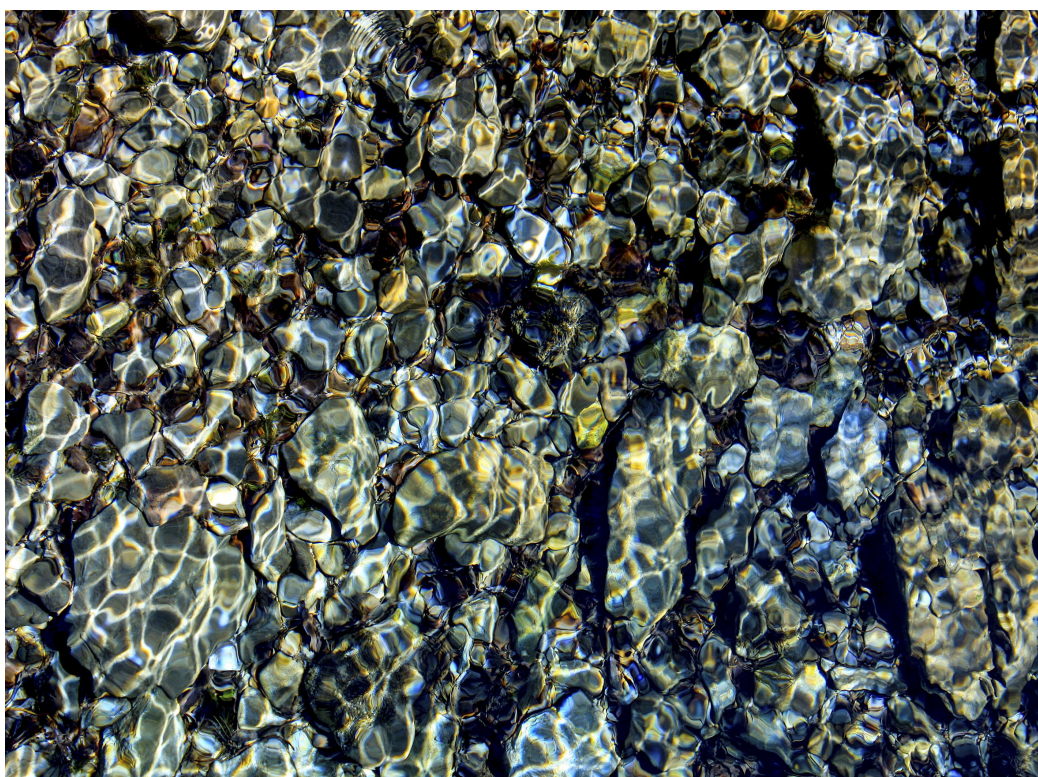




STUDY ON SOCIAL ENTREPRENEURSHIP IN CASTILE AND LEON



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EXECUTIVE SUMMARY

This chapter describes the main activities and results of the "Social Entrepreneurship Study in Castile and Leon" within the framework of the project: *"Social Entrepreneurship Project in Sparsely Populated Areas (SOCENT SPAs)"*, an initiative that takes place within the framework of INTERREG and co-financed By ERDF funds. The document aims to analyze the situation of the sector in the region, paying special attention to its sparsely populated areas, and to propose actions for its development. The methodology that has been followed has combined quantitative and qualitative techniques, including four interviews with relevant agents of the region.

Castile and Leon represents 19% of Spanish territory but only 5% of its population. Demographic trends have been negative since 1950, especially in their rural areas. Its consequences have been manifested in the loss of productive potential and the lack of job opportunities for its inhabitants. The sparsely populated areas have been defined as the group of municipalities belonging to each of the provinces of Castile and Leon in which, on the whole, their population density is less than 15 inhabitants per square kilometer and they have a radius of at least 45 kilometers.

Entrepreneurship and social enterprise have been the concepts that have articulated the content of this study. Social enterprise has been defined as those companies whose main objective is to have a social impact, rather than generating benefits for their owners or their partners. The social entrepreneur will be that agent who identifies a business opportunity based on the resolution of a social problem through a creative and innovative solution. Its existence promotes inclusive employment and territorial development as well as social innovation.

The main findings related to the situation of entrepreneurship and social enterprises in the region have been multiple. Thus, it has been detected that there is no legal recognition of social enterprises in Spain and Castile and Leon. In addition, there are no specific instruments for its promotion, except from the private sector. Only in 2016 was the Entrepreneurship Innovation and Autonomous Strategy approved which includes support for social entrepreneurship projects.

In this context, the ecosystem of entrepreneurship and social enterprises is in the process of emergence. The strong institutionalization of social economy entities have, in part, delayed its appearance. The main agents likely to contribute to its growth are the public sector (especially at the local level), capital funds, knowledge agents, support instruments and, in particular, some social entities.

The main obstacles of the entrepreneurial ecosystem are, among others: the lack of a legislative and policy framework specific to social enterprises; the lack of concrete financing instruments, difficulty constituting a "critical mass" in rural areas, scarce entrepreneurial culture in these areas and their difficulties of connectivity. Given the scarcity of entrepreneurship in sparsely populated areas and insufficient young people, the profile of entrepreneurs in rural areas are people who come from urban areas who seek to develop economic activity and contribute to a social goal.

With this in mind, four sectors have been identified that can be key to the development of social entrepreneurship. They include renewable energies, tourism, sustainable leisure and sports (primarily the transformation and marketing of ecological activities), and services to people. Finally, the role of the public sector in the promotion of social entrepreneurship is to promote the spirit of social entrepreneurship, develop initiatives in sparsely populated areas, build an appropriate legal framework, promote the generation of support infrastructures, improve knowledge generation around social entrepreneurship and combat the depopulation of rural areas.

1. INTRODUCTION, BACKGROUND AND PURPOSE

Sparsely populated areas (SPAs) face many developmental challenges that often prevent them from having sustainable and inclusive growth pathways. In Spain, one of the European countries with lower fertility rates, certain regions are experiencing depopulation at an alarming rate. Castile and Leon is the largest Autonomous Community; with a population density of only 26 people/km², almost four times lower than the Spanish average. In addition, it is the fourth NUTS 2 European region (out of 276) with the highest percentage of their population being over the age of 75 (13.4%).

As a result of their unique challenges, Castile and Leon also experience unique economic challenges related to high unemployment. The results encompass a labour market dominated by microenterprises, an average annual income per household slightly lower than the Spanish average and almost one fourth are currently at risk of poverty and/or social exclusion. The region has lost around 4% of its population since 2011, mainly in its rural areas¹. Starting from this premise, economic growth perspectives for rural areas in a region with the characteristics of Castile and Leon can be expanded. A key element that can contribute to correcting these regional imbalances lie in the activities of social entrepreneurs. In spite of the lack of academic consensus on the definition of what social entrepreneurship (SOCENT) stands for, the sector is characterized by operators of the social economy whose main objective is to have social impact, rather than generating benefits for its owners or its partners (European Commission, COM 2011, 682). Social entrepreneurs are those who create and lead these organizations. They seek to combine their talents, abilities and personal aspirations to improve society with a financially sustainable business model. This is evident by their reinvestment of profits with the goal of combating the main problems of their communities and the society at large” (Murray, 2010). In each case, there exists a certain agreement in their potential to create and consolidate the social value of territories through innovative approximations.

Social enterprises play a crucial role in addressing social, economic and environmental challenges through which their innovative component is widely acknowledged. From this context comes the project *Social Entrepreneurship in Sparsely Populated Areas* (SOCENT SPAs for short), an initiative developed in the framework of INTERREG and co-financed by FEDER funds. It attempts to provide learning material regarding the interregional policies of support to social entrepreneurship and its visibility to improve the competitiveness of the regions. On this basis, the present study´s objective is to **contrive a diagnostic of the situation and the difficulties regarding social entrepreneurs and enterprises, especially in the context of sparsely populated areas**. The approach of the study develops the following objectives:

- To evaluate the social entrepreneurship realities in Castile and Leon and the regional ecosystem of social entrepreneurship.
- To analyze the legal framework regarding social entrepreneurs and enterprises in Castile and Leon.
- To identify a set of public policy priorities for the support of social enterprise and entrepreneurship in Castile and Leon.

¹ Sources of the data are: Labour Force Survey, DIRCE, Spanish Regional Accountability and Local Population Statistics

The territorial scope of the present study is focused in the territory of Castile and Leon, paying special attention, as much as possible, to its most SPAs, a concept that will be defined later in the document.

