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Social transformation and social innovation in the field of culture: The case of the SMart model and its adaptation across Europe

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DOCTORAL THESIS

SOCIAL TRANSFORMATION AND SOCIAL INNOVATION IN THE FIELD OF CULTURE:

The case of the **SMart model** and its adaptation across Europe

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Nací para aprender
y saberlo me mantiene
humildemente feliz
y eternamente asombrada.

Begoña Abad

Inspiration is not the exclusive privilege of poets or artists generally. There is, has been, and will always be a certain group of people whom inspiration visits. It's made up of all those who've consciously chosen their calling and do their job with love and imagination. It may include doctors, teachers, gardeners — and I could list a hundred more professions. Their work becomes one continuous adventure as long as they manage to keep discovering new challenges in it. Difficulties and setbacks never quell their curiosity. A swarm of new questions emerges from every problem they solve. Whatever inspiration is, it's born from a continuous "I don't know."

Wisława Szymborska

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CHAPTER 1.
INTRODUCTION

1.1. CULTURE AT THE CROSSROADS OF THE XXI CENTURY TRANSITIONS

1.1.1. Recent transformations within the field of culture and cultural work

The way in which culture is present across societies is connected to how other areas of human action evolve. In the public sphere, culture is connected to economic and political events as well as to notions about the "collective" while in the private realm it is intrinsically linked to practices of individual subjects. What is considered the public sector in Europe underwent a profound transformation with the welfare state reforms of the 1970s and the 1990s, which contributed to the consolidation of neoliberal policies across Europe (Gilbert, 2003). Private initiative and responsibility became the basis for economic growth with the state adopting an enabling role to ensure an enabling environment for private action. Culture being one of the central areas of action of welfare states, these transformations had a direct impact on culture and the arts across Europe. Cultural workers and artists traditionally used to work under precarious labour arrangements, having to face shrinking budgets and antagonistic discourses about the true meaning and value of culture and the arts. The financial and economic crisis of the late 2000s was the logical materialisation of these new policies and ideas about the role of and interaction between the public and the private spheres. This coupled with changing attitudes toward the use of depleted natural resources, which is contributing to the accelerated destruction of the planet, placed European societies in front of a crossroads that requires immediate action.

New values and practices are emerging everywhere to face the current cultural crisis of unsustainability, driven by actors and groups to whom new technologies have offered the opportunity to express themselves as never before, e.g. "ethical hackers" (Castells *et al.*, 2012:13). Indeed, there are many models for change in progress that question the circle of despair that results from the perceived lack of a future and paralysis of action, which translates into life and social uncertainty (Morin, 2011). Numerous examples of new social movements and other initiatives led by citizens abound, all searching for a deep transformation of the pillars on which previous orders and systems were based. They remain undetected by the vast majority but they still continue to thrive, away from media exposure and general public attention.

The solidarity economy, enlightened by emancipatory experiences in Latin America and its quest for economic democracy as a prerequisite of any kind of political democracy, constitutes one of the areas of practice and research that has gained a new centrality since the harshest peaks of the crisis (Fraser, 2013; Hillenkamp and Laville, 2013; Laville and Salmon, 2015). Hand in hand with the development of the solidarity economy in Europe is the social economy, which has witnessed an increase in terms of economic weight and recognition by political institutions across European Member States and the international level. Such increase, however, has not come without tensions caused by an over-corporatisation of some of its most representative forms (e.g. multinational cooperatives), and therefore the loss of the real participatory dimension in organisations centreed on ensuring their financial sustainability (whether from the market or the public sector) or the focus on the interest of members as opposed to the general interest (single-stakeholder organisations).

In the epicentre of these tensions emerged social enterprises across Europe two decades ago (Borzaga and Defourny, 2001). Embedded in the social and solidarity economy (or the third sector, according to national idiosyncrasies), the transformational potential of social enterprises was soon recognised by disadvantaged groups and public administrations. More recently, groups of citizens working for the general interest across various activity areas or within transition-enabling initiatives have also embraced this transformational potential. Social enterprises stand at the crossroads of markets, civil society, and the public, which places them in a critical position: depending on the logic, actors, and contexts at play, social enterprises can develop into institutional arrangements that ensure to varying degrees the general interest through their social mission and their sustainability via the real participation of all their stakeholders and the carrying out of economic activities that are fully consistent with their missions. It is within this type of sustainability that social transformation can be located despite the risk of becoming a tool for the dismantling of the welfare state through the surrender of public service provisions (Hulgård, 2011).

The focus of the present study is how the world of culture and the arts is reacting to this crossroads from within —particularly at the level of work arrangements for cultural workers and artists— and the potential for adapting possible solutions to contexts different to the ones where they originated.

1.1.2. Setting the context: Evolutionary trends in the labour and cultural spheres

Five general trends related to these deep transformations currently in progress are relevant to the focus of this work. The first one relates to the transformation of labour from stable to precarious (including labour subjectivities on the part of workers). Neoliberal policies have exacerbated three mutations already in play:

- The crumbling of the *wage society,* which makes it impossible to use "the criteria and categories with which labour's relationship with value was calculated, its accountability now appears totally inadequate" (Turrini and Chicchi, 2013:2). This inadequacy has turned work into an "immeasurable activity".

- The consolidation of a *knowledge society* framework, where work expresses itself as an activity of general intellect "that is generated in informal spaces of social cooperation outside the traditional property frame of the capitalist society" (Turrini and Chicchi, 2013:2).

- The identification between life and capitalism, resulting in the "bio-economic accumulation paradigm" in the current global era, which causes generalised insecurity and uncertainty beyond the sphere of work without social and/or institutional mediation (López Petit, 2009; Turrini and Chicchi, 2013).

The combination of these three transformations has resulted in a transversal trend of labour precariousness and the emergence of arrangements based on 'flexicurity' —combining the increased demand for flexibility by employers and workers' need for certain levels of labour and social security (Nanteuil (de), 2005). Although this precariousness was already something present in the field of culture and the arts, public budget cuts have caused a chained destruction of the institutions and ecosystems where artists had traditionally thrived (although precariously in the case of the vast majority). This situation has contributed to increasing the insecurity of cultural workers and artists.

The triumph of the entrepreneurial mantra —a second trend identified as background of the present study— has also reached the cultural and artistic sector in the form of drive toward entrepreneurship (Rowan, 2010). Unfortunately, the meeting of a culture of entrepreneurship with culture and the arts has resulted in further insecurity for workers as well as additional negative consequences, such as self-exploitation of workers based on values such as passion, commitment, and vision.

The commodification of culture and the arts and its progressive melting into the economic flow of mass-consumption for the last half century has been recognised by the literature, so one can hardly say that it is a new trend (Adorno and Horkheimer, 1944; Adorno, 1991; Harvey, 1989). What represents a new trend —and the third background trend of this study— is the exacerbation of this commodification by the understanding of recent cultural production as a mass spectacle targeted to a mass-media market under the guidance of major corporations undergoing progressive merging processes (Gotham and Krier, 2008).

The fourth trend is the gradual mutation or disappearance of traditional cultural institutions (though not all cultural production has disappeared). A fascinating aspect from a research standpoint is how this mutation is taking place, particularly the emerging cultural and artistic practices that are being generated. Such transformation is evident both in major flagship public organisations and more grassroots initiatives: even though they are affected by the decrease in public budget, they are finding ways to stay afloat via the activation of new resources and the consolidation of their relevance to a post-crisis society.

The role of new technologies in the development of bottom-up and networked initiatives and the increasing disaffection of citizens with politics and the way “the public” is being governed constitute the last two trends of this analysis.

The cultural and creative sectors have been directly impacted by this convoluted context and endemic precariousness that has come to be associated with them. Contracts in general, let alone long-term contracts, are increasingly rare, and making a decent living out of a creative or cultural job constitutes an exception. Project-based or work-for-hire contracts abound; however, they overlook not only previous experience or training but also the preparation required to produce a high-quality cultural event or output, such as rehearsals or travel. Also, very often, contracts are oral and thus remain in the informal domain forcing many of these activities to remain in the informal economy. An additional disadvantage is the absence of advantages usually available to employees such as social benefits and coverage, training, and occupational risk prevention courses. This complex situation is more damaging in countries where there is not a tradition of ensuring the social benefits of these workers via legal status of artists. Overall, the field has become so precarious that it is challenging to engage in any policy or strategic discussion around culture and the arts.

1.1.3. SMart and its presence across Europe

An interesting strategy developed to tackle such pressing problems was SMart. In 1998, a music band manager (Pierre Burnotte) and an industrial engineer (Julek Jurowicz) teamed up to provide a practical answer to professionals of culture and the arts as well as other "creative workers" who mostly work intermittently and on a project basis. They identified a growing demand of cultural workers facing difficulties vis-à-vis the administrative aspects of their status and activities. They founded SMartbe, which included a group of non-for-profit organisations under Belgian law. SMartbe rapidly met a significant success both in terms of membership size (173 employees, 50,000 members, and a turnover of 130 million € by 2012) and the recognition of the "SMart model" by labour and culture public administrations and private actors.

The basic ideals underpinning the SMart model were mutualisation and a non-profit nature, which also included the pooling of income and reinvestment of any economic surplus in the organisation; it was a democratic structure where every member had a voice and access to the tools to make projects of cultural creative professionals come to fruition.

By initially providing indirect support to artistic production, SMart was able to gather a community of otherwise unconnected peers. By sharing losses and benefits in a solidarity-based manner, they minimised individual risks. By doing things in a participatory way, they co-created goals and strategies to attain them thus reducing mission drift, irrelevance, and lack of commitment. Wyzomirski and Cherbo (2003:196) defined this type of support institution as "organisations that provide services and support for individuals, groups and institutions engaged in the arts and culture," that have traditionally taken the form of federations and other professional organisations.

In short, SMartbe aims to ensure the administrative and legal coverage of cultural and creative workers during periods of activity but also of unemployment. In addition to this core service, innovative services for artists and creative professionals have continued to be developed: training, leasing, microcredits, legal assistance, a research unit, crowdfunding, art collection, insurance, etc.

On the basis of this proven concept and the close relationship with other European actors in the field of culture and the arts, the idea of geographically expanding beyond Belgium appeared as soon as 2004. From that moment on, a double move was set in motion: on the one hand, the opening of national SMart offices and the setting up of an informal European platform whose transitioning into a formal organisation is still to be seen; on the other hand, the internal process of transformation of the source organisation (the social enterprise SMartbe) to the new conditions that being the leader of such an ambitious agenda brought about.

1.2. RESEARCHING RESPONSES EMERGING FROM THE CULTURAL AND CREATIVE SECTORS

1.2.1. Relevance of the research

The present research emanates from the observation of four phenomena at play within the cultural sector: firstly, the transformation of artists and cultural workers into the epitome of the "new professionals"; secondly, the emergence of new institutional arrangements (social enterprises) within the cultural and creative sectors; thirdly, the defining traits of new transformative collective entrepreneurial endeavors under the umbrella of what is known as the social and solidarity economy; and fourthly, the incorporation of culture into the transition discourse. These four lines constitute the research backbone of this thesis and are succinctly explained below.

a. Artists and cultural workers as epitomes of the "new professionals"

Even though the current employment situation of cultural workers and artists has contributed to increasing their insecurity, an important paradox is at work. Creativity, flexibility, vision, drive, and autonomy, which were considered endemic traits of workers in the cultural and creative sector, have nowadays joined the list of "universal desirable attributes" across activity fields (Ruido and Rowan, 2007; Turrini and Chicchi, 2013).

The typical profile of creative professionals involved in the artistic creation process working on a project basis is that of "flexible, multi-skilled and independent individuals with good communication skills. They have dared to take risks, and know where to find useful sources of information. They have extensive contact lists, are well established within networks and show themselves to be capable of employing other artists and of bringing people from varying backgrounds together" (SMart, 2012).

The endemic precariousness of artists and cultural workers has prompted reactions both from the sector itself and public administrations. An important strand is the transformation in public cultural agencies and the increase in cultural participation of various audiences, which have facilitated the building of bridges between culture and the social and solidarity economy.

b. The emergence of new institutional arrangements for culture: social enterprises

Although many collective endeavors stemming from culture remain in the realm of the informal economy, some are set up as organisations. Social enterprise, a new institutional arrangement considered as a vehicle for social innovation, has slowly begun to emerge in the field of culture. This context offers a unique test-bed to study how the new "culture society" (Rodríguez Morató, 2012) has brought about new institutions, actors, and dynamics (e.g. new centrality of culture in society and a process of dedifferentiation of human spheres of action) to provide a response to the modified cultural demands of citizens.

Social enterprises have existed in Europe for over four decades and their natural environment for emerging was the social and solidarity economy. Despite the numerous efforts to define social enterprise, there is not a shared definition in Europe: some approaches link them to the social and solidarity economy in direct connection with a transformational aim, while others consider them as new ways of doing businesses that tackle neglected societal challenges in a more efficient way.

However, most actors do share a basic understanding of the three core traits of social enterprises: the existence of a social mission aimed toward society's general interest; a sustained economic activity; and a participatory mode of governance. This social mission translates into the achievement of a social transformation that contributes to the well-being of a wider social group or society at large. In the case of Europe, the main impulse behind social enterprise creation has been citizens following a process of bottom-up recognition of shared needs and identification of possible solutions.

c. New traits for transformative collective entrepreneurial endeavors: The social and solidarity economy

The social and solidarity economy has existed in Europe for centuries but its existence as a relevant historical development has remained concealed in the past half century mainly due to clashing political agendas (Laville and Amaro, 2016). At a moment when several conditions are rendering visible the contribution of the social and solidarity economy to the well-being of European societies, there is an urgency to reframe the way in which social enterprises and the social and solidarity economy interact. Regarding social enterprises, a note of caution should be added about the risk of instrumentalisation by some traditional institutions, such as the strong isomorphic trends in public policies providing core financing for their functioning, or the strong Anglo-Saxon influence in some approaches to social enterprise, which nevertheless cannot be ignored given the interconnected nature of socioeconomic exchanges in our society. With regard

to the traditional social economy, the extremely uneven development across countries has led to over-institutionalisation in some countries (Spain or France) and complete unawareness of the notion in others (Germany or Finland). While in principle support from institutions is something desirable, it can also lead to corporatist behaviours that prevent new dynamics and players from entering the playing field. Indeed, this was the case with regard to the social and solidarity economy: the combination of both terms (*social* and *solidarity*) under a single label is something relatively recent that can be traced historically, mainly in France and Spain.

The urge for this reframing stems from the fact that the wider social and solidarity economy represents the larger cultural context where social enterprises can fulfill their transforming potential. Such an approach helps to explain how the notions of 'social enterprises' and the larger 'social and solidarity economy' are connected. By focusing on complementarities rather than on divergent traits, the quarrels over definitions and borders that have characterised the interaction among some *families* of the social economy (cooperatives, associations, mutual societies, and foundations), and between the social economy and the solidarity economy —or even the third sector— in the last decades in Europe can be left behind.

d. The incorporation of culture into the transition discourse

No reflection about social transformation and sustainability can be made without connecting it to the wider issue of the economic and environmental transitions (including energy and food transitions). These multiple transitions are not detached phenomena but rather connected strategies that have been severed from each other, which has limited their systemic reach and ability to implement transversal alternatives. In this context, the questioning about emerging types of institutions and actors (such as social enterprises) should be connected to the ability to acknowledge and facilitate this intricate array of multiple coexisting transitions. These are "unavoidable transitions" that cannot be postponed and that require *inter alia* a new set of institutional arrangements (Calle, 2013). Whether a specific subset of social enterprises active in the field of culture and the arts, Cultural and Artistic Social Enterprises (CASE), could be one of these transformational arrangements constitutes the core of this research. I propose the expression "Cultural and Artistic Social Enterprise" and its acronym, *CASE*, to refer to social enterprises that are active in the field of culture and the arts. The reason for proposing a new expression is based on the one hand, on the relevance of culture for social enterprise activity. As explained in the course of this thesis, culture and the arts constitute an activity field that is quintessential to the general interest goal pursued by social enterprises: firstly, culture is considered to have a meritorious dimension and social enterprises are natural providers of this kind of goods and services (Depedri *et al.*, 2007). On the other hand, it is useful to have a specific expression to refer to social enterprises which, as a result of their presence in concrete activity fields, may be

characterised by unique traits (in addition to the general traits shared by all social enterprises). In this sense, I followed the naming trend of social enterprises active in specific socially innovative fields such as WISE for "Work Integration Social Enterprise" (Nyssens, 2006) or *REScoop* for "Renewable Energy Sources cooperatives" (cf. www.rescoop.eu).

The sustainability and transformation discourse entered the realm of culture and the arts with a slight delay if compared with areas such as energy and food. The potential of culture and the arts for the transformation of societies began to be tapped in policy-making around the 80s in Europe, the US and Australia (Duelund, 2003). The approach was that of " instrumental cultural policy" focusing on funding "flagship" cultural institutions and initiatives, as well as creating jobs and contributing to national GDP (Belfiore, 2002). This instrumentalisation by local, national, and European public bodies of the delivery of culture undoubtedly benefited some cultural organisations and even contributed to connecting culture to other policy areas such as social and labour policies (Pascual i Ruiz, 1998). However, arts for art's sake or the intrinsic value of culture as a concrete embodiment of proposals stemming from citizens were put aside (Lindeborg and Lindkvist, 2013). Recently, the term "creative industries" was coined and widely hailed in the UK shortly before approving the construction of the £789M "Millennium Dome". It was presented as a site for national pride and celebration but turned out to be a failure (Grodach and Silver, 2013).

One of the results of this instrumentalisation was a "toolkit approach" to impact assessment of culture and the arts that "has tended to privilege quantitative approaches borrowed from the disciplines of economics and auditing" (Belfiore and Bennett, 2010:5). The present research suggests that the perceived urgency of the various unavoidable transitions has called upon existing and emerging cultural actors and institutions to occupy a more central role to help facilitate these transitions, although there is confusion about how exactly culture and the arts can make a meaningful contribution. In addition, the risks of instrumentalisation and banalisation remain very high.

Currently, culture and the arts are evoked in everyday practice and literature from diametrically opposing views that range from the "commodifying" conception of culture as spectacle in a global market, detached from territories and any specific cultural background, to the "emancipatory" view, whereby the process of collectively creating culture expresses collectively imagined plausible alternatives that suit the majority of citizens while addressing pressing challenges related to the transitions. I propose a "cultural transition" that takes into account the place and role of culture and the arts in changing society, and is tackled transversally. The fact that social enterprises set up by artists and creators pursuing a cultural/artistic mission are beginning to be more visible and numerous is a promising start. Now, the question is whether (and how) CASE takes into account the other unavoidable transitions that our society is currently also facing.

1.2.2. Disciplines and approaches used in this research

In general, the dominant disciplines in the study of social enterprises have been economics and business. In the last decade, researchers in these fields have been very effective at explaining the economic rationale behind the emergence of social enterprises, and the characteristics, dynamics, and strategies of these organisations in an uncertain and resource-limited environment. In addition, the arrival of the 2008 financial and economic crisis and the turn towards austerity contributed to the advent of a more financial approach to social enterprise research, as illustrated by the vast body of literature on "social" and "impact investment". Political science research —mostly in Europe— has also concerned itself with the study of the emergence and development of social enterprise, given the close contact that these organisations have with European public administrations at all levels. Sociology has been instrumental for understanding specific issues such as social capital.

The series of theories gathered under neoinstitutionalism (resource dependence theory, agency theory, stakeholder theory, etc.) were instrumental to incorporate a sociological dimension to institutional theory. This approach allowed studying organisations in order to understand how they act and interact with each other and with other actors in the environment. It was rapidly brought into the emerging social enterprise research field resulting in the development of *ad hoc* approaches such as "hybridisation" and the "multi-stakeholder" approach. Yet an additional development around institutions and their transformation would be crucial for a study like the present one to take place: new institutionality. Taking as a departing point the progressive retrenchment of the welfare state, the deactivation of traditional institutions and the disaffection of citizens, this stream explores the emergence of new institutionalizing dynamics and actors that are appearing in response to the inability of existing institutions to ensure the well-being of most members of society. Additional streams of sociological research relevant for this research are ecological theory and theory on emergent systems.

So far, social enterprise research has drawn heavily on management and political science approaches. In this context, sociology and particularly its new interdisciplinary approaches (such as ecological theory) constitute an interesting perspective from which to question the potential and limits of social enterprises as new working institutional arrangements. Moreover, the present study introduces social processes at work that are very interesting to bring to light social institutions, structures, and dynamics.

In this context, the development of the above-mentioned innovative approaches and the comeback of social movement theory points to the need of additional explanatory devises to understand the "social" dimension captured by "social" enterprise. Social en-

terprises could be considered as the first organisational breed resulting from the convoluted economic and social environment of the last decades of 20th century and the first 15 years of the 21st century. In these 30 or so years, a series of concatenated crises (not only economic or financial) and transformations has created a new set of reference points for any kind of social activity and thus the need to revisit the discipline-based tools available for research. Social enterprises may be considered as a very specific way in which such convolution has crystallised.

From a broad sociology standpoint there is a need to revisit the presence and weight of social structures and social interactions at play in social enterprises given the tension between the social mission and the economic goal. Moreover, the intricate array of transitions (social, economic, environmental and cultural) crossing this research calls for a reformulation of notions like “boundaries”, “facilitation”, and “translation”.

As it is the case with most social phenomena, the compartmentalisation of knowledge in disciplines falls short in the need for multidimensionality required to approach this knowledge. In addition, bringing forward new epistemologies is required to render visible knowledge-generating practices that have been overlooked or ignored by mainstream social sciences. In this context, approaches to scientific knowledge generation such as “complex science” or a more popular one called “citizen science” allow for the involvement of bottom-up dynamics and the acknowledgement and activation of citizens as creators of knowledge (Sousa Santos (de), 2007; Jiménez-Bueno and Ramos, 2009).

In this context, I prioritised a sociological approach to the study of scaling up strategies of CASE with a twofold objective. On the one hand, it allowed us to expand the interest of sociology of culture and the arts to the area of how innovations get diffused, a topic of interest for sociology for various decades now (Wejner, 2004). On the other hand, I aim to “de-managerialise” some mainstream approaches to the interplay between “innovation” and “culture” by incorporating the role of actors and collective dynamics.

1.2.3. Motivation behind the study

There are four main motivations behind the current research. The first one stems from the difficulty of articulating the cultural sector, not in a reductionist way (diminishing its multiple voices) but in a way that can achieve a twofold objective. On the one hand, that the cultural sector can define and work toward common agendas collectively, and,

on the other hand, to constitute an interlocutor worth inviting to any policy-making and negotiation table. It is appalling indeed that only in a given number of European countries have participatory processes involving stakeholders taken place to decide cultural agendas shaped by public policies (e.g. the *États généraux de la Culture* in France and Belgium).

Secondly, the long-standing quarrel between different notions around social and solidarity economy continues to prevent its actors from achieving the transformational potential they strive to have. As new practices develop around the world, also new visions and conceptualisations emerge. Unfortunately, instead of emphasising common attributes, very often the social economy and solidarity economy continue to focus on differentiating traits between the two (for instance, the economic performance in the case of the former, and the political engagement in the case of the latter). This long-standing battle about boundaries is not void of meaning insofar as the various strongholds incorporate different sensibilities and positions toward critical issues (distribution of profits, governance and participation, political engagement, etc.) in the attempt to bring forward solid alternatives for the transitions.

Thirdly, the case study selected for this research, SMartbe and its European platform SMarteu, which included as of December 2015 nine independent country SMart offices, offers a different vantage point from where the European Union project can be observed and analysed. Indeed, making the vision of a European platform a reality entails much more than goodwill and determination. Recognizing the local level and its idiosyncrasies, encouraging exchange and constructive criticism among actors, allowing for failure, enhancing participation, and having enough time for going through processes without being rushed is concretizing the vision of SMarteu. It is my hope that some conclusions and lessons learned can be extrapolated to the vision of building a Europe, which seems to have been reduced to a European market, to a Europe of citizens.

Fourthly, far from accepting the self-removal of the researcher from the object of study, there is a personal commitment to the mission of SMart. As a disclosure of sorts, there is a wish to contribute to the consolidation of such European platforms made *of* artists and *for* artists working together despite obstacles and challenges. Such a contribution will take the form of specific recommendations based on the analysis of data and case studies as well as a sustained offer to engage in future processes related to the implementation of SMart across Europe (and beyond).

1.3. RESEARCH OBJECTIVES, QUESTIONS, AND HYPOTHESES

This thesis seeks to achieve five general objectives which are connected with the areas that constitute the backbone of the research process: how can *social enterprises* in the field of *culture* bring about *social transformation,* thereby contributing to *social innovation*, and what is the supportive or hindering role of the larger *social and solidarity economy* in such process? The five objectives are:

1. To explore the meaning of *social transformation* in culture and the arts in connection to a social enterprise active in those very fields.
2. To take a closer look at the notion of *social innovation* focusing on its evolution and various meanings (particularly that of social transformation) in the specific example of Cultural and Artistic Social Enterprises (or CASE).
3. To review the connection between *social enterprise* and the larger *social and solidarity economy* with a view to reframing the way in which they relate to each other and to explore the contribution that they can make to social transformation in the field of culture and the arts.
4. To analyse and extract lessons from the experience of SMart, particularly in the geographic expansion process launched in 2006, with an eye on questioning the innovation paradigm applied to culture and the arts and constructing new spaces for social transformation in the cultural field.
5. To formulate specific recommendations for practitioners and their representative organisations as well as for policy-makers at various levels.

This research will aim to meet these five objectives, which will be done differently according to the specific nature of each of them. For instance, objectives 1 through 4 allowed formulating research questions while objective 5 did not, given its recommendation-driven nature. Regarding the formulation of hypotheses, objectives 3 and 4 include a set of two verifiable hypotheses. Each of them will be explored in the course of the research and discussed in the final conclusion chapter (more about how the hypotheses will be validated in section 3.2.7). I also include foreseen contributions to the advancement of research and practice across the five objectives in relation to the abovementioned areas (social enterprises, culture, social transformation, social innovation, and social and solidarity economy).

Objective 1. To explore the meaning of social transformation in culture led by CASE.

The underlying assumption of this research is that this specific institutional arrangement known as "social enterprise" provides, within a context governed by principles of social and solidarity economy as I will argue through this work, a context whereby the logics of competition and collaboration intrinsic in social innovation processes can co-exist and contribute to systemic social transformation. We assume that social enterprises can achieve this thanks to the bottom-up intelligence of their actors who together *bricolage* intelligent solutions which include mobilising different resources (i.e. stemming from the market, reciprocity, and redistribution) or taking advantage of top down support offered by traditional institutions. In other words, some social enterprises can be considered "adaptive self-organising system": an example of such a system active in the field of culture, SMart, will be the object of this research.

Within objective 1, the main research question is: *What kind of social transformation processes does CASE set in motion?*

By achieving objective 1, this thesis aims to cast some light on the relationship between social enterprise as a concrete institutional arrangement that emerges in a specific socio-economic context and the effects of its socio-economic activity and interaction with other actors in terms of social transformation.

Objective 2. To take a closer look at the notion of social innovation focusing on its evolution and various meanings, particularly that of social transformation, in CASE.

The main political discourses on social innovation identify social enterprises as vehicles whereby innovation can be delivered even though the exact connection between the two concepts remains to be described and explained. Social innovation is widely understood as new solutions to existing social problems, usually in the form of services, products or new institutional arrangements. An aspect that seems to generate agreement is the potential for replication in order to achieve any relevant social impact; therefore, social innovation replication has attracted a lot of scholarly attention recently. However, it is worth noting that the majority of the research conducted on social innovation stems from the knowledge gathered from purely market-based firms and focuses on interventions (e.g. programmes, projects, actions, etc.) which limits the transformative potential of the studied social innovation (Osburg, 2013). Indeed, the tools developed for the traditional mar-

ket are not transposable to the "social" field mostly because they fail to recognise some of the essential traits at work in the social and solidarity economy, including the existence of different economic logics (redistribution and reciprocity as opposed to market exchange), the embeddedness in the local context, or the presence of participation mechanisms that allow internal and external stakeholders to play a central role.

Moreover, as some critics have noted, a significant part of the story of social innovation has been systematically ignored, particularly its connection to a hidden tradition of solidarity-based movements (Laville and Amaro, 2016). This oversight has resulted in a biased notion of social innovation in the policies and discourses at play in the public space today in Europe. Interestingly enough, the actors of these forgotten European social innovation traditions were mostly the proto forms of social economy organisations that relied on solidarity principles during the 19th century. In short, the fatal combination of these two elements (ill-suited analytical tools and the invisibility of a part of the social innovation tradition) requires that the history of social innovation be retraced and reformulated in the context of the social and solidarity economy and particularly social enterprises active in the field of culture and the arts.

The two research questions formulated within objective 2 are: *What does social innovation mean in the context of culture?* And, *what is the relationship between social innovation and CASE?*

By achieving objective 2, this thesis aims to make a contribution to the understanding of the differences in meaning of social innovation when talking about the context of culture and the arts.

Objective 3. To review the connection between social enterprise and the larger social and solidarity economy with a view to reframing the way in which they relate to each other and to explore the contribution that they can make to social transformation in the field of culture and the arts.

Social enterprises are rooted in the longer tradition of the social economy, and more recently the solidarity economy. However, a long-standing dispute over meaning and boundaries has taken the centre stage of interaction between these realms in the last decade. As the contribution of social enterprises in the fight against some structural problems of society is gradually being recognised, a growing tension has been felt with actors in the social and solidarity economy who had been there for decades and often enjoyed significant levels of recognition and support.

SMart is active in the field of culture and rooted in the social economy (sharing of risks and benefits and not-for-profit) as well as the solidarity economy (cultural workers' and artists' economic and political emancipation). Considering the critical moment of transformation of both areas (social and solidarity economy, and culture) the relative effective and symbolic power that they can deploy in processes like geographic expansion can be determining factors in the success or failure of the initiative. Our first hypothesis is that, based on the experience of the Belgian mother organisation, SMart harnesses and promotes the creation of spaces for:

- Cooperation (including international cooperation);
- Innovation (as a CASE with a proven business model);
- Emancipation (both economic and political with the backing of a critical mass of actors and key alliances); and
- Criticism of the approach to culture as a commodity in a global market.

Together, these four areas can be considered emancipatory social innovation leading to social transformation in the field of culture on the European scale, making SMart one of the most meaningful (and rarest) examples in Europe of how this transformation can take place.

Within objective 3, the main research question is: *How can the social and solidarity economy contribute to the transformative potential of CASE?* To what extent does the identification (or lack of it) of CASE with the social and solidarity economy hinder or support its social mission and, in this case, a successful adaptation to a new context? A priori the following hypotheses can be put forward:

- The higher the recognition by public administration of the social and solidarity economy and the higher the tradition of collaboration among them, the higher the possibility of creating a supportive environment for adapting the CASE.
- The higher the level of collaboration of social enterprises as members of the social and solidarity economy, the higher the possibility of replicating a successful CASE model.

Specifically, I will look at how this recognition of the social and solidarity economy and the field of culture can have direct impact at the level of public, private, and civil society support for the new initiative, thus influencing the way adaptation is carried out in

many different ways. We will look at how this support translates into sources of available finance and the possibility of dialogue with public administrations, private actors and citizens. In turn, this will affect how the social impact of the initiative transcends the micro and meso levels to reach a systemic level.

By achieving objective 3, this thesis aims to contribute to further understanding of the connection between the social and solidarity economy and social enterprises. In particular, to have a clearer view of how the social and solidarity economy can contribute to social transformation in the field of culture.

Objective 4. To analyse and extract lessons from the experience of SMart, particularly in the geographic expansion process launched in 2006, with an eye on questioning the innovation paradigm applied to culture and the arts and constructing new spaces for social transformation in the cultural field.

In addition to their social mission, social enterprises have been pioneers in some areas of activity offering not only innovative products and services but also a new way of governing the relationship with stakeholders, in many cases different types of stakeholders. To give an example, in the 1990s, Belgian social enterprises led the recycling and reuse industry, while in the 2000s social enterprises across Europe are leading a paradigm change in the production and governance of community-led renewable energies. Culture and the arts are emerging as one of these new areas of activity where the social and solidarity economy, and particularly social enterprises, are bringing to light some potentials nested in communities that had remained hidden or ignored.

Particularly, we will focus on the specific replication process of a successful model able to bring about profound transformations in the field of culture and the arts. This model was created by a social enterprise in Belgium and then gradually expanded across geographic borders. Two central challenges in the process were the empowerment and inclusion of the actors involved so as to increase emergence of creative solutions to help the organisation adapt itself to new contexts and conditions.

As explained in the Methodological structure sub-section below, we will focus on a single case study to reflect on how it achieved the mission it set out to achieve and expanded its model to other geographic regions. The case at hand is SMart, an organisation that exists to reinforce the autonomy of artists as well as culture and creative professionals. Although it was not directly aimed at producing art, it eventually contributed to cultural and

artistic production by supporting creators. Indeed, this member-based association had the ultimate goal of ending precariousness, first in the cultural and the arts sector and more recently in other labour activity sectors characterised by endemic precariousness.

By focusing first on the operational aspect of its service, SMart managed to make sure that artists and creative workers had the time and the peace of mind required to do their job. By making administrative and financial tools available to members for the exercise of their professional activities and ensuring communication among them, opportunities for new creative activities emerged. By forming an archipelago where there were once only islands, a critical mass was reached. In turn, this critical mass allowed identification of critical needs for the sector (and sub-sectors) and formulation of the strategies required to address them. Putting risks and benefits in common and the absence of the profit-maximising aim constitute the two pillars over which SMart developed its core services. Nurtured by the values treasured by the social and solidarity economy, a socio-professional association emerged with the goal of ensuring the representation of their members, not only in a symbolic way but down to the last detail, including making decisions regarding the way resources generated were invested or the strategic direction of the organisation. External support in the form of a specific legal framework for the artistic sector, and financing as well as academic support was ensured.

However, this process was not an easy one. Its main difficulties are illustrated in the various adaptation processes that the model went through as a result of the geographic expansion that began as early as 2006. In ten years, SMart had to overcome the organisational challenge of expanding while keeping its mother organisation solid and ensuring participative governance.

The SMart model constitutes the first socially innovative initiative emanating from the social and solidarity economy in the field of culture that has scaled up across Europe with a view to expanding its social impact. However, this replication process has reached different degrees of implementation across the nine countries where the model has been exported.

Within objective 4, the main research question is: *What are the main factors coming into play in the cross-border replication of the SMart model, considered as a CASE?* Two additional hypotheses to advance are:

- The more participative the governance model of the CASE, the higher the possibility of adapting the social innovation to the specific context.
- Two critical factors determine the success of a given social innovation in culture: the type of political context around culture and the adaptation to the local context developed by critical actors.

By achieving objective 4, this thesis aims to make a contribution to the field of social enterprise research in the area of organisational and business model scaling-up and replication as well as diffusion of social enterprise models.

Objective 5. To formulate specific recommendations for practitioners and their representative organisations as well as for policy-makers at various levels.

This thesis aims to translate some academic findings back into the praxis pipeline so as to strengthen self-reflectivity of actors and reduce the gap between perceptions of practitioners and academics, which often appear as opposing or disconnected. As for policy-making, so far practice has led the reflection on social innovation and little has been done in terms of systematizing (with the help of actors themselves) the existing knowledge. The specific recommendations aimed at local, national, and European policy-makers produced in the framework of this research will focus on providing some advice not so much on the content but on the processes required to bring about the collective intelligence of these emergent systems in the field of culture and beyond.

By achieving objective 5, this research will contribute to bridging the divide between social innovation practice and research bringing to light a more emancipatory approach to social innovation and emphasizing the complex dimension of science in its embeddedness with society's challenges.

1.3.1. Moving beyond the state-of-the-art: Expected contributions

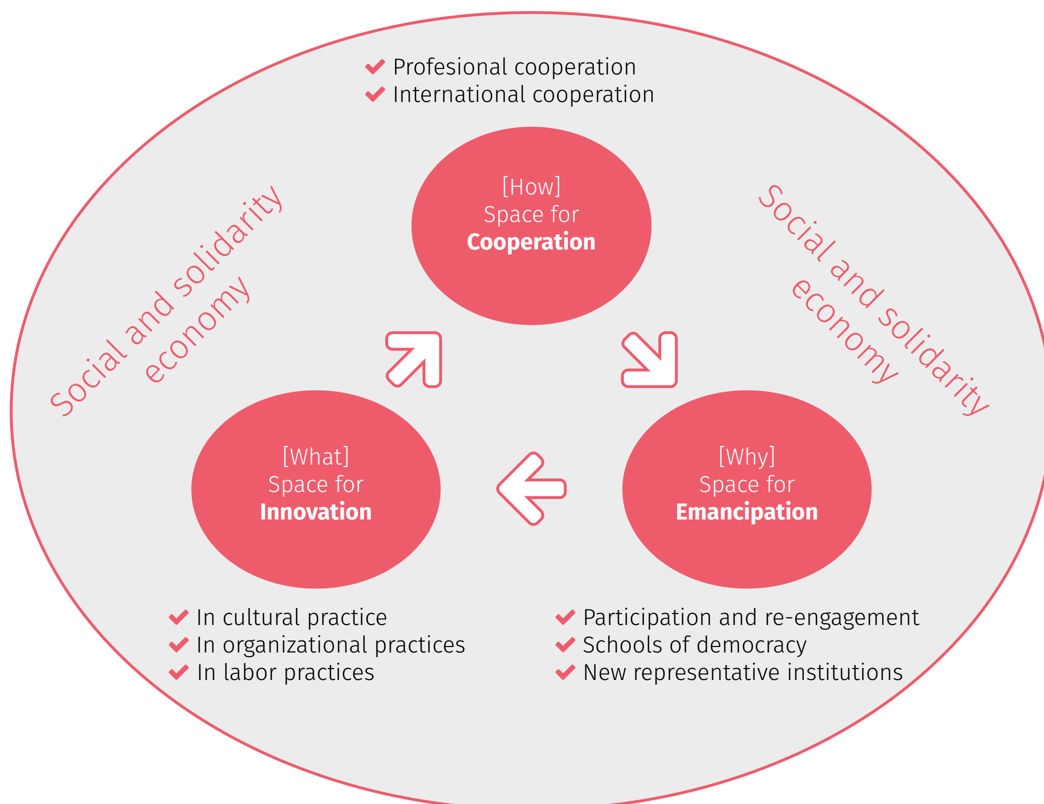
In the changing context just described, this thesis explores how innovative institutional arrangements such as social enterprises are being developed and transferred to other contexts by the cultural and artistic sector. Although the immediate goal is to face and reverse, to the degree possible, some of the abovementioned negative trends, their embeddedness in the social and solidarity economy places these solutions in a wider framework of social transformation.

Bottom-up and collective citizen movements constitute the most common mode of creation of social enterprises in Europe. Moreover, this bottom-up impulse represents one of the ways to ensure that the actors directly concerned achieve the necessary economic emancipation as a precondition for reaching political emancipation. This focus on the emancipatory potential of social enterprises is reflected in the change in focus

of social enterprise research, which moved from the entrepreneurial and managerial aspect of this institutional arrangement to its socially transformative potential. Indeed, social enterprises are considered here as effective institutional mechanisms whereby citizens can articulate their aspirations to transform society following the collective interest and common good principles.

Likewise, culture and the arts represent the battlefield where some issues related to the contemporary way of being in the world are being enacted (e.g. life and work precariousness). Simultaneously, it also constitutes the remaining territory where new possibilities for emergent systems can be imagined. In this regard, culture and the arts share with the social and solidarity economy the very impulse of conceiving, articulating, and carrying out alternative ways of functioning in the world. If combined, social and solidarity economy together with culture and the arts are likely to result in concrete practices that open up to a self-improving process of cooperation, innovation, and political action with the ultimate effect of producing positive social transformation. This process is summarised visually in the figure 1 below.

Figure 1. Spaces for social transformation opened by Cultural and Artistic Social Enterprises (CASE)



Culture and the arts and CASE have the potential of being a vector of change for social transformation. We locate the innovative transformative experience of SMart in the emancipatory social innovation tradition, combining it with an emergent systems approach based on an ecological conception of society, its actors, and interactions. Considered as an emergent system, its adaptive capacity is of paramount importance to its own survival but, most importantly, to the achievement of its self-assigned goals. In this context, the SMart case, both at the level of its original organisational development (via SMartbe) and its geographic expansion (via its adaptation to nine different national contexts), provides a unique example of adaptive strategies and processes.

The present research is undertaken with full awareness that the creation of new paradigms in economic, social, and political behaviours will involve the revision of how we understand science. In this sense, it locates itself in the emergent systems approach whereby science itself needs to be re-embedded into the processes that it studies. What is at stake is moving from "academic" to "post-academic" science that "values above all intellectual qualities such as curiosity, creativity, and knowledge, and does so for the sake of the public rather than the corporate good" (Nordmann *et al.,* 2011:1).

Moving toward a "post-normal" science involves extending the disciplinary knowledge of normal science to cope with a complex world with real actors equipped with muting identities and subjectivities plus the irreducible uncertainties ahead of them (Funtowicz and Ravetz, 1993; Nordmann *et al.,* 2011). It is about moving beyond science for science's sake to a complex type of science that looks beyond itself and has as ultimate objective solving complex problems in society via the activation of various types of knowledge (and epistemologies) and articulating it in a way that can be understood by the actors who constitute the origin of that knowledge. Science has a crucial role in unmasking the "engineered scarcity system" (Bauwens and de Grave, 2016:306) in which capitalism has turned by moving from normal to "postnormal" science. As with capital, this shift for science entails moving from an "extractive" approach (using social actors as sources of knowledge and producing outputs apt for academic circles) to a "generative" one (activating social actors as generators of knowledge, making them an intrinsic part of the research process). Moreover, science should aim not just to bring about correct understanding, but to create social and political conditions more conducive to human flourishing than the present ones as already articulated by critical theory of the 1960s and 70s (Horkheimer, Adorno). Without this expanded objective that ensures a virtuous connection between science and society, sustainability of our societies as systems will be jeopardised in the long run.

1.4. METHODOLOGICAL APPROACH

In order to tackle the proposed objectives, we used a combination of qualitative and quantitative research design with emphasis on the former. Indeed, the current research is based on a revelatory case study focusing on "understanding the dynamics present within single settings" (Eisenhardt, 1989:534), with an eye on the depth and novelty of these dynamics. The selected organisation is SMartbe and its replication across seven European countries, with an emphasis on three of its national offsprings (Austria, Hungary, and Spain).

The time frame of the study focuses on the years 2009 through 2015 when the European expansion began. However, we go as far back as 1998 (the year of the creation of SMartbe) when carrying out the development of the source organisation. Some post-2015 developments have been incorporated as well where they help understanding some of the issues brought up in the process.

The level of analysis included the organisational level, although we extracted our data from individual respondents based on their perception of the replication process in their own country. Document analysis also allowed for considerations at the systemic level based on the analysis of the national contexts and the impact attained by single national organisations but also of their aggregated EU-level impact. The research focus has been on how local contexts affect replication processes in social enterprises in the field of culture and what steps can be taken in order to overcome obstacles and strengthen the impact of enabling factors.

The research methodology deployed in the course of this research included six main types of techniques: direct (participant) observation, desk review, interviews, focus group, questionnaire (Likert-scale survey), and contextual factor analysis. A short overview of each is provided here but full description is provided in Annex 2.

Desk review

The desk review included literature review and document analysis. The first one centreed on the vast literature that can be gathered around the topics covered in this research and was presented in the various research reports submitted during the research process. Regarding the analysis of documents, it was used both for the study of the evolution of SMartbe until it began its plans for SMarteu and the various adaptations to the national contexts. A detailed explanation and list of these documents is included in Annex 2.

Direct (participant) observation

Building on a long-standing initial contact with one of the founders and the direct participation in the launch of the Spanish branch of SMart, key relationships were developed. This access to key actors in the process facilitated the access to information, documents, and people within and around the organisation. Particularly, I gained unique insight on the background leading up to main project milestones and the context of meetings and other events. In this sense, it was a unique way of obtaining insider information as well as personal perceptions, opinions, and expectations from key players. However, it also caused some problems from a methodological standpoint as many of the discussions were informal and the participant observation was not always registered the way that it should have been. Indeed, some of the more fruitful moments were the "social moments for sharing" that occur unexpectedly and cannot be recorded.

At the European level, the assistance of the European office in Belgium and the central person in the development of the EU platform were of paramount importance during the identification phase of the key players in each country. The research and the European development units within SMartbe were crucial in this process as they provided relevant insight and forward thinking in some of the crucial aspects of SMart's European expansion as well as quantitative data in their records.

We participated in SMart-organised events and analysed the documentation produced as a result of the EU partners' meetings. Regarding the former, we participated in a total of four general assemblies and five council meetings of SMartib. As for the latter, we analysed the minutes of four partners' meeting of SMarteu.

In-depth interviews

With an eye on ensuring a wider control and relevance of the data in complement to the informal interviews and discussions held via the participant observation, we conducted several in-depth interviews. According to Velasco and Díaz de Rada (1997), observation typically provides a contrast with reality —with objectivity— that can sometimes be communicated in interviews. Conversely, interviews allow making some sense out of behaviors observed in practice or help correct some of the inferences that can be made too hastily based on observation (Velasco and Díaz de Rada, 1997:34).

In-depth interviews using a semi-structured questionnaire were conducted with internal and external stakeholders. Two types of in-depth interviews were conducted in this research: on the one hand, those conducted in the originating social enterprise and, on the other hand, those conducted in the three different countries studied in depth

for the contextual adaptation processes. We were very cautious with regard to these interviews insofar as they were conducted to a reduced number of people (two in the case of the mother organisation) and one in the other three selected cases. Indeed, the reflexivity axiom should be taken into account so as to avoid taking the responses as "truths" but rather "situational responses" to the way in which the questions were perceived by the informant according to the socio-institutional circumstances where they were made (Valles, 2002:85).

Focus group

A focus group was carried out in the process of this research. It was organised on 19 March 2015 in the Brussels headquarters of SMartbe (Rue Emile Feron 70) and lasted two hours. Eight people participated in this focus group, each of them with a specific role within SMartbe both internal (staff and council members) and external (collaborator or advisor). The focus was to understand perceptions about the relevance and contribution of the SMart model to the overall mission.

Questionnaire (Likert-scale survey)

A Likert-type questionnaire was distributed across countries where SMart has adapted its model. The goal was to capture attitudes towards the adaptation and replication process of SMart across countries. The questionnaire was based on a quantitative model developed to assess the factors influencing adaptation and replication of SMart in the different European countries. The model used was the one developed by Professor Weber and her colleagues specifically for social enterprises in 2014 and updated in 2016. The revision of the model entailed the inclusion of two prerequisites and the reduction of the success factors from seven to six (Weber *et al.*, 2012; Weber *et al.*, 2016). The definition of the items is based on the original 2014 Weber's text together with the documents analysis conducted by the researcher to identify the representative aspects that would effectively capture the specificity of the SMart scaling up attempts. These factors are included in table 1 below.

Table 1. Measured success factors for scaling up as included in Weber (2014)

Success factor	Questions	Number of items
Commitment of the individuals driving the scaling process	1.1 - 1.8	8
Competence of the management	2.1 - 2.12	12
Entire or partial replicability of the operational model	3.1 - 3.12	12
Ability to meet social demands	4.1 - 4.6	6
Ability to obtain necessary resources	5.1 - 5.12	12
Potential effectiveness of scaling social impact with others	6.1 - 6.8	8
Adaptability	7.1 - 7.7	7
	Total	**65**

Qualitative macro-institutional factor analysis

In order to understand the adaptation and replication of SMart across Austria, Hungary, and Spain, it was necessary to study the national socioeconomic, political, and cultural contexts. Kerlin's (2013) qualitative macro-institutional factor framework was used for this. We focused on the five analytical dimensions proposed by Kerlin: 1) recent culture and history; 2) type of government; 3) stage of economic development; 4) model of civil society; and 5) international influences.

The choice of countries changed in the course of the research process; the definite selection was made based on availability of information, accessibility and response rate from the country representatives, and relevance in the framework of the European Union (see section 5.1). The three selected countries are:

- **Austria:** The model of the cooperative was the clear choice for the people who led the development of SMartat due to the proven capacity of this legal form to capture the spirit of the SMart model. The Austrian team, however, faced a highly centralised and government-led context where the social economy and culture had not traditionally joined forces to develop the potential of the sector. Therefore, making the choice for SMart constituted a true challenge.

- **Hungary:** The country joined the European Union in 2004 and it is the only Member State from the Central and Eastern Europe where SMart had decided to replicate its model. In terms of the survey analysis, it is by far the country with less variance among respondents although we only received responses from three of them. Such an incomplete data set was the result of the specific life cycle of SMarthu: since its creation in 2013 it does not have a council or board and the roles of founder and manager are combining in the same person. Therefore, despite the two missing categories (management and council representative), we decided to keep the country in the analysis. The founder and current manager of SMarthu was interviewed and several informal conversations with cultural actors from Budapest were held in the last part of the project.

- **Spain:** SMartib is used in the EU platform as a best practice based on its intensive and sustained growth. In addition, Spain represents a country with a high level of unemployment that could benefit from the full implementation of the model. Concomitant with this success story, however, is the issue of ensuring financial sustainability, the engagement and participation of the members, and the personal touch in the interaction between *asesores* and members.

1.5. STRUCTURE OF THE DOCUMENT

The current document is divided into seven main chapters. This first introductory chapter sets the context for the study and provides the main research objectives and questions that will guide the effort. The next three chapters describe the main theories and notions that frame the research: chapter two covers social enterprise and social innovation, chapter three explores the intricate relationship with culture and the arts, and chapter four describes how social innovation diffuses, with an emphasis of the adaptation and replication of social enterprises.

The fifth chapter dives into the *source* or *mother* social enterprise at the heart of the scaling-up process under study, SMartbe. It also summarises the main stages involved in the launch of the European platform, SMarteu, gathering the various national SMart offices. The chapter ends with an evaluation of the scaling up strategy based on the statistical analysis of the data.

Chapter six opens with the set of criteria applied to select the three country cases (Austria, Spain and Hungary) and is then divided into the contextual general analysis and the description of the national SMart implementation efforts. The institutional framework analysis in the three countries describes the development of civil society, the third sector and social enterprise as well as the cultural field. Each country analysis ends with some conclusions about the context and the repercussions for the launch of SMart. Then each national SMart experience (SMartat, SMartib, and SMarthu) is described at length emphasizing its history, the functioning and services offered, and reflecting on the lessons learned and prospects for the future.

The last chapter is the seventh and it gathers the discussion and main conclusions of the research. The main research objectives and questions are reviewed and discussed and so are the specific lessons learned about the SMart case. Then, some recommendations both for policy-makers and practitioners follow. Lastly, a discussion about limitations of the research and possible contributions is offered with a view on suggesting some valuable avenues for future research efforts.

A bibliography is included at the end, followed by the Annexes. Annex 1 describes in detail the research design and specific methodology used to carry out the research, focusing on the qualitative and quantitative methods as well as the research phases involved in the process. Comments and insight are provided on the model proposed by Weber and her colleagues and the seven factors involved in the scaling-up of social enterprises and the contextual analysis of selected country case studies. Annex 2 includes the list of tables, figures and graphs. Annex 3 includes a sample of the questionnaire and the list of questionnaire respondents per countries included in the study. Lastly, Annex 4 includes some raw statistical data from the analysis of questionnaire responses.

CHAPTER 2. SOCIAL ENTERPRISE AS VEHICLE FOR SOCIAL INNOVATION IN CULTURE

2.1. PRELIMINARY CONCEPTS

Before entering the discussion on social enterprises as possible vehicles for social innovation in the field of culture and the arts, it is worth explaining what we understand by *social value* and *social transformation*. Currently these terms are used some times interchangeably with the term *social innovation* itself, whereas in the present research they are not equivalent.

2.1.1. Social value

The creation of "social value" understood as a positive achievement for society overall has been identified as the main objective of social enterprises (Lautermann, 2013). However, there are different ways of defining "social value" depending on how "value" is understood.

The notion of value has interested sociologists such as Max Weber and Emile Durkheim and economists such as Karl Marx and Vilfredo Pareto for a long time. However, after World War II economists focused on the notion of *value* (singular), while sociologists (and anthropologists) focused on the world of *values* (in plural). Bassi (2012) states that this separation rested on the assumption that there was a unique (objec-

tive) dimension of value that measured the economic (monetary) value of goods and services and a subjective dimension of value based on judgements. The objective dimension was the area of study of economists while "the other side the messy world of values where different points of view about what is good or bad are confronting themselves" constituted the study area of sociologists and economists (Bassi, 2012:4). The economic approach to value has been predominant in the last decades focusing the discussion on the intrinsic (use value) versus the exchange (market value) values of goods and services.

T. Parsons' 1951 "four functions scheme" was used to understand the four types of quantitative and qualitative increments in value (added value) that social enterprises can produce: economic, political, social, and cultural. In this framework, the specific contribution of social enterprises would be the production of a sense of responsibility towards the public; a number of goods and services (the majority of them being of a relational, collective, or meritorious nature[1]) for organisations and territories; and, in the end, a robust amount of social capital at all levels of social systems. Therefore, the main difference in the social value produced by social enterprises is not so much in "what is produced but rather mainly in how to produce and above all with and for whom they produce" (Bassi, 2012:7).

Social value will also be used in the current research as developing a "social value proposition" in the sense that what a social enterprise offers "needs to be of economic value to the people that it wants to attract" (Scholz, 2015:18). The fact that organisations with a social aim carrying out an economic activity sometimes fail to clearly articulate their social value proposition constitutes an obstacle to the creation of social value.

Lastly, the term *social impact* is associated with how the creation of social value is measured over time and focuses on outputs (short-term, measurable) and outcomes (medium- and long-term and more complex to quantify). The profusion of performance-driven financing (both public and private) has resulted in an overuse of the term "social impact" which is sometimes wrongly used interchangeably with "social value".

1 "Relational good" refers to a good or service that holds the following characteristics: a) it is a good where the production, distribution and consuming require the involvement of both the producer and the user; b) it is a good that can be enjoyed only by and through the social relation; c) the quality of the good is embedded in the social relation. The relational good differs both from the public and the private goods (see the work of sociologist Pierpaolo Donati).

"Meritorious" (or merit goods) are those which are in the best interest of the population but that cannot be provided following a private exchange logic as users and beneficiaries are not in a position to pay for them. Culture, education and health services are classic examples of merit goods as it concerns asymmetric information and issues of equality or equity.

2.1.2. Social transformation

Classical sociology has considered social transformation as large-scale changes such as revolutions, colonialism, or long-term economic development, but more recently it has also been applied to the modifications that alter the inertia of organisations. Indeed, change can be brought about, as sociology has shown us, via social movements, political action, individual and network action, etc. The introduction of bottom-up instead of top-down transformations represented a unique turning point to widen our understanding of social transformation (Subirats, 2005).

For the present study, I locate social transformation in the wider context of multidimensional transitions that we are facing today. Indeed, I distinguish among four transitions (economic, environmental, social, and cultural) currently at play that include other deep transformations.

Sense-making and new participation structures constitute two key pillars for implementing transformation: the former provides meaning and includes a sense of vision, discourses articulating it as well as ethical and emotional motivations, while the latter provides the concrete platforms (both physical and virtual) whereby collective action is organised and goods and services produced (Calle, 2013).

In addition to the "larger transitional context" of social transformation and its pillars, we focus on the "process dimension" of social transformation: social transformation should not be conceived as an outcome insofar as social and economic transformation should be combined with political and democratic innovation (Subirats, 2005). The new social enterprise breed that social cooperatives embody, that can be located in the social and solidarity economy, thrive on bringing about and maintaining this social transformation.

2.2. THE VARIED LANSDCAPE OF SOCIAL ENTERPRISE

2.2.1. Conceptualising social enterprise

Despite the recent growing recognition as a useful and innovative tool for employment creation and social cohesion, social enterprises have a long-standing tradition in Europe (Nicholls, 2006; Light, 2008).[2] However, they are far from being acknowledged

2 A relevant illustration in the field of health is the argument built by the World Health Organisation for social enterprise as public health intervention agents to reduce persisting and widening inequalities.

by the general public: “social enterprise” remains a polysemic and contested concept (Huybretchs and Nicholls, 2012), much as social innovation represents a quasi-concept (Jenson and Harrisson, 2013). Indeed, recent research indicates that there have been up to 45 different definitions of social enterprise between 1994 and 2014 (Fisac García, 2015), clearly indicating that no shared definition of social enterprise currently exists (Galera and Borzaga, 2009). Moreover, the concept continues to evolve overtime (Kerlin, 2010; Teasdale, 2012).

Nevertheless, there is an understanding of its core traits that is shared by researchers – and to some point, practitioners and policymakers, including the existence of a social mission aimed toward society’s general interest, a sustained economic activity, and a participatory mode of governance (Borzaga and Defourny, 2001; European Commission, 2011). Regarding the most characteristic mode of creation of social enterprises in Europe, the first mapping study of social enterprises conducted across the 27 EU member states (plus Switzerland) identified that they are “citizen-led” - created under the impulse of a group of citizens (European Commission, 2014). Social enterprises are also created as result of a marketization trend of non-profit organisations and of the restructuring of the public sector in the form of spin-out organisations (European Commission, 2014).

For scholars who have been studying this phenomenon since the 1990s, it is now clear that the notion of social enterprise refers both to brand new entities as well as to a new entrepreneurial dynamic reshaping of existing organisations (Borzaga and Defourny, 2001). They constitute a structural trend that expands throughout all Member States although they have developed very differently from Member State to Member State: in some countries they have a strong presence and are integrated in public policies, while in other countries they are poorly developed and understood (Galera and Borzaga, 2009).

Usually, three main schools of thought exist around social enterprise depending on which organisational dimension is emphasised (Defourny and Nyssens, 2012). Firstly, the “social economy school” grounded in the long lasting European experience with socioeconomic initiatives led by a group of individuals to address immediate social needs (Defourny, 2014). Around the 1970-80s, specific policies supporting civil society to provide responses to unemployment emerged across Europe, creating the first well-documented wave of social enterprises, namely “work integration social enterprises” (also known by their English acronym, WISE). The goal of these enterprises was to reintegrate vulnerable people into the labour market by involving them in a productive activity; they were initiated by civil society actors in the 1970s in a crisis context with high unemployment (Nyssens *et al.*, 2012). The comparative research carried out at the time

showed that this type of enterprise was multi-goal and multi-stakeholder and that the activity fields where they were more active were personal services.[3] Later on, as social enterprises became more well-known, many of them continued to improve the field of personal services while others began to innovate in fields such as renewable energies, fair trade, and culture.[4] Despite this expansion of activity field boundaries, some actors, including public administrations, continue to promote a restricted view on the area of activity of social enterprises, which severely hampered their development (Galera and Borzaga, 2009).

The research of the EMES network created by a group of European researchers in 1996 included different perspectives, including sociology, political sciences, and economics. The subsequent European projects led by EMES used a set of criteria consisting of three dimensions: economic and entrepreneurial, social, and participatory governance.

