

**PARTNERSHIPS
BETWEEN SOCIAL
ECONOMY ENTERPRISES
AND MAINSTREAM
BUSINESSES**



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B2B Buy social Future
of Social Economy!



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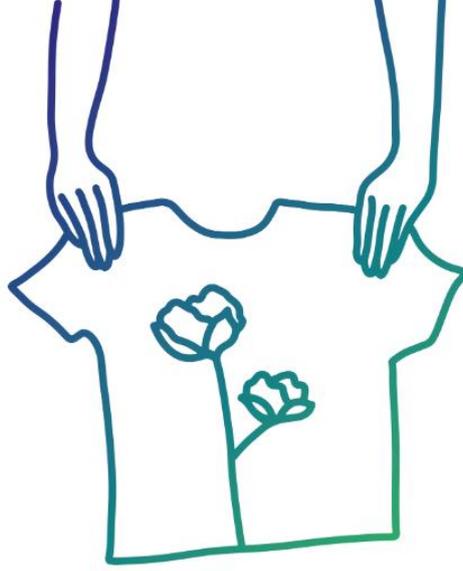
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BUYSOCIAL

B2B

Buy social Future
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ABOUT OUR PROJECT

BUYSOCIAL develops a model of training and B2B events, with the aim of improving the competitiveness and commercial capacity of the social enterprises. It will foresee business agreements serving the interests of both for-profit and social enterprises seeking to cultivate new, valuable business relationships. Additionally, the project will offer targeted training opportunities designed to address the evolving challenges confronting the social enterprise sector.

It has a specific focus on sectors linked to the circular economy, including textile recycling, fashion, and eco-design.

BFSE - B2B



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Introduction

The BFSE-B2B project is dedicated to **strengthening collaborations between social enterprises and mainstream businesses**, with the overarching goal of enhancing the market for products and services offered by social enterprises. The project draws on exemplary practices derived from various EU member states. Building upon these practices and the partnerships established during the project, we aim to formulate both national and EU recommendations that will guide the improvement of collaboration between social and mainstream enterprises.

The practices identified and outlined below serve as benchmarks and examples at the local level, informing the execution of activities in the four territories where the project is actively implemented.

This paper outlines five exemplary case studies from distinct countries, with well-established collaborations between social economy enterprises (SEEs) and mainstream enterprises in Belgium, France, Spain, the Netherlands and Italy. Each represents a unique and impactful practice. Throughout the process of conducting interviews and gathering data, several major elements surfaced, primarily revolving around the origin of partnership creation, its consequential impact and its value. Significant attention was also dedicated to identifying and addressing obstacles impeding the further development of these partnerships or posing challenges within existing collaborations. The resolution of these challenges greatly influences the potential for the transferability and replicability of such initiatives.

Moreover, these showcased good practices not only manifest diverse partnership models but also portray the distinct stages of their development and progression. The evolution of these partnerships is tied to the operational ecosystem of the countries, the nuances of the sectors they serve, but largely the collaboration models that evolve at the stage of its creation.

Policy context

On 10th March 2020, the Commission introduced a fresh EU industrial strategy aimed at positioning European industry at the forefront of both green and digital transformations.¹ Its goal was to enhance the EU's global competitiveness and promote strategic autonomy. Following the lessons learned from the COVID-19 pandemic, the Commission revised its EU industrial strategy in May 2021. This included fortifying the resilience of the main industrial networks through the initiation of transition pathways.

¹ [COM\(2020\) 102 final](#)



In the policy document outlining the facilitators of the digital and green transition, the European Commission highlighted emerging mega-trends in consultation with stakeholders, emphasising their impact on the ecosystem's resilience. Notably, the document emphasised the potential for collaboration between mainstream businesses and the social economy within the framework of "cross-fertilisation". The proliferation of 'impact or mission-led' enterprises and private initiatives for self-recognition presents opportunities for fostering enhanced forms of cooperation.

Furthermore, addressing business interactions across multiple tiers, especially by promoting 'business partnerships on an equal footing' with shared objectives, emerged as a pivotal incentive to establish equitable ground between mainstream and social economy enterprises. Yet numerous barriers obstruct more advanced forms of collaboration, including challenges in assimilating business models and undertaking mergers and joint ventures.

Stakeholders identified root causes – such as the 'inequality of power', disparities in governance models, divergent mission objectives, and differences in scalability – that hinder cooperation. Raising awareness and altering perceptions among mainstream businesses regarding the potential benefits of social economy models, particularly in terms of economic performance and sectoral value addition, stands as a critical step in fostering such partnerships. Achieving this requires ensuring that social economy enterprises have access to business support, that will allow them to step into or nurture already existing partnerships. Further, the recognition of the cooperative and participatory business models on the national level would improve the visibility of the products and services that they (social enterprises) offer, and, on the other hand, the integration of social and circular goals in the purchasing policies of mainstream businesses.²

The forthcoming descriptions of good practices will illustrate the current landscape of partnerships between mainstream businesses and social enterprises. While policies may pave the way for progress in the above aspects, the reality often reveals persistent challenges that need attention. Building such partnerships encompasses multiple stages, influenced by specific factors inherent in the ecosystem and shaped by the concrete circumstances of the parties involved in the partnership's inception. Mainstream businesses can contribute to initiatives that drive green or digital transition by designing intelligent solutions. However, it is crucial that these solutions operate in harmony with the ecosystem. In doing so, these businesses can play a role

² Transition Pathway for Proximity and Social Economy, European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, 2022, Belgium

is not only effective but also consistent and aligned with the overall ecosystem perspective.³

Additionally, the forthcoming descriptions of good practices will emphasise that the advancement of these partnerships has yet to achieve a widespread standard within the business environment. Moreover, they will look at the issue of scaling up, and what the potential threads are that accompany such growth. Is partnership the answer to overcoming the competition between conventional and social businesses? These and other aspects will be explored further in the conclusion, offering a comprehensive justification for the selection of the good practices.

Methodology

The comprehensive exploration of these exemplary practices was through in-depth interviews with the businesses involved, supplemented by the materials they provided. Furthermore, to enrich the insights resulting from the interviews, the authors conducted extensive desk research. This research was based on documents, position papers, articles, and further studies, and aimed to dive deeper into the aspects of the partnerships that might not have been fully captured during the interview process.

³ Policy Paper: The Green Transition of the Proximity and Social Economy, November 2022, Belgium



URBIKE & FACQ, BELGIUM

Study conducted by Alexis Willemot,
PLS (Pour la Solidarité).



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Context and history of how the good practice has been developed

The Belgian Observatory of the Social Economy in Brussels identifies more than 5,000 non-profits, companies and cooperatives with a social purpose, foundations and mutual organisations which produce goods and services in every field of activity: personal services, culture, sustainable food, construction, housing, education, etc. Between 2017 and 2021, the number of social economy enterprises in Brussels grew by 7.5%, and in Wallonia by 1.6%. The Brussels region has more social economy companies per inhabitant (414 SE companies per 100,000 inhabitants).⁴

This case concerns a Brussels-based partnership between Urbike,⁵ which offers a bicycle delivery service, and Facq,⁶ which sells bathroom and heating accessories. Products are transported from Facq's Anderlecht hub to the 19 municipalities in Brussels and are delivered directly to clients' homes or construction sites. With routes covering a distance of 3,612 km, this approach has significantly decreased delivery time and costs, as well as prevented the emission of 1,444 kilograms of CO₂. This pioneering approach by Facq sets an example in its sector. Urbike anticipates that Facq's initiative will inspire other companies to consider using cargo bikes for transporting small consignments.

Initially, the project was conceived as a test, to determine the feasibility, ease and cost-effectiveness of bicycle-based small parcel delivery. This initiative was prompted by Facq's growing number of small package deliveries, as well as its commitment to developing environmentally responsible services while ensuring fair working conditions for employees. The test phase started in June 2022 and lasted for six weeks before being transformed into the current partnership. The results were immediately better than expected. The company therefore decided to continue the experiment.

Indeed, the transition to this new delivery approach was accelerated due to the situation of car and goods traffic in Brussels that is becoming increasingly complicated, hence the choice of "soft" mobility. Currently, Facq and Urbike jointly serve approximately 30 business customers daily, effectively reducing the need for one delivery van.

Two policies influenced this partnership:

- A new traffic scheme in Brussels (*Good Move*) implemented in August 2022. This complicates traffic, including deliveries, in the city. Facq anticipated this problem with the deployment of a test programme with Urbike;

⁴ l'état des lieux de l'économie sociale 2021 <https://observatoire-es.be/wp-content/uploads/2023/03/EDL-2021.pdf>

⁵ <https://urbike.be/>

⁶ <https://www.facq.be/en/private-customers>

- With the Green Deal and other European commitments, there is more and more focus on the environmental impact of transport and deliveries.

These two factors had a beneficial impact on the evolution of this best practice, enhancing the appeal of bicycle deliveries.

According to Urbike, most mainstream businesses do not know about social economy enterprises and cooperatives. In fact, there is a view that the actors need to prove their professionalism and their capacity to offer a high-quality service emphasising their social and ecological objectives and the aspiration to create a positive impact in these areas.

Development of the partnership

The partnership was created in June 2022, and began with a pilot phase. Initially, this was a six-week trial aimed at assessing the possibility of achieving top-tier service quality. The trial commenced with a small delivery zone and very compact packages. Moreover, training was organised at the Facq headquarters and paid for by Facq. The training sessions conducted before the collaboration ensured a shared perspective among all parties involved and equipped Urbike collaborators with the operational processes and tools needed for a successful collaboration.

As a result, this hands-on training facilitated optimal interoperability between the two organisations, building trust, knowledge exchange, and seamless integration of their respective delivery management systems. It also enhanced Urbike's proficiency in using the tools required by Facq for delivery operations. Today Urbike makes three delivery rounds per day for Facq and they are fully integrated in the company ecosystem. Facq delivers the goods to Urbike's warehouse early in the morning, and has been given independent access given the level of trust between the partners. Recently, this initiative has been replicated in another city with the development of a delivery service in Ghent since the end of 2023.

Main characteristics of good practice approach

Urbike identifies potential partners primarily based on market and sector of activity. In addition, Urbike considers compatibility with potential partners, considering factors such as values, corporate culture and mission.

Facq aimed to provide a top-quality delivery service, seeking an environmentally conscious alternative while prioritising worker well-being. As a family-oriented company, it values working conditions highly. The local cooperative status of Urbike further demonstrated its care for the couriers, aligning with Facq's values.



The partnership is profitable for Urbike as Facq is paying fair prices. On the other hand, Facq saves 1h to 1h30 of time during a round of deliveries and is guaranteed a high-quality service that respects the environment and the workers.

To facilitate the partnership, the Urbike riders were trained at Facq headquarters. This has enabled both parties to get really involved and to communicate a great deal. This level of communication is synonymous with a relationship that is stronger than a simple partnership: the partners co-design their relationship and behave more like colleagues.

The partnership is formalised in the form of a contract that sets out all the conditions: delivery prices, the consequences of a missed delivery or if the quality of service is not achieved, the conditions for ending the collaboration. The idea is to be as transparent as possible.

Evidence/justification for good practice

The partnership was made achievable through the collaborative efforts of both partners. They established connectors and interoperability to facilitate this collaboration. Every 2/3 months tactical meetings are organised to share data on deliveries and discuss perspectives and problems. It is a co-design relationship as they are fully connected and transparent with each other.

For both Urbike and Facq, the imperative was to advance environmentally and socially responsible delivery and service solutions. Facq aimed to uphold its operations while making them more ethically oriented, while Urbike aimed to demonstrate the feasibility and advantages of delivering goods by bicycle.

Urbike and Facq are truly connected and integrated with each other. Every 2-3 months, a meeting is organised to discuss key performance indicators and strategies for improvement. All orders are automatically transmitted to the transport management system. For Urbike, it is akin to collaborating directly with a department of Facq. At tactical meetings, they openly share data on social and ecological impact. The number of kilometres travelled is used to compute the CO₂ footprint saved.

They share:

- the number of deliveries at first attempt (more than 90%, which is high in this sector of activity) to measure the quality of service;
- the number of parcels delivered;
- the number of full-time equivalent jobs that have been financed by the Facq partnership.



Hence, they provide environmental, social and economic indicators to showcase the partnership's advantages. This presentation enables Facq to compare the count of eco-friendly deliveries with their overall deliveries.

The partnership operates in complete transparency to ensure a fair allocation of resources between the partners. Facq highly values this transparency, which it has not encountered from other conventional stakeholders.

Urbike already offers exceptional and innovative services. Through this partnership, the quality has been improved due to effective communication. Moreover, the services have been spread more widely. In fact, an internal review of the collaboration led Urbike to implement a more systematic initial training process, followed by a collaborative meeting to share data on the collaboration and to iron out the issue. This well implemented process of collaboration between Urbike and Facq fuelled the intention to expand this process to all its collaborations in the future.

There are a lot of good interactions with customers and seeing the Facq deliveries being made by cargo bike gives them ideas: some of them want to try doing the same. Facq was Urbike's first customer in the construction sector and opened up a whole new big market that it can now exploit. Urbike learnt that it needs to invest more time and energy in identifying companies. The experience has enlarged their possibilities.

Shortly after partnering with Facq, Urbike extended its collaboration to include CECEO, an electronic equipment retailer. Thus, the association with Facq facilitated Urbike's entry into a new market. The achievements of this collaboration contributed significantly to enhancing Urbike's reputation. It is nevertheless difficult for social economy enterprises and cooperatives to build a reputation among mainstream businesses, and Urbike has the impression that it must prove its professionalism even more strongly if it presents itself as a cooperative. It is therefore reflecting on how to present the organisation to ensure it makes a good impression on external actors.

Partnership / impact

During the tactical meetings, both companies share openly all the data on social and ecological impact:

- the number of kilometres ridden is used to calculate the CO₂ footprint not emitted;
- the number of deliveries at first attempt (more than 90%, which is high) to measure the quality of service;
- The number of parcels and addresses;
- the full-time equivalent employment that has been paid for by Facq.