2. STUDY APPROACH, METHODOLOGY AND LIMITATIONS

The methodology has been developed on the basis of four steps:

1. The first task in this phase has been to clearly explain and define the concepts on which the study is based: social entrepreneurship and enterprise and the depopulation process in Castile and Leon. Similarly, the collection and processing of documentary and statistical sources has been carried out.
2. Next, field work has been conducted. In this phase four interviews with key agents of social entrepreneurship have been carried out in Castile and Leon. The stakeholders interviewed have been: Edelmira Barreira, Commissioner for the Demographic Challenge of the Government of Spain, Juan Carlos Gonzalo, Mayor of Gómara, Javier García, Director of the Area of Entrepreneurship of the Innovation, Financing and Internationalization Agency of Castilla y León, and Víctor García, Executive Director of the Regional Council of Chambers of Commerce of Castilla y León. The objective of these interviews has fundamentally been to deepen the direct knowledge regarding the situation of social entrepreneurship in the region.
3. Following the field work, there has been an analysis of the results and elaboration on conclusions. This is done using both the techniques of data analysis (with the elaboration of tables, graphs and corresponding charts) and the results of the quantitative techniques.
4. Finally the final report has been elaborated

Moreover, the study has encountered two classes of limitations:

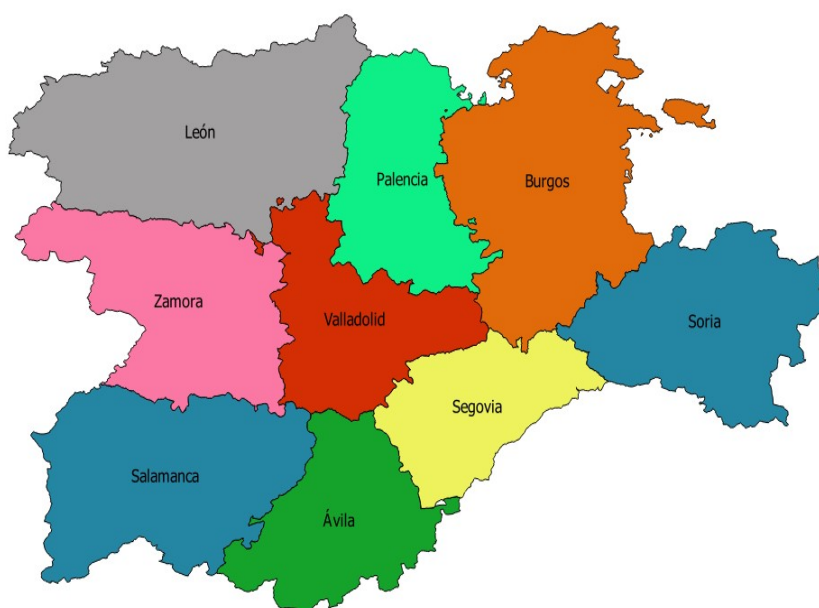
- Firstly, as a pioneering study in the sector in Castile and Leon, there is no previous background or analysis that could guide the exploration.
- Secondly, the absence of a legal framework that delineates social enterprises in Castile and Leon which makes it impossible to calculate their amount with a certain statistical accuracy. As a result, there have been elements that have made it difficult to reach quantitative results.

3. TERRITORIAL CONTEXT

3.1 The depopulation in Castile and Leon

The autonomous community of Castile and Leon is the largest Spanish region with an occupancy area of 94,227 square kilometers, approximately 19% of the national territory. It comprises nine provinces: Ávila, Burgos, Leon, Palencia, Salamanca, Segovia, Soria, Valladolid and Zamora. In turn, it contained 2,248 municipalities, 28% of the national total.

Figure 1. Map of Castile and Leon and its provinces



Source: own elaboration.

Its population is 2,447,519 inhabitants, which represents roughly 5% of the national total. As a result, the population density in Castile and Leon is much lower than the Spanish average (26 and 92 inhabitants per km², respectively).

The evolution of the population of Castile and Leon during the 20th century offers a harshly negative panorama that can be characterized as depopulation or demographic emptying, especially in its rural areas. The greatest population loss occurred between 1960 and 1970 as a consequence of the crisis of traditional agriculture and the mechanization of the rural environment. This process has been seen in the growth of a small number of municipalities (the provincial capitals and some adjacent zones). Given this, the rural areas have not been able to maintain their population and have experienced heavy losses manifested in three major phenomena: the decline in the vegetative population growth (especially since 1970); the strong migration process (especially until the mid-1980s), and an increasingly aging demographic. The principle causes of rural abandonment have traditionally been, the lack of job opportunities resulting from the transformations in the primary sector, the lack of basic services and the scarcity of infrastructures (Rico González, 2007). In this sense, one of the agents interviewed noted that:

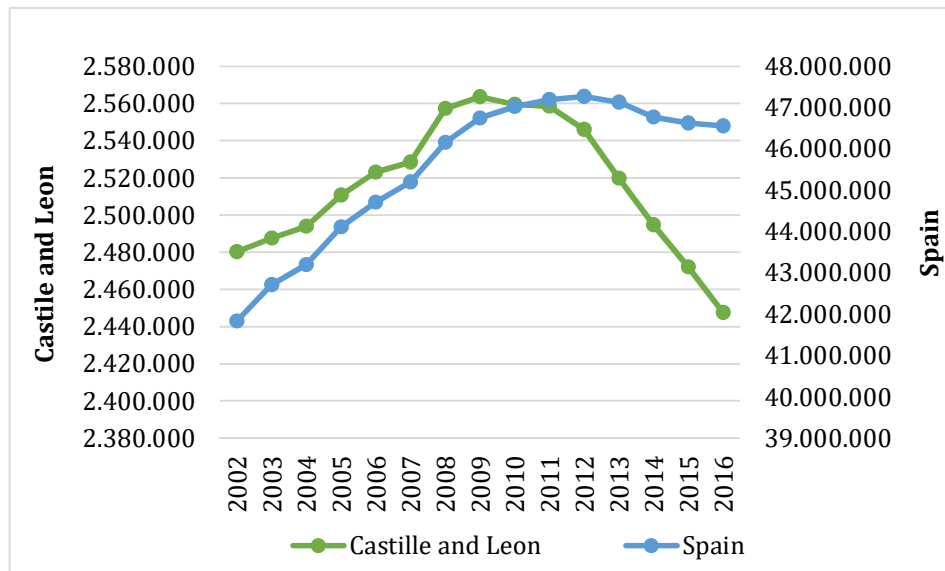
"The main problem that leads to such a worrying depopulation is the lack of employment. We don't have businesses settled in the zone. To add to this, we have a totally aging population."

Informant 1

The consequences of the rural decline have been the loss of production potential in depopulated zones, resulting in the lack of labor opportunities for their inhabitants; greater urban pressure on the urban environment; the loss of traditional cultural identity in depopulated zones; the deterioration of local, historical-artistic cultural heritage in rural areas; the decrease in the quality of life in rural areas due to the disappearance of the service sector; and the deterioration of the environment.

The 21st Century has brought to Castile and Leon two distinctive periods from the population perspective. The first, from 2002 to 2009, the population increase by 3%, principally thanks to the migratory phenomenon of foreign workers. The second, from 2010 to the present, saw the total population decrease by 4%.

Graph 1. Evolution of the population of Spain and Castile and Leon (2002-2016)



Source: INE.

In reality, those demographic growths during the expansive period of the economy were concentrated, as had already occurred in the past century, in the provincial capitals and surrounding municipalities. Between municipalities with less than 2,000 inhabitants, the population fell 14% during the period of 2002-2016. In particular, aging demographics and tendency towards a strongly masculine workforce have been highlighted. Finally, during the twenty-first century rural municipalities have not experienced dynamic growth due to the arrival of foreign immigrants. The "rural renaissance" understood as the process of return and transformation of the rural environment has hardly had an impact in Castile and Leon. One of the elements that could contribute to this transformation and that constitutes the object of study in this document is precisely social entrepreneurship.

3.2 Sparsely populated areas (SPA) in Castile and Leon

Gloerson et al. ², attempted to define SPA's "on the basis of the relative isolation of communities from other regional communities due to a loose settlement structure" (Dubois, Roto 2015). In order to be considered a SPA, a region must firstly have a population potential below a threshold of 100,000 persons, or 12.7 persons per km², and be greater than a 45 minute drive by car to the nearest urban center.

