

STATE OF PLAY OF THE SOCIAL ENTREPRENEURSHIP SECTOR

REPORT OF THE DUTCH-GERMAN BORDER REGION



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1. Introduction

The Euregio Rhine-Waal is the lead partner of the INTERREG Europe project BRESE (Border Regions in Europe for Social Entrepreneurship), which aims to reduce barriers for social enterprises and to improve regional funding instruments. For this purpose, existing political framework conditions and funding instruments in different European regions are compared and good practices are exchanged.

Social enterprises are enterprises that combine social objectives with entrepreneurship. The aim of social enterprises is to address societal, social and ecological challenges and to develop solutions. Social enterprises thus make an important contribution to promoting inclusive growth, strengthening social cohesion and responding to the needs of society. Social enterprises are not primarily profit-oriented but pursue the goal of creating value for the society. Profits are largely reinvested to provide an added value and to strengthen the impact of the social enterprise.

The BRESE project applies the following definition of social entrepreneurship from the Organisation for Economic Cooperation and Development (OECD) and the European Union:

“It is the entrepreneurship that has as main goal to address **pressing social challenges** and meet social needs in an innovative way while **servicing the general interest and common good** for the benefit of the community. In a nutshell, social entrepreneurship targets **to social impact** primarily rather than profit maximisation in their effort to reach the most vulnerable groups and to contribute to inclusive and sustainable growth.”¹

The funding programme with which the Euregio Rhine-Waal participates in the BRESE project is the INTERREG V A Programme Germany-Netherlands. This programme promotes cross-border cooperation between the Netherlands and Germany. The programme area extends from the Lower Rhine to the North Sea coast on a border line of about 460 kilometres. On the German side, large parts of the German states of Lower Saxony and North Rhine-Westphalia belong to the programme area, while on the Dutch side the provinces of Friesland, Groningen, Drenthe, Overijssel, Flevoland and Gelderland as well as parts of the provinces of Brabant and Limburg are included.

¹ OECD; available at <https://www.oecd.org/cfe/leed/social-entrepreneurship-oecd-ec.htm> [Last accessed 11.06.2020]

Figure 1: Geographic location INTERREG V A-Programme Germany-Netherlands



Source: own illustration Ramboll Management Consulting.

Cross-border cooperation within the framework of INTERREG programmes has a long tradition in the Dutch-German border region. Four Euregios (EUREGIO, Euregio Rhine-Waal, Ems Dollart Region and euregio rhein-maas-noord), which together cover the entire current programme area, have been coordinating and promoting exchange and cooperation in the Dutch-German border region for decades. While in the 1990s each of the four Euregios still had its own small INTERREG programme, in the 2000-2006 funding period they were initially merged into two programmes. In the 2007-2013 funding period, a joint INTERREG programme was implemented for the first time.

The focus of the INTERREG V A programme Germany - Netherlands 2014-2020 is the promotion of research, technological development and innovation. In particular, the programme aims to increase product and process innovation in various thematic areas, including the further reduction of CO₂ emissions and the increased use of renewable energies. In addition, the further deepening of cross-border integration is a central focus.

This analysis provides an overview of social entrepreneurship in the Dutch-German border region. Official statistics are used to present the socio-economic situation of the region.

Relevant framework conditions, factors influencing the development of social enterprises and existing funding programmes for social enterprises are described. Furthermore, the relevant political (funding) instrument for cross-border cooperation in the Dutch-German border region is presented. The analysis follows the methodology defined by the BRESE project partners regarding the structure of the report and the content of the respective chapters.

2. Socioeconomic situation and characteristics of the social entrepreneurship sector of the region

2.1 Socioeconomic situation

The Dutch-German border region stretches from the North Sea coast to Mönchengladbach on the German side and Roermond on the Dutch side and covers a total area of almost 52,000 square kilometres, of which almost 27,000 km² are in the Netherlands and around 25,000 km² in Germany². The population figures are also distributed roughly equally between the German and Dutch parts of the border region. While around 7.28 million people lived on the German side of the border in 2019, 7.32 million people lived on the Dutch side. In the last five years, the population of the region as a whole has grown by a good two percent from 14.28 million to 14.60 million³ (see Table 1).

Table 1: General information, 2014-2019⁴

Indicators	2014	2015	2016	2017	2018	2019
Size of territory (square kilometres)	51,849 km ²					
Population (Millions)	14.28	14.33	14.45	14.50	14.55	14.60
Real GDP per capita in Euro	35,506 €	36,120 €	36,732 €	38,124 €	n.a.	n.a.
Real GDP growth⁵	2.55 %	2.08 %	2.55 %	4.20 %	n.a.	n.a.
New business density (number of new businesses per 1.000 people)	9.95	9.99	9.89	9.92	n.a.	n.a.
Unemployment rate (Population 15 -74 years)	7.16 %	6.61 %	5.91 %	4.85 %	3.95 %	n.a.
Youth unemployment (Population 15-24 years)	12.45 %	11.02 %	10.59 %	8.89 %	7.27 %	n.a.
Long term unemployment (Percentage of labour force)	2.88 %	2.87 %	2.45 %	1.96 %	1.46 %	n.a.

Source: Eurostat, Landesdatenbank NRW, Landesamt für Statistik Niedersachsen, Central Bureau voor de Statistiek; own calculations and illustration Ramboll Management Consulting.

The economic situation in the Dutch-German border region shows a positive development: the gross domestic product per capita has risen by 7.4 percent from 2014 to 2017 to around 38,000

² Eurostat [demo_r_d3area]

³ Eurostat [demo_r_pjangrp3]

⁴ Percentages and rate calculated as average of the values for the respective NUTS 3 regions of the programme area, without weighting

⁵ Based on available data: GDP at current market prices

euros⁶. GDP per capita is roughly in line with the German average (39,323 euros) but falls short of the average national GDP per capita in the Netherlands (43,213 euros)⁷. The density of new business in the Dutch-German border region has changed little in recent years and reached 9,92 businesses per 1.000 inhabitants in 2017. In the German programme area, the density of new businesses (10.38 percent^{8 9}) is slightly higher than in the Dutch programme area (9.45 percent)^{10 11}.

The employment situation in the Dutch-German border region has developed very positively in recent years. The general unemployment rate as well as the youth unemployment rate and the share of long-term unemployed has decreased. The general unemployment rate, which indicates the share of unemployed people of all persons between 15 and 74 years, has fallen from 7.16 percent in 2014 to 3.95 percent in 2018¹². At 7.27 percent in 2018, the proportion of unemployed young people among all 15-24-year-olds was around five percentage points lower than five years before¹³. The share of long-term unemployed in the total labour force has almost halved over the same period and was at 1.46 percent in 2018¹⁴. In particular in the Dutch programme area, the situation has improved significantly for all three indicators over the last five years. Nevertheless, the unemployment rate in the Dutch area of the Dutch-German border region is still slightly higher than the respective rates in the German area, both for young people (7.7 percent) and for the entire labour force (4.1 percent).

2.2 Social entrepreneurship sector

A look at the business structure shows that the Dutch-German border region is characterised in particular by small and medium-sized enterprises.

