonment.

Based on the abovementioned disadvantages, we have established the list of the needs of the target group, in relation to their return to the labour market. They should acquire new knowledge and skills,

increase their self-confidence, motivation and willingness to work, they should restore their work habits, and focus on the current labour market.

The café consumer is any person who visits the café. The café is wheelchair-accessible and has indicative elements for visually impaired people installed. Café has a children's playground and a non-smoking part.

The price policy of the social enterprise is set the way that even people with average incomes are able to attend the café.

Opening of the café was announced through press releases in all available media. Premises were opened in the presence of journalists and representatives of major partners of the project.

The project employs people difficult to enter the labour market, thereby contributes to the active employment policy in the capital. Currently the café Dismas social enterprise has eleven employees and five out of employees are members of the target group support the project. There are responsible baristas (not of the target group) and the implementation team part of the project as well. Employees of the target group work in the kitchen and behind the bar. The implementation team consists of a financial manager, a methodologist for professional management, a social worker / labour assistant, a project coordinator, and a project manager.

Given the fact that social enterprise has been run for less than one year, it is not able to present its annual turnover. The subsidy for the project implementation period of 20 months amounted to CZK 5 687 356.40.

As for the employment program, the target group will be involved especially in these activities: approaching the target group and their involvement in the project, training, taking part in activities related to the operation of the café, finding a new job.

In the beginning the target group members are motivated to cooperate with NGOs, for example. Employees of the café gradually try all the jobs designed for the target group. They are provided a methodological support in gastronomy and in the field of social counselling and soft skills. The support is provided by professionals in the given areas. Consequently, the target group members are assisted in finding a suitable job, contacting employers, CV writing and preparing for a job interview. If necessary, a labour assistant is present at the job interview as well.

The biggest challenge is eliminating prejudices against the group of people released from prison and against people with a criminal past in general.

Benefits for the target group are seen in a number of facts. The employees are promoted to return to ordinary life, they gain new work experience, acquire new knowledge and skills (training), acquire / restore their work habits, and they obtain the final evaluation and recommendations for future employers. Except of this they grow personally, increase their confidence, there is reduction in their recurrent criminal behaviour, they participate in social life and share their experience from job with others.

Former prisoners are supported and assisted in looking for new employment. Last but not least, the interaction with other disadvantaged groups is very important.

The barrier-free access to the café is an indisputable competitive advantage of the project. Cooperation with leading Czech cooks and confectioners is another competitive advantage. The third and very important advantage is the fact that its establishment and operation has been funded by the Prague Adaptability Operational Programme (PAOP) for 20 months and, thus a trouble-free start has been ensured. The cooperation with strong organizations that focus on the same group, RUBIKON center, the Probation and Mediation Service, Za Branou [Behind the Gates] Civic Association, and the Government has been established. There is no cooperation established with the commercial sector.

The innovation of the project is seen in several areas. The first area is the complexity of the support that we offer to the target group members. Another innovative aspect is the concept of employment of the target group members in our café, we have introduced the form of so-called "transit job".

The operation of social enterprise (café) has also been supporting other disadvantaged groups. We have actively been approaching the target group of physically and visually disadvantaged people via the café project. That's why we have prepared the concept of a social enterprise – Innovative Cafés which will be implemented after the project's funding is over. Thus, we will much more actively approach and support the abovementioned target groups.

Examples from Slovakia

Hrhovské služby (Hrhov Services)

Social enterprise

Contact person: **Michal Smetanka**

E-mail: michal.smetanka@gmail.com

Web page: www.spisskyhrhov.sk, spisskyhrhov@vmnet.sk

Hrhovské služby [Hrhov Services], Ltd, – the social enterprise operates in the municipality where there is an effort to improve and enhance the quality of water resources, to improve the condition and cleanness of the country. Increasing the employment level within the conditions created for the development of entrepreneurship, education, culture, sport and social life in the municipality for all age categories is the principal objective of the economic

activity. The fact that the enterprise would primarily employ the municipal citizens and operate within the local and regional radius and thus reduce the costs and be competitive was one of the important economic axioms.

Tackling the unemployment of marginalised people threatened by social exclusion, low-qualified people or those without qualification, of the long-term unemployed, etc. has become a serious problem in municipalities of the underdeveloped regions of the Eastern Slovakia in particular. There are several parts that develop dynamically even from the point of view of tackling the unemployment and in the area of marginalised communities. The municipality of Spišský Hrhov is one of these examples.