These nine criteria are the following (Borzaga and Defourny, 2001; Nyssens, 2006; Defourny *et al.*, 2014):

- Dimension 1. Economic and entrepreneurial
    - A continuous activity of producing goods and/or selling services
    - A significant level of economic risk
    - A minimum amount of paid work
- Dimension 2. Social
    - An explicit aim to benefit the community
    - An initiative launched by a group of citizens or civil society organisations
    - A limited profit distribution
- Dimension 3. Participatory governance
    - A high degree of autonomy
    - A decision-making power not based on capital ownership
    - A participatory nature, which involves various parties affected by the activity

3 WISE even were the leading innovators in areas such as recycling and reutilising, well before these areas constituted a market worth entering by traditional businesses.

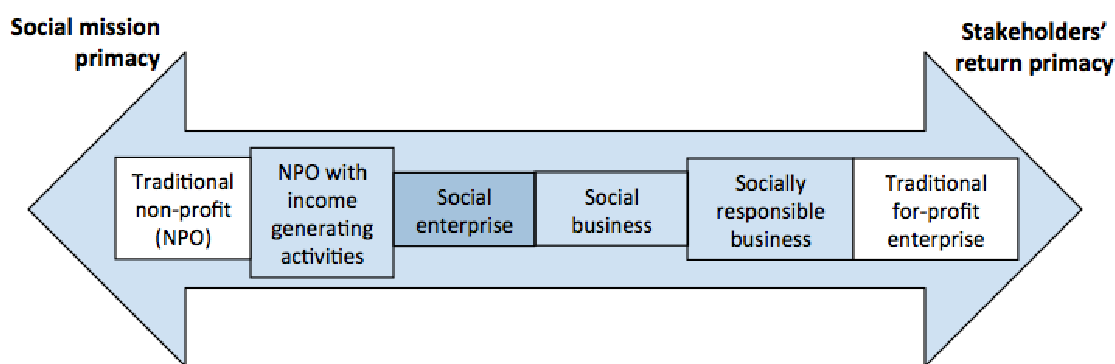
4 Culture is meant in the widest sense, from sustainable tourism and heritage conservation to artist cooperatives and citizens revitalisation initiatives through the arts.

This initial work led by researchers paved the way for recognition in other sectors, including policy making at all levels. Indeed, in 2011, the European Commission adopted a definition within the first European strategy aimed at supporting the development of social enterprises in Europe, the Social Business Initiative (European Commission, 2011) which falls within this first "social economy school":

> A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.

The second school of thought is the "earned-income school of thought", which is based on market-based approaches to income generation and social change. For this approach, social enterprises are to become full market actors as a way to address social problems and find solutions for them (Defourny and Nyssens, 2010). To fully grasp this approach, the idea of a continuum of social entrepreneurial activity is useful (Dees, 1996, 1998; Nicholls, 2006), although it results in a too large number of operational social enterprise models.[5]

Figure 2. Social entrepreneurial activity spectrum



Source: Adapted from Nicholls (2008) and Alter (2004)

5 According to some authors this continuum does not contribute to the categorisation effort of social enterprise insofar as all of them could be considered as "intermediate organisations" and labeled "hybrids" (Doherty *et al.* 2014; Defourny and Nyssens, 2016).

Within this approach, any earned-income business or strategy undertaken by a non-profit to generate revenue in support of its social mission can be consider a social enterprise, including the "social business" which is "a non-loss, non-dividend company designed to address a social objective" (Yunus, 2010).

The third approach to social enterprise is the "social innovation school of thought" which focuses on the innovations brought about by entrepreneurs who find "new combinations" following Schumpeter's theory of innovation as a process of creative destruction (Defourny and Nyssens, 2013). Organisations like Ashoka have used this approach and considered entrepreneurs as "change makers" although it is still to be confirmed that the results of their action really have had an impact in the space occupied by social enterprises, since the opportunities for innovating in this type of social entrepreneurship appear to, more and more often, be found in the traditional private sector (Defourny and Nyssens, 2012).

Despite the focus of the current thesis on social innovation and the apparently logical connection to this last school of thought, for the current research, I will consider mainly the EMES approach with the definition provided by the European Commission, which inspired it. By doing so, I am sure to deploy elements that are relevant to research and policy-making. Therefore, I consider social enterprises as:

> *organisations with an explicit aim to benefit the community, initiated by a group of citizens and in which the material interest of capital investors is subject to limits. Social enterprises also place a high value on their autonomy and on economic risk-taking related to ongoing economic activity* (Nyssens, 2006).

Before moving on to clarify conceptually similar concepts, I will provide a definition of social entrepreneurship. This is a challenge given the contextual and contingent set of activities that it encompasses that are all subject to interpretive analysis and measurement (Bacq and Janssen, 2011; Huybrechts and Nicholls, 2012). Social entrepreneurship covers a broad range of socially innovative initiatives in a spectrum from for-profit to voluntary organisations. Ultimately, it is the agents' perspective that determines the various meanings or scopes of social entrepreneurship. If we consider the perspective of civil society actors, social entrepreneurship may be a driver of systemic social change (Nicholls, 2006), but it may also constitute a unique space for hybrid partnerships (Austin *et al.*, 2006), or a political transformation and citizens empowerment strategy (Alvord *et al.,* 2004). From the point of view of public administrations, social entrepreneurship may represent a possible solution to state failures in welfare provision (Nyssens, 2006). With regard to the traditional business sector, social entrepreneurship can offer a new market opportunity (Huybrechts and Nicholls, 2012).

Social enterprise, the social economy, the solidarity economy, and the third sector

There are three important notions that need to be clarified when talking about social enterprises: the "social economy", the "solidarity economy", and the "third sector". They are the wider economic areas from where social enterprises have traditionally emerged and thus provide the explanation to understanding their evolution and their relevance in present day Europe.

The social economy appeared in France at the end of the 19th century and carries an enormous historical relevance for social enterprises. Indeed, probably most European social enterprises are rooted in the social economy, which gathers all those organisations whose major goal is to serve their members (or a larger community) rather than to seek profit for their investors. The social economy relies on democratic decision-making processes, which function as a structural procedure to control the actual pursuit of the goals of the organisation. The types of organisations gathered under the social economy term are associations, cooperatives, and mutual organisations and, more recently, also foundations and social enterprises. The Charter of Principles of the Social Economy promoted by the EU-level representative institution for these four forms of social economy organisations emphasises the following core traits of social economy organisations[6]:

- The primacy of the individual and the social objective over capital.
- Voluntary and open membership.
- Democratic control by membership (does not concern foundations as they have no members).
- The combination of the interests of members/users and/or the general interest.
- The defense and application of the principle of solidarity and responsibility.
- Autonomous management and independence from public authorities.
- Most of the surpluses are used in pursuit of sustainable development objectives, services of interest to members or the general interest.

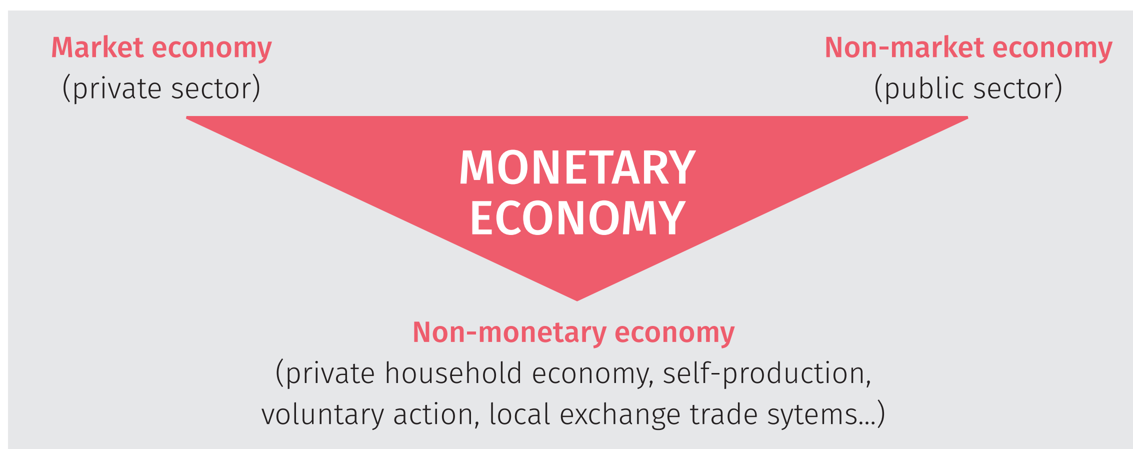
6 Social Economy Europe, formerly known as the European Standing Conference on Co-operatives, Mutual Societies, Associations and Foundations, CEP-CMAF. See www.socialeconomy.eu.org

Not all social economy organisations can be considered social enterprises as a part of them carry out an economic activity without a general interest objective and therefore do not meet the primary social objective requirement. Social enterprises seek above all to maximise the general interest or collective benefit dimension through the pursuit of an entrepreneurial or economic activity.

A second concept that is extremely relevant to understanding different developmental paths of social enterprise is the "solidarity economy", which can be defined as "all economic activities subject to a determination to act democratically, in which social relations of solidarity have priority over individual interest or material profit" (Laville, 2005: 253-259). The two main elements of the definition are the democracy and solidarity dimensions, which come before any economic mission of the organisation. Such a counter-mainstream approach is sustained by the recognition of a variety of economic resources and principles, going beyond the sophism that "economy equals the market" (Laville and Rogero Amaro, 2016). Indeed, it relies on the work of critical political sociologists and unorthodox economists such as Karl Polanyi who advanced several allocation mechanisms such as redistribution, reciprocity, and exchange.

Vital factors in the solidarity economy are the plurality of economic principles and hybridization of resources in a background of a plural economy and plural democracy (Laville, 2010), and a co-construction logic in the definition of the supply and demand of services and products implemented both by professionals and users (Brandsen and Pestoff, 2009). The idea of proximity services is very often used in the context of the solidarity economy as they combine all these dimensions (Gardin, 2006). The figure below illustrates the main elements that explain a plural economy, which were captured in a different way by the previous figure.

Figure 3. The structure of the plural economy

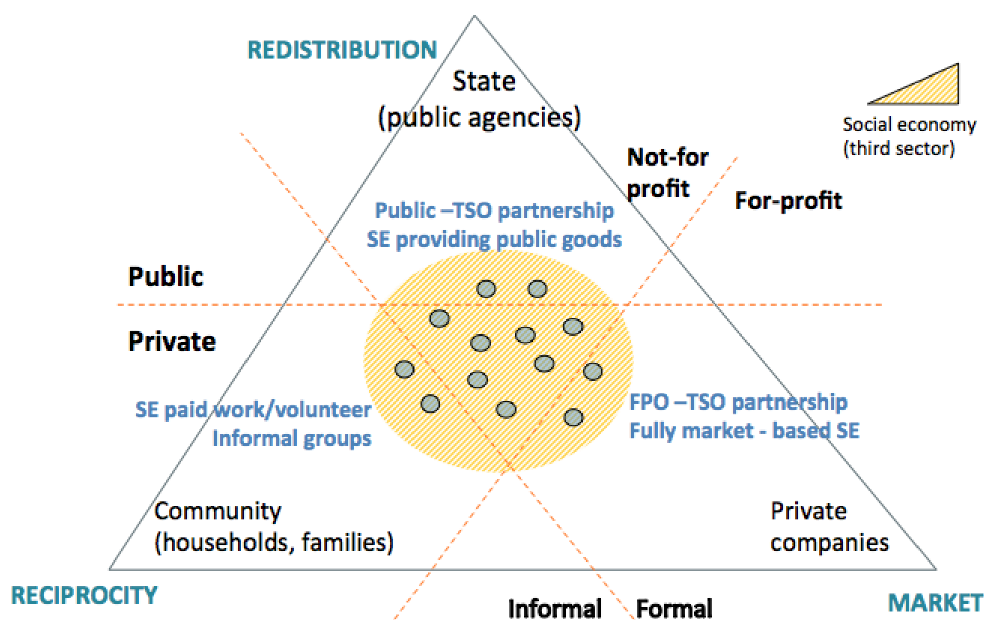


Source: Roustang *et al.* 1997

Among the many elements that the solidarity economy aims to reinvigorate is "public spaces" where stakeholders can debate the social needs to be addressed and the means to do it. Ultimately, solidarity economy organisations seek to achieve an economic democracy for all citizens as the necessary step required to achieve a full political democracy (Coraggio, 2011). Increasingly, the term 'social' is being added resulting in the broader encompassing "social and solidarity economy".

A third macro-economic concept often brought into the discussion when talking about social enterprises is the "third sector". Traditionally being a much contested notion across countries, recently efforts to articulate a consensus definition have been carried out (Salamon and Sokolowski, 2014). This term was originally used in the scientific literature to overcome the differences between the many national models referring to organisations that are not owned by the public sector and are not active in the market. When using "third sector organisations" authors emphasise the intermediary nature of these organisations and, as we have seen, in most countries it includes non-profit organisations but excludes cooperatives and other trading intensive social enterprises. Beyond the institutional way of approaching the third sector (through the legal form of the organisation), an important number of individual and informal activities are included such as volunteering, pro-bono work, or participation in social movements or advocacy activities (Salamon and Sokolowski, 2014).

Figure 4. Social enterprise as a combination of various actors, logics of action and resources



Source: Based on Pestoff (2008 and 2005)

Recent developments in social enterprise research, policy and practice

As we have seen, the study of social enterprise in Europe was initiated by economists, political scientists, and sociologists with a focus on a very specific type of social enterprise called "work integration social enterprises". Later on, other disciplines have joined the effort, especially management sciences, psychology, anthropology, and even design. Sociologists have devoted most of their attention to the crossing of governance and participation (Spear and Hulgård, 2009) within social enterprises as well as their "schools of democracy" dimension where citizen learn the ins and outs of functioning democratically (Eschweiler and Hulgård, 2012).

Such wide disciplinary interest stems in part from the above-mentioned emergence of new fields of practice, from renewable energies to finance and culture. In parallel, or probably at the root of this activity field expansion, we have witnessed an upsurge of social movements seeking not only a change in political rule but aiming at the economic emancipation of citizens as a prior step to full political democracy (Laville, 2010).

Social enterprises constructed bottom-up by collective citizen movements represent one of the ways to achieve such economic emancipation and as such they are being created to tackle recent challenges such as urban regeneration and citizen participation, and larger scale ones such as the refugee crisis. In this sense a shift in focus can be seen in the study of social enterprise: while a decade ago the focus was on proving the entrepreneurial potential of these organisations and learning how to manage them in a more efficient manner, it seems to be now on how they can effectively articulate aspirations of citizens to transform society led by collective interest and common good principles.

With regard to policy at EU, national, regional and local levels, policy-makers are increasingly formulating legal frameworks, policy initiatives, and support mechanisms for social enterprises in response to their increasing recognition of their contribution to tackling societal and environmental challenges and fostering inclusiveness. The Social Business Initiative (SBI), launched in November 2011 by the European Commission, aims to contribute to developing socially innovative enterprise projects, to introduce new investment and financing models for social entrepreneurs and enterprises to support their typical hybrid funding model[7], and to push for greater consideration of social aspects in public procurement

7 Many social enterprises derive their income from a mix of resources, like the sale of goods and services to the public or private sector and government subsidies and grants, private donations and voluntary work (European Commission, 2014: 6).

practices (European Commission 2011a).[8] This last goal builds on a directive that offers detailed suggestions to public authorities on how to design and introduce socially responsible public procurement of services, modeled after European social policy[9] in an attempt to harmonise policy objectives in the different Member States[10] (European Commission 2010: 15). A consultative multi-stakeholder group on social business (*Group d'experts de la Commission en entrepreneuriat social* or GECES), including representatives from all Member States and European civil society, examines the progress of the measures envisaged in the SBI.[11]

Looking at how social enterprises have developed in the field in Europe, we can conclude that the relevance of this new institutional arrangement could be considered the result of four trends (the first two being converging transformational trends within the traditional social economy / third sector / solidarity economy):

1. The turn toward more market-based strategies on the part of third sector organisations (e.g. associations) that did not carry out any trading activity.
2. The opening of the social mission of social economy organisations (e.g. cooperatives, mutual societies) to the wider community or society at large (general interest), going beyond their members' interests.
3. The creation of organisations that have not emerged from the traditional social economy/third sector but that adopt a newly created social enterprise form.
4. The existence of *de facto* social enterprises, driven by the mobilisation of a group of citizens, regardless of the legal form they adopt (this will be determined by the specific legal system), which remain often invisible. These are locally rooted and enjoy a wide participation thus making them savvier in how to access varied resource mixes.

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8 Follow-up actions include the European Commission mapping study to identify social enterprise ecosystems and good practice (European Commission, 2014) and the draft of a European Foundation Statute. Detailed documentation of follow-up actions, related programmes, initiatives and up-dates on implementation under ec.europa.eu/internal_market/social_business/index_en.htm#maincontentSec3 (accessed 25 September, 2015).

9 Actions range from introducing ethically traded coffee in cafeterias of public institutions to purchasing service delivery for vulnerable groups by social enterprises or other service providers who demonstrate social considerations. This can be in the form of offering equal employment opportunities for people hard to integrate in the regular labour market, offering decent pay and working conditions, or displaying an exceptional sustainability portfolio.

10 Including social clauses to procurement procedures can be a complex task, especially for larger contracts. Legal advisors and tutors can help authorities who wish to "buy social", the European Commission provides financial support via the EU structural funds.

11 http://ec.europa.eu/internal_market/social_business/expert-group/index_en.htm (accessed 8 October 2015)

This European-based understanding has developed, however, against an international myriad of definitions and approaches. Indeed, the global relevance of the social enterprise concept and the connectedness among actors has facilitated the exchange of experiences worldwide but Europe and the EEUU remain the main sources of reference. However, alternative dynamics appearing in peripheral countries (e.g. Colombia, Brazil, and India) are questioning this hegemony (Hulgård and Shajahan, 2013; Laville *et al.*, 2016). Parallel to the ongoing effort to delimit the boundaries of a definition for social enterprise, a categorisation of social enterprises and social enterprise models is also underway in the framework of some ambitious international comparative research projects (e.g. International Comparative Social Enterprise Models).

Such projects take into account one of the key element that has been introduced by the literature on social enterprise, which relates to the extreme importance of the macro-institutional framework in the conditions of emergence and development of social enterprises (Kerlin, 2009). Indeed, social enterprises are embedded in their socio-political contexts and the tensions between the various actors of the economic and political systems increase as their position in these systems consolidates (Nyssens, 2006). The sociological neo-institutionalist approach developed by DiMaggio and Powell (1983) has inspired many studies carried out in the field of social enterprises. For instance, there is a tradition of research in this area that has looked at how existing institutions influence the development of the non-profit sector in various countries (Salomon and Sokolowski, 2010) and at path-dependency and isomorphism issues in the interaction of social enterprises with the public and traditional private sectors (Nyssens 2006). Moreover, most EU-funded comparative research on social enterprises begins with a description of the institutional context and its evolution so as to provide the necessary framework for understanding their development. Drawing on sociological and political science historical institutionalism, Kerlin gathers macro-level information on a country's institutions to see how they appear to shape social enterprise models in five countries. We follow Kerlin's conception of institution after Rueschemeyer's definition (2009: 210): "institutions are clusters of norms with strong but variable mechanisms of support and enforcement that regulate and sustain an important are of social life."

In her model, Kerlin proposes that these macro-institutional processes act as causal paths for the emergence of social enterprise models. Usually five factors are identified as the main components of such models: recent culture and history; type of government; stage of economic development; model of civil society; and international influences (Kerlin, 2010). This model will be applied in the present research in the three country case studies selected to analyse more in-depth national adaptations of a social enterprise model.

2.2.2. Social enterprise and social transformation

As suggested above, the issue of social transformation is a complex one and it is far from being solved. Indeed, it entails many actors and disciplines such as sociology, political science, social work, developmental studies, and psychology that have been dealing with it for a long time. Recently, interest in capturing and measuring social transformation (and social innovation) is increasing. The way to approach it has been through the measurement of the social value created by the social initiative, particularly social enterprises. Despite the problem of defining value across cultures (González *et al.,* 2010; Mulgan, 2010) and its intangible nature (Nicholls and Cho, 2006), several ways to capture it have been developed, most of them stemming from the management sciences and focused on the concept of "social impact". The term "social impact" is usually accompanied by "positive" so as to indicate that the term " impact" can be ambivalent and result depending ultimately on the goals sought (Evers *et al.,* 2014; Nicholls *et al.,* 2015). There exists a number of ways to capture the notion of social impact, which is often used to refer to the contribution made by social actors to social change. These methods are based on the quantification of results (outputs), the most common standardised methodologies for measuring social value including social return on investment (SROI) and cost-benefit analysis. However, the main challenge for social enterprises remains the intangible part of this value or impact creation process, which remains elusive to all the measurement attempts despite some attempts (e.g. Social Added Value Evaluation by Bassi and Social Value measurement by Contreras).

When it comes to social enterprises, their aim is clearly to address a social need or tackle societal and environmental challenges. Indeed, they can enhance physical, mental, and social wellbeing and thus daily living conditions.[12] The range of these daunting challenges in the last decades includes climate change and pollution, ageing, structural unemployment, health, migration, and global conflict (Borzaga and Galera, 2016).

Therefore, social enterprises are increasingly being recognised as important actors in the fight against some of society's structural problems such as unemployment, social exclusion, and racism (Borzaga and Becchetti, 2011). In addition to the economic relevance of the third sector Laville and Lallement (2000), and Pestoff (2001) emphasise the unmatchable capacity of the third sector to generate innovative organisational practises; it offers novel ways to tackle urgent social needs; it covers a wide spectrum of services; it contributes to reducing the bureaucracy involved in the provision of services by public administrations; and, it mobilises untackled resources that exist in civil society. A central ques-

12 Understanding health inequalities as income inequities, social enterprises can tackle the inequitable distribution of power, money, and resources through their participatory governance "that can be significantly empowering" (Roy *et al.* 2013:62-3).

tion, however, remains why these resources have remained untapped: according to some scholars, many of these citizen-based resources have been made invisible in the name of progress and rationalisation, thus impoverishing the process and the result (Sousa Santos (de), 2007; Calle *et al.,* 2017). In any case, some social enterprises tend to create other positive externalities such as the promotion of bond capital and responsible behavior among employees, volunteers, customers, and beneficiaries, mobilising social and civic capital and fostering citizens' democratic behaviour (Godbout, 1992; Pestoff, 2001).

Rooted in the longer tradition of the social and solidarity economy, social enterprises are also contributing to emerging areas of activity (from recycling in the 1990s to renewable energy in the 2000s), with innovative services and products but also with a participatory and collective way of delivering and producing them (Nyssens, 2006). Since social enterprises are often launched by a collective group of citizens who share a sense of urgency and together design a way to address it, they enjoy a social legitimacy that enables them to attain the social mission they were set out to achieve. Although not central yet, we will see later how the field of culture is emerging as one of these new areas of activity where the social economy, and particularly social enterprises, are becoming more present.

Transformation is very often thought of as the result of a process of innovation. As such, literature on change theory and related topics has observed several possible results of social transformation, at the level of institutional transformation, transformation of social relations, and political transformation (Wright, 2010). Regardless of the result of the transformation, they usually include processes of empowerment of the participating actors whereby they become actors of change (Wright, 2010; Moulaert *et al.*, 2010). The upsurge of concepts like *the new commons* or *buen vivir* can be located in this process by conceiving social transformation as a prioritisation of the general interest of societies, future generations, and the planet over the private interest of a few with crucial consequences for the rest of society (Ostrom, 1990; Haberl *et al.,* 2011). The present research locates social enterprises and their contribution to social innovation precisely in that space for social transformation, more particularly in the field of culture.

The next section covers social innovation in detail and links it to social enterprises and social transformation. As part of this connection, social enterprises are recognised as a useful actor to achieve such transformation, especially by policy-makers: "at all levels of the political arena, strategies are being drawn up to encourage social entrepreneurs to contribute to the work of solving problems by delivering and developing social services in a period marked by cross-pressures arising from demographic changes, higher expectations and ever greater global competition" (BEPA, 2011) even though this connection has not been scientifically proven (Evers *et al.*, 2014). Moreover, I problematise

the often recommended scaling-up and replication strategies of social innovation and social enterprises by exploring the factors that affect such replication and the adaptation required for it to be successful.

Lastly, we would like to advance four dimensions of social enterprises (as understood in this thesis) that may contribute to social transformation processes in the long term and that will be tested in the framework of the field work to be completed:

1. Rootedness in the social and solidarity economy: As already mentioned, European social enterprises enjoy a unique framework of reference in the social and solidarity economy/third sector. They are "knowledgeable about the best way to preserve an identity while interacting with the market, the public authorities and civil society" in particular when social enterprises are to find a way forward "under all these isomorphic pressures" (Defourny and Nyssens, 2011:27). At the same time, there is still a lot of room for innovation at the more sectoral level, particularly when it comes to finding ways to articulate the tensions emerging from some of the developmental trends pointed out above.

2. Interaction with public authorities: While the risk that social enterprises are taking in the market (including financial markets) seems to be increasing, the sustained interaction with public authorities at all levels constitutes a unique and relevant trait of European social enterprises. Indeed, a possible increasing marketisation should not neglect the development of public contract and co-construction logic whereby public authorities act as commissioning parties, other types of private contributions (e.g. membership), or volunteering (Huybretchs *et al.,* 2015).

3. Collective dimension: There exists within the third sector and social economy across Europe a tradition of collective entrepreneurship - either joint (leader and supporters) or team-based entrepreneurship - driving the set up of entrepreneurial initiatives (Borzaga and Defourny, 2001), which in turn results in higher levels of social capital (Nyssens 2006). In some cases, this collective dimension may even facilitate the organisation of the social action around an economic activity (Laville *et al.,* 2005).

4. Participatory governance: The governance structure of social enterprises has been identified as one of the most innovative dimensions of this institutional arrangement (Defourny *et al.*, 2014). Indeed, in Europe social enterprises are embedded in the third sector or social economy tradition, which frames them in "a long-lasting quest for more democracy in the economy" (Defourny and Nyssens, 2012).

2.3. APPROACHING SOCIAL TRANSFORMATION THROUGH SOCIAL INNOVATION

2.3.1. Social innovation as a novel institutional space

Despite its growing popularity among policymakers and social scientists, social innovation remains a contested concept where different worldviews, epistemologies, and socioeconomic and political contexts meet. As a matter of fact, depending on not only the discipline but also the epistemological tradition, social innovation can be conceptualised differently. Ultimately, as explained by Nicholls *et al.* (2015) "each case of social innovation ... will need its own epistemology and set of boundaries and logics if it is to be understood clearly. This is, of course, a methodological, as well as theoretical, challenge for researchers." Moreover, some authors think that when it comes to social sciences itself, there is not even a "consensus regarding its relevance or specific meaning in the social science or humanities" (Pol and Ville, 2009:878).

Such lack of a unified definition stems both from the complexity of the concept but also from the fragmented community of practitioners and social sciences and humanities researchers. A large number of approaches and definitions to social innovation co-exist across different disciplines (sociology, business administration, economics, political science, communication studies, etc.), which is positive for advancing science but at the same time results in repetition and overlap while recurring gaps remain unaddressed (Brandsen *et al.,* 2016).

Many elements have been identified that make it particularly difficult to define social innovation. Whether because of its intimate relationship with practice; the different scales at play; the different actors involved; the various disciplines from which it is approached; or the large array of institutional settings and geographic areas in which it can take place, the truth is that social innovation remains an elusive concept. And still, despite the weak theoretical foundations of social innovation, it has quickly expanded across the world, especially in Europe where it was embraced by the former European Commission and maintained by the current one.[13] The dramatic increase in political attention to social innovation in Europe can be explained *inter alia* by its alleged capacity to leverage initiatives that address inequality and to increase social cohesion in specific

13 See "Social innovation as part of the Europe 2020 strategy" available on the devoted webpage with resources developed by the European Commission ec.europa.eu/growth/industry/innovation/policy/social/index_en.htm

settings by adapting social innovation initiatives to other contexts. Such development adds to the urgency to understand at least a group of core traits that can help us understand the phenomenon.

In terms of the nature of the concept itself, social innovation has been defined as a "quasi-concept" (Jenson, 2012; European Commission, 2014) in the sense that it is a non-stabilised concept that works across academic and policy communities precisely because of its hybridity, ambiguity, and polysemy. This view joins Gallie's idea of "contested concepts" which are "conceptually imprecise and used in ways which we may see as disagreeable" (Ayob *et al.* 2016). In this context, a kaleidoscopic view needs to be developed by researchers working with social innovation given the multiple sets of theories, traditions, and experiences gathered under such an umbrella, which also includes positivist and critical perspectives.

Having said this, each research project on social innovation needs to contextualise and provide its own definition of social innovation. This section sets out not only to provide such contextual definition,, but to go a step beyond by identifying a set of common traits that seem to be widely accepted by the scientific community with a view to delimiting a "definitional core" of social innovation. Before doing so, I will summarise the main schools of thoughts and traditions within social innovation with a critical eye. Lastly, I will select the elements from the various schools and approaches that allow us to build a working definition with the support of a recent article by Ayob *et al.* (2015) that traces the evolution of the concept in research.

Main approaches to social innovation: technological versus emancipatory

Although the origin of the term "social innovation" is unclear - there were some predecessors in the social sciences who named it "social invention" while others studied dimensions of social innovation without naming it that - the sociological origin of the term is currently accepted among social scientists. The work of Gabriel Tarde (1899) is often cited as one of the first to study the increasing networked dimension of the economy, which resulted in a proliferation of innovations or new "production techniques" within society (Ayob *et al.,* 2016; Nicholls *et al.,* 2015). A few years later (and in parallel to a subsequent work by Tarde focused on the diffusion of these innovations in society) the first journal paper including the term "social innovation" was Hoggan's "The American negro and race blending" in *The Sociological Review* (Ayob *et al.,* 2016).

Fast-forwarding a few decades, I focus for the present research on the issues that social innovation referred to when it began to be widely used in the 1960s in relation to collective action and social transformation (Moulaert *et al.,* 2013:15-16). Schumpeter's theory of innovation is very often cited as one of the crucial theoretical references for

social innovation, as it aimed to develop a "comprehensive social theory" that exceeded the boundaries of economic logic and mobilised other sociologies able to provide a worldview from where one could analyse development and innovation (MacCallum *et al.*, 2009). This ambitious endeavour is often reduced to his theory of innovation and entrepreneurship, which has been often used to explain the development of social enterprise and social entrepreneurship. Moving beyond a restrictive outcome- and management-based view of social innovation, recent years have seen how disciplines such as sociology and political science have re-approached social innovation, opening the door to more dynamic and relational conceptions.

The first systemic study of the evolution of the term "social innovation" conducted by Ayob, Teasdale, and Fagan (2016) covers a 25-year period (from 1989–2013) and distinguishes five phases: 1) The accidental emergence of a concept (1989–1993); 2) Social relations vs. technological innovation (1994–1998); 3) Early signs of contestation (in the sense of conflict about meaning) (1999–2003); 4) Progressive competition: challenging extant power relations or creating utilitarian societal value (2004–2008); and 5) The apparent de-contestation of social innovation (2009–2013).

Their study confirms that actually most publications reviewed do not define social innovation explicitly but rather describe only the main dimensions of a particular innovation. Based on these characterising dimensions, three broad themes were found: *societal impact* (focus is on the output created to address a given problem or need); *social relations* (focus is on new social processes or forms of social relations created); and *technological innovation* (the innovation is driven by technology or is technology-based). Since all social innovations do take society into account (even when they highlight the technological contribution of the innovation), the authors further refined the last category into "technological innovation and societal impact" and "technological innovation and social relations". Although these categories gradually converged over time, they were useful to make distinctions based on: 1) whether the authors focused on the social or the technological component of the innovation; or 2) whether the authors focused on the social relations or societal impact.

Although most research funding has been channeled towards technological innovation, it is becoming widely accepted that social innovation is a complement to technology-driven solutions. Indeed, in technology-intensive areas such as energy, health care, and transport the social dimension of innovation is seen as crucial (WILCO, 2013).

The boundaries between technological and social innovation are also bridged with increasing awareness of the limits of technocratic innovation (Moulaert *et al.*, 2005) along with the belief that the future of innovation lies in social and service innovation (Mulgan, 2006), and

that economic development relies increasingly on social innovation (Vienna Declaration, see ZSI, 2011) and the new models of systemic innovation under the concept of the quadruple helix of university-industry-government-civil society (Carayannis and Campbell, 2009).

The conditions of emergence of social innovation relate to a number of growing social problems caused by social changes. These deeply rooted problems include issues related to material deprivation (growing inequalities, economic exclusion, deprivation, long-term unemployment, etc.) as well as issues dealing with human subjectivities that hinder citizen participation in society such as social and cultural exclusion, ageing, political and civic alienation, or even climate change (Nicholls *et al.*, 2014; Chambon *et al.*, 1982; Moulaert *et al.*, 2013). Frank Moulaert and colleagues see the empowerment of citizens participating in social innovations as a central aspect and refer to it as "socio-political mobilization" (Moulaert *et al.*, 2013:19).

In this context, a critical reading of the technological approach to social innovation is crucial for revealing the possibility of "emancipatory" readings. In this sense, Laville and Roque Amaro (2016) criticize the very historical roots of the social innovation concept and the need to connect it to the idea of solidarity for it to be truthful to the European tradition. Indeed, the appearance of the concept of social innovation at the end of 20th century is linked to the crisis of the synergy between the market and state that had previously existed. But it would be fairer to speak of "crises" in plural, as we can distinguish two crises that occurred and became established.

The first one is a somewhat forgotten crisis of a cultural nature. As the "ideology of progress" was being eroded, new social movements, such as the feminist and the ecological movement, emerged to question some forms of domination of the formerly paternalistic welfare state that treated citizens as customers. Laville identifies many of these social innovation initiatives with initiatives grounded in the social and solidarity economy: they could be considered to some extent as a re-politicisation of the social economy and as a reaction against its earlier trivialisation which focused on the economic and social dimensions leaving out the political one.

However, over time, these dynamics became linked to changes in forms of public engagement, characterised by an emphasis on pragmatism, local action, and concrete experiences, which in turn lead to a change of terminology. This was a critical moment when a shift from the "new social movements" to "social innovations in civil society" occurred. Considering the connection to emancipatory practices, many of these initiatives for social innovation were grounded in the solidarity economy which can be considered at a certain level as a re-politicisation of the social economy and as a reaction against its earlier trivialisation (economic, social, and political).

All the issues that have been raised in the course of this cultural crisis remain timely, since none of them has been truly resolved. However, the urgency of dealing with the subsequent economic crises took over: indeed, social innovation ceased to be perceived in relation to citizen initiatives and began to be taken in relation to economic performance. This process of rendering invisible the political search for transformation by citizen-led initiatives explains, according to Laville, the more utilitarian, technology-driven approaches to social innovation.

This focus on performance corresponds to the second major conception of social innovation described above. With the growth slowdown in the 1980s, the idea that technological innovation contributed to economic recovery began to spread and became a major issue for political scientists. Furthermore, broadening the understanding of technological innovation led to the idea that a condition for success was the transition to organisational innovation as a way to ensure that technological "insertion" was not rejected.

In this context, as already illustrated, it became slowly recognised that innovation is not just technological or organisational, but is also inter-institutional in a given territory and thus is a deeply social process. The main differences between the two main approaches to social innovation (technological versus emancipatory) explain the difficulty in understanding what is happening in terms of social innovation. Furthermore, over time, there has been a certain crossover between these two distinct ways of looking at social innovation and new promising combinations are being developed. Thus, we currently see citizens' initiatives that were initiated as a result of democratic and emancipatory demands that have followed an entrepreneurial dynamic, and the questions raised about economic performance have led to the emergence of new problems and ways to tackle them.

Indeed, within this emancipatory approach to social innovation, Subirats and García Bernardos (2015) propose a "re-constitutive" social innovation that acknowledges the need to enlarge the notion of innovations to include new decision-making and democratic participation formats that reflect the non-passive acceptance of the established order. Both of these approaches avoid the conception of social innovation processes as individual, heroic ones and frame it within social ecology logic (Subirats and García Bernardos, 2015).

The above mentioned approaches to technological-based social innovation constitute the most critical approaches which have been able to integrate issues such as real transformation and participation into the debate, beyond the utilitarian (to improve quality of life) or technologist (innovations in society are driven by technology) approaches.

Lessons from European projects

The most influential research done on social innovation in Europe originates from major EU funded projects and from the work done in the United Kingdom, mainly on the part of the Young Foundation, the Social Innovation Exchange (SIX), and Nesta. Starting in 1989, EU comparative research projects began to approach social innovation from different disciplinary and methodological angles. Below, I summarise the seven key projects for my research and the lessons that I have drawn from them:

1. The IAD project (*Integrated Area Development*) added a spatial dimension to social innovation that had not been seriously considered until then. IAD brought to light the web of trans-scalar and multi-dimensional relations that determine the way people exist in a given place and how their "empowerment" is determined by this set of relationships. In all, IAD connected social innovation and social exclusion insofar as new dynamics of innovation can originate from actions of communities in situation of social exclusion (Moulaert, 2000).

2. The SINGOCOM project *(Social Innovation, Governance, and Community Building*, 2002-2004) developed an Alternative Model of Local Innovation (ALMOLIN) in response to the overly economy and technology driven development frameworks known as Territorial Innovation Models (TIM). Two crucial findings in SINGOCOM were, on the one hand, the existence of institutional networks and interactions between different governance levels that determine the success (or failure) of a given innovation, and on the other hand, the weight of history – understood as a developmental trajectory – that shapes the possibilities for any social innovation to thrive in a given setting. These two elements are to be considered assets or liabilities depending on the way social innovation unfolds.

3. The SOCIAL POLIS social platform was the first attempt at triggering a multi-stakeholder and participatory process for the development of a research agenda. It constituted an innovative format for achieving such goal, plus it was very innovative in the way it applied transdisciplinarity, multi-dimensionality, and multi-scalarity. These three methodological principles were essential to overcome the fragmentation of analyses existing in the cultural, economic, and social domains when addressing social cohesion in an urban context. Departing from urban theory and urban studies, Social Polis focused on the city as a space for collective civic action and social integration with a particular focus on new possibilities for citizenship formation and political participation (Sandercock, 2003). In this project, social innovation was defined as "new organisational and institutional forms, new ways of doing things, new social practices, new social

interrelations, new mechanisms, new approaches and new concepts that give rise to concrete achievements and improvements in solving social problems or perceiving social needs" (Social Polis, 2011:62).

4. The KATARSIS[14] project focused on the innovative strategies developed by people in conditions of exclusion, both at the individual and collective level. Katarsis noted that these responses often differ from the solutions mobilised by mainstream society, therefore opening the door to processes of social innovation leading to new policies and practices (Moulaert *et al.*, 2010). Katarsis took the multidimensionality of social innovation into consideration and overcame fragmented analyses and strategies in the fight against social exclusion. The spatialised dimension brought forward particularly by these three EU-funded projects was crucial to understanding the multiplicity of scales and actors that participate in the triggering of social innovation.

5. The WILCO project (*Welfare Innovations at the Local Level*, 2011-2014) set out to identify innovative practices in European cities and the factors that make them emerge and spread. It was considered as a critical project with regard to the mainstream and quite normative view on social innovation. Some relevant findings include the fact that success and long-term sustainability of social innovation initiatives constitute an exception; that most of them remain local and last only a limited number of years. WILCO researchers further observed how social innovations do not fit pre-established patterns of growth and recognised the value of many small, temporary initiatives that are of high value within their local context but that may not be easy to replicate in other contexts (Evers *et al.*, 2014). Despite the impact that the reduction of funding from the public sector has had on welfare initiatives, there are some underlying structural dynamics that should not be ignored such as project-based funding, dependence on charismatic initiators, and shifting political fashions (WILCO, 2014). Moreover, WILCO researchers began to warn about the danger of considering social innovation in a rather simplistic and normative way by *de facto* considering it as "good" (Brandsen *et al.*, 2016).

6. Regarding barriers to social innovation and its scaling up and replication, two projects are relevant: The SI-Drive project (*Social Innovation – Driving Force of Social Change*, 2015-2017) focuses on identifying and assessing success factors, barriers, and drivers of social innovation in seven policy areas in order to map,

14 See http://katarsis.ncl.ac.uk/index.html

analyse, and promote social innovations internationally.[15] Although culture was not one of them, a relevant finding for this project was that an innovation is social to the extent that it varies social action, and is socially accepted and diffused in society. As such, a social innovation has a life cycle that ends with its standardisation. Among the findings, cross-sectoral collaborations were found to be of great importance. Among the many relevant barriers for social innovations, the lack of finance was identified as one of the most important ones. The other project was the TEPSIE Project (*Theoretical, Empirical, and Policy Foundations for Social Innovation in Europe*, 2012-2015)[16] that analysed the barriers to innovation and, in relation to that, the resources and strategies required to support social innovation at the European level. In the context of this research, it is worth noting the distinction between two broad categories: structural barriers related to the complexity and uncertainty of social processes and their consequences; and agency barriers related to the characteristics and (inter)actions of individuals or organisations involved in social innovation processes.

Since the issue of barriers preventing the emergence, development, scaling, and/or replication of social innovations is key to this research, I will now dwell a bit longer on them. Specific research on social innovation barriers show that not only are barriers very context-specific, but they are found on different levels (individual and society) and have different formalisation degrees (some are formal and other informal). Indeed, Hougaard, building on the work of Danish colleagues, attempts putting forward a framework visually summarised in a matrix with two axes covering the individual-society continuum and the formal-informal continuum.[17] Based on this matrix, four categories of barriers can be described:

- Formal barriers related to society such as regulation and legal frameworks. They can be addressed by decisive action and it is the type of barrier usually addressed by policy-making.
- Informal barriers related to society that are connected to culture, both societal and organisational culture. They are pervasive and take a long time to alter.

15 SI-DRIVE lasted January 2015 to December 2017. All intermediate and final Project outputs can be found at www.si-drive.eu

16 See http://www.tepsie.eu

17 The blog dedicated to social innovation research siresearch.eu includes contributions on the various topics related to social innovation, such as this one on barriers (http://siresearch.eu/blog/barriers-social-innovation). Last accessed on 21 January 2016.

- Informal barriers related to the individual innovator, which are connected to the lack of trust driven by the existence of hidden motives.

- Formal barriers related to the individual that are associated with the lack of competences of the social innovator who needs to actively seek to overcome this lack (for instance by training). However, it is not fully dependent on him since the possibility of accessing these competences needs to be available (such as relevant education).

An interesting intermediate level between the individual and the social is the organisational level barrier identified by Fonović *et al.* (2016) when describing the barriers to third sector development: they range from environmental level barriers (regulations and resistance within local communities) to organisational level barriers (organisational rigidities and scarce resources, prevailing discourses and practices). Learning more about these barriers could allow us to define organisational and environmental arrangements to overcome them. Another set of barriers can be more specifically defined for the scaling and replication of social innovation. I will cover these in section 2.4.

Types of social innovation

In addition to definition, the issue of *types* of social innovation is important as they determine the ambition, effect, and duration of social innovations over time. The most commonly accepted types of social innovation are *incremental* (an effective concrete solution in the form of goods or services usually focused on a disadvantaged group), *organisational* (existing institutional arrangements are reshaped or new ones are created to reconfigure market structures and patterns and increase the social value created), and *disruptive* (aims to change cognitive frames of references, alter power relations and social systems, and reframe social issues) (Nicholls *et al.*, 2015).

These three types are associated with three complementary perspectives to the social dimension of social innovation, namely the *social demand perspective* (the narrowest approach as it focuses on solving urgent problems for given society groups with a logic of complementing a market or state provision failure); the *societal challenge perspective* (balances the economic and social creation of value with a logic of making the social aspect of societal problem-solving a crucial part of economic development); and the *systemic changes perspective* (the hardest to achieve, it focuses on sustainable systemic transformation to be reached through processes of institutional development and changes in relations between institutions and stakeholders) (BEPA, 2010). The table below provides examples of social innovations according to their perspective and type. Although the perspective-type pairing suggested is the most common, there may be occasions in which they combine differently (e.g. an incremental type of social innovation can lead to

addressing a societal challenge). In any case, it is important to note that the widest type of social innovation usually includes the previous levels, thus systemic (disruptive) social innovation includes meso (organisational) and micro (incremental), and organisational social innovation usually includes a concrete incremental type of social innovation.

Table 2. Social innovation examples per perspective and type

Perspective	Type	Example
Social demand (micro)	Incremental	› Health and care services for the elderly › Educational services and care of children › Urban regeneration.
Societal challenge (meso)	Organisational	› Fair trade › Migrants' and asylum seekers' dispersed accommodation
Systemic change (macro)	Disruptive	› Gender mainstreaming public policies reforms › Collaborative economy › Social movements and self-consciously political actors

The importance of the systemic transformation dimension of social innovation has been covered in the literature. Geels's contribution focuses on how social innovation moves from a local to systemic level while others offer "recipes for social innovation" (Boyer *et al.*, 2011). The aim of creating sustainable systemic transformation involves the idea of reshaping society with the solutions created and the processes implemented to find those solutions. The idea of the systemic level of social innovation has also driven the growing recognition that innovation is not just technological or organisational, but also inter-institutional in a given territory and thus is a deeply social process that necessitates the crystallisation of a number of actors, dynamics, and processes into a conducive eco-system (Geels, 2005; 2006). A potential negative effect of this local-to-global evolution identified by researchers could be the intensive push for scaling-up and replication (without the adaptation required by the specific context) that has driven policy-making in the last decade.

Given the ambiguity of the term, social innovation has even been limited to a technological trend, a specific policy area, a Corporate Social Responsibility strategy, or even

an organisation. As for the various research approaches, they represent different perspectives on how social innovation can be studied: as a concrete output (new service or product), a process (whereby new groups of citizens are activated and empowered to carry out the transformation), or a combination of both. Beyond the initial objectives, context is of utmost importance: the wider political system in which social innovations are embedded, as well as the reaction of the socio-economic actors, are crucial for its success or failure (Osborne and Brown, 2011; Montagut, 2014).

A working definition of social innovation for the current research

After some initial attempts at setting the boundaries of social innovation with a view on finding the definite shared definition, there seems to be an emerging feeling among the loose community of social innovation researchers that such a task may not only be unrealistic but also futile. This debate mirrors the development of social enterprise with some actors defending the need for an agreed upon concept and others rejecting such possibility and still others offering some tools for locating ideal-types of institutional arrangements that reflect what happens in the field (Defourny and Nyssens, 2010).

Based on the above, we distinguish two main conceptions of social innovation. The first one is concerned with the role of citizens in the construction of a society where processes leading to new forms of social relations matter as much as those aimed at solving societal problems. These new processes can be mediated by technology but in no case does technology become the centre of the social innovation. In this approach, the added value brought about by a given social innovation can be evaluated but the emphasis in not on quantifiable economic indicators. The second conception is concerned with the utilitarian performance (in many cases economic) of a given initiative and its social impact, thus focusing on the outputs produced, its measurable impact, and its scaling-up and replication.

Needless to say, the "new ways of doing things" mentioned above when describing the contribution of the Social Polis project emerged through "acts of citizenship" from collective actors capable of creating new spaces for public debate and for claiming new rights. Such a research line joins other views about associationism and its role in the construction and shaping of the public sphere (Laville and Sainsaulieu, 1997) and the need to integrate the political discussion about what kind of improvements and transformations are sought and brought about by social innovations and interventions, well beyond functionalist approaches (Montagut, 2014).

An interesting dialectic seems to emerge from the analysis of all these definitions and approaches to social innovation: the tension between competition and solidarity. Indeed, one crucial distinction that can be made between the two main approaches to

the social economy is the value they assign to competitiveness and solidarity. Economic and managerial approaches to social innovation put forward the value of competitiveness and technology, while perspectives including social movements and empowerment (change in social relations and political change) emphasise the need to cooperate and create spaces for solidarity-based exchanges (as opposed to monetary). Such dialectic, together with the systemic transformation angle, represents an interesting analytical framework for the current research. Therefore, the main elements of the working definition within the framework of this research stem from all the above elements as well as the Nicholls *et al.* (2015). I summarise the definition in the table below:

Table 3. Dimensions included in the working definition of social innovation

Dimensions	Explanation
Needs satisfaction	Social innovation is about addressing problems via specific outputs and outcomes. The value created goes beyond financial profit and is distributed beyond the originators of the social innovation.
Process	New forms of interaction are established in the dynamics and processes at play within social innovation; it is considered as important as the outputs/outcomes.
Change in social relations	Rebalancing power disparities of economic inequalities in society.
Improvement	Social innovation results in increased "social value" or "social impact" therefore improving existing conditions and solutions understood as a process where all concerned actors participate.
Empowerment	It translates into the socio-political mobilisation of the citizens involved in social innovations.
Specific form	It may have multiple forms (covering formal to informal): Ideas, actions, frames, models, systems, processes, services, rules and regulations as well as new organisational forms
Originators and leaders	It may have multiple originators: the public and private sectors or the social economy/third sector, as well as users and communities.
Unforeseeable nature	Social innovation cannot be controlled, and expected or intended results are affected by a variety of factors.

With the dimension-based definition above, we avoid the unnecessary challenge of adopting a simplistic definition to carry on with this research. In order to reach a systemic level, social innovation needs to be truly transformative, which implies a change in attitudes, values, and practices. When planning an initiative or intervention the aim should be on reaching shared well-being and governance patterns and shared social justice criteria (Montagut, 2014). Indeed, social innovation means "fostering inclusion to and wellbeing through improving micro and macro social relations and empowerment processes" (Moulaert *et al.*, 2013:16). In the next section we will focus on framing social enterprise within the larger context of transformative social innovation.

2.3.2. Framing social enterprise within social innovation

Insofar as social innovation actors commit to addressing societal challenges at a level that is broader than the immediate one, they are *de facto* engaged in institutional work (Lawrence *et al.*, 2009). It has been observed that such work usually takes the form of either groups or individuals creating institutional arrangements leading to new organisational forms (Rao *et al.*, 2000; Tracey *et al.*, 2011). This approach links with the societal challenge perspective of social innovation aiming at the meso level of social transformation illustrated by table 2. According to Nicholls (2010) the resulting institutional arrangements can be "radical" (aiming to overthrow some of the existing institutions) or "incremental" or "institutional" (with a focused scope and challenging only the institutions that challenge their development).

Some authors consider social entrepreneurship as "a subset of social innovation – the organisational enactment of social innovation ideas and models" (Nicholls *et al.*, 2015:5), and social enterprise would be the most concrete institutional example of this subset (Alter, 2006; Nyssens, 2006). This approach links with the societal challenge perspective of social innovation aiming at the meso level of social transformation explained above.

The timeliness of the contribution of social enterprises to solving some societal challenges is being brought to light now in parallel to a broader context of policies aimed at boosting social innovation in Europe. As we have seen, social innovation is widely understood as new solutions to existing social problems, usually in the form of services, products, or new institutional arrangements (BEPA, 2010; Evers *et al.*, 2014; Moulaert *et al.*, 2014). Indeed, Moulaert and Nussbaumer (2005: 2071) point out that social innovation rests on two pillars: "institutional innovation (innovation in social relations, innovations in governance including empowerment dynamics) and innovation in the sense of the social economy – i.e. satisfaction of various needs in various communities".

A nascent body of literature on social innovation tends to confirm this connection although not to the extent that seems to be suggested in the grand political discourse (Evers *et al.*, 2014). While the exact relationship between social innovation and social enterprises requires further research (Borzaga and Bodini, 2012), social enterprises are widely recognised as key actors for social innovation (Hulgård, 2014) and capable of being vehicles of social innovation (Gardin, 2006; Brandsen and Pestoff, 2009) insofar as they provide institutional innovation and are embedded in the social economy. For instance, according to the above mentioned "social demand approach" to social innovation view, the social entrepreneur is often seen as a main agent of social innovation. The key players of social innovation have been described as being pioneers in their fields, accepting high levels of risk arising from the unknown and agreeing to interact with attitudes that are risk-averse (BEPA, 2011). The ability of social enterprise initiators to forge partnerships, cooperate, and create networks is also compared to that of social innovation initiators (BEPA, 2011). Moreover, as we have seen they engage in sustainable economic activities aiming to increase the wellbeing of society at large or ample groups of society seeking financial profits only to be reinvested back into the organisation so it can continue to fulfill its social mission.

The link between social innovation and social enterprise also remains under-researched with regard to the transformation of social relations. Defined as one of the core aspects of social innovation and also as one of the added values of social enterprise, the empowerment of social actors involved in the activity of social enterprise deserves further study. A way to address this gap would be considering what mostly Francophone authors have said about the relationship between social innovation and social and solidarity economy, where social enterprises are embedded. Indeed, the social and solidarity economy has been considered "a laboratory for social innovation" (Levesque, 2007) due to its contribution to the creation of non-capitalist legal forms (co-ops, mutual societies, not-for-profit organisations, etc.) seeking societal goals through economic action and the promotion of self-management practices and multi-stakeholder governance; its unveiling and promotion of traditionally hidden non-capitalist economic practices and economies (economy of care, informal and non-monetary economy, ecological economy, alternative currencies, etc.) as instrumental for achieving social well-being and environmental regeneration; and its potential "to produce new representations of the economy based on solidarity, cooperation, and democracy" (Fraisse, 2010:164; Riutort, 2016). However, not all social and solidarity organisations are innovative and they are at constant risk of institutional isomorphisms through the pressures of market or government instrumentalisation (DiMaggio and Powell, 1983; Fraisse, 2013). Therefore, although social innovation cannot be reduced to social and solidarity economy, the latter plays a crucial role in channeling the former within society in collaboration with public administrations and other economic and non-economic players (Montagut, 2014).

Lastly, a growing number of multi-disciplinary studies exists around the relationship between social enterprise and social innovation and the processes whereby they can be scaled-up and replicated (Weber *et al*., 2012). Indeed, social enterprises have progressively been perceived as a policy-friendly way to support social innovation, which could explain the focus on the start-up phase of social enterprise development (e.g. incubators, social finance, scaling up strategies) when talking about social innovation. Precisely because the connection between the two has been presented as a policy construct that is still to be confirmed by evidence, examples of social enterprises operating in the field of culture that do produce socially innovative solutions offer unique insight into this relationship. In this sense, the current research is very timely as it questions some of the assumptions that exist about the diffusion of social innovation via the replication of social enterprises.

The current research supports the claim that social enterprises active in the field of culture are vehicles of social innovation at three levels, thanks to the transformational potential embedded in their institutional form, first, and their activity area, namely, culture and the arts, second, and third, their embeddedness in the wider social and solidarity economy. In this section we have concerned ourselves with the first level, how the institutional characteristics of social enterprises relate to social innovation not only at the outcome level but mostly the process one, particularly related to the social relations among groups (Defourny and Nyssens, 2013). I would emphasise the following four characteristics:

1. The involvement of wide categories of stakeholders in the activity of the social enterprise.

2. The governance mechanisms that ensure their participation.

3. The identification of new fields of activity, such as culture, for social enterprises driven by citizens themselves.

4. An organisational form that contributes to the scaling up and replication of socially innovative solutions, although conditions and contexts are of utmost importance.

Specifically, three major features linking the connection between social enterprise and social innovation have been analysed, namely the satisfaction of human needs, the relation among human beings and social groups, and the empowerment of people trying to fulfill their needs (the latter acts as a bridge between the former two) (Defourny and Nyssens, 2013).

Departing from the elements included in the Schumpeterian definition of innovation, Defourny and Nyssens (2013) explain how social enterprises have driven social innovation in the form of:

- New products/services or improved quality of products/services (work integration, personal banking, recycling and reusing, ethical banking, etc., which social enterprises are providing in response to the severe social problems Europe faces);
- New methods of organisation and/or production (which define the management, organisation, financing structure and sources, ownership structure and control mechanisms, or the idea of social integration via labour and work training); and
- New production factors (the authors mention volunteering or atypical forms of employment among many others).

However, there is a body of literature that questions the relationship discussed above mostly on the grounds of the weakness of social innovation as a lasting concept. For instance, some say that justifying the activity of social enterprises by the creation of social impact does little service to the real contribution of social enterprises insofar as the measurement of social impact is far from being a solid or agreed upon methodology. We could add that the transformative dimension of social enterprises would be neglected if all the emphasis is put on its productive capacity. Indeed, that would be limiting it to the narrowest level of transformation, whereas transformative dimensions such as the participatory governance directly affecting processes of empowerment and coordinated lobbying via networks may result in effective systemic effects, be it at the level of political reforms (e.g. incipient reforms on the energy market to allow for citizen-led initiatives), modification of attitude of vast groups of citizens (e.g. responsible or ethical consumption), or the creation of specific markets (e.g. social finance). This thesis aims to contribute to that under-researched area by exploring the conception of culture and the arts as a vector for social innovation where social enterprises can thrive.

CHAPTER 3.
CULTURE AS A FIELD FOR SOCIAL INNOVATION AND SOCIAL ENTERPRISE

3.1. The complex relationship between culture and social transformation

There is not an agreed upon definition of culture and therefore, despite the ubiquity of the term, it should be clarified every time it is discussed. The term "culture" became a key scientific concept as mainly sociologists (but also anthropologists and economists) in the United States began to reinterpret and use the contributions of Tylor, Boas, Durkheim, and Lévy-Bruhl (Cuche, 2004). Culture has been conceptualised in a universal versus individualistic sense as well as in general versus specific views, depending on the theories, approaches, and logics being used. The advent of "the cultural turn" in the 1970s contributed to bridging academic disciplines and creating symbiotic expressions, such as Bourdieu's "cultural capital" (Jameson, 1998).

Since then, "cultural" has been used either in a restricted sense in reference to "the symbolic creations socially endorsed stemming from the field of the arts at large" (Cuche, 2004: 80) or in a larger ethnological sense of a set of "attitudes, beliefs, customs, values and practices which are commonly shared by a group" (Throsby, 2001:4), which also includes artistic production. More recently, two additional developments took place within the continuum space between these two definitions of "culture": on the one hand, the explosion of activity areas using the label "culture" (such as "work culture" or "enterprise culture"), and on the other hand, the diversification of the mechanisms and tools involved in the production, mediation, and consumption of cultural goods and services (e.g. self-production of culture, technology-supported at home consumption, etc.).

Throsby (2001) completed the definition of culture in his influential work *Economics and Culture*. For Throsby, culture encompasses "the activities undertaken by a group of people, and the product of these activities, drawing upon enlightenment and education of the mind". The author characterises particular expressions of culture as incorporating some degree of creativity, generating and communicating symbolic meanings, and including, to some extent, intellectual property. One of the virtues of this definition is that it bypasses the trap of selecting a specific sector of activity to label something as "cultural", thus allowing the inclusion of the creative and cultural industries as well as the traditional artistic sector.

In the past, culture as a human and economic activity field was usually conceptualised around poles that included production, mediation, and consumption. Indeed, Becker (1982) and Moulin (1997) offer well-known descriptions of the complex system of artistic production and how these three main cultural functions (production, mediation, and consumption) are fulfilled by different socio-economic agents. Even though these three elements may still be found in numerous examples in the cultural field, they have undergone profound transformations, (Rodríguez Morató, 2012).

Some elements of this transformation, such as changes in working arrangements, have had a direct impact on the objective and subjective conditions of artists and creators. For the present research I will focus on three aspects of this on-going transformation with the aim to set the ground for understanding the emergence of attempts trying to counteract some of these negative effects for cultural workers: The progressive blurring of the producer-consumer in the field of culture and the arts, the increased social and political commitment of artists and other cultural workers, and the real social transformation that is being brought about by culture and the arts.