During the pilot test the results were already very good as 1h to 1h30 per delivery round was saved, and the cargo bikes were able to replace one entire van.

Urbike's marketing strategy is closely based on the values of the social economy. Despite the challenge of balancing these values with the delivery of high-quality services, they undeniably played a substantial role in influencing Facq's decision to form a partnership with Urbike. Moreover, the values of social economy such as the working conditions or the ecological responsibility proved highly beneficial for the marketing strategy. Engaging in such partnerships and good practices greatly contributes to creating a positive image. Specific bikes with a specific design (Facq logo, etc.) are used for these deliveries, which gives visibility to this practice.

How did the partnership create value?

The delivery collaboration has proven to be highly successful for Urbike and resulted in improvements within the cooperative. Urbike greatly appreciates the organisation of training sessions with new customers, as they ensure that every team member is well-informed about the unique aspects of each partnership. This is a practice it intends to replicate consistently in its future partnerships. Furthermore, the deliveries for Facq have been notably profitable, prompting Urbike to investigate the factors that positively impact on these deliveries through surveys and analysis.

The transparent and collaborative approach of the partnership has been one of its particularly positive aspects. Regular meetings and co-designing solutions have fostered a very strong relationship, which Urbike aims to replicate with other customers.



Urbike actively communicates its successful collaboration with Facq to attract new customers. This includes marketing campaigns for example. It also conducted a promotional photoshoot with Facq (see illustration). Subsequently, the partnership with Facq paved the way for Urbike to establish a collaboration with CECEO Electronic Equipment, offering

valuable insights and lessons on engaging with companies in this industry.

Urbike has extended its network to include the Embuild federation and the Buildwise research centre. Through its successful collaboration with Facq, these connections

have strengthened, enabling Urbike to showcase its results in seminars aimed at fostering awareness in the construction sector regarding the potential of bicycle-based delivery services. Although not yet a significant market, these initiatives offer promising long-term value.

Regarding marketing and communication strategies, Urbike now consistently highlights its status as a social economy enterprise.⁷ It does not just position itself as expert in cargo bike logistics but also emphasises its cooperative business model, reaffirming its dedication to providing services with a social responsibility focus.

Interestingly, the aspect of social responsibility often becomes a persuasive factor for clients. However, Urbike sometimes encounters challenges in being taken as seriously as traditional businesses due to its social economy status. Consequently, it is determined to demonstrate its professionalism. Many of its clients are unfamiliar with cooperatives, so Urbike sees each successful collaboration as an opportunity to inspire and educate clients about the cooperative model.

Strengths and weaknesses

Urbike's operations are closely tied to specific geographical territories. In order to expand its services to new cities or areas, it needs to establish new bases in those locations. Its business partnerships are constrained by its presence in particular places. Consequently, replicating its model in new areas is not a straightforward process, as it is contingent on local partnerships. Even in Brussels, it prefers to operate within a 3–5-kilometre radius around its hub in Anderlecht. In the present moment, there is ongoing consideration at Urbike about potentially opening a new hub in the northern part of Brussels as part of its expansion strategy.

The partnership's strength lies primarily in its inception through a well-executed pilot test and a significant investment in training. The partners encountered minimal issues due to their strong mutual understanding. The familiarity fostered by this partnership results in effective communication, swift issue resolution, and a clear understanding of the appropriate contact points for specific matters. The transparent communication is the second big strength of the partnership. The relationship is marked by a strong sense of empathy and humanity, resulting in minimal tension during interactions.

Prospects and further development

Urbike has initiated deliveries for Facq in Ghent, although the service volume there is currently smaller than in Brussels. Expanding to other cities remains a complex task

⁷ Presentation of social entrepreneurship in Brussels: <https://hub.brussels/en/social-entrepreneurship-in-brussels/>

due to Urbike's limited presence in these areas. To establish operations in new cities, the formation of new entities or the involvement of partners in those regions is necessary.

This partnership has provided Urbike with valuable insights on replicating successful practices with other customers. For instance, revisiting the pilot phase is one aspect it aims to duplicate, acknowledging its role in facilitating effective communication and preventing various issues by ensuring a clear and smooth collaboration.

Leveraging Facq's portfolio, Urbike intends to acquire new customers and extend its reach. As part of its expansion plans, a new hub is scheduled to be established in Leuven by 2026, allowing Urbike to extend its delivery services to this city.

Overall assessment and transferability

The pilot phase demonstrates transferability across various countries and contexts, offering ease of replication, fostering robust collaboration, and mitigating numerous issues. Furthermore, the principles of transparency and consistent communication are critical elements that should be adopted across different contexts.

Weblinks and bibliography

- State of play of social economy in Belgium 2021: <https://observatoire-es.be/wp-content/uploads/2023/03/EDL-2021.pdf>
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LA VARAPPE & ONET, FRANCE

Study conducted by Alexis Willemot,
PLS (Pour la Solidarité).



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Context and history of how the good practice has been developed

This study concerns the needs and constraints of a group of two pioneering companies:

- La Varappe, an integration company based in Aubagne, South of France; the group has developed its expertise in four main areas: environment, eco-construction, resources & skills and healthcare;
- ONET, a large group based in Marseille and employing people in integration, as well as tackling with the difficulties encountered by people in insertion (administrative indicators, concrete difficulties, intensity of the problem, etc.).

The roots of this good practice stem from the partnership between enterprises in the social and solidarity economy and the government in France. The approach to this type of collaboration is evolving, but it encounters numerous challenges. These companies have a longstanding commitment to addressing the social and professional inclusion of people in precarious situations. Initially, despite their expertise in inclusion, integration enterprises have occasionally employed the same individuals after an integration programme, sometimes with varied inclusion goals or without them altogether. Some companies were more interested in retaining and developing these workers, while others focused on "positive exits". This diversity of objectives and practices created a challenge in terms of communication and understanding between the players involved.

A further issue is that the six-month "return to employment or training" measure oversimplified the complex labour market landscape, overlooking the rapid evolution of skills needs and the emergence of new sorts of jobs. Furthermore, numerous training programmes failed to translate into practical professional experience. The duration and precision of the follow-up also pose significant concerns, as a mere six-month assessment failed to capture the comprehensive scope of long-term outcomes.

Based on these observations, the good practice seeks to revolutionise the assessment of inclusion by suggesting several pivotal measures:

1. It suggests no longer limiting ourselves to quantitative indicators focused on employment, but developing new indicators that are both subjective (such as well-being, self-confidence and confidence in the future) and objective (such as access to housing, digital inclusion, improved health and mobility);
2. It encourages the long-term monitoring of people's degree of inclusion, by assessing their social, personal and professional progress beyond the mere possession of a job. This includes aspects such as the development of social capital, improved mental and physical health, mastery of skills, access to digital technology and mobility;



3. It promotes continuity in the follow-up of individuals, by encouraging transitions between employers, including between social and solidarity economy enterprises and "traditional" enterprises. The aim is to maintain the support necessary for workers to continue to progress.

Within a broader conceptual framework, this approach is part of a more holistic vision of social and occupational inclusion. It recognises that employment is only one aspect of inclusion and that other factors, such as well-being, self-confidence and access to essential resources, are equally important in measuring the success of inclusion. This approach also recognises the complexity of the inclusion trajectory and the need for long-term monitoring to ensure the sustainability of outcomes. In short, it strives to create an evaluation framework that is more comprehensive and better adapted to the reality of people living in precarious conditions.

The current political context in France shows that social determinism is a persistent and concerning issue. The observation that "starting at the minimum wage often leads to ending up at or near the minimum wage" reflects the reality for many people in France, where social mobility remains a major challenge. It is worrying to note that France ranks 23rd out of 24 OECD countries in terms of social mobility, according to the OECD's Ecoscope⁸.

In this context, policies and support for actors in the social economy have a crucial role to play in mitigating this persistent social determinism. Inclusion actors have significant potential to address this issue, although it is often insufficiently addressed.

Encouragingly, certain governmental policies and initiatives in France actively support the social and solidarity economy, a sector that holds significant potential for diminishing social determinism. The social economy is characterised by businesses and organisations with social and environmental objectives in addition to their economic goals. These enterprises can create employment and inclusion opportunities for individuals facing precarity. However, there are significant challenges. Social determinism is not limited to employment alone but also extends to social capital, such as one's professional network, which can influence access to job opportunities and professional connections. Policies promoting the social and solidarity economy must take these complex realities into account⁹.

⁸ OCDE(2018), A Broken Social Elevator? How to Promote Social Mobility, Editions OCDE Paris, Franc

⁹ Cour des comptes (2022), Le revenu de solidarite active, retrieved from: <https://www.ccomptes.fr/sites/default/files/2023-10/20220113-RSA-synthese.pdf>

Nevertheless, it is essential to emphasise that despite the efforts made, social determinism persists in France, indicating that current policies and support may not yet fully address this issue satisfactorily. It is crucial to continue evaluating and adapting these policies to make them more effective in the fight against social determinism.

Development of the partnership

The partnership came into existence after the launch of Fund V, an endowment fund started by the La Varappe Group. Its main goal is to address inequalities determined by circumstances and to advance social inclusion. The initial observation that led to the creation of Fund V was that despite significant efforts by inclusion actors, social inequalities persist and worsen. These inequalities are attributed to factors such as social origin, place of birth, economic situation, and more. Furthermore, the current economic context and ecological transition are seen as exacerbating factors for these inequalities, as vulnerable populations are both less prepared for and more susceptible to economic and environmental changes. Faced with this reality, Fund V has set itself the mission of reimagining support systems, economic models, and communities in order to contribute to the (re)construction of a more equal and socially cohesive society. To achieve this ambitious goal, Fund V aims to bring together a community of dedicated individuals and actors from various backgrounds. The idea is to provide diverse perspectives and innovative solutions to combat destiny inequalities and promote inclusion. Fund V acknowledged the severity of the situation, with two million workers in poverty, one million individuals persistently excluded from employment, a decreasing lifespan of technical skills, and the fact that it now takes six generations to escape poverty. Fund V's vision is clear: to make inclusion the norm of tomorrow. To achieve this, Fund V has acted as a hub for action and reflection, mobilising this engaged community to envisage innovative and tangible solutions to combat destiny inequalities and promote social cohesion.

Within this context, the collaboration between the La Varappe Group and ONET was initiated. To meet the set objectives, initiating an experiment between a social and solidarity economy (SSE) company and a traditional corporation was crucial. The desire to join forces in a joint project arose spontaneously on both sides. The two actors in fact find themselves working with similar audiences but with different methodologies and tools. Joining forces meant not only achieving the objective of ensuring that inclusion plays a key role, but also implementing common strategies that could best contribute to achieving the objectives of both companies.

Main characteristics of good practice approach

The collaboration between the La Varappe Group and ONET was established as a response to the persistent issue of social determinism in the current political

landscape of France. This collaboration was motivated by the recognition of the challenge of low social mobility and inequalities faced by many individuals in the country. La Varappe, as a social enterprise, has a primary mission to combat destiny inequalities and promote social inclusion. It focuses on assessing and advancing the social, personal and professional inclusion of individuals facing challenges. This mission is aligned with the broader goal of reducing social determinism and fostering a more inclusive society. ONET, on the other hand, is a conventional company that recognises the importance of contributing to social inclusion and improving the living conditions of individuals facing challenges. By collaborating with La Varappe, ONET aims to actively fulfil its corporate social responsibility (CSR) objectives and enhance its brand image, while strengthening its relationship with the local community. Furthermore, the diversity of skills and profiles that employees from La Varappe can bring to ONET's teams is seen as an asset. This diversity can stimulate innovation, foster creativity, and provide new perspectives to ONET, ultimately benefiting its business operations. The partnership between La Varappe and ONET is a practical example of how collaboration between a social enterprise and a conventional company can be driven by specific motivations and objectives related to addressing social determinism and promoting social inclusion in each context.

The partnership is formalised through the signing of an agreement.

Evidence/justification for good practice

The stakeholders involved in this partnership have planned their collaboration in a progressive and structured manner, focusing on key steps to achieve their common goals.

- Phase 1 - Existing Best Practices (October 2022 - June 2023): During this initial phase, the partners worked on understanding the needs and constraints of two pioneering companies, namely La Varappe and ONET. They also examined the challenges faced by individuals in integration, based on administrative indicators, concrete feedback, and the severity of the issues encountered. This phase was divided into two segments.
 - Segment A - Study: An in-depth analysis of the tools and existing practices within the pioneering companies was conducted. Additionally, a review of academic and practical literature on the subject was carried out. The partners also met with 15 field experts specialised in impact assessment to identify best practices.
 - Segment B - Deliverable Production: This stage resulted in the creation of a guide to best practices for the evaluation of inclusion actions and pitfalls to avoid. A first version of the evaluation framework was also developed, including an analysis grid, indicators, and data collection methods.



- Phase 2 - Experimentation - Pioneer Group (September 2023 - June 2024): In this phase, the group of two pioneering companies will put the evaluation framework into practice with the support of the EMISE laboratory. Throughout the experimentation, careful monitoring will be ensured, allowing for the accumulation of lessons learned. The outcome of this phase will be an experimentation report, including conditions for replicability, as well as a methodological guide. Furthermore, an improved version (V2) of the evaluation framework will be developed.
- Phase 3 - Creating Momentum (September 2024 - September 2025): The last phase will focus on expanding these new evaluation methods beyond the initial pioneer group. A support programme, including training, mentoring, and mutual assistance, will be established to help other companies implement these approaches. This phase will involve an expanded group of 8 to 10 companies. The ongoing accumulation of lessons learned will improve the method over time, and the dissemination of results will play a crucial role in raising awareness of the importance of social inclusion.

Common objectives have been identified for the partnership's formation:

1. Measuring progress beyond employment

- social: social capital (personal network, mastery of codes), participation in social life, access to stable housing, improvement in family situation (help, care of children or dependent persons)
- personal: well-being, self-confidence, self-esteem, motivation, improved mental and physical health
- professional: professional network, representation, skills, learning French, digital access, mobility solutions, qualifications, etc.