The most important motif to set up a municipality enterprise was to create a business that would employ difficult to employ persons, create jobs and develop a strong position on the market. However, the social aspect is not the only mission of the project. Provision of as broad spectrum of services as possible in the municipality and for the municipality is another important mission. As for Spišský Hrhov, the range of services includes a complex maintenance of municipal buildings, infrastructure, water supply pipes, sewing, purification plant, provision of the appropriate waste separation, municipal waste management, municipal roads and public green areas maintenance, complex building and construction works, reconstructions for the municipality, and many others.

The concept of the municipal enterprise as a social enterprise in Spišský Hrhov was influenced by the existing situation. Inter alia, the given situation offered a possibility to interconnect the enterprise with existing national programs and projects, such as construction of municipal rental flats of lower standard, community social work, community centres and clubs, with existing programs of social development implemented within the education at schools as well as with many other activities implemented by non-governmental organisations and municipalities themselves. From the beginning, all the above-mentioned activities were implemented as supplementary ones to its own activities. This model of the municipal enterprise was successfully set up in the municipality in 2003 and we can point out that since its setting up until the present it has marked considerable progress. Within the development strategy – The Municipality Economic and Social Development, the Entrepreneurship and Employment Development Program was established. Networks and relationships have started to be built gradually that have created the basis for innovative solutions of the regional development.

The audit of resources and regional opportunities has created the basis for the Entrepreneurship and Employment Development Program. Sufficient labour, professional and motivated human potential has been identified by the audit. Old and unused municipal buildings in poor technical condition, unused and neglected municipal land were identified as further resources. Non-existing services and underdeveloped business activities that could change this condition were identified as opportunities as well.

The work with its own actual and adequate resources is a very important stepping stone of the municipal enterprise concept. Here, financial, natural, technical, spatial, and human resources are taken into consideration. The municipality's citizens are the greatest and the most usable resource, irrespective of whether they are employed or not. The municipal enterprise operates in the Spišský Hrhov municipality and it is focused on employment of socially disadvantaged citizens within the Act on Employment Services, such as the long-term unemployed, citizens with health disabilities, citizens older than 50 years of age, school graduates, etc.

The number of employees has remained stable for last 7 years; it employs approximately 30 persons during winter and about 50 persons during the rest of the year. It should be noted that all the employees do not have a permanent contract; some employees with temporary contracts work in the enterprise as well.

All the employees are continuously trained, especially in the area of safety and health at work. Transit employees gain work experience that raises their employability on the labour market. We suppose that the enterprise will continue to disclose a positive economic turn-out and will consequently scale up provision of services for other consumers as well. This way, a need to employ more transit employees will increase.

Employment and employability is the basic mission of the municipal enterprise. Its activity enabled to move approximately 70 employees closer towards the labour market (who had been unemployed before). At present it can be concluded that everybody in Spišský Hrhov who wanted to work (and not only declared their will) was enabled to.

The annual turnover of the municipal enterprise has been changing; it depends on the activities the enterprise realizes during the year.

Following institutions belong to the key subjects cooperating with Hrhovské služby, Ltd (municipal enterprise) and Municipal social enterprise Spišský Hrhov: the OLSAF in Levoča, SPIŠ – Association for the Region Recovery and Development, People in Need, Slovakia, NGO, SPOLU [Together], Civic Association.

Other business and non-business subjects in the Levoča district as well as nearby municipalities cooperate with the social enterprise as well. There are for example MVM group, Ltd., SITEM, joint-stock company, Dorotka's Tearoom, Homemade Bread Bakery, Hairdresser's, Fitness Centre, Auto Parts Shop, Spiš – Regional and Development Agency among them.

A business licence, later establishing a contributory organisation and, finally, setting up the municipal enterprise Hrhov Services in 2005 were the first successes of the Spišský Hrhov municipality. We can point out that the village is modern with good technical infrastructure, well-maintained and neat mainly thanks to the municipal enterprise.

Building of the modern heated outdoor swimming pool by the municipal enterprise has been a remarkable success. The enterprise has been operating the swimming pool as well. Except of it the enterprise operates the buffet and the car park. Production of bio fuel – pellets is another sustainable activity. All the municipality (several municipal buildings, elementary school and kindergarten) have started to use the pellets for heating. Several times, the municipal enterprise has been awarded a prize at the European Forum and the model of its functioning has already been copied in various parts of Slovakia and the EU.

As a business subject, the municipal enterprise (Hrhov Services and the Municipal Social Enterprise) is economically self-sufficient. It is financed from several sources – support of local business environment, own profit from goods and services offered, subsidy and grant schemes, regional and local public resources. A possibility to specify conditions favouring the municipal enterprise in case of under-threshold contracts for works in the municipality or other municipalities where no procurement is needed is another important economic advantage.

The municipal enterprise has developed a concept of housing construction for marginalized groups; not only for the inhabitants of the Spišský Hrhov municipality. The concept has been developed depending on social and economic conditions as well as on the comprehensive support of housing development of marginalised communities (announced in the so-called Roma reform).