Firstly, regarding the production function of culture, the dichotomy between producer or creator and receptor or consumer has tended to blur. Compared to only a few decades ago, today blurring has been accelerated by technology by making production tools more accessible to the public, thus simplifying the production process. Coupled with the increased leisure time at the disposal of potential artists and creators, a "creativity explosion" has taken place. In this context, public administrations have tackled culture (and particularly the creative industries) as a promising professional development pathway in many cases ending in self-employment in a freelance relationship with intermittent employers (Menger, 2005). Research on this "flexibility" suggests that flexible work arrangements do not follow rational calculations on the part of workers but are the result of a predominantly and ambiguously individualistic culture composed of autonomy and short-term vision, producing social insecurity and new work-life balances (Nanteuil (de) *et al.*, 2004). Making ends meet in this uncertain and unstable environment has had a direct impact on the economic autonomy of artists and culture professionals.

Secondly, as the above described conditions have come about, professionals in the arts and culture have become increasingly active, forming what are known as "new social movements" and political activism in general. In short, in the last two decades there has been a revival of socially and politically committed artists and cultural workers (BAVO, 2011). What seems clear is that, for a growing number of artists, "art has long ceased to be about what it says, represents or reflects, but about what the work 'does', effects or generates in the social context in which it operates", although there is no agreement on how to strengthen the potential of arts and culture as a main vehicle for protest, social demand, and contestation in the public space (BAVO, 2011:289). These "pragmatic art" practices try to counteract the negative effects of neo-liberal policies, but since they often fail to engage in reflection about transforming the underlying structures through sustained political action, they often remain restricted to a humanitarian-type of action (the authors refer to them as "NGO artists").[1] Terry Eagleton explained how the relationship between the arts and politics is historically determined and that it is useful to remember that specific periods in history have required explicit political activism as a precondition for the production of meaningful art (BAVO, 2011). One of the working hypotheses of the current research is that by forming communities, cultural workers, and artists might have a better chance to articulate a shared political project within their own artistic discipline. The initial basis of such transformation could possibly be the values put forward by the social and solidarity economy as already embraced by many cultural organisations adhering to them.

Lastly, new emerging practices (as well old ones that had remained in the fringes) are bringing together the notion of culture and social innovation. Some case studies have illustrated how culture and the arts achieve real social transformation in given contexts.[2] Although most of the research has been done in urban settings, some highly innovative experiences of rural-based networks are emerging. It is crucial for a study like the present one to keep in mind those counter-movements that have emerged in reaction or on the margins of this mainstream evolutionary track just described. Two trends worth following are the development of social creativity in rural areas (and the emergence of rural-based networks of culture around them) and the re-appropriation and re-humanisation of urban spaces via culture and the arts. Related to the former,

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1 The discussion about the boundaries and balance between culture (particularly the arts) and politics is an interesting one, particularly the notion of the tension between the search for 'autonomy' and a place of its own in society on the part of the arts and the struggle for 'heteronomy' so as to fuse with social reality and use it as material that can be reconfigured according to artistic rules put forward by Rancière (2006). The grey zone where they meet is what the author refers to as 'the zone of indistinction of art and life".

2 We cite three well-known cases in English. The first two are social enterprises: Olinda (Italy) by Thomas Emmenegger related to the integration of patients of former psychological hospitals and Kulturkælderen (Denmark) by Lise Bisballe related to the integration of immigrants and asylum-seekers. The third case if a municipality-led development strategy that includes cultural activities: Montemor-o-Novo (Portugal) by Isabel André and Alexandre Abreu.

good examples of social innovation in rural and sparsely populated areas driven by culture and the arts are the experience of Montemor-o-Novo in the deprived Alentejo region in Portugal and the Ragamas Association in Salamanca, Spain. As for the latter, initiatives like Olinda in Milan, Italy and the Bookstore project in the Netherlands constitute paradigmatic examples of all that has been said above.[3]

My main assumption is that the disjunction between "social value" (in the sense of social transformation as seen above) and "artistic or cultural quality" when referring to the contribution of artists has been artificially constructed. A historic look at the evolution of these two notions can offer support for this assumption. Indeed, at one point in modern history, the connection between art and society was engineered to be interrupted, the most notable example being Greenberg's "art for art's sake" in the post-WWII period (Greenberg, 1979). Such interruption consisted of at least two logics that were rapidly accepted and normalized: the increase in the canonization processes whereby artists were allowed to access 'Mount Olympus' that was formerly reserved for only a few; and the growing complexity of the aesthetic languages that were officially considered as "contemporary art" (ranging from the traditional visual to performing arts to the more radical ones like performance art, video art, and graffiti). Both logics rendered contemporary arts accessible to only a reduced group of citizens which, in turn, caused the relationship between the artist (production) and the public (consumption) either to disappear or suffer a high degree of mediatisation (boom of arts managers and institutions and cultural agents). The separation between social value and cultural value would not last long, because, among other reasons, culture continued to be created outside these institutionalised circles. Such constatation made cultural agents realise that culture without wider audiences would not last long and would have a limited impact. This was the beginning of the next turning point: slowly, around the 1990s there was an interest in the engagement of audiences on the part of the cultural agents specialized in mediating and presenting culture (especially museums of all types, symphonies, operas, etc.).

A decade later, economists and "marketers" around the world appropriated culture and the arts in order to appropriate their value as tools for economic and social development. Such process of economisation has also taken place in spheres such as politics (Laville and Salmon, 2015) and healthcare (Roy *et al.*, 2013). This turn made some scholars plea to "put the arts back into arts policy making" (Caust, 2003), but unfortunately, policy-making did not escape the rationalisation of what some called " instrumental cultural policy" (Belfiore, 2002). Several authors have insisted on the danger of putting the emphasis on the

3 For more information, on these initiatives see the abovementioned case by Isabel André and Alexandre Abreu on Montemor-o-Novo, Portugal (available at http://cordis.europa.eu/documents/documentlibrary/124376771EN6.pdf); the blog of Ragamas Association (http://ragamas.blogspot.es); Olinda (http://www.olinda.org) and the Bookstore project websites.

“economic justifiers” for public arts and culture in general, and especially for artists and artistic organisations, “since serving the state as an economic generator is very different from taking risks artistically, or being innovative and creative generally” (Caust, 2003:54).

The notion of “creative industries” appeared around this time and represented the epitome of this process of instrumentalisation. In a context of high unemployment and initial budget cuts in publicly funded culture, the cultural industries generated a large quantitative basis for its legitimation that resulted in their adoption and promotion across Europe. Arguably, two positive consequences of this instrumentalisation of culture and the arts as an economic tool by local, national, and European public bodies has been the benefit for a few cultural organisations and the bridging of culture to other policy areas such as social and labour policies (Pascual i Ruiz, 1998).

The trend toward the rationalisation of culture and the arts culminated with the implementation of the “creative class” idea proposed by Landry and Florida, which rapidly turned into an ambiguous and contested notion. The creative city narrative aimed to create liveliness of urban centres through the creativity of its inhabitants resulting in wealth and inner satisfaction, as exemplified by numerous examples. The “spectacle” has become part of the daily life of citizens, particularly in urban centres and cities that seem to have begun a never-ending competition for spectacularity through architecture, large-size festivals, blockbuster exhibits, and other events (OECD, 2005). However, the dark side of the notion was savage processes of gentrification, banalisation of cultural and creative proposals, and urban speculation (Harvey, 2012). In other words, social cohesion, equality, and real participation for all citizens remained an unmet goal of the “creative city”. For instance, the private sector was often the first to exploit some of the positive externalities produced by regeneration processes using strategies such as real estate speculation which was a major factor in the failure of the “creative city” approach to help citizens without financial power.

3.1.1. Culture and creativity as drivers for social innovation

The relationship between creativity and culture and innovation is a complex one. Firstly, as we have seen in the case with culture, there is not just one definition of innovation that can be applied to culture as there are many heterogeneous cultural fields and actions, as well as different economic logics at play in each of them. Moreover, different ideological and political - and thus economic - interpretations emanate according to which notion of culture is used (Eagleton, 2001). Music, literature, performing arts and visual arts constitute unique systems of production, mediation, and consumption - each of them with different industries and value scales behind them (YProductions, 2009).

Some think that it is tautological to speak of innovation in culture and the arts as they are always “pushing the boundaries”. However, the dominant discourse around innovation in Europe in the last ten years characterised by an economic and managerial nature has also percolated to culture and the arts. Adorno and Horkheimer’s classical criticism to the mercantilisation of culture is currently being strengthened by critical voices that justify culture as a means for something else, such as developmental, social, or economic goals benefitting large groups of citizens or the general interest (Yúdice, 2002).

At this point, the issue of the autonomy of the arts within society rises. Some deem it crucial for maintaining their independence from elements that aim to instrumentalise them but to talk about such autonomy in the current capitalist economy can be considered as a utopian exercise (YProductions, 2009). Therefore, considering the difficulty of securing a total autonomy for the arts, as well as the fact that some cultural actors do not subscribe to the quest of such autonomy, what seems clear is that for a cultural and artistic artifact or expression to be considered innovative, it has to contribute to legitimating the very artistic category to which it belongs (YProductions, 2009). Therefore, identifying the category of a given cultural or artistic production, as well as its goals and contexts, is crucial for determining its innovation potential.

Returning to the social innovation literature, creativity has been identified as driver of social innovation (BEPA, 2010; Tremblay and Pilati, 2013). The assumption that the field of culture is a locust of creativity has led to the deduction that it has high potential for social innovation. Although initial studies and the explosion of initiatives may suggest so, their sustainability and real transformational power is yet to be confirmed scientifically. Some cultural initiatives are delivering social innovation for local communities but experience tells us that most of them remain local and reduced in scale, so replication is certainly not the average.

A possible key to the link between social innovation and culture offered by André and Abreu is turning creativity into “social creativity” (2010). Creativity is usually recognised as a human ability related to cognitive abilities to produce novel thoughts, ideas, and images (Sternberg, 1999). When applied to a group of individuals, then we can speak of social creativity, which requires certain preconditions to emerge: diversity, tolerance, and open-mindedness, as well as learning and critical thinking (André and Abreu, 2010). These authors also identify a set of preconditions for social innovation to flourish: participation, collective references and memories, leadership, and adequate geographical scales. Table 4 below briefly defines and compares these preconditions.

Table 4. Preconditions for social creativity and social innovation

Social creativity	Social innovation
Diversity: understood as a variety of experiences, ideas and perspectives brought together.	**Participation**: understood as collective cooperation, dialogue and, whenever necessary, conflict (in a critical and positive understanding of the latter).
Tolerance and open-mindedness: understood as the general acceptance of failure, risk- taking is encouraged.	**Collective references and memories**: understood as necessary anchors that ensure the resilience of places and their ability to embrace what is new without degenerating into fragmentation.
Learning and critical thinking: understood as the capacity to appropriate, deconstruct and reconstruct new information so as to imbue old institutions and structures with new meanings.	**Leadership**: understood as the initial vision and impulse for consequent collective action.
	Adequate geographical scales: understood as the lack of destructive tensions from the places involved. The result is "plastic" places that modify their shape without sacrificing internal structure and coherence (Lambert, 2004).

Source: Adapted from André and Abreu, 2010

A second related but distinct concept for understanding how social innovation comes about in the field of culture is "collective intelligence". A term borrowed from the animal world, collective intelligence is different from than the sum of the parts (the intelligence of the individuals) and depends on properties that are only found in the whole: in this sense, it is an "emergent" property that when the right level of integration is in place can produce outputs similar to those associated with rational agency (Landemore, 2013).[4] Col-

4 This concept has been very widely used and with quite different meanings. For instance, in political theory it can refer to the "democratic reason" of societies (Landemore, 2013) while in business and management studies it is treated as "empathy capital" to be exchanged in the era of "invisible capitalism" (Tasaka, 2011).

lective intelligence is distributed, i.e., not concentrated in one place or unit of a system, be it organisation or country. Needless to say, people included in the group or collective unit continue to have their own individual intelligence, which in the field of culture is of paramount importance for creative processes.

As has been the trend in the current knowledge economy driven by neoliberal policies, "the prospects and initiatives stemming from social groups whose relevance as an economic resource is increasingly appreciated" (YProductions, 2009: 134). Therefore, in order to be considered an innovation in culture, any breakthrough in social creativity needs to reach a market, thus leading to the necessary economization of cultural practices (YProduction, 2009). Then, regarding social innovation, André and Abreu point out that it "takes social creativity a step forward, in the sense that it puts greater emphasis on the social appropriation and dissemination of socially creative 'novelties'" (André and Abreu, 2010:63).

From that standpoint, social innovation in culture faces the challenging task of distributing and capitalising on that collective intelligence so as to contribute to the general interest and not to private interests. Plus it should do that in a way that protects the creative autonomy of artists and cultural workers (Dubetz *et al.*, 2014). This translates into practice in the capacity of combining the potential for conceiving human, viable, and sustainable alternatives (a *de facto* creative social laboratory) with the concreteness of interventions in society via human, viable, and sustainable initiatives that are effective and efficient *vis-à-vis* the territory and the human community that they target (Dubetz *et al.*, 2014). Saying so does not imply that the supra-local level should be ignored; on the contrary supra-local instances that work for the recognition of "culture as the fourth pillar" of sustainable development (together with the economic, the social, and the environmental dimensions) should be promoted (Hawkes, 2006). However, such promotion should be bottom-up, as a top-down approach to the creation of representative bodies usually results in a low level of representation, plus they should be governed in the same democratic and equalitarian manner that they defend.

Regarding civil society initiatives, international umbrella organisations such as Culture Action Europe and the European Cultural Foundation are crucial to exchange best practices and conduct a lobbying action vis-à-vis public authorities and the market. In so doing, a sense of community is created which reinforces the willingness to contribute to the building of such community with participation and commitment. For instance, Culture Action Europe focuses on the collectively identified needs and challenges facing the sector and works from within the field to create ties with other activity fields and actors. A member-based organisation, it organises annual events and ad hoc campaigns and has become a crucial interlocutor with European organisations such as the European Commission, the EESC, and the Parliament.

3.1.2. Social innovation and culture: Revealing the implicit connection

The relationship between culture and innovation remains a conflicting one *inter alia* due to the mainstream economics approach to innovation. As we have seen, innovation has become a necessary element in every aspect related to the public and private financing of culture. However, in order to understand the implications of innovation in culture, we need to grasp the ideological underpinnings that explain the production systems – including actors and goals – mobilised within "innovation" and "culture".

For the present research I have adopted the approach to innovation in culture proposed by YProductions and used the notion of "social creativity" and its connection to social innovation developed by two researchers participating in the Katarsis European project. Before doing so, though, a word of caution must be put forward seconding the warning of these authors. These distinctions and categorisations should be taken for what they are: an analytical aid to help us navigate the unknown and heterogeneous field of innovation and culture. All categories mentioned below are tightly interwoven, are not mutually exclusive, and cannot be conceived on their own as they influence each other.

According to YProductions, innovation in culture can be considered analytically as moving around three dimensions: *auto-generative innovation* (the cultural field itself advances in the sense of emerging culture or new cultural categories/practices/styles); *instrumentalising innovation* (a modification in processes, practices, and/or behaviours is sought by actors outside of the cultural field to advance political, economic, ideological… goals); and *traditional market-driven innovation* (innovation happens in the demand-need cycle via traditional cultural markets). Together, they form the space for innovation in the cultural sphere.

Connected to these dimensions there are three dominant strategies for "economising" cultural practices so as to meet the request of "reaching a market" needed to speak about innovation in culture, *inter alia*, creating an environment that supports creative thinking and shapes a cultural framework to drive innovations (Karnaukhova, 2015); innovating culture and emergent culture, each of them aiming at different objectives; and, having different promoters or advocates. Table 5 below summarises all three dimensions and categories of innovation in culture.

Table 5. Possible types of innovation in culture

	Innovation category	Goals
Instrumentalising innovation	Culture of innovation	Planned economic and territorial development
Traditional market-driven innovation	Innovating culture	Stimulation of the demand of cultural products
Auto-generative innovation	Emergent culture	Endogenous development of the cultural sphere
	Promoters/main actors	**Examples**
Instrumentalising innovation	Policy-makers and public administrations	Urban regeneration, cultural tourism
Traditional market-driven innovation	Public administrations and for-profit actors operating in the field of culture	Blockbuster exhibitions, series of cities of culture,
Auto-generative innovation	Cultural actors and related institutions	Reflective cultural praxis, co-created cultural processes and events

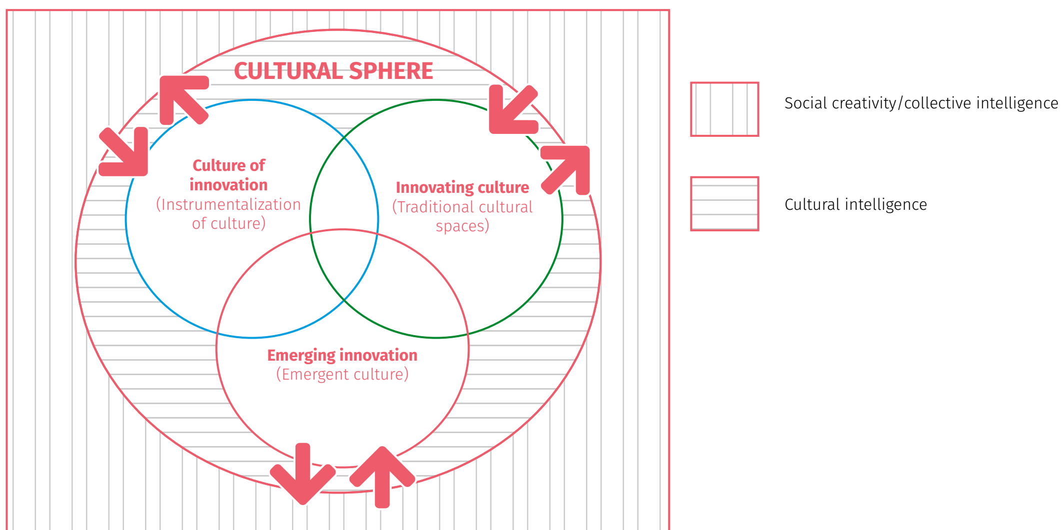
Source: Adapted from YProductions, 2009

The way in which the cultural sphere interacts with social creativity and *vice-versa* is important to analyse. This two-way relationship between culture and social creativity results in the embeddedness of culture in social creativity to which it contributes in new and innovative ways. However, this embeddedness can be achieved in a socially innovative way or not. .[5] Figure 5 below visually captures the complexity of the spaces and forms of innovation in culture and the notions of "social creativity" and "collective intelligence".

5 An example of this two-way dynamic used in a non-socially-innovative manner is how commercial firms use culture and the arts to increase their sales. The issue of appropriation of culture by major corporations has been back recently to the media in Spain (see www.elconfidencial.com/cultura/2016-07-05/creatividad-desigualdad-paradojas-de-lo-cool_1226078/#lpu6AT6ErG36oDuw) in parallel to the publication of the book *Paradojas de lo cool. Arte, literatura, política* [Paradoxes of the cool. Art, literature, politics] by Alberto Santamaría (Textos (in)surgentes, 2016).

I have intended to enrich the original model by including collective intelligence in the area of social creativity. Furthermore, I suggest that a specific type of social creativity originates in the specialized cultural sphere. While the cultural sphere obviously feeds from society's wider social creativity and contributes to it in a mutually enriching loop (designated by the arrows), I claim that a collective intelligence can be put in motion when the social creativity of the individuals in the cultural sphere is activated. We refer to this type of ability as *specialised cultural creativity* to distinguish it from cultural intelligence (Ang *et al.*, 2015), culture-based creativity (Karnaukhova, 2015) and creative intelligence (Nussbaum, 2013).[6] Far from contributing to the terminological confusion, it is my aim to emphasise the specific ability to produce novel solutions, ideas that people involved in or in touch with the cultural sphere share that can take the form of any of the three types of innovation within the cultural sphere (culture of innovation, innovating culture, and emerging innovation).

Figure 5. Possible spaces and categories of innovation in culture



Source: Adapted from YProductions, 2009

6 It is surprising to see how these terms have been combined in all possible forms by experts and academics to create novel concepts that in themselves combine innovation, creativity, social and intelligence. Very briefly, we would like to illustrate that 'cultural intelligence' - coined by Early and Ang in 2003 - is the capability to relate and work effectively in culturally diverse situations. The term 'cultural creatives' was firstly coined by Ray and Anderson (2000) to refer to citizens with specific values which combine a focus on their spirituality with a strong passion for social activism. A third term is "culture-based creativity", which emanates from the fact that "culture feeds creativity to the extent of conventions under which community exists and influence sociality through cultural environment (including education and training), cultural capital, and specific skills. It is when creativity is the expression of human sensibility (such as imagination, intuition, memories, affects) that it becomes culture-based creativity" (Karnaukhova, 2014: 204). As we can see, these three definitions approach culture in the wide and large sense, and therefore are relevant only tangentially to our discussion. 'Creative intelligence' (Nussbaum, 2013) is the ability to go beyond the existing to create novel and interesting ideas and so is too vague and large to fit our purposes.

These three strategies for economising culture and making innovation apparent are not the only ones possible. Indeed, this economisation does not imply a market-based economy and can function within different models of economy such as the "substantive" economy (Laville, 2009). The substantive economy (or plural economy as it has been called more recently) proposes that a plurality of economic principles exists beyond the rational market-based and scarcity approaches to include a more substantive relationship among humans and between humans and nature. The work of Karl Polanyi and his notion of substantive or plural economy draw on history and antropology to help us understand the different possible logics at play in the economic realm. Literature on the plural economy (Roustang *et al.* 1996), including the work of Polanyi (1975 [1944]), shows that the dominance of the market is relatively recent. Such dominant position should be relativised with the inclusion of the mechanisms of redistribution and reciprocity. As explained in chapter 2, reciprocity constitutes the integrating principle within the solidarity economy and takes the form of voluntary work, solidarity networks, donations, etc. (Gardin, 2005).

This aspect has received little attention except in France where the work of sociologist Jean-Louis Laville and his team, the Opale association, and the manifesto published by the national *Union fédérale d'intervention des structures culturelles* (UFISC, Federal Union of Intervention of Cultural Structures) in 2007 has paved the way for a line of work daring to combine innovation and solidarity in the field of culture through the formal allegiance to the principles of the solidarity economy. As we saw in section 3, the core value is to place human beings at the heart of each action (including within culture), which is conducted in a sustainable way. Such value translates into concrete organisational principles that can be summarised as: primacy of the general interest over private interest; democratic or participatory decision-making; equality of rights; and reinvestment of profits originated by the organisation. These cultural structures in France have the following characteristics (Colin, 2008; 2014):

- They are multi-goal, multi-activity, and multi-stakeholder organisations;
- They give priority to the articulation of different and plural voices in the public space;
- They are embedded in their territories and activate local actors and institutions;
- They follow logics of collaboration and cooperation and when they reach a significant size tend to invest in the emergence of other organisations rather than securing a hegemonic position;
- They implement participatory or democratic governance thereby assuring the commitment of key stakeholders and the relevance of actions and mission;

- They tend to be small to middle-size organisations, mostly of an associative form, which allows them to enjoy some flexibility in terms of financing and also workers with a poly-competency in various areas;

- They mobilise the three types of resources already mentioned (market, redistribution and reciprocity).

- Their innovation is related to experimentation and it is welcomed insofar as it respects the values described.

Cultural actors from civil society mainly, but in partnership with public administrations and private firms, have in the last decade gradually begun to recognise the values in common with this way of conceiving and practicing the economy. Indeed, external factors mentioned in this text (globalisation, shrinking public budgets, social conflicts emanating from large scale immigration, etc.) are forcing cultural actors to revise the way in which they conceive, finance, produce, and disseminate their product in order to survive and be sustainable (Dubetz *et al.*, 2015). Although the most obvious way to identify the cultural initiatives that adhere to such principles could seem to be through organisations (associations, social cooperatives, etc.) or the public they target (e.g. disadvantaged audiences), these are too limited to provide an accurate enough picture of the field (Colin, 2008). Some of the challenges facing such recognition are: 1) the sectorial nature of culture and the arts, which tends to prevent the identification with larger values and goals; 2) the lack of awareness of the nature of the social and solidarity economy on the part of cultural actors; and, 3) the limited resources available to organisations for developing partnerships beyond their day-to-day operations and participating in debates and discussion.

Despite these challenges, the number of the organisations and actors that informally adhere to the social and solidarity economy values (economic autonomy, participation, collaboration, empowerment, etc.) is growing and they are beginning to constitute a political and economic force with relevant transformational potential, mostly at the local level, but also at the international. The transformation that we are referring to has little to do with the unlimited growth based on the exploitation of natural and human resources around the globe that drove the industrial and technological transformations of the 19th and 20th centuries: it is human- and environment-centred. Polanyi was one of the precursors of such approach, saying: “the substantive meaning of economic derives from man’s dependence for his living upon nature and his fellows. It refers to the interchange with his natural and social environment, in so far as these result in supplying him with the means of material want satisfaction.” (Polanyi, 1957:243).

Indeed, the substantive (or plural) approach to the economy put to the test the assumption that “the promotion of culture and the arts within the context of local development strategies may provide a crucial contribution to harmonising the goals of economic competitiveness and social cohesion (as well as those of economic innovation and social innovation)”, but “will not be a broad-based, participatory approach to culture and the arts that is able to (re)combine collective memory and collective creation” (André and Abreu, 2010:60). When it comes to policy-making, the goal is to create “virtuous synergies” between several development axes related to culture (e.g. historical and natural heritage, artistic creation, etc.) and social inclusion (e.g. participation, cohesion, emancipation, etc.) (André and Abreu, 2010).

The emphasis that social innovation puts on social transformation is acknowledged to be a “*relative* detriment of the creative act *per se*” (italics from the authors) but this should not mean a loss (André and Abreu, 2010:63). On the contrary, finding the right context where collaborations and institutional arrangements can combine the three dimensions (the social, the artistic/cultural, and the economic) becomes urgent both for culture conceived as embedded in society and for social innovation incorporating the cultural dimension as crucial in any process of transformation. I suggest that social enterprises constitute one of these choices for hope for the development of a cultural field that not only is aware of and promotes social justice but makes it a central element of its *raison d’être*.

3.2. Social enterprises and the field of culture

3.2.1. An emerging type of organisation: Cultural and artistic social enterprises

The study of the contribution of social enterprises has focused on the social, economic, and environmental aspects of sustainable development. Indeed, they have played a crucial role in the provision of services to disadvantaged groups as well as in the creation of new products and services via innovative processes. Unfortunately, so far the potential of culture for social enterprise development has received very limited attention. Culture has been considered a mere activity field for social enterprises, which has hampered the recognition of the true meaning of creativity and innovative processes in cultural and artistic initiatives in the field of social and solidarity economy. So far, culture has been studied in relation to the wellbeing of individuals and groups (Guetzkow, 2002; Keaney, 2006), social cohesion of various groups (Bisballe, 2006), the integration of people with disabilities and groups at risk of social exclusion (Jermyn, 2004), and the competitiveness and liveliness of cities (Florida, 2002; Arts Victoria, 2008).

Only recently has culture been approached from the social innovation perspective, which has unveiled the complex locus of culture in the transition process and of the transformation of societies (Moulaert *et al*., 2014). Through their promotion of a new model of sustainable development based on the creation of social, economic, environmental, and, more recently, cultural value, social enterprises rooted in the social and solidarity economy have the potential to bring about *true* social innovation through *real* social transformation. Therefore, the potential of culture within an integrated framework of solidarity and sustainability has been overlooked in part by ignoring social enterprises active in the field of culture.

The emergence of "Cultural and Artistic Social Enterprises" (CASE) consolidates the field of culture as a promising field of activity for the larger social and solidarity economy. Although a detailed history of the coming together of culture and social enterprises is still to be made, culture and the social and solidarity economy share unique core values insofar as they put people and their capabilities at the centre: people as the engine of cultural and/or social transformation for a sustainable development. Based on praxis, CASE offers a rare example of organisational settings embracing all four dimensions of sustainable development (social cohesion, economic growth, environmental balance, and culture). CASE shows organisational traits of both social enterprises and cultural organisations, which adds to the already complex "multi-goal nature" of this institutional arrangement (Nyssens, 2006). But it must be said that most CASE show a typical characteristic of the cultural sector: the artistic vision takes precedent over market considerations (Colbert, 2003).

The trust that social enterprises are able to mobilise among workers/member and between them and customers or beneficiaries originates in the multi-goal nature of the organisation that accepts "a satisfactory rather than a maximal return on their capital" (Pestoff, 2001; p. 7) in turn for meeting other non-financial goals. Such lack of primacy of profit-maximising market-based transactions reduces one traditional conflict at play in the cultural field: the ambivalence of the artist in front of money and her related plea for autonomy. The core of this conflict has been located in the market-based exchange of a cultural or artistic artifact (be it the commissioning or the salary-based relationship) (Chiapello, 1998).

Figure 6. Multi-goal nature of CASE

The main activity areas where CASE is active includes: the arts, especially visual and performing arts, via associations and cooperatives of dancers, musicians, and actors; handcrafts and artisany (jewelry, ceramics, sewing, etc.); publishing and illustration by independent publishing houses supported by IT solutions (print-on-demand, self-publishing, etc.); artistic and cultural education, using the associative form as the basis for creating schools; and, innovative disciplines at the crossroads of other traditional ones such as multicultural products (fashion, cooking, festivals, etc.), multicultural tourism, heritage and conservation, and urban planning. From a political perspective, social enterprises involved in culture tend to defend culture as a basic social need and treat it as a public good, regardless of whether they are active in the field of production, mediation, or consumption. Moreover, by being financially independent from external bodies, they claim to be "schools of democracy", empowerment, and emancipation (Spear and Hulgård, 2006; Eschweiler and Hulgård, 2012).

The enlargement of the field of the social and solidarity economy to include culture can be considered the result of at least three phenomena: firstly, the economic crisis after the collapse of the financial system, which resulted in a profound reformulation of welfare traditions and a sense of urgency to find alternative recipes for employment and solidarity; secondly, the advent of the "culture society", which has erased borders typically separating culture from other spheres of society and brought in the creative industries as a leading productive sector of society; and thirdly, the reactivation of the field of culture and the arts as a test-bed for imagining alternative political, economic, and environmental arrangements.

The few well-known CASE initiatives are locally focused, developing activities for close audiences. Moreover, only some of them have been integrated into second level representative or transversal sectoral organisations, which hinders the possibility of their needs being addressed. In this context, there are only a few examples of CASE that have expanded geographically. One case, SMart, is the most well-known case of a social innovation in culture in the form of social enterprise. SMart reinvented collaboration in the field of culture putting in place a mutualistic perspective: the sharing of gains and losses of cultural actors as the only way to grow in a sustainable way and "exist" as a sector. Mutualisation means that both risks and benefits are shared by all members, something that has not traditionally characterised artistic and cultural creation except in the case of some sectoral exceptions such as actors or painters cooperatives.

3.2.2. Current context for working in the field of culture in Europe

The current way the field of culture functions is having a direct effect on the traditional spheres of cultural production, mediation, and consumption. This section summarises some of the factors mentioned above, but also introduces missing elements that conform to the context for cultural creation nowadays and frame the creation of responses from the field itself, such as found in the SMart case.

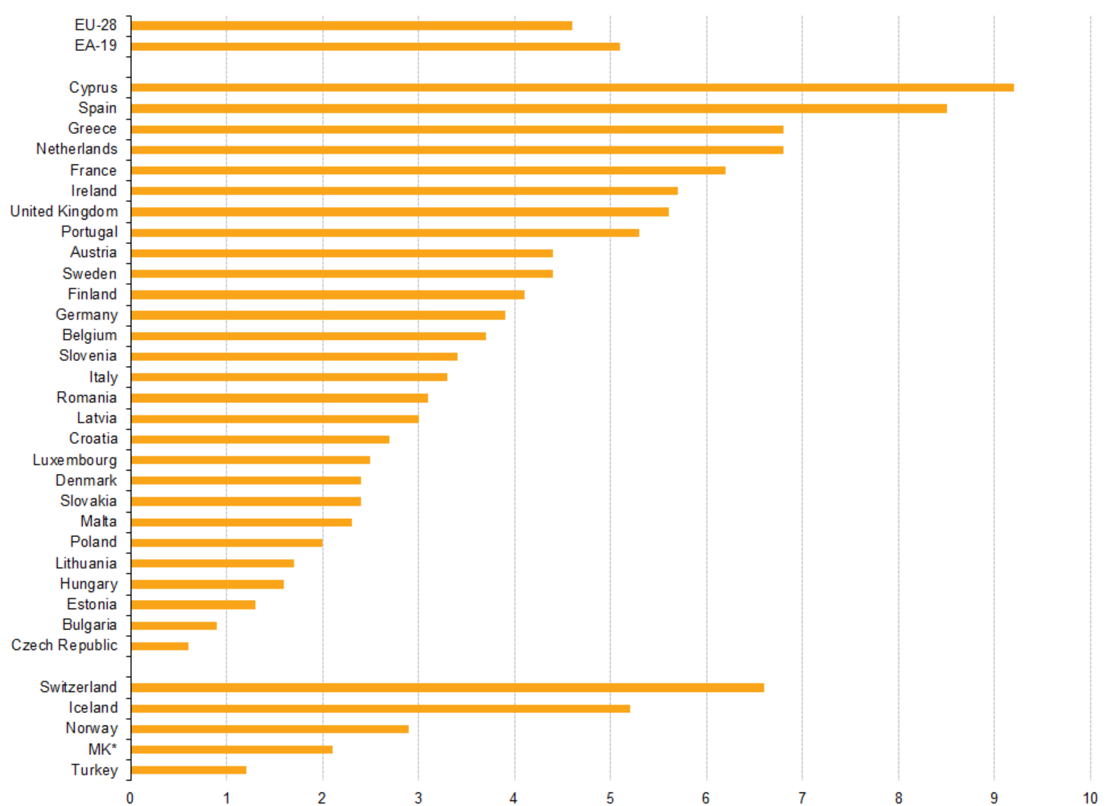
The dismantling of the public culture system as a result of the crisis has resulted in massive layoffs of culture agents, the closing down of venues and activities, and the drastic reduction of financing available for cultural initiatives. Moreover, in the case of Spain, the exorbitant tax raise implemented in 2013 (21% TVA) equated culture to luxury activities and products. Overall, what is disappearing is the public aid model for culture despite the fact that the European Parliament recognised in 1999 that "artists, whether creators or performers, are essential to ensuring that our society is both self-renewing and properly balanced" and so their "role takes on a new significance as the voice which asks questions about the future and argues about the present, goes against the tide, helps society to develop a critical faculty and in general invigorates the entire social fabric". Back then the EC reported that in the EU only 20% of artists had an "adequate" income meaning that they make a living out of their work.[7]

7 European Parliament (1999), Report on the situation and role of artists in the European Union. Available at http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A4-1999-0103+0+DOC+XML+V0//EN

Such measures have had an impact both on large-scale public institutions and citizen-driven initiatives. For instance, even though the Reina Sofia Museum in Spain saw its budget decrease by 45% in 2008, it was able to double its attendance figures in eight years. It did so, as stated by its director, despite the "ecological destruction" caused by neoliberal policies by mobilising resources other than direct public funding (income generating activities, artwork loans, private and corporate donations, and exhibit co-production) and making a conscious effort to connect the museum to the world and place it within society in a meaningful way (Mora and Pastor, 2016). This combination of new resource mobilisation and quest for meaning and relevance in society is shared by a neighbouring initiative, the "Lavapiés Barrio de Teatros" network, radically different insofar as it stems from organised civil society in the form of social and solidarity economy entities (mostly associations but also cooperatives and a foundation). After an initial success around 2008, backed by steadily growing audience support, the grassroot movement that originated in the performing arts sector based on alternative theater spaces in the Lavapies neighborhoood of Madrid saw stagnation in attendance numbers. This phenomenon was explained as result of a glass ceiling related to the limited space available, increasing precariousness of its workers, and a damaging competition among the alternative theatre spaces (Serrano Vidal, 2012). These circumstances drove some emblematic representatives to close down (e.g. La Bagatela, home of the "teatro despojado" that originated in Argentina), and so in February 2014, in response to the economic, social, and cultural crisis, a network of theatre spaces "diverse in form, spirit and content was born … with a common ground: theatre and dignity in our job" (Lavapiés Barrio de Teatros, 2014). The network states in its manifest that this search for dignity is aimed not only at the level of theatre production but also its diffusion. Since its launch, the network has heavily relied on technology via a simple but efficient online platform, the social media, and an app for mobile devices.

The crisis and the austerity measures undertaken by the European institutions raised the level of precariousness throughout the continent, thus adding a sense of urgency to the idea of exporting models like SMart to other contexts. The ILO defines precarious employment as a "work relation where employment security, which is considered one of the principal elements of the labour contract, is lacking. This term encompasses temporary and fixed term labour contracts, work at home, and sub-contracting" (ILO, 2011).

Graph 1. Underemployed part-time workers, persons aged 15-74, all countries, EA-19 and EU-28, annual average, 2015 (% of total employment)



Source: Eurostat online data base table "Supplementary indicators to unemployment - annual data" [lfsi_sup_a]

* The abbreviation MK used for the former Yugoslav Republic of Macedonia is a provisional code. The definitive nomenclature for this country will be agreed following current negotiations at UN level.

As for culture, according to Eurostat estimations, six million people were employed in the cultural field in the European Union (about 3 % of the total number of workers) in 2014. Nearly half (49%) of the almost two million artists formally accounted for by Eurostat were self-employed, a much higher percentage compared with general workers who were self-employed (15%). Therefore, precariousness and work instability is higher in the cultural field than in other fields, and is also characterised by high levels of temporality and short-term contracts. Other factors ultimately come into play, such as the size and structure of the market, the degree of competition, and the luck factor, as well as the stage that the artist has reached in his or her career. In short, there are as many categories of entrepreneur as there are practises in the creative professions.

In addition to the cuts in funding and the increased precariousness of culture professionals, creative production has also shrunk. In the specific case of the creative industries, the 2010 UNCTAD report on creative economy from the (UN Conference on Trade and Development) said that, since the crisis started in 2008, international trade has shrunk by 12%.

CHAPTER 4.
DIFFUSING SOCIAL INNOVATION

4.1. Diffusion of innovation

The issue of social innovation diffusion has attracted considerable scholar attention recently, although most of the research has been conducted following analytical frameworks and theories developed for purely market-based firms. Such research is not transposable to the "social" field, mostly because it fails to recognise some of the essential factors at work in the social and solidarity economy and the third sector, such as the existence of difference economic logics (redistribution and reciprocity as opposed to market exchange) (Gardin, 2006). Other factors to consider are the embededdness in the local context (Nyssens *et al.*, 2012) and the presence of participation mechanisms that allow internal and external stakeholders to play a central role (Defourny *et al.*, 2014). In this context, additional research is needed to understand these differences.

Sociology has a longstanding interest in learning about the factors that influence the diffusion of an innovation across groups, communities, societies, and countries; and more recently the focus has been on modeling this process (Wejnert, 2002). There is a vast literature on the issue of scaling-up and replication that in only a few years has evolved from being solely an adaptation of traditional commercial strategies to developing unique approaches adapted to the social field.

For this topic we will focus on the factors that influence the spreading of a social innovation. Since social enterprise is considered a class of institutional arrangement that carries or enacts social innovation, several institutionalist theories can be mobilised to understand the processes behind its diffusion, despite the fact that they were not originally conceived to explain "social innovations" but only " innovations". Before moving on to the theoretical discussion, terms need to be clarified, as diffusion, replication, adaptation, and scaling can be used differently. The table below summarises these definitions:

Table 6. Various notions of diffusion in this research

Adaptation	The process of making the required adjustments to the operational model in order to ensure a successful transfer to a new context.
Diffusion	The process by which an innovation is communicated through certain channels over time among the members of a social system (Rogers, 1962: 5).
Replication	Implementing an operational model in a new geographic location without any adjustment, which constitutes an exception when it comes to social enterprises and social innovation (Weber *et al.*, 2012).
Scaling out	Refers to increasing the size and/or spread of the social innovation (by replicating it in new locations, increasing memberships, turnover, etc) (Westley *et al.*, 2014 cited in Haxeltine *et al.*, 2015).
Scaling up	Refers to the social innovation interacting with the 'regime level', with institutional change, and/or with whatever is required to bring about systemic change (Westley *et al.*, 2014 cited in Haxeltine *et al.*, 2015).

4.1.1. Main theoretical frameworks addressing diffusion

The first study of diffusion was Gabriel Tarde's book *The Laws of Imitation* (1903), but it had to wait forty additional years to reach a high level of interest from researchers in fields such as agriculture, technology, and policy (Wejnert, 2002). The pioneering contribution was made by Everett M. Rogers with his *Diffusion of Innovations Theory* published in 1962. According to Rogers, diffusion is "the process by which an innovation is communicated through certain channels over time among the members of a social system" (Rogers, 1962:5). For him, diffusion is a type of communication related to a new idea and this newness involves a degree of uncertainty.[1] He furthermore distinguishes between centralised and decentralised diffusion systems; in the former, decisions

1 Rogers goes on to define uncertainty as the degree to which a number of alternatives are perceived with respect to the occurrence of an event and the relative probability of these alternatives.

about how, when, and what to diffuse are made by a small number of individuals in power or with technical expertise, whereas in the latter, decision-making processes are shared among various stakeholders, including potential adopters. Rogers also defines five phases in the diffusion process: knowledge, persuasion, decision, implementation, and confirmation. According to him, there are four main elements that influence the spread of a new idea: the innovation itself, communication channels, time, and a social system. Rogers also warned that not all innovations are "necessarily desirable" (Rogers, 1962:12), a warning that has been applied extensively to social innovation by more recent scholars (Evers *et al.,* 2014; Nicholls, 2015).

Norbert Alter's sociological approach to the diffusion of innovation represents an interesting complement to the more individually-based innovation-decision process of Rogers in that he incorporates two important dimensions in the diffusion process: the collective and the systemic dimensions. Indeed, according to the author, since innovation depends on collective creativity, it cannot be perfectly planned (Alter, 2002). Alter's basic realisation relies on the fact that innovation accelerates social impact but also creates a number of conflicts, not only inside the innovating agent but also externally (Alter, 2013). His reading of the process of innovation diffusion is more critical to the extent that he incorporates notions of deviation, conflict, negotiation, and rules transgression.

In his approach, the collective ability to identify and integrate complex and random phenomena (such as social innovations) constitutes a double-edge sword for innovation: it represents the strongest limitation to innovation but also the most enabling resource for reaching its potential. Moreover, following Schumpeter's creative destruction approach, collective creativity aimed at innovation has the destructive effect of altering (and sometimes destroying) agreed upon collective conventions and ways of living (Alter, 2002). Departing from the idea that "innovation cannot be the end in itself" (Alter, 2002:9), he warns of the evaluation mechanisms created to measure innovations which may be ill-suited to capturing intangible value.

In addition to Rogers' and Alter's approaches, three additional theoretical contributions help us understand how innovations spread. The first one is offered by David Strang and Jowhn W. Meyer theory of diffusion of innovation (1993) in institutions based on elements of "theorisation" and "cultural linkages" to create ties among disconnected social entities (later developed by Strang). Theorisation is the process whereby the experience of previous actors during diffusion and subsequent adaptation, together with the shared values and personal interpretations of the world by social actors, progressively transforms into shared knowledge that speeds up the diffusion. The power of theorisation is that, if done within specific institutional contexts and shared by a specific category of social actors, diffusion will take place more

rapidly (Strang and Meyer, 1993; Strang and Soule, 1998). Later on, Nee and Ingram (1998) stated that paradigm changes in the institutional environment (led by the governmental in most cases) makes new organisational forms possible. Cultural linkages are the ties that connect the social entities (people or organisations) belonging to a common social category. Strang and Meyer argued that diffusion should be rapid among actors falling into the same category.

The second helpful idea is the notion of "coalitions" developed by DiMaggio and Powell, which originated in institutional change theory. In their 1983 paper, the authors argue that coercion and mimicry between institutions lead to isomorphism of their practices. Particularly, they can do that through the achievement of patterns of coalition and mutual recognition between organisations that pursue the same objective. DiMaggio and Powell (1983:148) define the organisational field as "those organisations which, in the aggregate, constitute a recognised area of institutional life: key suppliers, resources and product consumers, regulatory agencies, and other organisations that produce similar services or products". Dimaggio further developed the notion of "organisational field" by emphasising the non-aggregative nature of the construct and approaching it as full of meaning for the actors involved in it (DiMaggio, 1991). DiMaggio (1991) introduced the notion of boundaries from the perspective of actors and how these boundaries are defined based on their perceptions. This way of perceiving affects both organisational practices but also the representation of the field itself.

A third set of notions relevant to the SMart case study was proposed by Virginie Xhauflair, Benjamin Huybrechts, and François Pichault (2015) research on "categories", "boundary objects" and "field boundaries". *Categories* are used to simplify complex information by setting discriminating boundaries; and *boundary objects* refer to "artefacts of practice that are agreed and shared by communities, yet satisfy the informational requirements of each of them" (Sapsed & Salter, 2004: 1518 cited in Xhauflair *et al.*, 2015). The idea of *field boundaries* (that expands previous work by Dimaggio) illustrates how SMartbe began by expanding its categories and field boundaries first at a national level before beginning the process of geographic replication. This confirms research stating that achieving scale in others countries tends to be more difficult than in one's own country and therefore should always be the second step (Weber *et al.*, 2016:15). In the context of my research, however, the field boundary idea has the shortcoming of a unique institutional focus, understood at a particular organisational level, which limits the impact of the social innovation to the micro or, at the most, the meso-level of analysis.

4.1.2. A holistic framework for the diffusion of innovation

Numerous variables have been defined in diffusion research in order to clarify the influence of the factors at play in innovation replication processes, specifically on actors' decisions to adopt an innovation (Wejnert, 2002; De Keersmaecker *et al.,* 2014). With a view to offering a conceptual framework on the diffusion of innovation that integrates all previous contributions, Wejnert (2002) groups diffusion variables into three major components: characteristics of innovations, characteristics of innovators, and environmental context. The author also pointed out the contribution of these discussions to change theory insofar as diffusing an innovation involves changes of varying degrees both in the agent proposing the innovation and in the recipient of the diffusion process.

As Wejnert points out, there had been a shortage in considering innovations themselves as a driving factor for the diffusion and adoption processes. Therefore, the first component relates to two factors connected to innovation: public versus private consequences, and benefit versus costs involved. The *public versus private consequences* factor captures how adopting an innovation impacts entities other than the actor (public consequences) as opposed to the actor itself (private consequence) and it is directly related to an issue of scale of the impact. Public consequences involve collective actors (mainly countries, organisations, and social movements) who are concerned with issues of societal well-being. Given the macro-goal of these innovations, the public consequences of adopting these innovations often bring about reforms that constitute historical breakthroughs, including international regulation protecting the natural environment. Private consequences are the result of micro-goal innovations addressing the needs of individuals or a community.

Both types of consequences result in social change but they determine the content and way of communicating about an innovation, which in turns results in diffusion processes of a different nature. Particularly, innovations with public consequences are better diffused when they become deeply ingrained in society – institutionalised; the media is a key element in this process, although usually only after the goals of the innovation have been clearly established and are publicly accepted (Wejnertm, 2002; Weiman and Brosius, 1994). On the contrary, when it comes to private effects of adopting an innovation, the nature of the process is characterised by "spatial and temporal contiguity between the source of a new practice and a potential adopter" (Wejnert, 2002: 4). In spite of the conceptual clarification that this dichotomy offers to the analysis of innovation diffusion, Wejnert notes that usually real-life innovations combine both, public (indirect and latent) and private (direct and manifest) consequences. The *benefit versus cost factor* refers to the fact that direct and indirect costs and/or the financial, technical, or

social uncertainty associated with an innovation can affect its adoption rate. This factor has been underlined in recent models (Weber *et al.*, 2012) as one of the main ones determining the success of scalability processes at a time of financial uncertainty and budgetary austerity in welfare states.

The second component of Wejnert's model relates to the *characteristics of the innovators,* which relates to and can affect the previous set of characteristics. It includes six factors:

1. *Societal entity of innovators* relates to the scale of the social entity of the innovator, ranging from individuals to kinship and friendship groups to communities and social movements that conform the "societal microstructures" (Wejnert, 2002: 306). Collective entities tend to be involved in large-scale, public consequence-innovations and relate to new adopters through non-relational means, including the media, while individual innovators rely on direct ties and face-to-face interactions.

2. *Familiarity with the innovation* has to do with its radicality; the higher the novelty level, the lower the adoption rate. Familiarity aimed to decrease the radicality of the innovation is usually achieved by increasing understanding about it and its consequences and by the different types of information sources.

3. *Status characteristics of adopters* refer to the relative position of an actor within a population of actors, in other words her/his social position. The adoption rate of innovations is directly related to an actor's high social position, which then promotes adoption on lower status actors usually using influence and coercion. Usually, these high-profile actors adopt noncontroversial innovations that respect established values and norms whereas low-profile actors are less afraid to lose popularity as a result of promoting controversial innovations.

4. *Socioeconomic characteristics* of the actor itself determine adoption rates insofar as they create "objective feasibilities" (Wejnert, 2002: 305) within a given country. These characteristics include those of individual actors (e.g. educational level) and those of collective actors (e.g. country socioeconomic development - GNP or GDP, labour market practices, and political system). They may have potentiating and inhibiting effects and determine issues as important as accessibility to the innovation (cf. Wejner, 2014 on the diffusion of democracy).

5. *Position in social networks of the actor* operates in relation to four areas of interactions: interpersonal networks for individual actors; organisational networks for collective actors; structural equivalence or perceptions of accordance of members in relation to other members; and social density in relation to the lesser perception of risk in highly dense networks. Adoption can be explained as a network-based decision with a cumulative effect of the adoption of others. Variables such as network connectedness, closeness, and density are crucial to understanding how diffusion is hampered or potentiated. Similarity of members in collective networks also determines a higher adoption rate. The horizontality or verticality of channels through which influence circulates within the networks, which can be informative, conducive, educational, or coercive, also determine the innovation adoption. Perceived structural equivalence of organisations is a key as it predicts homogeneity of behaviours in the adoption of the innovation.

6. *Personal characteristics*, particularly psychological ones such as self-confidence and Independence, determine rates of adoption but they are affected by environmental context (see below) including societal culture, especially at the level of large subgroups or nations.

Lastly, the third component refers to the *environmental context* and includes the following:

- *Geographical settings* include elements such as ecological factors (e.g. climate) although this element affects more clearly social innovations that include the environment within its transformational process (e.g. the bio-agriculture or citizen-led renewable energy sources). The observation by Torsten Hägerstrand in 1967 about the direct effect of distance on the adoption of innovations was also seen in social innovations. For instance, the impact of distance on the diffusion of social innovations such as policy reforms or even democracy continues to be the focus of research (Moulaert *et al.*, 2013). The issue of density of adopters is related to the spacial factor of proximity and both help explain adoption rate and adoption potential of a given innovation.

- *Societal culture* includes beliefs systems, cultural tradition, cultural homogeneity, and socialization of citizens (Wejnert, 2014). Studies documenting the influence of societal culture over the diffusion of social innovations were numerous even though they were not termed such at the time.[2]

2 These include reproductive patterns (Tolnay, 1995), welfare policy reforms (Abbott, 1992), sustainable agricultural practices (Sommers and Napiers, 1993).

- *Political conditions* include political systems (including regulations and norms) and their stability; they are important variables as they may determine actors' behaviours, particularly collective actors' when adopting new policies (Wejnert, 2002). It is likely that the relevance of these variables becomes even more important in the context of social innovation in which empowerment and change of social relations are a crucial part of the innovation itself.

- *Global uniformity* includes three variables - institutionalisation, global technology, and world connectedness - reflecting "the view of the contemporary world as one cultural community, characterised by collective development grounded in a synchronised, cohesive process of evolution" (Wejnert, 2002:315). These variables mainly affect collective actors, especially institutionalisation, which is enhanced by scientific knowledge, reducing risk and ignorance about an innovation, and by the normalisation of practices by interest-groups politics. An interesting point is raised by Wejnert (2002:318) when she states that this global uniformity means a "Westernisation of the world" and that "Western practices often connote symbolic meanings of socioeconomic advancement and elevated status" and that the wish of developing countries to achieve those levels has constituted one of the major stimuli for the adoption of innovations coming from the West. However, more recent development of world events has shown that the Westerm origin of social innovations may constitute a barrier for their adoption in some world regions.

In addition to the four theoretical contributions described above, there are some useful literature reviews on spreading social innovation (Davies and Simon, 2013), which illustrate the various approaches that exist. Incubation is considered one of the most successful approaches (Miller and Stacey, 2014) but there are others. Considering the working definition of social innovation used in this research, scaling and replication of a social innovation is seen as the best way (from an efficiency and efficacy standpoint) to maximise the contribution to society it was set out to create (Weber, 2012).

4.1.3. EU-funded research on scaling-up social innovation

Shedding light on the issue of scaling up and adaptability, a set of EU research projects has focused on the scaling and replication of social innovation. A salient feature across these research projects is the relevance of contextual factors, particularly when it comes to transnational scaling up (Kerlin, 2013; Weber *et al.*, 2012). Therefore, the micro-level, subjective approaches that characterised diffusion for early theorists is being complemented by more recent research with a more macro-level, objective approach.

Given the focus of the present research, four recent projects and their contribution to the issue of the replication of social enterprises as vehicles of social innovation will be highlighted. First, in the EU-funded project, WILCO, mentioned in the previous section, a major finding was that "diffusing innovations is not essentially different from innovating" (Brandsen, 2014) which resonates with Rogers' interpretation of the notion of re-invention, "the degree to which an innovation is changed or modified by a user in the process of its adoption and implementation" which was measured as "the degree to which an individual's use of a new idea departed from the "mainline" version" of the original innovation (Rogers, 1983:16-17).

When it comes to intentionality of replication, WILCO researchers point out that, since social innovations are usually initiated to solve a local problem, wider diffusion tends to be of secondary importance to the innovators and some cases even irrelevant. In any case, for a social innovation to thrive, it is especially important to have intermediaries who know the situation on the ground to assess what it takes for innovations to take root elsewhere and to have translators able to adapt the social innovators to new contexts. Furthermore, "encouraging social innovation is therefore best done by allocating resources, not only to spreading information and building networks, but also to boundary spanning and translation activities" (WILCO, 2014). As we can see, the conceptual relevance of the notion of boundaries was identified by WILCO researchers as well as others (Huybrechts and Xhauflair, 2013).

The second EU-level project to be reviewed is TRANSITION (*Transnational Network for Social Innovation Incubation*, 2013-2016)[3], which was not purely a research project but rather an experimental project to test how incubation methods and tools can better support, empower, and scale up social innovation in Europe. There are two findings that relate to the present research. Firstly, concerning the perception of risks associated with transnational scaling up, in this context, finding the "right" partner was considered a precondition to scaling up transnationally as risk free as possible. A right partner was "a local actor who not only shared the social innovator's 'vision' but who possessed good contextual knowledge of key stakeholders or the country's tax and legal systems" (TRANSITION, 2016). Secondly, it was demonstrated that strong networks - with peers, funders, customers, partners, collaborators, advisers and others - are crucial for social innovations to thrive.

The third project reviewed, the BENISI Project (*Building a European Network of Incubators for Social Innovation*, 2013-2016), focuses on incubators as a key element in the

3 All intermediate and final outputs fron the TRANSITION Project can be found at http://transitionproject.eu.

successful scaling of social innovations.[4] Together, the TRANSITION and BENISI projects published a joint report that highlighted the following common lessons learned: firstly, the need to involve strong, committed, and skilled teams composed of full-time employees in addition to volunteers, and secondly, the fact that business maturity is a key enabler to adapting in new markets (Benisi and Transition, 2015:25). Four strategies for scaling up were identified and ad hoc support was offered to social innovators identified by the BENISI and TRANSITION projects (Benisi and Transition, 2015:10):

- Strategy 1 - Diffusion of Knowledge: Scaling up requires using the experiences, knowledge and know-how of a successful social innovation applied to a new context and new team. This could include support to individuals and groups seeking to bring small-scale innovations to a new local context or possible public authorities and other bodies that have a defined operating area.

- Strategy 2 - Capacity Building: This strategy is aimed at social innovators who need to develop a suitable business model or business plan, or secure public funding. Social innovators are provided with legal and business counseling through one of the "clusters" defined by the consortium. This type of support typically concerns social enterprises that want to grow bigger in the same country.

- Strategy 3 - Joint venturing and franchising: This strategy is suitable for social innovations for which ongoing local adaptation is necessary, but which could benefit from ongoing close partnerships with existing successful implementations of the social innovation. This method allows social innovations to explore options to develop legal agreements that govern differing degrees of cooperation and explore methods for adapting franchise models found in the private sector to social mission-driven enterprises and organisations.

- Strategy 4 - Creation of new sites: This type of support is appropriate for social innovations that are operational and looking to scale up to other countries. Alternatively, it would be possible to develop similar initiatives in the other countries that will benefit from this fourth path – based on the network created with this project and the transfer of information between a variety of clusters. With this path an organisation or an individual established in one country will be able to receive qualified support through one of their centres established elsewhere in the EU, and also be able to explore opportunities to tap into local financing schemes and public contacts.

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4 Wihtin BENISI, a total of 300 social innovations across Europe were selected based on their high potential for scaling and the project provided the necessary support services for them to replicate. All intermediate and final Project outputs can be found at www.benisi.eu

It is important to mention the people leading the replication processes, who are called “scalers”. They are characterised as being entrepreneurial and exhibiting strong political skills (Ferris *et al.*, 2005); they are socially astute, with the ability to influence others and to develop or use existing networks, and are perceived by others as “possessing high levels of integrity, authenticity, sincerity and genuineness”. Paradoxically, there was one counter-intuitive finding: “most ‘scalers’ (and virtually all those with a revenue-generating model) stated that they wished to scale alone, most commonly through building up their own capacity or branching” (Benisi and Transition, 2015:22).

The fourth project reviewed is TRANSIT (*TRANsformative Social Innovation Theory*, 2014-2017), which developed a theory of social innovation that focuses on transformation in terms of empowerment and change in society with an emphasis on the transnational scaling of social innovations.[5] Indeed, Haxeltine *et al.* (2015:74) argue that “for changes to be considered transformative they must in some way have sufficient scale”. One of the main findings of this project was that transnational social innovation networks applied different strategies for engaging with the transformative process of replicating social innovation. By “transformative social innovation” TRANSITION researchers understood “change in social relations, involving new ways of doing, organising, framing and/or knowing, which challenges, alters and/or replaces dominant institutions/structures in a specific social context”. The five strategies described and covered by their dataset included: different degrees of formalisation, institutionalisation, controversy, visibility, and mainstreaming.

In connection with Alter’s warning about the conflicting aspects of innovation diffusion, scale relationships are considered as the result of contested and political negotiations and interactions; in other words, as transformative change is under way via specific social innovations, scale relationships can also be altered incrementally or fundamentally.

Table 7 below summarises the relevant approaches just reviewed and provides some of the key notions they propose.