⁶ Eurostat [nama_10r_3gdp] und Eurostat [demo_r_pjanagr3]

⁷ This is due to the fact that GDP per capita in the western regions (Utrecht, Noord-Holland, Zuidholland) is significantly higher than in the rest of the country. See also: Eurostat (2019): News Release. Regional GDP per capita ranged from 31% to 626% of the EU average in 2017. Available at: <https://ec.europa.eu/eurostat/documents/2995521/9618249/1-26022019-AP-EN.pdf/f765d183-c3d2-4e2f-9256-cc6665909c80> [Last accessed 11.06.2020]

⁸ Landesbank NRW (2019): *Gewerbeanmeldungen (ohne Automatenaufsteller) nach Grund der Gewerbeanmeldung und Gewerbeabmeldungen (ohne Automatenaufsteller) nach Grund der Gewerbeabmeldung - Gemeinden - Jahr*. Available at: https://www.landesdatenbank.nrw.de/ldb NRW/online/data?operation=find&suchanweisung_language=de&query=gewerbeanmeldungen [Last access: 11.06.2020]

⁹ Landesamt für Statistik Niedersachsen (2019): *Gewerbeanzeigenstatistik in Niedersachsen 2003 - 2017 (ohne Automatenaufsteller und Reisegewerbe) Gebietsstand: 1.07.2017*. Available at: <https://www1.nls.niedersachsen.de/statistik/html/default.asp> [Last access: 11.06.2020].

¹⁰ Central Bureau voor de Statistiek (2019): *Vestigingen van bedrijven; oprichtingen, bedrijfstak, regio*. Available at: <https://opendata.cbs.nl/statline/#/CBS/nl/dataset/83631NED/table?ts=1584105999491> [Last accessed 11.06.2020]

¹¹ Note: comparability is limited because the data on the birth rate come from different national databases and therefore differences in the surveys are possible. At the national level, the Netherlands has a slightly higher birth rate than Germany, according to the OECD. See also: <https://stats.oecd.org/index.aspx?queryid=81074>

¹² Eurostat [lfst_r_lfu3rt]

¹³ Ibid.

¹⁴ Eurostat [lfst_r_lfu2ltu]

Almost 300,000 companies are located on the German side in 2017, 88 percent of which are micro-enterprises, i. e. companies with up to nine employees. Small companies with 10-49 employees make up nine percent, medium-sized companies with 50-249 employees a good two percent. Only half a percent of the companies employs more than 250 employees. In recent years a slight shift from micro-enterprises to larger forms of enterprises has been observed in the German part of the border region.¹⁵

No regional data are available for the Dutch side, therefore national data are presented in Table 2. In the Netherlands there are around 1.1 million enterprises in 2019, 95 percent of which are micro-enterprises. Four percent are small enterprises, one percent are medium-sized (0.8 percent) and large enterprises (0.2 percent).¹⁶

Table 2: Social entrepreneurship, 2014-2019

Indicators		2014	2015	2016	2017	2018	2019
SMEs in the German border region	0-9 employees	278,759	260,063	261,039	260,985	n.a.	n.a.
	10 – 49 employees	25,407	25,983	26,573	27,138	n.a.	n.a.
	50-249 employees	5,616	5,847	6,001	6,184	n.a.	n.a.
250 and more employees		1,284	1,326	1,367	1,408	n.a.	n.a.
Social enterprises total number		311,066	293,219	294,980	295,715	n.a.	n.a.
SMEs in the Netherlands (nationally) ¹⁷	0-9 employees	912,625	953,255	993,785	1,017,710	1,062,805	1,115,765
	10 – 49 employees	40,490	40,320	40,525	41,500	42,745	43,725
	50-249 employees	7,930	8,000	8,210	8,455	8,745	9,050
250 and more employees		1,530	1,545	1,600	1,650	1,775	1,820
Total number of enterprises		962,575	1,003,130	1,044,130	1,069,320	1,116,080	1,170,385

Source: Destatis, Central Bureau voor de Statistiek; own calculations and illustration Ramboll Management Consulting.

Neither in Germany nor in the Netherlands comprehensive data on the **number of social enterprises** are gathered. Consequently, no corresponding data are available for the Dutch-German border region.

¹⁵ Statistisches Bundesamt (2019): GENESIS Online-Datenbank, Unternehmen (Unternehmensregister-System): *Unternehmen nach Beschäftigtengrößenklassen - Jahr - regionale Tiefe: Kreise und krfr. Städte.*

¹⁶ Central Bureau voor de Statistiek (2019): *Bedrijvendemografie - Vestigingen van bedrijven; grootte, bedrijfstak, regio.* Available at: https://www.cbs.nl/-/media/_excel/2019/49/bedrijvendemografie.xlsx [Last accessed 11.06.2020]

¹⁷ Note: no data on the number of resident SMEs is available for the Dutch border region.

In both countries, however, studies have been carried out to estimate the number of social enterprises at national level and to provide initial information on the development of social entrepreneurship. While a study by the ‘Centre of Social Investment’ at the University of Heidelberg estimates that there are 40,000-70,000 social enterprises in Germany in 2013¹⁸, the authors of the European Commission’s country report on social entrepreneurship in Germany estimate an upper limit of around 77,500 social enterprises¹⁹ in the year 2017. For the Netherlands, McKinsey conducted a study in 2016 which estimates an increase of the number of social enterprises from 3,000-3,500 in 2013 to 5,000-6,000 in 2016²⁰.

The figures for social enterprises in Germany and the Netherlands are not comparable, as the estimates are based on very different definitions of social enterprises. The estimates for Germany are strongly oriented towards the definition of the Social Business Initiative²¹. The McKinsey study, which estimates the number and development of social entrepreneurship in the Netherlands, applies significantly different, sometimes more restrictive criteria in its definition of social enterprises. The McKinsey study only takes into account companies that generate at least 50 percent of their revenues themselves. Due to this criterion, the study is likely to result in a significantly lower estimated value than in the German studies, which apply a threshold of 25 percent self-generated revenue. Despite a lack of data comparability between the countries, the figures suggest that the number of social enterprises in both countries is increasing. The extent to which this also applies specifically to the Dutch-German border region cannot be assessed based on the available data.

According to the McKinsey study, social enterprises in the Netherlands are mainly active in the areas of healthcare (31 percent), energy supply and savings (17 percent) and financial and business services (16 percent). 41 percent of the companies are active in two or more economic sectors.²² In Germany, social enterprises can be found generally in all sectors of the economy. Due to the strongly established welfare organisations, one focus of social entrepreneurial activities is the social sector, including, for example, the operation of nursing homes and

¹⁸ Scheuerle, T. et al. (2013): Social Entrepreneurship in Deutschland - Potentiale und Wachstumsproblematiken, Centrum für soziale Investitionen und Innovationen [CSI] i.A. KfW. Available at: <https://www.kfw.de/PDF/Download-Center/Konzernthemen/Research/PDF-Dokumente-Studien-und-Materialien/Social-Entrepreneurship-in-Deutschland-LF.pdf> [Last accessed 11.06.2020]

¹⁹ Göler von Ravensburg, N. et al. (2018): Social Enterprises and their Ecosystems in Europe – Country Report Germany. Luxembourg: Publications Office of the European Union. Available at: <https://op.europa.eu/o/opportal-service/download-handler?identifier=3f4621d4-67f5-11e9-9f05-01aa75ed71a1&format=pdf&language=en&productionSystem=cellar&part=> [Last accessed 11.06.2020]

²⁰ Siehe: Kelzer A. et al. (2016): Scaling the impact of the social enterprise sector. McKinsey & Company. Available at: <https://www.mckinsey.com/~media/McKinsey/Industries/Social%20Sector/Our%20Insights/Scaling%20the%20impact%20of%20the%20social%20enterprise%20sector/Scaling-the-impact-of-the-social-enterprise-sector.ashx> [Last accessed 11.06.2020]

²¹ European Union (2018): p. 113f.