2. How can these indicators be monitored over time?

In particular, by ensuring continuity in the monitoring of people from one employer to another, especially between Active Enterprise Intelligence (AEI) companies and so-called "traditional" companies, and especially in short-staffed occupations.

The actors involved share their resources collaboratively, using a structured approach based on an open-source database. The process includes several key stages:

1. Needs identification and tool development: To begin with, the partners collaborate to identify data collection needs. They then work together to construct specific data collection tools tailored to the goals of the initiative;
2. Testing and validation of tools: The data collection tools undergo rigorous testing with a sample of stakeholders. This process helps identify and address any potential issues or deficiencies in the tools;



3. Implementation of data collection: Once the tools are validated, the partner teams implement data collection in the field. This may involve interviews, administering questionnaires, or other data collection methods, depending on the specific needs of the initiative;
4. Training and awareness: Actors involved in the process receive appropriate training and awareness to ensure consistent and high-quality data collection. This step aims to standardise data collection methods and ensure the reliability of the collected data;
5. Data reporting coordination: Effective coordination is established for data reporting from various stakeholders. This may involve the use of centralised data management tools and the implementation of efficient communication protocols;
6. Long-term impact monitoring: The collected data is regularly analysed to assess the impact of the initiative on the target market. Performance indicators are monitored to measure progress and adjust strategies if necessary.

To ensure an equitable distribution of resources among partners, several mechanisms are put in place:

1. Allocation of responsibilities: Partners clearly define their roles and responsibilities in the data collection process. Each partner contributes in a balanced manner based on its capabilities and resources;
2. Transparency and communication: Open and transparent communication is encouraged among partners. This includes sharing information about available resources, constraints, and challenges encountered;
3. Ongoing assessment: Regular assessments are conducted to ensure that the distribution of resources remains equitable throughout the project. If imbalances are identified, adjustments are considered;
4. Conflict resolution mechanisms: In case of disagreements regarding resource allocation, conflict resolution mechanisms are in place to ensure that partners arrive at fair and acceptable solutions;
5. Flexibility: Partners must be flexible to adapt to the changing needs of the project. This may involve adjustments in the distribution of resources based on shifting priorities.

Partnership / impact

The study will be conducted by the ESSEC business school. As mentioned above, the goal of the study is to find new indicators of social progression that can meet the needs of classical companies as well as those of the ESS.

Measuring social impact:

- Social metrics: Specific social metrics are monitored over time, such as the number of individuals who have found employment, their improved access to housing and health care, and their progress in personal and professional development.

Measuring economic impact:

- Analysis of financial data: financial data is closely examined to measure economic impact. Key indicators include increased revenue, profitability and cost effectiveness of the partnership in creating economic opportunities;
- Employment and income data: partners track the number of job placements and income improvements achieved through the partnership, providing concrete data on its economic benefits.

The case study and mainstream businesses may employ a range of measurement tools to assess the economic and social impact of their partnership. In this context, Objective 8 (Decent work and economic growth), Objective 10 (Reduced inequalities), and Objective 17 (Partnerships for the goals) of the SDGs serve as relevant reference points for measuring the partnership's impact. Economic impact will be assessed through criteria like job creation, increased income for vulnerable populations, and the reduction of economic disparities, while social impact will encompass indicators related to improved social inclusion and well-being.

In order to assess the direct impact of the partnership, first, interviews will be conducted in the initial and final phases of the pilot. Managers, operational actors and final beneficiaries will be interviewed. This feedback will provide information on the social impact of the partnership, such as increased access to employment, education or healthcare, or an increase in well-being as a result of new inclusion methods.

In this first experimental phase, the aim is to create a qualitative study. The final objective is to produce a reference framework and to improve knowledge of the actors involved and their methods of inclusion and social responsibility. The desire to create new indicators is precisely to add value concerning the socio-economic evaluation of two different realities, which can be extended in a second phase to more and different actors. For this reason, the quantitative objectives concerning the increase in employed persons, the increase in jobs created, etc. will certainly be a consequence of this study but not the focus. Finding a reference framework is the objective which will enable the actions to be targeted according to the indicators and evaluations made during the study. The objectives of the partnership mentioned above will be the guiding points.



How did the partnership create value?

The project is designed to bring together a diverse group of individuals from both La Varappe and ONET, fostering a collaborative environment enriched by a variety of skills and perspectives. It is expected that this diversity will serve as a catalyst for innovation and creativity within ONET's teams. Furthermore, the project may inadvertently create opportunities for academic stakeholders to delve into the social and economic impacts of such collaborations. This could significantly contribute to the body of knowledge in the realm of social inclusion and corporate partnerships. In terms of stakeholder perceptions, policy bodies are likely to view the project favourably, given its alignment with national and international objectives related to social inclusion and the reduction of inequalities. This alignment may lead them to consider it a promising initiative that encourages other businesses to embark on similar partnerships. Within the social economy sector, user organisations and representative bodies are expected to see the project as a promising and impactful collaboration. It serves as a demonstration of the potential of partnerships between social enterprises and conventional businesses to not only generate meaningful employment but also to facilitate social inclusion. In the private sector, particularly among companies looking to enhance their social impact, the project is likely to be regarded as a positive example. It showcases how a traditional company can contribute effectively to social inclusion while also benefiting from a diverse array of skills and innovative perspectives. Lastly, academic stakeholders are anticipated to recognise the project as a valuable case study for future research and analysis. It offers valuable insights into the effectiveness of such collaborations in achieving their intended outcomes and has the potential to inspire further academic exploration into the social and economic impact of similar initiatives.

The partnership between the La Varappe Group and ONET has emerged as a powerful force for creating value in their collaborative efforts. At its core, this collaboration represents the perfect fusion of complementary resources and expertise. La Varappe Group, a dedicated social enterprise, contributes its wealth of experience and knowledge in the realm of social inclusion and support for vulnerable populations. On the other side, ONET, a conventional business, brings to the table a robust set of resources, including vital infrastructure, financial support, and access to a broader market. This harmonious blend of strengths empowers the partners to address complex social and economic challenges by taking a comprehensive approach. The partnership does not stop at complementarity; it extends its reach into the realm of setting standards and promoting legitimacy within the sector. The collaboration has the potential to develop and disseminate norms, standards, and policies that elevate the entire industry. By setting high benchmarks and sharing best practices, the La Varappe Group and ONET contribute to creating



a level playing field. This, in turn, promotes ongoing and sustainable positive change while encouraging other stakeholders to follow suit.

Moreover, their collaborative spirit sparks innovation. By combining diverse resources and thinking approaches, the partnership has given rise to new, more effective approaches, technologies, services, and products. Their shared knowledge and expertise pave the way for delivering more substantial impact and ground-breaking solutions to some of society's most pressing challenges. It is not just about the partners, but about the sector and the community benefiting from their innovative solutions. The partnership also defies traditional sector boundaries. It does not merely stick to one domain but invites actors from different backgrounds and areas of expertise. This holistic perspective enables them to adopt workable, cross-cutting, and implementable approaches that increase the quality of their impact and the effectiveness of their endeavours. In the pursuit of creating value, the partnership has established mechanisms for collective learning and capacity building. This forward-thinking approach ensures that both partners continually enhance their skills, share knowledge, and adapt to the ever-evolving challenges in their path. It is not just about their growth, but about their contribution to the broader field of social inclusion and corporate partnerships. To enhance efficiency and maximise their resources, the La Varappe Group and ONET align their programmes and resources, share expertise, and cooperate to exploit possible synergies. Their partnership demonstrates how two entities, when united, can achieve more and minimise duplication, ultimately magnifying the impact of their efforts. Through their collaborative actions, the partnership will not only reach their target audience, but also connect with other stakeholders and partnerships in their field. This extended network will build trust and catalyse further collaborative actions, which may lead to greater impact and opportunities for future partnerships. Their innovative and impactful approach to social inclusion and corporate collaboration may result in awards that will further validate their efforts and provide opportunities for wider dissemination.

The project between the La Varappe et ONET is in its early stages, so at present the lessons to be learned can only be outlined. One key lesson is the importance of shared values and goals. Successful partnerships are often based on a deep alignment of core values and common goals between the social enterprise and the traditional company. This shared vision forms the basis on which the partnership thrives. Effective communication and transparency also emerge as crucial lessons. Open and honest dialogue is essential in these partnerships. Both partners must clearly and honestly discuss their expectations, respective responsibilities and ongoing progress. A shared understanding of the objectives of the partnership helps keep the collaboration on track.



Diversity it will be another valuable lesson. By integrating people with different skills, backgrounds and perspectives, this partnership will be a source of innovation.

Furthermore, the emphasis on measuring impact it will be a key lesson. Clear metrics and indicators to assess the impact of the partnership will provide a structured approach to evaluating progress. This data-driven approach will allow both partners to monitor the effectiveness of the partnership and make informed decisions to improve its outcomes. ^[O&B]

The sustainability of the project will be a challenge. Maintaining the long-term sustainability of the partnership requires careful planning and execution. Changes in leadership, shifts in market conditions or alterations in organisational priorities will potentially put the partnership at risk. To address this challenge, partners will establish clear governance structures, outline roles and responsibilities, and develop a strategic plan that takes adaptability into account.

Regular reviews and assessments will play a key role in identifying and addressing potential threats to sustainability. Differences regarding the cultural context in which one operates may be an obstacle to a successful partnership. Different cultures and organisational practices may lead to misunderstandings and friction. To overcome this challenge, a culture of open communication and mutual respect will be favoured. Partners will take part in training activities to bridge cultural gaps. Furthermore, establishing shared values and goals at the beginning of the partnership is the goal that ONET and Varappe have set themselves to avoid potential conflicts arising from cultural differences.

Finally, regulatory and compliance issues can be challenging. Managing these complexities will require meticulous consideration of legal requirements. Detailed record keeping and a proactive approach to documenting compliance efforts will demonstrate the partners' commitment to meeting regulatory obligations.

Strengths and weaknesses

The partnership enables social economy stakeholders to advance inclusion objectives and provide jobs. While requiring significant resources to replicate, it gives mainstream enterprises benefits like enhancing CSR and innovation, but requires long-term commitment and cultural change. This project helps local authorities by aligning with social policies and generating valuable data on inclusion, but needs extensive support; it provides opportunities for the business community through higher standards and support services, but could increase compliance requirements and costs; it offers academia an excellent case study to improve research on social enterprises and partnerships, but with limited engagement in project design and long-term dependency on partners; and it assists larger customers in meeting inclusion targets, but has indirect impacts and may be seen primarily as a CSR initiative rather than providing core benefits.



The measurement of social and economic impact is still in its early stages, and efforts are being made to introduce pertinent tools for its assessment, including:

- **Surveys and interviews:** the ESSEC project manager will conduct surveys and interviews with employees and beneficiaries to collect qualitative data on social impact. These interactions will provide a better understanding of the socio-professional context of the two stakeholders involved in the project and changes in the well-being, self-confidence and empowerment of individuals facing challenges;
- **Impact assessment frameworks:** the evaluation will consider established benchmarks, such as the Sustainable Development Goals (SDGs), to assess its impact in the context of the global sustainability goals. This will provide a standardised and widely recognised benchmark for evaluation;
- **Stakeholder feedback:** feedback from various stakeholders, including employees, beneficiaries, local communities and other stakeholders, will provide valuable qualitative insights into the impact of the partnership.

Prospects and further development

1. **Expanded collaboration between social enterprises and large corporations:** The partnership between social enterprises and large corporations has the potential to become a benchmark model for social inclusion. The goal at the end of the experiment is to establish a pioneering group of 10 employers which demonstrate a clear commitment to active participation. In the future, this collaboration could be extended to include an even larger number of companies, whether they are large or small, to increase the collective impact on inclusive employment;
2. **New tools tested and validated:** The development of new data collection tools tailored to measuring social and professional inclusion is a key element. Once these tools have been tested and validated, they can be widely adopted and used by a greater number of companies and organisations. This will promote the standardisation of assessment practices and enable more effective result comparisons;
3. **Implementation support programme:** Implementing new measurement tools requires proper support to ensure their optimal use. A well-structured support programme can be developed to help companies to integrate these tools into their human resources management processes. It could include training sessions, practical guides, and the sharing of best practices among partners.



Overall assessment and transferability

Replicability and scalability

1. **Evaluation framework:** The methodology and data collection tools developed to assess social, personal, and professional inclusion can be adapted and replicated in other countries and contexts. They can serve as a foundation for measuring the impact of inclusion actions;
2. **Best practices guide for evaluating inclusion actions and avoiding pitfalls:** This guide provides essential information on best practices for evaluating inclusion, at both the national and international levels. It can serve as a reference for other regions or countries wishing to implement similar practices;
3. **First version of the test framework:** The prototype analysis grid, impact tracking indicators, and associated data collection methods are valuable resources. They can be adapted to meet the specific needs of other regions or sectors;
4. **Collaboration between social economy enterprises and traditional enterprises:** The concept of partnerships between these two types of enterprises, with common inclusion objectives, can be a transferable model. This can be particularly relevant in countries where social inequalities persist and where there is a need for inclusion and/or difficulties in recruiting in high-demand professions;
5. **Collaborative planning:** The progressive and structured approach to collaborative planning, with defined phases, can be adapted to other partnership initiatives. This ensures a mutual understanding of goals and key steps;
6. **Training and awareness:** The training and awareness methods used to standardise data collection methods can be adapted to ensure data quality in other projects.

