

# SENTINEL - CE985

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## O.T3.2 - Policy recommendations targeted at national level

Version 1  
April 2020

*Executive summary in English*

# SLOVENIJA

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## National context/environment of social economy and description of the challenge/problem which the recommendations aim to tackle

More systematic approach to the social economy in Slovenia dates back the 1990s, with key legislation adopted in 2011 (the Social Entrepreneurship Act) and later amended in 2018. The self-organization of the sector began more systematically after 2007.

There are 260 registered social enterprises in Slovenia and many more non-governmental organizations with some characteristics of SE stakeholders.

The support environment for SE in Slovenia is diverse and encompasses several levels (national, local, different actors). Support for the social economy otherwise falls into two areas - support for the employment of vulnerable groups and support for business start-up/growth. Local communities play a limited role in support, and equally limited support is provided by "self-organized" NGOs and social enterprises that have "specialized" in support. In the case of the latter, the limitations are related in particular to human resources, insufficient or inconsistent standards of competence, business sustainability, etc.

The following key challenges related to SE have been recognized in recent years:

- A. Terminological and other ambiguities related to the distinction between social economy and social entrepreneurship and other concepts.
- B. Strategic measures and non-implementation of the adopted regulation (Social Enterprise Council, Financial Fund, untapped potential of the role of local communities, etc.).
- C. Efficiency and quality of the support environment and SE networking.
- D. Limited financial market and plurality of instruments
- E. The weak presence of social enterprises in the market for the sale of goods and services

## Main SENTINEL activities and results leading to the recommendations

Following the initial phase of partner country identification and needs analysis, the SENTINEL project has resulted in the creation of new, innovative models to support SEs and promote their cooperation and networking, with a focus on less-favored areas (eg rural areas).

Activities included:

- 1) "Managed networks" of the SE sector, which in essence represent innovative ecosystems within knowledge sharing, co-working, mutual business and other support, growth and sustainability of the business are promoted. This is also addressed by the Handbook of Managed Networks, which was produced as part of the project's activities.



- 2) Establishment of “Social Business Mentoring Services” that will assist SE support organizations, especially in those regions, areas where support is not comprehensive, lack of knowledge and skills or approaches to support are vague.

The project carried out pilot activities (tailored to the specific environments of partner countries) of testing innovative support instruments. In Slovenia, we focused on existing social enterprises and the role of mentors, experts and advisers within the supportive environment. Implementation covered a range of activities (motivation, stakeholder identification, identification of specific needs, search for tailor made solutions, empowerment and networking, activity evaluation, etc

The findings for Slovenia do not deviate much from the general findings in other partner countries of the project. Meaningfully summarized:

- poor visibility or the "visibility" of the meaning and role of SE
- a legal and other non-incentive environment for operation, especially the unrecognizability of the need for segmentation by geographical area of operation of the SE (eg rural)
- overload or weak staffing capacity
- Weak capacities in the area of access to financing, non-plurality of funding sources (dependence on public grants)
- lack of knowledge, especially for entering the market for the sale of goods and services, the creation of sustainable business models, etc.

## Summary of policy recommendations formulated

Based on the findings of the SENTINEL project and taking into account other activities related to the SE sector in Slovenia, we have formulated 5 key recommendations:

1. Clear terminological delimitation and consistent legislative definition of key SE related concepts (social economy, social enterprise, non-governmental organization, no-profit, non-profit, social impact, etc.) in a way that promotes the development of the SE sector in Slovenia and is consistent with understanding of the SE in the EU area.
2. Consistent implementation of the already adopted legislation in the field of SE and its priority integration in all national policies, regulations and measures, including its integration into key documents on promoting entrepreneurship and local and regional development.
3. Development of a supportive environment based on knowledge, experience and expertise, which is achieved by setting standards for the SE supportive environment, systemic financing, its placement in the existing support schemes for entrepreneurship and support measures for its integration into the EU or the European framework.
4. Developing an integrated market for public and private financial instruments and empowering intermediaries to provide effective and accessible financial support to SEs across all life cycles.



5. Supporting public awareness (stakeholders, consumers, etc.) of the importance and role of the SE.

The above five recommendations should be linked to the period of operation of the current Government of the Republic of Slovenia and are practicable in the period 2020/2021. Their implementation is possible as soon as the COVID-19 crisis situation has ceased. At the same time, it shows the activities to be tied to the role of the Republic of Slovenia in 2020 and 2021 as preparations for the EU Council Presidency are underway (second half of 2021).

The feasibility of the above depends mainly on the establishment of a regular structured discussion on the development of the SE in Slovenia, both within formal structures (eg social entrepreneurship council) and in the sector itself (eg co-ordination of SE project partners and programs, expert council at ZSES (Association Social Economy Slovenia), etc.).