²² European Union (2019): p. 35; OECD/Europäische Union (2019): S. 18; McKinsey & Company (2016): p. 9

hospitals for the elderly and outpatient care.²³ Innovative social enterprises are according to the German Social Entrepreneurship Monitor 2019 mainly active in the information and communication sector (44 percent), education and training (26 percent) as well as health care and social services (22 percent).²⁴

Funding for social enterprises in the INTERREG V A programme Germany-Netherlands

The **INTERREG V A Germany-Netherlands** cooperation programme does not explicitly provide funding for social enterprises. Social enterprises can apply for funding like other potential beneficiaries. A total of 440 million euros is available under the current INTERREG V A Germany – Netherlands programme to strengthen the region's innovative capacity and to contribute to the removal of obstacles caused by the national border (further information on the INTERREG V A programme Germany - Netherlands see chapter 6.2).

²³ European Union (2018): p. 65

²⁴ SEND (2020): p. 19

3. Development of social entrepreneurship and nature of cross-border cooperation of the Dutch-German border region

The following chapter presents factors that influence the current situation of social entrepreneurship in the Dutch-German border region and show that current state of cross-border cooperation. With a view to the development of social entrepreneurship, the existing definitions and legal forms of social enterprises in the region as well as factors that promote and hinder their development are examined.

3.1 Legal status and concept of a social enterprise

Currently, there is neither an official definition of social enterprises in the Netherlands nor in Germany.²⁵ In both Germany and the Netherlands, actors are committed to using a uniform definition of social enterprises. Thus in 2019, the *Social Entrepreneurship Network Germany* developed a definition based on the current state of research that addresses three dimensions that are relevant in social enterprises: the social, the entrepreneurial and the governance dimension.²⁶

In the Netherlands and Germany there is neither an explicit legal form nor an explicit legal status for social enterprises. Consequently, social enterprises in both countries use different legal forms. The legal forms enable and limit social enterprise activities in different ways.²⁷ For this reason, social enterprises often combine several legal forms to carry out their economic and social-oriented activities.²⁸ The Dutch government is of the opinion that social entrepreneurship should be promoted as an approach but that social enterprises should not be granted privileges as a special type of enterprise.²⁹ Table 3 provides an overview of which legal forms Dutch and German social enterprises frequently use and which other legal forms are available for them. In both countries, companies with limited liability and foundations stand out as frequently used legal forms. While German social enterprises also often choose the association or (social) cooperative as their legal form, these legal forms are less common for Dutch companies.

²⁵ European Union (2018): S. 32; Europäische Union (2019): p. 21

²⁶ Social Entrepreneurship Netzwerk Deutschland e.V. (2019): *Deutscher Social Entrepreneurship Monitor 2019*. Available at <https://www.send-ev.de/uploads/DSEM2019.pdf> [Last accessed 11.06.2020]

²⁷ Exemplary explanation: The legal form of a limited liability company, known in the Netherlands as the "Besloten Vennootschap", allows very comprehensive economic activity, but restricts, for example, the possibilities of accepting donations. The legal form of a registered association, which is widespread in Germany under the abbreviation "e.V.", is suitable for social enterprises due to its simple organisation, few bureaucratic requirements and participatory membership structure. Associations may, however, only be marginally active in business. (Europäische Union (2018): p. 52; OECD/Europäische Union (2019): p. 29)

²⁸ European Union (2018): p. 54; ZiviZ gGmbH (2017): p. 23

²⁹ European Union (2019): p. 18, 26

Table 3: Legal forms used by social enterprises in the Netherlands and Germany

	Netherlands  ³⁰	Germany 
Legal forms of social enterprises most frequently used in practice ³¹	Foundations (Stichting) Limited liability companies (Besloten Vennootschap; BV)	Registered association (e.V.) Non-profit limited liability companies (gGmbH) Cooperatives that pursue social concerns ³² Operational foundations
Other legal forms available for social enterprises ³³	Associations (Vereniging) Cooperatives Public limited companies (Naamloze Vennootschap; NV)	Sole proprietorship Civil law company (GbR) Limited partnership (KG) Entrepreneurial company (UG) Mutual society

Source: European Union (2018 und 2019), own illustration Ramboll Management Consulting.

3.2 Development of social enterprises

This chapter highlights factors that promote and hinder the development of social enterprises in the region.

Factors promoting the development of social enterprises in the Dutch-German border region

Advisory and support services for social enterprises or those interested in setting up a business

In the Dutch-German border region individual contact points, co-working facilities and hubs for social enterprises as well as incubators and accelerators for people interested in setting up their own businesses exist. Within the framework of these advisory and support services, knowledge is transferred and exchanged and important networks are formed that are conducive to the establishment and development of social enterprises in the region.

Increasing political and public awareness of social enterprises

In 2015, the Dutch government officially recognised the social relevance of social enterprises. In 2018, the German federal government anchored in the coalition agreement that social enterprises are key players in addressing social challenges and require greater support. In the

³⁰ Reading aid: Country-specific statements are visually identified by the respective national flag.

³¹ European Union (2018): p. 52; Europäische Union (2019): p. 25

³² European Union (2018): p. 41 – Since the amendment of the German Cooperatives Act in 2006, cooperatives can no longer promote not only economic but also social or cultural interests of their members through joint business operations.

³³ European Union (2018): p. 52; OECD/Europäische Union (2019): p. 28

Netherlands in particular, companies such as Fairphone, Snappcar or Tony's Chocolonely are also increasing the visibility of social entrepreneurship due to their success and social impact.³⁴

Social issues and problems in the region highlight needs that can be solved by social enterprises

The Dutch-German border region shows developments and problems that are addressed by social enterprises, such as demographic change, medical care in the rural parts of the region or unemployment in the urban parts of the region (e. g. the Ruhr area). In Germany, among other countries, the refugee crisis in 2015 put the integration of refugees and migrants on the political agenda and thus opened up fields of activity for social enterprises, e. g. in the field of social commitment as well as language skills and educational offers.³⁵

Certain factors constitute an obstacle to the development of social enterprises in the region.

(Note: possible starting points for overcoming these obstacles are formulated in chapter 9)

Social enterprises and their social added value are difficult to identify and measure

The lack of a uniform definition of social enterprises makes it difficult to identify and statistically capture them. This hinders the recognition of their specific potentials and challenges and provides an obstacle to address them adequately by political programmes.³⁶ Moreover, the (social) effects of social enterprises and their added value for society are difficult to measure.