SPA's share many socio-economic commonalities. They are, often times, not ideal for agricultural cultivation and thus possessed feeble populations. Economically, they typically lack highly educated labor forces, have an aging population and low rates of entrepreneurship. (Steinerowski, 2012).

² GEOSPECS - European perspectives on Specific Types of Territories.

For the purposes of the current report SPA´s are territories **formed by those municipalities belonging to each of the provinces of Castile and Leon where, on the whole, their population density is lower than 15 inhabitants per square kilometer and which have a radius of at least 45 kilometers³**. As a result, nine APPs have been identified for each of the provinces of Castile and Leon. They represent, therefore, 96% of the total surface of the region and they agglutinate to 41% of their Castilian-speaking population. They are the following:

Table 1. Sparsely populated areas (SPA) in Castile and Leon

Province	Number of municipalities	Surface area of the SPA (in km2)	Population (2016)	Density (inhabitants per km2)	Grade of depopulation in SPA
SPA of Ávila	247	7.819	104.431	13	Mild
SPA of Burgos	369	13.644	113.868	8	Severe
SPA of Leon	197	14.718	196.648	13	Mild
SPA of Palencia	187	7.778	69.930	9	Severe
SPA of Salamanca	356	12.213	158.641	13	Mild
SPA of Segovia	203	6.559	86.353	13	Mild
SPA of Soria	181	10.034	50.869	5	Severe
SPA of Valladolid	208	7.252	102.443	14	Mild
SPA of Zamora	245	10.366	112.343	11	Severe

Source: own elaboration from INE.

3.3 A definition of social entrepreneurship

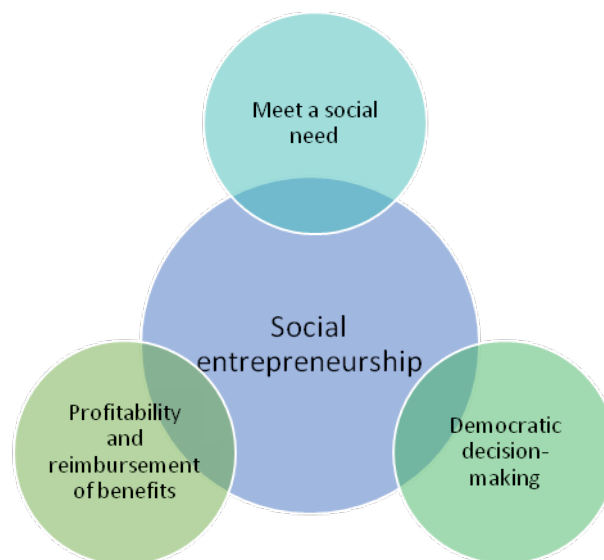
Social entrepreneurship describes a broad sector comprising commercial institutions created with the goal of maximizing social impact and change. Social entrepreneurs, the people who create and drive these organizations, combine their personal abilities and aspirations to rectify a societal issue with a profitable business model dedicated to reinvesting profits towards combating problems in their communities and/or society at large (Murray, 2010).

³ In order to develop this definition, the present study has considered the previous exploration carried out by the Ministry of Development in relation to the Spanish urban areas (Ministry of Development, 2012). However, the present study has also considered three other Castilian municipalities not included: Miranda de Ebro, Aranda de Duero and Medina del Campo. As a consequence, sparsely populated areas have been defined as the territories in each of the nine provinces surrounding such urban areas

Social enterprises have wide ranging functions and goals, and can be created in a wide range of sectors. In truth, they can exist in any space where there is room for social improvement. There exist several definitions for social entrepreneurship, varying in the level that the enterprise reinvests profits and whether commercial activity must have a social function as well, but a general consensus has been reached that economic activity must be in the purpose of promoting social change and welfare (Braunerhjelm, Hamilton 2012). Thus, in 2011, the European Commission developed a definition of a social enterprise that refers to “a social economy operator **whose business is primarily aimed at social impact rather than generating profits** for its owners or partners. It operates in the market by providing goods and services in an economic and innovative manner and uses its surplus mainly for social purposes. It is subject to responsible and transparent management, in particular through the association of its employees, customers and relevant parties in its economic activity” (European Commission, COM 2011, 682)⁴. The social entrepreneur is the agent who identifies a business opportunity based on the resolution of a social problem through a creative and innovative solution.

In relation to the social enterprise, throughout its analysis, some criteria that characterize them have been identified: It is an activity whose explicit purpose is to benefit a given community; the decision making of the company should not be based on the capital each one owns; internally must be organized around the participation of people; and the benefits it generates must be reinvested in the organization. The democratic control of their internal springs and the protection of their social missions are key. As a result, a social enterprise can be defined as “a private organization whose sole purpose is not profit and which provides goods and services directly related to the satisfaction of a social need in a given community” (Defourny and Nyssens, 2010).

Figure 2: Social entrepreneurship: key factors



Source: own elaboration.

Another element that usually defines social enterprise is vocation towards the generation of **inclusive employment**. Some focus on the incorporation of people belonging to disadvantaged groups. In other cases, the reinvestment of its benefits is associated with the generation of new employment or improvements in the working conditions of the existing one. In any case,

⁴ This is the same definition as set out in Regulation (EU) 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social Entrepreneurship funds.

promoting entrepreneurship and social enterprises can be associated with improving the quantity and quality of employment in a given territory. This connection can be very significant to combat the effects of depopulation.

The spirit of innovation is an essential element in the activity of social entrepreneurs, since if the solutions were simple, social problems would not have the entity they possess in contemporary societies. This does not mean that the activities of social entrepreneurs and enterprises necessarily derive from revolutionary products and services, but may simply involve new ways of approaching social problems.

The **relationship between SPAs and social entrepreneurship is complex**. Conducive to the success of social enterprise in rural areas is the uniqueness of the rural market. SPAs often avoid the focus of large scale commercial enterprise as it is difficult to target consumers that are firstly spread out and secondly possessive of regionalized cultures (Steinerowski, 2012). This profile of rural areas may fit the need of social entrepreneurship of creating economic activity by people familiar with the localized market. **Services most commonly absent from rural areas which could be filled by social enterprises include rudimentary health and education, transportation and recreational services** (Michalewska-Pawlak 2012). Secondly, some rural areas have a high propensity towards community involvement and promotion. In short, **the rural context appears to configure a profile of entrepreneurs whose characteristics are made, almost *intrinsically*, social**. They frequently cover a social goal, generate activity within the local context and develop these activities with care for the environment. Therefore, a large part of the entrepreneurs already develop their activities there will be social entrepreneurs. Likewise, certain restrictive factors have been identified: logistical difficulties and high transport costs, labor shortages (in particular, highly qualified) (Michalewska-Pawlak 2012), and, finally, the greater dependence that rural areas have on public subsidies (Steinerowski, 2012).

4. FINDINGS

4.1 The social enterprise and entrepreneur: legislative framework

4.1.1 INTRODUCTION: THE SOCIAL ECONOMY AS AN APPROXIMATIVE LEGAL FRAMEWORK OF THE SOCIAL ECONOMY IN SPAIN

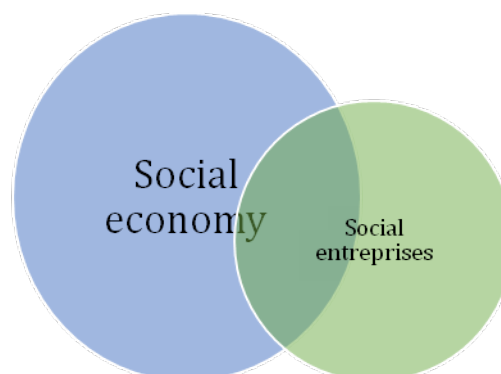
Spanish law (Law 5/2011) does not recognize social enterprise and social entrepreneurship. This absence does not contribute to generating the necessary confidence to develop the sector in Spain and conditions the legal frameworks of the autonomous communities when it comes to discriminating those initiatives of social entrepreneurship. This situation is repeated in Castile and Leon. On this basis, social enterprise can be conceptualized from two fields: social economy entities and companies that are not entities, but that fulfill a series of social characteristics.