Further, listed below are some strategies to scale up and replicate successful partnership models in other sectors or regions to multiply impact:

1. **Sharing insights:** Partners involved in the initial partnership can share their insights and experiences with other actors in the social sector and businesses. This can be done through seminars, conferences, publications, and training sessions;
2. **Contextual adaptation:** It is essential to adapt the partnership model to the specificities of the new context. This may include adjustments to measurement indicators, data collection methods, and objectives based on local needs;
3. **Engaging local stakeholders:** Involving local stakeholders, including governments, civil society organisations and local businesses, is crucial to ensuring the success of expanding the model. They can contribute to adapting the model to local realities;



4. **Training and capacity building:** Providing training and capacity building to local actors is essential to ensure understanding and successful implementation of the model. This may include training on data collection tools, project management, and cross-sector collaboration;
5. **Impact measurement:** Establishing rigorous monitoring and evaluation of the model's impact in the new context is essential. This allows for demonstrating its effectiveness and adjusting strategies if necessary;
6. **Institutional partnerships:** Establishing partnerships with local institutions, such as universities and chambers of commerce, can facilitate the expansion of the model by providing additional resources and expertise;
7. **Awareness and advocacy:** Raising awareness among local stakeholders about the benefits of the model and advocating for its adoption can contribute to its acceptance and sustainability.

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NATURGY, SPAIN

Study conducted by Aneta Quraishy
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Context and history of how the good practice has been developed

Social enterprises are still coming to terms with the economic and social fallout of the pandemic, but remain optimistic. Over the last year, the income of 56.2% of such organisations increased, whilst the income of 16.3% fell. As for their future outlook, 71.2% expect their income to increase over the next 12 months as opposed to 3.8% who think it will fall. These are some of the findings of the second edition of the report about Spain in the “European Social Enterprise Monitor (ESEM) 2021-2022”, by the Esade Centre for Social Impact based on a survey of 80 social enterprises in Spain.¹⁰

In Spain the social enterprise sector is a good source of inclusive employment. Social Enterprises in Spain have different formats. “Associations and limited societies are the two forms of corporate bodies most common amongst the social enterprises in the survey, each accounting for 30%. These are followed by foundations (22.5%) and co-operatives (12.5%), amongst the most frequent. The choice of legal format is, however, still not such a straightforward process for many social entrepreneurs. A new legal format created recently – SBIC (social benefit and interest enterprises) – will give recognition to enterprises with a purpose in Spain. This legal framework, part of the Ley Crea y Crece (Spain’s Growth and Creation Act), includes the organisations that promote social and environmental benefits in conjunction with financial returns.”¹¹

The social economy is populated by organisations, cooperatives and foundations pushing social concerns to the centre of economic life. In the words of the OECD, these associations are “driven by values of solidarity, the primacy of people over capital, and democratic and participative governance.” Despite the idealist ring to it, the social economy represents 8% of the GDP of the EU, rising to 10% in France and Spain. Strengthening the social economy could have important ramifications.

It is crucial to highlight that this sector continues to face financial challenges, as it relies heavily on the public sector as a primary income source, either through business via public procurement contracts or through grants. Alliances between social enterprises and mainstream businesses can bring many benefits, opening up resources and work areas that would otherwise be inaccessible, and improving performance, recognition and influence. In short, they allow partners to grow and be more competitive.

The following case study aims to showcase the immense potential of social economy enterprises in collaborating with the broader private energy sector by embracing the

¹⁰ ESADE: <https://www.esade.edu/en/news/social-enterprises-in-spain-are-optimistic-about-the-future-according-to-esade-survey>

¹¹ ESADE: <https://www.esade.edu/en/news/social-enterprises-in-spain-are-optimistic-about-the-future-according-to-esade-survey>

shared value approach and the social relationship model (SRM). It focuses on examples from this way of working and approach that Naturgy¹² has adopted in the regions of Extremadura, Galicia and Castilla and Leon, highlighting some of the partnerships and local community synergies that have grown out of this with the public, third and of course fourth (social enterprise) sector.

Main characteristics of good practice approach

Shared value approach adopted by the energy sector; Naturgy case-study

The concept of shared value is an idea popularised by Michael E. Porter and Mark R. Kramer in their 2011 Harvard Business Review article titled "*Creating Shared Value: How to Reinvent Capitalism and Unleash a Wave of Innovation and Growth.*" Shared value is a business strategy and approach that seeks to simultaneously create economic value for a company and societal value for the communities or societies in which the company operates. It goes beyond traditional corporate social responsibility (CSR) efforts by integrating social and environmental considerations into a company's core business strategy, rather than treating them as separate activities.

What underpins this approach is the intention to identify shared opportunities that arise from addressing societal and environmental challenges. It is an opportunity to expand the scope of businesses beyond profit maximisation to consider their impact on the broader community, environment, and stakeholders. It helps reimagine products and markets by innovating and developing new products, services or markets that create value both for business and for society. For example, developing energy-efficient products can reduce costs for consumers while also reducing a company's carbon footprint. It helps consider the whole value chain and identify opportunities for social and environmental improvements that can also enhance efficiency and reduce costs. Impact is measured also in terms of social and environmental outcomes.

Typically, a shared value strategy is also a long-term strategy that is closely tied to the well-being of the communities and environment in which a company operates. It constitutes a wonderful opportunity to collaborate and partner with social economy enterprises. Ultimately, the goal of shared value is to demonstrate that creating value for society can also create value for the business, leading to a win-win situation where both the company and society benefit.

Partnerships between the energy sector and social economy enterprises create opportunities for both profit and positive social and environmental impact. Such collaborations are essential for advancing sustainable energy solutions and

¹² <https://www.naturgy.com/>

addressing societal needs in Spain and beyond, as these not only bring together the technical expertise of the energy sector with the innovative approaches and community-driven focus of social economy enterprises, but also give access to networks and channels that reach diverse populations and regions, accelerating the adoption of sustainable energy solutions. Such partnerships represent a collective voice that can advocate supportive policies and regulations that encourage sustainable energy practices.

The concept of shared value in the energy sector in Spain can be demonstrated through various initiatives and strategies that aim to create economic value for energy companies while simultaneously delivering societal and environmental benefits and ensuring the long-term sustainability of the energy industry.

Partnerships between the private sector energy sector (e.g. Naturgy), and social economy enterprises in Spain can take various forms, each with its unique objectives and outcomes, and this is what this case study aims to highlight and promote. They are opportunities to propagate sustainable energy solutions, address social and environmental challenges, and create shared value for all stakeholders. Below are a few examples:

- Some private energy companies in Spain collaborate with social enterprises and non-profit organisations to develop renewable energy projects that have a direct social impact. For instance, they may invest in solar or wind farms in rural areas, creating clean energy sources while providing local employment and infrastructure improvements;
- Social enterprises focused on energy access and poverty alleviation may partner with energy companies to implement energy efficiency programmes in underserved communities (energy efficiency programmes for vulnerable communities). These programmes can include initiatives to improve home insulation, provide energy-efficient appliances, or offer financial assistance for energy bills;
- Private energy companies and social enterprises may collaborate on community solar projects. These projects allow communities, including low-income neighbourhoods, to access and benefit from solar energy without the need for individual installations. This approach helps reduce energy costs and environmental impact for residents;
- Partnerships can focus on **training and capacity building programmes** in the energy sector. Private energy companies may provide technical expertise and resources to social enterprises working to train individuals in renewable energy installation and maintenance. This not only creates jobs but also supports the growth of the renewable energy industry;
- In **rural and remote areas of Spain**, where the main power grid may not reach, private energy companies can collaborate with social enterprises to establish



microgrid solutions powered by renewable energy sources. This ensures access to electricity in off-grid communities and can have a significant social and economic impact;

- Private energy companies often partner with social enterprises, research institutions, and non-profits to fund and support **research and innovation projects** related to sustainable energy solutions. These collaborations can lead to the development of new technologies and practices that benefit society and the environment;
- Some private energy companies may offer financial and mentoring support to social entrepreneurs in the energy sector who are working on innovative solutions to address energy access, affordability, and sustainability challenges.

Naturgy, a major energy company based in Spain, has been involved in various initiatives, including renewable energy projects with social impact, community solar initiatives and local partnerships, particularly in rural areas, aimed at promoting sustainable energy practices and social responsibility and applying the concept of shared value. This case study focuses on examples from the regions of Extremadura, Galicia and Castilla and Leon.

Underlying Naturgy's social commitment¹³ is the principle of dialogue with the community to guarantee fluid, two-way dialogue and involvement in local communities while respecting their culture, rules and environment, so that appropriate and swift responses can be offered regarding their concerns. The two-way dialogue is sought by a specific Naturgy social manager team designated in individual regions and tasked with getting to know the local terrain, generating social impact and establishing, nurturing and opening new collaboration opportunities, especially in rural areas where Naturgy is setting up and operating new alternative energy sites.

The social manager carries out a stakeholder mapping exercise and engages through local neighbourhood groups, the city council and mayor's office, local corporate organisations and businesses operating in the region. Part of the work includes capacity building and information sessions on the opportunities that the Naturgy sites can bring to the area, as well as the skills required to meet the construction, security and maintenance needs of the sites. These opportunities are often not directly perceived by the local community and the social manager is tasked with highlighting these opportunities and bringing them to the local community (for example cleaning and security services).

In addition Naturgy undertakes social impact assessment to avoid or offset any adverse effects that may be generated and enhance the positive effects. Via the

¹³ [Naturgy Social Commitment: https://www.naturgy.com/compromiso-social/](https://www.naturgy.com/compromiso-social/)

principle of creating shared value Naturgy is committed to social investment in education, cultural wealth, health and inclusion of the most disadvantaged groups.¹⁴

Further, Naturgy has developed a social relationship model (SRM) which seeks to integrate social management as another discipline in the entire life cycle of generation projects, and is the framework for action based on the following principles for relations with communities claiming:

- *Naturgy is one with the territory: we recognise, respect and protect local values and idiosyncrasies.*
- *Naturgy communicates as equals: we encourage early and transparent communication and open accessible channels of active listening.*
- *Naturgy generates shared value: we promote actions that improve the quality of life in our environment.*
- *Naturgy offers opportunities: we are a driving force for development in the territory, and a driver for supporting local employment and training in the sector.*¹⁵

The SRM is an iterative process that unfolds throughout the life of the project, and relies on the application of methodological tools with a cross-cutting focus on communication, active listening and laying down roots.¹⁶ Its implementation includes the following phased tasks:

1. Determination of the area of influence and environment of the activity: analysis of the social impacts that the activity may have on the communities.
2. Stakeholder mapping and classification: identifying communities affected by the company's activity, and finding out their needs and aspirations.
3. Analysis of risks and opportunities to support the design of shared value propositions that can be included in business planning.
4. Social relations plan (SRP): design and implementation of actions with a positive social impact, based on the opportunities identified in the dialogue with the communities.
5. Social impact assessment of the SRP. In the locations where it wishes to undertake new investments, Naturgy assesses the positive impacts and effects that may be generated, both in local communities and in the territory. Some of these are:
 - Impact on human rights
 - Displacement or relocation of local communities

¹⁴ [Naturgy Social Commitment: https://www.naturgy.com/compromiso-social/](https://www.naturgy.com/compromiso-social/)

¹⁵ https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/05/ISEINFF-2022_ENG.pdf, p389

¹⁶ https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/05/ISEINFF-2022_ENG.pdf, p389

- Modification to the traditional ways of life
- Changes in the traditional uses of territory
- Attracting new technologies
- Creation of skilled and unskilled jobs
- Temporary occupation of the communication routes
- Impact on landscapes
- Noise

Local community engagement, impact assessments and development programmes have been carried out in all the company's operations during 2022. These include the use of specific participation plans, local community development programmes based on community needs, and social impact assessments and monitoring.

Evidence/justification for good practice

Social responsibility overall in Naturgy in 2022 focuses on three areas: energy vulnerability; relationships with communities; and sponsorship, social action and volunteering (also via the Naturgy Foundation).

This case study focuses on the opportunity for the social enterprise sector in the second area of relationships with communities, as described below:

Highlights of the year

During 2022, the main achievements in the field of Social Responsibility in Naturgy have been:

- **Energy vulnerability:**
 - Development of an advisory service on contracting and improving consumer habits for the population in vulnerable situations.
 - Consolidation of the social innovation line to incorporate renewable energies in the fight against vulnerability.
 - More than 3,600 homes rehabilitated, and 2,943 families assisted in energy volunteering.
- **Relationship with communities:**
 - Application of local community engagement programmes and impact assessments to 100% of the company's operations.
 - Development of more than 16 projects in five countries with local community engagement.
 - Implementation of the Social Rationing Model (SRM) in different territories in Spain and formation of a social management team with specialists located in the vicinity of Naturgy sites.
- **Sponsorship, social action, volunteering and Naturgy Foundation:**
 - Launch of The Win-Win Lab experience, an informative project that presents new energy technologies to favour the fixation of the population in the rural environment, through the creation of employment and the reinvigoration of activity.
 - More than 13,783 hours of corporate volunteering and 168,745 euros of employee wages raised during the Solidarity Day.
 - 134,309 beneficiaries of Naturgy training programmes.



Source: Sustainability Report and Non-Financial Information Statement 2022¹⁷

In addition, Naturgy's human rights policy includes respect for communities and the improvement of their living conditions; compliance requires the evaluation of the social impact of the company's activities and the definition of initiatives and programmes that manage the social impacts identified in the surrounding communities.

In 2022 the "relationship with communities" highlights included:

- Application of local community engagement programmes and impact assessments to 100% of the company's operations;
- Development of more than 16 projects in five countries with local community engagement;
- Implementation of the social relationship model (SRM) in different territories in Spain and formation of a social management team with specialists located in the vicinity of Naturgy sites.

Naturgy's human rights policy includes respect for communities and the improvement of their living conditions; compliance requires the evaluation of the social impact of the company's activities and the definition of initiatives and programmes that manage the social impacts identified in the surrounding communities. Naturgy is more advanced in shared value creation and the social relationship model in countries such as Mexico, Brazil and Australia, and the approach is successfully being introduced across Spanish territories.

During 2022, work has been carried out on the implementation of the SRM in several territories in Spain, for which a social management team has been set up with specialists located in the vicinity of Naturgy's sites. Each social manager is present in the territory in order to maintain a permanent and close dialogue with the project's neighbours, creating two-way communication links and trust. Their work consists of informing, resolving doubts about the project, gathering information from the territory through participatory processes, and ensuring the proper implementation of the SRP, in coordination with Naturgy teams, local agents and stakeholders (neighbourhood communities, associations, local government, third sector entities and social enterprises).