Hardly any transnational networking of stakeholders in the field of social entrepreneurship

Despite the long-established and successful cross-border cooperation in the Dutch-German border region, the relevant stakeholders in the field of social enterprises (networks, initiatives, universities, etc.) have so far hardly been networked with each other across borders. Consequently, there is little knowledge transfer and exchange.

The necessary commercial and economic expertise of social entrepreneurs is sometimes not sufficiently available

Social entrepreneurs and those interested in setting up a business sometimes lack the commercial or economic know-how required for a successful social enterprise. At universities and colleges and in start-up seminars, little attention is yet paid to the specifics of social

³⁴ European Union (2018): S. 15; European (2019): p. 15; Dt. Bundesregierung (2018): p. 42; OECD/Europäische Union (2019): p. 18

³⁵ European Union (2019): p. 18, 74; OECD/ European Union (2019): p. 15; European Union (2020): p. 140

³⁶ European Union (2018): p. 105; European Union (2019): p. 72

enterprises. For the most part, university teaching is not yet socially and sustainably oriented; instead, the classic business model is taught.

Difficult access to finance

Adequate start-up and especially follow-up financing and access to the financial market are among the central challenges for many social enterprises. On the one hand, social enterprises are less attractive to investors and financial intermediaries than conventional companies because of their limited financial profit-making capacity. On the other hand, social enterprises that do not operate commercially are not eligible for some funding programmes. In addition, social enterprises often find it difficult to take up and repay loans because of their limited financial profit expectations. In addition, complex application and approval processes for government support programmes can be a hurdle for social enterprises.

Effects of Covid-19

In the course of the expert interviews it became clear that the current situation and development in the wake of the spread of Covid-19 and the measures taken by governments have a strong impact on social enterprises in the Dutch-German border region. On the one hand, social enterprises and their solutions are gaining in importance, as their innovative approaches can help in areas such as the digitisation of education and health care. At the same time, a survey by *Social Enterprise Network Germany* shows that the existence of many social enterprises is threatened. This is due, among other things, to the closure of (educational) institutions, the cancellation of events and also due to the declining purchasing power of the population.

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Note: Information on the sectors in which enterprises in the Dutch-German border region are primarily active can be found in chapter 2.2.

3.3 Nature of cross-border cooperation

As described above, cross-border cooperation in the Dutch-German border region is supported by the INTERREG V A programme Germany- Netherlands. This cross-border funding programme is based on decades of successful cooperation and established structures. Under the current INTERREG V A programme, social enterprises can apply for funding in the same way as all other enterprises, especially SMEs. However, the funding is not explicitly aimed at social enterprises (further information on the INTERREG V A programmes Germany - Netherlands can be found in chapter 6.2).

³⁷ SEND (2020): https://www.send-ev.de/2020-03-27_herausforderungen-f%C3%BCr-sozialunternehmen-in-der-corona-krise/ [Last access 17.06.2020]

4. Main stakeholders of the Dutch-German border region

The following table gives an overview of the actors who are already involved in the BRESE project or who will be involved during the project. On the one hand, these are the political and administrative actors responsible for the INTERREG V A programme Germany - Netherlands (all other members of the Monitoring Committee should also be mentioned here³⁸). On the other hand, there are existing networks, advisory and support initiatives and experts for social entrepreneurship in the Dutch-German border region. This overview is not exhaustive.

Table 4: List of stakeholders

Organisation	Contact data
Joint INTERREG-Secretariat	Euregio Rhein-Waal Tel.: +49 2821 79300 E-Mail: info@euregio.org
Regional Programme managements of the INTERREG V A-Programme Germany-Netherlands	Euregio Rhein-Waal Email: info@euregio.org euregio rhein-maas-nord Email: info@euregio-rmn.de Ems Dollart Region Email: edr@edr.eu EUREGIO Email: info@euregio.eu
Ministry of Economy, Innovation, Digitisation and Energy of the State of North-Rhine Westphalia (administrative authority INTERREG D-NL)	<i>Referat IV A3 Europäische Territoriale Zusammenarbeit</i>
Social Enterprise Network Deutschland e.V	nrw@send-ev.de
Social Enterprise NL	info @social-enterprise.de
Impact Factory/Anthropia	info@anthropia.de
Provincie Noord-Brabant	Astrid Kaag AKaag@brabant.nl
ROZ Group	Marte di Prima m.diprima@rozgroep.nl
Anton Jurgens Fonds	info@antonjurgensfonds.nl
K Plus V – Move2Social	info@kplusv.nl

Source: Document analysis, Expert interviews; own illustration Ramboll Management Consulting

³⁸ <https://www.deutschland-nederland.eu/ihr-interreg/organisation/begleitausschuss/>

5. SWOT analysis

A SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) was carried out to identify key strengths and weaknesses of as well as the opportunities and risks for the development of social entrepreneurship in the Dutch-German border region. This analysis is based on the evaluation of relevant documents, such as the country reports of the European Commission on social enterprises in Germany and the Netherlands, as well as on the findings of expert interviews with experts from the region (see chapter 7).

Internal factors are features and characteristics that are specific to the Dutch-German border region. External factors are developments and events beyond the region.

Table 5: SWOT analysis

Internal Factors	
Strengths	Weaknesses
In the Dutch-German border region there generally is a close connection and long-term cooperation at various levels (municipalities, research institutions, universities, etc.).	To date, however, there has been little cross-border exchange between social enterprises or between networks or advisory institutions across the Dutch-German border.
Existing advisory and support services: There already are support services in the region such as advisory centres and co-working spaces as well as incubators and accelerators for social entrepreneurs and those interested in setting up their own businesses.	Existing advisory and support organisations are situated in larger cities with an active start-up scene but not in the rural areas of the programme areas. Advisory centres and co-working spaces are mainly operated by single initiatives, less by established (regional) economic development actors.
Social issues and problems in the region illustrate needs that can be solved by social enterprises: including demographic change, medical care in rural areas, unemployment in urban areas of the border region (e.g. Ruhr area). Current developments, in particular socio-economic crises such as the refugee crisis, highlight needs and problems which social enterprises can or do address in a sustainable manner.	
External Factors	
Opportunities	Threats
There is an increasing in lobby/political representation of interests by and for social enterprises (e. g. Send e. V.; Social Enterprise NL).	Social enterprises are difficult to capture statistically (also due to the lack of an official definition in Germany and the Netherlands). The available data of social enterprises is rather poor, they are not included in regular business statistics.