Concerning social economy entities, despite the previous existence of the figures that comprise it, it was only after the promulgation of **Law 5/2011, of March 29, of Social Economy**, that the **sector** was legally developed, establishing a common framework for the entities that comprise it, respective the specific regulations applicable to each of them (Preide Bergamini et al, 2014). With this in mind, the aforementioned Law 5/2011 defines the **entities that comprise the social economy** on the basis of two criteria: In one form, as those that have a series of **determined legal standards and that exhaustively mention**: cooperatives, labor societies, special employment centers, labor insertion companies, mutualities, foundations, associations and other figures of less relevance. It is understood that each of the legal forms of the cited entities guarantees their social function and the compliance with their own values and principles of the sector (Altzelai, 2016), which the Law mentions: “the primacy of persons and the social purpose of capital, which is embodied in autonomous and transparent, democratic and participative management ..., the application of the results obtained from economic activity mainly in function of work contributed and services or activities carried out by associates or by their members, in this case, the social purpose of the entity...” (art. 4).

On the other hand, the Law provides that there are **two other ways of integrating the social economy**: through singular entities created by specific standards that are governed by the principles established and mentioned above; and, through entities that carry out economic and business activity whose principles and operation respond to the principles aforementioned and that are included in a Catalog of entities in the social economy.

Likewise, the legislation does not specifically mention the concepts of “social enterprise” or the “social entrepreneur.” Social economy entities do not cover the wide range of business models that comprise social enterprises. In other words, social enterprises can adopt the legal forms of the social economy, but they will not necessarily will.

Figure 3. Relationship between social entities and enterprises



Source: European Commission (2014)

In short, **the legislative framework of the social economy in Spain does not have a configuration that clearly defines what is meant by social enterprise**. Social enterprises are intended to improve the social conditions of a given community, however there exists no legal distinction for those companies that generate profits, but whose main objective is to affect a social transformation. The absence of specific legal framework for social entrepreneurship in Spain does not contribute to aid the needs of social entrepreneurs, nor of society in general.

4.1.2. LEGAL FRAMEWORK OF SUPPORT SOCIAL ENTREPRENEURS AND ENTERPRISES IN CASTILE AND LEON

Law 5/2013 (of Encouragement to the Creation of Companies in Castile and Leon) regulates the measures in relation to the stimulus to the creation of companies in Castile and Leon. It defines the entrepreneur figure and mentions that social economy companies will have a special priority in the concerns of regional public policies, but without specifically alluding to companies and

social entrepreneurs. Emanated from this law, the Community of Castile and Leon has launched the First Plan to Support Business Creation 2014-16. It has two actions likely to be linked to the promotion of social entrepreneurship: the promotion of ethical entrepreneurship, and the Rural ADE project, which aims to promote entrepreneurship in rural areas, with special attention to social economy (especially cooperativism). However, in general, the Plan does not contemplate the figure of the social entrepreneur and only links it to certain forms of social economy in rural settings.

Finally, the Agency for Innovation, Financing and Internationalization Business (ADE) of the Economy and Finance Regional Office has designed a "Strategy for Entrepreneurship, Innovation and Autonomous" for the period 2016-2020. Within its 85 measures, social entrepreneurship has a greater role than in previous instruments, including its promotion, support for social entrepreneurship projects and an accelerator of social projects. In any case, most of the initiatives contained in the Strategy have not yet been implemented, so the evaluation of their impact will require a longer time horizon.

4.1.3. EXISTANT SUPPORTS TO THE CREATION AND MAINTENANCE OF ENTITIES OF THE SOCIAL ECONOMY AND TO SOCIAL ENTREPRENEURSHIP

On one end, the government of Castile and Leon has been implementing a series of economic supports aimed towards the generation of activity in entities belonging to the social economy⁵. On the other hand, some entities and companies specifically promote social entrepreneurship. The most relevant are the following: Social Entrepreneurship Program of the La Caixa Foundation⁶; Project Momentum (BBVA); Accelerator UEIA: Award to young social entrepreneurs UEM⁷; Projects with Spirit⁸; Ashoka⁹; Integra Awards¹⁰; Fundación Telefónica´s Think Big Program¹¹; EmprendedorXXI Award¹², and; The Award for best social entrepreneurship in sparsely populated areas organized by El Hueco Starter¹³.

4.2. Situation regarding social entrepreneurship in Castile and Leon

The situation and perspectives around social entrepreneurship in Castile and Leon is registered in a more open context than that of entrepreneurship in general. On this basis, in 2015, **4.7% of the population of Castile and Leon had the intention of taking on an entrepreneurial project over the next three years**. On the other hand, 5.8% of the population of Castile and Leon was involved in a start-up or owned and managed a company younger than 42 months. Finally, the profile of those persons involved in entrepreneurial activity in Castile and Leon is primarily formed by people between the ages of 25-44 (72.4%). These profiles are similar to those registered in the national total. By gender, while 7% of men are related to entrepreneurial activity, only 4.5% of women have done so.

In this context, **an entrepreneurial ecosystem is the blend of interconnected agents, institutions, entities and programs that shape the context in which entrepreneurial activities in a given territory are developed**. In this sense, the ecosystem of social entrepreneurship in Castile and Leon is that set of agents and structures involved in the development and promotion of entrepreneurship and social enterprises in the region. To deeply analyze it, a set of factors that form it have been explored: the **policies** that should be providing the policy, legislative and financial framework; the **markets** that absorb the supply of the companies; the **financing instruments** and their access to them; a **culture of social entrepreneurship** or the establishment of a set of values of a certain territorial area in relation to, among others, the recognition of the

⁵ They are referred to encourage the creation and development of cooperatives and labor societies and subsidize the labor costs of the Special Employment Centers and labor insertion companies.

⁶ <http://fuam.es/obra-social-la-caixa-emprendimiento-social-2016-plazo-25102016/>.

⁷ <http://emprendedoresociales.universidadeuropea.es/premios/>.

⁸ <http://www.zonacoworking.es/2013/07/29/proyectos-con-espiritu-ideas-innovadoras-de-emprendedores-sociales-a-concurso/>.

⁹ <http://spain.ashoka.org/ashoka-espana>.

¹⁰ <http://www.premiointegrabbva.es/bases.php>.

¹¹ <https://thinkbigjovenes.fundaciontelefonica.com/que-es-thinkbig/de-que-va-thinkbig>.

¹² <http://www.emprendedorxxi.es/wp-content/uploads/2016/03/bases-2016.pdf>.

¹³ <http://www.elhueco.org/starter/>.

figure of the entrepreneur; **knowledge and human capital**; and **infrastructures** to support social entrepreneurship, including: physical infrastructures (business land, innovation spaces, business incubators, connectivity) and technological infrastructures (broadband, low-cost lines, etc.).

The ecosystem of social entrepreneurship and enterprise is still in the process of being created. The strong institutionalization of social economy entities has, in part, delayed their appearance as an autonomous space. Only very recently have other entities, linked to the economy of solidarity, entrepreneurship and social innovation, occupied their space and started to form alliances in order to generate their own ecosystem.

One of the fundamental elements to the promotion of social entrepreneurship in a territory is a familiarity with those agents and instruments likely to be involved in the stated objective. To do this, and to do so in the context of the elements that serve to support entrepreneurship in Castile and Leon, a set of agents and instruments that make up the social entrepreneurship ecosystem of Castile and Leon is introduced, while paying special attention to its sparsely populated areas.

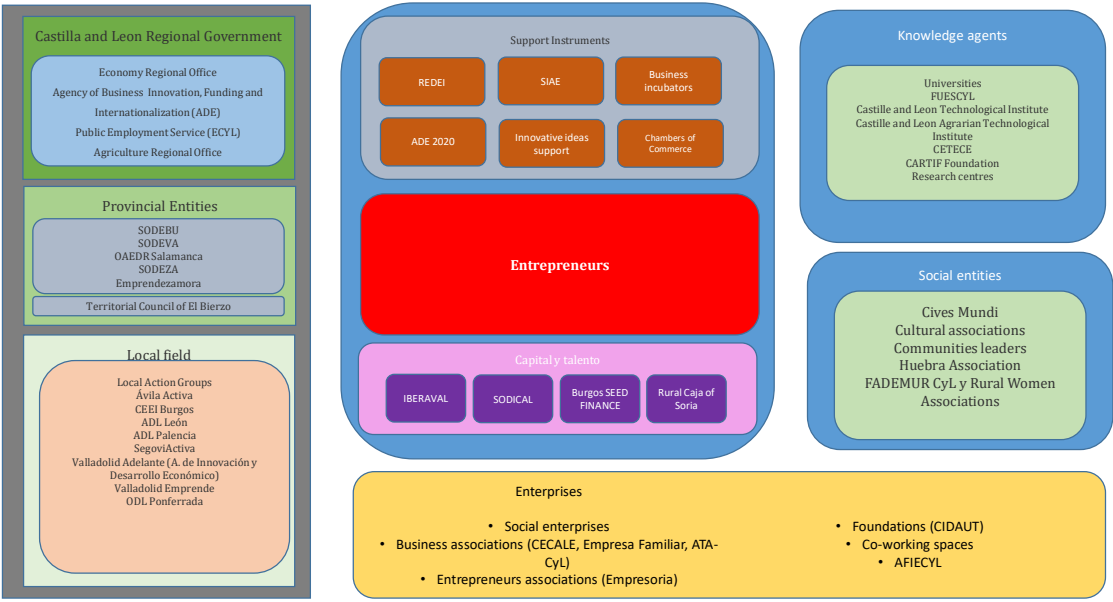
The main **stakeholders** that directly or indirectly are likely to contribute to the growth of social entrepreneurship, in the context of sparsely populated areas, are those included in the following illustration.