5 All intermediate and final outputs from the TRANSIT project can be found at www.transitsocialinnovation.eu

Table 7. Theories and notions mobilised for understanding the scaling of social innovation

	About diffusion	Original contribution / Relevant notions
Rogers (1962)	The process by which an innovation is communicated through certain channels over time among the members of a social system.	Phases: knowledge, persuasion, decision, implementation (or re-invention), and confirmation Elements: The innovation itself, communication channels, time, and a social system.
DiMaggio and Powell (1983)	Diffusion of innovation is usually more rapid within organisation fields.	Organisational field: those organisations which, in the aggregate, constitute a recognised area of institutional life: key suppliers, resources and product consumers, regulatory agencies, and other organisations that produce similar services or products.
Strang and Meyer (1993)	If done within specific institutional contexts and shared by a specific category of social actors, diffusion will take place more rapidly.	Theorisation: The experience of previous actors during diffusion and subsequent adaptation, together with the shared values and personal interpretations of the world by social actors, progressively transforms into shared knowledge that speeds up the diffusion. Cultural linkages: The ties that connect the social entities (people or organisations) belonging to a common social category.
Wejner (2002)	"The spread of abstract ideas and concepts, technical information, and actual practices within a social system, where the spread denotes flow or movement from a source to an adopter, typically via communication and influence." (Same as Rogers, 1995)	Diffusion variables include three components: 1. Characteristics of innovations (public versus private consequences; benefit versus costs). 2. Characteristics of innovators (societal entity; familiarity with the innovation; status characteristics; socioeconomic characteristics; position in social networks; personal characteristics). 3. Environmental context (geographical settings; societal culture; political conditions; global uniformity)

In addition to providing the theoretical context for the present research, these theoretical frameworks can be harnessed to understand unsuccessful social innovations, or scaling up attempts, as well as to anticipate the performance of future adaptation processes of social innovations.

4.2. Spreading social innovation by replicating social enterprises

There is a vast literature on the issue of scaling-up and replication of social enterprises that in only a few years has evolved from being solely an adaptation of traditional commercial strategies to developing unique approaches adapted to the social field. Before going in detail into the model selected for the current research, it is useful to remember that stage theory helps recognise the four stages of the changes in the organisation (including social enterprises):

1. Awareness of a problem and possible solutions
2. Decision to adopt the innovation
3. Implementation that includes redefining the innovation and modifying organisational structures to accommodate it
4. Institutionalisation or making the innovation part of the organisation's ongoing activities

4.2.1 The core element of replication: Operational models of social enterprises

There is a terminological confusion caused by the interchangeable use of the terms "business model" and "operating model". According to Campbell[6], the former constitutes a larger notion encompassing the second. Specifically, a business model defines the stakeholders of the organisation, the offer made to each stakeholder group (customers, employees, investors, suppliers, etc. both internal and external), the resources available

6 "*Business Models and Operating Models*", post by Andrew Campbell, Ashridge Strategic Management Centre. Posted on February 24, 2014. Available at http://ashridgeonoperatingmodels.com/2014/02/24/95/. Accessed on August 3rd, 2015.

from each stakeholder (work from employees, money from customers), the financial models (income statement and balance sheet) taking account of size and growth ambitions, and the operating model, which is the nuts and bolts that make it possible for the organisation to interact effectively with its stakeholders in order to achieve its goals.

Beyond this differentiation, there are plenty of volumes on strategic management and business architecture devoted to business models. Weill *et al.* (2004) created the MIT Business Model Archetypes (BMAs) based on a typology of 16 business models with a strong for-profit focus.[7] Depending on whether the accent is put on one element or the other, there are different ways of conceptualising business models. According to Amit and Zott (2001), a business model captures the way in which a firm can configure its organisational structure and its interactions with external stakeholders, all of this impacted by the technology used to facilitate processes.

However useful for a first approach to business models these perspectives can be, the bottom line in a discussion about business models for social enterprises has to do not only with the components of the model but also the degree to which each of them matters with regard to the goals of the organisation. In the case of social enterprises, the business model is the way in which inputs are transformed into outcomes, considering both values generated at the same time: social (measurable impact) and economic (revenue).[8] The fact that outputs are often intangible and that social impact continues to be hard to measure has to be factored in when discussing the SMart operational model.

Indeed, the approach is often contingency-based and mechanicist, thus ill-suited for a knowledge economy where sharing and reciprocity are becoming more present and where issues of emancipation and democracy intertwine. As Perkmann and Spicer (2010) explain, academic literature treats "business models" in a three ways: as transactional structures, value extracting devices, and mechanisms for structuring the organisation. Adopting a more organisational sociology approach that activates performativity and cognition, they propose three alternative ways of looking at them: as narratives that convince, typifications that legitimate, and recipes that guide social action. Although their study focuses on technology, it is relevant to this case study ultimately for seeking the political articulation and empowerment of a full segment of creative workers.

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7 "*Do Some Business Models Perform Better than Others? A Study of the 1000 Largest US Firms*", working paper by Peter Weill, Thomas W. Malone, Victoria T. D'Urso, George Herman, and Stephanie Woerner. Massachusetts Institute of Technology, 2014. Available at http://seeit.mit.edu/publications/BusinessModels6May2004.pdf, Accessed on November 6th, 2015.

8 The typical legal form that social enterprises adopt is useful when looking at their business model as in many cases it determines the kind of resources it is able to mobilize or not.

There is far less literature describing the business and operating models of social enterprises. Those who do describe them usually approach social enterprises as hybrid models that combine several business models (Doherty *et al*., 2014; Grassl, 2012), which confirms the view that business models are not recipes to achieve a specific outcome (Perkmann and Spicer, 2010). Many types of social enterprises depend on different business models mobilised (Dees, 1998; Emerson and Bonini, 2003; Aspen Institute, 2005; Alter, 2006; Nyssens, 2006; Ridley-Duff 2008; Westall, 2009; Ridley-Duff and Bull, 2011). In general, the relevance of this discussion on business and operating models stems from the crucial aspect of *what* is replicated in other countries, *how* it is done, and *what is needed* for it to be done effectively and efficiently.

For the sake of clarity, the operating model of SMart is reduced to the services offered (divided into core and accessory, as explained below) and the technology that makes them more efficient and accessible to a larger number of members. In this current research, “the operational model corresponds to what in a commercial enterprise would be the business model” (Weber, 2015: 15). Considering that the social and financial dimensions are equally important for social enterprises, their operational model includes the combination needed to make it sustainable. Concretely it refers to the actual actions or programmes developed to serve its social aim as well as the financial model that sustains it in the long-term.

4.2.2. A model for scaling-up social enterprises

The model mobilised for the present analysis departs from the contribution of Weber *et al.* (2012) developed specifically to analyse the scaling up of social enterprises. The model was further tested in a study conducted on 358 social enterprises that scaled up their model. It includes two prerequisites and six success factors that play a role in the replication process. The two prerequisites are:

1. Viability of the operational model: As explained in section 2.3.2 the centrality of the operational model in any process of replication is of paramount importance. Not only does the model need to be perceived as attractive and effective enough by possible initiators in their own countries, but it also needs to include a certain degree of flexibility over a given time span before it can be implemented.

2. Commitment and readiness. Indeed, as noted by Rogers (1995), the timing of adoption depends on the interaction of social units in a communication process.

As for the factors affecting the replicability of a viable operational model provided that there is commitment and readiness, Weber *et al.* (2015) distinguish six, which are briefly described below:

1. Management competences: Understood as the ability to apply business-oriented processes and structures in the social enterprise's daily operations.

2. Replicability: Understood as an organisation's ability to reproduce not only its products and services, but also, where appropriate, its structures and processes - nationally and internationally.

3. Mobilising the necessary resources: Ability to generate the diverse resources that the social enterprise will require in the various phases of the scaling process or, alternately, to mobilise those resources through third parties. To achieve this its own social network has to be mobilised by deploying its social capital.

4. Control and dependency: Degree to which the social enterprise will want to work – or should work – with its partners.

5. Adaption/Transfer costs: The concept of transfer costs derives from transaction cost theory and can be divided into two main types: Internal transfer costs that result from adapting the operational model. External transfer costs that result from the adaptation required for the different contexts in which the social enterprise is supposed to be scaled.

6. Legitimacy and reputation: Legitimacy refers to the general perception or the understanding of third parties that an organisation's actions within a social system of standards and values are both desirable and appropriate.

There is more detail about this theoretical model for the replication of social enterprises mobilised for this research in the methodology sub-section 4.1.2.

CHAPTER 5.
THE CASE OF SMART: A UNIQUE EUROPEAN SOCIAL ENTERPRISE IN THE FIELD OF CULTURE

5.1. SMartbe AND THE SMart MODEL

The research setting selected is that of culture, and more specifically cultural organisations in the field of social and solidarity economy. For this thesis, we fuse the previously defined social enterprise with the broadened specialised cultural sphere as defined by Arnaud Sales. The enlargement of the concept of "specialised cultural sphere" has brought about the incorporation of a broad spectrum of activities and new actors (the public, civil society, and private companies) and a weakening of the ties to the classical arts (Sales, 2012). Even though the core case study of this thesis, SMart, does not directly produce art as a main line of work, it illustrates a truly social and solidarity economy line of development, self-help, and mutual support.

5.1.1. The initiator: SMartbe

Founded in 1998 as a small mutuality-based non-profit organisation in response to the growing demand of artists facing difficulties *vis a vis* the administrative aspects of their status and activities, SMartbe (original acronym for "Société Mutuelle pour artistes") was created to act as an intermediary body to manage the contracts entered between its members engaged in any kind of artistic performance and their customers. Therefore, the mission of SMartbe was not *a priori* directly aimed at producing art but at supporting the creators.

This member-based association focused first on the operational aspect of its services, later on developing more active member participation; and more recently on expanding its presence in Europe. The mission statement as included in the bylaws is:

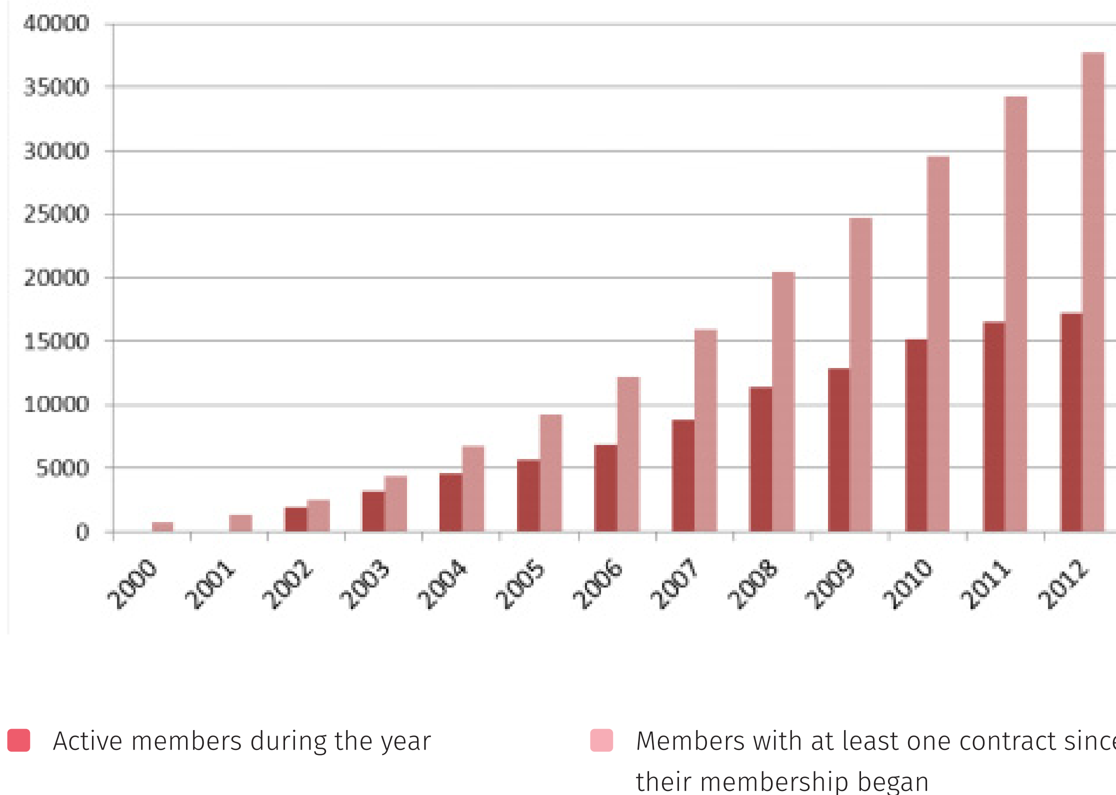
> to reinforce the autonomy of artists; to support the emergence of creative activities; to promote a legal framework for the artistic sector; to develop as a socio-professional association, the representativity of their members; and to make available to its members administrative and financial tools for the exercise of their professional activities.

In a nutshell, SMartbe ensures the administrative and legal coverage of its members both when they are engaged in the production of cultural goods and services and when they are off-project. SMartbe has been developing innovative services for artists and creative professionals for over two decades. Moreover, it defends the interest of its members as special types of workers and makes sure that their voice is heard in policy discussions related to their employment and rights as well as to wider issues related to culture. SMartbe is well-known for the battles against the precarisation of cultural and creative workers in Belgium. SMartbe is also present at the European level both replying to open consultations and collaborating with other European institutions such as the European Economic and Social Committee. It also has a strong presence in European networks (e.g. Culture Action Europe) and research projects (e.g. CulturalBase).[1]

In 14 years, the growth of SMartbe has been impressive: in 2012, SMartbe had 173 employees (far from the original five employees), 50,000 members (see Graph 2 for an evolution of the membership), and a turnover of 130 million €. It originated as a small organisation anchored in the social economy in Brussels and it rapidly spread to other Belgian cities. It now has 10 offices, two in Brussels and eight across Belgium (Antwerp, Charleroi, Gent, Kortrijk, Liege, Mons, Namur, and Tournai). Ultimately, when compared to the social aim of the organisation which is ending precarity and ensuring that those in the creative sector can make at least a partial living out of its professional activity, the results are undeniable: in 2011, the average of funds managed via the online management system tool was 25,000 € per year. In addition, at a more systemic level, the total number of artistic services amounted to the equivalent of 600 full-time jobs per year (i.e. 120,000 working days) (Dujardin and Rajabaly, 2012).

1 Some of the consultations where it has participated include the Europe 2020 strategy over 2010-2014 (available at http://ec.europa.eu/europe2020.pdf/contributions/europe2020consultation_smart-be_20141030_fin.doc) and it also was a key player in the EESC event "The creative and cultural professions in the EU 2020 Strategy" in October 2013 (programme available at http://smart-eu.org/media/uploads/2013/10/CESE_2013-10-14_prev-Progr-EN_02-10.pdf).

Graph 2. Membership evolution of SMartbe



Active members during the year

Members with at least one contract since their membership began

Source: Dujardin, 2014 (SMartbe database; N=37,727)

The SMart model is based on an employment scheme created as a response to a specific context in a particular moment (the Belgian labour market of the 1990s). Even though SMart was not technically a cultural organisation producing art, it was called to play a crucial role in articulating the sector thanks to the innovation it introduced both in the labour and cultural fields. As a matter of fact, such growth can only be explained by the progressive enlargement of its target audiences which focused on the arts sector first, the "creative professionals", and is currently moving on to any project-based worker (Xhauflair *et al.*, 2015). In exchange for such accelerated growth, SMart has always faced criticism from other players in the labour market who saw traditional negotiation schemes and field boundaries threatened; such negative reactions, however, have been accompanied by strong diffusion among users going beyond geographic boundaries (Xhauflair *et al.*, 2015).

Indeed, one of the strategies deployed by SMart to minimize uncertainty in the process of spanning boundaries was "the allocation of numerous personnel to boundary spanning roles" (Hirsch, 1972:650). Although Paul Hirsch (1972) focused on the book, film, and music industries with specific raw material (actors, singers, composers, etc.), he associated this type of behaviour to entrepreneurial organisations in cultural industries.

The organisation gradually underwent a boundary spanning and audience enlarging process that had an impact on the Belgian institutional landscape and regulatory framework related to employment (Xhauflair *et al.*, 2015). Through the incremental expansion of these boundaries SMartbe became a "cross-boundary organisation", active in the labour market as employer of thousands of cultural and creative workers, and in the cultural sector increasingly assuming functions of production and mediation via the commissioning and direct investment in the culture and the arts.

5.1.2. The operational model of SMartbe

As already mentioned, during the initial year SMartbe focused on the operational aspects of the organisation, meaning the efficient implementation of services and the satisfaction of the members. The promotion of the "associative spirit" was not a priority at that time, although once the organisation was established from a management and business perspective, it would become one of the main priorities.

In addition to the basic administrative and information services, additional services have been developed or are in the process of being developed (training, leasing, micro-credit, legal assistance, training, a research unit, crowdfunding, art collection, insurance, etc.). For instance, a recently created tool, Push, is a crowdfunding platform for financing, supporting, and communicating artistic projects powered by SMart.

As indicated, only the elements of the operational model of SMart that are relevant to this research that is focused on replication and adaptation are being considered, namely the services offered (core and accessory) and the technology that permits increasing efficiency and accessibility to members (which is referred to internally as "the tool").

The operational model of SMart can be identified through ten services, five core services and five accessory ones that are described below:

1. **Contract and/or activity management**: SMart developed an ICT management system tool called "Activity" to allow creative professionals to manage and produce individual or group projects.[2] The developers of the system, Productions Associées - a sub-division of SMartbe - perfectly understood the project-based nature of the projects and developed the system accordingly: it is currently used by over 10,000 members of SMart and is being adapted to other countries. "Activity" ensures that projects are managed administratively with respect to all legal requirements and in a secure environment. By using the system, users can enjoy the "employee" status thereby activating a number of social and fiscal benefits usually unavailable to casual workers. SMart explains the functioning of "Activity" as follows:

   > From a practical standpoint, the "Activity" management system enables the professionals who use it to deposit funds into a budget that is earmarked for their project – through the invoicing of clients, funding contributions, and the invoicing of intellectual property rights licenses. This budget can then be used to finance employment contracts, reimburse professional expenses or to pay for rights licenses.[3]

   Users of "Activity" are divided into "coordinators", "project backers" (who manage a specific budget for a given project), and "participants" (who may participate as members of a collective project). Other important actors in the system are the "clients" (who commission the project and whom coordinators will be invoicing) and other actors such as sub-contractors and professional agents.[4] Different types of money flows (in or out of the budget within "Activity") exist depending on

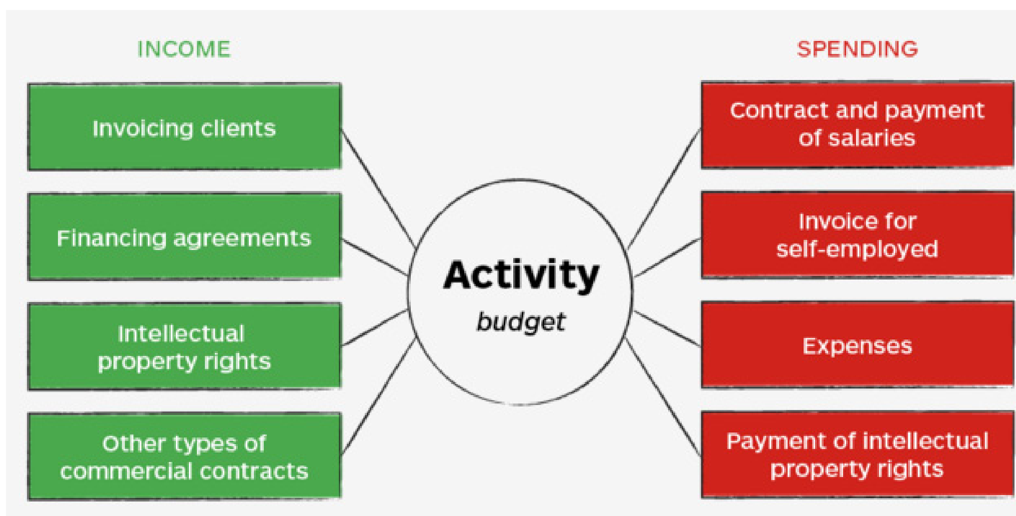
2 Projects are negotiated directly between members and clients (tasks, price, subcontracting, duration, etc.). Once an agreement has been reached, a contract between the two has to be signed in order for the project to be accepted into the SMart system. Upon signature of the contract, the assignment is registered into the project management system before the work begins. SMart takes charge of registering the worker in the social security system, paying the various social contributions and expenses to the pertinent administrations and paying the salary.

3 SMartbe (2012) "Developing your artistic projects. The example of SMartbe Activities". Available at www.smart-eu.org/media/uploads/2013/04/SMart-Activities-ENG.pdf . Last accessed on January 30th, 2016. This publication is a summary of the publication by A. Dujardin and H. Rajabaly, *Être intermittent dans le secteur artistique. Profil socioéconomique des membres de SMartbe, de leurs prestations et de leurs donneurs d'ordre* (Being a Casual Worker in the Arts Sector. A Socio-Economic Profile of SMartbe's Members, their Services and their Commissioning Clients), published by SMartbe (2010, Brussels).

4 According to SMart's own internal survey, as of 31st December 2011, there were 6,230 Activities with at least one financial transaction in their budget since they were set up; they amounted to a total of 42 million euros in 2011. The main reasons for their members to use *Activities* were: the administrative support provided by SMartbe (81%); the alternative that Activities represents to setting up a company or becoming self-employed (72%); and the opportunity to achieve a professional status (61%) (SMart, 2010).

the fiscal and legal regulations of each country (e.g. submitting expenses and invoicing and paying Intellectual Property Rights, subsidies, and grants). The ultimate goal of this system is to free creative professionals from administrative tasks so they can spend their time on their creative activities. Figure 7 below summarises visually the functioning of the "Activity" management system.

Figure 7. SMartbe "Activity" management system



Source: SMartbe

SMartbe has begun to present the idea of a "shared production house" to explain how it works to newcomers. It is presented as an easy alternative to setting up an organisation for any discipline with significant savings in terms of legal and financial hurdles. Instead, the members' projects are treated as small businesses within SMart that simplifies bookkeeping thanks to "Activity" and allows the access to the various additional services they offer (mutual guarantee fund, leasing of equipment, insurance…). The ultimate goal is to increase the security in the career paths of cultural and creative workers facing casual and one-off work opportunities and flexible working conditions.

Ideally, this service is offered via an online tool developed in Belgium. This tool represents a real added value in terms of task simplification and time required for processing tasks and information, which leaves time available both for SMart workers, members, and users to develop other dimensions of the project. Unfortunately, however, the tools were only available to the non-Belgian SMart national organisations in France and Germany by the end of 2015, which contributes to slowing down the adaptation process in the rest of European countries.

2. **Information and advice**: knowledge and expertise are recognised by SMart as being one of the pillars of their model. This wealth is transferred to target public and current members on a regular basis in the form of information sessions for groups, personal appointments, and information sheets focusing on specific topics. This dissemination focuses on internal topics (making current and potential members acquainted with the tools and actions of the organisation, stimulating member interaction, etc.) as well as external topics (acquainting members with work and social conditions in the sector, the situation of the sector at local, national, and European level etc.). In addition, SMart created its own research unit (*bureau d'études*) in 2007 in order to capture the great richness of data and knowledge created by the organisation and its members as well as their interaction with other social actors related to the field of culture. The research unit is composed of in-house and associated external researchers who publish a yearly study as well as sectoral studies and statistical analyses about its membership. This research unit also monitors the evolution of the social and labour fields to track the changes affecting the creative sector. In 2012 an additional branch was added with the aim of publishing and disseminating analyses dealing with the various topics covered by SMart's activities. Furthermore, SMartbe complements its research and monitoring function via the partnership with numerous university research centres (e.g. Center for Social Economy at the University of Liege) and think tanks (e.g. Pour la Solidarité) with which they co-organise numerous seminars and publish working papers.

3. **Guarantee funds**: The main fund of SMart is called the "mutual guarantee fund" and it ensures the payment of the salary even if the client has not paid (this paying day is set differently in each country; for instance, in Belgium it is 7 working days after the assignment is finished while in Spain it is on a fixed day every month). Pooling resources as a pillar of the organisation's philosophy allows for all members to contribute to this fund in order to spread risks. In all countries (except Spain, where it is 2.5%) a fee of 2% is charged on all amounts invoiced through SMart to feed the mutual guarantee fund. The idea is that this fund can be integrated into the larger European SMart platform to provide financial services to members across Europe. A second type of fund exists in some countries called the "social fund". The objective of this fund is to create a pot of money that members can decide how to invest as long as it is reinvested in the mission of SMart.

4. **Debt collection**: SMartbe identified that one of the main barriers to the development of the cultural and creative sector was delayed payment and the effort required from overburdened professionals to chase their clients to get paid. SMartbe created a debt-collection unit that makes sure that clients fulfill their payment obligations thereby reducing the precariousness of casual work-

ers and ensuring the cash flow for the member. Such debt collection is done by trained people who are close to the clients with an aim of not jeopardising the potential for future work for their members. In combination with the mutual guarantee fund, these two services ensure that members are protected against debt after having performed a service.

5. **Insurance**: Being a creative worker entails a number of risks that are covered by the insurance required by law (work accidents, civil liability, etc.). In addition several types of insurances are offered exclusively to SMart members usually related to their professional activities (for instance theft abroad, travel insurance, shipping insurance, etc.).

In addition to these five core services, other "additional services" offered by SMart include:

1. **Financial services**: Several tools have been developed ranging from leasing for professional equipment and vehicles to specific financial tools: microfinance, advances of subsidies, fund for career development or small loans to more innovative ones such as crowdfunding. For instance, Push is a crowdfunding platform for financing, supporting, and communicating artistic projects powered by SMart. Based on the mutualistic and non-profit principles, Push aims to fund artistic projects and to launch them thanks to the coaching and support of the SMart community. Another innovative service is a scholarship scheme that ensures that excellence is nurtured and hard to finance projects get the required funding.

2. **Online community network**: Known as SMartAgora, it aims to create and strengthen the links and interactions among creative professionals. It was conceived as a community-based environment where additional resources and advice can be found in order to support the creation and projects of members.

3. **Co-working space**: Adapted and affordable working space is available for members of SMart in some countries. This opportunity is developed either independently or in partnership with other organisations or even public administration.

4. **Art collection**: Available only in Belgium for now, this service encourages the formation of a permanent SMart visual art collection with pieces from SMart members across Europe. In addition to creating an internal market, such a collection could also tour the members' spaces and even be loaned in order to generate revenue to sustain the mission of the organisation.

5. **Professional training**: In addition to the information sessions offered by the advisors, members also have access to longer training programmes aiming at increasing their entrepreneurial skills. These training programmes were offered after identifying the need in SMartbe members who have received little training beyond their own discipline. An additional innovative service developed to encourage the labour mobility of Belgian cultural and creative workers to other countries is called "Mobility services". It provides information and advice on how to go abroad to work (work permits and rights of stay, visa, intellectual property rights issues, etc.). Concrete actions include ensuring that the members' contracts are secure and according to the national law when mediating with foreign contractors. One example of this type of this training is the *peer-to-peer sessions* organised to transfer knowledge among SMart members with complementary professional profiles.

As can be seen in the list of services offered, SMart relies heavily on ICT to deliver some of them. Moreover, they have adapted new-generation technology tools such as mobile devices and applications, virtual meeting tools, and social networking. According to HBR these "leading users are achieving higher levels of innovation, lower costs, faster time to market, and increased productivity/efficiency". Again, although the mentioned study applies only to traditional for-profit enterprises, technology has the potential of transforming business models such as SMart's into what they term "next-generation enterprises".[5]

Having said so, personalisation of services is one of the added values of the SMart model. Each member is assigned a personal "adviser" who follows her/his activity on a day-to-day basis and provides guidance when needed. These advisers ensure that specific situations are known and that there is a sustained follow up.

Such closeness is illustrated physically via multiple offices and activities to meet face-to-face but also by development of online tools to create communities. The idea of "proximity services" promoted by the social and solidarity economy is therefore at the heart of what SMart does.

5 "New Operating Models for the Next-Generation Enterprise" by Harvard Business Review Analytic Services. Available at https://hbr.org/resources/pdfs/tools/17360_HBR_Cognizant_Report_webview.pdf Accessed on November 6th, 2015.

5.1.3. Enterprising communities: SMartbe and the social economy

As already indicated, the basic principles behind SMart are mutualisation and non-profit behaviour. The pooling of risks and benefits that is at the basis of mutualisation is a very old principle in many cultures which has been virtually reduced in the Western-European tradition to mutual societies in the health sector and expressions related to "debt mutualisation" that have arisen in the context of the recent financial and economic crisis.[6] However, mutualisation practices abound in the informal sector, which proves that it is a well-tested way of getting by and supporting each other's needs (Laville, 2011). Indeed, mutualisation does not imply a "detached" form of solidarity but a responsible, informed, and participatory solidarity.

In the specific case of the SMart model, emerging artists and creators as well as more established ones know that, while "profitable" periods fluctuate, everyday financial needs do not. Only by pooling what is collected at harvest time in preparation for potential moments of scarcity can these creators cope serenely with making a living. In this sense, there is a clear call to consciousness and action to any person joining SMart insofar as someone who chooses to pool risks and benefits with others has to do so in a fully conscious, informed, responsive, and active way while she continues to grow as a professional. And yet, today, one of the biggest obstacles to explaining the concept of SMartib or SMarthu to Spanish and Hungarian people who have never heard of this model is precisely the incredulity expressed in front of the principle of mutuality.

A non-profit maximisation behavior refers to the absence of any profit-maximisation logic in the mission and purpose of the organisation, therefore giving a major role to the wellbeing of members and the community at large. The fact that SMartib does not aim to maximise profits does not mean it does not seek to be profitable and competitive in its market. The main difference is that any generated profits are reinvested in the cooperative in order to provide more and better services to cooperative members. In SMartbe as well as across the rest of the countries analysed here, this commitment to the wellbeing of members is illustrated by two concrete examples: firstly, the sustained high level of personalised care provided to members by the advisers, which is sustained as the membership base grows with incorporation of new advisers; and secondly, by the creation of a social fund managed by members themselves with regard to how it is invested.

6 Interestingly enough the original sense of "mutualisation" referred to the conversion of a stock company to a company owned by its workers or customers.

In this context, SMartbe is embedded in the social and solidarity economy, which roots its principles and dynamics in the logic of solidarity and reciprocity. The identification with the social economy is actively promoted by SMart both at the national and the European level. At the national level, SMartbe has always presented itself as an organisation from the social economy. Such identification has been stated via the documents and discourse presenting SMartbe as well as by belonging to numerous cross-sectoral and sectoral federations from the social and solidarity economy. As already mentioned, it also partners with research organisations working in the social and solidarity economy both at the national and European levels.

As explained in section 3, the example of social innovation diffusion that SMart constitutes takes the form of institutional work, specifically via the institutional arrangement of a social enterprise (according to national legal contexts) and in dialogue with public administrations, the traditional private sector, and other civil society actors. Attending to research developments in social economy and third sector studies, SMartbe could be considered as a social enterprise insofar as it engages in economic activity for a social purpose and it is managed in a transparent and participatory way. Indeed, it combines social and economic goals and has engaged in a replication process that tests the robustness of its operational model beyond sector and geographic boundaries (see next section). SMartbe constitutes an innovative type of community enterprise due to the local roots and legitimisation, the limit to the distribution of economic surplus, and the aim to benefit the cultural community (and thus society) at large. Lastly, due to the existence of a clearly articulated political agenda supported with concrete actions ultimately aiming to increase emancipation for the precarious type of the average worker's employment, SMart can be considered an organisation tied to the solidarity economy.

5.2. SCALING-UP THE SMart MODEL

After almost 20 years of existence and overcoming both internal and external challenges, SMart had proven its validity by increasing the wellbeing and performance of creators and artists by reducing uncertainties related to their intermittency status. It is worth noting the expansion of fields of activity that preceded the geographic expansion of SMartbe explained above.

5.2.1. Description and planning of the replication process

The strategies of social enterprise replication proposed by the BENISI project described in section 3.4.1 are very useful in describing SMart's expansion strategy. However, it is worth noting that these four strategies cut across each other in the case of SMart and so they should be considered as an analytical tool and not a clear-cut categorisation of organisational behaviour. The impressive expansion of SMartbe began with the capacity-building dimension offered to its members, and evolved into more complex geographic growth across countries. Indeed, the initial in-country geographic expansion involved the opening of nine offices in nine different cities. In addition, the expansion of activity field categories (from artists to creative worker to project-based worker) provided a unique opportunity to refine the original core-operating model, test the viability of added services, and adapt the original core-operating model to new contexts. The fact that Belgium is characterised by marked cultural differences between the Flemish and the Wallonian regions was an added value to this refining, testing, and adaptation of the national expansion strategy.

The SMart model described above rapidly got the attention of partners and cultural actors in neighbouring countries, starting with France.[7] In less than five years (2011-2014) an adaptation of the model was either under development or already implemented in 12 European countries. The expansion process was not an easy one given the numerous administrative, cultural, social, and political contexts present in Europe. Indeed, three out of those initially interested 12 countries (Denmark, Estonia, and United Kingdom) stopped their adaptation process at different stages for different reasons. Indeed, during one of the interviews held during this research to one of the leading managers of the Project, it was highlighted that waiting for the model to become fully implemented and working in a core group of three countries would have been better than moving on what can be perceived as a rushed decision. Indeed, according to the interviewee, starting off with such a small number of tested cases (technically one and a half) involved an "unfinished model" that was to be not only adapted but somewhat completed in the course of the implementation process of the new countries.

Despite this set of *a posteriori* reflections, at the time, the initial success of the source organisation and the promising situation in France, were enough to start SMart on a replication path that combined the two trajectories involving partnering with others described by BENISI: dissemination of knowledge and affiliation strategies. The ration-

7 As of January 2014, there were national offices of SMart in Belgium, Austria, France, Sweden, and Spain and two years later there three more up and running in Germany, Hungary, Italy, and The Netherlands.

ale was to make SMart's proven concept available in other countries but drawing on the strengths, local expertise, and contacts of local teams, which would act as a collective core social entrepreneur driving the implementation. As we will see, the specific form that this took across countries varied greatly.

Two main elements that characterised the initial steps of SMart expansion process were the exponential growth of networking potential and the intensive transfer between the originating cluster and the new clusters of interested people and groups around Europe. Rapidly, the relationship between the Belgian originators became a combination of support and monitoring of objectives.

SMart mobilised the strategy known as *dissemination of knowledge*, which allowed them to tap its experience and know-how while connecting with individuals and groups already active in the cultural field. In addition to the formal steps described below, these individuals and groups had to share at least three principles with the SMart originators: the identification of the main problem to be solved (precariousness of cultural workers and lack of articulation of the cultural sector); a commitment to the values of the social economy; and an involvement in the constructions of a European platform.

The *affiliation strategy* refers to processes whereby a local adaptation is required but it is based on partnering with ongoing successful initiatives interested and sharing the above-mentioned three principles. Interestingly, this strategy causes the local partner to subsequently undergo a capacity-building expansion process allowing it to increase its presence in its own country. Normally, the existing partners are active in the social economy or interested in expanding to the cultural field or active in culture and the arts, but ready to commit to an efficient and fair way of finding alternatives for their sector. This strategy is characterised by a high degree of formalisation since organisations are usually standing behind those individuals initiating the discussion.

It is noteworthy that the geographic expansion of SMart did not follow an elaborate replication plan linked to a detailed timeline, processes, and objectives crafted since the beginning. On the contrary, the expansion grew naturally based on the personal networks established and the shared identification of needs for the sector and the increasing commitment of the originating organisation to the process through the devoting of resources. Although clear-cut phases were not established in the expansion process of SMart, it can be done *a posteriori* and therefore two phases can be identified, namely, the "latent scaling up" and the "formal scaling up" phase. The first one began around 2002 and drew on the close contacts that exist between the French speaking Belgian

community and France.[8] Indeed, there is a tradition of cross-border movement of workers between Belgium and France resulting in highly permeated cultural communities on both sides of the border as well as in some regulatory adaptations, particularly on the status of workers.

The second phase in the scaling-up of SMart, that we have termed “formal scaling-up”, began around 2006 and it is identified by the internal formalisation of the process resulting in a standardised replication procedure and the creation of a department within SMartbe devoted to the development of the European platform where all contacts and actions concentrate. This Belgium-based EU office reached a unique level of independency within the Belgian organisation and acted as a facilitator of exchanges and best practices among countries as well as finder of opportunities in other countries.

The evolution of the Belgian case illustrated that the more services SMart developed, the more the cultural and artistic sector seemed to thrive in a given country.[9] The French case constituted a special testing ground for what was to come in terms of a planned replication strategy across Europe. Indeed, as already mentioned, contacts had always existed between Belgium and France given the geographic closeness and border labour issues shared but they intensified in 2002. An initial unit was set up to create links with other partners active in the complex French cultural landscape, establish connections with public administration representatives, adapt both the technical tool (Activity) and the core services (particularly contracts and social security management), and identify local sources of possible financing.

The list of neighboring countries interested in exploring the possibility of implementing the SMart model in their own contexts reached a peak of 12 in January 2014: Austria, Denmark, Germany, Estonia, France, Hungary, Italy, Poland, The Netherlands, Spain, Sweden, and United Kingdom. Moreover, expressions of interest in the form of visits to SMartbe and requests for information were received from Canada in 2012 and Mexico in 2013.

In 2011, a document describing the various phases (the Roadmap) was produced by the International development department together with a number of documents to accompany the implementation process in new countries. By developing a standard-

8 The French-speaking community of Belgium counts with a number of mechanism and institutions to support its development in crucial areas such as education, culture, sport, youth, science and research, and justice. The most well-known is the Wallonia-Brussels Federation which also promoted exchanges with France in the above-mentioned areas.

9 Although this causal connection is still to be proven, it is a priori supported by the number of members in the countries where it exists, which leads to a growing negotiation power vis-à-vis private contractors, public administrations and even a self-promoted market for their members.

ised process for replication in new countries, SMart formally brought the scaling-up process into its organisation. The process acknowledged the need to gather information about several elements, evaluate this information against concrete indicators, and make decisions based on the comparison between the social impact sought and the conduciveness of the contexts, which included resources available. In this context, newcomers to the SMart platform entered a formal process leading to their acceptance into the SMarteu platform. The three phases of the process are summarised in the figure below:

Figure 8. Phases and duration of the SMart scaling-up process

The developmental and adaptation process includes going from “point 0” to a “break-even point” which means that the organisation in the new country has proven its financial stability and robustness in the field. If a country reaches this point, the adaptation can be considered successful.

The process takes an average of three to four years and it consists of the following phases:

Phase 1. Initial contact

This phase includes initial intensive discussions between Belgian representatives and the local leaders interested in developing SMart in their country via face-to-face and virtual meetings. Competences of the local team are assessed and local partners are identified and mobilised in order to ensure the required types of capital (financial, social, human). This phase requires the local partner to go through the following formal steps:

- Participating in a two-day intensive training in the Belgian central office to meet the key people and on-site central structure. All the documents and workflows involved in the process are explained and experiences from other European countries are explained.

- Filling out the Territorial Checklist, which describes the different roles and profiles identified as fundamental for a SMart project to develop in a consistent and coherent way. The aim of this overview document is to clarify some questions that territorial partners may have when setting up a team.

- Completing a Local Information Questionnaire (LIQ) aimed at collecting information about the territorial context with a twofold objective: to describe the specifications for the adaptation of the ICT tools and to learn about the socio-political context. The LIQ is a crucial formal document with two main sections: the Business Process Needs and the Territorial Context. The former includes the production of services and activities (organisation & management of workflows); the management of contracts and invoices with third party payers (members' clients); and the financial services, while the latter focuses on gathering data about the public and private sectors, forms of business entities operating in the sectors, artistic activity management workflow, and ICT management.[10]

- Conducting some basic market research via an initial mapping of the sector and some focus groups with local stakeholders. The goal of the focus groups is, on the one hand, to receive feedback on and inputs for the development process and, on the other hand, to mobilize new supporters and spread the word about the initiative. The initiators have to be personally involved in the invitation, running, and assessment of the focus groups in order to fully benefit from them.

- Setting up the local team, which includes a minimum group formed by the leader, some administrative support, a legal advisor, an accountant, and other type of advisors.

10 The research to be done is quite extensive and national LIQ are usually about 60-pages long. They have to provide an overview on the following topics: Social Security, employed & self-employed work, taxes, economic and cultural matters, professional organisations and unions (focusing on artistic sectors) and establishing contact points in these areas; A description of the "status of the artist" (relevant legal framework/measures) and of their work flow; private and public organisations working with artists, funding available; etc.

Below is a table describing the crucial elements, sub-elements, indicators, and milestones involved in this phase:

Table 14. Overview of SMart scaling-up phase 1 (Initial contacts)

Average duration	3-6 months	
Elements	**A start-up team**	**Context definition/market research**
Sub-elements	› Initiator(s) and business developer *(can be the same)* › Two-day training › Checklist	› LIQ › Mapping › Focus groups
Indicators	Initial partners: › Have networks › Understand creative workers environment › Have business knowledge	› Quality of the content › Self-produced or subcontracted › Attendance rate
Milestones	Initiator(s) participate in 2-day training	Market research is completed

Phase 2. Preliminary set up

Based on the initial phase, a decision is taken on whether or not to launch the development of SMart in a given country. This decision is also initial and so pre-operational (i.e. nothing has been formally launched yet) but it includes laying the blueprint for the organisation and running of activities. Bilateral discussions continue and increase and the partner may be invited to meetings of the European platform to get to know other countries' actors. Therefore, it is a phase that involves crucial decision-making, negotiation, networking, and strategising. The financial risk associated to these two initial phases is overcome by the availability of a seed funding from SMartbe, which may cover all the initial operating costs provided that the minimum requirements are being met in a timely manner. Phase 2 is visually summarised in Table 15.

Table 15. Overview of SMart scaling-up phase 2 (Preliminary set-up)

<table>
<tr><th>Av duration</th><th colspan="2">1-2 years</th></tr>
<tr><td>Elements</td><td colspan="2">A solid team</td></tr>
<tr><td>Sub- elements</td><td colspan="2">› General manager/financial officer
› Advisor/office manager
› Legal advisor</td></tr>
<tr><td>Indicators</td><td colspan="2">Competences:
› Manager (evaluate effectiveness; good links to authorities;
› understands the services; is cost-efficient; strives for results)
› Advisor (dynamic, motivated; contributes to new solutions; knows cultural sector; has access to networks)
› Legal advisor (available to users & the organisation)</td></tr>
<tr><td>Milestones</td><td colspan="2">Core team is set up</td></tr>
<tr><td>Elements</td><td>Services identification</td><td>Creation of legal structure</td></tr>
<tr><td>Sub- elements</td><td>› SMart fee for members
› Information document on services</td><td>› Definition of type of status and organisational structure
› Seed loan from SMartbe</td></tr>
<tr><td>Indicators</td><td>› Ability to overcome legal and political obstacles</td><td>› The legal status belongs to the social economy
› Seed loan/total costs</td></tr>
<tr><td>Milestones</td><td>A list of services is available</td><td>A new social enterprise is set up</td></tr>
<tr><td>Elements</td><td colspan="2">Management, communication & insurance packages</td></tr>
<tr><td>Sub- elements</td><td colspan="2"></td></tr>
<tr><td>Indicators</td><td colspan="2">› Whether there is enough in-house knowledge
› Whether the team defines a strategy with limited resources</td></tr>
<tr><td>Milestones</td><td colspan="2">A clear message to communicate is agreed upon</td></tr>
<tr><td>Elements</td><td colspan="2">Outreach launch & advisor set up</td></tr>
<tr><td>Sub- elements</td><td colspan="2">› Website and communication materials are ready
› Advisor(s) ready to work</td></tr>
<tr><td>Indicators</td><td colspan="2">› Whether there is enough in-house knowledge
› Whether there is collaboration with the SMarteu communication department
› Deep knowledge of the advisor position
› Whether they do their job manually or using the tool</td></tr>
<tr><td>Milestones</td><td colspan="2">Advisors receive users
A website exists</td></tr>
</table>

Phase 3. First operations

Based on the successful implementation of the two initial phases, the first operations are launched in a given country. Several options are given to the partner in terms of starting to offer their services: to use the same Activities ICT tool as in Belgium and France while it identifies workflows in the business process that may be different, and collecting all the required information to guide the adaptation of the workflows in the territorial context (practical, legal, administrative, etc.). This phase includes detailed ongoing evaluation with a yearly follow-up of the accounting, administration, and services level. The end point of this phase (and the entire process) is a break-even analysis, which determines the point at which the generated revenue equals the costs associated with generating it. Several indicators are monitored throughout the period with the aim of reaching a financial situation where gains equal losses (including the return of the seed grant). After the break-even analysis a diagnostic is produced: if the organisation has reached this break-even situation, it is considered a fully independent organisation having taken its first step toward financial stability. On the contrary, if it fails to break even, several corrective actions are designed and implemented to redress this situation. Phase 2 is visually summarised in Table 16.

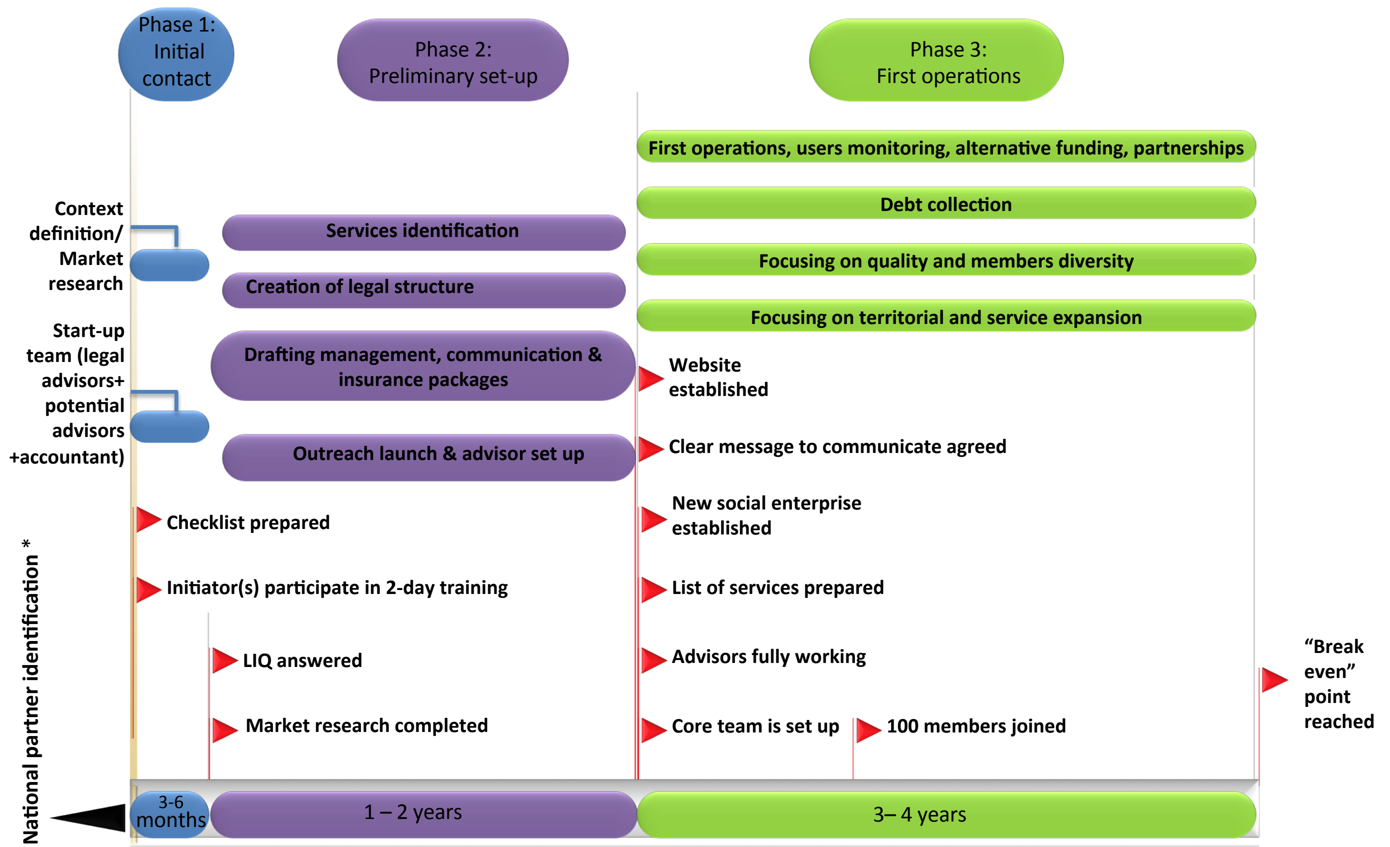
Table 16. Overview of SMart scaling-up phase 3 (First operations)

Av duration	3-4 years	
Elements	**First operations, monitoring of users, alternative funding, partnerships**	**Debt collection**
Sub- elements		
Indicators	› Total invoiced amount › Number of active users › Number of users invoicing more than once › Number and type of partnerships established/initiated › New funding/seed loan › Office location › Number of personal appointments/advisor	› Debt/total sales
Milestones		
Elements	**Focus on quality and members diversity**	**Focus on territorial and service expansion**
Sub- elements	Satisfaction survey for members	Evaluation (break-even analysis) and diagnostic
Indicators	› Turnover allows for 1 FTE › Number of info sessions › Number of represented cultural fields	› New offices are opened › New services are offered › Estimated time to reach financial break-even point
Milestones		Break-even point is reached

Many factors influenced the implementation of the model across countries and a variety of elements came into play in the adaptation process. In terms of organisational engineering and scope, SMartbe includes an association and a foundation, whereas in other countries different forms have been selected (for instance, in Spain the selected legal form was a new type of cooperative). SMartbe began as a mere administrative intermediary for the cultural and creative industries, and slowly mutualistic services were added, whereas in Spain, SMartib provided from the beginning a real organisational umbrella for the creative professionals that could invoice on their behalf.

The graph below summarises the scaling up process of SMart visually including the main milestones, tasks, and phases.

Graph 3. SMart model scaling-up process



5.2.2. Setting up a European platform

An important external driver behind the scaling up of SMart was given by the European context of cultural production in Europe (see section 3.1). The founders of SMartbe were convinced that solutions could be designed to allow creative professionals to work on their projects without being overwhelmed by administrative burdens and the worry of unpredictable cash flow. Since the beginning, technology was a key ally in the creation of value for the organisation. An Internet-based portal allowed creative professionals to manage their own professional activities with a percentage going to the financing of the structure and a second one going to the creation of a "social and guarantee fund". This heavy ICT component of the activity of SMart is complemented by the proximity component, as already explained.

As SMart was taking hold in various countries, an informal European platform SmartEu was launched in order to: articulate the voices coming from various national entities; facilitate communication among partners; and identify future large-scale initiatives and partners worth exploring. Particularly, SMarteu has been very active in debates around culture at the European level using mainly four strategies: a formal involvement in European and international networks;[11] intensive collaboration with think tanks and policy-makers; a department devoted to research that documents the evolution of the organisation and numerous publications aimed at SMart members, policy-makers, and the general public; and a second department responsible for the international development of the model launched in 2011 to capitalise on the success of the replication in France (SMartfr).

A basic set of goals were identified and crystallised in 2011 when enough initial contacts turned into concrete partnerships, with organisations engaging in the first or second phases of the scaling-up process described below (SMart, 2012). The lack of legal status did not prevent the various national organisations from forming a group or platform that was led and animated by SMartbe at the beginning but that gradually began to hold its own meetings with its own produced agendas. These meetings, as well as the preparatory discussion groups organised two years before, are presented in table 17 below (three additional partners' meeting were organised in 2016 – March in Berlin and June and July in Brussels) but they are not included in the table as they fall outside the period covered by this research).

Table 17. SMarteu preparatory discussion groups and partners meetings

Meeting name	Date	Place
Preparatory discussion group 1	December 2010	Brussels
Preparatory discussion group 1 bis	June 2011	Brussels
Partners' meeting 1	February 2012	Brussels
Partners' meeting 2	June 2012	Brussels
Partners' meeting 3	Octobre 2012	Brussels
Partners' meeting 4	December 2013	Brussels
Partners' meeting 5	March 2015	Berlin
Partners' meeting 6	June 2015	Vienna
Partners' meeting 7	October 2015	Milano

11 SMartbe joined the board of directors of Culture Action Europe network in November 2012 and participates regularly in its conferences and meetings. It also participates in the events of the Informal European Theatre Meeting (IETM) and the European network on cultural management and policy (ENCATC).

The goals and means to achieve the transformation sought by SMarteu are well explained in their website (launched in 2012), which in the absence of a set of bylaws acts as a declaration of intentions.[12] Using inspiring language, the ultimate goal of SMarteu is explained to be ending precariousness and supporting artists all over Europe focusing on their autonomy ("with the help of simple tools and a wide range of services"), the infrastructure required to enact international mobility (using information and knowledge), and economies of scale ("to offer more and improved services while avoiding rising costs"). The official goals that emanate from these published statements are:

1. To deliver solutions adapted to local needs by creating economies of scale at the EU level.

2. To increase the mobility of artists and other creative professionals across Europe.[13]

However, in the course of the present research additional goals have been identified in the course of interviews and focus groups:

- To create a European/international platform (possibly a federation) to lobby in EU and international fora, to influence cultural policy, and to support national and regional demands from the sector.

- To facilitate access to funding to creative professionals for launching their project, regardless of where they are located.

- To articulate a common agenda and common strategies for the sector.

- To increase the market for creative professionals in Europe by expanding the demand base.

Fulfilling these goals requires going beyond national borders, therefore, SMarteu rapidly identified the formal structure required to do so which, in addition to a legal status, includes the following elements (text extracted from the SMart.eu website):

12 See www.smart-eu.org (accessed on 30 January 2016).

13 The political-saviness of SMarteu in drafting its goals is reflected in the second one, which is in alignment with EU public policies therefore making SMarteu an ally for the European Commission in its Single Market Act policy effort.

- A European think tank to bring together those involved in the creative economy, in order to examine issues and share expertise. Artists, creative professionals, researchers, representatives of European and national public institutions, consultants, and all those who strive to find solutions for the development of a project in the creative sector are brought together. They participate in building, debating, and rethinking this common project.

- A European association for creative professionals. Following the principles of social economy, the goal of the association is to enable all members, regardless of which country they are in, to be involved in the European project and to participate in democratic governance.

- A federation of social entrepreneurs that ensures the harmonisation of basic principles throughout the countries the members work in. It allows the values of the social economy to be clarified and implemented while embracing the diversity of the partners.

The associative dimension involved in the process is therefore present both at the legal level suggested (association and federation, which are typical of the social economy) and the participation level of stakeholders in the institutions working for them.

A minimum structure was granted to the European group, namely a managing board and a number of periodic meetings paving the way to a formalisation of the group. The managing board was composed of one country representative plus three staff members from SMartbe (one of the two founders and two members of the SMarteu department). However, formal decision-making within SMarteu continued to be informally based with room left for consultation and exchange between the national level and the central SMartbe office (particularly the "international development" department). In fact, this dialectical relationship between the different national partners and the central Belgian team was effective in terms of meeting objectives jointly identified as important in a timely manner. The actors involved seem to recognise from the beginning the fact that adapting to a new national context requires both specific knowledge and contacts in the field, on the one hand, and deep knowledge about the model to be adapted as well as experience and broader view of the larger context, on the other hand. Within that acknowledgement laid another important two recognitions: that the national actors involved were (or had the potential to be) the most knowledgeable, the best connected, and the best-suited to fulfill the social mission of SMart in their country; and that SMartbe (and specifically the SMarteu office) had the best knowledge about the operational model, the greatest expertise in replicating it, and the finest general view.

However, with the financing of the two initial scaling-up phases being ensured by a seed grant from SMartbe, autonomy and freedom may have been jeopardised. Nevertheless, while such a strong position in terms of finance was recognised as having exerted a weight on the decision-making process, gradually the “financial dependency relationship” evolved into a “collaboration relationship”, which brought a higher level of independence into the decision-making process, but also more responsibility in the sense of avoiding mission drift and ensuring country and European mission alignment, as well as the financial stability of the organisation.

In the end, often decisions continued to be made based on personal perceptions of trust and potential, as well as on existing contacts with key players and supporters within new countries. This informality extended to the way members of the SMarteu group interacted as well as to its mandate. An important milestone in the process of setting up the SMarteu platform was the taking up of the European leadership by some members of the group who felt gradually more empowered to act as leaders and begin to organise the meetings and the content of the agendas in parallel to the effort conducted by the SMarteu office in Belgium.

After more than four years of *de facto* existence as a group of formal SMart actors across European Member States, by the end of the period covered by this research, SMarteu still was not a legal entity. Part of the reason was the lack of an ideal type of legal status able to offer the large array of organisational capacity that SMart would require in order to be efficient at a local level. Finally, the group began its process of formalisation in October 2015 in the course of the meeting of the members of the SMarteu group in Berlin. During that meeting the idea of signing “Partnership Agreements” (in French, *Conventions de Partenariats*) to formalize the bilateral relationships existing between SMartbe and each country was introduced and agreed upon.

Relationship between SMartbe and the national SMart offices

The exchanges between the various national offices of SMart and the source organisation, SMartbe, take place both formally and informally. The formal way of interacting consists of first assessing and then monitoring the evolution of the national office with respect to the agreed upon objectives. As for the informal exchanges, they take place through a variety of channels and are not necessarily related to check-in monitoring points. We will now focus on the first category of exchanges as several documents have been created for different phases of the replication relationship.

When interest from a group of people is expressed to a representative of the mother organisation (phase 1), a number of documents are required. Then, once the preliminary check-up phase kicks in, another set of documents is produced by the candidate country.

Once a positive evaluation has been produced, preparation for the partnership agreement begins. In addition to the core agreement document, a number of annexes are produced to monitor the evolution of the organisation for the period covered by the agreement (except for Annex 1, which is descriptive of the organisation). The monitoring activity focuses on four main areas: development strategy, monitoring and evaluation, operational procedures, and financial procedures. Table 18 below lists the different documents that must accompany the Agreement between SMartbe and any new national SMart office.

Table 18. List of annexes accompanying the Agreement

<table>
<tr><th colspan="2">Category of documents</th><th>Update frequency (months)</th></tr>
<tr><td>The Partner</td><td>ANNEX 1: Identification of the Parties (social purpose, bank account, etc.)</td><td>12</td></tr>
<tr><td rowspan="4">Development Strategy</td><td>ANNEX 2:</td><td></td></tr>
<tr><td>Annual action plan</td><td>12</td></tr>
<tr><td>Annual budget</td><td>12</td></tr>
<tr><td>Tri-annual programme</td><td>36</td></tr>
<tr><td>Monitoring and Evaluation</td><td>ANNEX 3: Indicators for monitoring</td><td>12</td></tr>
<tr><td rowspan="5">Operational Procedures</td><td>ANNEX 4:</td><td rowspan="5">3 - 6</td></tr>
<tr><td>Dashboard of indicators</td></tr>
<tr><td>Services description</td></tr>
<tr><td>Manual of procedures</td></tr>
<tr><td>Communication</td></tr>
<tr><td rowspan="4">Financial procedures</td><td>ANNEX 5:</td><td rowspan="4">1</td></tr>
<tr><td>Payment requests (structure)</td></tr>
<tr><td>Payment requests (cash flow)</td></tr>
<tr><td>Financial situation (bank, cash, forecast)</td></tr>
</table>

The tone used in the documents supports the collaborative attitude supported in the institutional discourse of SMarteu. For instance in the document "Indicators for monitoring" (Annex 3) the indicators are presented as "meant to serve the development process (not the other way around)." In order to ensure that tools are at the service of an organic institutional development and not the other way around, the following piece of advice is provided: "Freedom of choice, as long as they are SMart."