<p>Political and public awareness of social enterprises is growing: political and social attention is increasingly being paid to social enterprises (including coalition agreements) and their approach to developing socially relevant, sustainable solutions.</p>	<p>Social enterprises and their social added value are difficult to identify and measure: (social) impacts of social enterprises are difficult to measure and therefore difficult to communicate (this makes it difficult to establish credibility and creditworthiness of social enterprises)</p>
<p>There are already various funding opportunities, especially at national and EU level, which in principle can also be used for social enterprises (e. g. start-up subsidies, ESF funds, EXIST programme)</p>	<p>Difficult access to financial resources, especially insufficiently targeted follow-up financing for successful social enterprises.</p> <p>No funding programmes that focus specifically on social enterprises. Existing funding instruments often do not fit the specific needs and/or conditions of social enterprises (limited financial profit making, non-profit limited liability companies)</p>
<p>Social enterprises are basically active in various economic sectors, can thematically compete in the free economy and are not limited to certain "niches" and/or social services.</p>	<p>The necessary commercial and economic expertise of social entrepreneurs is sometimes not sufficiently available, partly because universities place little emphasis on teaching sustainable and social business models. This results in a lack of professionalisation and management skills in social enterprises.</p>

Source: Document analysis, Expert interview; own illustration Ramboll Management Consulting

6. Regional policy in the context social entrepreneurship from perspective of the cross-border cooperation

This chapter provides an overview of relevant framework conditions that promote social entrepreneurship in the Dutch-German border region. In addition, the INTERREG V A programme Germany - Netherlands is presented.

6.1 Legal framework

Existing funding strategies and instruments at national, regional and local level are outlined below.³⁹ Table 7 provides a summary.

There are national funding instruments for companies in the start-up and scaling up phase.

Neither the Netherlands nor Germany possess a systematic funding concept at national level targeted at social enterprises.⁴⁰ There are, however, a number of funding and financing instruments that support SMEs – and thus also social enterprises – especially in the start-up and scaling phase, for example through favourable loan conditions.⁴¹ In the Netherlands, this includes in particular the action plan ‘Ambitious Entrepreneurship’ as well as various financing programmes coordinated by the national business agency *Rijksdienst voor Ondernemend Nederland*. These include, for example, the Dutch Good Growth Fund, which supports the activities of Dutch companies in developing countries and successfully promoted the well-known social enterprises Fairphone and Tony Chocolonely, among others.⁴² In Germany, the federal government provides various support programmes for business start-ups, which are accompanied by promotional loans from the KfW banking group.⁴³ Social added value or profit is usually not taken into account in national funding instruments. The use of existing support instruments is therefore often difficult for social enterprises - due to their limited financial profit expectations (repayment of loans or credits can be a challenge) or if they are not operating commercially and are therefore not eligible to apply.

There are individual national approaches that specifically focus on and promote social entrepreneurial commitment.

³⁹ At the national level, we associate funding strategies and instruments of the Dutch central government and the German federal government. At the regional level, we allocate funding strategies and instruments of the Dutch provinces and the German Länder. At the local level, we assign funding strategies and instruments of the Dutch and German cities and municipalities.

⁴⁰ European Union (2018): p. 76; European Union (2019): p. 41

⁴¹ European Union (2020): p. 72

⁴² European Union (2019): p. 41

⁴³ Federal Ministry for Economic Affairs and Energy für Wirtschaft und Energie:

[https://www.existenzgruender.de/Europäische_Union_\(2018\)/Gruendung-vorbereiten/Entscheidung/Ihre-Branche/Social-Start-ups/inhalt.html](https://www.existenzgruender.de/Europäische_Union_(2018)/Gruendung-vorbereiten/Entscheidung/Ihre-Branche/Social-Start-ups/inhalt.html) [Last access 04.05.2020]

The Dutch government is focusing on project-based partnerships between government agencies and private investors to finance innovation projects with a social impact, using the Social Impact Bonds (SIB), a financing model originating in the United Kingdom. Under this scheme, government authorities assume the investment costs provided that the innovation achieves certain contractually agreed social impact objectives. There are currently seven SIBs in the Netherlands.⁴⁴ In Germany, the Federal Ministry for Family Affairs is supporting the ‘Social Impact’ initiative to accompany the providers of independent welfare services in innovation processes and to strengthen their exchange with social enterprises with an innovative orientation. In 2017, the Federal Ministry of Economic Affairs and Energy published a guide specifically for social enterprises in its newsletter *GründerZeiten*, which supports them with information on, among other things, founding, financing and business management.

In the Netherlands, regional approaches to promoting social enterprises are becoming increasingly important.

Forward-looking municipal approaches to the promotion of social entrepreneurship can be found especially in large Dutch cities, but also in the provinces of the Dutch-German border region.⁴⁵ For example, the Province of Limburg subsidises companies that contribute to the objectives set out in its Social Agenda 2020-2023 (including the promotion of social participation of disadvantaged population groups).⁴⁶ The provinces of Drenthe, Friesland and Groningen have joined forces to develop a uniform concept of social return, i.e. the measurement of social impact, and integrate it into their public tendering processes.⁴⁷ With the so-called "Brabant Outcomes Fund", the provincial government of North Brabant offers companies and investors the opportunity to receive reimbursement for investments, provided that these have a demonstrable social impact. This results financing model is based on the SIB principle (see above).⁴⁸

At regional level in Germany, there are sometimes considerable differences in how and how intensely social entrepreneurship is promoted.

While in Germany the federal government and individual state governments have included the promotion of social enterprises in their coalition agreements, this does not apply to Lower Saxony and North Rhine-Westphalia. Neither state government intends - according to the government responses to two parliamentary questions - to further open up existing funding instruments for social enterprises or to set up new funding instruments specifically for social

⁴⁴ OECD/European Union (2019): p. 54, 60; ABN Amro: <https://www.abnamro.com/en/about-abnamro/in-society/sustainability/finance-and-investment/social-impact-bonds/index.html> [Last access 04.05.2020]

⁴⁵ European Union (2019): p. 43

⁴⁶ Provincie Limburg: <https://www.limburg.nl/loket/subsidies/actuele-subsidies/subsidieregelingen-2/@5599/subsidie-socialeag/> [Last access 04.05.2020]

⁴⁷ Social Return Coördinatiepunt: <https://socialreturninderegio.nl/> [Last accessed 04.05.2020]

⁴⁸ Provinz Nord-Brabant: <https://www.brabant.nl/subsites/brabant-outcomes-fund> [Last access 05.05.2020]

enterprises.⁴⁹ One of the existing funding instruments in North Rhine-Westphalia is the *Neue Gründerzeit* funding concept, which focuses on the promotion of innovative and transferable start-up projects as one of ten action strategies.⁵⁰ In Lower Saxony, two funding instruments address social entrepreneurship. While one funding instrument focuses on innovative projects in the thematic priorities of the world of work and services of general interest, the other supports the establishment of social cooperatives.⁵¹

Table 6: Normative acts on national, regional and local levels regulating social entrepreneurship

National level	
	<p><u>Ambitious Entrepreneurship Action Plan</u></p> <p>With the Action Plan, the Dutch government promotes the access of companies (including start-ups) to capital/financing, skills, innovation and the global market.</p>
	<p><u>Funding instruments coordinated by the <i>Rijksdienst voor Ondernemend Nederland</i></u></p> <ul style="list-style-type: none"> - <u>Dutch Good Growth Fund</u> (DGGF): Promotion of activities of Dutch companies in developing countries - <u>Garantie Ondernemingsfinanciering Energietransitie Financierings Faciliteit</u> (GO-ETFF): Financing of companies committed to energy system transformation - <u>Innovatiekrediet</u>: Innovation credit for the development of technical innovations with very good market prospects - <u>SBIR innovatie in opdracht</u>: Innovation competition to develop innovative products and services to solve social problems
	<p><u>Social Impact Bonds</u> (SIB)</p> <p>SIBs are project-based partnerships between private investors and government agencies (national and local), whereby the government agencies repay investments in companies depending on the social impact achieved.⁵²</p>
	<p><u>Federal government support programmes for business start-ups</u></p> <p>The German government supports start-ups through various support programmes, including <i>EXIST-Gründerstipendium</i></p>
	<p><u>Promotional loans for founders of the KfW banking group</u></p> <p>The kfw banking group provides various loans for companies in the start-up phase with favourable conditions (e. g. risk assumption by KfW, reduced interest or repayment rates).</p>
	<p><u>Social guide for social enterprises in the newsletter <i>GründerZeiten</i></u></p>