According to the GEM report on social entrepreneurship worldwide, in Spain approximately 1.3% of the adult population and working age is involved in social entrepreneurship activities. This amounts to approximately 382,746 people (data for 2015). In the case of Castile and León, considering that the entrepreneurial activity is only slightly higher than the national average (see previous section), the number of social entrepreneurs can approximate to about 19,970 people. This represents approximately 10% of the number of self-employed in the region.¹⁴

On this basis, the different agents interviewed in the study process have evaluated the situation of the key factors of the social entrepreneurship ecosystem in the region, which in turn leads to the identification of a set of obstacles to their development.

¹⁴ Considering that the proportion of entrepreneurs and social entrepreneurs is identical in Spain and Castile and León.

Figure 4. The social entrepreneurship ecosystem existent in Castile and Leon (in its sparsely populated areas)



-
- **Legal framework and policies:** There is no specific regulation regarding social enterprises, and thus, this creates a series of consequences related to the development of the social entrepreneurship ecosystem of Castile and León: its scarce visibility and knowledge surrounding its characteristics (absence of indicators and an entity responsible for collecting information over social enterprises), diffused perception with respect to the entities of the social economy, and the inexistence of specific policies for their promotion.
 - **Financing Instruments:** entrepreneurs in rural areas rely, on occasion, upon their own funds to start their activity. Additionally, their somewhat more austere profile than that of other entrepreneurs and public entrepreneurship programs specializing in the promotion of rural development signifies that credit is not their main problem, as is the case in urban settings (European Commission, 2016). However, it must be remembered that, as the social enterprise has not been typified, their financing is underdeveloped.
 - **Markets:** A social entrepreneur needs a “critical mass” in order to carry out their initiatives. On the other hand, the problem of infrastructure makes access to markets in urban areas very costly. However, the rise in demand for local and ecological productions linked to the territory makes proximity to local markets a positive differential factor.
 - **Culture of entrepreneurship:** This is scarce in rural areas. Young people prefer to depart from rural areas in order to study or work in cities, rather than continuing with a “familiar tradition.” Few people move to rural areas in order to initiate an activity there.
 - **Knowledge and human capital:** There is a scarce population of young people and, in turn, a poor average qualification of the population, while public institutions that provide professional training in rural areas, their objective is not designed to cover the necessities of these people. In this context, there is a “brain drain” that gravely impairs the possibilities of sparsely populated areas.
 - **Support and Infrastructures:** In rural areas, populations are presented with a set of obstacles to entrepreneurship (and social entrepreneurship): a difficulty in terrestrial communications, scarce coverage of telephone and internet services, insufficient support networks: innovative spaces, incubators, nurseries, co-working spaces, etc., and a scarcity of housing complexes in which potential entrepreneurs could live.

Finally, in relation to the **profile of entrepreneurs in rural areas**, the agents interviewed noted the following:

- Given the scarcity of the entrepreneurial spirit within the inhabitants of sparsely populated areas and the insufficient number of young people in the region, the profile of entrepreneurs in rural areas is, typically, people who come from urban areas that are looking to develop an economic activity but additionally contribute towards reaching a social goal. These are usually middle aged Spanish people who may have been raised in the sparsely populated areas in which they want to carry out their entrepreneurial venture. They demand a series of services that should be created in the local environment: education, sanitary services, etc.
- In some cases, these are people of foreign origins (typically of Latin American or Maghreb descent), but they typically reside less in small localities and more in locations with greater populations, yet still within sparsely populated areas (localities of 5,000-20,000 inhabitants)
- Likewise, there is also a more traditional profile of rural entrepreneurs, not always social entrepreneurs, that spends their entire lives in sparsely populated areas and that attempt to transform their basic production into a more elaborate product.

In short, the **principle difficulties and obstacles of social entrepreneurs** in the sparsely populated areas of Castile and León are the following:

- The scarce visibility of social entrepreneurship due, in large part, to the absence of an adequate legal framework. In this sense, the insufficient commitment of public entities towards the promotion of social entrepreneurship the dilemma.

- The difficulty of relying on support infrastructures for entrepreneurship in sparsely populated areas: internet connections, roads, professional training, etc.
- The lack of a “critical mass” (population density and economic activity) to generate sustainable entrepreneurial ventures in rural areas.
- The scarce entrepreneurial culture in sparsely populated areas and the difficulties in order for entrepreneurs in urban environments to be able to move to rural zones.
- The difficulty to generate knowledge to measure the social impact of social enterprises and their deliberation with respect to their economic results.

4.3. Opportunities for social entrepreneurship and the generation of inclusive employment in Castile and León, especially in its sparsely populated areas

4.3.1. RENEWABLE ENERGY

Energy is a factor of economic growth and first order competitiveness for the Spanish economy. In particular, the high energy costs associated with the Spanish productive structure constricts the rate of production in enterprise´s. The renewable energy sector is a strategic area in any economy. In 2015, the sector contributed 8,256 million Euros in Spain (APPA, 2016), and generated 109,000 jobs (Biodiversity Foundation, 2015). Specifically, in Castile and León 7,008 persons already work in this sector. Additionally, Castile and León is the autonomous community with the greatest installed power from renewable energy, as a result of its large deployment in the wind energy sector (one in every four megawatts originates from there). On this basis, social enterprises and entrepreneurs can develop the renewable energy sector, especially in the area of small businesses (cooperatives) that in turn commercialize electric energy, ensuring that the employment is generated in sparsely populated areas.

4.3.2. RURAL TOURISM, SPORTS, NATURE AND LEISURE ACTIVITIES

The tourism sector is one of the main income generators in the Spanish economy. In particular, Castile and León is the region with the highest number of travelers that visit rural accommodation services (19.5% if all of Spain) and the highest number of overnight stays (15.8%)¹⁵. In this context, the opportunities for social enterprises and entrepreneurs can pass through two elements. Firstly, the consolidation of current rural entrepreneurs in sparsely populated areas where tourism has a greater potential demand. The agents interviewed have signified that this is a more efficient option rather than opening new establishments, as a result of the level of occupation per square is inferior to that of the national average (14.3% and 17.6% in 2016, respectively). Secondly, the transformation of tourism business into sustainable activities linked to the care for nature and leisure (agrotourism, ecological tourism, historical and heritage tourism, sports and leisure tourism) in order to increase the average stay of travelers in the region (2.17 days) and bring it closer to the national average (2.6 days).

4.3.3. ORGANIC AGRICULTURE AND LIVESTOCK, PROCESSING AND MARKETING

Despite Castile and León having plowable land that covers 21% of the total cultivatable land in the nation, it represents only 2% of the organic agriculture area in Spain. This is a fast-growing activity in the face of growing consumer demands.

In this context, production of organic food and its transformation has been highlighted by the agents interviewed as an economic activity with very positive future prospects. The most positive perception of the ecological production of the consumers is, among others, a great opportunity for this type of business. However, the current situation is still far from positive. In fact, one of the agents noted that:

¹⁵ Data come from the Rural Tourism Occupation Survey (2016).

“The entire process of transforming agricultural and livestock products must be encouraged. The central axis should be the transformation in the food industry. That, incorporating new technologies, linking it to the ecological and the gourmet niche, facilitating the commercialization of those products, their internationalization, etc.” **Informant 2**

Likewise, once the product has been transformed, social entrepreneurship can be aimed towards its commercialization; one of the critical factors in the success of organic production in Spain. In the coming years, existence of successful initiatives in this sense should encourage consolidation in sparsely populated areas in the region.