There are two types of indicators, standardised (allowing to compare situations between the countries) and "sur mesure" (decided on a country per country basis). The second type is extremely important from an organisational assessment standpoint as it includes the objectives, the outputs, and the way in which performance is defined for the given national SMart.

Financing the launch of SMart in a new country

Financing the launch and implementation of the various phases of SMart across countries is left to the national partners. However, after that the accent is put on the need to diversify sources of income as much as possible. This approach is consistent with the multi-resource nature of social enterprises (Nyssens, 2009) and ensures the diversification of risks when arriving to an unknown context. As a matter of fact, the possibility of accessing financing from SMartbe is presented as non-exclusive; indeed, it should be considered rather as a seed capital that allows covering basic day-to-day operations and leveraging different sources of finance, ranging from the public to the private sectors, in addition to the revenue-making services offered by the organisation. Plenty of leeway and ease to deal with the financial planning is offered to the national partner although a clear message is given about the need to implement a transparent and efficient financial management ("SMartbe may adapt its financial procedures in view of avoiding or minimising transaction costs for the Partner with regard to the cost of managing multiple sources of funding each having different procedures").

Regarding the type of funding to be mobilised, clear guidelines are offered in order to allow for cross-country comparison:

- **Level 1: Structure** (referred to as "STR-Structure" in the internal documents). This level corresponds to the initial development phases. At this stage, the level of development of services does not allow for any income. Outgoing financial flows are typically related to the feasibility study (consultants' fees) or to the running costs (wages and consumables) of the structure that provides support services.

- **Level 2: Activities** (referred to as “USR-Users” in the internal documents). This level corresponds to the development phase where services provided to members/users generate incomes. Outgoing financial flows are typically related to the feasibility study (consultants’ fees) or to the running costs of the structure that provides support services.

- **Level 3: Payback**. This level refers to the eventuality that a gross margin is generated which would allow covering the costs connected to the depreciation of SMartbe immobilised production asset. Specific financial procedures are required for this level in order to define the use of the profit generated, which includes generally the gradual compensation of the additional capital invested by SMartbe into the business development of the national partners.

These three different levels of financial procedures coexist throughout the different stages of development as initial needs tend to diversify (see Table 19).

Table 19. Levels of financing procedures related to the creation of a SMart national office

Procedure level	1. Structure	2. Users	3. Payback
Stage of development	Feasibility	Start-up	Growth
Type of financing needs	Costs of the core structure	Cash flow connected to services	Threshold of profit

Source: SMarteu

Technical resources involved in the launch of SMart in a new country

Considering the complexity of the operations included in the operating model of SMart, the technical resources needed to launch SMart in a new country are considered as critical as the financial or human ones. They aim at facilitating the administrative and financial organisation on the part of the partner as well as the implementation of follow-up and support procedures allowing the development of new services on the part of SMartbe. Indeed, by having access to updated information on the evolution of the national office, SMartbe is able to offer guidance, technical support, and access to infor-

mation. This up-to-date information is also deemed relevant for the search of complementary financial sources (supporting the identification of financing opportunities and assisting in the preparation process of funding applications) and in the production of a manual of operational and financial workflow to be shared with members of SMarteu as a useful administrative tool. Regarding IT resources, the crucial elements to be considered are:

1. *Internal (back office) software* including the software packages used and the main functionalities.

2. The *user interface* refers to the "Tool" to be provided to all partners of SMartbe. However its implementation has been uneven across countries and by the end of 2015 only SMartfr had implemented it. The development of this Tool is to be partially financed by SMartbe and adopted by national partners once modifications to adapt to national contexts have been incorporated.

3. National *websites* are hosted by SMartbe under an umbrella site that offers a content framework that partners can modify (eventually it will allow access to the user interface once it becomes available to all countries). The use and content of the website is described in each partner's communication plan.

The national partner and SMartbe jointly identify and define these resources and yearly updates on their evolution are provided as for other resources.

5.2.3. Assessing the impact of SMart and its scaling-up strategy

European wide overview

Before beginning the specific analysis of the factors of the scaling-up process in the next subsection, it is important to know the state of progress with regard to the abovementioned scaling-up phases as of December 2015, the ending date of the timeframe of the present study (see Table 20). In order to assess the evolution of the scaling-up process, I will look at two indicative sets of information: the status of the scaling-up process described above and the level of implementation of the core and additional services across the countries by the end of the timeframe of this study. Regarding the first one, we see almost all of the countries where SMart was operational.

Table 20. State of the scaling-up process by December 2015

Countries		Starting date of the process/First contact	Phase reached by December 2015
First wave of countries	Austria	2011	2. Preliminary set-up
	Germany	2011	2. Preliminary set-up
	Spain	2011	3. First operations
	Sweden	2011	3. First operations
	UK	2010	Interrupted
Second wave of countries	Denmark	2012	Interrupted
	Italy	2011	3. First operations
	Netherlands	2012	2. Preliminary set-up
	Hungary	2012 *	2. Preliminary set-up
	Estonia	2012 *	1. Initial contact
	Poland	2012	1. Initial contact

* Participation in partners meeting.

Regarding the second indicative set of information stemming from the process of consolidation of SMart across European countries is the level of implementation (after the required adaptation) of the core and additional services. This is something that the central office monitoring the development of SMart watched quite closely and summarized in the table 21 below.

Table 21. Core and additional services across SMart country offices

■ Realised (2015) □ Projected (2016)	AT	BE	DE	FR	HU	IB	IT	NL	SE
	7.5	6.5%	7.0%	8.5%	8.5%	7.5%	8.5%	6.5%	6.5%
			5.0%	6.5%					
Core activities									
Activity Management	■	■	■	■	■	■	■	■	■
Contract Management	■	■	□	■	□	■	■	■	■
Debt collection	■	■	■	■	□	■	■	■	■
Guarantee fund	■	■	□	■	□	■	■	■	■
Insurances	■	■	□	■	□	■	■	□	■
Events & encounters between users	■	■	■	■	■	■	■	■	□
Additional services									
Financial services (micro-loans, leasing)		■		■			□		
Financial support (grants)		■		■					□
Research Unit (for users)	■				□				
Research for internal SMart(EU) use and external partnerships	■	■	■	■	□		■		
Coworking spaces/studio spaces		■		■	□			□	■
Externalised services									
Legal advice (external)	■	■	■	■			■	■	■
Training		■	■	■			■		■
Centralised purchase (e.g. vehicle rental)		■		■					
Others (Specify)									
E.g. music label	Mobility Portal & Advice		Mobility Help Desk					Tax Together	SMartSpace

Source: SMarteu

Overview of the three country studies

We will focus on the following three indicators to compare the success of the scaling-up process across the three countries selected for an in-depth country analysis, namely Austria, Spain, and Hungary (see chapter 5, section 5.1 for a detailed description of the criteria for selecting these countries):

1. **Speed of the implementation process**: By looking at how long the adaptation has taken in each country, one can get an idea of how arduous the process was. Table 22 below summarises the stage of development of the implementation process in each of the three country case studies.

Table 22. Duration of the implementation process of SMart in the three countries

	Phase 1: Initial contact (3-6 months)	Phase 2: Preliminary set-up (1-2 years)	Phase 3: First operations (3-4 years)
AT	First contact: March 2011 * Formal creation: 2014	Completed by the end of 2016 (including full repayment of the loan to SMartbe)	Full-fledge operations: 2017 Break- even point ("point 0"): 2019
ES	First contact: January 2011 * Formal creation: 2013	Completed by the end of 2013 (including full repayment of the loan to SMartbe)	Full-fledge operations: 2013 Break- even point ("point 0"): 2017
HU	First contact: December 2012* Formal creation: March 2014 (full operations: November 2014)	Completed by early 2016 (Not including full re-payment of the loan to SMartbe)	Full-fledge operations: 2018 Break-even point ("point 0"): 2020

* Effective dates vs. *Planned dates* (in italics)

2. **Number of users/members**: By tracking the evolution of membership in each new country office, it is possible to check the attractiveness of the model to the local target groups. Unfortunately, given the limited span of the current research, in the cases of Austria and Hungary, there is only one full year to draw from, which is insufficient for making a longitudinal comparison. However, figures from the year of establishment can be compared to the size of the cultural and creative workers population and to the evolution in other countries to make some projections. See Table 23 below for the evolution of membership in the three selected countries.

Table 23. Evolution of membership in the three selected countries

Country	Indicator	2013	2014	2015	2016
AT	Members/users	n/a	n/a	80	132
	Growth (in %)	n/a	n/a	80%	60%
ES	Members/users	64	800	1.439	2.871
	Growth (in %)	n/a	1250%	80%	100%
HU	Members/users	n/a	n/a	170	280
	Growth (in %)	n/a	n/a	170%	65%

3. **Turnover size and surplus**: As the most important financial indicator, this information allows to understand the volume of activity generated by a national office as expressed in the annual turnover. The surplus allows understanding, firstly, whether the organisation managed to generate enough income to cover the operating expenses, and secondly, whether new resources were available to ensure the SMart's mission via the improvement of existing services or the development of new ones. However, financial indicators may be misleading when considered in such a short time frame as in the case of Hungary or Austria: on the one hand, a high turnover does not *per se* imply a long-term financial sustainability, and on the other, a low turnover needs to be followed up along a time framework that reflects the evolution pattern. In all, it is accepted that a high turnover represents higher possibilities for the newly created SMart country office to survive than a lower one. See Table 24 below for the evolution of the turnover in the three selected countries since the beginning of operations.

Table 24. Annual turnover in the three country studies (since year of establishment)

	2013	2014	2015	2016 *
AT	n/a	n/a	61,400 €	160,450 €
ES	114,459€	2,270,601€	4,925,169€	9,000,000 €
HU	n/a	n/a	5,000 €	42,500 €

* Projected.

Systemic transformation

The systemic level of transformation reached by the SMart model was due mainly to three factors: the effectiveness of its model, the large representation within the sector, and its gradual recognition as a key player in the field of culture. This vast representation of the sector of culture has translated into large negotiation power vis-à-vis the public administration, governments, and other entities influencing policy, schemes, and measures affecting the cultural sector. This way, social innovation is formally recognised as being at the heart of SMarteu as it aims to support and change the creative sector. I have summarised these different types of impact in Table 25 below.

Table 25. The various levels of social impact by SMart

	End precariousness	Support artists	Lobbying
Macro level	International membership coverage	International mobility	International campaigning and activism
Meso level	Research and studies	Exchange and learning; entrepreneurial skills	Professional solidarity
Micro level (the local)	Concrete admin and legal tools	Sense of community	Hearing the voice of artists

	Policy-agenda setting	Market expansion
Macro level	Successful pilot example	International market creation
Meso level	Interlocutor role in negotiations	Market expansion
Micro level (the local)	Articulation from the bottom-up	Concrete market outlets

Regarding the cross-national expansion of SMart, an interesting parallel can be drawn with the difficulties encountered in the building of the European project in general as originally conceived by the founding fathers. Indeed, while members and new country partners see the value of joining forces to achieve a common goal to tackle a need shared with fellow-Europeans in other countries, the list of obstacles may be daunting. Some of these factors have been captured in the model used to analyse the perceptions about the process by key actors across many of the European SMart countries. These are summarised in the next section

5.3. SOME CONCLUSIONS FROM THE QUANTITATIVE ANALYSIS

Scaling up beyond geographical borders is more complex than doing so within the same country, so it should always be attempted after it has been completed locally (Weber, 2016). In the case of SMartbe, this was indeed the case both in terms of boundary expansion and geographic enlargement within Belgium (Huybrechts *et al.*, 2015). The third step was engaging in trans-border expansion with the creation of SMartfr, which offered a unique laboratory to test the model and the adaptation needed. The subsequent steps taken toward the scaling up in other countries was implemented in a reactive (based on proposal from other countries partners) rather than proactive manner (based on ensuring that the identified requirements for each scaling-up attempt was in place).

This process of cross-border expansion was commented on in one of the key interviews with a central decision-maker within Smartbe. Indeed, according to the interviewee, a more efficient strategy would have been to wait and consolidate SMart in a third country (after SMartfr) so as to be able to stabilise and define the model in order to operationalise its replication and adaptation. Moreover, the resources required to attempt the launch of SMart in eight different countries while maintaining successful operations in the source country went beyond those that any individual organisation could provide. Indeed, a "culture of partnerships and collaboration" had to be promoted if SMart was to be successful in this multiplication of requests from several "centres of action". The challenge for SMartbe therefore stemmed from leaving behind the "do-it-yourself and independence culture" that had characterised it for everything related to its internal management in the quest for essential resources for the organisation.

It is likely that the negative experiences that ended up in frustrating and costly interruptions of the process (like in the United Kingdom or Denmark) could have been avoided by phasing the adaptation process to other countries. Additionally, by having a viable financial model to present to potential providers of all types of resources (mainly funding from or strategic partnerships with public and private actors), it is likely that these key resources would have been more readily available. Having more time at the beginning would have also provided the time needed to assess Smart's ability to achieve transnational scale.

Having said this, the overall result of the European scaling-up process cannot be said to be negative. It has without doubt put a lot of stress on the source organisation but it has also put the SMart "brand" on the European map and provided a European dimension to the actions and plans produced by SMartbe.

5.3.1. Quantitative analysis of the factors involved in the European scaling-up

As explained in the Methodology section, a basic statistical analysis of the survey data was performed across the countries that replied in order to see the perceptions of the ways in which the scaling-up process had taken place in their countries. Out of the 45 possible responses (five representatives - founder, manager, adviser, council member, supporter - in nine different countries), I received 31 answers (68%), which form the population for the analysis (N=31).

Given the nature of the variables (ordinal) and the decisions made during the design of the questionnaire, descriptive analyses were run in order to assign minimum and maximum values to factors as well as the mean and standard deviation. The aim of the survey was to know the perceptions of the five categories of stakeholders about the relevance of the seven factors in the model proposed by Weber for the scaling-up process of SMart in their own country (2014). For the analysis of the relevance of factors across all seven European countries included, the mean and standard deviation were the focus, as shown in table 26 below.

Table 26. Result for the seven factors of the scaling up process (N=31)

Scaling-up factor	Brief description of the factor	Mean	Standard deviation
Commitment of the individuals driving the scaling process	Level of commitment of the key people (initiators) involved in the process of adaptation to the national context.	4.63	0.96
Competence of the management	The ability of the leaders to ensure day-to-day operations while thinking strategically.	5.23	1.11
Entire or partial replicability of the operational model	The ability of an organisation to reproduce not only its products and services, but also, where appropriate, its structures and processes.	4.43	1.04
Ability to meet social demands	The ability to scale up the creation of social value most effectively both in quantitative and qualitative terms.	5.44	0.77
Ability to obtain necessary resources	The ability to generate the resources needed across the various phases of the scaling up via internal human capital or external supporters, partners and networks.	4.74	0.62
Potential effectiveness of scaling social impact with others	The role of partnering in the adaptation process both between the source social enterprise (SMartbe) and the national SMart and between the national SMart and other local partners.	4.87	0.99
Adaptability of the model	To what degree the model is adaptable and what are some of the obstacles to its adaptability.	4.12	0.68

The mean is a usual measure of central tendency that allows seeing the average value per factor. Since the data is ordinal and indicates values from 1 (fully disagree) to 7 (fully agree), it is quite easy to see that the factors were identified as highly relevant with all of them scoring above 4. Consistent with the concern to address a strongly felt need across European countries (the precariousness of creative workers), the factor "ability to meet social demands" scored the highest (5.44) across all seven countries. On the contrary, issues around the adaptability of the operating model factor scored the lowest (4.12), although having, overall, a relatively high score.

As for the standard deviation, it is a measure of dispersion that tells us how to spread out the responses around the mean. Usually a high standard deviation indicates very different item scores across countries, which is not the case in this research. In this sense, the factor that shows the highest level of homogeneity across countries is the "ability to obtain necessary resources" (factor 5) with the lowest standard deviation result (0.62). However, when referring to the relative importance with regard to the other factors, it ranked fourth with a rating of 4.74 after the already mentioned ability to meet social demands (factor 4), the competence of the management (factor 2), and the potential effectiveness of scaling social impact with others (factor 6).

In order to look more in detail into how different items within each factor behaved, I ran a descriptive statistical analysis of each of the seven factors across the seven countries. I have included two additional values, the minimum and the maximum scores, with a view to appreciating the range of responses mobilised for each factor. The statistical description of each of the factors is included in the following seven sub-sections below: one table summarises this statistical description and the same values are shown graphically using a spider graph for each of the factors.

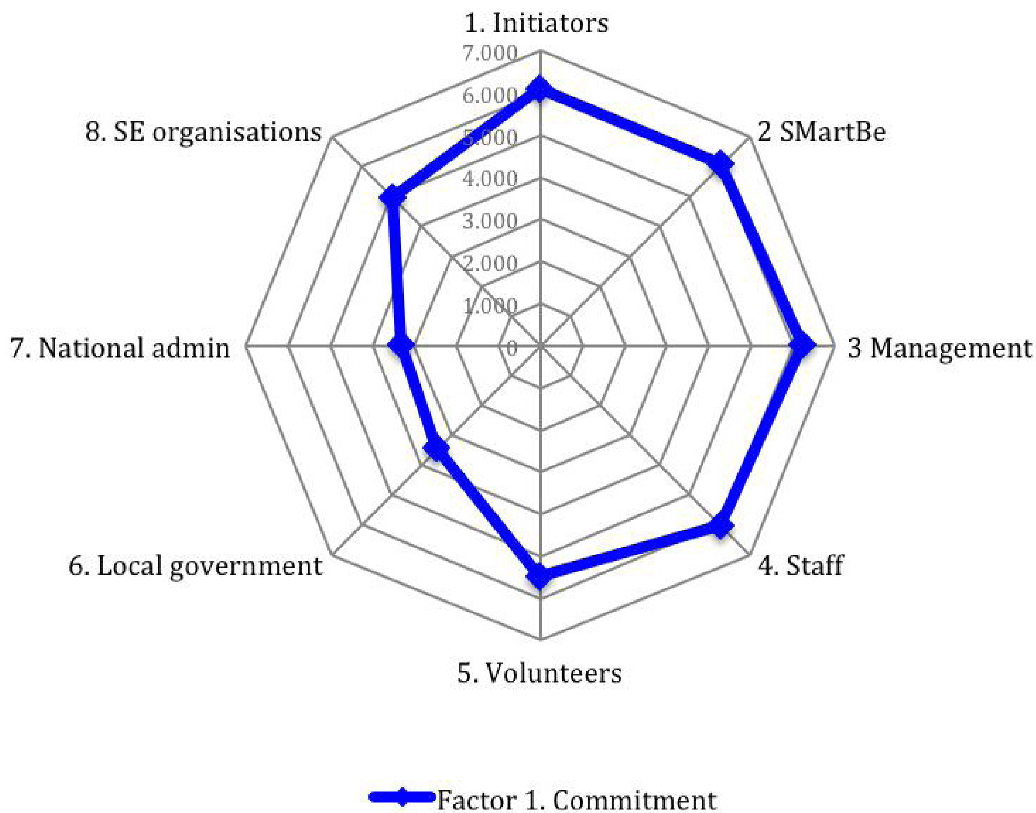
The goal of the survey was to run the Weber model in the transnational scale-up effort of a successful CASE with an aim to validate it and eventually strengthen it.

Factor 1. Commitment of the individuals driving the scaling process

In the case of the seven countries surveyed, the statistical analysis shows that what is perceived as really critical with a rating of over 6 is the involvement of the individuals from within the organisation: the initiators, the source organisation (SMartbe), the management, and the staff. On the contrary, the commitment by external stakeholders (local and national governments and other social economy organisations) receives significant lower rating. This can be seen in the graph below, where the line referring to these internal actors (on the right) appears to fill a wider area of the graph, while the other lines come closer to the centre (value 0). In particular, the commitment of the manager

is perceived as the most important subfactor (6.22). The rating assigned to volunteers varies across countries depending on whether their participation is formally included in the legal form used by the country SMart or not.

Graph 4. Rating of scaling-up factor 1 across countries



The third research objective of this thesis proposes two hypotheses that are related to item 8 of factor 1. These two hypotheses were included into research objective 3 explained in chapter 1 and they are:

1. The higher the recognition by public administration of the social and solidarity economy and the higher the tradition of collaboration among them, the higher the possibility of creating a supportive environment for adapting the CASE.

2. The higher the level of collaboration among of social enterprises as members of the social and solidarity economy, the higher the possibility of replicating a successful CASE model.

Considering the importance given in this research to the presence of a social and solidarity economy environment to achieve successful scale of social enterprises, the 4.93 rating given to such an item captured by the statement "Other social economy organisations are highly committed with the implementation of SMartX" seems to confirm these hypotheses. In any case it is substantially higher than the ratings given to the commitment of local government (3.46) or the national administration (3.29).

Table 27. Descriptive statistics for factor 1 (N=31)

Commitment of the individuals driving the scaling process	Minimum	Maximum	Mean	Std. Deviation
1.1 Initiators	1.0	7.0	6.06	1.39
1.2 SMartbe	2.0	7.0	6.07	1.31
1.3 Management	1.0	7.0	6.22	1.31
1.4 Staff	2.0	7.0	6.07	1.34
1.5 Volunteers	1.0	7.0	5.50	2.24
1.6 Local government	1.0	6.0	3.46	1.70
1.7 National admin	1.0	6.0	3.29	1.49
1.8 SE organisations	**1.0**	**7.0**	**4.93**	**1.55**

A score worth mentioning about factor 1 is the high standard deviation of the item related to volunteers (1.5), which is actually the second highest across all 65 items studied (2.24). The high variability in the score can be explained by the different understanding of "volunteers" across countries. For instance, in those countries with a strong cooperative tradition (Austria or Spain), the perceived importance of the item is much lower than in those with an associative tradition (Belgium or France) where the notion of volunteers is present both formally (in the bylaws) and practically (they constitute a crucial resource for organisations). The issue of whether (or under what circumstances) national SMart offices should be encouraged to mobilise volunteers, however, is not clearly addressed in the official documents so it is left to the discretion of the leaders of the process.

Factor 2. Competence of the management

Robust competences of the management driving the scaling-up and adaptation in a new country is the second factor of the proposed model; its relevance has been explained theoretically and the statistical analysis also seems to confirm this importance (the highest rating item of factor 1 corresponds to item 1.3, the commitment of the managers).

It is worth noting that three main blocks of items can be distinguished in factor 2: resource finding (2.1-2.3), managerial capacity (2.7-2.10), and leadership vis-à-vis external partners (2.4, 2.11, 2.12). The ability of mobilising business coaching (2.5) and academic expertise (2.6) are perceived to be the least relevant having the only ratings below 5., while the items associated with leadership (2.4 related to mobilizing peer-to-peer support; and 2.11 and 2.12 related to mobilising the social and solidarity economy community) are perceived to be very relevant. See Table 28 below for a summary of the results for factor 2.

Table 28. Descriptive statistics for factor 2 (N=31)

Competence of the management	Minimum	Maximum	Mean	Std. Deviation
2.1 Develop strategy	3.0	7.0	5.61	1.33
2.2 Network&legal resources	2.0	7.0	5.50	1.33
2.3 Financial resources	2.0	7.0	5.60	1.43
2.4 Peer-to-peer support	3.0	7.0	5.23	1.41
2.5 Business coaching	1.0	7.0	4.93	1.50
2.6 Academic expertise	1.0	7.0	4.79	1.59
2.7 Activate governance	2.0	7.0	5.13	1.41
2.8 Manage stakeholders	2.0	7.0	5.17	1.44
2.9 Manage staff	2.0	7.0	5.27	1.51
2.10 Manage finance	2.0	7.0	5.80	1.30
2.11 Position within SE	3.0	7.0	5.83	1.23
2.12 Pride belonging to SE	3.0	7.0	5.89	1.11

When looking at graph 5 below it is clear that all competences are considered to be important, but the three leading ones are related, firstly, to strategic planning and implementation capacities of the managers (item 2.1=5.61) and, secondly, to financial resource finding, namely the ability to access the necessary financial resources (item 2.3=5.6) and manage all financial matters (item 2.10=5.8).

Graph 5. Rating of scaling-up factor 2 across countries

As already explained, a unique competence overlooked in the model used for the survey was that of being able to interact and position the social enterprise in a relevant position in the wider local social and solidarity economy. We tried to overcome this shortcoming by adding two items in factor 2 in order to measure how important this competence was considered to be by the respondents. Both items, indeed, received the highest score across all 12 items included in this factor: with regard to the ability to position the national SMart within the social economy, it received the second highest score (5.83). The highest score was given to the ability to nurture a feeling of membership and pride in belonging to the social economy (5.89). A related conclusion that can be advanced is that by attributing a high value to these competences, respondents themselves consider such alignment with the social and solidarity economy a plus in adapting the model to their own country.

Incidentally, the item that measured the perceived importance of academic expertise in the scaling-up process received the lowest rating of the factors (item 2.6=4.79), although it is accompanied by the lowest homogeneity in the responses (std.deviation=1.59). In order to find an explanation of this heterogeneity, it is necessary to look more in depth into the responses per country and category of respondents: managers in Austria and Spain and "council members" in Italy and Spain assigned ratings equal or below 2 to this item.

In all, the analysis of this factor seems to confirm that, while having a viable and replicable model is a key for a successful transnational scale up effort, it is really people who need to work out well at the end of the day. People driving the process need to be able to find financial resources, manage the organisation effectively while ensuring that participatory governance is in place, and demonstrate high levels of leadership, particularly with regard to external partners, including other social and solidarity economy actors. As explained in section 2.1.1, this connects with the way in which social value is created by social enterprises: while *what* is produced matters (depending on the market orientation of each social enterprise), the critical aspects are *how* and *with whom* they are produced.

Factor 3. Entire or partial replicability of the operational model

Replicability is at the core of any scaling-up attempt and so factor 3 aims to capture whether the SMart operational model can be reproduced transnationally or whether intensive adaptation is required. The 12 items that compose factor 3 refer to the level of complexity of replicating the SMart model but also to its link to the social mission of the organisation. Three blocks can be identified: firstly, six items that refer to the replicability level of the core elements of the operational model; secondly, two items that connect these replicable elements to the social value created; and thirdly, four items that try to identify possible elements (network and legal resources, financial resources, peer-to-peer support, and business coaching and support) that could explain the failure to replicate those elements.

Table 29. Descriptive statistics for factor 3 (N=31)

Replicability of the model	Minimum	Maximum	Mean	Std. Deviation
3.1 Core model	2.0	7.0	4.72	1.51
3.2 Contract via online tool	1.0	7.0	4.52	2.16
3.3 Info & advice service	1.0	7.0	6.17	1.42
3.4 Debt collection	1.0	7.0	5.29	1.43
3.5 Guarantee fund	1.0	7.0	5.38	1.57
3.6 Insurances	2.0	7.0	5.04	1.40
3.7 Social impact achieved	3.0	7.0	5.21	1.29
3.8 Supporting culture	4.0	7.0	5.82	1.09
3.9 Fail: lack of network	1.0	7.0	3.72	2.31
3.10 Fail: lack of finance	1.0	7.0	4.27	1.91
3.11 Fail: lack of peer2peer	1.0	7.0	3.25	1.80
3.12 Fail: Lack of biz coach	1.0	7.0	3.41	1.93

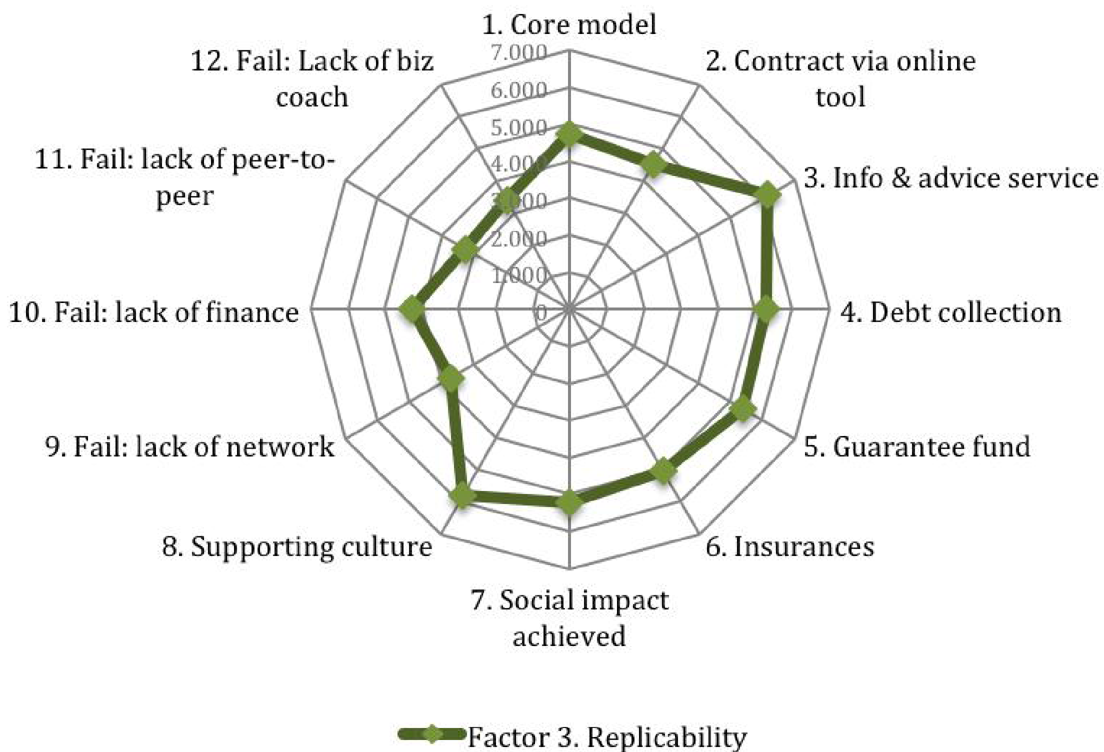
Overall, the replicability of the SMart model is perceived to be achievable (item 3.1=4.72). The five core services of the SMart operational model are rated in the following order with regard to their complexity:

1. Information and advice (item 3.3=6.17)
2. Guarantee fund (item 3.5=5.38)
3. Debt collection (item 3.4=5.29)
4. Insurances (item 3.6=5.04)
5. Contract and/or activity management, ideally via online tools (item 3.2=4.52)

This rating should be interpreted on the basis of the complexity of reproducing each of the elements in each of the countries. Where standardisation and implementation depend on the local SMart team, such as in the case of developing and conducting information and advice sessions, their replicability is perceived as high. Indeed, item 3.3 (information and advice) is rated the first in terms of easiness to reproduce. Similarly, the operational model elements that can be fully tailored to each country context and whose development depends on efforts at the local level are also perceived to be relevant. In this context, the possibility of providing a guarantee fund to pay salaries in advance, debt collection mechanisms, and various types of insurances to members are rated as being quite replicable.

Lastly, the item that captures what constitutes the truly core business of SMart, the management of contract and/or activity, is perceived as being the most complex to implement (item 3.2=4.52) but the variability in terms of responses is very high (standard deviation=2.16). The fact that the question in the survey included explicitly "via online tool" connects with the unequal implementation of the online tool across countries. Indeed, such high heterogeneity in the response can be explained by looking at the responses per country: the responses confirm that in the countries where the online tool is readily available (Belgium and France) or about to be implemented (Spain and Germany), the ratings are higher, whereas in countries where the tool is still not available the perceptions are much lower (Austria, Italy and Hungary). Not surprisingly, it has been noted that standardisation and IT-based solutions can facilitate scaling processes (von Krogh and Cusumano, 2001). However, while the rating of item 3.2 is certainly affected by the fact that the online tool has not been readily available in the majority of the countries surveyed, it is also true that the tasks and processes associated with this service have to be adjusted to specific country legislation, which demands intensive adaptation on the part of the national teams. In any case, the need expressed in the form of assigned complexity to replicate the contracts and activity management core service (beyond the online tool) should not be underestimated. Graph 6 visually illustrates the comparative importance of the items within factor 3.

Graph 6. Rating of scaling-up factor 3 across countries



Two items worth mentioning are item 3.7 and 3.8 which capture, respectively, the ability of the replicated parts of the model to achieve the social impact desired by SMart and. more specifically, the ability to support culture throughout Europe. The ratings assigned suggest that the respondents agree with the statements proposed and so the elements that have achieved replicability contribute to the mission of SMart (item 3.7=5.21; and item 3.8=5.82).

The last block of items (3.9-3.12) seeking to identify possible sources of failure in the replication of the operational model elements receives the following ratings: lack of network and legal resources (3.9=3.72); lack of financial resources (item 3.10=4.27); lack of peer-to-peer support from others working in similar fields receives the lowest rating within the factor (item 3.11=3.25); and the lack of business coaching and support is also perceived as having little impact in the failure of the scale attempt (item 3.12=3.41). In short, it is the lack of financial resources, which is perceived as most endangering the viability of the scale-up efforts of the SMart model across Europe.

Factor 4. Ability to meet social demands

This is the factor that captures the social value creation of SMart: it describes its mission in the form of addressing an identified social need that is felt by a group of people. Via its concrete social value proposition, SMart proposes to its target audiences a unique combination of services covering a vast array of needs related to the creative and cultural sector. The analysis of the data as shown in Table 30 suggests that what respondents valued the most was the innovative character of the services proposed (item 4.3=6.35), followed by the fact that the offer of SMart clearly addresses a specific social need shared by a group of professionals (item 4.1=6.23) and that it does so effectively (item 4.2=6.13).

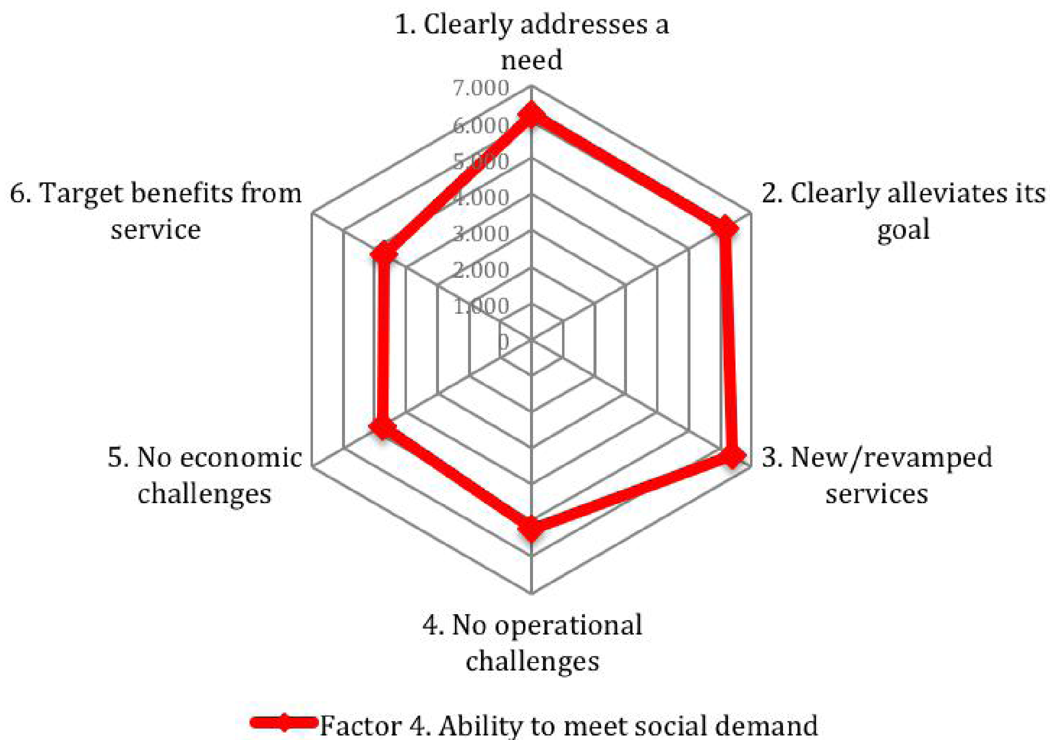
With regard to the most common risk factors when scaling up, the perception is that economic challenges (item 4.5=4.7) represent quite an important risk, even more so than operational challenges (item 4.4=5.23). In this sense, it is worth mentioning that the Weber model deployed to analyse the scaling-up strategy of SMart was further refined in 2016 and one of the key revisions was precisely the inclusion of heavy transfer costs and the ability of managers to ensure the funds to cover them (Weber, 2016).

Table 30. Descriptive statistics for factor 4 (N=31)

Ability to meet social demands	Minimum	Maximum	Mean	Std. Deviation
4.1 Clearly addresses a need	1.0	7.0	6.23	1.31
4.2 Clearly alleviates the need	3.0	7.0	6.13	0.99
4.3 New/revamped services	1.0	7.0	6.35	1.23
4.4 No operational challenges	2.0	7.0	5.23	1.28
4.5 No economic challenges	3.0	7.0	4.76	1.24
4.6 Target benefits from service	2.0	7.0	4.72	1.25

Graph 7 below clearly shows that SMart excels in what is known in traditional management science literature "customer orientation". Considering that SMart is a social enterprise and that creating social value via catered services to its members while serving the general interest, it is not surprising to see that the three items (3.1-3.3) measuring the perception of how well it creates social value are quite high.

Graph 7. Rating of scaling-up factor 4 across countries



On the contrary, the lowest rating is given to the perception of how well the target group has benefitted *de facto* from the services offered (item 4.6=4.72). Such perception is confirmed by the document review, the exchanges with key informants, and the interviews, which confirm that, except in countries such as France and Spain, a major effort is to be made in order to attract new users and members either based on the purely economic social value proposition (“ it will cost you less to work under the SMart umbrella”) or the purely social value proposition (“you will be able to achieve more as a community and work under better conditions”), or both. Such outreach efforts are likely to be undertaken once the core services have been implemented and tested and a critical mass of members attained with a view on activating the most effective means of promotion for SMart, word of mouth and real life testimonials.

Factor 5. Ability to obtain necessary resources

In connection with the previous factor, the highest rated item of factor 5 is the proven concept behind the scaling-up effort, which is directly connected to the fact that culture workers can save time, money, and administrative hassle through the SMart services (item 5.4=6.23).

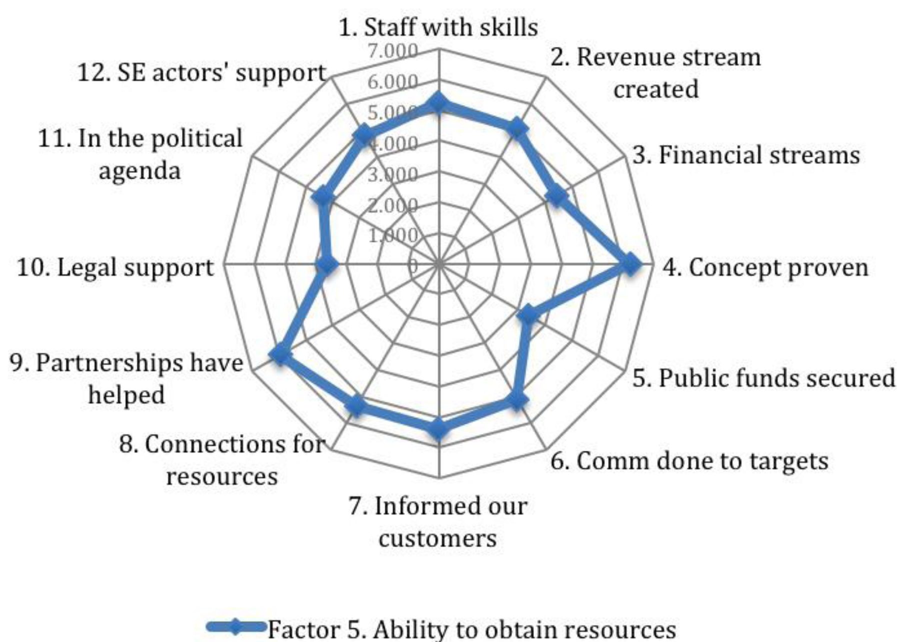
Table 31. Descriptive statistics for factor 5 (N=31)

Ability to obtain necessary resources	Minimum	Maximum	Mean	Std. Deviation
5.1 Staff with skills	2.0	7.0	5.26	1.29
5.2 Revenue stream created	2.0	7.0	5.10	1.27
5.3 Financial streams	2.0	7.0	4.47	1.28
5.4 Concept proven	3.0	7.0	6.23	1.17
5.5 Public funds secured	1.0	7.0	3.37	1.63
5.6 Communication done to targets	2.0	7.0	5.10	1.27
5.7 Informed our customers	3.0	7.0	5.40	1.22
5.8 Connections for resources	4.0	7.0	5.34	1.14
5.9 Partnerships have helped	3.0	7.0	5.93	1.15
5.10 Legal support	1.0	7.0	3.61	1.87
5.11 In the political agenda	1.0	7.0	4.33	1.60
5.12 SE actors’ support	1.0	7.0	4.83	1.53

Graph 8 below illustrates the high rating that the items related to social capital receive versus the lower rating of the items related to financial resources. Indeed, the three items related to the added value that emerges from engaging with others receive rating above 5 as follows: in terms of appreciating the added value of partnerships in comparison to acting alone (item 5.9=5.93); ensuring the right connections with potential external resource providers in case of need (item 5.8=5.34); and communicating with key constituencies and stakeholders (item 5.6=5.10). Secondly, from the three types of effort to obtain buy-in from political and social economy networks, there is a difference between the two. On the one hand, the item that expresses the perceived value assigned to creating networks with political bodies and actors, terms item 5.10 getting government agencies and officials to create laws, rules, and regulations that support the adaptation effort of the SMart model, receives the lowest rating (3.61). Similarly, perceptions of how effective national SMart offices have been able to place their cause (and proven concept) high in the political agenda are medium (item 5.11=4.33). On the other hand, perceptions about the success in getting other social economy actors to provide support for the scaling-up efforts are the highest of the three (item 5.12=4.83).

Lastly, items related to financial resources receive varying ratings: if considered in the specific form of a revenue stream from services and activities delivered, the perception is quite high (item 5.2=5.10). However, this rating decreases when talking about securing finance streams to ensure sustainability (item 5.3=4.47), and reaches the lowest rating when valuing the ability to get government agencies and officials to provide financial support for their efforts (item 5.5=3.37).

Graph 8. Rating of scaling-up factor 5 across countries



Factor 6. Potential effectiveness of scaling social impact with others

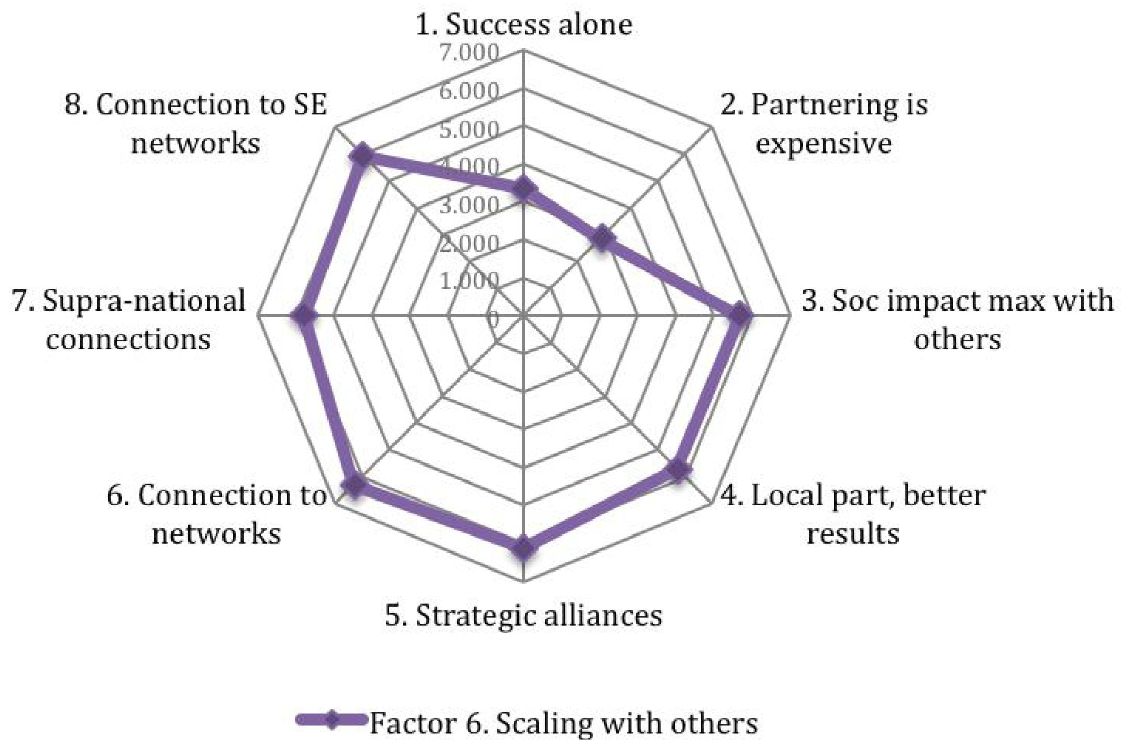
In Weber's revision of her scaling-up factor model, she renamed the factor "potential effectiveness of scaling social impact with others" as "control and dependency" as a way to capture the two extremes of scaling-up: total control over the process or complete dependency on others. In the case of the respondents, however, the ratings indicate that finding partners and allies and being part of wider network constitutes a crucial factor in a scaling-up effort. This is well illustrated throughout all items (as shown in Table 32): the indirect ones stating that scaling-up alone is better (6.1) and cheaper (6.2) receive low scores (3.37 and 2.88 respectively); in contrast to the direct ones, which all receive ratings over 5.5. The 6.3 rating of item 6.6 in particular is the highest, suggesting that respondents perceive a connection between belonging to networks and increasing the social value created by SMart. Along these lines, the perception that, by doing actions jointly with valid partners results are strengthened, is well rated as well (item 6.4=5.7).

Table 32. Descriptive statistics for factor 6 (N=31)

Potential effectiveness of scaling social impact with others	Minimum	Maximum	Mean	Std. Deviation
6.1 Success alone	1.0	7.0	3.37	1.99
6.2 Partnering is expensive	1.0	6.0	2.88	1.56
6.3 Soc impact max with others	1.0	7.0	5.69	1.56
6.4 Local part, better results	1.0	7.0	5.70	1.56
6.5 Strategic alliances	2.0	7.0	6.13	1.14
6.6 Connection to networks	1.0	7.0	6.30	1.15
6.7 Supra-national connections	2.0	7.0	5.77	1.31
6.8 Connection to SE networks	2.0	7.0	5.97	1.18

Moreover, collaboration is perceived to have a strategic value (item 6.5) for the scaling-up process if conducted with other organisations, and it increases the impact of the process (item 6.3=5.69), something that is confirmed by the country case studies. The last two items capture perceptions about the benefits of belonging to supra-national organisations (item 6.7=5.77) and of being connected to the social and solidarity economy. This last item (6.8=5.97) was incorporated in order to confirm the hypotheses 1 and 2 about the connection to the social and solidarity economy being perceived as a success factor in the implementation process. Insofar as this item is concerned, it would suggest that both are accepted.

Graph 9. Rating of scaling-up factor 6 across countries



Factor 7. Adaptability

When it comes to rating the easiness to adapt the SMart model to their countries, respondents seem to rate it quite high as shown in Table 33. Indeed, the two items that directly capture this (item 7.1 and item 7.4) do so by directly asking whether the model is easy to adapt (item 7.1=5.04), while the second one is proposed in a negative manner. To the statement "the model is too disruptive to be adapted", ratings are very low (item 7.4=2.36), thus confirming the conclusion of the previous item.

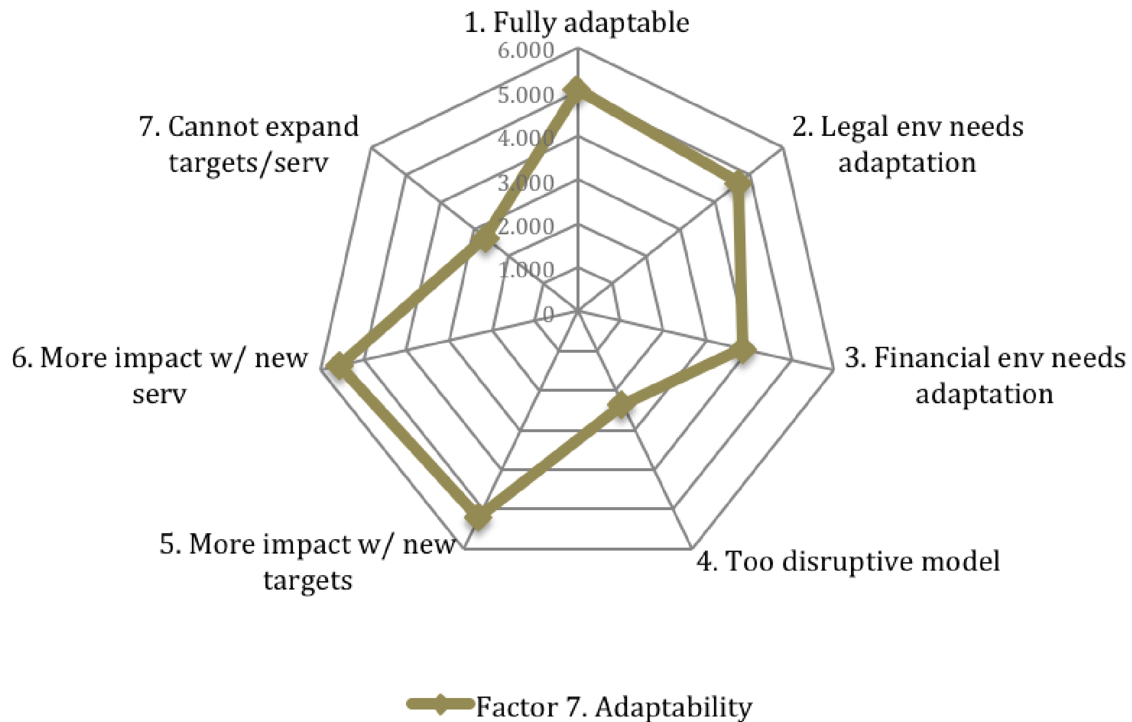
Table 33. Descriptive statistics for factor 7 (N=31)

Adaptability	Minimum	Maximum	Mean	Std. Deviation
7.1 Fully adaptable	2.0	7.0	5.04	1.67
7.2 Legal env needs adaptation	1.0	7.0	4.69	1.77
7.3 Financial env needs adaptation	1.0	6.0	3.86	1.60
7.4 Too disruptive model	1.0	6.0	2.36	1.28
7.5 More impact w/ new targets	1.0	7.0	5.21	1.50
7.6 More impact w/ new serv	1.0	7.0	5.55	1.38
7.7 Cannot expand targets/serv	1.0	7.0	2.68	1.68

Going beyond its original borders entails adapting the services originally offered to the new contexts (language, legal, fiscal, etc.) but also expanding the group of people originally served. Indeed, "transnational scaling thus represents – similar to commercial enterprises' internationalisation attempts – a very special challenge for social enterprises, one that should not be underestimated. In such cases the obstacles generally become larger or new ones arise (language barriers, for example), making things even more difficult" (Weber, 2016:20).

Two items within factor 7 try to identify some of these obstacles, namely regulations and policies (item 7.2=4.69) and the financial environment (item 7.3=3.87). Perceptions about the hindering effects of the local financial environment on the adaptation of the model are rated low, which can be explained by the fact that the currency is shared. Such explanation is confirmed by the fact that the only non-Euro SMart country (Hungary) actually gave a 6 rating to this item as probably more intensive adaptation is needed at the financial level. Graph 10 shows visually the different weight of the various items within factor 7.

Graph 10. Rating of scaling-up factor 7 across countries



The two highest ratings are associated with the immediate result of adapting the model, the expansion of new services and new target groups, thus maximising the creation of social value of SMart. Specifically, perceptions that, by expanding target groups, the mission is further served are rated relatively high (item 7.5=5.21), and even more so with the addition of new services (item 7.6=5.55) with a maximisation of social value created. The rating received by the last item (item 7.7=2.68) confirms the member and customer orientation of the SMart country offices: even though financing new activities and reaching new groups has a financial implication, it nevertheless does not jeopardise sustainability.

CHAPTER 6.
FOCUS ON THREE COUNTRY CASES: AUSTRIA, SPAIN AND HUNGARY

6.1. CRITERIA FOR COUNTRY CASE SELECTION

In order to use the Weber model described before in the various countries where SMart is present, we made a selection of three countries (Austria, Hungary, and Spain) out of the nine countries with a presence of SMart (Belgium, France, Germany, Italy, the Netherlands, and Sweden). The country selection was made according to how they ranked in the following five categories:

1. Type of welfare models.
2. Type of models of civil society.
3. Type of models of social enterprise.
4. Variance in terms of the development of the social and solidarity economy.
5. Variance in the evolution and shape of the cultural system.
6. New Member State status (post original EU-15).

The present research will not produce an in-depth analysis of each of the different models and categorisations deployed within each of these sets of features, although some critical comments will be offered in the Conclusions section. The idea is to underline some of the flaws observed during the analytical process in relation to the limitations of the explanatory power of these models and categorisations when dealing with the topic at hand.

Lastly, we will review the selection of countries stemming from the qualitative criteria in light of the valid survey responses from the five SMart countries.

6.1.1. Categorisation of welfare models

The comparative study and categorisation of welfare state models intensified in the 1980s in order to understand how they came to be and evolved into their current complexity (Flora and Heidenheimer, 1981). Two seminal contributions are considered to develop this first feature ("Categorisation of welfare models"), namely Esping-Andersen's and Ferrera's categorisation of the welfare models. Esping-Andersen's initial categorisation into three types (social democratic / Scandinavian regime; conservative / corporativist / Bismarckian regime; and liberal / Beveridge regime) departed from the basic political movements that existed in Europe in the 20th century. He would further refine his model by including new countries and categories, and was much critised by other scholars; however, it remains a starting point for the analysis of welfare models (Esping-Andersen, 1990). The majority of the countries where SMart is currently present are considered as corporativist regimes in Esping-Andersen's typology. The two countries that are considered social-democratic (the Netherlands and Sweden) did not answer the survey and thus could not be included in this contextual analysis.

Austria and Germany have traditionally illustrated conservative / corporatist welfare states. In general, they feature social insurance whereby most of the benefits for unemployment or sickness are based on insurance contributions made in advance. Both the contributions made and the benefits received vary according to personal income.[1] In addition, "...the corporatist regimes are also typically shaped by the Church, and hence strongly committed to the preservation of the traditional family. Social insurance typically excludes non-working wives, and family benefits encourage motherhood" and "... the state will only interfere when the family's capacity to service its members is exhausted" (Esping-Andersen, 1990:27). In Austria this need is filled by strong third sector organisations supported by the state.

Departing from the insufficiency of this categorisation, particularly when analysing Mediterranean countries that had been excluded from the original 18 OECD countries analysis, Maurizio Ferrera (1996) studied health provision in depth to propose a fourth typology, a Mediterranean model, where Spain, Portugal, and Greece would fall.

1 This is known as the "Bismarckian model" in opposition to the "Beveridge model" in which all contributions and benefits were to be at a flat rate (Esping-Andersen, 1990). These two models refer to the modalities of access to the health system: the Beveridge model is universalist and seems to have a long-term care integrated in health care systems, whereas the Bismarckian model has a low degree of universalism and providers are often of private nature. However, as the socio-economic contexts are drastically changing (ageing populations, public budget cuts, precariousness and shorter professional lives, etc.) since these models and their boundaries were created, there are more often variations and innovations within and across models.

6.1.2. Categorisation of models of civil society

Salamon and Sokolowski (2009, 2010) identified five different models of civil society development from a social origins approach, which underlines the influence that existing institutions exert on the emergence of civil society across the world (Monroe-White *et al.*, 2015). The five models are liberal, welfare partnership, social democratic, deferred democratisation, and traditional. The first three are associated traditionally with advanced economies where the emphasis on the emergence of civil society is put on the welfare state more than on the action of the government. All countries where SMart has a presence, except Hungary, can be considered within this first classification set. Deferred democratisation and traditional civil society refer to countries where the action of the government is seen as critical for the development of their civil societies.

6.1.3. Categorisation of models of social enterprise

As we have already seen, Kerlin (2011, 2013) draws on the theory of historical institutionalism to connect civil society, government, market, international aid, and social enterprise to propose a framework that addresses the variety of models of social enterprise around the world. Her MISE framework identifies five types of models, each of them with specific attributes: autonomous mutualism, dependent focused, enmeshed focused, sustainable subsistence, autonomous diverse. Later on, Monroe-White *et al.* (2015) expanded and refined the geographic coverage of her framework, particularly adding the option of “transitional” for those countries still evolving into one of the five models.

Taking into account these three well-known categorisations (welfare state model; civil society model; and social enterprise model) discussed at length in the literature, three countries (Austria, Spain, and Hungary) were selected for the contextual analysis because they covered the widest possible combination of categories included in points 1-5 above. The goal was to have countries as diverse as possible on the basis of those categories to have a varied set of cases. This three-country combination is presented in Table 34 below, including the various categories that apply under each of the categorisations.

Table 34. Representation of three main categorisations in the selected countries

Categorization	AT	ES	HU
Welfare state (Esping-Andersen, 1990; Ferrera, 1996)	Conservative/ corporatist welfare state	Mediterranean welfare state	Central and Eastern Europe
Civil society Salamon and Sokolowski (201)	Social democratic	Welfare partnership	Deferred democratisation (Transitional)
Social enterprise (Kerlin, 2013; Monroe-White *et al.*, 2015)	Enmeshed focused	Dependent focused	Autonomous mutualism

Note: The categories that appear in italics indicate that the identification was not made originally by the author(s) but deduced for the present research by applying the categorisation to each country.

6.1.4. Variance in terms of the development of the social and solidarity economy

As can be seen in the country descriptions, the way in which the notion of the social and solidarity economy has emerged and evolved is very different in Austria, Hungary, and Spain. While Spain enjoys a conducive environment for the development of organisations within the social and solidarity economy, the breadth of options is more limited in the case of Austria due to the more restricted availability of institutional forms and the predominance of traditional cooperatives and state-financed personal service providers. As for Hungary, the current political situation is *de facto* preventing the development of the social and solidarity economy with strong control measures and little interaction between the central government and Hungarian civil society.

6.1.5. Variance in the evolution and shape of the cultural system

This nationally-shaped evolution works well for the three countries studied but it was important to bring together national contexts with different notions of culture and particularly different developmental paths in terms of actors, institutions, and practices present in the cultural sphere.

6.1.6. At least one New Member State

Given the relevance of Central and Eastern Europe Member States in European policy-making and the weight in terms of populations that they represent, they should be included in the analysis. The ten New Member States that joined the EU in 2004 plus two additional ones in 2007 and the last one in 2013 have income levels below the EU average and have greater income disparities at the sub-national level (European Commission, 2004; Sedelmeier, 2015). The only New Member State where SMart is currently present is Hungary although the initial process has already began in Poland and initial contacts have been established in Estonia. Therefore, Hungary will be included in the country context analysis.