The key driver behind this **collaborative approach** includes a holistic intention to engage with all kinds of local stakeholders, including unlikely allies. Stakeholders therefore include a broad cross-section of actors like representatives of the city council, neighbourhood associations, faith groups and local SMEs, as well as ecological organisations from the third sector and social enterprises such as social

¹⁷ https://stpropwebcorporativangy.blob.core.windows.net/uploads/2023/05/ISEINFF-2022_ENG.pdf, p384

collaborative tourism platforms, projects that bring talent and projects to rural Spain and tackle depopulation. The phenomenon of depopulation is mainly rural and affects small towns most of all. Over the last decade, 6,232 municipalities have seen their population decline, in other words, three out of every four municipal areas.¹⁸ Other examples from the social enterprise sector are education programmes to offer training and increase local employability by teaching new relevant skills.

Partnership / impact

Naturgy works to promote its role in energy transition and decarbonisation. Currently, the company has more than 5.5 GW of power in operation internationally and has a portfolio of more than 195 projects in Spain, Australia and the United States. The triple impact approach (economic, environmental and social) is fundamentally part of the collaborative approach. Naturgy has become one of the leading investors in clean technologies in Spain with an installed renewable power in the country of 4,392 MW, of which 2,062 MW come from water, 1,885 MW from wind and 394 MW from photovoltaic. In Spain, the company plans to begin the construction of 50 renewable projects in Spain later this year, which have a cumulative power of more than 2 GW and which will come into operation between 2023 and 2025.

The investments in renewables made in recent years by the company confirm its strategic shift towards a more sustainable energy mix and its commitment to the energy transition. All of this, without abandoning the fundamental objectives of value creation and growth for each of the businesses, as well as the ESG objectives.

The environmental benefits of wind energy are undeniable, but as the windmills arrived in the Galician mountains, many doubts and critical voices arose, with special concern about the impact on rural areas.

Much of the income generated by wind farms is used to improve the lives of rural people. In fact, Naturgy points out that they maintain *“a strong social commitment, through the economic integration of their projects in the areas in which they are implemented.”*

In the case of the Community of Montes de San Martín de Monte Meda (Guntín) they invested the money generated by the measuring tower installed by Naturgy in the repair of the municipality's church. A recreational area, a social venue for neighbours, the arrangement of tracks or a shed were other improvements that it brought to the Community of Montes de Cures e Mouzo (Vimianzo).

¹⁸ <https://www.uoc.edu/portal/en/news/actualitat/2023/203-rural-coworking-depopulation-spain.html>

Outcomes

A key lesson learned from this approach is that mediation and opportunities for the social economy sector must be built over time and with trust. Naturgy is often operating in hostile terrain, where initially the discourse must be adapted and a connection must be made with the local community and associated social enterprises (which are at first disengaged). Strategic, organisational, operational and human conflicts need to be addressed and subsequently overturned and converted into positive alliances and business opportunities.

- Strategic conflicts: Each party in an alliance needs to be clear about its objectives. When common and private goals are compatible and given equal weight, the alliance is likely to prove more fruitful than when private goals are more important to one or both partners. Some strategic conflicts also arise from differences over what each partner should contribute — it is best to establish this early on. What are the shared goals and vision, and which tasks will fall to each party in the alliance?
- Organisational conflicts: These are born from the structure, size and organisational culture of alliance partners. The more significant the differences between them, the more likely it is that conflict will arise. Avoiding and dealing with this requires cultural intelligence — understanding why the other party acts the way it does — and relationship building;
- Operational conflicts: Combining resources can lead to more complications than expected. To avoid them, agree on the minimum requirements for working together, and decide which of your own procedures need to be adjusted;
- Human conflicts: One of the greatest challenges in managing an alliance is overcoming lack of trust, especially when confidential information is exchanged. Minimum levels of trust need to be talked through and agreed, or otherwise productive partnerships can rapidly fall apart.

To promote this debate in terms of creating shared value, it is necessary to consider these three “Cs”: coherence, competitiveness and commitment.

- Consistent with strategic and planning frameworks, as well as with the achievement of objectives on a national or international scale, both in the energy sector itself and in relationship with other linked sectoral areas (such as climate change, air quality or territorial planning);
- Competitive, generating direct and indirect economic opportunities in the medium and long-term, and incorporating elements of efficiency, effectiveness and innovation;



- Committed, incorporating a clear commitment to detecting and addressing social and environmental issues at the local and global scales.¹⁹

How did the partnership create value?

Extremadura – Plasencia (Cáceres)

The municipality of Plasencia in the province of Cáceres won the Eolo 2023 Award for Rural Wind Integration, granted by the Spanish Wind Business Association (AEE). According to the wind energy association, it is a model municipality as regards its wind energy development, and is implementing wind energy with maximum harmony and compatibility with the rest of the economic, cultural and environmental activities of the territory.

Plasencia was the first municipality in Extremadura to implement wind energy, thus opening the doors to winds of change in this autonomous community. Specifically, AEE highlights that Naturgy's Merengue and Merengue II wind farms have been installed with the aim of integrating into the territory and assuming the responsibility of generating shared value for their neighbours, such as new employment opportunities and socioeconomic development, in addition to promoting initiatives focused on education. Plasencia, in the north of the province of Cáceres, has a population of 39,247. In the area around Plasencia there has been a tendency towards depopulation for more than a decade. Plasencia's economy is based mainly on services and tourism, which represent 63% of its economy. The other great engine of its economy is now the production of wind energy. The installed wind power in the town is 89 MW distributed between the 39,375 MW of the Merengue wind farm and the 49.5 MW of the Merengue II wind farm, which is scheduled to come into operation this year. Together, the two parks comprise 26 wind turbines.

The Plasencia City Council has seen its municipal coffers benefited thanks to the taxes it receives from the wind farms, reaching the sum of €4,512,017, an important source of financing for the municipality, which makes it possible to undertake higher quality actions and services.

As regards employment, thanks to the installation of the parks, new jobs have been created, which has helped many young people with a technical profile to be able to develop their profession without having to leave the city.

In addition, wind farms help promote culture in the city, and among other initiatives have sponsored events such as the annual Plasencia Abierta Festival and the 'Ages of Man' exhibition, which last year held its 26th edition in Plasencia.

¹⁹ <https://bibliotecadigital.ccb.org.co/server/api/core/bitstreams/6f5514ea-fdf4-40ba-86d0-27604ea4a479/content>, p.58-62

In the environmental field, the city has benefited from actions such as the recovery of 20 hectares of the cork oak forest of the Monte Valcorchero Protected Landscape, close to the Monfragüe National Park, in addition to the restoration and cleaning of the banks of the River Jerte, the creation of a midden, the carrying out of environmental studies and projects throughout the period of exploitation of the parks, and the installation of bat shelters to improve the situation of these threatened species.

In terms of social actions, the farms have helped alleviate the effects of energy vulnerability in the municipality, with the installation of photovoltaic self-consumption in the Monastery of Nuestra Señora del Puerto de Plasencia to help reduce its energy bill.

Education has been another of the fundamental aspects in which the implementation of wind energy in Plasencia has collaborated. The company promoting the parks maintains a professional training programme for employability promoted by the Naturgy Foundation, which in 2022 alone benefited around 3,100 Extremaduran students.

Finally, the installation of the parks did not affect the extensive livestock use that has always been part of the Sierra del Merengue and has helped make it a more profitable activity, thanks to the improvement and adaptation of roads, protection measures against fires and the collaboration and mutual support for ranchers and wind farm staff.²⁰

Ana Isabel Ruiz, Naturgy's Renewable Development delegate in Extremadura describes the project as: *"a project that was developed with a lot of effort, with the creation of hundreds of jobs in its construction and development, and with more than €80 million of investment, and the help of the Plasencia City Council, the Extremadura Energy Cluster, the Extremadura Government, the Cáceres Provincial Council, AEE, the landowner, and the Naturgy team, who will continue with their efforts to continue building renewable projects in this wonderful land of Extremadura so that it remains sustainable."*²¹

²⁰ <https://www.lavanguardia.com/economia/20230524/8991563/plasencia-caceres-recibe-premio-eolo-integracion-eolica-2023.html>

²¹ [https://www.energias-renovables.com/eolica/plasencia-es-reconocida-con-el-premio-eolo-20230922#:~:text=e%C3%B3lica-Plasencia%20es%20reconocida%20con%20el%20Premio%20Eolo%202023%20por%20su,integraci%C3%B3n%20rural%20de%20la%20e%C3%B3lica&text=La%20econom%C3%ADa%20de%20Plasencia%20\(con,63%25%20de%20la%20econom%C3%ADa%20placentina](https://www.energias-renovables.com/eolica/plasencia-es-reconocida-con-el-premio-eolo-20230922#:~:text=e%C3%B3lica-Plasencia%20es%20reconocida%20con%20el%20Premio%20Eolo%202023%20por%20su,integraci%C3%B3n%20rural%20de%20la%20e%C3%B3lica&text=La%20econom%C3%ADa%20de%20Plasencia%20(con,63%25%20de%20la%20econom%C3%ADa%20placentina)

Galicia

Naturgy is making a strong commitment to increasing renewable generation in Spain and especially in Galicia, a community to which the company maintains a strong commitment. Galicia, due to its geographical location and mountainous nature, has the best environmental conditions and immense potential in wind resources, making it an optimal area for the development of this type of facility.

Naturgy highlights that the wind sector is key to meeting the European objective of 32% of energy consumption from renewable sources in 2030. Therefore, in the coming years, it will be one of the vectors of development and growth of the company, which currently has 17 wind farms in operation and a total production of 4,130 GWh of renewable energy in Galicia.

Last January, the energy company obtained a favourable Environmental Impact Declaration (DIA) for eight wind projects in Galicia, totalling around 210 MW, which endorses the technical rigour of its renewable proposals. At the national level, the company has obtained a favourable DIA for 18 wind and photovoltaic projects, which add up to a total power of 1.3 GW. The environmental green light for these developments allows the energy company to reinforce its commitment to the energy transition and continue advancing its decarbonisation strategy.

“For us it caused a shock. Thanks to the park, we now have an orderly mountain that was previously completely abandoned,” says Marcos Bugallo, president of the area's forest community, who emphasises that not all mountains are suitable for installing wind farms.

The neighbours also value the direct relationship, since the company is always willing to clarify the doubts of both the administrations and the owners. Windmill builder CRC emphasises the need for respect for the area when work on the parks begins: *“We try not to make them see us as strange people, we try to see what their customs are, how they treat their lands.”*²²

YouTube films of Naturgy windfarm projects in Galicia:

- <https://www.youtube.com/watch?v=ujvlgTrry2Q>
- <https://www.youtube.com/watch?v=AyeDKB2hBVs>

Strengths and weaknesses

Owing to the market potential in energy transition (a growing market) there is a huge prospect for further development and an opportunity for the social enterprise sector

²² <https://www.diariodebergantinos.com/articulo/economia/reportaje-vivir-entre-aerogeneradores-romper-habitat-natural-4206741>

to capitalise on this model of working. By making connections and promoting a mutual understanding of this strategic way of working in local communities by the energy sector, opportunities for the social impact sector will surely multiply.

A corporate commitment to society paves the way for:

- social action and social projects
- strengthening of social roots
- generation of value for society and interest groups
- a culture of innovation and shared value
- respect for and development of the communities with which the company interacts
- generation of wealth and well-being where the company is present

One key weakness identified is that the partnerships established to date seem to be project-based and short-term. Both sides should allow for longer-lasting business interactions and not just project/location-based ones, as seems to be the case now in the Naturgy Spain case study.

Prospects and further development

The prospects for further development are twofold. Development can come from the social enterprise sector itself, through its becoming more aware of this reality and the unlikely ally that a Naturgy partnership could afford. There is huge potential for social enterprises to capitalise on and actively seek out such opportunities for partnership with the mainstream private energy sector, by adopting the shared value approach and the social relationship model (SRM).

On the other hand, Naturgy Spain aims to build on this initial successful work by implementing the shared value approach and the social relationship model (SRM) across more locations in Spain in the coming year and beyond. This is only the beginning in demonstrating the community-wide impact that can be created along the way to a just energy transition. Going forward Naturgy will:

- Continue to strengthen the company's social relationship model among residents of those territories where renewable installations are deployed;
- Improve the quality of life (social, environmental and economic) of people from more local environments;
- Generate new opportunities to improve performance and revalue local talent;
- Contribute to rural settlement;
- Improve the energy efficiency of users.



Overall assessment and transferability

The partnership model is certainly transferable to different countries and contexts. Not only are we talking about multinational energy giants, but also similar local challenges when implementing the energy transition.

The key strategy identified to scale up and replicate this successful partnership model to multiply the impact would be to sign longer-term agreements with the social enterprise. This would both allow the service offered by the social enterprise to be scaled up beyond the local territory, and would also allow the partnership to be longer-lasting and not just project-based.

Replicability and scalability

This case study aims to highlight the transferability of this model to other European countries and contexts. As McKinsey states for example: “to reach its 2030 climate targets, the European Union would need to shift rapidly to renewable energy. Our research indicates that from 2022 to 2030, the annual number of solar and wind installations would need to increase by two to five times their 2020–22 levels to meet the region’s goals.”²³

Societal considerations are key to limiting opposition to renewable energy projects, and energy companies are aware of this. It is a huge opportunity for the social enterprise sector across Europe to be aware of opportunities presented to them by the shared value approach and the social relationship model (SRM) these companies are adopting, especially, but not only, in rural areas. Successful partnerships can be developed across all kinds of social impact fields, for instance in sustainable tourism, co-working, education, skilling-up or employability, including in initiatives specifically targeting rural depopulation.