4.3.4. PERSONAL CARE SERVICES TO PERSONS IN RURAL CONTEXTS

The demographic aging that characterizes the population living in sparsely populated areas and the regulatory changes of the last decade have provided important opportunities for the development of care services for the elderly. Moreover, this problem is strongly linked to traditional gender roles, given that women have typically assumed most of the burden of such care without remuneration or professionalization of the sector. In this sense, social entrepreneurs can be privileged actors in the detection and satisfaction of the needs of the rural elderly population. In this sense, it is a sector in which the weight of the social purpose is a fundamental element. Although most of the attention to this segment is made either by public social services or by non-social enterprises (commercial elderly care facilities, etc.), it is a sector with broad prospects for the future for social entrepreneurs.

4.3.5. THE ROLE OF THE PUBLIC SECTOR IN THE SUPPORT OF SOCIAL ENTREPRENEURSHIP IN THE SPARSELY POPULATED AREAS OF CASTILE AND LEÓN: RECOMMENDED PRIORITIES FOR PUBLIC POLICIES

The public sector is a key agent within the social entrepreneurship ecosystem in any territory and its role in promoting social entrepreneurs and enterprises derives, precisely, from the differential character of these initiatives related to the rest of the “conventional” entrepreneurial fabric. This is especially valid in the sparsely populated areas of the region, whose minor development is related to its grave problems of depopulation and necessitate that one must pay special attention to any strategy of demographic (and therefore economic and productive) recovery strategy. The impulse of the entrepreneurial ecosystem in these areas must constitute a response to the benefits that a solid ecosystem can provide in the rural territories of Castile and León. In this sense, with the promotion of social entrepreneurs and enterprises in SPAs, the public sector would seek to pursue the following objectives:

- Counter the effects of depopulation in sparsely populated areas of the region, promote economic activity and address the social needs of said territories.
- Support inclusive growth, raise social cohesion and strengthen local social capital in rural areas.
- Contribute to improving the treatment of social, economic and environment problems in the territories.
- Guarantee the offering of service and increasing the quality of life for disadvantaged populations.
- Strengthen the entrepreneurial fabric by providing it with greater resilience from a productive and employment point of view.
- Deepen the processes of democratic participation in the business environment.

To conclude, the role of the public sector in supporting social entrepreneurship in Castile and León includes **contributing, through a set of policies, to the generation of an entrepreneurial ecosystem based on the production of goods and services that respond to a social goal but that at the same time are competitive from a market perspective.** In this sense, the public policy work brings with it the need to address the set of difficulties that have been detected and to offer a response to a series of challenges.

1. Promoting the spirit of social entrepreneurship to develop initiatives in the sparsely populated areas of the region

- Incorporate the spirit of entrepreneurship and of social enterprise into school curricula in the context of an articulated teaching model on competency education, the use of active and project methodologies. In this context it is key:
 - To promote student´s awareness of self-employment as a professional option.
 - To provide early knowledge of the world of social enterprise and the needs of sparsely populated areas.
 - To organize activities based on learning through practice, for example, by running micro-enterprises or virtual social enterprises.
- Promote self-employment from the perspective of social entrepreneurship from regional public employment systems.
- Combat stereotypes that prevail regarding rural areas.

An example of a good practice in this sense can be found below.

Table 2. Promotion of the social entrepreneurship spirit

Name	Jeun ´ ESS Initiative
Country	France
Institution	Private public partnership between the public sector and six social enterprises
Objective	To promote social entrepreneurship among young people To integrate young people in entities of the social economy
Description	It is a program that promotes social entrepreneurship among young people through awareness and dissemination materials to encourage them to start their own entrepreneurial activity. Among other instruments, a video was produced reflecting on the stereotypes surrounding entrepreneurship, social enterprise and solidarity economy. Awareness materials have also been developed for young people wishing to become professionalized in the world of social enterprise and the social and solidarity economy. The program also carried out two studies on the perception of young people regarding the social economy and employment.
More information	http://www.jeun-ess.fr/le-programme-jeuness/

2. Construct an adequate legal framework and proportionate specific financial incentives

- **Legally define** the figure of the social enterprise, based on the work of the European Commission, the GECES group and other sources that may be significant in adapting the main characteristics of social enterprises to the territory of Castile and León. In this

sense, once they are legally typified, a **register of social enterprises** in the region must be created to include those that fulfill a set of characteristics¹⁶.

- Establish incentives for such companies, such as, for example, those contained in the Law of Support to the Activities of Social Entrepreneurs¹⁷:
 - Establish a special reduced rate of taxation for these companies.
 - Offer potential investors tax deductions for a given percentage of the capital contributed or the participating equity loan (with a certain limit on which to apply the deduction), and the possibility of deducting part or all of the losses in case of transmission.
 - Include social enterprises among social economy entities so that these companies have access to a seal of quality that supports their missions as entities pursuing a social goal.
 - Other measures :
 - Generate and lead public-private partnership proposals to invest in emerging sectors or with positive employment prospects in the context of sparsely populated areas.
 - Raise awareness among banks and especially investment funds to channel part of their investments into social entrepreneurship and enterprise in sparsely populated areas.
 - Promote the emergence of seed capital funds and microcredit programs.
 - Promote access to the markets of social enterprise through social clauses in public procurement.
- Differentiate a set of sparsely populated areas in the region of Castile and León to define a territorial framework in which social entrepreneurs and enterprises are encouraged.

¹⁶ Some of them may be: if the company has defined in its by-laws a social purpose that it pursues; if its activity contributes to guaranteeing basic services to a disadvantaged group; if its production improves the quality of life for your consumers or users; if the company contributes to the generation or commercialization of new products or new markets; if the decisions made in the management of the company emanate from democratic bodies; if the remunerations of the workers or managers of the company are limited, and; if it limits the dividend distribution of the company to 30%, obliging to reinvest the remaining 70% or apply it to reserves (parameter defined in EU) 346/2013 of the European Parliament and of the Council of 17 April 2013 on the funds of European social entrepreneurship.

¹⁷ General Bulletin of the Parliament Congress of Deputies, X Legislature, October 18, 2013. This proposal is in process.

Two examples of good practices can be found in the following table

Table 3. Establishment of adequate regulatory framework

Name	Community Investment Tax Relief
Country	United Kingdom
Institution	Ministry of Finance and Entrepreneurship, Innovation and Competence Department of the United Kingdom Government (Department of Business, Innovation and Skills)
Objective	To support the investment in entities that develop the community
Description	This is a tax incentive that applies to all investments that any company or individual makes in registered community development entities. These are entities that focus on disadvantaged areas or communities. The incentive consists of a tax reduction of 5% per year on the total investment for a maximum of five years. Therefore, the stimulus can reach 25% of the total investment, if it is maintained for the entire term.
More information	https://www.gov.uk/government/publications/community-investment-tax-relief-citr

Table 4. Access to markets

Name	Public Services (Social Value) Act 2012
Country	United Kingdom
Institution	Public Administration of the United Kingdom
Objective	To provide social enterprises with access to markets, increase their visibility and generate greater positive impacts on the communities where services are provided.
Description	This legislation recognizes the social value of social enterprises and takes into account the social impact of all entities involved in public tenders in England and Wales. Its implementation began in January 2013.
More information	http://www.socialenterprise.org.uk/uploads/files/2012/12/social_value_guide.pdf

3. Promote the generation of support infrastructures

- Establish hubs, labs and co-working spaces for social entrepreneurs based on agreements with local councils, local actions groups and other local agents to determine mechanisms to facilitate their use by social entrepreneurs and enterprises.
- Develop agreements with entities related to the opening of incubators and nurseries of companies for installation in sparsely populated areas.
- Increase investments in physical infrastructure (roads, rail transport, etc.).
- Ensure adequate connectivity to internet service throughout the territory of Castile and León
- Encourage the generation of networks and marketing channels for local productions

An example of a good practice can be found in the table below.