Based on these six criteria, the three selected countries are: Austria, Spain, and Hungary. An in-depth contextual case study was conducted in these countries both at a country level and also from the SMart organisation standpoint.

Before moving to the contextual and organisational country studies, the data obtained from the surveys was used to cast some light on the three countries selected. In order to do so we performed some basic descriptive statistical analysis across six countries Belgium (BE, source country), Austria (AT), Germany (DE), Spain (ES), and Italy (IT) had 100% response rates (five out of five stakeholder categories replied) while Hungary (HU) had 60% (three out of five stakeholder categories replied). BE was not retained for the in-depth analysis because it was the mother organisation where the SMart model originated; therefore, the relevance of the scaling-up factors was not critical for that country. Moreover, it would have represented an outlier in terms of years of operation (active since 1998) and many other values pertaining to the consolidated operating model of SMartbe (as a matter of fact, the survey questions related to the adaptation of the model to a new country were very often left unanswered in Belgium). Nevertheless, the survey was run in Belgium as a way to test some of the assumptions underlying the study.

A look at the statistical data suggested that some heterogeneity existed among the three selected countries (Austria, Spain, and Hungary). The following observations were made when analysing the data from the six countries (excluding Belgium) observed in Table 35 below:

- The first one refers to the data pertaining to the minimum and mean values: in almost all of them Austria ranked the lowest, Spain showed more centred values, and Hungary more extreme high values. For instance, in Hungary, the most important factor is the "competence of management", which shows as the lowest value the highest value possible (7). This implies that the mean will be also 7 and that there is no deviation at all. In the minimum measurement, we observe that Austria has the lowest response (2.13) in reference to "effectiveness of scaling social impact with others".

- As for the value capturing the deviation, the situation was inverted: Austria shows the highest variance in terms of the relevance attributed to the various factors while Hungary shows very little variance in its response (the limited number of responses likely influenced such result). Responses from the Spanish team remain again in the middle of the former two.

Table 35. Results of scaling-up factors of all countries involved

Scaling-up factor	Minimum						Maximum					
	BE (N=5)	AT (N=5)	DE (N=5)	ES (N=5)	HU (N=3)	IT (N=5)	BE (N=5)	AT (N=5)	DE (N=5)	ES (N=5)	HU (N=3)	IT (N=5)
Commitment of the individuals driving the scaling-up	3.50	2.00	4.38	3.88	5.75	2.88	5.38	5.00	6.38	5.38	6.25	4,63
Competence of the management	4.58	3.00	4.92	3.25	7.00	4.00	6.08	5.50	6.75	5.25	7.00	5,58
Entire or partial replicability of the operational model	5.33	2.42	2.67	4.50	4.75	3.75	6.17	4.58	3.92	6.08	4.83	5,25
Ability to meet social demands	3.83	3.83	3.67	4.50	6.00	4.67	6.67	6.33	5.83	6.33	6.17	6,17
Ability to obtain necessary resources	4.42	3.50	4.25	4.50	5.42	4.42	4.92	5.67	5.33	5.25	5.58	5,50
Effectiveness of scaling social impact with others	2.88	2.13	4.63	2.75	5.88	4.25	5.38	5.50	5.50	6.13	6.00	5,38
Adaptability	3.71	2.57	3.14	3.71	4.57	3.71	4.00	5.00	3.57	4.86	4.86	4,57

Scaling-up factor	Mean						Standard deviation					
	BE (N=5)	AT (N=5)	DE (N=5)	ES (N=5)	HU (N=3)	IT (N=5)	BE (N=5)	AT (N=5)	DE (N=5)	ES (N=5)	HU (N=3)	IT (N=5)
Commitment of the individuals driving the scaling-up	4.72	3.95	5.10	4.60	5.95	4.07	0.74	1.24	0.77	0.57	0.26	0.72
Competence of the management	5.43	4.46	6.03	4.30	7.00	5.02	0.56	1.03	0.68	0.81	0.00	0.62
Entire or partial replicability of the operational model	5.86	3.45	3.27	5.43	4.80	4.38	0.46	0.79	0.47	0.59	0.05	0.57
Ability to meet social demands	5.63	5.23	4.97	5.40	6.11	5.50	1.06	0.96	0.89	0.67	0.09	0.54
Ability to obtain necessary resources	4.63	4.66	4.65	4.80	5.50	4.75	0.20	0.78	0.43	0.31	0.08	0.44
Effectiveness of scaling social impact with others	4.72	4.05	4.90	5.07	5.95	4.80	1.07	1.41	0.35	1.37	0.07	0.48
Adaptability	3.81	3.94	3.31	4.22	4.71	4.29	0.16	0.95	0.19	0.48	0.14	0.33

- The data showed an odd response pattern in Hungary with very high responses and almost null standard deviation. This can be explained by the fact that, in Hungary one respondent category (Board member) does not exist, and the two corresponding to Manager and Founder are *de facto* merged into one single person. Needless to say this limited number of respondents could represent a weakness insofar as the responses are less varied thus reducing the possibility of obtaining different ratings to the same questions.

According to the light cast by the statistical analysis, Austria and Spain would represent solid cases for further inquiry, but Hungary would probably be rejected on grounds of low representation. However, since we did not use statistical variance and representativity as a formal criterion for selection and since Hungary nicely meets most of the other qualitative criteria, we will keep the choice. Having said that, interpretation of the Hungarian survey responses will be done carefully with an eye to avoiding wrong conclusions. In parallel, alternative explanations will be sought.

6.2. INSTITUTIONAL FRAMEWORK ANALYSIS OF COUNTRY CASE STUDIES

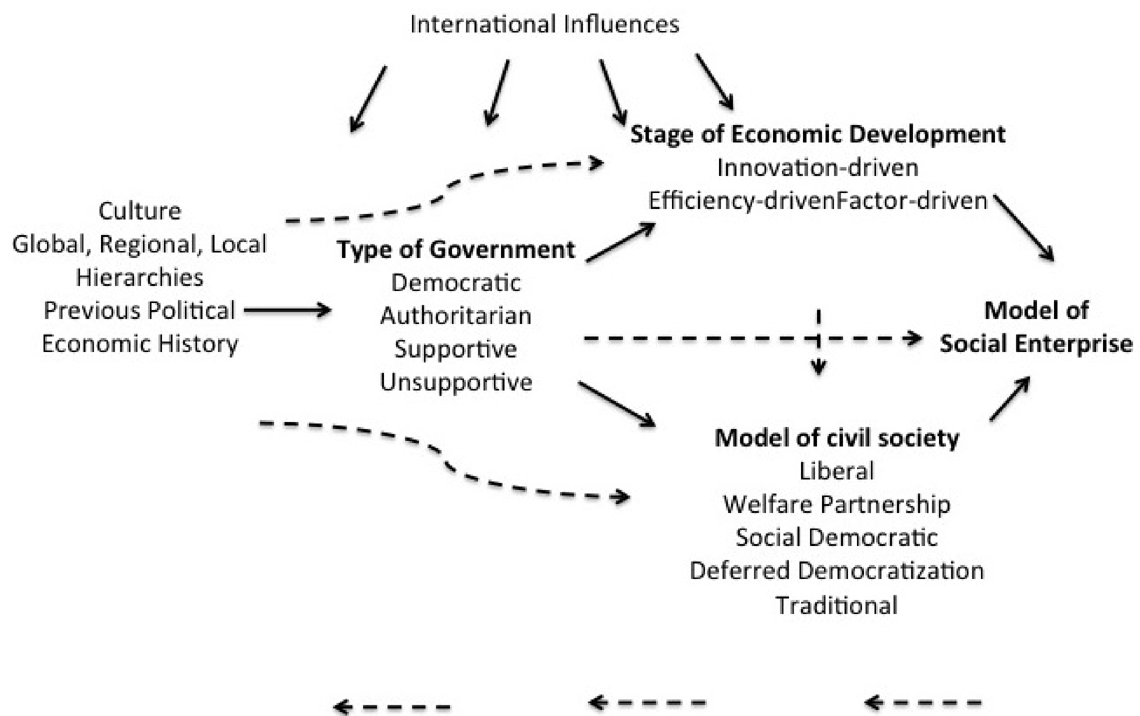
6.2.1. Analytical framework for the country study

As we have seen, social enterprise is an institutional arrangement that can be located at the crossroads of the private, public, and non-profit sectors, and therefore combines the resources of varied actors to address societal issues. One of the reasons for the difficulty of finding a common definition of social enterprise is the different sets of socioeconomic conditions from which social enterprises emerge and adapt, as they are embedded in societies that function in different ways. In this context, understanding the main elements of the socioeconomic context paves the way for grasping the way in which social enterprises developed in a given country (Kerlin, 2013).

Even though this area of research currently lacks research, important examples such as Kerlin's macro-institutional social enterprise framework (MISE) and the ICSEM Project are setting the ground for further understanding of the influence of the institutional context in the emergence and consolidation of socially-oriented organisations (Doherty *et al.,* 2014; Kerlin, 2013; Defourny and Nyssens, 2016).

For the present research, I have mobilised the MISE framework developed by Kerlin (2011 and 2013) to address this contextual analysis. The framework, visually summarized in Figure 9, includes a qualitative macro-institutional factor analytical grid that describes the institutional and contextual factors at play, and has been completed in detail for each of the three countries (Austria, Spain, and Hungary).

Figure 9. Macro-institutional processes and causal paths for models of social enterprise



Source: Kerlin 2013

Kerlin identifies five major areas that describe the national environment:

1. National culture, history, and values.
2. Type of economy or stage of economic development.
3. Type of government and development of institutions.
4. Type of civil society sector.
5. International relations and influence.

The benefit of this model relies on its descriptive capacity of the national contexts of social enterprise emergence but also of some characteristics of social enterprise approaches in those very contexts (Fisac *et al.,* 2015). Moreover, it is worth noting the weight given to power relations in the model, which helps understand not only the continuation of a given institutional setting but also the shift to previously subordinate groups (Kerlin, 2013). In terms of indicators, the work of Kerlin and Fisac *et al.,* (2014) has been followed to analyse these five areas based on national-level desk research as well as national accounts of experts and interviews.

Given the focus of the present research, a closer look is taken at the field of culture and the development of social economy in each of the three countries, performing a two-step analysis while going through the five factor analysis: firstly, a look at the general socioeconomic context, and secondly, at the development of the field of culture and social economy in particular. Based on this input, the national context and approaches to social enterprise are characterised, emphasising the differences and common traits among them with a view to explaining how the macro-institutional factors of the countries may contribute to the emergence of each social enterprise approach. This way of proceeding, which builds explanations while collecting data and analysing them is known as "explanation building" (Yin, 2003; Saunders *et al.*, 2007).

1. History, culture and values

The history of a nation - including its historic events - influences the level of wellbeing and shape of its citizenry. Historic events also may explain the current socioeconomic situation, so it is crucial for understanding some of the societal challenges that need addressing in a given country. An example of such influence by history would be a country that has been the physical ground where foreign wars have been fought and that has been the object of diplomatic repartitions among leading national powers.

Kerlin identifies two factors that may affect social enterprise: level of in-group collectivism (vs. individualism) and level of uncertainty avoidance in terms of what a society values (Kerlin, 2013). If the leverage of resources and generation of new ideas are crucial for economic success then individualistic societies with a developed sense of personal autonomy would support the generation of variety through individually-led innovation, whereas collectivist societies with a developed sense of belonging to communities and society support the leveraging of resources internally and through external ties (Tiessen, 1997; Kerlin, 2013). As for tolerance to uncertainty, entrepreneurial activity is usually encouraged in risk-prone societies (Amorós and Bosma, 2013). A third interesting element is the social recognition of entrepreneurs and social entrepreneurs and the subsequent creation of role models to inspire new entrepreneurs (Amorós and Bosma, 2013).

Lastly, the societal values about what is desirable or needed which serve as the basis for defining social objectives are crucial for social enterprise, even though their observation and measurement is very complex (Cho, 2006; Fisac *et al.*, 2014). The issue at stake is legitimation: an action or organisation is socially legitimate when it is perceived by the population in general that it is socially desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995). This is very much the case of pragmatic cultural and artistic actions, which need to be recognised as being relevant for addressing the urgencies of the issue at stake, regardless of whether there is a long-term political plan behind it (BAVO, 2009).

The main indicators for analysing the history, culture, and values of a given country are summarised in Table 36 below.

Table 36. Indicators for the analysis of national history, culture and values

Indicator	Source	Influence on the characteristics of the social enterprise approach
Episodes of a region's recent history	Civil wars, colonization and independence processes, famines, revolutions	Type of activity and needs of beneficiaries
Values and preferences (individualism-collectivism, avoiding uncertainty in society)	Hofstede's study on national cultures (2001)	Outcome emphasis, Legal form, Main supportive actors
Characteristics and perceptions on business and social movements	Attention paid in media, recognition.	Financial structure, Profit distribution, Main supportive actors
Societal values about what is desirable	Difficult to observe: deep-rooted assumptions, traditions.	Type of activity and needs of beneficiaries

Source: Fisac *et al.* 2014

2. Type of economy or stage of economic development

One of the key factors for the development of social enterprises is the economic context and the level of economic development. Such influence can be both positive and negative whether the economic development is high or low. For instance, a highly economically developed country creates synergies between social enterprises, the public sector, and the traditional business sector (positive influence), but it could also suffocate the space for social enterprises by not providing a level-field for them to compete with traditional businesses on a fair ground (negative). Social enterprises indeed exist in all countries, regardless of the developmental level reached by their economies.

The economic development of a country is related to the development of social enterprises insofar as they can address the precarious situation of the population and the environment in transition or developing economies. In the latter, social enterprises have become developmental strategies for international cooperation to contribute to covering basic needs in a given territory while empowering the citizens affected by the societal issues at hand. Such developmental focus is at play in developed economies where social enterprises are involved in social service provision and contribute to developing innovative activity to address market or state failures (Austin *et al.*, 2006). Table 37 below summarises the main indicators for analysing the economy and stage of economic development of a given country.

Table 37. Indicators for the analysis of economic context

Indicator	Source	Influence on the characteristics of the social enterprise approach
Stage of economic development	Global Entrepreneurship Monitor (Amorós and Bosma, 2013), diverse macro-economical studies	Type of activity and needs of beneficiaries, Financial structure, Main supportive actors
Level of equality and societal problems derived of economy	GINI Coefficient[2]	Type of activity and needs of beneficiaries
Characteristics of economy (level of competitiveness, productivity, etc.)	The Global Competitiveness Report (Sala-i-Martí *et al.*, 2010)	Main supportive actors, Financial structure

Source: Fisac *et al.* 2014

2 This coefficient is one of the most common measures of equality and it reflects the statistical dispersion of income distribution of a nation's population. It varies between 1 (complete inequality) and 0 (total equality).

3. Type of government and development of institutions

Traditionally, the type of government in a country determines how institutions emerge and develop. The political regime (democratic, authoritarian...), the level of civil rights and liberties, the presence of rule of law, the level of corruption, etc. affect the way in which a society produces institutions in order to function. Kerlin follows a tradition of sociology and political science illustrating how micro- and meso-level institutions are highly influenced by state institutions and policies (Skocpol, 1979; Rueschemeyer *et al.*, 1992). Social enterprises also depend highly on the norms and values that the government chooses to institutionalise and those that are left outside (Kerlin, 2013).

In developed countries, an essential element for social enterprise development is their level of welfare system, as they collaborate in various modalities to increase the citizens' wellbeing. Particularly, the activity of social enterprises is determined by the action of the state via the access to external resources (public procurement, subsidies, access to space, etc.) and the development of favouring or hindering public policies and schemes (Nyssens, 2006). The case of liberal states presents a different scenario for social enterprises that are often left to their own devices and support for social enterprises may be understood as withdrawal of any action so as to leave them the space to act freely in the marketplace.

Other ways in which public bodies can influence the development of social enterprises are supporting their institutional recognition and visibility, providing support and training, supporting research and studies, supporting the networking at the national and international level, providing financial, human and physical resources, etc. Although less obvious to observe and measure, public bodies clearly have a strong influence on the government, the media, and the Church, which places them in a unique situation to effect ideological orientations (Salinas and Rubio, 2001).

A summary of the elements of the political and institutional context described above affecting social enterprise are summarised Table 38.

Table 38. Indicators for the analysis of the type of government and institutions

Indicator	Source	Influence on the characteristics of the social enterprise approach
Characteristics of political system (type of regime, stability)	Direct observation	Main supportive actors.
Civil liberties and security, rule of law	Direct observation	Main supportive actors; governance.
Implication of the state in a citizen's wellbeing and coverage of social services	Normative texts	Type of activity and needs of beneficiaries; main supportive actors.
Ideological influences from government or institutions	Direct observation	Type of activity and needs of beneficiaries; main supportive actors.
Quality of public support: subsidies, legal protection, incentives	Normative texts	Financial structure; profit distribution; legal form; main supportive actors

Source: Fisac *et al.* 2014

4. Type of civil society sector

Civil society is usually understood in different senses: a broad sense (a type of society) and an intermediate sense (markets and organisations). It is also used with two restricted meanings: firstly, organisations and social networks of any kind and, secondly, a subset of organisations – typically associations – that convey a moral message connected with the value of civility) (Pérez-Díaz, 2014). An important feature of civil society is that it is "a fragile and superficial order of institutional and cultural conditions and other circumstances in which human agency might have some input" (Pérez-Díaz, 2014).

As we have seen, Salamon has done substantive work on the intermediate and restricted meanings of civil society. Civil society is a broad sector that comprises different types of organisations that can be studied through five elements: workforce size, volunteer share, government support, philanthropic support, and expressive share (Salamon, 2010; Salamon and Sokolowski, 2010). According to the different levels of each one of these elements, different types of civil society can be identified: liberal, welfare partnership, social democratic, deferred democratisation, and traditional. As explained in chapter 3, the form that this organised civil society takes varies according to regions and traditions but it is either referred to as social and solidarity economy, non-profit sector, or third sector.

Regarding support from external instances, civil society is usually supported by governments at all levels and private sector entities (traditional firms and corporations, umbrella bodies, grant-making foundations, etc.).

Lastly, the presence (or absence) of a strong civil society (in Europe in the form of a robust social and solidarity economy) and the level of its internal organisation (for instance via the existence of representative bodies or federations) are also critical for the development of social enterprises. Such levels of robustness and internal articulation illustrates the readiness of a society to assume collective responsibility following the ideal of civility as the commitment to a good society and the ideal of a society of reflective individuals (Fisac *et al.*, 2014; Pérez-Díaz, 2014). In addition, such a vibrant sector serves to channel citizen demands and to define the amount of civil resources (economic, human, and others) available for solving social problems (Fisac *et al.*, 2014).

Some elements related to civil society that are most likely to influence social enterprise are summarized in Table 39 below.

Table 39. Indicators for the analysis of civil society

Indicator	Source	Influence on the characteristics of the social enterprise approach
Type of civil society	Salamon and Sokolowski (2010) framework	Main supportive actors; governance.
Size of civil society sector (NGO, foundations, etc.)	National statistics	Main supportive actors; type of activity and needs of beneficiaries.
Characteristics of civil sector (disposition to volunteer for activities, philanthropic support)	Difficult to observe: deep-rooted assumptions, traditions. Direct observation, analysis	Main supportive actors.
Presence of an articulated social economy	Level of articulation in representative bodies.	

Source: Adapted from Fisac *et al.* 2014

5. International relations and influence

Kerlin's MISE framework considers that the cultural and historical roots of a country and its relation with neighbouring and far-away countries have a direct effect on the emergence and development of social enterprises. They might imply an exchange of practitioners, know-how and experiences, but also of finance, which has had a direct impact on shaping social enterprises. International influence can be channeled through specific representative bodies such as umbrella organisations that act as lobbying and advocacy units abroad.

Some elements related to the international influences that are most likely to influence social enterprise are contained in Table 40 below.

Table 40. Indicators for the analysis of international influences

Indicator	Source	Influence on the characteristics of the social enterprise approach
Existence of shared roots or history with neighbouring countries	Direct observation and documents	Outcome emphasis; legal form; governance.
Characteristics of influences (existence of international umbrella organisations, degree of exchange and networked relationships)	Direct observation and documents	All
Level of international aid received	International statistics	Scope and focus; outcome emphasis; target audiences.

Source: Adapted from Fisac *et al.* 2014

The main criticism of Kerlin's model applied to analysing the context of the countries selected with regard to the emergence and development of social enterprises is the focus on standard economic tools used by international bodies (mainly GDP). Since GDP has been deemed a poor measure of progress, future research should look at other approaches, invisible or alternative, to measuring a country's position in terms of human development, social cohesion, and environmental sustainability[3]. Some are already quite well-known and developed, so applying them to revise this macro factor analytical framework should be relatively easy. From the Gross National Happiness (GNH) philosophy applied in Buthan to the Genuine Progress Indicator (GPI) implemented in some States of the US, or the five new indicators of national success proposed by NEF in 2015 (good jobs, well-being, balanced environment, fairness, and health) there are alternative methods that would take into account missing aspects of progress such as inclusive growth, women's contribution, environmental outcomes, and well-being. By measuring those missing pieces of the puzzle we would be measuring an economy that is closer in values and practices to the social and solidarity economy.

6.2.2. Socio-economic data on the three countries

Below is some comparative data on several indicators that provide a sense about the situation of the countries with regard to the five elements of the contextual framework analysis conducted. They are shown here in a comparative manner but some data will be discussed more in detail in the country by country analysis.

Table 41. Total population, growth, density in selected countries (2013)

Country	Total population	Population change rate in five years (in ‰)	Population density (per km²)
Austria	8,488,511	5.4	102
Hungary	9,906,000	-2.6	107
Spain	46,006,414	-4.1	92

Source: Eurostat database

3 The World Economic Forum itself holds a "Beyond GDP" blog series (www.weforum.org/focus/beyond-gdp).

Regarding population in the three countries, Spain is the largest country in terms of population but it also shows the highest depopulation rate (mostly as a result of emigration and death), which reduces the number of potential workers and entrepreneurial activity in the country. On the contrary, Austria shows an increasing growth rate in terms of population, which infuses new potential for entrepreneurial creation. Hungary also faces a depopulation trend although not as acute as in the Spanish case.

In order to show some relevant socioeconomic data in the three countries, I recreated part of the table that Kerlin (2013, page 13) put together drawing information from various sources. The pioneering work of Geert Hofstede's "Culture's Consequences" and the GLOBE project are cited as guiding the dimensions included in the table and used in part here (Table 42). Data is then extracted from several sources, including the GLOBE project itself and other international organisations (see footnotes 4-9).

Table 42. Socioeconomic data per selected country

	Culture[4]		Welfare state	
	In-group collectivism	Uncertainty avoidance	Expenditure in education (%GDP)[5]	Expenditure in health (%GDP)[6]
Austria	4.85	5.16	5.6	8.2
Hungary	5.25	3.12	4.6	5
Spain	5.45	3.97	4.8	7
	Governance		**Economy**	
	Government effectiveness[7]	**Corruption control**	**Economic development stage[8]**	**GCI ranking[9]**
Austria	1.6	1.3	Innovation-driven	16
Hungary	0.6	0.3	In transition from efficiency to innovation-driven	60
Spain	1.1	1	Innovation-driven	36

Source: See footnotes 4-9 in the next page.

4 Source: The Global Leadership and Organisational Behaviour Effectiveness (GLOBE) project, Phase 2. Aggregated Societal Level Data for Society Culture Scales (May 17, 2004). Available at http://globe.bus.sfu.ca/data/GLOBE-Phase-2-Aggregated-Societal-Culture-Data.xls This research uses the project findings for two dimensions: to measure "In-Group Collectivism" (the degree to which individuals express pride, loyalty, and cohesiveness in their organisations or families) and "Uncertainty Avoidance" (the extent to which a society, organisation, or group relies on social norms, rules, and procedures to alleviate unpredictability of future events). The scale is from 1 to 7 where higher score indicates higher in-group collectivism in practice and higher scores of uncertainty avoidance. Data is from 2004.

5 Source: UNESCO Institute of Statistics website (www.uis.unesco.org/Education/EducationStatistics). The definition of "government expenditure on education as % of GDP (%)" is the "total general (local, regional and central) government expenditure on education (current, capital, and transfers), expressed as a percentage of GDP. It includes expenditure funded by transfers from international sources to government. Divide total government expenditure for a given level of education (ex. primary, secondary, or all levels combined) by the GDP, and multiply by 100. A higher percentage of GDP spent on education shows a higher government priority for education, but also a higher capacity of the government to raise revenues for public spending, in relation to the size of the country's economy. When interpreting this indicator however, one should keep in mind in some countries, the private sector and/or households may fund a higher proportion of total funding for education, thus making government expenditure appear lower than in other countries." Data from 2011.

6 Source: World Health Organisation Global Health Expenditure database (http://apps.who.int/nha/database for the most recent updates). The definition of "Health expenditure, public (% of GDP)" is "public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organisations), and social (or compulsory) health insurance funds.

7 Source: World Bank (http://databank.worldbank.org) "Government Effectiveness: Estimate" captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies. Estimate gives the country's score on the aggregate indicator, in units of a standard normal distribution, i.e. ranging from approximately -2.5 to 2.5.

8 Source: Global Competitiveness Report, 2012-2013. The Global Competitiveness Report assesses countries' competitiveness along the 12 pillars corresponding to three main stages of economic development: Stage 1: Factor-driven; Stage 2: Efficiency-driven; and Stage 3: Innovation-driven. There are also transtion stages as countriesmove from one stage to the next. Available at (www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2012-13.pdf accessed on 6 August 2016).

9 Source: Ibid.

Although most analyses have been done at a global regional level (Kerlin, 2013; Salamon *et al.*, 2014; Defourny and Nyssens, 2016), all five elements of Kerlin's framework in the three selected countries (Austria, Spain, and Hungary) will be covered.

Despite the fact that in all three countries the term "social enterprise" was introduced in the last twenty years, there exists in all a social economy/third sector tradition going well back in time. However, it is noteworthy that authoritarian political projects interrupted such development for long periods in all three of these countries: the Nazi invasion in Austria plus the Allied occupation (1938-1955); the Nazi invasion and Soviet imposed dictatorship in Hungary (1939-1989); and Franco's dictatorship in Spain (1939-1975).

The next three subsections provide an overview of the three selected countries (Austria, Spain and Hungary) focusing on descriptions of how civil society, the third sector, and social enterprises developed in each country and then of the cultural field.

6.2.3. Country 1. Austria

Austria is currently a federal republic in Central Europe but it suffered a number of historical events before reaching the shape that we know nowadays. With a highly mountainous terrain, Austria is landlocked and surrounded by countries with disparate political regimes and stages of economic development.

A leading power in the 17th and 18th centuries, the Austrian empire (proclaimed in 1804) would become the Austro-Hungarian Empire until its collapse in 1918. Established as a republic first in 1919, the seven-year Nazi occupation imposed a parenthesis on the country's independence, which was regained in 1945, after World War II. That year saw the restoration of the Austrian former democratic constitution and ten years later the Second Austrian Republic was formally established. There are two main political movements and long-term ruling parties in Austria, the Social Democratic Party (SPO) and the conservative Christian Democratic Peoples' Party (OVP) although the right-wing Freedom Party (FPO) joined the government in 2000.

The country is divided into nine federal regions (*Bundesländer*) and the largest city is the capital, Vienna. Austria is one of the richest countries in the world: its economic development during the years covered in this research has seen its per capita GDP almost double (from $27,289.6 in 1998 to $51,148.4 in 2014) in a steady growth trend.

The development of civil society, the third sector and social enterprise

As explained in the methodology section, this sub-section draws mainly from two sources: the ICSEM working paper on Austria by Anastasiadis and Lang (2016) and the national report on Austria of the study "A map of social enterprises and their eco-systems in Europe" by ICF (2014).

In the late 19th and early 20th century several types of organisations (mostly religiously motivated philanthropy, charity organisations, cooperatives, trade unions, and interest groups) developed and gathered an important political influence, especially on the setting up of social security and welfare systems. There were two main types of organisations: on the one hand, bottom-up, self-help organisations (such as cooperatives, charitable societies, and saving clubs), and on the other hand, top-down initiated "self-help" welfare associations (organisations featuring the expanding social and labour market policy). Both types benefitted from early welfare legislation in Austria (Anastasiadis, 2006b).

As a clear example of the corporatist model in welfare provision, the connection between these proto-social enterprises and public bodies was very close (Neumayr *et al.*, 2007). Since the 19th century, Austria represented a centralised system of wage-bargaining with strong involvement of intermediate bodies, larger non-profit associations, and cooperatives in social policy formulation. The competences of regions were limited, which strengthened the centralized power. This centralized model resulted in a "pronounced state-led innovation model" with all the actors whose participation had been guaranteed through processes of industrialisation resisting bottom-up led social innovations, such as initiatives led by social entrepreneurs and community organisations (Esping-Andersen, 1999; Lehner, 2011; Novy *et al.,* 2001).

After World War 2, larger NPOs and professional cooperatives dominated the third sector, acting as intermediaries between state and citizens in the welfare system (Lang and Novy, 2014). As the Keynesian notion of 'social market economy' consolidated, many third sector organisations because either commercial enterprises (e.g. *Konsum*, *Raiffeisen*) or were integrated into the state-financed social and welfare sector.

The rise of "New Social Movements" in the 1970s created the opportunity window to experiment with other organisational forms, although they created links with the traditional cooperative movement via mutual assistance (self-help condition of emergence). This community-led movement has been considered an expression of dissatisfaction with the central-led welfare model and as a request to create new forms of "welfare-mix" based on the partnership between the state and these new entities. An example

often cited is the experimental labour market. Since the early 1980s the Austrian Labour Market Service finances projects and enterprises that address the two major problems caused by long-term unemployment: growing inhibitions to take up a new job and social exclusion. This period is considered to be highly innovative: indeed, it was in those years that the first social integration enterprises (*Sozialökonomischer Betrieb*, or SÖB) and non-profit employment projects/companies (*Gemeinnützige Beschäftigungsprojekte/ Gemein-nützige Beschäftigungsgesellschaften* or GBP) were created.

As the notion of "welfare-market" reached Austria, the Austrian third sector underwent a turn toward the logic of free market economy. Austria joined the EU in 1995 and had a right conservative-populist government between 2000 and 2006. One of the measures it took was to implement some liberal social policy reforms aimed at reducing subsidies for third sector organisations. This down-sizing of the welfare state has prompted traditional NPOs and cooperatives to seek resources in the market, adopting a behaviour that is similar to that of social enterprises. In the case of cooperatives, this economisation process resulted in a membership and community influence reduction (Lang and Anastasiadis, 2015).

Therefore, the Austrian social democratic model of civil society as proposed by Salamon and Solokowski is characterised by:

- A lack of autonomy and openness to state influence and public support. Furthermore, the state-led welfare model in Austria has always had a tendency to incorporate bottom-up social movements.

- Corporatist clientelism and nepotism, which still require belonging to the right political party in order to have access to the necessary resources (Lang and Novy, 2014).

The term social economy is characterised by a high degree of heterogeneity and complexity concerning organisational and legal forms at the European level (CIRIEC 2007). In Austria, social economy (*Sozialwirtschaft*) covers all the organisations offering social services in a professional way. The Austrian understanding of the third sector is very close to the European definition, which involves classical NPOs as well as cooperatives, foundations, and associations delivering services to and working with the community. The most widely used notion is non-profit sector, although it remains a heterogeneous concept with the only common trait of being non-profit distribution (Lang and Anastasiadis, 2015).[10]

10 Austria was not included in the Nonprofit sector study from Johns Hopkins University (Bosma & Levie 2009; Salamon 2010) or the social entrepreneurial section of Global Entrepreneurship Monitor (GEM) in 2009.

With regard to specific legal forms, cooperatives have a long tradition in Austria as an independent sector with clear institutionalisation paths in various activity fields such as housing, agriculture, banking, and to a much lesser extent, producer cooperatives (Lang and Anastasiadis, 2015). They have strong connections to the two main parties and their powerful umbrella bodies have been an integral part of the corporatist system of the Austrian state (UNDP, 2012).

As for social enterprise, the term is not very frequently used in the Austrian context where German versions are more common.[11] Slowly a social enterprise practise discourse is emerging supported by research and training as well as the work of international networks (e.g. Ashoka, Impact HUB Vienna, 'Architects of the Future') and networking and exchange initiatives (e.g. Social City Wien or Emersense). In Austria a majority of social enterprises exist "under the radar" using legal forms such as associations, limited liability companies (GmBHs), and not-for-profit limited liability companies (gGmBHs).

Traditional social economy networks such as BDV Austria (*Bundesdachverband für soziale Unternehmen*) and *Sozialwirtschaft Österreich,* which respectively represent WISE and social services providers, do not use the term social enterprise widely. Similarly, the majority of Austrian policy makers continue to consider social enterprises only as work integration strategy that limits the potential of this institutional arrangement. Austrian social enterprises incorporate the attributes of Kerlin's "enmeshed focused" model (2013), characterised by a small variety of social enterprises and a varying level of dependence from public financing sources. The innovation-driven stage of the economy generates the required resources for the corporatist welfare state and government policies. Other economic actors tend to support innovation and entrepreneurship, although the space for promoting alternative economies and models is not readily available.

The cultural field

As explained in the Methodology section, this sub-section draws mainly from the chapters devoted to Austria of the "Cultural Policies and Trends in Europe: A compendium of basic facts and trends" produced by the Council of Europe.

The Austrian post war-attitude toward culture has been characterised as prestige oriented, favouring support for official cultural institutions such as theatres and festivals.

11 Other terms connected to traditional legal forms are more prevalent such as *Sozialwirtschaft* (social economy), *Sozialintegrationsunternehmen* (social integration enterprises) *gemeinnützige organisationen* (public benefit organisations focused on work integration), and *Genossenschaften* (cooperatives).

The Nazi invasion meant that many artists and creators fled and were not invited back. The 1960s and 1970s and their increased politicisation and radicalisation are identified as turning points to the acknowledgement of the cultural vanguard, which became political tools for the preparation of the upcoming changes. Under the Social Democratic government of Kreisky, cultural policy was regarded as a variation of social policy and culture was conceived as encompassing all areas of life.

The Federal Ministry of Education and the Arts adopted a package of cultural policy measures in 1975, which aimed at improving the cultural habits and education levels and reducing the educational gap between city-dwellers and the rural population. A distinction was made between, on the one hand, artists and culture workers and, on the other hand, education (schools, adult education establishments) and cultural institutions (companies and centres). This decisive step represented a turning point as it launched a dialogue between governing bodies and artists and art mediators. As a way to de-centralised the system and make it more democratic, different advisory and intermediate bodies were created.

The 1980s brought about an upsurge of large-scale events, numerous festivals and major exhibitions and a parallel cultural spending increased approximately seven times the annual amount of the previous 25 years.[12] The statistical monitoring known as LIKUS system (*Länder-Initiative Kultur-Statistik*) set up in 1996 constituted an effort toward transparency and comparability effort insofar as it tracks the expenditures of the federal and regional administrations. By the end of the decade, right when a grand coalition between the ÖVP and SPÖ was crystallising, issues of cultural sponsorship and privatisation joined the public discussion about culture. These issues rapidly drew the attention of the majority of stakeholders in art forms such as musicals, popular operas, and museums, which were perceived as being able to raise larger sums of funds from the market than more alternative and radical cultural expressions.

The coalition between the ÖVP and the FPÖ in 2000 re-elected in 2002 brought about a conservative shift that meant an emphasis on two cultural policy measures: out-

12 Public support for the arts was acknowledged by the Federal Arts Promotion Act in 1988. Unlike social policy, most cultural competences are assigned to the Bundesländer through the “cultural sovereignty” principle. Each region (except Vienna) has its own Arts Promotion Laws defining culture according to regional specificities and highlighting the cultural activities to be promoted. Regarding the federal level, between 1998 and 2006 all cultural-policy agendas were in the hands of the State Secretary for Art and Culture, who was part of the office of the Federal Chancellor. From 2007 to 2013, culture and the arts were again the responsibility on the Federal Ministry for Education, the Arts and Culture and since 2014, they have been assigned to the agenda of the Federal Minister for Arts and Culture, Constitution and Media via the Arts and Culture Division, which is attached to the Federal Chancellery of Austria.

sourcing of public cultural institutions and reduction of the cultural budget. Collateral effects of this shift were a stronger focus on “prestige culture”, the creative industries and the promotion of economically oriented projects (such as festivals to increase tourism).

From 2007 to 2012, some key cultural institutions were reopened: there was support for the Austrian film industry, promotion of young artists, and subsidies for federal theatres and museums; the promotion of art and culture education in school intensified; and the international projection and mobility of Austrian creators was supported through public finance. Austrian creative industries workers have been reported as showing comparatively higher creative and innovative competences than workers from other countries (Sostenuto, 2014). The country has indeed devoted substantial attention and resources to supporting the sector from the federal and regional level and *ad hoc* support has been granted to the creative industries (e.g. the VINCI - Vouchers in Creative Industries of the Evolve initiative and a number of studies).

Particularly important for the present research was the focus on improving the labour conditions of cultural workers. Indeed, one of the current tasks of the Arts and Culture Division is to create suitable framework conditions for cultural workers. A study commissioned in 2008 to assess the social situation of artists was devastating: it showed dramatic poverty among artists and reached the conclusion that their precarious income had worsened in comparison to studies from earlier years.[13]

The immediate response to this depiction was cross-sectoral via the creation of interministerial working groups (IMAGs) that gathered stakeholders from the public and private sectors and civil society, including trade union and social-partnership representatives. The agendas of the IMAGs have included issues such as social security for artistic, cultural and media workers, employment law, unemployment insurance law, social security, women in the arts, support for the arts, copyright and taxation measures, and mobility in order to improve the social situation of artists in Austria. It was at this point in time that the SMart model was presented to the Austrian audience (in May 2011).

13 The study “ZursozialenLage der Künstler und Künstlerinnen in Österreich” [On the social situation of artists in Austria] by Schelepa, Wetzel, Wohlfahrt, Mostetschnig], L&R Social Research was commissioned by the former Ministry for Education, the Arts and Culture. Available in German at http://www.kunstkultur.bka.gv.at/Docs/kuku/medienpool/17401/studie_soz_lage_kuenstler_en.pdf

In terms of specific measures, the following actions were taken:

- The opening of the Service Centre for Artists within the Social Insurance Authority (SVA) in 2011, gathering all the issues around social security and labour-market services.

- The creation of the Artists' Social Security Fund (*Künstlersozialversicherung* or KSVF) offered the opportunity to register an idle period in self-employment in order to improve compatibility of general social security with unemployment insurance.

- Other initiatives included a new actors' law; a mentoring programme for and by women for the improvement of the social situation of women artists; and a guide on mobility questions for foreign artists and creators.

Unfortunately, these measures have not translated into any significant improvement for artists so far as reported by interest groups and the *KulturratÖsterreich* (Austrian Cultural Council)[14]. The main two sources of criticism related to the KSVF involve the inadequate insurance for artists in the case of unemployment and the preconditions for claiming benefit from the fund (a minimum income is required from artistic work to access the support mechanism). Moreover, the KSVF recognition of what constitutes "artistic work" is very limited (e.g. it excludes teaching activities for artists, creators, and cultural workers).

The typical work situation of the majority of artists in Austria is a combination of employed and self-employed. Since in Austria the type of working contract defines to which social insurance scheme workers have to contribute, artists end up contributing to two social security funds. Despite the high contributions to the social security system, they still do not qualify for the full benefit package of the national benefit and insurance system. The 2008 study focused on the status of artists concluded that 75% of the artists are considered ineligible for coverage by the unemployment system.[15] According to this same study, 87% of the independent theatre sector works under a self-employed status although this status is not allowed by law (cinema industry actors are excluded from this regulation).

14 The Council presents it self as "a consortium of the associations representing the interests of art, cultural and media workers". It includes among its demands that no repayments are requested from the Artists' Social Security Fundan unconditional basic income for all, Source: http://kulturrat.at/organisation/mission_en (last accessed August 11th, 2016).

15 Susanne Schelepa, Petra Wetzel, Gerhard Wohlfahrt (2008), "Studie zur sozialen Lage der Künstlerinnen und Künstler In Österreich" [On the social situation of artists in Austria]. Avalaible at http://www.kunstkultur.bka.gv.at/Docs/kuku/medienpool/17401/studie_soz_lage_kuenstler_en.pdf

Theatre companies are supposed to employ their workers and so actors and related workers combine their work across several small companies, usually on a very short-term basis. A major problem for small size companies is that hiring actors represents an increase in terms of labour-related taxes. In turn, self-employed artists are obliged to subscribe to a health, accident, and pension insurance through the Austrian Social Security Authority for Business (*Socialversicherungsanstalt*, SVA), if they earn more than 5,000€ through their self-employed activity in a year. In addition, umbrella employment is not permitted by Austrian law.

Main conclusions from the country contextual analysis

Although the context for social enterprises still shows the following barriers (i.e. an impressive set of benefits offered by the central state which decreases the collective entrepreneurial drive; the omnipresence of traditional NPOs and their interest groups, which act as lobby groups; and the set of well-established rules for financing, which prevent any flexibility for new collective initiatives or institutional arrangements), a number of untapped resources exist in Austria with regard to potential development of CASE.

Firstly, an immediate result of this context for social enterprises is that they are likely to emerge in niches not exploited by hegemonic NPOs and to use resources that are not specifically earmarked for social service provision (Borzaga and Defourny, 2001). In this context, culture constitutes *a priori* one of these promising niches for social enterpise development with the potential of tapping a variety of resources and financing sources.

Secondly, the resources of Austrian foundations represent an untapped potential for social enterprise development and culture represents one of the interest fields for Austrian foundations. However, the current law on foundations may be seen as a barrier as it was not originally set up with a view to the pursuing public benefit. Only about 200 (i.e. 7%) of the over 3,000 private foundations in Austria have a clear public benefit purpose which is in sharp contrast with the German situation where over 95% of the 17,000 foundations have a public benefit purpose.

Thirdly, partnerships with existing successful third sector and social and solidarity organisations covering the whole territory constitute one of the possible advantageous strategies toward the development of social enterprises. While Austrian NPOs may not be ready yet to team up with small-scale social enterprises, the model of transnational cooperation put forward by SMartat may provide an interesting ground for experimentation for Austrian social entrepreneurs with knowledge of interesting experiences in their field in other countries. Having said this, it should be mentioned that some large NPOs such as Caritas Vienna are offering inspiring examples on how to create these cross-sectoral partnerships.

Regarding cultural production, there is a long tradition of transnational cooperation in Austria that involves all kinds of cultural players (from federal institutions to grassroots initiatives). Given the geographic closeness, CEE countries represent a privileged area for collaboration in the cultural field in activities such as festivals (music, film, etc.), exhibitions (fine art, architecture, photography, etc.), conferences and workshops, and information and training programmes.

An illustration of the former points, is the number of corporate and family foundations (e.g. ErsteStiftung, Generali Foundation, Bank Austria Kunstforum, Siemens Artlab) that are supporting initiatives so as to make culture and the arts more accessible to a broader public, particularly that of CEE countries. Keeping the required distance to ensure organisational and cultural content autonomy, these organisations represent an additional possible resource for CASE as public administrations incorporate social enterprise into their support measures to contribute to culture and social development and sustainability.

Given the context described above, the arrival of SMartat can be considered very timely from the cultural standpoint, and despite the barriers facing social enterprise emergence, a supportive and vibrant context seems to be developing that includes a variety of mainly civil society and private actors with public administrators following at a distance.

6.2.4. Country 2. Spain

The recent history of Spain is marked by the transition to democracy from a dictatorial regime that followed a civil war, and the adaptation to a new economic and cultural rhythm imposed by the joining of the European Union and globalism. At the macroeconomic level, the GDP rose from $15,534 in 1998 to $29,718 in 2014, with a peak of $35,600 in 2008, right before the last global financial crisis (Council of Europe, 2015). Despite the many problems facing Spain's political institutions, the perception of control of corruption dropped from 1 (2012) to 0.5 (2014) points in only two years. However, these data hide the growing inequality in distribution of the newly created wealth; the emergence of new types of exclusion such as "energy poor" or "working poor"; and the diminishing purchasing power of an increasingly precarised group of workers.

Recently, as a result of an accumulated disenchantment with the consequences that the two above-mentioned overarching forces had imposed upon citizens, a wave of social mobilisation aiming to bring real political change took over the majority of Spain (Calle, 2016). Even though Spain has been characterised by its social capital deficit and a poorly articulated civil society (Montagut, 2009), the fact that it has a long tradition

of social movements and grassroots associationism articulated around concrete formal and informal arrangements can help explain the emergence of this wave. In this context, Spain has seen a series of political and social movement cycles take place in combination with a solid "social push" (*empuje social*), which could have represented a true option for political transformation. However, unfortunately, this three-layered complimentary process (political cycle / social cycle / social push) has remained out of synchrony with regard to their true transformational potential as a result of the way in which the sociopolitical evolution of the country has unfolded in the last 30 years (Calle, 2016).

The development of civil society, the third sector and social enterprise

Through the 19th and most of the 20th century, responsibility for attending to social needs fluctuated between the Catholic Church and the public sector except for periods of democratic government (1904-1921; 1931-1936) when policies of social responsibility and social rights were implemented by the public administration (Sarasa and Moreno, 1995; Montagut, 2000). Spain began the construction of a modern welfare state with a significant delay if compared with its neighboring countries. It did so while building its political system, which resulted in a subsequent series of reforms even before it was completely constituted, as was the case in other European countries (Montagut, 2009).

Non-profit organisations (and the organised civil society that supports them) basically only came to policy prominence in 1980s and 1990s. Social welfare and social services, along with the non-profit sector, came under the spotlight at a moment of consolidation of the welfare state (Montagut, 2009; Salamon *et al.*, 1999). In the case of Spain, as in many other countries, there is a division of opinion about whether solidarity is achieved through economic democracy or through the organised action of civil society (Rodríguez Cabrero, 2005), depending on whether the sector is mainly market- or non-market based (Marbán Gallego, 2007). Unlike the other Western European countries, Spain's third sector organisations ensured their income less through government grants and subsidies than on private fees and charges for services (Salamon *et al.*, 1999). As for the social economy, they have a strong market dimension and their level of institutionalisation is very high. In short, in Spain the use of commercial purposes to generate income to support organisations that ensure the welfare of citizens covers a wide spectrum of activity that is sometimes difficult to identify. Talking about social enterprise in Spain inevitably entails talking about the social economy and other non-profit organisations in the third sector of social action and the solidarity economy. Among the three there is a broad spectrum in which Spanish social enterprises have been emerging.

As far as the Spanish social economy is concerned, it includes different types of organisations, such as cooperatives and foundations, as well as other non-profit organisations

that have nevertheless developed income-generating activities. Already in the nineteenth century "mutual relief societies" were the precursors of the current mutual society and laid the foundations of social security as we know it today. These societies sought to respond collectively to individual needs or risks, for example, by providing health insurance in the event of illness or by coping with situations of lack of protection in the event of unemployment. This collective dimension represents one of the main characteristics of the social and solidarity economy in Spain, which contrasts with the more individualistic perspective of the social entrepreneur who continues to generate great interest in Europe.

The different economic contexts throughout our history have paved the way for the emergence of social entities in Spain. For example, the economic situation of the 19th and early 20th centuries in rural areas led to the emergence of agrarian cooperatives and their credit sections and savings banks that favor the financial inclusion of their members[16]. Also, the industrial crisis of the 1970s (which coincided with the Transition) resulted in high levels of unemployment and the first substantial cuts in public spending. Subsequently, civil society organisations that could be considered as "proto-social enterprises" began to emerge; they tried to respond to unmet demands for social services by citizens as well as to high unemployment problems. It was only then that in Spain (as in the rest of Europe) institutional formulas appeared that would come together under the umbrella of the social economy, such as the socio-labour integration of groups at high risk of exclusion (e.g. drug addicts and long-term unemployed). The third social and economic crisis suffered in Spain in recent years has led to the emergence of new models of companies that seek to meet the economic, social, environmental, and cultural needs, among others, of their communities. It has been an important stimulus for emerging social enterprises, sometimes linked to legal innovations that allow a better development of these entities.

Social enterprises in Spain have been characterised by Kerlin (2013) as "dependent focused", which means that the welfare partnership tradition of the Spanish civil society has determined the space where this new institutional arrangement can emerge. Indeed, there is a well-articulated relationship between government agencies and third sector/social and solidarity actors and a tradition of financing the sector largely via public funding. This relationship, however, is rapidly changing and new forms of interaction are being defined such as public procurement and public-private partnerships. Spain is considered to be in an innovation-driven stage of the economy which supposedly produces the required resources to maintain the Mediterranean welfare state

16 Interestingly, a century later, we can speak of a certain parallelism around the resurgence of the collective impulse in agrarian surroundings and rural areas under the umbrella of agroecology. However, these recent initiatives are infused with a grassroots and participatory dimension that had been diluted in their social economy predecessors. This is why they tend to adhere better to the terms "solidarity economy".

model and policies. Unfortunately, the recent crises and the subsequent reactions to them have resulted in a weakening of some of these traditional welfare institutions, although the robustness of the corporatist model of third sector and social economy in the country may offer a safety net from where transformative proposals for other economies can be proposed and tested.

The cultural field

The advent of the political transition from a dictatorship to a democratic monarchical regime was marked by a number of compromises that reached the cultural sector as well. Culture in Spain cannot be understood without taking into account the dictatorship period that followed the Civil War (1936-39). For almost four decades (1939-75) cultural actors and institutions were tightly controlled. The first period (until 1960) saw a "powerful press and propaganda machine" emerge that erased regional and local cultural expressions and supported mass games and events known as "evasion culture"; these were driven by a populist sense of traditional cultures and folklore aimed at producing political unawareness (Council of Europe, 2015). After 1960, and in parallel to the economic opening of the country, public funding was granted to modern events and expressions such as the San Sebastian film festival.

After the Moncloa Pacts in 1977, a "culture of the Transition" (Martínez, 2012) appeared: it would become the country's cultural framework up to the present. Indeed, the 1978 Constitution was preceded by some blunt moves to end the hegemony over culture and media. The Ministry of Culture was established in 1977 and regional autonomy was granted via the new Constitution, which brought about a gradual recognition of local cultural and linguistic heritage. City councils were instrumental for the recovering what had been silenced under the dictatorial regime. The central government formally recognised the plurality of civil society as well as the principle of neutrality in cultural issues. The Socialist party ruled the country for eight years and implemented some of the largest modernisation endeavours, including direct actions to preserve cultural heritage and develop cultural infrastructures. In 1985, the Ministry of Culture was reorganised so as to pass more competencies on to the regional authorities and the decade that followed was one of authentic booming of the arts and culture in the public sphere. Major events, new cultural institutions, and flagship artistic centres were created and the Spanish culture was projected worldwide via participation in international events and networks.

However, as some authors have pointed out, this culture of the Transition implied a total absence of critical stance or questioning of anything that was occurring at the time in the political or economic spheres. It was based on the consensus of the various parties involved with the aim of ensuring a political stability and a level of social cohesion (Serrano

Vidal, 2012). In all, this cultural explosion did little service to the true situation of culture in Spain as reading habits never caught up with those of European countries; phenomenal buildings were left empty due to lack of programming and/or vision; minorities and ordinary citizens did not participate actively and stayed within a "spectator" role; and relevant cultural policy such as heritage was not co-created with local citizens.

Spain has a decentralised state model and the largest part of the public financing of culture comes from autonomous communities and city councils. The main source of finance has traditionally been public funding through direct and discretionary grants which created a culture of dependence on the state, which in turn creates an uncontested cultural control (Serrano Vidal, 2012). However, the trend of public expenditure on culture experienced a negative evolution between 2006 and 2012: in 2006 it accounted for 0.6% of GDP and represented 1.5% of public spending, while in 2012 it represented 0.46% of Spanish GDP and 0.9% of the total public expenditure. Beyond these data for the sector, an additional level of concern is the reduction at every government level: Autonomous Communities had the highest decrease (42.6%), followed by the local governments (31.7%) and the central government (28.5%). In spite of what was just said about the increasing prominence of regional and local investment in culture, such data suggest that many of the current cultural institutions and programmes are at risk. According to the government, this reduction is based on the premise of ensuring "the functioning of 'core' institutions and cultural services" and on continuing "the construction of complementary models of financing, with the greater participation of civil society" (Council of Europe, 2015).

With regard to how alternating governments have dealt with culture, the way in which the Ministry of Culture was reorganised with the arrival of every newly elected government illustrates how culture in Spain has not only been the target of political instrumentalisation for the past 40 years but has suffered from a lack of articulation of the sector, preventing it from having any kind of political negotiation power. Even in the most prosperous phases of the economy, cultural budgets only reached 0.11% of public expenditure from the central government.[17] Deregulation, opening to the private sector, and identification of culture as a factor for economic development characterised this period of subsequent socialist and liberal-conservative party rule.

The creative and cultural industries became a political priority with the creation of the Directorate-General for Cultural Industries and Policy in 2008 by a re-elected Socialist government. As a result, in Spain 3.6% of GDP is related to the Intellectual Property

17 División de Estadísticas Culturales. Ministerio de Cul-tura: *Anuario de Estadísticas Culturales 2011,* Madrid: Secretaría General Técnica, Subdirección General de Publicaciones, Información y Documentación, 2011, p. 31. Available at www.calameo.com/read/0000753352beb3dcf337a (accessed on 4 October 2016).

Rights of Creative and Cultural industries (ICC) that generate 488,700 jobs.[18] The brutal increase of VAT on culture (from 8% to 21%) implemented by the current central government in August 2012, brought the precarious situation of creative workers and artists as well as the economic fragility of projects and cultural organisations into the spotlight of the media and therefore public opinion. This measure not only placed Spain as the country with the second highest tax culture in the Euro zone, behind Portugal, but also represented an unaffordable tax for many citizens to absorb.

The response from employers in the cultural field gathered under the Union of Business Associations of the Spanish Cultural Industry, which represents over 2,130 organisations and over 43,000 jobs was immediate. They requested VAT to be reduced to 10% and energetically argued that, during the first year of full implementation of the VAT increase, the Spanish cultural sector suffered the biggest decline in recent years: 30% less public spending in culture; a 16.33% reduction in gross earnings, and 22% decrease in net revenue. Social mobilisation including hundreds of cultural associations from the sector followed soon after, accompanied with slogans such as “Culture is not a luxury” and “We are all Culture”. However, despite these actions, industry professionals (actors, craftsmen, technicians, screenwriters, writers, etc.) mostly self-employed or working “under the table” saw yet another obstacle appearing for them: the difficulty of making a decent living from their work. This dramatic VAT increase coupled with the drastic cuts in public budgets for culture has critically wounded the cultural and artistic sector in Spain. However, there are other challenges facing the sector, some of which are of an endemic nature and some which could be considered circumstantial.

Regarding the employment situation of cultural and creative workers, contracts are very rare, which creates an endemic precariousness that has come to be associated with the sector. Therefore project-based or work-for-hire contracts abound in the cultural sector: they overlook not only previous experience or training but also the preparation required to produce a high-quality cultural event or output, such as rehearsals or travel. An additional disadvantage is, of course, the lack of benefits and coverage offered to other workers. Moreover, in order to avoid illegal situations in terms of taxes, most artists with a minimum income or the promise of one, are required to register under a self-employed status which demands paying a fixed monthly payment into the social security system whether one has made any money or not and payment of the VAT regardless of whether the commissioning party has paid the invoice or not. Once they have registered as freelance workers, usually work-for-hire contracts (a type of civil non-employment contract) are signed. As these workers do not have permanent contracts like other workers, they do not enjoy rights such as training and occupational

18 Fuente: https://www.boe.es/diario_boe/txt.php?id=BOE-A-2013-3725

risk prevention courses. Moreover, very often work is contracted by oral agreement only and thus remains in the informal domain, forcing many of these activities to be hidden under the economic radar of the informal economy.

Particularly in the performing arts, artists usually sign agreements with or are hired by management companies that, in exchange for a fee, sign contracts with the employers and commissioning parties. These agencies are regulated in the Royal Decree 735/1995 of 5 May[19] aiming to contribute to the creation of new employment using job-placement agencies, also in the field of culture. There is a tradition in the country, mostly among musicians, of creating employee-owned companies and, more recently, non-profit cooperatives. However, they are symbolic and represent an emancipatory statement against the system rather than a real alternative to sustained employment alternative.

All in all, artists who have stable employment are a minority in the sector. Contracts can be open-ended or fixed-term; however, the most widely used are work-for-hire contracts for the duration of a particular show or performance In addition, cultural events organisers usually prefer to avoid paying the artists' social security contributions and therefore choose what has become the typical arrangement: employing artists who have previously registered as self-employed workers.

Even though there is not an artist status in Spain, some regulations exist aiming to facilitate access to benefits for artists " in public entertainment events" so they can benefit from a "regulatory specificity" which allows them to count some non-working periods as days contributed to and covered by the social security system.[20] Table 43 provides an overview of the employment situation in the cultural sector

19 http://sid.usal.es/idocs/F3/3-4389/3-4389.PDF

20 The artistic activities covered are: all activities performed directly to the public or activities to be recorded for media as theatre, cinema radio, television, bullfighting plazas, sport arenas, circus, clubs, nightclubs, and generally, any local for public entertainment or artistic performances or displays. Technical and assistant staff is not considered into this special regime. The two regulations referred to are article 9 of Royal Decree 2621/1986 of 24 December and article 10 of the Order dated 20 July 1987, which explain the intricate rule to calculate the days of contribution and registration, executing an assimilation depending on the salaries accrued. Moreover, Royal Decree 1435/1985 of 1 August regulates the special labour relationship of artists in public shows.

Table 43. Cultural employment in Spain: type of employment and economical activities (2015)

Sector	Cinema, video, radio and television	Other design activities, creation, artistic and spectacles	Graphic arts, recording, instruments, music publishing, media production and applications
Not salaried	56,2	21,1	11,8
Salaried	43,8	78,9	88,2
Salaried (permanent)	27,4	69,9	51
Salaried (temporary contract)	16,4	9	37,2
TOTAL	100	100	100

Source: National Statistical Institute, Active Population Survey, 2015 (annual means).

Main conclusions from the country contextual analysis

The budgetary crisis in Spain has increased the tension between the central government and the regional authorities, and culture is one of the most conflicting policy areas. The investment of local authorities in cultural activities accounted for over 50% of all public spending at all levels on culture in 2012 (Council of Europe, 2015). An additional layer of complexity often invisible, should be considered: the growing divide between urban cultural centres and the periphery, mostly medium-size towns, rural, with high levels of depopulation rates. However, this rural-urban divide is reflected also in the way cities can finance culture: while the largest cities finance blockbuster festivals and exhibitions, smaller towns can only cover the basic library service provision and some strictly local events.

A second consequence of these budget cuts in the majority of European countries has been the equaling of Spanish cultural and arts organisations to their peers in Europe, where most of them rely on a mixed-funding model that combines public funding, pri-

vate donations, and sponsorship and box-office and/or merchandise generated revenue (Fuentes La Roche, 2009). However, path-dependency dynamics are going to be complex to overcome: the almost exclusive dependence on public administrations will make it more complicated to find new financing and entrepreneurship formulas for professionals in the sector to continue producing and showing their work.