²³ <https://www.mckinsey.com/capabilities/sustainability/our-insights/five-key-action-areas-to-put-europes-energy-transition-on-a-more-orderly-path>

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IKEA & I-DID, NETHERLANDS

Study conducted by Marta Bruschi (Diesis Network), based on the report:
“Creating multiple value through social business collaboration. The dynamic partnership between IKEA and i-did, shared by IKEA Social Enterprise BV”.



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In the past few decades, profit-driven corporations have exhibited a significantly greater commitment to redefining their approaches to product and service production and delivery. A considerable number of for-profit companies continue to grapple with the implications of the sustainability principles for their core business operations. In contrast, social enterprises have emerged as leaders in addressing systemic societal issues through innovative business models. These models often operate beyond the immediate priorities of governments or traditional industries.²⁴

The motivations behind establishing collaborations between social enterprises and traditional for-profit companies are equally evident. Collaborating with for-profit entities can offer social enterprises access to resources and increased market engagement, thereby improving their financial standing, and enhancing their credibility through intangible benefits.²⁵ Forging partnerships with social enterprises can signal to the external world that the for-profit company is proactively engaged in practising greater social responsibility. Consequently, commercial enterprises may derive benefits such as enhanced reputation, improved access to expertise and future talent, and heightened employee motivation because of their association with social enterprises.²⁶

Nonetheless, a significant amount of information regarding these partnerships in the Netherlands remains elusive. In academic discourse, the focus has shifted from questioning the relevance of collaborations with stakeholders from diverse societal sectors to exploring the methodologies for establishing, organising, expanding, governing and intensifying such collaborations.²⁷

The Netherlands is a fitting context for this study due to its long-standing tradition of citizen involvement in socially oriented endeavours, including civic engagement and voluntary contributions.²⁸ Moreover, from a historical standpoint, many Dutch businesses have actively pursued social and inclusive objectives, thereby embedding principles of social entrepreneurship in the Dutch economy.²⁹ The Netherlands ranks among the leading nations globally in terms of citizen participation in volunteer activities.³⁰

The aim is to evaluate the collaboration between a major multinational corporation, IKEA, and a small social enterprise called i-did, based on the report shared by IKEA Social Enterprise BV: "Creating multiple value through social business collaboration.

²⁴ Van Dijk et al., 2020

²⁵ Peattie & Morley, 2008

²⁶ Idem

²⁷ Tulder et al., 2016

²⁸ Pape & Brandsen, 2016

²⁹ Bosma, 2019

³⁰ Salamon & Sokolowski, 2001

The dynamic partnership between IKEA and i-did". Since 2016, these two entities have joined forces across multiple spheres with the shared objective of enhancing their combined social and environmental influence.

Summary of main characteristics of good practice approach

The collaboration analysed takes place between IKEA Netherland, and the social enterprise i-did. A pivotal participant in the i-did partnership is IKEA Social Entrepreneurship BV, a social enterprise entity founded by International IKEA.

i-did, a Dutch social enterprise, originated in 2009 as a sustainable "slow fashion label". Its primary objective was to create employment opportunities for individuals facing barriers to the job market, including those with migrant or refugee backgrounds. However, as the sustainable fashion consumer market became highly competitive and demanding, i-did shifted its focus to serving other businesses as clients or customers by the end of 2012.

The partnership grew out of parallel idea development in both enterprises, specifically in the field of felt-making techniques. Their initial connection occurred during a networking event where they were introduced to each other's work in this field. As they began exchanging ideas about the potential for collaborative product design, there were no predefined criteria for initiating the partnership. Instead, it naturally evolved as they shared experiences and expanded upon their ideas.

This collaboration was a seamless fit, with IKEA's expertise in furniture design aligning with its exploration of crafting objects from felt, while I-did had a successful track record of creating garments from the same material. While the partnership was initially informal, it did include an assessment of the I-did business case from IKEA's perspective, ensuring a thoughtful approach to their collaboration.

The collaboration failed to progress beyond a transactional level to achieve a transformational impact due to a various challenges encountered during its course. Primarily, this limitation came from the struggles faced by I-did in scaling up their operations, resulting from a scarcity of resources and a shortfall in expertise.

Further, the first collection was not attractive enough. It was not appealing to the customers, who are not used to buying sustainable products – and IKEA lacked the experience to present it well in their shops. It would have to be tackled on the larger scale, as design of the new products. This however required involvement of IKEA departments on the global level. This brought other issues; the production process became more complex and longer, with higher investment. There were as well sub-suppliers' problems of quality delivery, on the side of i-did, which was responsible for handling it.



Significant discrepancies in expectations arose between both parties regarding the division of responsibilities and the decision-making process, leading to a considerable slowdown in operations. Austin & Seitanidi, in describing the collaborative value creation (CVC) framework,³¹ describes this as organisational compatibility. Indeed, major differences can become obstacles to smooth collaboration, which proved to be the case in this collaboration.

Evidence/justification for good practice

The first initiative was planned as a small-scale one – producing a one-off gift for IKEA employees and time-limited collections.³² The objective was to work together to source left-over textiles needed to develop products for IKEA stores. The objective was to put the products on the market, test them in a limited collections format and produce the sales and communication material about the initiative itself. The limited collection was not as successful as expected, but nonetheless the collaboration between two organisations continued. It was recognised that some changes needed to be made. After launching the main TILLVERKA collection, and becoming aware of various difficulties during the realisation of the collections, both organisations realised that the collaboration could be developed in other ways. i-did started to collaborate with the newly-established entity IKEA Social Entrepreneurship BV, which had a task of supporting and funding social enterprises. i-did presented a business case to IKEA for support. This would allow it to produce its own felt from discarded textiles. IKEA gave it a grant for an initial study and to conceptualise its offer and prepare for scaling up.

The collaboration has evolved from the limited product collection to a multi-faceted relationship, involving all aspects: business, financial support and capacity development.

Responsibility was shared: i-did produced the product by means of its own resources and worked with IKEA on the design template. IKEA provided the communication outlets to promote the product and its stores to sell the product.

IKEA offered its brand, customer base, expertise in commerce and finance. i-did had the local roots and a proven track record on social and environmental impact.

After the first phase of collaboration (on two limited collections) some useful lessons were drawn. The partners recognised that there was a need to find products with a higher commercial potential. This shift meant that the business collaboration

³¹ Collaborative value creation: A review of partnering between nonprofits and businesses: Part I. Value creation spectrum and collaboration stages. *Nonprofit and Voluntary Sector Quarterly*, Vol. 41(5), pp. 726–758

³² Time-limited collections are commercialised over a period of a couple of months and are expected to sell out within a given timeframe, as opposed to the so-called running range, which is longer-term and permanent.

deepened, but also that product development would become more complex and much longer to realise. The collection that had been under development since 2017 was launched in the summer of 2020, with a delay because of COVID. TILLVERKA was the first collection produced from recycled felt from IKEA's leftover textiles. The collection included foldable boxes, cushions, covers and a bag.

For both organisations there was an obvious reputational gain. The product collection was the first one to use recycled felt from textile waste. This was a chance for IKEA to demonstrate tangible actions to incorporate sustainability into its business model. i-did, as a social enterprise, was gaining a reputation for being professional and capable of partnering with a giant company like IKEA, and served as an example for other social enterprises to follow and an encouragement for them to reach for such partnerships. The first collection did not have a huge success in terms of sales, although a lot of effort was put into promoting it on the IKEA website. However, as mentioned above, it gave more visibility to the social enterprise and its activity. Certainly, the partnership with IKEA gave i-did an opportunity to reach out to more clients, but it was not yet considered a breakthrough.

Partnership / impact

No impact measurement has been carried out, according to the sources. However, the collaborative value creation has been analysed based on the CVC framework:³³ This holds that an increase in value occurs as collaboration transitions along the value creation spectrum, moving from individual creation to co-creation. The underlying assumption is that a higher prevalence of these value sources encourages more intimate collaboration, thereby leading to greater value generation.³⁴ The CVC framework distinguishes various sources of value:¹²

- associational: higher credibility of both organisations
- transferred resource: diversifying and transfers from IKEA to i-did
- interaction: intangible such as trust, joint problem-solving, conflict resolution and capital learning
- synergistic: innovative, environment-friendly products produced as the fruit of the collaboration

The CVC framework also analyses the partnership and collaboration outcomes. It assumes that the more co-creation process involved in the collaboration, the deeper it becomes.

³³ Collaborative value creation: A review of partnering between nonprofits and businesses: Part I. Value creation spectrum and collaboration stages. *Nonprofit and Voluntary Sector Quarterly*, Vol. 41(5), pp. 726–758

³⁴ The report: "Creating multiple value through social business collaboration. The dynamic partnership between IKEA and i-did, shared by IKEA Social Enterprise BV."

The case shows that significant value was created over time, but that the collaboration faced challenges as described earlier, which hindered a move forward to transformational change. Instead, it stayed on the level of transactional project-based collaboration. In the report, it was classified as *integrative collaboration*, as the products did not become as a part of the “running range”, but several trials and pilots were run over the years. Therefore, a viable business model was not established. It has turned into a philanthropic partnership with loans and capacity building.

Outcomes

Lessons learned and challenges:

Large corporates should:

- be clearer about the collaboration: what are the business goals and social impact? A collaboration roadmap needs to be created at the beginning of the partnership.

Social enterprises should:

- approach collaborations with multinational for-profit corporations cautiously and as an integral component of a comprehensive commercial or scaling strategy;
- consider substantial investments in growing organisational professionalism;
- expand production capabilities and reducing costs;
- carefully assess where they can deliver the most value within the for-profit company's value chain;
- explore lower-risk commercial or non-commercial collaborations as possible supplements or alternatives to commercial partnerships;
- insist on receiving special treatment, support, and an adequate adjustment period from the considerably stronger corporate partners.

How did the partnership create value?

As the co-creation was not consistent, it did not turn into a transformational collaboration. Therefore at the macro level it was unsuccessful, and difficult to measure. It did not achieve the desired impact although there is still hope that the concept of the partnership could be replicated in years to come.

On the meso level social enterprise has benefited from it in terms of:

- visibility
- credibility
- financial and non-financial gains
- organisational development



- opportunity for expansion and innovation

The outcome of the collaboration on IKEA is less direct:

- it triggered an internal discussion on local business models
- it contributed to finding solutions for old co-worker clothing
- it was used as a showcase for IKEA's engagement with social entrepreneurs

On the micro level, for the people directly engaged it was beneficial in terms of building more experience of how to collaborate

Strengths and weaknesses

The strengths of the collaboration were mostly based on the above-described value creation for both organisations during the period of the collaboration. The collaboration built a space to innovate, on both sides: for IKEA to look closer at circularity and sustainability, and for i-did to gain knowledge, market access and a chance to work with a large corporation.

The shortcomings of this collaboration became evident during its initial planning phase, particularly in assessing how well both partners were aligned for collaboration. Conducting a thorough analysis of their respective capabilities to deliver, establishing a clear decision-making process, and outlining a structured plan with concrete steps toward long-term objectives would have led to a greater consistency and coherence.

Prospects and further development

The collaboration evolved, but in a different direction to that anticipated. In early 2018, IKEA Social Entrepreneurship BV, a newly-established entity with a specific mission to back and finance social entrepreneurs and enterprises, initiated collaboration with i-did, which presented a compelling business proposal to secure investment in a small-scale facility that would enable them to manufacture their own felt material from discarded textiles. IKEA Social Entrepreneurship BV extended a grant for a preliminary study and engaged IKEA experts in concept development to assist i-did in refining its offering and gearing up for expansion. In this sense, the prospect of further development of the social enterprise can be seen, and this was initiated through a time-limited collaboration. One may argue that this collaboration has followed a more philanthropic path, but perhaps the partnership that was established beforehand demonstrated the gaps and challenges in establishing a transformational collaboration. i-did took the step, with the help of IKEA, to scale up and to invest in readiness for such partnerships in the future.



Overall assessment and transferability

This case exemplifies a collaboration that evolved in an unexpected way. At the beginning it was not formalised, and involved trials and pilots in time-limited projects. The case shows that there are significant challenges when a small social enterprise partners with a multinational company. These entail organisational maturity, capacity to handle such a partnership and bureaucratic and operational obstacles that can lead to frustrations.

The path that both organisations took is worth examining, especially by evaluating the readiness of organisations to enter similar partnerships. Replicability can be applied to the trial process and learning by doing, as both organisations took a risk, collaborated and launched the collections onto the market. Their determination and risk-taking capacity are worth emphasising here. This collaboration has unveiled both prospects and hurdles spanning various corporate functions, encompassing raw material acquisition in the textile form, felt sourcing, product development, sales, business support, and communication.

Could it be that the collaborative path between corporations and social enterprises, commencing as philanthropic endeavours, holds a greater potential for evolving into more sustainable business partnerships, eventually reaching transformational levels? Such a progression could lay a solid foundation for forging enduring and mutually beneficial collaborations.

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GOEL, ITALY

Study conducted by Maria Seminara and Tiziana Costarella (GOEL), based on interviews with GOEL staff members and desk research.



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the European Union



Context and history of how the good practice has been developed

GOEL was started in 2003 in Calabria as a community movement challenging the mafia by building a legitimate economy based on ethically-run social enterprises.

Calabria is the most southerly region of the Italian mainland, the “toe of the boot”. Throughout history, Calabria has been subject to successive invasions by Greeks, Phoenicians, Romans, Arabs, Normans and Spaniards. As a result, archaeological evidence from all the periods – from the Palaeolithic onwards – can be found all over the region. In particular, important city states of Magna Graecia were established. These influences have left a strong mark on Calabrian culture. Alongside its rich historical and cultural heritage, the region has abundant natural resources. Calabria is an open-air botanical garden, with a very special micro-climate and a wide range of botanical species – a natural paradise, with hundreds of different micro-climates and a biodiversity unique in Europe. About 20% of the Italian mainland sea coast is in Calabria, where there are five marine reserves. The region is well known because of its seas, but its natural beauty is not all about the sea. Nearly the half of the regional territory (42%) is mountainous.