Table 5. Development of support infrastructures for social entrepreneurs and enterprises

Name	Incubators NESsT
Countries	Hungary, Poland, Romania
Institution	NESsT
Objective	To provide support services and spaces of innovation to social enterprises and entrepreneurs
Description	A non-profit entity (NESsT) annually selects a set of projects for which it offers a set of services including financial support, training and mentoring at all stages of development of its initiatives. The services are provided through an individualized itinerary that strengthens the capacities of the entrepreneurs based on the establishment of a series of objectives in a personalized manner. This itinerary consists of a first stage, which provides intensive mentoring for nine months in which the business idea is developed and then, in a second stage, a follow-up of two to four years in the incubator in which access to financial resources is facilitated and collaboration is made to measure the social impact of the enterprise.
More information	http://www.nesst.org/

4. Promoting the generation of knowledge and human capital

- Incorporate in university education materials related to social entrepreneurship in a transversal manner through different careers.
- Encourage the formulation of subjects of professional training, degree and postgraduate studies related to social entrepreneurship and the analysis of sparsely populated areas or the phenomenon of depopulation.
- Promote studies on depopulation in public and private research centers in the region, foundations and university departments.
- Generate spaces of innovation in which entrepreneurs acquire skills and abilities related to the management of social enterprises.
- Provide tools to entrepreneurs to improve the impact of their activity, measure and disseminate it appropriately
- Share knowledge, exchange experiences, etc. among social entrepreneurs

An example of a good practice can be found in the table below.

Table 6. Promoting the generation of knowledge in the area of social entrepreneurship

Name	Third Sector Research CBetween
Country	United Kingdom
Institution	Office of the United Kingdom Cabinet and University of Birmingham
Objective	To promote the generation of knowledge in relation to the third sector and social enterprises and entrepreneurs
Description	A research group that contributes to generating knowledge and maximizing the social impact of social enterprises and entrepreneurs as well as the third sector. It also collaborates with public policy makers to strengthen the capacities of public agencies in the development of policies for the promotion of the third sector and social entrepreneurs and enterprises. Its research activities include: an analysis of the theoretical issues and development of a critical understanding of the normative Environment of the sector, an exploration of the structure and dynamics of the sector, including quantitative and qualitative methodologies, and the analysis of the economic and social impact of the sector, including its role in the provision of public services, the development of social enterprise, the role of organizations in the field of the Environment and the mapping and analysis of organizations at the community level.
More information	http://www.birmingham.ac.uk/generic/tsrc/index.aspx

5. Combating depopulation (transverse measures)

- Facilitate financing mechanisms for municipalities in sparsely populated areas for the provision of services and the improvement of their infrastructures and new technologies.
- Support the commercialization and promotion of local productions and potential receiving areas of sustainable tourism.
- Recover the historical-artistic heritage of premises located in sparsely populated areas.
- Support the generation of social enterprises with a highly positive social impact.
- Develop measures to attract populations to sparsely populated areas. Among others:
 - Introduce tax alleviation and Social Security (IRPF, corporate tax, Social Security) to individuals and companies that wish to locate themselves in sparsely populated areas.
 - Incorporate investments in physical and internet structures.
 - Provide supralocal entities (Deputations and Local Actions Groups) with access to EU funding.
 - Implement plans for the rehabilitation of abandoned rural housing
 - Promote emerging sectors in the rural economy (care services, sustainable tourism, renewable energy, etc.), in turn driving the creation of new technologies.

- Encourage the preservation of biodiversity and the Environment.
- Develop specific aid for entrepreneurship in rural areas
- Consider the possibility of establishing some type of income mechanism that sustains the rural population of the territory.

An example of a good practice that combines the promotion of entrepreneurship in sparsely populated areas is shown in the following table.

Table 7. Promoting social entrepreneurship in sparsely populated areas

Name	HISEZ (Highlands and Islands Social Enterprise Zone)
Country	United Kingdom (Scotland)
Institution	Just Enterprise Consortium
Objective	To promote the generation of knowledge in relation to the third sector and social entrepreneurship and enterprise
Description	HISEZ is a Scottish Public Administration device that aims to Foster development for social enterprises in the Highlands and Islands, an area with a very low populated density (12 inhabitants per km ²). They continue to generate and consolidate social companies and communities and to promote their economic growth and the increase of the sustainability and the social impact. The support covers the consulting functions and also develops networking events. In this sense, it is part of Just Enterprise, a consortium whose aims is to help social entrepreneurs to acquire the skills and competences necessary to be part of an already established ecosystem of solid business models that benefit the Scottish economy. This contribution includes opportunities for training to improve the skills of individuals involved in business, including finance, sales, market research and social impact measurement workshops.
More information	http://www.justenterprise.org/

5. CONCLUSIONS AND RECOMMENDATIONS

1. Castile and Leon is a region whose development not only faces the inherent difficulties of the economy and job market in Spain, but also possesses territorial features that make achieving sustainable and inclusive growth more difficult. Demographically, the region's main characteristic is a prolonged and intense process of depopulation that it has suffered from since the 1960's. Rural areas have been those most hurt by the depopulation process in the region.
2. Territorially, Castile and Leon has been divided into nine sparsely populated areas, formed by those pertinent municipalities in each of the provinces of Castile and León that are not considered urban according to a set of parameters (Ministry of Development, 2012).
3. Social enterprises are "an operator of the social economy whose principal objective is to have a social impact, more than generating income for their proprietors or members" (European Commission, COM 2011, 682). Social entrepreneurship is implemented by those people whom, at the head of these companies, confront the most important problems in our society in an innovative manner, and with energy, passion and tenacity (Bergamini et al, 2014). In Spain, the development of social entrepreneurship has been

seen to influence the strengthening of the third sector. It is a recent phenomenon but in search of its own space of meaning.

4. Preliminarily, the relationship between social entrepreneurs and enterprises in sparsely populated areas is ambivalent. There are factors that can favor the development of these stated territories and others that may not be as positive. However, it should be noted that many entrepreneurial enterprise developed in sparsely populated areas tend to compliment a social end, and therefore, can be considered a social enterprise. In this sense, rural contexts seem to configure a profile of entrepreneurship with characteristics that make it, almost intrinsically, social.

On this basis, it is recommended that:

5. Spanish regulation (Law 5/2011) does not recognize social enterprise and social entrepreneurship. The law (5/2013) that regulates measures related to stimulating the creation of enterprises in Castile and León do not allude to social enterprises and entrepreneurs. Out of this law, the Community of Castile and León launched the First Plan of Support to the Creation of Enterprises 2014-2016 does not consider the figure of social entrepreneurs and only links it to determined forms of the social economy in rural environments.

Continue deepening the analysis of the relationship between social entrepreneurship and the sparsely populated areas of the region. The result should be a detailed planning tool covering social entrepreneurship in Castile and León that proceeds along the path explored in this study, and that quantifies the impact that a strategy for support of social entrepreneurship can have in the sparsely populated areas of the region.

6. Finally, the Agency of Enterprise Innovation, Financing and Internationalization (ADE) of the Board of Economy and Finance has designed a "Strategy of entrepreneurship, Innovation and Autonomy" for the time period 2016-2020. Within its 85 measures, social entrepreneurship possesses a far greater role than in the previous instruments, including its promotion, support for projects of social entrepreneurship and an accelerator of social projects.

On this basis, it is recommended to:

- Legally characterize the figure of the social enterprise, based on the work of the European Commission, the GECES group and other sources that can have a significant impact towards adapting the main characteristics of social enterprises in the territory of Castile and León.
- Keeping in mind the definition of these fundamentals, these enterprises could serve as objects of incentives for their creation and maintenance, and to invest in them, among others; those that figure in the Legal Proposition to support the activities of social entrepreneurs.
- Differentiate a set of sparsely populated areas in the region of Castile and León to determine a territorial framework in which social entrepreneurs and enterprise are encouraged, and to focus efforts and investments prioritizing these areas.

7. The ecosystem of social entrepreneurship in Castile and León is in a full launch process. According to the 2013 GEM Social Entrepreneurship Report, the number of social entrepreneurs in Castile and León can reach some 19,970 people (10% of the number of self-employed persons in the region).
8. The main obstacles to social entrepreneurship in the sparsely populated areas of Castile and León are the following:
 - i. As the social enterprise is not typified, its development and financing are underdeveloped.
 - ii. A social entrepreneur needs a "critical mass" to carry out its initiative and many sparsely populated areas do not meet this requirement. In addition, the culture of entrepreneurship in rural areas is scarce, there is a poor youth population and a low average qualification of the population, in addition to the reduced generation of knowledge in rural areas.
 - iii. There are several challenges in rural areas in terms of infrastructure: difficulties accessing terrestrial communications, poor telephone and internet network coverage in some areas, insufficient networks of support elements and scarce housing stock.
9. The profile of social entrepreneurs in rural areas is that of people coming from urban areas who seek to develop economic activity but also contribute to achieving a social goal. Usually they are middle-aged, Spanish people who may have lived their childhood in the sparsely populated areas in which they implement their venture.