⁴⁹ Landtag NRW: Antwort der Landesregierung auf die Kleine Anfrage 2611 vom 6. Juni 2019 des Abgeordneten Matthi Bolte-Richter (BÜNDNIS 90/DIE GRÜNEN), Drucksache 17/6529, available at: <https://kleineanfragen.de/nordrhein-westfalen/17/6913-fliegen-social-entrepreneurs-social-startups-und-sozialunternehmen-unter-dem-radar-der-landesregierung> [Last access 04.05.2020]; Niedersächsischer Landtag: Kleine Anfrage zur schriftlichen Beantwortung gemäß § 46 Abs. 1 GO LT mit Antwort der Landesregierung, available at: https://www.landtag-niedersachsen.de/drucksachen/drucksachen_18_05000/02501-03000/18-02989.pdf [Last access 04.05.2020]

⁵⁰ Land NRW: <https://www.wirtschaft.nrw/9-umwelt-und-soziale-aspekte-im-gruendungsgeschehen-staerker-beruecksichtigen> [Last accessed 05.05.2020]

⁵¹ Ministerium für Soziales, Gesundheit und Gleichstellung des Landes Niedersachsen: <https://soziales.niedersachsen.de/download/127380> [Last access 04.05.2020]; Ministerium für Soziales, Gesundheit und Gleichstellung des Landes Niedersachsen: <https://soziales.niedersachsen.de/download/127380> [Last access 04.05.2020]

⁵² OECD/European Union (2019): p. 54, 60

In 2017, the Federal Ministry of Economic Affairs and Energy published a guide for social enterprises in the newsletter <i>GründerZeiten</i> with information on, among other things, founding, financing and company management. ⁵³
 <u>BMFSFJ projects of the initiative ‘Social Impact’</u> Supported by the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (BMFSFJ), ‘Social Impact’ accompanies and promotes the providers of independent welfare services in innovation processes.
Regional level
 <u>Subsidies for organisations under the Limburg Social Agenda 2020-2023</u> The province subsidises organisations such as associations, foundations or companies that contribute to the achievement of the Social Agenda goals (e. g. promoting social participation).
 <u>‘Social Return’ coordination office of the provinces Drenthe, Friesland, Groningen</u> Merger of the provinces to develop a uniform system for measuring social impact (social return) and integrate it into public tendering processes
 <u>‘Brabant Outcomes Fund’ of the province Nord-Brabant</u> The provincial government reimburses private investment in entrepreneurial projects if the projects have a demonstrable social impact (results financing model; based on the SIB model).
 <u>Funding concept <i>Neue Gründerzeit</i> of the state government of North Rhine-Westphalia</u> Within the funding concept, the state government promotes socially and ecologically oriented business start-ups as a specific action strategy, among other things through networking and competitions.
 <u>Soziale Innovation funding guideline of the State of Lower Saxony</u> The state government financially supports the development and testing of innovative and transferable projects for the solution of social challenges in the thematic priorities of the world of work and services of general interest (financing from ESF funds).
 <u>Sozialgenossenschaften funding guideline of the State of Lower Saxony</u> The state government reimburses the start-up costs for social cooperatives.

Source: Document analysis, Expert interview; own illustration Ramboll Management Consulting

In the Dutch-German border regions, the regional innovation strategies for intelligent specialisation (RIS3 strategies) selectively address social entrepreneurship.

One of the regions that specifically address social entrepreneurship in their RIS3 strategy is the northern part of the Netherlands (provinces of Drenthe, Friesland, Groningen). Its RIS3 strategy focuses, within the framework of one of the three investments lines, on the networking of companies and knowledge centres to solve social challenges in the fields of health, nutrition, water and sustainable energy.⁵⁴ In addition, with its research agenda within the RIS3 strategy, the state of North Rhine-Westphalia addresses, among other things, research related to socially relevant services as well as business-related and other services, including research and development on social innovations, e.g. in the field of social entrepreneurship.⁵⁵ The RIS3

⁵³ European Union (2018): p. 76

⁵⁴ SNN: <https://www.snn.nl/europa/strategie-voor-het-noorden> [Last accessed 05.05.2020]

⁵⁵ Landesregierung NRW: Regionale Innovationsstrategie im Rahmen der EU-Strukturfonds 2014-2020, available at

https://www.efre.nrw.de/fileadmin/user_upload/Programmtexte/Regionale_Innovationsstrategie.pdf [Last access 05.05.2020]

strategy of Lower Saxony also focuses on the great importance of environmental and social innovations⁵⁶. However, social entrepreneurship is not directly and explicitly addressed.

6.2 Analysis of the proposed policy instrument

The Euregio Rhine-Waal is involved in the BRESE project as lead partner with the policy instrument INTERREG V A programme Germany - Netherlands. In this section this policy instrument and the result indicator chosen for the BRESE project are briefly described.

The current INTERREG V A programme Germany - Netherlands 2014–2020, does not provide funding specifically addressed at social enterprises. However, social enterprises can apply for funding in the same way as other SMEs, both in Priority Axis 1 and Priority Axis 2. Social enterprises can therefore already receive funding as beneficiaries under the current INTERREG programme. However, the promotion of social enterprises is not an explicit objective of the programme.

Figure 2 summarises the thematic priorities of the INTERREG V A programme in the current funding period and illustrates the variety of topics that are supported. Social enterprises are active in numerous sectors and industries. The Joint INTERREG Secretariat (JS), which is responsible for the administrative implementation of the INTERREG V A programme, also confirms that numerous projects with social, welfare-oriented contents are already being implemented. One example are initiatives to integrate long-term unemployed into the labour market. However, these projects are mostly implemented by municipalities, associations or foundations and less by social enterprises. Under the current programme, a small number of social enterprises is funded, such as a company involved in two INTERREG projects. Among other things, these projects have initiated a cross-border exchange programme between organisations that support physically disabled persons and young people who are difficult to educate.

⁵⁶ Niedersächsische Staatskanzlei (2014): Regional- und Strukturpolitik im Zeitraum 2014-2020 – Niedersächsische Innovationsstrategie für intelligente Spezialisierung (RIS3), available at file:///C:/Users/MSOE/Downloads/2014-11-11_RIS3-Strategie_Niedersachsen.pdf [Last access 05.05.2020]

Figure 2: Thematic priorities of the INTERREG V A-Programme Germany-Netherlands 2014-2020



Quelle: Cooperation programme, own illustration Ramboll Management Consulting.