On the other hand, Modern Calabria is **one of the poorest regions of the EU**. Calabria is one of Europe's unemployment blackspots. Even today, many of its inhabitants emigrate in search of job opportunities. At the same time, a new generation of Calabrian-born students is coming back after completing their university studies to help build a better life in their home region. Meanwhile, the 'Ndrangheta maintains a stranglehold on the economy and society. Far from being a 'local issue', the 'Ndrangheta is now considered the most deeply-rooted mafia in EU countries and globally. Nowadays, it is the most powerful mafia-type criminal organisation in Italy (80% of its business is conducted in northern Italy) and is globally widespread. The 'Ndrangheta has an estimate annual turnover of €60-70 billion. This comes mostly from illegal drug trafficking, extortion and usury – but also from ostensibly legal businesses (construction, restaurants, supermarkets, tourism). But Calabria, where it was born, is where its role is most evident. The 'Ndrangheta carries out widespread violations of civil and political human rights against the population. It enforces its control violently, killing or maiming those that step out of line, burning farms and destroying the economic opportunities of those who refuse to submit. It keeps the territory in a condition of poverty and need.

GOEL is leading a movement to revive democracy and economic prosperity in Calabria by using the region's natural resources to create an ethical economy based on networks of community-based social enterprises.

The 'Ndrangheta's power has corrupted, to different extents, many official institutions in the region. It effectively enslaves new migrants by exploiting them as local labour, injures or kills important economic operators who refuse to submit to it, requires bribes



from merchants, intimidates farmers. It is a major player in the European drug trade. The organisation recycles and invests huge amounts of dirty money throughout Europe and the rest of the world (United States, Canada, Australia, Latin America). It has reduced this region to the condition of a failed state, and, like many paramilitary groups, the 'Ndrangheta works as an alternative authority, enforcing its own rules and security systems. It seeks to preserve its power by fear, terrorising local civil society and making it extremely difficult for any individual to stand up to it. Its control extends into political and administrative processes as well. Many years ago, the 'Ndrangheta's leadership created a strategic alliance with circles of hidden powers. It places its representatives in key places in the public administration, creating a private system of patronage. Anyone who wants to access services from these institutions is required, in exchange, to promise their vote. The votes extorted in this way are offered to politicians, and those political figures who accept them in turn make life easy for the mafia and make sure that mafia-nominated candidates are placed in key positions.

Summary of main characteristics of good practice approach

GOEL was founded 20 years ago by a group of social cooperatives in the territory known as Locride, one of the poorest areas of Calabria and the one where the 'Ndrangheta was born. Its mission was – and still is – systemic change in Calabria.

GOEL has developed into a cooperative group, which works as a mutual system, which explains its capacity for affirmation and resistance to the 'Ndrangheta. GOEL is an economic network of 12 social co-operatives, two farmers' cooperatives, two voluntary service organisations, a small foundation and 28 companies with about 350 employed people. GOEL has strong roots in the local community and has become an ethical model of sustainable development and social cohesion, restoring a sense of hope in civil society – for many, the only one in Calabria. The GOEL network of co-operatives has a number of important human rights principles at its core, including an active promise from its members to stand up publicly against the mafia and to support the legitimate state. It promotes non-discrimination, particularly the empowerment of women, and human rights of migrants and refugees. Its social enterprises offer guaranteed rates of pay to workers and fair market prices to suppliers and contractors. GOEL additionally provides a non-violent defence and protection network to support members in the event of an attack by the mafia.

All of GOEL's member co-operatives stand as working social and economic models for how Calabria can achieve greater future prosperity.

At its core is a small group of committed human rights defenders, many of them women, who take substantial risks personally, and who work hard with a limited resource, mainly acquired from Italian philanthropists and ethical banks. GOEL also



embraces sound environmental principles, attempting to use and extend a circular economy with minimal waste.

The evolution of GOEL's organisational model in Calabria, marked by past mistakes and failures, has been a dynamic process. Despite its growth over time, the key to its effectiveness lies in its commitment to democratic governance, which entails the active participation of individuals at all levels in the decision-making process.

This model meets two demands: the democratic and civil participation of every member and an efficient organisational structure. Each member maintains his/her autonomy and joins shared production chains.

GOEL is a cooperative group made up of three business consortia and two support organisations:

- Consorzio Sociale GOEL: a consortium of social cooperatives that deals with social and health services and runs a responsible tourism operator;
- GOEL Bio: an agri-food consortium that produces organic fresh fruits, jams, juices, olive oil and dried plant products (herbal teas, infusions, spices, dehydrated fruit) from a production chain based on the agricultural circular economy, made up of local farmers who have taken a position against the 'Ndrangheta: their products guarantee quality, ethics and legality;
- Made in GOEL: an industrial production consortium of social co-operatives which runs activities not covered by Consorzio Sociale GOEL or GOEL Bio. Made in GOEL creates ethical fashion items from fabrics produced following the ancient tradition of Calabrian hand weaving: it has recovered a cultural heritage and managed to offer jobs to disadvantaged people, especially women. It runs CANGIARI, the first high-end ethical completely organic fashion brand in Italy. It is also carrying on the development of two relevant innovations for the environment: a tool for monitoring pollution and a tool for the prevention of fires. The consortium is also involved in the agricultural circular economy production of vegetable extracts, including essential oils and organic cosmetics;
- Amici di GOEL: a voluntary association, a support organisation for the group, in which people and/or professionals can contribute to GOEL's action and its cause;
- GOEL Cooperativa Sociale is the group's support organisation: it provides coordination, management and general services (secretariat, administration, communication, fund-raising, management, etc.), protects the respect of GOEL's mission, manages trademarks and deals with local development projects and R&D. It runs a botanical research centre on essential oils and plant extracts and carries on research on the two innovative tools for the environment.



GOEL has developed a model of shared social economy, made up of social enterprises with an ethical and innovative vision, led by a cultural and political mission. Thanks to a strong community dimension, GOEL has achieved important economic and employment goals without substantial investments in risk capital and with a low capital structure. Each member can benefit from the central services, which are offered to members to help their development. Each enterprise maintains its autonomy and specificity and is strengthened by a mutualist system. This is unique and very different because it is a democratic process based on subsidiarity. Every member of GOEL is led by a principle of cooperative mutualism and sharing. The setting up of a democratic and participative network, the bottom-up and multi-stakeholder approach, and the involvement of different skills and sectors converging into a common strategic project of change, make GOEL one of the most innovative actions in the region.

The solution is unique in some respects:

- process (bottom-up participation, democratic and participatory structure)
- social (winning model against mafia, economic freedom, job inclusion)
- ethics (ethics and innovation are a competitive advantage in every activity, product and service offered)

GOEL's organisational structure is, therefore, itself an example of a partnership between entities from different sectors: GOEL integrates entities from the private/profit sector into collective non-profit structures (consortia of social cooperatives, social enterprises, etc.), so before the 'external' partnership, GOEL was established as a non-profit cluster of profit and non-profit entities.

Partnership / impact

GOEL has pursued a very complex strategy in recent years, because any process of systemic change is complex, with parallel actions in different areas: entrepreneurship, social dynamics, culture, public communication, environmental sustainability, social cohesion, politics and democracy, and organisational evolution.

GOEL has structured itself as a social and entrepreneurial cluster at the same time: a community, a movement and a mutual and participatory business organisation. GOEL has played an important public social role in Calabria over the years, building social capital and trust around itself and its proposals. All this makes an impact assessment very complex and difficult: there are too many and too complex areas to assess, and the public impact of its work is very wide. It is difficult to find suitable impact indicators to 'measure' objectively. Similarly, it is difficult to understand how to intersect the degenerative dynamics of the Calabrian economy and social fabric with the possible cultural and social impacts produced by GOEL's action in recent



years: in some contexts, the stagnation of certain socio-economic indicators cannot always be assumed to have a negative or non-existent impact.

Below are some aggregate impact indicators of the entire group, for the year 2022, not only of the five signatories of the joint group contract, but also of their associates which are legal persons, obviously limiting themselves to those actually involved in production and work processes. Through these numbers it is possible to "measure" some of the employment, entrepreneurial and social impacts built up by GOEL over the years.

- legal entities in the group: 13 social cooperatives; 2 agricultural cooperatives; 2 associations; 1 foundation; 32 companies (mainly agricultural)
- 325 employees employed throughout the group
- €9,895,808 value of production in 2022
- 226 migrants taken in by GOEL
- 20 people placed in psychiatric communities
- 18 children in group residential facilities
- 580 hectares of land managed by GOEL Bio
- 4,327 quintals of fresh fruit and vegetables
- 50,311 packages of food products (jams, jellies, honey, juices)
- 8,024 bottles and cans of EVO oil
- 2,068 People hosted in the structures of I Viaggi del GOEL
- 103 garments and other textile items
- 48,924 individual visits to group websites
- 83,934 social network coverage
- 145 outputs in newspapers

Alongside these quantifiable figures there are dimensions of social change and transformation that are still difficult to quantify and that would require a more demanding and systematic in-depth study. Some data are striking and stand out in their evidence. One of these is the freedom from mafia violence achieved in recent years. GOEL has always been attacked by the 'Ndrangheta, either centrally or via its members. Over the years, the group has learnt to use media mobilisation and popular consensus as a means of defence: the 'Ndrangheta does not like the spotlight and GOEL responded with extensive regional press campaigns, mobilising public opinion for every attack it suffered. For a while this interrupted the assaults in the territory where they took place: but GOEL is present in different territories, where it is estimated that at least 15 different 'locales' of the 'Ndrangheta operate and, therefore, each autonomous local carried out its own assaults regardless of whether another local relaxed its siege.

The turning point came in December 2015 when, after the great fire at the 'A Lanterna' farm in Monasterace, the strategy evolved through the idea of the 'Festa



della Ripartenza', a party to be held after every 'ndrine' aggression: the party is prepared by rallying the local community and national public opinion around the victim. It thus becomes a powerful catalyst for solidarity, producing its beneficial effects on those who have been affected and on GOEL itself, which is the promoter – effects that often far outweigh the damage done by the aggression. After a few months, a local (but sometimes national) communication campaign is set up that makes a public report, clearly addressed also to the 'Ndranghetists, of everything positive that has come out of the party for the benefit of the victim affected. Each time, it is also made clear to the 'Ndrangheta that, with the 'Restart Parties', continuing to hit GOEL means making it stronger: 'The more you hit us, the stronger we will be!'

After only three parties, it seems that the 'Ndrangheta has realised how true this is. Something has happened that has never happened before in the territory where GOEL operates. The 'Ndrangheta has surrendered: for over five years now, they have not done any significant damage to the group's businesses. The level of freedom achieved seems unprecedented, if we consider the entrepreneurial level reached by the group, the vastness of the subjects involved and the wide geographical distribution over as many as three Calabrian provinces.

Can this be considered an indicator of impact? We believe so. But what impact has GOEL's freedom had on the local population and what level of trust and hope has the group's experience generated in the area? What influence has it had on the population's attitude towards the 'locals' of the 'Ndrangheta? These are broad questions, difficult to 'measure' and determine arithmetically. But, also in this case, indicators can be discerned through a close reading of certain significant facts that have occurred in recent years.

What would Locride, the Gioia Tauro Plain, Calabria have been like without the GOEL experience? What is the impact really determined by GOEL's cultural, political and entrepreneurial actions and what is that of a natural historical evolution?

In the GOEL Cooperative Group, collaboration between non-profit and for-profit enterprises occurs with two different dynamics: a) intra-group and b) external.

a) At a certain point in its development, GOEL asked itself how to integrate for-profit enterprises into a non-profit system: this was because, having systemic change as its objective, we believed that Calabria could not be changed solely through the work of social cooperatives, but that there was a need to integrate other enterprises which espoused GOEL's plan for change even though they were not non-profit subjects. At the same time, however, they wanted to maintain a democratic, participatory, non-profit architecture. The solution was to integrate for-profit companies inside non-profit 'containers': in particular, through the possibility that for-profit companies could participate in non-profit social cooperation entities. This

means that individuals can choose whether to set up social cooperatives or other non-profit entities or for-profit companies: both can join GOEL by joining non-profit consortium companies. The joint cooperative group, regulated by a group contract, consists of a voluntary group association and a social cooperative of natural persons acting as group leader together with three consortia:

- Consorzio sociale GOEL is a consortium of cooperatives, of which for-profit enterprises may form up to 30% of members;
- Made in GOEL is an aggregator of type B social cooperatives, of which for-profit enterprises may also be part;
- GOEL Bio is the entity that more than any other aggregates for-profit entities: it is an agricultural contribution company whose members are all legal persons, i.e. agricultural social cooperatives, for-profit agricultural companies (with a different legal form), agricultural cooperatives that are not for-profit and some non-agricultural social cooperatives. The latter can be members to the extent that they are confined among the contributing members.
- GOEL Bio, which is the container in which several for-profit and non-social cooperatives are present, is, in any case, a social enterprise: therefore, non-profit and for-profit entities are equal partners in a social enterprise.

Another important integration took place through the creation of two agricultural limited companies (and social enterprises), thus an example contrary to what was described above:

b) On the external side, GOEL Cooperative Group has sought to build both commercial and supply chain / B2B collaboration agreements with for-profit enterprises, which have often also become corporate participations: this is the case, for example, of NaturaSi, an important partner of GOEL Bio, which is also a GOEL Bio subsidising partner; it is also the case of the GOEL social cooperative, which received shares in a S.p.A. (Bastogi) as a gift.

Corporate participations strengthen the group, both from a financial point of view and by strengthening collaboration. Meanwhile collaboration with GOEL spreads awareness among consumers. Awareness is part of the product/service offered to the market. The future of enterprises is 'political', in the genuine sense of the term: those who have a vision of the common good and do not keep it to themselves, but try to "win" everyone over. The product is born from this vision and when the product is offered it is merged with it. The effectiveness of the product/service depends on the 'sense' perceived by the customer. The perception of sense depends, in turn, on the ability of the company to highlight the intrinsic value of the product/service. Conversely, another form of collaboration is represented by the supply of products or consultancy offered by GOEL. Therefore, the interaction between the cooperative group and the for-profit world has been going on for years, with different modalities, both corporate and commercial as well as supply chain and/or B2B agreements.