It is building of very economical and efficient wooden houses. They are built by using an innovative technology which has been created and developed by the employees of the municipal enterprise as well. In case that the large-scale building program will be launched by the state, the municipal enterprise will be responsible for construction of approximately 20 housing units within one year.

The enterprise will continue in insulation of buildings and flats that has become more and more popular. Construction of ecological and energy-efficient houses for marginalised Roma communities, building of the Roma open-air museum with tourism services on a very high level are tasks of the enterprise, too.

SVEPOS

Sverzov service Enterprise

Contact person: **Marián Beňa – statutory representative**

Pavol Ceľuch – representative of the awarding authority – Sverzov municipality

Web page: **www.sverzov.sk**

The Sveržov municipality is located in the Šariš region of the Prešov Self-Governing Region. It is located 12 km from Bardejov, the district town. There live approximately 190 unemployed Roma people in the village. They live exclusively on the social benefits; they currently have been paid via the institute of the substitute recipient. The number of inhabitants of the Sveržov municipality is 575. The municipality is located in the region with the long-term high unemployment rate, concerning especially people with elementary or no education. These citizens are involved into activation works organized by the municipality.

Sveržovský podnik služieb [The Sveržov Service Enterprise], a municipality financed organisation is an enterprise set to operate in the area of building and construction in the Sveržov municipality. Its goal was to secure building of the rental apartments of lower standard in the municipality by municipality inhabitants, private companies based in the municipality, as well as by the future inhabitants of the flats. Employing inhabitants of the Sveržov municipality who suffer from long-term unemployment and discrimination on the labour market was set as a goal as well. Other goals of the municipal enterprise were starting and improving the business environment, ensuring services in the municipality in every area, maintaining the condition of the municipal buildings, water distribution pipes, and sewage; an indispensable assistance in organizing cultural and sport events, building and construction works, waste, etc.

The members of the marginalized Roma community, young families, and the citizens with low incomes are the target group of the project. Moreover, there belong the unemployed whose wives are on their maternity leave, the long-term unemployed, citizens with disabilities, citizens aged over 50 years, school graduates, etc. to the target group of the project.

The municipality enterprise has no employees of its own. All the activities are subcontracted and, thus, entrepreneurs of the municipality are supported. The constant concern for the occupational safety and health (OSH) is the most important obligation of the employer. The turnover of the enterprise changes according to the scope of activities in the given year.

The municipal enterprise cooperates with the OLSAF in Bardejov and with business subjects in the municipality: Braddy, Ltd., Bauman Slovakia, Ltd., and others.

Addressing the unemployment of people with low or no qualification, unemployment of marginalized people and ensuring employment of own citizens are the main challenges of the municipal enterprise. Moreover, the development of the municipality is much more dynamic and purposeful, as if all the services and maintenance works were provided by external subjects.

Building of 12 housing units of lower standard in 2005 – 2006 is one of the main successes of the project. In 2007 – 2008 6 housing units and in 2008 5 housing units were built. Housing was provided for approximately 130 inhabitants of the municipality. Other outcomes of the enterprise's activities are construction of a community centre,

reconstruction of public street lightning, rebuilding of the public house to a multifunction building, monitoring system in the village, etc. The SVEPOS enterprise has also realized construction of 18 rental flats of lower standard in the Kurov municipality. Disposal of uncontrolled dumping sites is one of the project's successes as well.

The social enterprise is self-sustaining. It is financed from its own resources – from the profits earned by providing the enterprise's services (renting of premises, building and construction works), but also from contributions from the municipality budget. In spite of the fact that the municipal enterprise and the municipality are independent subjects with independent managements, accounting, budgets, etc., the municipal council is their highest managing authority. That is why interconnecting of their economic activities is efficient and logical.

The building conception for construction of other flat units of lower standard for socially disadvantaged citizens of the Sveržov municipality has been developed. The building plots are prepared for selling and construction of family houses. Agro-tourism is developed and common land is cultivated. The SVEPOS enterprise struggles to improve economic, social and cultural conditions in the municipality and choose such services and activities that ensure connection to the economic agenda of the municipality and to development of the useful employment.

Expamples from Slovenia

SOTRA

Social Market for People with Low Income

Contact person: **Ivanka Poropat**

E-mail: info@sotra.si

Web page: **www.sotra.si**

The main aim of the social market is to make use of food products that cannot be sold in supermarkets anymore and sell them at a much reduced price to people with low income. In Slovenia, currently there is no social trade in the area of food products on the market although, due to the economic crisis, the need for them grows every day. The cost of meals represents a considerable share of the family budget.