In the framework of the BRESE project, the following **result indicator** was chosen for the Dutch-German border region: the number of social enterprises in new or existing INTERREG A Germany - Netherlands projects that benefit from the best practice instruments and increased awareness developed through the BRESE project. The aim is to ensure that social enterprises, networks, initiatives and other actors involved in social enterprises participate in cross-border cooperation projects and receive funding under the (future) INTERREG A Germany - Netherlands programme. This can be achieved in particular through exchange and information formats. The target value for the BRESE project was set at 27.

7. Results of expert interviews with regional stakeholders

Several expert interviews were conducted as part of this analysis. The discussion partners included representatives of the Joint INTERREG Secretariat of the INTERREG V A Programme Germany-Netherlands, of interest groups, universities and administrations. During the expert interviews, many topics were discussed, such as relevant factors influencing the development of social enterprises in the region, existing challenges and existing support services (see appendix for interview guidelines). The findings from the expert interviews have been incorporated into the respective chapters of this statistical analysis.

Table 7 gives an overview of the interview partners of the expert interviews.

Table 7: Interview partner and expert interviews

Name	Organisation	Website	Address	Contact information	Stakeholder	Reference to social entrepreneurship
Daniel Bartel	Social Enterprise Network Deutschland (SEND e.V. (NRW))	https://www.send-ev.de/	Schiffbauerdamm 40 10117 Berlin	nrw@send-ev.de	National or regional network	Association of the German social enterprise sector
Nick Sens	Social Enterprise NL	https://www.social-enterprise.nl/	Keizersgracht 264 1016 EV Amsterdam	nick@social-enterprise.nl	National network	Association of the Dutch social enterprise sector
Astrid Kaag	Provincie Noord-Brabant	https://english.brabant.nl/	Brabantlaan 1 5216 TV 's-Hertogenbosch	AKaag@brabant.nl	Public administration	Initiator Brabant Outcomes Fund
Marte Di Prima-Linde	ROZ Group	https://www.rozgroep.nl/	Enschedesestraat 164 7552 CL Hengelo	m.diprima@rozgroep.nl	Regional consulting organisation	Consulting of social enterprises
Oliver Kuschel	Impact Factory/Anthropia	https://impact-factory.de/	Franz-Haniel-Platz 4 47119 Duisburg	kuschel@anthropia.de	NGO	Incubator/accelerator for social enterprises/impact start-ups

Name	Organisation	Website	Adress	Contact information	Stakeholder	Reference to social entrepreneurship
Adriana Boldisova	Hochschule Rhein-Waal	https://www.hochschule-rhein-waal.de/de	Marie-Curie-Straße 1 47533 Kleve	adriana.boldisova@hochschule-rhein-waal.de	University	Center for research, innovation and transfer; project coordinator StartGlocal: Global Spirit for Local Start-ups
Kai Hagenbruck	Niederrheinische Industrie- und Handelskammer (IHK)	https://www.ihk-niederrhein.de/	Mercatorstraße 22–24 47051 Duisburg	hagenbruck@niederrhein.ihk.de	Chamber of Commerce	Economic and SME promotion/services
Ineke Lemmen	Niederländisches Ministerium für Wirtschaft und Umwelt	https://www.rijksoverheid.nl/ministeries/ministerie-van-economische-zaken-en-klimaat	Bezuidenhoutseweg 73 2594 AC Den Haag	c.j.m.lemmen@minizek.nl	Public administration	Expert CSR/social enterprises
Dieter Welfonder	Universität Duisburg-Essen IDE - Kompetenzzentrum für Innovation & Unternehmensgründung	https://www.uni-due.de/	Campus Duisburg Forsthausweg 2 47057 Duisburg	dieter.welfonder@uni-due.de	University / agency	Start-up-coaching within the framework of the project "Future Champions Accelerator Rhein-Ruhr"
Andreas Kochs Peter Paul Knol Svenja Arntz Piet Boomsma	Gemeinsames INTERREG Sekretariat Euregio Rhein-Waal	https://www.deutschland-nederland.eu/	Emmericher Straße 24 47533 Kleve	info@euregio.org	Public administration	Joint INTERREG Sekretariat

8. Analysis and identification of good practices

This chapter presents good practices for initiatives that strengthen social entrepreneurship in the Dutch-German border region.

Table 8: Good practice form

Good Practice I	
Title of the <i>good practice</i>	Brabant Outcomes Fund
Organisation in charge of the good practice	Province Noord-Brabant (NL)
Description	
Short summary of the practice	<p>Public-private financing method, with the aim of supporting social enterprises and developing their effectiveness.</p> <p>The fund follows the approach that investors can earn back their investment if they help to achieve social results in cooperation with social enterprises. Investors provide money to social enterprises and get their investment back from the province of Noord-Brabant once the agreed objectives have been achieved.</p>
Resources needed (financial and human)	1 million € was made available for the pilot project
Timescale (start/end date)	Pilot running since 2019
Evidence of success (results achieved)	Over the next few years, four entrepreneurs and three investors will be working towards the goal of an inclusive society in Brabant as part of the pilot project. During this first pilot, a lot of experience and knowledge is gained, among others in the area of result-oriented financing and understanding between the different actors (private and public actors)
Potential for learning or transfer	<p>The Brabant Outcomes Fund pursues a holistic approach of cooperation between the public and private sectors to address social challenges and find solutions.</p> <p>The Brabant Outcomes Fund is a flagship project that can be adopted by other provincial governments in the Netherlands and beyond. The Province of Noord-Brabant aims to share this approach, its experiences and learning points with other Dutch provinces and European regions.</p>
Further information	https://www.brabant.nl/subsites/brabant-outcomes-fund/english

Good Practice II	
Title of the good practice	Impact Factory/ Anthropia gGmbH, Duisburg
Organisation in charge of the good practice	Joint initiative of the founding partners Beisheim Stiftung, Franz Haniel & Cie. GmbH, KfW Stiftung and Anthropia gGmbH with the support of the programme partners Der Paritätische NRW and Wilo-Foundation
Description	
Short summary of the practice	Start-up grant for particularly promising start-ups that want to solve social, societal or ecological problems with entrepreneurial means. Locally based and sustainable partners support the Impact Factory, without taking any influence.
Resources needed (financial and human)	n. a.
Timescale (start/end date)	Exists since 2015
Evidence of success (results achieved)	Numerous successful projects and start-ups have been initiated and implemented with the support of Impact Factory.
Potential for learning or transfer	The approach of targeted support for promising start-up ideas of social enterprises through a joint initiative of different regional stakeholders with good contacts to potential investors can easily be transferred to other regions.
Further information	https://impact-factory.de/#section1
Good Practice III	
Title of the good practice	National/regional networks
Organisation in charge of the good practice	Social Entrepreneurship Netzwerk Deutschland e.V./ Social Enterprise NL
Description	
Short summary of the practice	National or regional networks of and for social enterprises that promote the interests and needs of social enterprises and brings together innovative social enterprises, social start-ups and supporters from business and society.
Resources needed (financial and human)	n. a.
Timescale (start/end date)	Social Entrepreneurship Netzwerk Deutschland e.V. exists since 2017 Social Enterprise NL exists since 2012
Evidence of success (results achieved)	Growing networks that advise and support social enterprises and advocate their interests. Among other

