

## **Improving Social Inclusion at the Local Level through the Social Economy:**

### **Presentation of the OECD Report**

#### **Conclusions by Antonella Noya, Senior Policy Analyst, OECD.**

My conclusions will be brief and focus only on the essential because it is difficult to summarize all that has been discussed during the day. The day was rich, dense and, even, sometimes a little tense: some important issues and concerns were raised and voiced. It is clear that some tensions exist among stakeholders and a climate of mutual trust and cooperation has to be strengthened.

This dialogue, and the creation of trust which it engenders, is important: it is an essential element of the process of co- construction of public policies which we have made as one of our central recommendations.

With this in mind, and in order to help structure the dialogue and to help increase general awareness of the overall contribution that the social economy can make to the Slovenian economy and society, umbrella organisations need to be created for social economy organisations and the establishment of such organisations supported by the Slovenian State.

As shown during the day, through the international experiences presented at the conference, the social economy can be an effective tool to help: reduce unemployment; increase social cohesion; build local social capital; promote innovation in public service delivery. However, the social economy can only contribute to these when an appropriate policy support is provided. One of our principal recommendations is that a policy framework is needed, albeit one that it is not overcomplicated and burdensome.

Having highlighted the potential contribution of the social contribution, I would like to draw your attention to some considerations on the expectations that it is reasonable to have of social entrepreneurship and the social economy.

Social entrepreneurship can be part of the solution to the problems of unemployment and social exclusion but it is not THE solution to all these problems. This is simply not realistic. Social entrepreneurship cannot solve all of the complex problems which can be found in societies today.

We have to accept the fact that social enterprises can fail. There will be failures, there will be successes, exactly as it happens in the for profit sector. We accept the idea that SMEs can fail so we should also consider the possibility that not all social

enterprises can and will automatically succeed. What the legislators can do is to set an appropriate framework (legal, administrative and fiscal) which minimises the risk of failure and thus increases the potential for success. Tax breaks, access to markets, targeted financial tools and training for social enterprise leaders, can help reduce the risk of failure. Many of these elements have been addressed in the OECD report on the social economy.

Should the risk of failure dissuade policy makers to support social economy and social enterprise development? I do not think so. From what we have seen today at the conference, there is a real commitment from, and a real interest on the part of all stakeholders (social economy actors, the public sector and policy makers) to establish the most conducive environment possible.

In this respect the forthcoming law on social entrepreneurship can be seen as an important step towards a systemic approach to support social enterprise development. The law is not yet perfect and can certainly be improved and this can be done with the commitment of the social economy actors. There is a great potential in this country and there is room for continued dialogue during the phase of the preparation of the development strategy for social entrepreneurship foreseen in the law. This opportunity for dialogue is one which should not be missed.

My concluding comment is that there is a strong need for capacity building inside the social economy at national and sub-national levels. The public sector too might require some capacity building to be able to understand, and thus be able to respond appropriately, to the needs of social economy organisations.

The Slovenian government should invest in fostering capacity building which will be an important step in driving forward the the development process of social entrepreneurship.

I wish to conclude by saying that some of our recommendations might take time time to be implemented; others, such as the need to provide capacity building to work in a coordinated way and to foster the dialogue amongst the central players seem more urgent in order to build an effective and coherent policy framework for social entrepreneurship.

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