GOEL has a particular marketing strategy, having always focused on the dynamics of trust capital, which is based on a very wide network of relationships, which is also a network of quality from an ethical point of view. This means, for example, that in our business development strategy, we do not follow the 'classic' routes (with agents opening new markets, etc.): GOEL does not want to have customers, but partners. Consequently, we explore our network of relations, identify a partner, be it a B2B contact, a social partner for a project, or a potential customer, and, as a rule, we create a strong relationship with this party. It is from this strong relationship and, above all, from the sharing of the change objectives that GOEL pursues, that we then also build the commercial collaboration, the partnership, the field collaboration. Therefore, in the first analysis, we do not approach the profit market with a logic of product, but with a logic of partnership, of relationship building, from which we then also build commercial agreements and/or various partnerships.

The mission of GOEL Cooperative Group is to trigger processes of change and redemption in Calabria. The heart of the mission is the activation of processes of systemic change: the horizon is much broader and concerns the common good and a model of fair, social, inclusive, ecological development.

Pursuing change and redemption in Calabria necessarily means confronting the greatest obstacles to this project: the 'Ndrangheta, deviant masonry, occult or generally anti-democratic power networks, corrupt politics, corruption, cronyism, fear and defeatism.

GOEL has staked everything on a strategy of affirming what it has christened 'effective ethics': an innovative ethics, which makes effectiveness its founding dimension, on the one hand to delegitimise the anti-democratic and occult powers that prevent change, and on the other to legitimise processes of hope and the reactivation of civil society's protagonism. All the activities that GOEL carries out, therefore, are not only valuable in themselves, but are used as instruments of political and cultural affirmation of the project for change.

An example of this is GOEL Bio, which arose from the need to counteract mafia violence with the strength of social cooperation. Like the rest of GOEL Gruppo Cooperativo, GOEL Bio aims to demonstrate that ethics is not only morally right, but also economically effective. But it is not enough just to defend oneself. Often, companies that oppose the 'Ndrangheta face considerable economic difficulties. GOEL wants to show that ethics is not only morally right but also economically effective: companies that have the courage to make the right choice must therefore be helped to become successful companies. GOEL Bio's ethical protocol was devised by the members themselves as a guarantee for the activities of each individual and the entire group.

Outcomes



GOEL's organisational model, which includes the types of internal and external partnerships described, was developed with 'adjustments' over time, based on successes and failures. The main need was to have a model that reconciled the organisational and entrepreneurial efficiency required of businesses that address the market with the democracy and participation needed by a community with a mission of cultural change. Added to this was the complexity of many small production communities rooted in different territories of Calabria and operating in different sectors. The objective was not simple and, over time, an attempt was made to use all the appropriate legal forms for this purpose. Various changes and evolutions led to the current legal-organisational set-up. The need was identified to standardise the social bases of the three entities – GOEL Social Consortium, Made In GOEL and GOEL Bio – by moving from a criterion of homogeneity of supply chain (i.e. each company 'contains' one or more complete supply chains) to a criterion of homogeneity of type of social base (i.e. each company brings together a homogeneous type of members).

How did the partnership create value?

GOEL aims to enforce its role as a hub of innovation and change for ethical initiatives, becoming a catalyst of change. GOEL aims to help establish trust among different people, to enable people to work together, to support those already working for the common good, to set up networks and to empower a strong local community. GOEL aims to be a benchmark for those who want to create ethical business in contested regions. GOEL provides support and training for ethical and innovative ideas, allowing them to be realised in Calabria. The project will become an agent of empowerment, of ethics and innovation for the territory. The fundamental goal is to demonstrate through GOEL's activities that ethics are not just good, but are effective and profitable. As a result, the group will grow bigger, demonstrating that GOEL's ethical model can provide a safe and legitimate alternative to the 'Ndrangheta.

Strengths and weaknesses

The group's strength in recent years has been precisely the fact that it has developed thanks to its particular organisational structure, with a (robust and professional) service structure common to all activities, and thanks to a shared and coordinated management team, which has been able to govern the complex processes of entrepreneurial development and socio-cultural transformation in the Calabrian territory. However, the group's growth has required continuous strengthening and 'updating' of GOEL, with regard to the management and staff of the central services, in particular, which represent a lever for the development of



activities and, at the same time, must manage the group's growth. The weak points are the risks linked to the fragile local economic system.

Prospects and further development

The projects on which GOEL has been concentrating its efforts more recently are likely to produce an increase in partnerships, both internal and external. The aim is to create a 'miniature model' of what the Calabrian development paradigm can be, demonstrating how it is capable of creating growth and employment in different sectors and areas: the entrepreneurial idea is that, by focusing on biodiversity, it is possible to initiate an economic chain (agricultural and tourism) that becomes a driver of development for the region. This will create an 'entrepreneurial and employment ecosystem', i.e. a systemic set of realities (cooperatives, companies, etc.) that interact with each other and with the surrounding area, which will be the expression – in a small way – of the new development model. This will also produce new commercial and supply chain agreements.

Overall assessment and transferability

GOEL's model of sharing and promoting social enterprises to create economy is sustainable and viable in the rest of the world in territory with similar characteristics (high unemployment, precariousness, violence).

Moreover, this model can have an impact beyond Calabria, since the 'Ndrangheta is the major player in the European import and distribution of cocaine and the most powerful mafia in the world. The model offered by GOEL has proven to work in such a particular context as that of Calabria, but the 'Ndrangheta is widespread and has infiltrated the rest of Italy, Europe and the world: often, especially where the 'Ndrangheta was not present in the past, societies (both political and economic) have not been able to recognise and stem the expansion of the phenomenon. GOEL, through its own experience (in addition to providing 'consultancy' to recognise the ways in which the 'Ndrangheta' insinuates and infiltrates) offers a model of a social economy system that can create a real economy in the territory, even with severe structural and economic backwardness. GOEL has also been involved in training activities for less structured cooperatives abroad, which have had the opportunity to learn about the values and organisational methods pursued by GOEL. Thus, it is a model that can prove effective in other complex territorial realities.



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Conclusion: Comparative analysis: unlocking the dynamics of collaborations

A thorough analysis of the best practices presented above has afforded us the opportunity to delve into the strategies and approaches that have surfaced, unveiling the diverse yet interconnected ways in which these partnerships make an impact. Each best practice adds a distinctive perspective to the overarching narrative of collaboration.

Presented below **are elements derived from these practices, serving as a common thread** that offers an initial insight into the evolution of partnerships and their key features. This exploration aims to provide a justification for the selection of the good practices described above, and perhaps could serve as the exemplary set of features that will help future collaborations to thrive.

Policy catalyst

The collaborative initiative in Belgium (Urbike & Facq partnership) began as an ad hoc, test-based effort, responding to prevailing societal needs. This initiative was not a spontaneous endeavour, but it was stimulated by government policies that recognised the potential for social enterprises to address certain challenges. This acknowledges the widespread mistrust of social enterprises.

The partnership strategically focused on interoperability, emphasising integration into mainstream company systems. This not only built trust but also facilitated collaboration by aligning a social enterprise (Urbike) with established business processes. Furthermore, it laid the foundation for transparent and collaborative governance models. The co-design relationship, the emphasis on transparency, and the cooperative governance model were all outcomes of the **policy-driven approach**.

The good practice from France (La Varappe & ONET partnership) shows that government policies played a significant role in kickstarting partnerships, responding to the persistent issue of social determinism. The policies were a direct acknowledgment of challenges related to social mobility and inequalities faced by individuals in the country. The use of an open-source database and complementary resources demonstrated a purposeful and methodical progression **influenced by policy considerations**. The collaborations were positioned to disseminate norms, elevate the entire industry, boost innovation, and benefit communities. The early-stage development indicated a commitment to long-term impact and growth.

In both cases, the initiation of social enterprise collaborations **was tied to the regulatory environment and policy directives**. Policies **acted as enablers**, providing the necessary impetus, resources, and direction for these collaborations to flourish.



They **served as a guiding force**, aligning various entities towards shared objectives and creating a conducive environment for innovation and partnership building.

Cooperative governance

The Belgian case (Urbike & Facq partnership) places a strong emphasis on **cooperative governance** to build trust within the collaboration. The cooperative model ensures that decisions are made collaboratively, fostering a sense of shared responsibility. This approach is particularly crucial in environments where trust in social enterprises may be lacking among mainstream entities. Further, the **collaborative decision-making processes**, co-design relationships, and transparent governance structures are essential elements that constitute the cooperative model. These features contribute to a **collaborative environment** that promotes shared goals and values. Featured practice from Italy (GOEL) takes **cooperative governance** to a unique level by integrating for-profit entities into non-profit structures. This innovative approach allows for-profit companies to participate in non-profit social cooperation entities, maintaining autonomy while contributing to collective non-profit goals. It showcases a **hybrid governance structure** that combines the strengths of both sectors.

GOEL's collaboration goes **beyond business transactions** and evolves into an ethical and sustainable model. Governed democratically, **the collaboration becomes a symbol of responsible and inclusive decision-making**, reflecting a commitment to ethical business practices. The inclusion of enterprises within the collaborative structure reinforces the importance of community integration. This model fosters a mutualist system, emphasising collaboration, shared benefits, and a sense of collective ownership.

Purposeful collaboration and community integration

Good practice from Spain (Naturgy) and the Netherlands (IKEA and i-did) highlights purpose-driven collaborations. Naturgy's shared value approach ties **economic and societal value, emphasising community dialogue and regenerating rural areas**. The Dutch case, rooted in loose idea exchange, evolved purposefully from a limited product collection to a **multifaceted relationship** involving business aspects and capacity development.

Naturgy's collaboration is distinguished by its commitment to shared value. This approach ensures that economic gains for the company are aligned with societal benefits. By intertwining economic and societal value, Naturgy seeks to create a positive impact on the communities it serves. The collaboration's purpose is manifested through a deep engagement with communities. Naturgy actively participates in dialogue with communities, implementing local community engagement programmes, and contributing to the regeneration of rural areas. This



approach goes **beyond transactional business interactions**, fostering long-term relationships and sustainable development.

Naturgy actively engages with communities, creating models for municipalities. This not only generates extra business opportunities but also establishes the collaboration as a positive force for local governance and development.

The case from Netherlands (IKEA and i-did partnership) evolved from the loose ideas and led to **multifaceted relationships**, as it progressed, it encompassed business aspects, financial support, and capacity development. This intentional progression highlights the **dynamic and purpose-driven nature of effective collaborations**.

Progressive structuring of the collaboration

The collaboration from France (La Varappe & ONET partnership) is marked by a structured pilot and a progressive approach. This methodical development involves the implementation of open-source databases and the use of complementary resources. The structured evolution serves as a foundation for disseminating norms, fostering innovation, and benefiting communities in a systematic and well-planned manner. Furthermore, the commitment to early-stage development suggests a forward-looking approach. By addressing challenges in their preliminary stages, the collaboration in question aims to create a sustainable and impactful framework for future growth and innovation.

Learning and adaptation

The Dutch case (IKEA and I-did partnership) illustrates the adaptive nature of successful collaborations. Starting with a loose exchange of ideas, the collaboration evolved into **collaborative value creation**. This progression signifies the ability to **learn from initial stages, adapt to evolving circumstances, and transform a transactional exchange into a mutually beneficial relationship**. The Belgian case study puts the emphasis on transparency and collaborative approaches. Investment in training highlights the **importance of continuous learning**. By fostering a culture of transparency and investing in training, the collaboration ensures that all parties involved are **equipped to adapt to changing circumstances and contribute effectively**.

Impact on multiple levels

The Dutch case (IKEA and i-did partnership) confirms that the collaboration at first concluded somewhat at the transactional level. However, the impact was not limited to transactions; it extended further to capacity building. The collaborative value creation added depth to the relationship, creating value that in the end went beyond immediate transactions and influenced the broader context of the



collaboration. In the case of GOEL in Italy, the integration of entities from the private for-profit sector into collective non-profit structures aims to create a 'miniature model'. This model demonstrates how such integrations can spur growth and employment across various sectors and areas. The impact, therefore, transcends individual entities and contributes to the broader socio-economic level.

Replicability and scalability

All five cases exhibit aspects that contribute to the replicability of their partnership models. Transferability across different countries and contexts is evident, emphasising the potential universality of these models. Moreover, the strategies and practices identified can serve as valuable insights for organisations seeking to establish impactful collaborations in various sectors and regions. These include sharing insights, contextual adaptation, engaging local stakeholders, training and capacity building, impact measurement, institutional partnerships, and awareness and advocacy efforts.

The pilot phase in the Belgian case (Urbike & Facq partnership) demonstrates the transferability of the model, emphasising transparency and consistent communication as crucial elements. The successful features can serve as benchmarks for forming similar partnerships in the future. The French good practice introduces evaluation frameworks, best practices guides, and test frameworks, all of which can be adapted and replicated in different countries. The collaboration between different types of enterprises and the structured approach to **collaborative planning** are transferable models. In the case of Naturgy (Spain) the **transferability of its partnership model**, particularly in the energy sector, is emphasised. The strategy for scalability involves signing longer-term agreements with social enterprises to extend the impact beyond local territories and ensure sustained partnerships.

The Dutch case highlights the evolution of collaboration **from informal to formalised**, emphasising the importance of **organisational readiness for partnerships**. The focus on trial processes and learning by doing provides insights into replicability.

The case of GOEL (Italy) presents a sustainable and viable social economy model that has proven effective in a specific context. The potential for impact beyond the local territory, even in areas with structural challenges, showcases its scalability and transferability to similar contexts worldwide.

Further, themes such as adaptability to new contexts, engaging local stakeholders, and measuring impact resonate across all cases, underscoring their importance in ensuring the success of replicated models.





PARTNERS