While this transformation of the financing model of culture could be a challenge to be tackled collectively, a shared consciousness among professionals of the arts and culture is almost non-existent both in general (as a community or class) and discipline-wise (with the exception of some highly structured professional guilds). As a result, the sector remains atomised and lacks self-organising mechanisms. This structural circumstance, paired with the solitude required for the conception and execution of the creative process in, hinders formal associationism beyond collaborations for projects. Moreover, there is an absence of means and tools to develop and maintain formal exchanges and connections with other sectors and groups in society such as universities, business associations, etc. The result is that artists and cultural professionals are absent from the public sphere and do not participate in debates on issues of social relevance beyond cultural themes.

From the administration standpoint, the lack of strategic vision when it comes to conceiving cultural policies perpetuates opportunism and clientelism relations between the sector and public administrations as well as instability in the sector and the cultural impoverishment of the citizens. In this regard, despite the official effort to increase the participation of civil society in the creation of symbolic cultural goods and the participation in culture, Spanish citizens are far from being directly involved in the creation, implementation, and evaluation of their cultural policies and programmes.[21]

These elements compose a picture that makes it impossible for culture to be a true vector of transformation. At the cross roads of these elements is where SMartib's contribution could be most significant: by advocating for the structuring of the professional culture sector through the removal of administrative and legal obstacles so that creators can concentrate on creating and cooperating at the local, national, and European level. This sustained practice and exchange could result in a process of self-reflection and awareness in the sector itself as a step to reaching a level of articulation that places it at the centre of the actions and discussions that affect it.

21 Indeed, a Pact for Culture co-created, endorsed, followed-up and evaluated by all parties active in culture and the arts (including citizens) would be one of the signs pointing to the level of maturity of all the parties involved that Spain seems to be lacking.

6.2.5. Country 3. Hungary

The modern border of Hungary was set after World War I after the country had been a part of the Austro-Hungarian Empire. In World War II, Hungary joined the sphere of the Soviet Union and a communist dictatorship was imposed for four decades (1947–1989). Hungary's participation in the Revolution of 1956 and the opening of its border with Austria in 1989 paved the way to the fall of the Communist regime there as well as the entire Eastern Bloc.

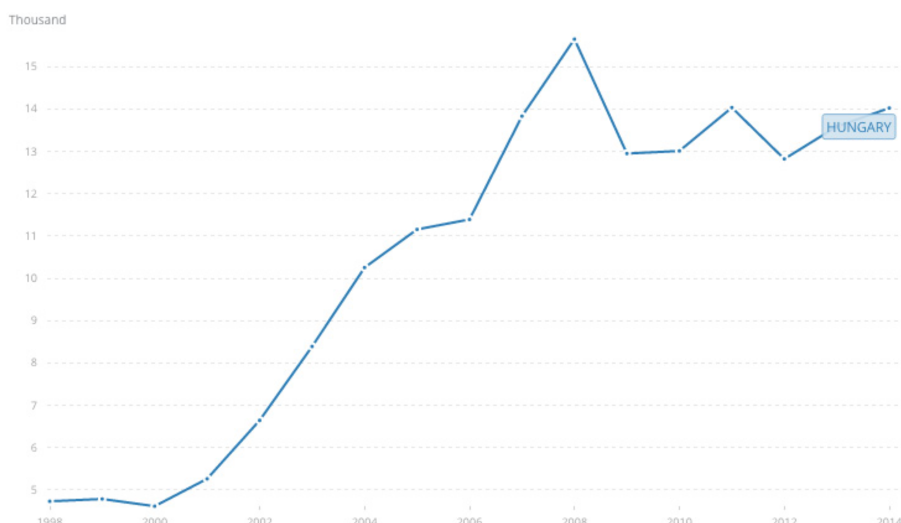
Administratively, Hungary is divided into 19 counties (*megye*, plural *megyék*) plus the capital, Budapest, which is independent of the counties. Hungary has a multi-party system currently led by the conservative Hungarian Civic Union (*Fidesz*), the left-wing Hungarian Socialist Party (MSZP), the nationalist Movement for a Better Hungary *(Jobbik*), and the Christian Democratic People's Party (which was crucial for ensuring the two-thirds conservative majority in 2010). Since 1989, Hungarian politics have undergone radical shifts: following the first elections in 1990, a conservative government that would last 15 years came to power; it was followed by nine years of rule by the Hungarian Socialist Party and three of an independent government. The current Prime Minister since 2010, Viktor Orbán, occupied the position twice, from 1998 to 2002.

Negotiations to join the EU began in 1998 but the country would not effectively enter until May 2004. In 2010, the EU and the Council of Europe openly criticised the Orbán government for its new constitution and media law that were considered to lack human rights and democratic rule.[22] Orbán-led policy has become increasingly pro-Russian and it is currently focused on neutralising dissident and stopping immigrants from entering the country.

After becoming a democratic parliamentary republic again the country underwent a serious fiscal austerity plan that included measures such as the elimination of numerous subsidies. This led to an initial crisis but in a few years, Hungary's economic evolution was spectacular with its per capita GDP more than tripling in the period covered in this research ($4,735.3 in 1998 to $14,021.9 in 2014) with a peak in 2008 of $15,600 (see graph 11). This growth is associated with other countries in the area that underwent a rapid transition from a communist-based economic system to a neoliberal type.

22 According to this law, journalists working in publicly-owned media have to produce "balanced articles which strengthen Hungary's national identity". Source: www.dw.com/en/hungarys-thinkers-protest-cultural-suppression/a-15842557 (accessed on 11 August 2016).

Graph 11. Hungary GDP per capita (current US$), 1998-2014



Source: World Bank national accounts data and OECD National Accounts data files

The 2008 global financial crisis caused a severe recession in Hungary and the unemployment rate reached 11%, although it was cut down to 6% in 2015.[23] However, in July 2016, Hungary's National Association of Employers and Manufacturers (MGYOSZ) raised a red flag about the increasing labour shortage in the country, which could cause the economy to stagnate again.

The development of civil society, the third sector, and social enterprise

The wider institutional landscape of socioeconomic entities working for the common good beyond the traditional forprofit or the public sector is primarily captured by the term non-profit sector (mainly in scientific documents), but civil society, social economy, third sector, and community enterprises have also been used. Hungary and the Czech Republic have two of the better developed nonprofit sectors in Central and Eastern Europe, and the attitude of their governments towards the sector was generally benign during the early 1990s (Sebestény *et al.,* 1999). Table 44 below gives an idea of size of the civil society sector compared to employed people and compared with the other country included in this analysis for which there was data available, Spain. Unfortunately, Austria was not included in the Salamon and Sokolowski (2014) study consulted.

23 Hungarian Central Statistical Office, www.ksh.hu/gyorstajekoztatok/#/en/document/mun1601. Accessed on 11 August 2016.

Table 44. Civil society sector workforce as a percent of the economically active population, Hungary and Spain * (1995-2000)

Country	Paid staff	Volunteers	Total
Hungary	0.94%	0.21%	1.15%
Spain	2.82%	1.48%	4.31%

* No data available for Austria.

Source: Salamon *et al.*, 2014.

Hungary is considered to have a "deferred democracy" model of civil society, characterised by a constrained overall size of the civil society sector and a reduced number of volunteers involved in it. Moreover, expressive functions of civil society (voicing discontent, enhancing participation in the public arena) are low (Salamon *et al.*, 1999). The main source of support for the non-profit sector, and more recently social enterprises, in Hungary has traditionally been international aid (Norwegian Civic Fund and the Swiss Fund), although an increasing withdrawal of international donors took place as countries joined the European Union (Kerlin, 2010). Moreover, the term "social enterprise" was introduced in the country via international development organisations, namely Ashoka and NESsT.[24] Its use was rapidly adopted by a growing community of experts and development organisations around this topic, which resulted in the emergence of a consultancy-based market driving the original development of the sector. Social enterprises exist under different legal forms in the non-profit sector such as foundations, non-profit companies, social cooperatives, and cooperatives. An original form is the "Integrated Community Service Space" (*Integrált Közösségi és Szolgáltató Tér* or IKSZT) which acts as catalyst for community services in rural areas although is not independently run but depends on the public administration (mostly local).

24 An international organisation offering business training and funding for startup social enterprises, NESsT (www.nesst.org) operates in Hungary since 2001 (www.nesst.org/hungary). In addition to its core business it produces a publication titled "The Social Enterprise Ecosystem in Hungary" in Hungarian and English describing the general environment of social enterprises in the country and puts it in a global perspective by providing best practices from around the world. NESsT has undoubtedly contributed to the visibility and recognitions of social enterprises in Hungary and the rest of the CEE area.

With regard to the government, the term “social economy” is the most widely used together with social cooperatives (which are a type of social enterprise), although not in any legislation or statistics. No government agency dedicated to the social economy exists right now either, so the use of social economy and social enterprise was mainly used in EU related documents. Indeed, the Hungarian Partnership Agreement for the 20142020 programme period explicitly uses the term “social enterprise”. However, the level of awareness about social enterprise remains low in Hungary, although a growing number of practitioners, academics, public administrators, and business representatives are becoming interested in it. Moreover, organisations from the social and solidarity economy that have been traditionally active in the field of culture and the arts in Hungary (mostly associations and foundations albeit with restrictions on commercial activities and trading) are not economically viable (Fekete, 2012). Even though they are actively involved in the production of goods and services, their tradition of dependence on external funding jeopardises their sustainability.

According to the “autonomous mutualism” model proposed by Kerlin (2013), social enterprises operate independently from and even in opposition to the government, which is confirmed in the case of Hungary. While the efficiency-driven stage of economic development and the growing GDP could represent an opportunity for developing Hungarian civil society and a social and solidarity economy via redistributive action by the government, the policies of the current president are unlikely to support this development. Confirming the attributes identified by Kerlin for this model, social enterprises are small and medium-sized organisations that focus on making up for market and welfare state voids. Moreover, they are likely to be perceived as a type of social activism and even constitute a social movement given the tradition of civil society opposing and criticising the regime in a country like Hungary (Young *et al.*, 2015).

Despite the traditional robustness of the Hungarian civil society sector, the relationship with the government has shown signs of rapid deterioration lately. A noteworthy anecdote showing the relationship between the broad non-profit sector and the government took place in 2014: the central government accused an independent entity (*Ökotárs Foundation* in charge of distributing 15 million euros coming from the Norwegian Civic Fund among non-profit organisations) of mismanagement, fraud, forgery of private documents, and unauthorised financial activities. The case was reported in national media as well as Internet-based outlets for months and continues to be referred to as the “Norwegian affair” with a negative connotation about the interference of government in the actions of civil society.

The cultural field

The social structure of Hungary is similar to other East European countries, with a highly advanced and prosperous elite and the majority being quite backward, with no middle class. Cultural policy played a role in reconstructing the Hungarian identity and self-image after harsh political periods. In this sense, Hungarian culture has always had the social function of empowering the masses while also playing an aristocratic function by adding to the national pride through the creation of cultural expressions. Examples of this emerge right after the Ottoman and Austrian rules in the 19th century, as well as after the two World Wars and the fall of communism. The Soviet rule can be considered a parenthesis that brought about a cultural dogmatism around a Bolshevik centrally planned policy that supported access to culture, cultural consumption, and an explicit political relevance of the arts. In that context, Hungarian artists showed a level of engagement with the political situation that was quite different from artists in the rest of the Eastern Bloc countries, who mainly engaged in discussions about the autonomy of arts ("politics of autonomy"). In Hungary, artists adopted a strategy of political autonomy more typical of contemporary art that openly criticised "the Apparatus aimed at both its politics and ideology" (Piotrowski, 2012:97).

After the political turn of 1989-1990, there were two main sources of inspiration for cultural policy: pre-communism national traditions and modern western examples. The National Cultural Fund was created in 1993 to finance cultural projects following the "arm's length principle" of the British and the Dutch. This type of arm's length agencies was born in response to the collapse of old structures, the need for reform, the desire for participation in decision-making, the increasing recognition of the civil sector, etc.[25] Table 45 below shows the percentage (and total figure) of civil society working in the field of culture in Hungary and Spain at this time. As can be seen from the comparison, the engagement of Hungarian civil society in culture doubled that of Spanish civil society.

Table 45. Civil society sector FTE workforce in culture, Hungary and Spain (1995-2000)

Country	% of total civil society workforce*	Total (thousands)
Hungary	36.8	54.8
Spain	15.2	728.8

*Excludes religious worship organisations. Data not available for Austria.

Source: Salamon *et al.*, 2004.

25 Budapest Observatory (2001) *Arm's Length Financing in Culture: Why? Why not?* Available at www.budobs.org/papers/57-public-grants/294-arms-length-2001.html (accessed on 11 August 2016).

The 16 years that followed saw a back and forth movement between conservative and progressive cultural policies. The two main aspects that changed during those shifts were the level of centralisation of cultural policy and the degree of emphasis put on national heritage and pride and on the connections with Hungarians abroad. Both increased during conservative governments. Culture was used by the first Orbán government (1998–2002) to consolidate its vision for Hungary based on five principles: "national unification", a "central arena of power", a change of elites, power politics, and an era of "revolutionary circumstances" (Bozoki, 2012).

The concentration of decision-making power that brought about the second victory of Orbán in 2010 found a fertile ground in the lack of formal articulation of cultural policy in Hungary in the form of official plans, strategies, documents, and legal acts.[26] Indeed, the second Orbán mandate considered culture an unnecessary cost and source of potential criticism so it focused on changing the elites. Some attempts to alter this in the 2010s have been rapidly interrupted and only three exceptions are identified by the Council of Europe publication: the legislation enacted on the cultural domains of film and the performing arts; the medium-term strategies disclosed in 2012 by all nine sub-boards of the National Cultural Fund, although their impact on the field was almost null; and the 2007-2013 National Strategic Reference Framework for the EU Structural Funds where buzz words for European cultural policy such as modernisation of libraries, museums, and houses of culture or the development of culture in urban development and regeneration were included. In 2014, Orbán's Minister of Foreign Affairs and Trade, Tibor Navracsics, was appointed Commissioner of Education, Culture, Youth and Sport of the European Commission.

In Hungary, no formal definition of culture has been enshrined in law. More recent terms such as "cultural industries" and "creative sector" have somewhat entered the public sphere but without having been enacted in any high level document. However, an important institution supporting Hungarian amateur cultural activities, particularly folk culture, is the houses of culture (*művelődési házak*). In the 1970s they evolved into the grassroots "dance houses" and they are still popular today, particularly in small villages where they are synonymous with local culture and take up the majority of the cultural budget. They are considered local community centres or socio-cultural institutions and they are well structured and networked across the country. Considered a multi-purpose cultural institution, the houses of culture survived the communist appropriation and

26 The new leadership of Budapest's New Theater (*Új Színház*) was directly appointed in 2011 overruling the advice of a panel. Its ambition is that only Hungarian national drama is performed and without any foreign influence. Another notable case was the substitution of Róbert Alföldy after five successful years as director of the National Theatre in Budapest after being the target of radical right wing attacks mostly based on his open homosexuality.

are currently undergoing a reappropriation process. This institution cuts across the social and cultural sectors and is considered a hybrid. Houses of culture have received substantial funding from the European Structural Funds in the framework of the New Hungary Development Plan 2007-2013 as they contribute to social cohesion and cultural development.

A second type of institution already mentioned, the Integrated Community Service Space, was recently established in the frame of the rural development programme of the EU. By 2013, 400 IKSZT were created in villages of 5,000 inhabitants or less acting as a cultural and social hub for rural communities. They offer types of compulsory programmes such as youth and culture, library service, Internet service for the community, and information for local enterprises, giving places for rural development experts (Kovács and Horváth, 2014).

The crisis that hit the country from 2006 to 2010 added an additional negative influence on cultural financing which, coupled with the interference of the government in culture, meant a clear backlash for culture in Hungary. Indeed, as part of the new constitution the government was re-arranged and the highest level cultural administration (Ministry of Education and Culture) became a state secretariat in the Ministry of Human Capacities. This continues to be the situation today. The National Cultural Fund of Hungary finances cultural and artistic projects with a yearly budget of 2.2-2.6 million euros, 90% of which comes from national lottery revenues. Forty percent of this budget can be assigned discretionarily whereas 60% is to be spent according to the guidelines of the main board of the cultural state secretariat; the average funding amount the lottery contributed in 2011 was around 5,300€ per project. As for the management of IPR in the music sector, the responsible organisation is Artisjus. In 2013, without prior consultation, the Parliament decided to channel 25% of their 2012 revenues (37 million €) to the National Cultural Fund of Hungary (source: SMarthu). The message that seemed to be taking hold was that it was simply unimaginable to exist outside the “system of national cooperation” (Bozoki, 2012).

It is estimated that over 65% of actors, dancers, musicians, arts managers, technicians, designers, and other cultural operators active in the field do not have an employment relationship with their clients, many of them being self-employed (source: SMarthu). The official number of employees in the cultural sector was always relatively limited but, since 2010, critical artists began to find it increasingly harder to work in the country and many chose to emigrate. In parallel to the neoliberal economic policies in place that involved a cut of culture expenditure, a suffocating and authoritarian context seemed to be emerging for thinkers and creators with shrinking tolerance for freedom of expression and critical attitudes. This general feeling was confirmed by the “2015 Cultural Climate Barometer”

produced by the Budapest Observatory: over one third (39%) of the Eastern experts consulted complain about political influences in culture against only 19% in the west.[27] An immediate result is the lack of financing to make a living as an artist but also the reduction of opportunities for artists to share their work with audiences.[28]

Within this framework, some present day artists are engaged with the political situation (Cseke, El-Hassan, KissPál, Kaszás), which connects them to the generation of critical artists criticising the Apparatus during the communist regime. Their criticism is done, as suggested by Rancière, within the limits of their own artistic practice and discipline, which provides them with a reasonable level of relevance and legitimacy. By doing so they are likely to contribute to expanding the autonomy of the arts and the change in the order of reality (Hungarian reality) as sought by Rancière's heterogeneity principle.

The gender issue is also very important in Hungary, although after the fall of communism, it took a conservative turn. Scrutiny of the discourse of female emancipation shows that in Hungary the conservative turn did thrive in part due to the absence of any ideological pressure and in part due to unemployment (Tatai, 2014). In addition to lower employment rates and uneven representation in public versus private domains of work, the reality is that only 8.8% of Members of the Parliament are women, which places Hungary next to the last in Europe. Tatai (2014) critically states that the fact that women outnumber men in higher art education does not reflect female emancipation but a devaluation of the artistic career.

Main conclusions from the country contextual analysis

The rich modern history of Hungarian institutions with a vast number of influences has had an impact in this country despite the Communist dictatorial interlude of 40 years. Despite the current hostile contexts for co-construction processes that take into account the views of all stakeholders, there seem to be some paths leading to some developments in the area of social enterprise within the field of culture and the arts.

27 Available at www.budobs.org/files/concisereport15.pdf (accessed on 11 August 2016).

28 For instance, the case of the Hungarian author Akos Kertesz is very telling. In August 2011 he published a letter with a fierce criticism of his country fellows that created a nation-wide scandal: "The Hungarian is genetically subjugated. He happily wallows in the slurry of dictators, grunts, swallows the muck and disavows the fact that one would kill him. He will not learn, not work, he can only begrudge others, and when he is given the opportunity, he kills anyone who achieves anything through work, study or innovation." He is now exiled in Canada. The government also launched an investigation on leading Hungarian philosophers on the basis of the accusation of fraudulent appropriation of state research funds. Although nothing could be proven the accusing media campaign that followed lasted several months. Source: www.dw.com/en/hungarys-thinkers-protest-cultural-suppression/a-15842557 (accessed on 11 August 2016).

ICSSs represent a double potential for cultural and creative workers: on the one hand, they could provide employment opportunities as animators of local groups, playing a crucial role as "innovation brokers"; on the other hand, they can act as pools for future creators and artists who would be networked and mentored from early stages.

In line with Stokfiszewski's (2015) proposals on how culture can contribute to democracy in Central Europe, SMarthu could contribute to transformative social innovation in the country by raising levels of community and creating community bonds among artists and creative workers, empowering them to devise and implement changes that they want to see happen around them, reforming concepts of property and identifying areas of common good that are better managed collectively. The challenge is enormous as former Communist countries undergo a "profound reinterpretation of the historical foundations of collective identity" where traces of multicultural heritage are fading and progressive agendas are being de-legitimised Stokfiszewski (2015: 210). Indeed, SMarthu is already building a technology-enabled platform that allows creative workers to play an active role in their own future, and has the capacity to develop other services that makes it possible for them to interact among themselves and with other citizens (e.g. Agora in SMartbe, upcoming online sale platform in Spain, etc.). In this context, the ongoing connection with other European countries within the SMarteu network represents a unique source of inspiration for workers, supporters, and members of SMarthu. Likewise, other European SMart country leadership should gain consciousness of the critical crossroads that Hungary (and the wider region) is currently facing.

By increasing opportunities for "civic self-expression" based on the common good (understood as what we all share and also what thrives from collective action and management) in Hungary, more and more open spaces for imagining and testing alternatives could emerge. A parallel process would be a pedagogical interaction with traditional art institutions (which are likely to be customers of the members of SMarthu) so they can welcome co-governance by workers and stakeholders as well as co-creation and participatory dynamics from the general public. The task ahead is substantial insofar as it involves the institutional and organisational reform that is being requested from critical thinkers and grassroots initiatives in order to ensure that culture contributes to real democracy processes.

6.3. THREE SMart COUNTRY CASE STUDIES: SMartat, SMartib, AND SMarthu

Following the macro factor contextual analysis of the three selected countries, Austria, Spain, and Hungary, this section describes the national organisations that have implemented the SMart model in those three countries, SMartat, SMartib, and SMarthu. For each country SMart is described on the basis of the history of the scaling-up process as well as the mode of functioning and the services offered. Once this description is completed, some analysis is offered in terms of how the scaling-up factors deployed in the previous chapter are perceived in the given country based on the statistical analysis of the survey responses. Lastly, some lessons learned during the country analysis are offered before reaching the last chapter devoted to conclusions and recommendations.

6.3.1. Austria – Smartat

Full name: Work SMartat **Legal structure:** Non-profit association **Legal address:** Gumpendorferstraße 63b A-1060 Wien (Austria) **Date of establishment:** 8 October 2012 **Start of operations:** February 2014 **Website:** www.smart-at.org **Social media:** www.facebook.com/smartat.org	**Full name:** SMartat e.Gen. **Legal structure:** Cooperative (for profit, with a social purpose) **Date of establishment:** 4 May 2015 **Start of operations:** November 2015

Historical perspective

The initial seed of a possible SMart in Austria was planted by a presentation on the SMart project delivered by Julek Jurowicz on 31 May 2011 as part of a panel organised by the interest group "Free theatre work" (*Die Interessengemeinschaft Freie Theaterarbeit*,, also known as IGFT or IG Freie Theaterarbeit).[29] This presentation was very timely, as for the first time intensive discussions around the role of culture and the arts (and their professionals) were going on throughout the country under the auspices of the Ministry of Social Affairs and Labour. This initiative was called "Inter Ministerial Working Groups" (IMAG) described in section 5.2.1 (Country 1. Austria) and discussions acknowledged the crucial contribution that culture and the arts could make to Austrian society.[30]

Initially, discussions around the possibility of launching SMartat centred around the needs of the performing arts sector in Austria. Indeed, the aim was to promote employment opportunities in the independent theatre field. After this initial stage, the scope had been already broadened by October 2012, when SMartat took its first steps as an autonomous association named WorkSMartat. In 2013, SMartat opened its first office in Vienna, and the original team completed the Local Information Questionnaire (LIQ) in June 2013 with all the relevant contact information about the main actors in the labour, social economy, and cultural fields in Austria, plus some analytical reflections. In terms of market analysis, there were not any private employment agencies in the cultural and artistic sector in Austria, which meant that payroll agencies and tax advisers were the only possible competitors of SMartat. As for the management agency sector, it was characterised as not being well developed except for the fields of classical music and opera. The strict labour regulations of Austria, however, represented a major obstacle for the development of SMartat. Particularly, the employment of actors and musicians (who constitute a major target for SMart) is very complex. In short, the Theatre Employment Act (Theaterarbeitsgesetz, TAG) provides certain rules and defines juridical conditions for the treatment of actors and musicians who are active through an organisation like SMartat. Likewise, the Austrian music trade law prevents employing musicians when they work with agencies.

In January 2014, SMartat began its first operations. Its first campaign was launched during summer and autumn 2014 and it targeted musicians and designers. While these operations were running, the idea of setting up a cooperative was being explored: the perception was that this legal form would allow all the members to make their voices

29 IGFT was founded in 1989 as an advocacy and network of theatre and dance professionals. It includes over 1,600 freelance theatre and dance professionals as well as other members supporting independent theatre.

30 In addition to a series of meetings and presentations, a survey on the sector was released in the fall of 2012.

heard. This legal form was also perceived as ensuring that future profits were reinvested fully back into the organisation with a view to expanding the service and facilitating the work of artists in all areas of their professional life.

On 4 May 2015, SMartat was founded under the "registered cooperative society" form (eingetragene Genossenschaft or "e.Gen.") and it was publicly launched on 22 June 2015. International guests from other SMart countries were invited to take part in the launch event that attracted considerable media attention. Since then, the operations and staff members of SMartat were transferred from the association to the cooperative although the association continues to exist.

Functioning and services offered

By December 2015, the services of SMartat could be divided into two general pillars, the main service, SMartProduction, and an additional service called SMartAdmin. The former constitutes the central offer and it is an " in-house" activity management service that takes full responsibility for any risk in production in the cooperative. Considered a "SMart Production House", it focuses on providing employment to members at a fee of 7.5% of the invoiced amounts. The second pillar of the service offered is the "out-house" service (called "SMart Admin") for private individuals and groups (including formal associations) to assist them in administering, monitoring, and controling their projects. The risk and responsibility, however, remains with the user, who is charged a flat hourly rate of 30€ as opposed to a percentage. Given the strict labour regulations, and until alternative solutions are found, associations of creative and cultural workers represent a major potential for the out-house service of SMartat.

In addition to this core business, SMart launched a project financed by the Office of the Federal Chancellor (BKA) and the Federal Ministry of Culture to create an online mobility information portal (similar to www.touringartists.info personal help desk managed by SMartde), which was launched in March 2017. This project aims to collect and document specialised knowledge and expertise on the topics of social security, taxes, insurance options, labour law, copyright, and types of organisations available to artists in Austria and beyond. Additionally, an overview chapter describing the cultural and artistic environment, as well as a searchable database listing financing institutions in the field of the arts in the country, will be produced. SMartat will be the owner of the online platform and it will be responsible for its management and update. The ultimate goal is to be able to provide targeted advice on mobility to any creative and culture professional. Even though the official launch of this initiative fell outside the time period of this research, the fact that such commitment (and source of finance and potential for impact) existed at an early stage of the adaptation process is a crucial factor in the consolidation of SMartat.

In terms of human resources, during the first year of activity (2014), the strategic and executive management of SMartat, the development of its mobility website, the development of new services, the advisor role to accompany new members, and the accounting and communication tasks were fulfilled by internal employed staff. Lastly, the regional development of the organisation was also fulfilled by workers on SMartat payroll. Communication, development of new services, and the development of the mobility project platform were complemented with workers considered as internal but with a self-employed status. As of December 2015, the team included four employees, three part-time with varying degrees of responsibility employed by SMartat, and one self-employed legal expert.[31] In addition, the communication consultant/project manager worked part-time within SMartat while a trainee and a project worker were associated to SMartat with the support of employment agencies. An accountant, a lawyer, an IT-consultant, and a tax advisor were also mobilised as external support.

In addition to the general assembly, SMartat has two organs: an executive board composed of Sabine Kock and Andrea Wälzl, who manage the cooperative, and an advisory board that monitors the operations consisting of Prof. Oliver Fabel (from the Faculty of Business, Economics and Statistics of the University of Vienna), Julek Jurowicz (co-founder of SMartbe and initiator of the European development of SMart), and Sabine Mitterecker (independent theatre director and producer).

So far, the work process has been managed via an *ad hoc* adaptation of Excel by a team member on a part time basis. Regarding the website, a fully English version was launched in the SMartbe site in January 2016. However, the limited administrator rights available to national partners represents a hurdle to the maintenance of the site, as they have to go through the Belgian technical team.

The financial structure of SMartat combines a variety of sources that characterise social enterprises. For 2015, it includes the following sources:

1. Members purchase of initial share: members are asked to buy at least one share of 50€ of the cooperative while other users can decide whether to buy shares or not. In addition, SMartbe bought some shares. The total amount by 2015 from members was 3,000€ while SMartbe is planned to invest 150,000€ in shares for the 2016 budget.

31 In 2016, the plan was realised to have one full time (the general manager and project development) and two half-time workers (an executive manager and advisor and an advisor who could also work on developing the SMartAdmin service and developing the tool).

2. Revenue-making from the 7.5% fee from SMartProduction and SMart Admin: The turnover was 61,400€ with a surplus of about 8,000 together from SMart Admin and SMart Production in 2015.

3. Grants from public funding. For 2015 it included the agreement with BKA for the mobility portal project that accounted for 25,000€.

4. Investments made by SMartbe in SMartat mainly through the acquisition of capital shares, and loans to offer additional liquidity to the organisation if needed to cover operating costs (mostly users' salaries) until new resources come in. The total amount was 70,000€ in the 2015 budget (in addition to the buying of shares planned for 2016). As for cash-flow advancements to ensure that all salaries are paid at the end of the month, they have not been necessary yet.

Table 46 below shows the evolution in terms of turnover size and surplus generated by SMartat since 2015, including a projection for 2016.

Table 46. SMartat turnover and surplus since year of establishment

2015		2016 *	
Turnover	Surplus	Turnover	Surplus
61,400 €	8,000 €	160,450 €	-

* Projected.

Regarding users, they are mainly based in Vienna and about 20% are based in other Austrian regions. It is worth noting the high number (20% - 25%) of users who come originally from other countries or continents and/or have an international working background; such a high rate constituted a surprise from the beginning and the percentage is rising. With regard to clients they are based all over Austria, and also in other countries of Europe, including Switzerland, Germany, Italy, Belgium, Sweden, Norway, and UK. Despite the limited growth in terms of numbers, the wide diversity of artistic disciplines and cultural sectors represented is a promising factor for future increase in the number of creative workers who may be joining SMart. Table 47 below lists the various cultural sectors where SMartat users are active.

Table 47. Sectoral profile of SMartat users

	2014	2015		2016
	Real	Exp	Real	Exp
Performing arts (theatre and music)	8	40	33	65
Literature and language				
Visual arts		5	8	10
Graphic design		4	1	5
Architecture, fashion, design, decoration			1	3
Artisanry				1
Audio-visual		5	5	10
Training and education				3
Art education and workshops	1	1		3
IT and web development				5
Events				5
Other (cultural management/non-artistic sectors)	3	5	2	10
	12	60	50	120

Source: Adapted from SMarteu

Within the cultural sector, SMartat is beginning to be perceived as an Interest Group which exists in specific disciplines (e.g. the IG Freie Theaterarbeit mentioned in the previous section with whom they collaborate). This recognition is being built on the validity and timeliness of the services offered but also the strategic partnerships and collaborations that SMartat has created since its creation (many of which began before). Collaboration exists with national public administrations (the Office of the Federal Chancellor (BKA), the Federal Ministry of Culture, the Federal Ministry of Social Affairs and Labour), and the national Chamber of Commerce and Chamber of La-

bour. Recognition is also beginning to appear from other cultural institutions such as the MICA (Music Information Center Austria), which has supported SMartat since very beginning, and Academy of Fine Arts (*Akademie der Bildenden Künste*). In addition, SMartat has begun networking with other social enterprises such as Othello, which allows for synergies and opportunities to emerge.

Given the cultural and geographic closeness to Germany, SMartde represents a centre of gravity for SMartat and a source of inspiration on how to move in the scaling-up process. Indeed, the Austrian team was planned to visit the office of SMartde in 2016 to learn about the online tool and try to coordinate as much as possible their internal procedures, working documents, and work flows. Regarding the technical resources, given the strict Austrian employment regulations, SMarat will need to implement a new national bookkeeping system to be linked to the online tool (planned date was 2016).

Table 48 below summarises the duration of the scaling-up and adaptation (implementation process) of SMart in Austria:

Table 48. Duration of the implementation process of SMart in Austria

Phase 1: Initial contact (3-6 months)	Phase 2: Preliminary set-up (1-2 years)	Phase 3: First operations (3-4 years)
First contact: March 2011* Formal creation: 2014	*Completed by the end of 2016 (including full repayment of the loan to SMartbe)*	*Full-fledge operations: 2017* *Break-even point ("point 0"): 2019*

* Effective dates vs. *Planned dates (in italics)*

Takeaway points from the implementation and possible future development

Scaling-up success factors analysis

The succinct summary on the lessons learned during the initial steps of the scaling-up process in the three countries begins with a brief reflection on the statistical data gathered from the surveys, which is included in Table 49.

Table 49. Result for the seven factors of the scaling up process in Austria (N=5)

Scaling-up factor	Minimum	Maximum	Mean	Standard deviation
Commitment of the individuals driving the scaling process	2.00	5.00	3.95	1.239
Competence of the management	3.00	5.50	4.46	1.035
Entire or partial replicability of the operational model	2.42	4.58	3.45	0.796
Ability to meet social demands	3.83	6.33	5.23	0.961
Ability to obtain necessary resources	3.50	5.67	4.66	0.783
Potential effectiveness of scaling social impact with others	2.13	5.50	4.05	1.410
Adaptability	2.57	5.00	3.94	0.950

The data gathered in Austria from the five different categories of stakeholders show that the most important factor in the scaling-up process has been the ability to meet social demands (5.23). Such weight is understandable given the conditions of emergence of SMartat (embedded in the performing arts sector and in the middle of growing privatisation dynamics in the cultural sector). Factor 3 as seen in Table 49 on the replicability of the model not only is valued the lowest (3.45) but it also has the lowest levels of deviation from the mean, which suggests more agreement among the respondents. Moreover, with regard to factor 3, the Austrian team do not connect the failure of the scaling up to issues of lack of network, finance or peer support.

In the case of Austria, the extreme values are rarely present in the aggregated data, as shown in the table above. Moreover, Annex X "Data output per factor for Austria" shows that, out of the 65 items observed, all except nine are valued 3, 4 or 5. However, the standard deviation is quite high in most of the items, which points to a diversity of perceptions within the Austrian team. The items where they seem to differ the most

is on the statement about the online tool (s.d. of item 3.2=3.0), whereas they seem to agree on the capacity of the management team to mobilise business support (s.d. of item 2.5= 0.55).

Based on the survey analysis, the Austrian team also seems to be very certain about the validity of the concept behind the model as shown by the highest value assigned to the item (item 5.4=6). Interestingly, they assign the lowest value to the item measuring the disruptiveness of the model (item 7.7=1.5), which is consistent with the maximum value described before: since its has been proven that the SMart model works and it does so through an array of innovative services (item 4.3=5.8) which clearly fulfil a need (item 4.1=5.6), then it should not be too disruptive (not to be confused with innovative).

Some additional items highly valued with 5.8 refer to the ease to replicate the information and advice service (item 3.3), the importance of creating a financial stream that secures operation (item 5.2), and the relevance of partnerships in the implementation process (item 5.9).

The value assigned to the item on volunteers (item 1.5=4.33) is curious considering that the figure of the volunteer is not formally recognised within SMartat (beyond, of course, the members of the Council). Such value may indicate either that there are people acting *de facto* as volunteers whose work is highly appreciated or point toward the wish that such figure comes into place within SMartat.

Lessons learned and prospects

Beyond the data analysis, there is the feeling within the Austrian team that a stronger variety in terms of profile of the initiators' team could have ensured that knowledge, experience, and contacts in various cultural and artistic fields was present. Since most of the Austrian team of initiators were experts in the performing arts field, the void in other fields is being filled up via new users stemming from those sectors that become ambassadors and share their knowledge with the SMartat team as well as through the accumulated and increased knowledge about those sectors from the staff members of SMartat.

An interesting issue is the delayed payments: as is the case in other European countries, they constitute a mayor issue (13 % of invoices suffered delay in 2014 and 25 % in 2015); indeed, national SMart offices that begin operations are encouraged to put in place a system of invoice recovery. The situation of unpaid invoices in closely monitored in the annual reports submitted to SMartbe. Specifically, annex 3 (monitoring and evaluation) requests that the national administrative system allow for assessing quantitatively the invoiced amounts; the amounts paid, and the amounts due; issuing and paying date of the invoices; and amounts due by invoice, order, and user.

Worth noting is the promising mobility platform currently under development in cooperation with the BKA and the Federal Ministry of Culture. In addition to the value that it is likely to create for the user, the crucial element for Smartat is the identification of a potential new market niche (mobility advice) that had not been well covered despite the long-standing interest in artist mobility on the part of the Austrian federal administration. Moreover, there is potential for taking the lead within the SMarteu platform in collaboration with SMartde to develop a replicable version of this platform that could be taken up progressively by other SMart partners. Such evolution would be in synchrony with the SMart ambition of promoting the mobility of European artists.

In parallel with the development of this platform, the idea is to include full artistic projects into the “SMart Production House” described above. Such strategy implies attracting not only individual creators and workers but going a step further and negotiating directly with funding institutions. Depending on who these institutions are, support from advocates outside SMartat will have to be mobilised in order to obtain the necessary buy-in from different key decision-makers. This support may range from endorsement from all level public administrations of the services and model of SMart to explicit recommendation from employers (the bodies financing the project) to artists involved in the project to join SMartat. Handling this effort properly requires not only devoted staff hours but a clear understanding of the legal implications of managing public funds as well as the repercussions for other intermediate bodies and finance recipients. Luckily, SMartat plans to address this challenge by working together with its users and with public administrations to gauge the organisational demands that such initiative would put forward and get ready to face them properly.

Regarding the formal process and the documents that new SMart country offices are requested to complete, it was understood that those related to research and background information (e.g. LIQ) were premature given the very early stage of the scaling-up process in which they were filled out. In this context, it was felt that having them completed (or updated) in a later phase when services were already in place could have helped gain insight about the process.

In terms of growth expectations, SMartat is likely to undergo a slow growing process during the first three years of operation mainly due to a non-supportive environment. The legal constrains in terms of employment laws described above represent serious hurdles to the growth of SMartat. However, it is acknowledged that, once a critical point in membership is reached (around 150), the level of acceptance and rate of joining will increase. The three indicators that have been used to compare performance among the country studies (speed of the implementation process, number of members, and turnover size and surplus) indicate that the goal of attracting 150 members in 2016 could be considered plausible (see Table 50).

Table 50. Evolution of members of SMartat (net figures and percentages)

	2014	2015	2016
Members/users	n/a	80	132
Growth %, (user) compared to the previous year	0	80%	60%

Source: SMartib

However, the experience accumulated in the two last years shows that, even though the services offered seem to convince most of the potential users, the intermittency of their work represents a true obstacle for them to join SMartat. Assuming that 150 users join SMartat by the end of 2016, this initial critical mass would need to be activated and motivated in order for them to become ambassadors. Adding to the initial media interest created with the launch of the cooperative, SMartat is engaged in the following process, generating promotional and commercial actions which, in combination with the new services and activities available to members described above, aim to attract new members in the coming years:

1. A follow-up strategy with the initial potential users convinced by the SMart model but who identify their lack of stable employment an obstacle to joining the cooperative. The goal is to jointly explore how this situation can be overcome.

2. An awareness-raising campaign at art departments in universities and other targeted groups (e.g. small cultural organisations). After a successful presentation at the Academy of Fine Arts for students and alumni, information actions at higher education institutions and special initiatives are in the making in the field of music with the goal of attracting new users stemming from more informal and youth sectors.

3. A target group identification effort focusing on untapped potential users (both individuals and larger groups) who could need their service (e.g. ushers, red noses, clowndoctors).

4. An ongoing conversation with representatives of performing artists and musicians to identify and develop solutions to the labour restrictions applicable to them. For the first group, an awareness-raising effort to have public and private cultural project funders endorse SMartat for their project is under development. As for musicians, the idea of offering additional services that they need such as a label is also under way. Indeed, SMartat is planning to submit a funding application to launch a “SMartRecords” in November 2016.

5. An effort to promote the out-house SMart Admin service among associations while it is not possible to run projects within the in-house SMart Production House service as a limitation imposed by the strict labour regulations and music trade law.

6. External financing via national sources as well as European ones. Indeed, SMartat has been part of the two ERASMUS applications in 2014 and 2015 and has coordinated the submission of one in 2016 focused on best practices in mobility handling.[32] They are also interested in exploring the feasibility of future applications in the context of the European Social Fund (ESF).

6.3.2. Spain - SMartib

Full name: SMart Ibérica de Impulso Empresarial, S. COOP. AND. **Legal structure:** Cooperative **Legal address:** Caserón de la Virreina - Avda. Jane Bowles, s/n, 29014 – Málaga. **Date of establishment:** April 2014 **Website:** www.smart-ib.org **Social media:** https://www.facebook.com/SMartIb-620511967976942 and www.twitter.com/SMart_Iberica	**Full name:** Asociación para los trabajadores de la cultura SMartib **Legal structure:** Non-profit association **Legal address:** La Piconera, Carrer Sancho Marraco 6, 08004 Barcelona **Date of establishment:** April 2014

Historical perspective .[32]

The story of the arrival of SMart to Spain and its subsequent adaptation process are very different from other countries. SMartib (*SMartIbérica*) was born through the contacts with the dance scene in Catalonia via an artistic partner based in Barcelona and a group of cooperatives based in Andalusia. There were informal contacts between representatives of SMarteu with dance professionals installed in Barcelona that kept abreast of the situation of the sector in Spain. In parallel, representatives of the cooperative Andalusian employment Aura (founded in 1996) participated in the “ESEmpleo” programme launched

32 None of these proposals were funded but the proposal will be submitted again in 2017 led either by SMartat or SMartDe.

by CEPES-Andalusia through which they learned firsthand some initiatives for job creation in the cooperative sector in Belgium, Italy, and France.[33] There are many types of cooperatives (labour, credit, education, housing, social, etc.) but the selected type was one covered by a newly created legal form: the "entrepreneurial impulse cooperative" (*cooperativa de impulso empresarial* in Spanish). Also known as "umbrella cooperative " this type form of cooperative had been recognised only by two Autonomous Communities in Spain, Andalusia and Cantabria, by December 2015.[34] In fact, the "entrepreneurial support cooperative" (*cooperativa de impulso empresarial* in Spanish) model adopted by SMartib was inspired by the French model of "activity and employment cooperatives" (*cooperative d'activités et d'emploi*, CAE in French) created in 1995.[35] This direct contact in 2011 between professionals from both countries and the visit of the Spanish initiators to SMartbe set off phase 1 (initial contact) which included the assessment of the possibilities of adapting the SMart model to the Spanish context. Following this initial assessment, SMartib was formally constituted in May 2013 and it entered phase 2 (preliminary set-up). The original agreement included the possibility to access the expertise and the funding provided by the SMarteu structure. The goal, in business terms, was to reach the "zero point" - in reference to losses or, in other words, the scope of profitability - in three years.

SMartib is composed of two types of partners, "structure partners", who are responsible for all the administrative work and job counseling, and "user partners" who are

33 Aura temporary employment agency (*Empresa de Trabajo Temporal* or ETT in Spanish) and labour cooperative is also a social interest cooperative by Andalusian law (*S. Coop. And. de interés social*) which constitutes a real exception both in the world of temporary employment agencies and in the world of non-profit maximization cooperatives pursuing a general social interest which is not limited to a specific group. As explained by Barco (2007), Aura is a cooperative with a long history of brokerage in the labour market in a region where success cases in the area do not abound. The core business of Aura is offering temporary staffing to businesses and companies but it does so with a radical novelty: as a cooperative, it offers workers not simply a contract but the possibility of becoming members of the cooperative, even if membership can be limited to the period of employment. From the activity and target group standpoint, Aura has specialized in the hospitality industry and 60% of workers come from groups at risk of exclusion. The ESEmpleo (http://www.cepes-andalucia.es/blog-esempleo) project aims to implement in Andalusia methods and knowledge derived from European experience of creating and promoting stable and quality employment through forms of social economy, with in order to apply to active employment policies in the region.

34 In Spain, the transfer of competences related to cooperatives to the Autonomous Communities is regulated in the national 1978 Constitution (Art. 129.2). In the case of Andalusia, the recognition of these exclusive competences related to cooperatives are regulated by Art. 58.1.4º of the region's 1981 Statute of Autonomy. Currently, Law 2/1999 of 31 March on Andalusian Cooperatives regulates the sector in the region although there is also a state law that regulates the sector (Law on Spanish Cooperatives, Law 27/1999 of 16 July. Generally they offer frameworks concerning the legal recognition of the cooperatives similar to neighbouring countries. The Ministry of Employment and Security maintains a list of existing autonomous laws in Spain available here: http://www.empleo.gob.es/es/sec_trabajo/autonomos/economia-soc/EconomiaSocial/legislacion/leyesCoopAutonomicas.htm

35 CAEs have proven to be a successful model resulting in projects with a success rate of 70% and a total number of about 100 across the country.

professionals in the field of culture who work independently using the administrative umbrella of SMartib.[36] Joining the cooperative is required in order to use the services it offers: each member provides a share capital of 150€ (distributable in three years) when joining, which is returned during the following year in case s/he leaves the cooperative.

SMartib's legal headquarters are located in Malaga, its central services in Seville, and it is present via regional offices throughout the country in various Autonomous Communities. Since the beginning, Aura's operating offices were used to launch SMartib's proposal, which reduced structure and personnel costs until SMartib's first employees were hired in Barcelona, Seville, and Madrid. Following SMartib's vocation of territorial presence in all the Autonomous Communities, the headquarters of Barcelona was added to the network of six offices (Antequera, Cordoba, Granada, Jerez, Malaga, and Seville) of Aura. In a second step of consolidation at the national level, SMartib was installed in the Community of Madrid thanks to the agreement reached with the Association of Cultural Managers of Madrid (AGETEC). The decision to establish a framework of collaboration between SMartib and AGETEC was based on the objective of dignifying the employment of the cultural sector in Madrid while improving the qualification and professional training of the same. This willingness to collaborate with local actors already existing in a given territory by SMartib opened the doors to a structure and networks that would have taken a long time to build.

The possible bicephalia that could have arisen as a result of the various contacts of the Belgian team in the same country in two different regions (Andalusia and Catalonia) and the fact that these contacts stemmed from such different contexts was solved at four levels. Firstly, the Barcelona team was formally included in the structure of the cooperative as "structure partner". Secondly, SMartbe's supra-project membership brought in a non-Spanish partner to look on the adaptation process. Indeed, two staff members from SMartbe very committed to the consolidation of the European platform acted as intermediaries during conflicts: they focused on ensuring adherence to the previously agreed upon objectives and therefore ability to go beyond concrete and contextual situations. Thirdly, the name of the cooperative itself. By avoiding use of the official name of the state (Spain) as had been done in all other eight European countries where SMart was present, the organisation indirectly recognised a certain equality of Catalonia vis-à-vis the central government, even though the discussion was really limited in terms of participation and no consultation beyond the founding team was conducted. Fourthly, continuous communication was held between teams, including formal and informal interactions, both face-to-face and through new technologies.

36 The structure partners of SMartIb are Actúa Servicios S. Coop. And.; Aura ETT S. Coop. And. de interés social; Fondation SMartbe; and Asociación para los trabajadores de la cultura SMartIb.

The connection of SMartIb with the social economy is latent both in its values and through the story of its creation. As indicated above, SMartIb was set up as a cooperative, one of the major families within the social economy, but in addition it is based on the two principles that also characterise the Belgian experience: the absence of profit and pooling of risks and benefits (see section 4.1). These two principles are attached to the seven principles for the management of cooperatives that defend the International Cooperative Alliance (http://ica.coop/es): voluntary and open membership; democratic governance; economic participation of members and partners; autonomy and independence; education, training and information; cooperation among cooperatives; and commitment to the community.

Functioning and services offered

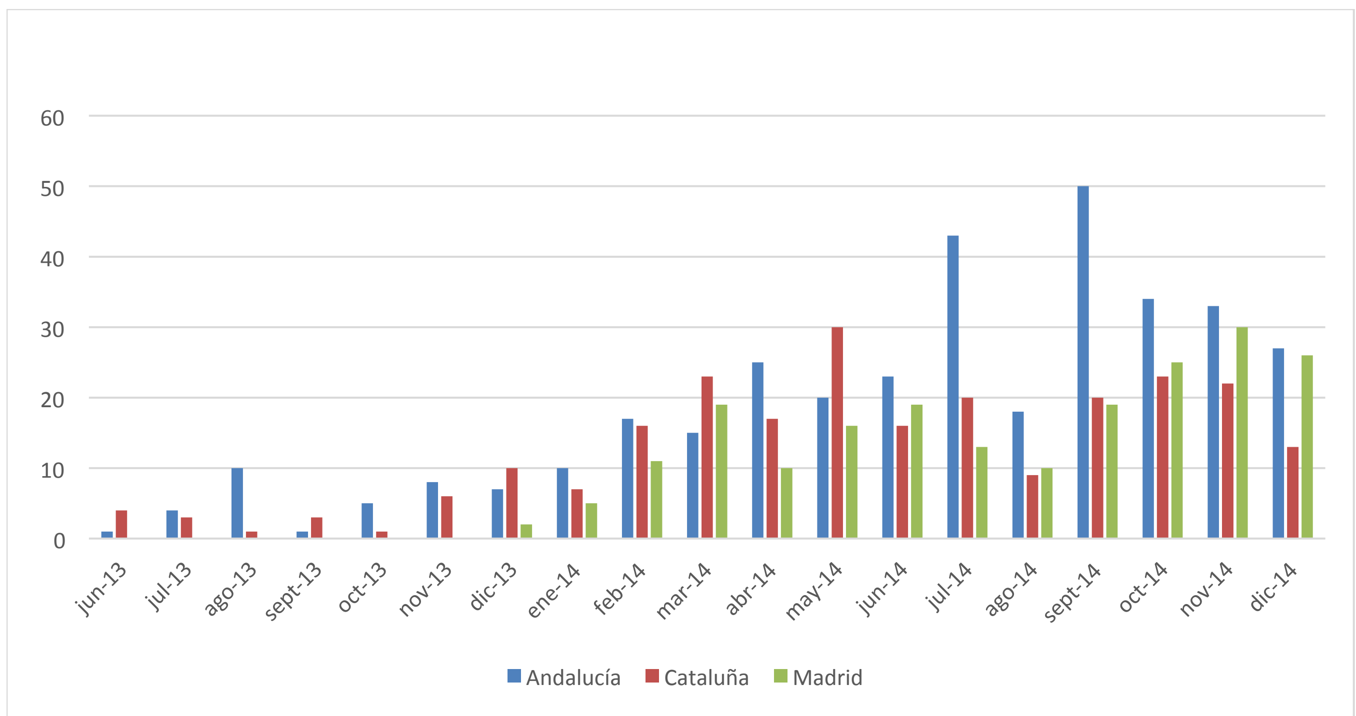
SMartib is a cooperative created to give cultural workers and artists a legal framework in which they can work and defend their rights in a safe environment. It offers artists, creative industries workers, technicians, managers, and other cultural professional mutualised services and offers them the possibility of contributing services during active work periods and receiving benefits during non-working periods. As stated in its motto, "intermittency is not synonymous with precariousness," SMartib's goal is that artists and creators can achieve their professional potential without feeling that they are at a disadvantage with other categories of workers. To this end, SMartib has developed a series of mutual services, legal and administrative advice, and access to common protections and insurance, while allowing members to be registered in the general regime of the Social Security for the number of days in which they work. One of the mutualised services that reveals the solidarity aspect of the project is the "Guarantee Fund", which ensures that members will receive their fees in full or in part at the end of the contract, even if their clients have not made the payment, provided that the amount to be collected does not exceeds twice the interprofessional minimum wage and with a limit of three months for the same user for sustainability reasons. SMartib emphasises the advantages that joining the cooperative offers over the other most common form of the sector's workers formal status in Spain, namely self-employment. There is no payment for a specific period of contribution, and civil liability is also limited to the contribution to the social capital of the cooperative (150€). This benefit contrasts with the unlimited civic liability with present and future assets that must be faced by the self-employed workers.

The services offered by SMartib by the end of this research were Contract management and Activity management with a number of forms that the user is required to complete. These forms should be available online but the delayed development of the online tool for Spain has prevented this step from happening. Therefore, SMartib performs all the

administrative (all paperwork related to contracts the actual execution of payments...) and accounting (taxes, social security contributions...) tasks on behalf of its members. All this interaction is currently done via email, which slows the process significantly. In addition, SMartib also manages to offer advantageous insurance packages for its members and organises information sessions about the cooperative and the SMart model. In addition, legal support is also offered particularly in relation to copyright and intellectual property rights, e-commerce and new technologies as well as privacy and data protection issues.

With regard to the rate of the expansion, the consolidation of SMartib appears undeniable in terms of figures: in only 18 months it reached 800 members and a turnover of 2,023,000€. Graph 12 and Table 51 below illustrate its evolution.

Graph 12. Evolution of SMartib members according to Autonomous Communities with representation (June 2013 - December 2014)



Source: SMartib

Table 51. Evolution of members of SMartib (net figures and percentages)

	2013	2014	2015	2016 *
Members/users	64	800	1.439	2.871
Growth % (compared to the previous year)	n/a	1250%	80%	100%

* Projected.

As was the case of Austria and Hungary, SMartib is able to mobilise a variety of financial sources to ensure its financial stability between 2013 and 2015:

1. Revenue-making from the 7.5% fee for the members' invoices. For each contract or invoice, the cooperative receives 7.5%, which is intended to offer mutualised services, training, and advice for all aspects essential to the users for carrying out their activities (i.e. prevention of occupational risks, liability insurance, etc.). This constitutes the main self-generated source of income for the organisation and amounted to 469,919€.

2. Members' contribution to the capital of the cooperative (150€ at the moment of joining) which amounted to 55,057€.

3. Investment made by SMartbe in SMartib, which reached 143,750€ from 2013 to 2015 (43,750 in June'13; 30,000 in August'14, and 70,000 in April'15). The first amount in 2013 helped SMartib take off while the other two were meant as liquidity injections and to be reimbursed.

4. Public aids and subsidies. Although there have been no direct grants or subsidies, the deep knowledge on the part of SMartib of the labour and tax laws at all administrative levels in Spain has allowed them to seize financing opportunities for the organisation. Indeed, an interesting provision in labour law in Spain called "capitalisation of the unemployment allocation" (*capitalización de la prestación de desempleo*) allows workers to invest their unemployment subsidy up to 33,000€ in the creation of a new individual or collective economic activity, including cooperatives. Two staff members in Barcelona and one in Andalusia provided this capitalisation to finance the operation of the branch. Moreover, also drawing from employment-related administrative advantages, the regional government granted a social security subsidy to hire two new staff members. Lastly, via one of the cooperatives in the group (Actua), the Social Economy Department of the Andalusian Government provided a subsidy to hire a person to be responsible for communication across cooperatives.

Table 52. SMartib turnover and surplus since year of establishment

2013		2014	
Turnover	Surplus	Turnover	Surplus
98,269€	1,808€	1.938.131€	5.631,01€
2015		**2016 ***	
Turnover	Surplus	Turnover	Surplus
4.224.887€	4.736,25€	9,000,000€	137,300 €

* Projected.

In terms of workforce, Spain was able to incorporate workers gradually as they were shared with the other cooperatives that belonged to the group. By the end of 2015, there was a total of 15 staff members working for SMartib with different levels of dedication, ranging from full dedication to the cooperative to half time dedicated to other cooperatives of the group. A total of five employees worked full-time for SMartib, namely, the communication person in Seville, three advisers (one in Barcelona and two in Madrid), and one part-time administrator in Barcelona. The rest of the employees worked for SMartib on a shared basis with the other cooperatives in the group: the president, the legal expert, the finance manager, and the IT manager in the central headquarters, and six advisors and administration staff in offices in Antequera, Granada, Xerex, Malaga, and Seville.

With regard to future services, plans include offering professional training and working places (e.g. studios and co-working spaces), financial operation (mostly lending at zero interest rate), an online sales platform, several European exchange programmes (e.g. studios and exhibition opportunities), and research related to the population and activities of SMartib members at local, regional, and national levels. A couple of interesting developments were under way in the period covered by this research to expand the current range of services. As we have seen, many artists and cultural workers are already registered as self-employed workers but SMartib currently can only act as employment agent of its own members. By creating an intermediate unit (another organisation, most likely a different but related cooperative) SMartib will be able to

apply VAT only to part of the management fees of SMartib and not for the whole amount of the invoice. In addition, it is aiming to be able to operate with independent (*autónomos*) artists as well and to launch an association in Barcelona that caters to the aims and needs of members (and other stakeholders) that are not directly linked to those related to the core services (labour and administrative paperwork).[37] There are also plans to prepare an Erasmus+ application to support the development of mobility information services, although it will not be launched until the tool is working. Lastly, a members-driven project called EIMUS (SMartib Music Impulse Ecosystem or *Ecosistema de Impulso Musical SMartib*) was formally approved by the General Assembly held in December 2015. The EIMUS platform aims to help SMartib's members produce, distribute, and manage their own music and thereby allow for a better division of rights and income. The core idea is to eliminate intermediaries by creating two mutual guarantee funds: a general fund for investments covering general costs (web server, lawyers, etc.) and an emergency fund (like traditional labels have) ready to invest in rehearsals, concerts, etc.

Table 53. Duration of the implementation process of SMart in Spain

Phase 1: Initial contact (3-6 months)	Phase 2: Preliminary set-up (1-2 years)	Phase 3: First operations (3-4 years)
First contact: January 2011 * Formal creation: 2013	*Completed by the end of 2013 (including full repayment of the loan to SMartbe)*	*Full-fledge operations: 2013* *Break- even point ("point 0"): 2017*

* Effective dates vs. *Planned dates* (in italics)

37 The name of the new cooperative will be "Self-Employed" which will operate exactly as SMartIb except for the Social Security regime to which workers will contribute, which will be the self-employed regime rather than the general one.

Take away points from the implementation and possible future development

Scaling-up success factors analysis

To begin the overview of the lessons learned in the first steps of the scaling-up process in Spain, a brief reflection on the statistical data gathered from the Spanish surveys, shown in Table 54, follows.

Table 54. Result for the seven factors of the scaling up process in Spain (N=5)

Scaling-up factor	Min	Max	Mean	Std. deviation
1. Commitment of the individuals driving the scaling process	3.88	5.38	4.60	0.57
2. Competence of the management	3.25	5.25	4.30	0.81
3. Entire or partial replicability of the operational model	4.50	6.08	5.43	0.60
4. Ability to meet social demands	4.50	6.33	5.40	0.67
5. Ability to obtain necessary resources	4.50	5.25	4.80	0.31
6. Potential effectiveness of scaling social impact with others	2.75	6.13	5.07	1.37
7. Adaptability	3.71	4.86	4.22	0.48

The responses of the stakeholders surveyed in Spain are quite measured in the sense that the two extreme values (1 and 7) are avoided in the minimum and maximum measures. The range for the mean is 4.22 (factor 7) and 5.43 (factor 3), thus confirming the concentration of average observations around central values. Spanish respondents have attributed the highest value in the scaling-up process to factor number three, namely the entire or partial replicability of the operational model. This factor not only shows the highest mean but also a high minimum value (4.5) and a low level of deviation, which suggest little disagreement among respondents. Considering the swiftness with which the model has been implemented in Spain, having a replicable model seems to be the key to such a smooth process. Even though in Spain the online tool continues to be unavailable, the fact that the processes, ideas behind them, and the specific tools to implement them were readily available constitutes an important perceived benefit for the scaling-up process of SMart in Spain.