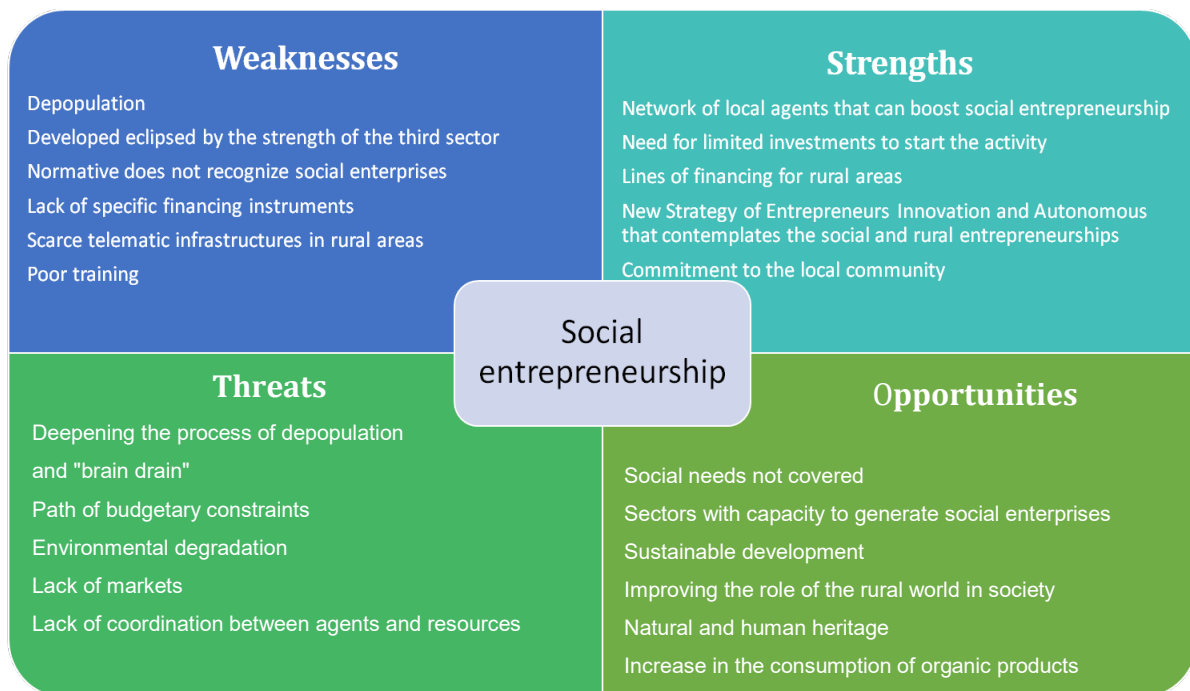
On this basis, it is recommended to:

- Design and implement a battery of measures to promote the entrepreneurial spirit in relation to social entrepreneurship in the region. This should range from the educational system to the public facilities of care for the unemployed, through social entities that attend to people belonging to groups at risk of social exclusion.
- Generate knowledge around existing social enterprises in sparsely populated areas of the region. To make visible their achievements and encourage the exchange of good practices.
- Establish a plan to combat depopulation in the sparsely populated areas of the region, especially those whose population density is below 12.7 inhabitants per square kilometers. This plan should have two main objectives: to set the population in the territory and, above all, to attract the urban population to the less populated areas. There will be no ecosystem of social entrepreneurship that is useful for sparsely populated areas if no measures are taken to combat depopulation. In this sense, entrepreneurship and repopulation are inextricably linked elements.
- Strengthen the local fabric of social enterprises, entities, development groups, public and private institutions in sparsely populated areas. Their participation is key to generating an ecosystem of social entrepreneurship that contributes to the development of these territories.

10. Four sectors have been identified in the context of sparsely populated areas where social entrepreneurship can be a strategic element of change:
 - a. Renewable energy sources, especially in the field of small businesses of consumers that are, in turn, energy marketers.
 - b. Activities of rural tourism, nature, leisure and sport, through the consolidation of the current rural enterprises.
 - c. Organic agriculture and livestock farming and their processing into processed products, as well as marketing in areas where people have difficulty moving.
 - d. Care services to the people in the rural scope, given the significant percentage of population over 65 years old.
11. The public sector is a key agent within the ecosystem of social entrepreneurship in a territory. Through its promotion, it can contribute to counteract the effects of depopulation, foster inclusive growth, democratic participation in business and strengthen the business fabric.
12. To this end, five main lines of action are proposed, which are in summary, a synthesis of the responses that the analysis has shown throughout the present study:
 - a. To promote the spirit of social entrepreneurship in order to develop initiatives in the sparsely populated areas of the region.
 - b. To build an appropriate legal framework and provide specific financial incentives to support social entrepreneurs in sparsely populated areas.
 - c. To promote the generation of support infrastructures in sparsely populated areas.
 - d. To promote the generation of knowledge and human capital.
 - e. To develop cross-cutting measures to combat depopulation.

Finally, as a synthesis of the analysis carried out, a SWOT matrix has been developed which includes the main strengths, weaknesses, threats and opportunities of the social entrepreneurship ecosystem in the sparsely populated areas of Castile and León.

Figure 5. SWOT analysis on social entrepreneurship in Castile and Leon



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7. GLOSSARY OF TERMS

- Activity rate: relation between the set of individuals that work or wish to do so, and the total population of working age.
- ADE Rural: public service designed to promote economic activity and the creation of new enterprises in rural settings and to support those that already exist in increasing their competitiveness.
- Cooperatives: Entities for the realization of economic activity, of a democratic nature, directed towards satisfying their economic and social necessities and aspirations.
- Demographic aging: process through which the average age of the population as a whole tends to increase.
- Depopulation: process by which a region progressively loses population.
- DIRCE: Business Central Directory (*Directorio Central de Empresas* in Spanish).
- Entrepreneurial ecosystem: Collection of interconnected agents, institutions, entities and programs that form the context surround the basis of which entrepreneurs develop their activities in a determined territory.
- INE: Spanish Statistical Institute (*Instituto Nacional de Estadística* in Spanish).
- Labor Insertion Company: structures of learning in a mercantile form, whose goal is to make access to employment possible of disadvantaged communities, through the development of a productive activity.
- Labor society: anonymous or limited liability society, in which the majority of social capital is shared among employees that provide personal and direct remunerated services.
- Local action groups: entities that aggregate municipalities of Castile and Leon with the objective of promoting rural development.
- Population density: relation between the size of a population and the surface areas of the region in which it is situated.

- Rate of entrepreneurs: calculated by the percentage of the adult population (between 18 and 64 years old) founders that own or co-own a new company, that have persisted in the market between zero and forty-two months (three and a half years).
- Rate of masculinization: percentage of men divided by the total population.
- Social economy: set of entities that develop productive and financially sustainable activities, and are managed in a transparent and democratic manner, whose principal objective is not the economic gains, but the search for a positive social impact.
- Social enterprise: private organization whose goal is not solely lucrative and that provides goods and services directly related to the satisfaction of a social need in a determined community.
- Social entrepreneurship: activity carried out by agents whose principal objective is to generate economic activity orientated to have a social impact, more than monetary gains.
- Sparsely populated areas: Relatively isolated regions due to a dispersed settlement structure. In order to be considered such in this study, the population density of the municipalities must be less than 15 inhabitants per kilometer squared, and cover a radius of, at least, 45 kilometers.
- Special employment centers: centers whose main objective is to carry out productive work with the purpose of integrating and ensuring paid employment and the provision of services to its disabled workers.
- Third sector: set of private, non-profit entities whose final objective has a social nature.
- Unemployment rate: relation between the number of unemployed persons and the active population of a given population.
- Urban areas: a set of municipalities with greater than 20,000 inhabitants, or who are considered as such by their socioeconomic or territorial characteristics.
- Vegetative population growth/decrease: difference in the number of births and deaths during a determined timeframe.
- Youth unemployment rate: number of individuals that fall between the ages of 16 and 24 years old that find themselves in unemployment, in relation to the active population of the same age range.