	things, this representation of interests helps to strengthen the political and public significance of social enterprises.
Potential for learning or transfer	The growing networks in both countries of the border region illustrate the need for interest representation for social enterprises. This approach of national and/or regional networks can therefore be of interest for other European regions as well.
Further information	https://www.send-ev.de/ https://www.social-enterprise.nl/
Good Practice IV	
Title of the good practice	Rheinland-Pitch <i>Social Impact Special (2019/2020)</i>
Organisation in charge of the good practice	STARTPLATZ (start-up incubator) in cooperation with SEND e. V. and NRW Forum Düsseldorf
Description	
Short summary of the practice	The Rheinland-Pitch is a monthly start-up pitch competition that gives start-ups the opportunity to present their business idea to more than 100 spectators (potential investors, companies, start-ups and interested parties). This way, start-ups can get in contact with potential investors and new partners, co-founders and customers can be acquired. In 2019 and 2020, a Social Impact Special was organised, in which social start-ups, i. e. (future) social enterprises could present their ideas.
Resources needed (financial and human)	n. a.
Timescale (start/end date)	Rheinland-Pitch exists since 2013
Evidence of success (results achieved)	Biggest start-up pitch competition in Germany with a top-class audience. The Social Impact Special offers social start-ups the opportunity to present their ideas to a large audience in a low-threshold manner.
Potential for learning or transfer	Easily transferable format that puts start-ups in contact with investors, new partners, co-founders and customers. Publicly accessible and attractively designed event that introduces the concept of 'social enterprise' to a wider audience.
Further information	https://www.rheinlandpitch.de/#information

Source: Document analysis, Expert interviews; own illustration Ramboll Management Consulting

9. Conclusions and recommendations

This chapter presents the central findings and the recommendations for action for the improvement of political (funding) instruments. It also makes specific recommendations for the design of cross-border cooperation through the INTERREG Germany-Netherlands programme.



Definition of social enterprises and better measure of social added value

- The lack of a uniform definition of social enterprises makes it difficult to identify and statistically record them.
- This hampers the recognition of their specific potentials and challenges and their adequate addressing through funding instruments.
- In addition, the (social) effects of social enterprises and their added value for society are difficult to measure.



The use of a **clear definition of social enterprises** is a basic prerequisite for political (funding) instruments. It would put an end to existing discussions and allow for a better focus on the content discourse. The definition should be uniformly recognised at national (or even European) level wherever possible.

In order to make the effects of social entrepreneurship and its added value for society more measurable, approaches and methods **of impact measurement could be (further) developed** and communicated. The exchange of knowledge in a cross-border/transnational context can also contribute to this.



Strengthen cross-border cooperation between social enterprises

- Cross-border cooperation is well established in the Dutch-German border region.
- To date, only a few social enterprises are involved in cross-border cooperation projects (e. g. with other social enterprises, conventional companies or other actors), partly because the



Within the framework of the INTERREG programme Germany-Netherlands, the cross-border cooperation of social enterprises could be strengthened.

Communication on cooperation opportunities for social enterprises could be strengthened, e.g. through the established networks and advisory organisations by and for social

opportunities for cooperation are often not known.

entrepreneurs (such as SEND, Anthropia etc.), through universities and business incubators or the very well networked Regional Programme Management.

In order to explicitly strengthen the promotion of social enterprises, the special characteristics of social enterprises (orientation towards the common good, social added value) could be taken into account in the **project selection criteria**.



Strengthening cross-border exchange and networks

- On both sides of the border committed networks and successful advisory services for social enterprises already exist.
- So far, however, there has been little cross-border exchange between network or consultancy institutions across the Dutch-German border.



Within the framework of the INTERREG programme Germany-Netherlands, **the exchange between network and consulting institutions for social enterprises** could be promoted. In this way, knowledge can be transferred, and networks established that support social enterprises in the German-Dutch border region.



Improving commercial and economic expertise of social entrepreneurs and founders

Necessary commercial and economic expertise of social entrepreneurs is sometimes not sufficiently available, partly because universities place little emphasis on teaching sustainable and social business models. This results in a lack of professionalisation and management skills in social enterprises.



Within the framework of the INTERREG programme Germany-Netherlands, (cross-border) **training formats could be established or existing teaching and counselling services could be further improved** in order to make social entrepreneurs more professional (e. g. by developing social business models for and with those interested in setting up a business).

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Appendices

Key questions expert interviews

INTRODUCTION

Short presentation of our task

PERSONAL BACKGROUND

1. Can you please tell me briefly about your personal background, i. e. your institution, your field of expertise, your position, and the tasks involved?
2. To what extent are you in contact with social enterprises in the Dutch-German border region?

DEFINITION AND LEGAL FORM OF COMPANIES

1. Is there a 'recognised'/widely used definition of social enterprises in the Dutch-German border region?
2. Do you think there is a need for a uniform definition? If so: why? What would be the advantages?
3. Which legal forms are most frequently used by social enterprises in the Dutch-German border region?

SIGNIFICANCE AND DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN THE DUTCH-GERMAN BORDER REGION

4. What is the importance of social enterprises in the Dutch-German border region?
5. Do you have current figures for the number of social enterprises in the Dutch-German border region?
6. In which sectors are social enterprises already particularly widespread in the Dutch-German border region? Why?
7. How do you assess the development of social enterprises in the past 5 years? Has the number of social enterprises increased? If so, why?
8. What is the benefit/added value of social enterprises for the region?
9. What in your view are relevant stakeholders and actors in the field of (promoting) social enterprises in the region?
10. Do you know best practice examples of initiatives and approaches that support social enterprises?

FRAMEWORK CONDITIONS AND FUNDING OPPORTUNITIES FOR SOCIAL ENTERPRISES IN THE DUTCH-GERMAN BORDER REGION?

11. What funding opportunities for social enterprises at national, regional and local level are known to you?
12. How do you evaluate the existing support and funding instruments in the region?
13. Are they suitable for social enterprises?
14. Are they explicitly geared towards social enterprises?
15. (Why) Should social enterprises be further/more strongly supported?
16. Which instruments should be used to promote social enterprises more strongly?
17. What non-financial support services do you think are needed to increase the share of social enterprises in the region?

FACTORS INFLUENCING (STRENGTHENING AND INHIBITING) SOCIAL ENTERPRISES IN THE REGION

18. What factors in the region are conducive to the development of social enterprises in the region?
19. What are the main challenges for the development of social enterprises in the region? How can challenges be overcome?
20. What influence do social crises have on the development of social enterprises (e.g. financial crisis, refugees)

21. What needs do social enterprises have in the Dutch-German border region?

SOCIAL ENTERPRISES AND CROSS-BORDER COOPERATION

22. How can social entrepreneurship be strengthened through cross-border cooperation? What added value does this offer?

IMPACT OF THE CURRENT SITUATION (COVID19) ON SOCIAL ENTERPRISES

23. To what extent are social enterprises in the Dutch-German border region affected by the current situation? How is business actively effected?

24. How do social enterprises evaluate the existing state financial support offers? Can social businesses benefit from this? If not: why not?

In conclusion: do you agree to the inclusion of your contact details in the report (name, organisation, website, address, contact information)