The first SOTRA Social Market in Slovenia was opened in November 2013 in Maribor. The SOTRA Social Market is targeted at consumers – groups of people who face different forms of deprivation (material, financial, educational, health, employment). People from marginalized groups are often more difficult to adapt to rapid changes in contemporary society, therefore, these persons are less competitive in the market. It frequently means living on the margins of the society. This situation leads to long-term unemployment and social exclusion.

At present there is a large number of the unemployed and many people subsist on very low incomes. A demand to create food products stores at affordable prices has arisen with a goal to help improve living conditions of people not only from marginalized target groups – the shop employees as well as its customers.

The main objectives of the SOTRA Social Market are:

- Training and employment opportunities for people belonging to marginalized target groups and increased competitiveness in the labour market;
- The professional approach and customized jobs in the area of trade – persons from target groups solve their personal and physiological problems caused by their long-term unemployment more successfully;
- The establishment of professional life of the people from marginalized target groups and their social inclusion – they improve their social contacts, and, consequently, they gain the autonomy of their private life;
- Increasing the purchasing power of weaker members of society (potential customers) by buying cheaper products, and, thus, improving their quality of life;
- Creating the image of traders / manufacturers with a social sense – in case of the dealers and manufacturers (suppliers) who will participate in the social market.

During the project the possibilities of creating a sustainable and economically stable model of 'social stores' in Slovenia will be explored, which could constitute an alternative system of assistance in accordance with applicable law.

The SOTRA Social Market employs 6 people – two salesmen, two assistants, one store manager, and one director. The employees of the social market were selected from marginalized target groups, they were persons older than 50 years, persons under the age of 25 years with no or low levels of education, and people with disabilities. The shop is almost entirely run by the formerly unemployed on a temporary employment contract. They will be assisted to find a job on the regular labour market when their contract expires.

In 2014 the annual turnover of the SOTRA shop in Maribor was EUR 240.000. It is assumed that a more attractive location will ensure a higher annual turnover.

There is a will to inform the public on the activities of the project and, thus, to raise their awareness about the assets of the social entrepreneurship and the social commerce. By selecting people from different marginalized target groups there is an intention to inter-connect the knowledge, experience, and character traits of individuals, to encourage their mutual cooperation and learning at the workplace, and to close individual gaps and update potentials.

The SOTRA shop has become an important meeting point for people with low income. They can have clothing donated by other customers and visitors of SOTRA. Our employees are also available for them for consultation in various problems.

The social market also cooperates with the Centre of Social Work, the Red Cross, and other non-profit organizations.

Karso, d.o.o.

Employment Centre

Contact person: **Peter Svetina**

E-mail: zeleno@karso-zc.si

Web page: <https://www.facebook.com/pages/Karso-zaposlitveni-center-doo/288159737882777?ref=hl>

Karso is an employment centre established by Šent – the Slovenian Association for Mental Health. It is a social enterprise employing people with different disabilities in two regions (the Municipalities of Pivka and Slovenske Konjice) in Slovenia. The purpose of establishing this social enterprise was a high rate of unemployed people with disabilities in the abovementioned regions and no possibilities to employ this part of population in regular firms. The first unit was established in Pivka (2008) and the second one in Slovenske Konjice (2013).

The employment centre works in the field of managing and maintaining green and public areas in the Municipalities of Pivka and Slovenske Konjice and for the private sector. The other fields of work are maintaining and cleaning industrial halls, assembling, packing and subcontracting services. The employment centre provides full-time employment, training, mentorship and safe, pleasant work environment for people with disabilities and other employees.

The local community is very active in providing sufficient number of possibilities for the employment centre which acts as an enterprise on the market. Candidates for jobs undergo three months of vocational training in the centre at the same job as they apply for.

The centre has totally 15 employees, 4 out of them are mentors and 10 employees are people with disabilities – with mental health problems, intellectual disabilities and the deaf. All the employees are able to carry out 30 to 70 % working workload. Moreover, there is a managing director who is an expert in the field of employment of people with disabilities. The annual turnover of the centre is EUR 288 000.

There is a very good cooperation with the Municipalities, which are the biggest consumers of its services, as well as with other organisations involved in the social environment of the centre's employees, for example, Social Services Organisation, the National Employment Agency and other organisations. Successful cooperation with mentioned organisations and municipalities presents the social innovation of the program. Karso has also signed several contracts for provision of its services to clients in the commercial sector.

To maintain the Karso's position in the market and provide the safe employment for all its employees is for Karso very challengeable. The main success of the program is the growth from 7 employees in 2009 up to 15 in 2014. We recognize the personal problems of an unemployed disabled person and see the possibilities in providing the services to local community, and finally, finance and offer a new job to particular person.