On the contrary, the lowest relevance was assigned to adaptability of the model, which although seemingly contradictory with the previous paragraph actually is understood by looking closely at the various subfactors (see Table 55 below). Indeed, the SMart model is perceived to be fully adaptable to Spain (6) and logically, its counter subfactor (the disruptibility of the model) is perceived as being low (1.8). Interestingly, the replicability (factor 3) and adaptability (factor 7) of the model reflect the respondents' support of the need to expand services for maximising the social impact of SMartib (6.8) and the perception that doing so would not put the organisation at risk financially (2.4).

Table 55. Result for perceptions of incidence of the adaptability factor in the scaling-up process in Spain (N=5)

	Min	Max	Mean	Std. deviation
7.1. The SMart model is fully adaptable to the Spanish context.	3.0	7.0	6.00	1.73
7.2. Local regulations and policies in Spain require the SMart model to be substantially adapted.	2.0	6.0	4.40	2.19
7.3. The financial local environment of Spain requires the SMart model to be substantially adapted.	2.0	6.0	3.80	1.79
7.4. The SMart model is way too disruptive for adaptation to Spain.	1.0	4.0	1.80	1.30
7.5. SMartIb will maximise social impact by expanding the target groups we serve.	3.0	7.0	5.50	1.91
7.6. SMartIb will maximise social impact by expanding the services we currently serve.	6.0	7.0	6.80	.44
7.7. Expanding target groups and services is not sustainable financially in Spain.	1.0	6.0	2.40	2.07

Going back to perception of the factors, respondents seem to agree on the relevance of factor 5 (ability to obtain necessary resources) as suggested by the low standard deviation (0.31). When looking at the aggregated data per subfactor, this is indeed the case except for the subfactor referring to the ability to get government agencies and officials to provide financial support for their efforts. Factor 6 (potential effectiveness of scaling social impact with others) seems to cause the highest level of disagreement among Spanish respondents (1.37).

Lessons learned and prospects

Unpaid invoices represented a major hurdle to the achievement of financial sustainability for SMartib. The process of collecting a debt is to contact the client by telephone, email, or fax to request the payment. If the client does not pay, the request is then made by bureau fax with acknowledgement of receipt, which can be used as proof in court. Small court claims can be presented when the amount is less than 30,000€ but if the amount is less than 900€, the involvement of an attorney is not necessary. Internal debt collection procedures, however, were inefficient since a total of 74% of the invoices issued in 2014 and 2015 remained unpaid by October 2016 (source: SMartib). Therefore, SMartib hired a debt collection company in 2015 hoping to cash in substantial amounts of funds that it had to advance to its members within the month of issuing.

The existence of a consolidated group of cooperatives working in the field of employment creation in Spain offered a security net in terms of finance that has also been able to draw from financing possibilities stemming from Belgium. In this context, economies of scale in terms of staff (who were shared among different cooperatives) and financing (particularly cash flow for advancing payments) were created thanks to the existing cooperative structure.

However, in terms of internal governance and possible mission-drift, the existence of a pre-existing group of cooperatives represented a challenge to be overcome. Firstly, ensuring participatory decision-making across a group of cooperatives which are active in different activity fields is not an easy task. Indeed, after three years of operating under the same umbrella, plans are underway to split SMartib from the rest of cooperatives and make it more independent under a SMart-specific Spanish group of cooperatives operating under the same mission and in the same field (culture and the arts). Secondly, sharing a commercial and administrative structure created situations whereby the resources at hand (mostly human capital) had to be prioritised toward one or another cooperative. Being the latest arrival within the group and operating with many small contracts (as opposed to fewer larger contracts in the other activity fields of the group), SMartib saw – particularly at the beginning – how its needs and specific requirements were put on hold as a result of a limited organisational capacity. However, the claim to fame of SMartib within the group has been the rocketing growth in terms of members and turnover generated in a three-year period as well as the increasing recognition by political actors, public administrations, and representatives of culture and the arts.

6.3.3. Hungary - SMarthu

Full name: SMartHu Non-profit Kft.

Legal structure: Non-profit Limited Liability Company

Legal address: Lázár utca 16.

1065 Budapest (Hungary)

Date of establishment: March 2014

Start of operations: November 2014

Website: www.smart-hu.org

Social media: https://www.facebook.com/smarthu.org

Historical perspective

At the end of 2012, Dária Belinskaya, founder and manager of SMartHu, was introduced to Julek Jurowick, manager for the transnational scaling-up process of Smart, by Simon Mundy, who had been the main initiator of the scaling-up attempt in the United Kingdom. Belinskaya had a political science background and had started her own company focused on design and architecture. She believed in the model proposed by SMart as she was active in the creative and cultural scene in Budapest and had witnessed first hand what kind of hurdles they had to face. She had a couple of supporters but she did most of the work related to setting up the association herself.

The reason for choosing the association as a legal form over that of a cooperative was mainly due to the bureaucratic hurdles associated with the latter. It is likely that such legal hurdles change in the near future which could facilitate a transition toward a cooperative form, just like the rest of SMart countries are doing. According to Belinskaya, the fact of having a not-for-profit organisation makes the issue of ownership irrelevant: users consider it a “co-used company” in the sense that they can use SMart for their own projects.

Functioning and services offered

The process of establishing SMarthu was a long one: after an initial contact at the end of 2012, the organisation was set up in March 2014 but could not begin operations until nine months later, in November 2014. The added value of SMart in Hungary focuses on the services that conform to the core business, namely giving creative workers the

possibility to work legally, avoiding the costs and obligations associated with the self-employed status by working on a project-basis (either as an employee or via a mandate contract[38]) and facilitating leaving the grey labour market where they work with no coverage or benefits. Therefore, the services offered until December 2015 included the activity and contract management, legal counseling, information sessions, and events and networking. The rest of the services (financing, insurances, online tools, research, and professional training) are planned to begin development in 2016. Particularly, two original services are in preparation, a "Brand Coaching" activity in collaboration with an external partner and personalised media packages to help promote the work of members.

SMarthu focuses its activity for now in the Budapest area until the organisation is consolidated since the city gathers the highest number of creative and cultural workers in the country. Therefore, while SMarthu services are available across the country, it currently has one office operating in Budapest, which is the most efficient solution for the time being. In terms of total number of members, there were 170 in 2015 and projections are to increase 120% by the end of 2016 (see Table 56 below).

Table 56. Evolution of members of SMarthu (net figures and percentages)

	2015	2016 *
Members/users	170	380
Growth % (compared to the previous year)	170%	120%

* Projected.

The most promising area for development of SMarthu is the creative industries sector as it is in other countries in the area. As explained by Belinskaya, while cultural workers are indeed one of the targets for the organisation, the creative industries boom is creating a new group of creative workers who mostly work with precarious labour arrangements or self-employed status. The members of SMarthu carry out their activities mostly in the areas of design, graphic design the performing arts, artisany, IT and web development, literature and languages, audio-visual, and art education. It is worth no-

38 A special scheme allows the self-employed artists to convert invoiced amounts into short-term employment called "creative mandate contracts". This modality of contract can only be used when there is no relationship of subordination with the client and for artistic tasks only.

tice that no visual artists were represented in 2015, although there are plans to attract some in 2016. With regard to the areas of activity of the clients of SMarthu employers, they focused on the following four in 2015: 1) performing arts; 2) architecture, fashion, design, graphic design; 3) IT and web development; and 4) specialised services to private companies requiring the expertise of the creative and cultural workers. Indeed, having so many sectors as potential targets was perceived as a challenge, particularly in terms of communication, as specific messages and strategies are necessary.

Unlike Austria and Spain, there is no registration fee or contribution to social capital in Hungary when members join the organisation. The administrative fee to members of SMarthu is 8.5 % charged to the net amount of each invoice. The advance payment feature that is so effective to attract new members in other SMart countries was not available until January 2016 and therefore not included in this research.

With regard to the perception of SMarthu, its public communication via the website focuses on three pillars: activity management, knowledge sharing, and advocacy. The first one, activity management, emphasises the risk- and hassle-free nature of SMarthu's main service (activity management, billing, and legal counseling by December 2015) for creative and cultural workers. In addition, the notion of "co-used company" where the users can use SMarthu's legal infrastructure to fully operate their projects is perceived as being an important added value. Secondly, sharing knowledge hinges on the power of joining forces with those in the same boat and is achieved mainly through information and networking activities. The close service of advisors with the members is highlighted as part of the process since the first meeting and throughout the duration of the relationship with SMarthu. Moreover, SMarthu organises a number of networking events to strengthen the sense of belonging of SMart members and to build a community of freelancers in the creative sectors. Ultimately, the aim to is to prevent them from feeling isolated by creating a connection with their peers, sharing experience and good practices among them.

Lastly, the advocacy underlines the value of the environment where creative and cultural workers develop their activity. As part of this area, the idea of defending professional interests shared by a national and European community is central. In this context, international mobility becomes an additional concrete added value, although it will not be offered until 2017. The term "social dialogue" is specifically mentioned when describing this advocacy strategy whereby SMarthu will become a main interlocutor in negotiations about the sector. The first step for achieving this goal is to contribute to raising the awareness about the sector. The last strategy is the ongoing research effort as a way to collect information about members to consolidate the sector as well as a way to feed information to all stakeholders about the activities of SMarthu.

Governance is understood in a way that is closer to participatory management than true participatory governance of varied groups of stakeholders, mainly through an active presence of stakeholder representatives in the formal decision-making organs of the association. Indeed, members participate in the development of the organisation via regular consultations, mainly regular online and offline surveys, as well as face-to-face discussions. The goal is to guide some of the decision-making with this input as well as to make sure that their needs and challenges are taken into account from the strategic point of view. From this standpoint, SMartHu aims to stimulate a horizontal way of operating and making decisions, therefore emphasising the inclusion of both its employees and professional partners in strategic decisions and their concrete execution. In addition to users and professional partners, SMartHu also counts the formal involvement of SMartbe in the organisation, which aims to monitor the activities and provide feedback on the decision-making processes.

The Hungarian team of SMart aims to enhance communication and outreach to attain a twofold objective. Firstly, connecting with its target audience (mainly freelancers) and, secondly, establishing the image of SMarthu as social innovator and raising awareness about topics related to precariousness, alternative employment options, and sustainability of the cultural sector among stakeholders and the general public. Indeed, the first is achieved via their own specialised blog named "Active Creative" featuring pieces of interest for freelancers and a biweekly newsletter.

The second aim is to reinforce the public image of SMarthu as social innovator in the sector, as well as to contribute to the public debate on issues of precariousness, new forms of solidarity-based and collaboration economy, social coverage for project-based workers, cultural mobility, etc. This second objective is achieved via the discussion of "white papers" proposed to leaders of the cultural and creative sectors so they can share their views on a given topic. Lastly, round table discussions on various topics of interest will be organised with professionals from the creative industries. Two of these roundtables are planned for 2016.

Partnerships have been mobilised as an additional strategy for promoting SMarthu, although not primarily in order to attract financial resources, but rather to increase visibility and raise the profile of SMarthu among a design-driven and creative audience composed of professionals and the general public. In this context, SMarthu has established interesting partnerships with online platforms to obtain substantial coverage including monthly features in their web site and also on their social media channels (e.g. partnership with HG.hu).

Regarding its financial situation, unlike its counterparts in Austria and Spain, SMarthu had focused on two main sources of revenue-generating streams by the end of 2015:

- Revenue-making from the 8.5% fee for the members' invoices.

- Investment made by SMartbe in SMarthu, include monthly investments on the capital account for a total of 104,500€ in 2015. In addition, SMartbe contributed to the cash flow of the association for an amount of 2,000€ in 2015.

In fact, SMartbe was the only external financer of SMarthu in 2015. Untapped sources with regard to the other case studies are public funding and private donations from grant-making foundations. Table 57 below shows the evolution of SMarthu in 2015 in terms of turnover and surplus size including a projection for 2016 (the surplus columns are empty as the financial break-even point is not expected until at least 2018).

Table 57. SMarthu turnover and surplus since year of establishment

2015		2016 *	
Turnover	Surplus	Turnover	Surplus
5,000 €	0 €	42,500 €	0 €

* Projected.

The rate of unpaid invoices was zero, although based on other countries' experiences, it is likely that it will increase substantially as the size of turnout grows. In this regard, the fact that the organisation is already working to set up a debt collection mechanism indicates that strategies are being put in place toward the sustainability of the organisation before problems identified in other countries arise in Hungary.

Table 58. Duration of the implementation process of SMart in Hungary

Phase 1: Initial contact (3-6 months)	Phase 2: Preliminary set-up (1-2 years)	Phase 3: First operations (3-4 years)
First contact: December 2012 * Formal creation: March 2014 (full operations: November 2014)	Completed by early 2016 (Not including full repayment of the loan to SMartbe)	Full-fledge operations: 2018 Break-even point ("point 0"): 2020

* Effective dates vs. *Planned dates* (in italics)

Take away points from the implementation and possible future development

Scaling-up success factors analysis

As in the case of Austria and Spain, summarising the statistical data gathered from the Hungarian surveys is a way to guide the reflection about lessons learned during the beginning of the scaling-up process of SMarthu. It is worth mentioning that the process in Hungary covered the shortest period of the three cases included in the analysis: this research covers only 18 months since the official founding of SMarthu and the end of the research period. Moreover, it is worth remembering that the number of Hungarian surveys gathered was very low despite the fact that they represented a 60% response rate (three out of five). The very limited size of the organisation (one full time person and two additional part time and external collaborators) made it challenging to find respondents for all the categories, namely Board member. This explains the almost non-existent variation in the responses as expressed by the very low standard deviation results.

Table 59. Result for the seven factors of the scaling up process in Hungary (N=3)

Scaling-up factor	Min	Max	Mean	Std. deviation
Commitment of the individuals driving the scaling process	5.75	6.25	5.95	0.26
Competence of the management	7.00	7.00	7.00	0.00
Entire or partial replicability of the operational model	4.75	4.83	4.80	0.05
Ability to meet social demands	6.00	6.17	6.11	0.09
Ability to obtain necessary resources	5.42	5.58	5.50	0.08
Potential effectiveness of scaling social impact with others	5.88	6.00	5.95	0.07
Adaptability	4.57	4.86	4.71	0.14

Despite the abovementioned methodological caveat, the analysis of the data suggests that the competence of management obtains the absolute highest rate for all respondents (7); such perception is also the highest when compared to the other two countries, Austria and Spain, which are 2.54 and 2.7 points below 7, respectively. In addition to the limitations explained before, such results can point to the fact that, indeed, two of the three surveys were answered by the person in charge of managing the scaling-up process, which is likely to bring in a bias in terms of objectivity toward the action of the management.

The perception that SMarthu addresses a specific social need comes in second place with a high rating (6.11) consistent with the other two countries. As for the lowest ratings in Hungary, they are given to two factors that are somewhat related (factor 7, adaptability with 4.71 point rating; and factor 3, Entire or partial replicability of the operational model with a 4.8 point rating). This is fully consistent with the limited range of services that that SMarthu has been able to implement by December 2015, which speaks of the limitation encountered to adapt the core SMart model. Along this last line, and in comparison with the other two countries (see section 5.1.1 Criteria for country selection), it is worth noting how Hungary attains the highest rates across all scaling-up factors except for factor 3 (entire or partial replicability of the operational model). It is worth noting that after checking the results of the survey with the Hungarian key informant, she stated that if the survey had been done following the introduction of the guarantee fund in November 2015, the scores would have been higher for factor 7 but also for the ability to meet social demands (factor 4), and the entire or partial replicability of the operational model (factor 3).

Lessons learned and prospects

The effort completed in terms of promoting SMarthu and raising awareness of key stakeholders has been phenomenal. Indeed, the number of institutional partners (including nine art and general Higher Education Institutions), professional associations, and cultural hubs is impressive. Their information sessions are held both in-house, usually with a monthly periodicity (group) and weekly (one-to-one personal appointments), but also by carrying out information actions in creative hubs in Budapest twice a month.

Lastly, “Freelancer Fridays” are held monthly as a combination of a networking and training event, while “Creative Mornings” offer a unique lecture series for the creative and cultural workers community. Both are open and free to participants.

In terms of the documents completed to track the scaling-up and adaptation process, SMarthu lies behind both in the number of information pieces completed and the depth of detail provided. In this sense, tracking its development is more complex than in the case of Spain and Austria. Therefore, such monitoring has been completed via informal conversations and meetings.

Four points worth following up in order to ensure a correct evolution from the early stages of scaling-up to a solid consolidation would be:

1. The incorporation of workers with a freelance status into the services of SMarthu. While the focus is on providing the core SMarthu services to creative and cultural workers without a concrete labour status, self-employed professionals constitute a major portion of the workforce in the creative and cultural field in Hungary, so their voice should be heard as well.[39]

2. The diversification of financial sources since most of the funds to cover the operating costs came from SMartbe. This represents a limitation insofar as local resources should be mobilised, ideally not only those stemming from the market. However, the Hungarian cultural sector in general is not prone to searching for external sources, since financial support is undergoing drastic changes and independent funding is undergoing restructuration.

3. The incremental development of additional services offered to members as a way of increasing membership and quality of services but also contributing to the financial sustainability of SMarthu. There is currently no similar organisation to SMarthu in Hungary, so it is important to leverage its advantageous position and scale-up in terms of services as quickly as possible (the deadline for achieving the break-even point is the next two years).

4. The participation of members in the formal governance of the organisation (setting up a committed Board of Directors and a participative General Assembly) in addition to the surveys and face-to-face discussions described below to ensure a horizontal decision-making structure.

39 In order to prepare this incorporation, training workshops were organised in 2016 presenting SMarthu as an “umbrella service” that can be used both by SMarthu users as well as self-employed professional plus freelancers were included in the users feedback surveys as well.

That the membership base is still small could be useful in creating a test-bed to experiment with participatory methodologies. In other words, the focus on communication could eventually translate into a weakness if it does not result in real participation from SMarthu members given the social innovator profile that it is promoting for itself in the effort of contributing to the future of culture and the arts in Hungary.

CHAPTER 7.
CONCLUSIONS

7.1. RESEARCH OBJECTIVES ASSESSMENT AND HYPOTHESES CONFIRMATION

- The core of this research was to study whether a specific subset of social enterprises active in the field of culture and the arts, which I named "Cultural and Artistic Social Enterprises" (CASE), could contribute to the multiple and intricate "unavoidable transitions" (economic, environmental, political, and cultural) at play in society by emerging as a new type of institutions capable of providing transversal solutions. To do so, I focused on how CASE emerges in a concrete setting and replicates across geographic borders. The selected case study was SMarteu, a European network of social enterprises active in the field of culture that is present in nine countries.

The five objectives of this research presented in section 1.3 are discussed here on the basis of the results gathered. Some of these objectives were accomplished through research questions and hypotheses that were addressed at different stages of the research effort. A summary of those elements and the expected contributions is included in Table 60 below.

Table 60. Objectives, research questions, hypotheses and expected contribution

OBJECTIVE	RESEARCH QUESTION(S)	HYPOTHESES	MAIN CONTRIBUTION
1. To explore the meaning of social transformation in culture led by CASE.	› What kind of social transformation processes does CASE set in motion?		To cast some light on the relationship between social enterprises as concrete institutional arrangements that emerged in a specific socio-economic context and the effects that its socio-economic activity and interaction with other actors had in terms of social transformation.
2. To take a closer look at the notion of social innovation focusing on its evolution and various meanings (particularly that of social transformation) in the specific case of CASE.	› What does social innovation mean in the context of culture › What is the relationship of social innovation with CASE?		To contribute to the understanding of the differences in meaning of social innovation when talking about the context of culture and the arts.
3. To review the connection between social enterprise and the larger social and solidarity economy with a view to reframing the way in which they relate to each other and exploring the contribution that they can have in social transformation in the field of culture and the arts.	› How can the social and solidarity economy contribute to the transformative potential of CASE? › To what extent does the identification (or lack of it) of CASE with the social and solidarity economy hinder or support its social mission and, in this case, a successful adaptation to a new context?	1. The higher the collaboration level between public administration and social economy actors, the higher the possibility of creating a conducive environment for adapting the CASE. 2. The higher the level of recognition of social enterprise/ social economy by the public administrators, the higher the possibility of replicating a successful CASE model.	To contribute to further understanding the connection between the social and solidarity economy and social enterprises. In particular, to have a clearer view of how the social and solidarity economy can contribute to social transformation in the field of culture.

OBJECTIVE	RESEARCH QUESTION(S)	HYPOTHESES	MAIN CONTRIBUTION
4. To analyse and extract lessons from the experience of SMart, particularly in the geographic expansion process launched in 2006, with an eye on questioning the innovation paradigm applied to culture and the arts and constructing new spaces for social transformation in the cultural field.	› What are the main factors coming into play in the cross-border replication of the SMart model, considered as a CASE?	1. The more participative the governance model of the CASE, the higher the possibility of adapting the social innovation to the specific context. 2. Two critical factors determine the success of a given social innovation in culture: the type of political regime toward culture and the adaptation to the local context developed by critical actors.	To contribute to the field of social enterprise research in the area of organisational and business model scaling-up and replication as well as diffusion of social enterprise models.
5. To formulate specific recommendations for practitioners and their representative organisations as well as for policy-makers at various levels.			To contribute to bridging the divide between social innovation practice and research bringing to light a more emancipatory approach to social innovation and emphasising the complex dimension of science in its embeddedness with societies' challenges.

In the following section the five research questions of this research are addressed focusing on whether the associated hypotheses can be rejected or accepted (see Annex 1 explanation based on Yin's recommendations on how to do this for exploratory and descriptive research). Table 61 below summarises the initial hypotheses and predicted conclusions as presented in section 1.3.

Table 61. Hypotheses proposed and initially predicted conclusions

Hypothesis	Initially predicted conclusions
1. The higher the recognition by public administration of the social and solidarity economy and the higher the tradition of collaboration among them, the higher the possibility of creating a supportive environment for adapting the CASE.	In those cases where there is a tradition of collaboration between the public sector and the social economy, SMart country offices show stronger success rates (in terms of speed of the process and number of members).
2. The higher the level of collaboration among social enterprises as members of the social and solidarity economy, the higher the possibility of replicating a successful CASE model.	It relates to the mutual level of recognition of the social enterprise (and the wider social and solidarity economy context) in a given country. The initially predicted result is that in those countries where the social and solidarity economy is recognised and there is a high level of internal cooperation among the actors, the adaptation process has been more successful. Moreover, it is likely that it is supported from the public sector as well.
3. The more participative the governance model of the CASE, the higher the possibility of adapting the social innovation to the specific context.	In those cases where the national SMart office has implemented a participative governance model through the inclusion of various stakeholders, including internal ones, the success will be more solid.
4. Two critical factors determine the success of a given social innovation in culture: the type of political regime toward culture and the adaptation to the local context developed by critical actors.	The predicted value is twofold in this outcome related to social innovation. If the national context includes a political regime that nurtures culture and recognises its added value for a more cohesive and vibrant society, solutions brought forward by SMart in the current socioeconomic context will be supported. If critical local actors are involved in the careful adaptation of the SMart model the likelihood of a successful implementation is much higher.

7.2. DISCUSSION OF RESULTS IN LIGHT OF THE FIVE RESEARCH OBJECTIVES

This section presents the five research objectives and discusses them based on the findings; possible interpretations and contributions, along with perceived limitations on the explanations and suggestions for the future.

Discussion on objective 1

Objective 1 was "to explore the meaning of social transformation in culture led by CASE" and it included the main research question: *What kind of social transformation processes does CASE set in motion?*

It has been noted that the model analysed in this research, SMart, constitutes a special example of CASE insofar as it does not engage in the creation, mediation, or circulation of cultural or artistic products as a primary goal, but rather focuses on clearing the administrative and legal barriers for creators so they can then engage fully in their endeavor of producing, mediating, and diffusing culture. SMart also commissions works for its members, participates in multi-level social dialogue discussions, and plays an advocacy role for culture at the European and international level. It does so by showing a strong commitment to the principles of the social and solidarity economy, formally recognising itself as a social enterprise.

Despite the indirect contribution to culture of the SMart operational model, it was selected in order to question and test new ways of creating social value for culture and society overall in a context of transitioning towards sustainability. As stated by one of the key informants from SMart originally coming from the cultural sector, the main change in the field of culture in the next five years will be the increased precariousness of workers and public budgets.

It is in this intersection that the meaning of social transformation in the field of culture emerges: to ensure that the best possible conditions are present for the development of culture and the arts. These "best possible conditions" ought to be understood in an enlarged sense: they refer to actors, knowledge, practices, and functions present in all spheres of social action, undergoing an unavoidable transition towards sustainability.

Therefore, social transformation in the cultural sphere (namely, creation, mediation, and diffusion of cultural goods and services) will be fulfilled by working towards the improvement not only of cultural actors, knowledge, practices, and functions, but also of other social and environmental spheres undergoing transitions (such as the economy, energy, gender equality, health, and food sovereignty). A precondition for this to happen would be the acknowledgement and internalisation of these other actors, knowledge, practices, and functions as their own.

Such acknowledgment and internalisation require, first, to establish connections among actors, knowledge, practices, and functions from the various spheres. Networking in formal and informal settings and participation in transversal platforms (such as those devoted to the social and solidarity economy) are crucial to ensure this cross-fertilisation. Once acknowledgment is present, actors within the cultural sphere internalise them in two ways. Firstly, by incorporating the needs and demands of other transition spheres (the economy, energy, gender equality, health, and food sovereignty) via cultural production, mediation, and consumption (e.g. theatrical productions, photographic exhibitions, film documentaries, and literature). Secondly, by appropriating the set of values and principles from those transition areas. It is worth noting that these values and principles have the potential of eventually transforming into concrete behaviours that contribute to achieving these transitions. Moreover, these two ways also represent powerful channels to raise awareness about the actors, knowledge, practices, and functions of other spheres of transition among audiences and supporters of culture.

The logic beneath this understanding of social transformation is that there is reciprocity on the part of the other spheres. The most pressing task in this mutual recognition and absorption of central demands and defining traits of the various spheres is making visible the needs, actors, and demands that have remained silent across spheres. Some CASE proudly show their “social” dimension or they use it strategically: for instance, professional theatres working with special audiences or performing scripts addressing specific topics related to transitions can choose to promote some of these goals or continue acting as a regular theatre company. Therefore, the transformative potential of CASE stems from their potential to connect culture with other spheres of transition so that each other’s values permeate the other spheres and becomes internalised by their actors.

What stems from this reflection is that combining artistic excellence with social value creation covers a quite broad spectrum: they are not mutually exclusive or antagonistic, but whatever the main goal is, it should be clearly stated. Even a CASE focused on artistic excellence (a photography gallery, for instance) could bring about social

transformation via participatory governance (e.g. co-creating programmes, including representatives from other CASE, cultural institutions, and extended audience groups in their decision-making processes and organs). Such CASE could also do so directly via its cultural output, i.e. via photographic exhibitions, publications, training, etc. focusing on themes that incorporate other transition spheres' demands and concerns, as well as indirectly by inviting actors from other transition spheres into their decision-making processes and organs. Moreover, a CASE could modify its organisational behaviour and set an example for its audiences (e.g.. in the case of connecting with the energy transition by recycling paper programmes and tickets, saving energy with special lighting and water, and joining a renewable energy cooperative).

Additionally, CASEs need to deploy various levels of governance effectively in order to achieve the kind of social transformation described above. Although the idea of multi-level governance is usually applicable to the public sector, this research has shown that it should also be applicable to social enterprises that have a presence at different geographic levels (local, regional, and national).

Discussion on objective 2

Objective 2 focused on "taking a closer look at the notion of social innovation focusing on its evolution and various meanings (particularly that of social transformation) in the specific example of CASE". There were two research questions associated to this second objective: *what does social innovation mean in the context of culture?* and *what is the relationship between social innovation and CASE?*.

Addressing these questions was the object of section 2.3.1 entitled "The complex relationship between culture and social transformation" and more specifically the subsection entitled "(Social) innovation and culture: Revealing the implicit connection". The goal of this section is to clarify some of the different meanings that social innovation adopts when talking about the context of culture.

As previously stated, the relationship between culture and creativity and innovation is a complex one. Not only are these concepts polysemic, referring to multiple (even possibly contradictory) practices and values, but multiple logics are at work within each of them. In order to really understand these relationships, it is necessary to go beyond the commonplace idea that "creativity and culture are the locust of social innovation" and clarify the connection. Creativity should be turned into "social creativity" so as to go beyond the individual and empower communities to do things differently for the common

good. Disentangling the relationship between creativity and culture and social innovation would also require a cultural artifact or expression to be considered innovative and to make evident the artistic category to which it belonged, as well as its contexts and goals beyond the artistic, if any.

Going beyond the economisation of cultural practices when discussing innovation in culture (an innovation needs a market) requires a social appropriation and dissemination of socially creative "novelties". Only when this is done can we speak of social innovation in culture. The question of how to ensure that this collective intelligence is capitalised for the common good remains the central challenge.

Discussion on objective 3

As stated in chapter 1, objective 3 sought "To review the connection between social enterprise and the larger social and solidarity economy with a view to reframing the way in which they relate to each other and to explore the contribution that they can make to social transformation in the field of culture and the arts". In particular, the aim is to understand how the social and solidarity economy, via social enterprises, can contribute to social transformation in the field of culture.

Two research questions guided the reflection. First: *how can the social and solidarity economy contribute to the transformative potential of CASE?* The second research question asks: *to what extent does the identification (or lack of it) of CASE with the social and solidarity economy hinder or support its social mission and a successful adaptation to a new context?*

This research shows that socio-economic, cultural, and political contexts determine the emergence and institutionalisation processes of social enterprise across countries. In the case of Spain, the social economy has reached a high level of corporatism among organisations and of collaboration with public administrations. The solidarity economy certainly lags behind but is rapidly confirming its presence in the public sphere and at the subnational public administration levels. This consolidated institutionalisation of the social economy could nevertheless result in a reduced space for experimenting with new institutional forms since they are clearly delimited by law. However, groups of citizens are setting up more and more initiatives framed within the social and solidarity economy with a socially transformative goal, many of them aiming to contribute to the transitions in whatever way possible.

The case of Austria has some similarities to the Spanish situation in the sense that the social economy is well developed and its level of corporatism is quite high as well. However, the evolution in Austria has been more focused on large service providers connected to the third sector on the one hand, and the large cooperative movement, on the other. Therefore, the space left for transformative social enterprises to emerge in this context dominated by social economy institutional forms is currently quite reduced, although some vibrant examples exist (e.g. community-driven social enterprises working with refugees).

The case of Hungary represents a radically different situation due to the legacy of communism and a political regime that is increasingly oppressive toward citizen-led initiatives, thus limiting the potential of the social and solidarity economy. Moreover, social entrepreneurship was introduced and financed in the country via international funders and organisations, so the model at work is less grassroots and more business and entrepreneurs-oriented. The fact that grassroots initiatives could be interpreted as social activism by an unsympathetic government represents a risk in terms of sustainability for the organisations.

The variation in terms of levels of institutionalisation, corporatism, and recognition of the social and solidarity economy across countries poses the question for social enterprises of how to move from an ecosystem based on having key political allies, achieving recognition from governments and political players, and setting up formal coalitions and umbrella organisations (known as "corporatism" or "neo-corporatism") to a post-corporatist ecosystem where all actors show organisational empathy, behave unselfishly to achieve commonly defined goals, and accept pluralism (Barco, 2011; 2016). Particularly in the case of SMart, the fact of counting on an international platform is tantamount to having the network and the message ready to mobilise decision-makers from within the sector as well as from outside.

Regarding the two hypotheses developed in the framework of objective 3, they could not be refuted either on the basis of the basic statistical analysis conducted or the findings from the qualitative analysis. Having said so, as explained later in the "Limitations of the research" section, for the statistical relevance of the hypotheses to be fully demonstrated, further statistical analysis beyond the scope of this research should be conducted. Both hypotheses are succinctly discussed below:

> **HYPOTHESIS 1.** The higher the recognition by public administration of the social and solidarity economy and the higher the tradition of collaboration among them, the higher the possibility of creating a supportive environment for adapting the CASE.

Before discussing the validity of this hypothesis, it should be noted that it does not imply that lack of recognition and/or collaboration with the public sector translates into the impossibility of adapting the operating model of SMart. The hypothesis refers to the creation of a supportive environment, which includes regulations, financial tools, fiscal incentives, capacity building, etc.

The main part of hypothesis 1 relates to two issues namely, the level of recognition by public administration of the social and solidarity economy and the existence of a tradition of collaboration between them. The first issue is captured in the research through the qualitative analysis (contextual factor analysis in each of the three countries), while the second issue is captured in two survey factors by the following items:

- Factor 1: 1.6 *The local government is highly committed with the implementation of SMartX* and 1.7 *The national public administration is highly committed with the implementation of SMartX*.

- Factor 5: 5.10 *SMartX has been fully successful at getting government agencies and officials to create laws, rules, and regulations that support our efforts* and 5.11 *SMartX has been able to raise our cause to a higher place on the political agenda*.

As anticipated, in the countries analysed, where a tradition of collaboration between the public sector and the social and solidarity economy exists, SMart country offices show stronger success rates (in terms of speed of the scaling-up process, number of members, and turnover size). The case of Spain confirms this hypothesis: the longstanding collaboration with the regional government where the headquarters of SMartib are located resulted in a specific cooperative law that supressed all barriers that SMartib could have run into. In addition to this *ad hoc* regulation, SMartib has been able to negotiate special fiscal treatment and some subsidies in the form of social security charges reduction at the national level. Moreover, SMartib has been successful at entering into negotiations with local councils about agreements for specific professional communities (e.g. local band musicians) or the use of empty public spaces. In the case of SMartat the main collaboration with public administrations takes the form of the Office of the Federal Chancellor (BKA) at the national level, while there is no significant cooperation between SMarthu and any level of the Hungarian government. Therefore, while the hypothesis cannot be rejected, it is worth remembering the warning offered when opening the discussion on hypothesis 1: recognition by and collaboration with public administrations is desirable in the sense that it can remove barriers for development and speed up the consolidation process, but it is not essential for the development and success of the initiative.

HYPOTHESIS 2. The higher the level of collaboration of social enterprises as members of the social and solidarity economy, the higher the possibility of replicating a successful CASE model.

This hypothesis can be tested on the basis of the new dimension added to the Weber model, which, as explained in the Methodology chapter, is named "connection to the social economy" and distributed among four of the seven factors via five specific items (1.8; 2.11 and 2.12; 5.12; and 6.8). The items that captured this construct are:

- Factor 1: 1.8 *Other social economy organisations are highly committed with the implementation of SMartX.*
- Factor 2: 2.11 *Our management is perfectly able to position SMartX within the social economy* and 2.12 *Our management perfectly develops a feeling of membership and pride in belonging to the social economy.*
- Factor 5: 5.12 *SMartX has been fully successful at getting other social economy actors to provide support for our efforts.*
- Factor 6: 6.8 *The connection to social economy federations and peer organisations always benefits the implementation process.*

Hypothesis 2 relates to how the level of mutual recognition of social enterprise (and the wider social and solidarity economy context) in a given country can influence the scaling-up process. The initially predicted result was confirmed insofar as the scores assigned to the items above reflect that they are perceived to be considered between relevant and very relevant (item 1.8=4.93; 2.11=5.83 and 2.12=5.89; 5.12=4.83 and 6.8=5.97). Within factor 2, the ability of managers to position the national SMart within the social economy received the second highest score (5.83), while the highest score within this factor's items was given to the ability to nurture a feeling of membership and pride in belonging to the social economy (5.89).

In all, as these five items confirm, hypothesis 2 can be accepted.

The main point within the in-depth country analysis that is relevant to this hypothesis relates to the embeddedness of SMartib in the social and solidarity economy, and its recognition, not so much by other social enterprises, but mostly by the public sector, as we have seen in the previous hypothesis. While this is not conclusive, it indicates a potentially interesting area for further inquiry.

Discussion on objective 4

The aim of objective 4 was to analyse and extract lessons from the experience of SMart, particularly in the geographic expansion process launched in 2006, with an eye on questioning the innovation paradigm applied to culture and the arts and constructing new spaces for social transformation in the cultural field. Ultimately, the aim is to make a modest contribution to the field of social enterprise research in the area of organisational and business model transnational scaling-up and adaptation.

The research question dealt with is: *which are the main factors coming into play in the cross-border replication of the SMart model considered as a CASE?*

Another set of two hypotheses was developed within objective 4. Hypothesis 3 was rejected on the grounds of insufficient statistical evidence (only one item) while hypothesis 4 remained a bit inconclusive based on the survey responses and would require further research. Both are succinctly summarised below:

> **HYPOTHESIS 3.** The more participative the governance model of the CASE, the higher the possibility of adapting the social innovation to the specific context.
>
> The assumption behind this hypothesis was that national SMart offices that had implemented a participative governance model through the inclusion of various stakeholders, including internal and external ones, would have had a more successful scaling-up process than those that had not implemented such model. With regard to the statistical data available, the participative governance system is captured in the survey through item 2.7 referring to the capacity of management to mobilise the internal governance system (how members, staff, volunteers, and directors participate in decision-making). The rating obtained was high (5.13) but it does not represent enough ground to accept the hypothesis, so further study is required. Moreover, although participatory governance is in place in SMartat and SMartib through the regular cooperative structure organs (mainly the Council and the General Assembly), they do not actively engage external stakeholders in these organs. As for SMarthu, the current participatory management mechanisms in place are impacting some of the strategies in an effort to implement a horizontal structure. In any case, the conclusion is that implementing a participatory governance system that goes beyond the mechanisms established by law does not represent a priority to any of the three SMart offices, something that can be explained by the need to prioritise actions and objectives. While consolidating the offer of core services and enlarging the membership base constitute a priority in phase 1 and 2, more effort seems to need to be invested in developing such a participatory governance model in phase 3.

HYPOTHESIS 4. *Two critical factors determine the success of a given social innovation in culture: the type of political regime toward culture and the adaptation to the local context developed by critical actors.*

This hypothesis includes two elements that could be tracked in the in-depth contextual analysis: whether the political regime in a given country (including subnational levels) supports culture and recognises its added value for a more cohesive and vibrant society, and the level of adaptation conducted by critical actors, in other words, the initiators. Unfortunately, conclusions based on the qualitative analysis would not necessarily allow us to accept this hypothesis since none of the regimes in office in the three countries particularly supported politically the transformative value of culture brought forward by CASE beyond the discourse level or beyond random initiatives.

On the other hand, we measured the level of involvement of critical local actors in the adaptation of the SMart model to the local context through factors 5 (ability to obtain necessary resources, not only financial, with a score of 4.74 over 7) and 6 (the increased effectiveness of scaling-up if done in partnership with others with a rating of 4.87 over 7). Therefore, we lack enough ground to accept hypothesis 4 as conclusive for our research, although further statistical correlation among the items should be done. Notwithstanding this result, further research on the correlation between the two (type of political regime and level of involvement of key local actors) would cast light on how macro-contextual factors affect presdisposition to participate in the creation of a CASE.

Discussion on objective 5

The last objective was not so much a research objective as a goal for the completed research process: it aimed at formulating specific recommendations for policy-makers at various levels as well as for practitioners and their representative organisations, including SMart itself, but also EU and local representatives of both culture and the social and solidarity economy. The aim of this research was to make a small contribution to help bridge the divide between social innovation, social enterprise, and culture specifically by emphasising the emancipatory dimensions that they all share and how social science can attempt to understand them by deploying some different tools and approaches to knowledge generation and treatment of scientific results.

The first set of recommendations recognises the fact that, in the face of the commoditisation of common goods and services (including arts and culture), policies supporting the social and solidarity economy (including social enterprises) preserve and foster governance spaces that are amenable to social innovation (Fraisse, 2013). Regarding practitioners, the focus is on professionals working within SMart drawing on the lessons learned throughout this research.

7.2. LESSONS LEARNED ABOUT THE SMart CASE

7.2.1. Lessons learned from the expansion process and the country case studies

This section includes an overview analysis of the seven scaling-up factors included in the Weber model with a view to offering concrete lessons learned and some insight on the SMart model scaling-up process.

From the success factor analysis conducted, it seems that all seven are relevant with ratings over 4 on a scale of 1-7 and two of them being over 5 (the factors are discussed in detail in section 4.3). Further research will be necessary to fine-tune the factors and eventually adapt them even more to the field of culture, but for now, the questionnaires yielded the following priorities in terms of factors perceived as being the most important:

1. Ability to meet social demands (factor 4=5.44): As already explained, the fact that the ability to scale up the SMart model to create social value for cultural workers is rated as the most important factor in the replication and adaptation of SMart, confirming the true social enterprise dimension of the SMart character. Indeed, it is only by being able to meet such need that the transnational scaling-up of the model will be successful.

2. Competence of the management (factor 2=5.23): Indeed, the role of the leaders in ensuring that the social mission is well adapted in order to be delivered in their countries is crucial. Beyond the ability of the leaders to ensure day-to-day operations (technical dimension), they are required to think strategically, particularly in terms of resource attraction and allocation (not only financial). Despite the disparity of backgrounds and histories, all three case studies showed a reaction toward a strongly felt need that required addressing (as confirmed

both by all interlocutors of this research process and the previous analysis on factor 4). In the Spanish case, the host cooperative (Aura) had been doing so for over a decade albeit not within culture and the arts, whereas the Austrian and Hungarian teams had never worked in the service provision area of administrative and legal services for artists and creative workers.

3. Potential effectiveness of scaling social impact with others (factor 6=4.87): The relevance of teaming up and finding synergies with other local partners during the adaptation process of SMart was confirmed through the scores assigned to this factor and the practice of the three case studies. The most telling thing from the country case studies is the wide array of actors included in these alliances both from within culture and the arts (e.g. professional organisations) and also from related fields (e.g. research and education), and even from other organisations (mostly from the social and solidarity economy) committed to the transition movement (e.g. sustainable transition cooperatives hosting a local branch of SMartib). The identification of synergies to launch a joint project is the basis for mutual recognition and gradual identification with each other's values and defining traits, as explained above.

4. Ability to obtain necessary resources (factor 5=4.74): The ability to generate the resources needed across the various phases of the scaling-up constitutes a central and recurrent issue in the in-depth analysis, but it comes in fourth in the list of factors. A possible explanation for this could be the fact that SMartbe investment capacity provides a financial safety net that distorts slightly this factor insofar as no major resource is required to access it. Thanks to this safety net, countries can focus on the previous three factors in the initial phases of the adaptation process.

5. Commitment of the individuals driving the scaling process (factor 1=4.63): The level of personal involvement and commitment of the initiators appears fifth, but it is worth noting that a sharp difference existed between internal and external key actors. While the commitment of the internal actors (founders, SMartbe, management, staff, and volunteers, where relevant) was deemed as highly relevant to having a successful scaling-up process, the external actors (local and national government and also social and solidarity organisations) were not.

6. Entire or partial replicability of the operational model (factor 3=4.43): This factor is connected to the last one and therefore it is not surprising that they appear together in the rating of factors despite the fact that they do not appear connected in the survey.

7. Adaptability of the model (factor 3=4.12): The fact that this factor comes in last in terms of relevance could suggest that survey respondents are very sensitive to the obstacles preventing this adaptability from fully happening, such as the delayed implementation of the on-line tool for the Activity Management core service. In all, since the SMart model hinges on processes related to one of the most country-specific areas (labour regulations and administration). it is understandable that its adaptability cannot be rated as easy and smooth. However, the fact that the need for the service is clearly present across countries (see factor 1 above) bears witness to the willingness to devote as many resources as necessary (including time) to overcome the obstacles to adaptability of the model.

7.2.2. Issues and challenges with the scaling-up process

With a membership base that increases each year, with an increasing retrenchment of the welfare state with public funding cuts and the marketisation of culture, and the lack of a unified voice to represent the cultural sector in Europe, SMart faces numerous challenges at different levels. We divide the discussion into European and country-based challenges.

As the main source of information and legitimacy in the transnational scaling-up process, the importance of the translation function for SMartbe is critical. Therefore it is of paramount importance to understand the brokerage tasks to be performed in each phase of the scaling-up process, as well as the relevance of the various categories of intermediaries and how they can hinder or support this intermediation.

From an organisational standpoint, the homogenisation of processes across countries is required, as well as a certain level of coordinated “organisational engineering”, in order to achieve the turn toward the cooperative model. Paradoxically, ensuring the development of the associative culture (i.e. democratic member participation), while preserving an efficient performance, is vital in order to maintain the level of social value creation and fulfilling the transformative potential. An additional challenge that emerges from the research is the need to strike a balance between the essential proximity dimension of the services and the experience provided by SMart and the never-ending technological innovation to guarantee the most up-to-date tools.

Related to the legitimacy of SMartbe vis-à-vis its members and stakeholders, this ambitious transnational scaling-up process generates several internal tensions revolving around how an organisation created to respond to specific local demands can absorb such burdensome requirements in terms of financial and human resources. A transi-

tioning period already began in 2014 with the arrival of a new management, and several actions were put in place, mainly in 2015 and 2016, to address these internal tensions. Some of the concrete results have been a re-structuring of the EU expansion department; the re-evaluation of the amounts to be lent to country offices, and re-negotiation of the terms; and the increased formalisation of the relationship with the signing of written agreements.

With regard to the research and monitoring, the information and data included in the documents and the background information provided by each national partner could be used in an organic way to inform the process and provide some insight about the scaling-up effort across the country. Particularly, the comparative dimension would be very interesting as it would allow gauging what works best where, and identifying possible trends at the European level. In the context of supporting the European platform, gathering these experiences transversally could provide an added value both to SMart member countries, but also in terms of the positioning of SMarteu as a valid representative of culture across Europe. The work done by the *bureau d'études* of SMartbe could certainly be an ideal starting point, but the ambition would be rather to create an observatory or a think tank (see section 4.2.2) in order to exchange, discuss, and propose alternatives. Two concrete examples in terms of shareable experiences are the "SMartib Interim" aimed at freelancers planned for the end of 2016, which could be used as a model in SMarthu, or the mobility portal developed by SMartde that will be replicated in Austria and could speed up the idea of a panEuropean mobility portal.

In terms of lessons learned, it emerged that some of the profiles within the leading initiators teams should be adapted to the present challenges facing the organisation. Indeed, there is the impression that, in addition to connections with mostly cultural networks, resources could also be tapped by alliance with social and solidarity economy networks and by encouraging country offices to develop closer links with these networks and entities.

Slowing down further country developments seems to be not only a feeling widely shared, but also a reasonable strategy in view of the countries already involved and the very different stages of development that they have. Concentrating on a fewer cases could also allow Smarteu to contribute to identifying funding sources and key partners instead of financing the national initiatives directly.

In terms of lessons learned across the three countries' cases studied in depth, it appeared clear that the categories of actors leading the adaptation process of the SMart model in their countries were radically different. For instance, in Hungary the leading person had a connection with the creative industries emerging there, while the Austrian

team stemmed from the field of the performing arts. In this sense, the Spanish case represented the only multi-category actor-led process with two subgroups within the initial leading team (one connected to the cooperative sector with no previous connection to culture and the other connected to dance and theatre). In all, the single-category actor approach is deemed inappropriate both by country representatives and by representatives of SMartbe, who all tend to value the diversity of actors within the core team of initiators.

However, other contingencies alter the value of a diverse team of initiators, including windows of opportunity that may emerge such as key funding to launch the adaptation process, availability and willingness on the part of a potentially promising actor, or a good contact in countries considered highly relevant for learning about the adaptation of the model to new contexts (such as new Member States). In this sense, as in many other aspects of the transnational scaling-up process of SMart across Europe, there is no determinism ingrained in any strategy. Rather, each new constraint that appears causes new constellations of actors to form (or existing ones to re-organise themselves) which, in turn, has a direct impact on the direction of the organisation.

Delayed payments represent a mayor issue in the countries that offer the guarantee fund (or advance salary payment), namely Austria and Spain (Hungary only began offering it in November 2015). This not only includes late payments in current accounting years (for instance 13% of the invoices issues by SMartat suffered delay in payment in 2014 and 25% in 2015), but also a high percentage of overdue invoices remaining unpaid even several years after being issued (as an example, as of October 2016, 74% of the unpaid invoices issued in 2014 and 2015 remained unpaid). Since the beginning, national offices have been encouraged to put in place a system of invoice recovery, but the focus on implementing the core services and developing the membership base place invoice recovery in a relatively second position within organisations. Particularly, annex 3 of the scaling-up documents (monitoring and evaluation) requests whether the system allows for assessing quantitatively the invoiced amounts; the amounts paid, and the amounts due; issuing and paying date of the invoices and amounts due by invoice, order, and user. The amount of these overdue invoices being significant for a yearly financial result, the main problem is liquidity, which can be solved in the form of liquidity injections from SMartbe. While this may endanger the mother social enterprise if abused, it represents the only alternative for now apart from private banking methods (e.g. loans). Eventually, the strengthening of a European platform could result in the setting up of a European social fund to address this kind of liquidity problem across member countries.

7.3. RECOMMENDATIONS FOR POLICY-MAKING

In general, we confirm the statement that promoting culture and the arts through policy-making within local development strategies may contribute to attuning social cohesion with economic competitiveness, but only if culture is conceived in a broad-based and participatory approach (André *et al.,* 2013).

In this sense, it is worth noting that the key role of traditional institutions wishing to support social innovation, social enterprises, and culture is to revise their assumptions about their own role and level of control of the processes that may produce virtuous circles of social transformation. It is no longer about planning alone and implementing, but about facilitating, co-creating, and ensuring the validity of the process in an ongoing dialogue with citizens. Public administrations have to put into practice multi-stakeholder dynamics and particularly encourage the initiative of driven individuals among their public servants. In this regard, it is important to recognise the limited but "transformative power" of pilot experiences.

Despite the inability of state-level bureaucracies to accommodate civil action, current social conditions have radically transformed and some promising experiences both at national and local levels exist. The most recent is the first nationwide participatory budgeting project announced in Portugal in December 2016. Participatory budgeting allowing citizens to have a direct saying on how public budgets are spent already counts 1,500 programmes worldwide, but the Portuguese had the first national one.[1] Although it is seriously under-financed three million euros), it constitutes a "transformative pilot" that may make strides in restoring trust and contact between citizens and their government and setting the example for other national, regional, and local administrations to do it.

This connects with the fact that "social innovation needs a committed citizen and a civil and civic professionalism" (Montagut, 2014:11). Indeed, the role of the professions and the *ethos* of these professionals represent underestimated factors in the support of social innovations. This is particularly the case in the area of public services, given its mandate to ensure social well-being, but also of other areas of government directly involved in policy-making for social, economic, environmental, and cultural transitions. Indeed, external citizens groups can only connect with good professionals within the body of public servants who already exist but usually keep a low profile. However, they have the potential of connecting with other colleagues beyond departmental or policy

1 https://apolitical.co/portugal-world-first-participatory-budget/

area silos to ally with citizens to put their expertise and experience to work for equity, the public good, and social justice. In this context, public servant professional communities could embrace their transformative potential to co-create with their fellow citizens and other actors of society, particularly the traditional private sector and other social actors such as labour unions. A global example of mobilisation and articulation of this potential is the online network of public servants at POLITICAL (www.political.com), gathering professionals "who care about effective government". This platform constitutes an effective way to not only bring to light "what is working" to make governments both closer to its citizens and more effective, but to raise the profile of internal innovators in terms of potential for change and innovation.

7.3.1. Policy-makers at the EU level

While there are indeed numerous initiatives that show that a road to real social transformation is the collaboration between the public and organised citizens, this collaboration seems to be too far removed when it takes place in Brussels. A recent report from a large European project studying the impact of the third sector criticises the extent to which the third sector organisation community in Brussels might help national and local third sector organisations to overcome barriers and hurdles which restrict their potentials (Zimmer and Hoemke, 2016). The findings are not optimistic insofar as the existing third sector policy community operating in Brussels has limited influence. Moreover, there is an under-representation of organisations from Eastern and Southern Europe if compared with "large member states" such as France, Germany, or the UK.

At the level of social enterprises and the social and solidarity economy, several examples have been discussed in this research as having made great strides in terms of putting them in the social and political agenda (e.g. the Social Business Initiative or the mapping studies). However, much of this support and joint work is being done outside formal documents and under the leadership of specific civil servants, who act as *de facto intrapreneurs* within the European Commission. The high staff rotation and lack of transversal support joins the problem of coordinated action among Directorates General (employment and social affairs, research, growth and industry, enlargement, etc.); together they constitute major obstacles to transversal and coordinated action around social enterprises, causing a void in terms of sustained policies supporting the development of social enterprise, repetitious and even contradictory policy initiatives and waste of resources. The Commission currently in place does not seem to assign the same value to social enterprises that it does to the social and solidarity economy, and so it does not appear clearly in any of the policy work plans and

strategies approved since May 2015. Therefore, four recommendations aimed mainly at the European Commission based on the findings of this research are:

1. To facilitate existing temporary networks of the social and solidarity economy (whether social enterprises or the third sector) finding a way to make themselves sustainable over time (and having a transparent governance), initially with the support of the European Commission. Some of these temporary networks are very efficient and committed as a result of EU-funded projects such as the Cultural Base social platform, the Social Innovation Community, and the Third Sector Impact project. However, once project funding stops, so does the human capital gathered.

2. To ensure the representation of smaller countries and new Member States in any kind of discussion, consultation, or action. This needs to be ensured at two levels, on the one hand, externally via a balanced geographic representation of actors and, on the other hand, internally with the Commission's own civil servants including representatives from as many Member States as possible.

3. To promote the creation of transversal units where policies, programmes, and actions are created in collaboration among different policy areas. The goal is to support policy coordination, systemic transformation, and coherent evaluation across programmes and actions.

4. To nurture committed civil servants, helping them connect with their fellows via formal or informal channels set up for such purpose. In this context, fora for public servants interested in social innovation could be created where they can exchange their experiences and views and eventually begin joint planning. In addition, they could incorporate some civil society representatives as observers.

7.3.2. Local policy-makers

The connection between social innovation and the local level has been discussed before and there are still few policies that directly address the creation of the conditions for a supportive environment. We will focus here on recommendations for policies aimed at the social and solidarity economy and culture.

Some authors have emphasised that local social and solidarity policies could be considered an institutional innovation in itself, insofar as social enterprises and other

social and solidarity organisations represent a pole of resistance toward "new public management" methods that increase competition rules, austerity measures, limited involvement of citizens, lack of transparency in all stages of the process, etc. (Fraisse, 2013). In addition to ensuring the participation of social and solidarity organisations, local authorities have direct impact on the sustainability of these organisations (e.g. via public procurement and the inclusion of social or environmental clauses) as well as a role to play in terms of connecting with research actors and universities.

While European institutions are traditionally blamed for their distance from regular citizens, the risk of localism in policy-making for social innovation remains high (Fraisse, 2013). Localism represents for the most part an added value in terms of embeddedness of practices and nearness of the social value created, but it can also restrict the potential of social innovations not only geographically but in terms of negative behaviors stemming from isomorphist pressures.

The above-mentioned four recommendations aimed at European policy-makers could also apply to local policy-makers insofar as they also have to guarantee: sustainability of stakeholders' networks and platforms; high levels of stakeholders' representation; coordinated and transversal policy work; and internal innovation from civil servants. An additional set of recommendations can be advanced targeting local policymakers:

5. To join and actively participate in trans-territorial networks. By doing so, they are likely to mobilise diverse resources beyond the immediate geographic area. An example of this type of network led by municipalities is the "Network of municipalities for the social and solidarity economy" launched in October 2015 in Catalonia composed of 20 municipalities that represent 40% of the Catalonian population.

6. To allow for testing shared and participatory experiments for local governance (e.g. "new municipalism" in cities) in addition to participating in multi-level governance systems that reinforce vertical governance across geographic levels. Some experiences at the municipal level (e.g. the city of Barcelona) have a solid track record, which reduces the risks involved and offer a good practice for others to test.

Certainly, support from the EU to implement some of these recommendations (see recommendation 1) would contribute to their chances for success.

7.4. RECOMMENDATIONS FOR PRACTITIONERS

7.4.1. Recommendations for SMart

SMartbe expanded to nine European countries in the period of 2013-2015 creating new challenges in addition to the organisational challenges that already existed in such a vibrant and innovative entity. The way in which this process was implemented depended greatly on personal contacts and trust and not so much on a predefined geographic expansion strategy, although an implementation plan was designed and tools were created to help partners along the way. While personal connections and trust certainly help communication, they are also complex to standardise, which has traditionally been the norm across scaling-up practices. In a record-setting time, SMartbe became the facilitator of a project dispersed among a myriad of national and regional cultures. The task was daunting and comprised ensuring the timely implementation of crucial services and processes and their monitoring. Other challenges were avoiding mission drifts and safeguarding the SMart values across the nine countries while guaranteeing as much as possible that a participatory governance was in place.

A transversal issue, however, was of paramount importance for the managers of SMartbe: the *affectio societatis*. Under French law, this term captures a key trait of any organisation: the feeling of belonging of its members. It can also be extended to a project and so the core issue for the transnational expansion of SMart was how to ensure that a member in any of the countries felt a sense of belonging to the European project. The fourth motivation behind this study introduced in chapter one ("to contribute to the consolidation of such European platforms made *of* artists and *for* artists working together despite obstacles and challenges") finds its confirmation in this concrete challenge.

The way in which SMart has expanded has a lot to do with empowering the local level; recognising its idiosyncrasies, dynamics, and relevant actors; promoting participation, exchange, and constructive criticism among members; allowing for failure; and giving itself enough time to make all of the above happen. In parallel, a vision for SMarteu has been in the making since 2010. When this research began it was clear that, while the initial impetus for crafting a vision for SMarteu had to come from SMartbe, it was only by decentralising its development process that the *affectio societatis* could take hold within the country members of the European platform. The objective was to combine the achievement of practical autonomy at the national level with a shared vision and a solid sense of belonging across countries. Partners' meetings were considered the best way to do it, and so a total of seven partners' meetings were held until December 2015, plus two preparatory ones in 2010 and 2011 (see Table 17 for the full list with dates and places).

The way that this European connection was presented in the 2015 Activity Report highlighted the relevance of the SMart brand and the benefit to all members in the form of mobility across the continent,[2] plus the possibility of organised lobbying practices at various political levels and a wider support in the culture awareness-raising campaigns.

Based on this research, recommendations for the implementation of SMarteu include:

1. To encourage processes of entrepreneurship within the SMarteu community by supporting a non-competitive "leader" approach where each country can teach others about areas and actions where they have exceled, e.g. the mobility portal led by Germany and Austria or the development of a new law in Andalusia, Spain.

2. To create a "knowledge hub" as a way to identify and feature good practices, articulate stories and lessons learned, and create a working platform where this knowledge can be exchanged. In practical terms it would be an internal "Agora". Even though language may represent a barrier, the knowledge generated within these meetings should find a way to reach the entire platform.

3. To strengthen workflows and streamline processes. Teams seem to cluster based on cultural and administrative affinities (Austria-Germany or Belgium-France) but, instead of being a burden, bilateral meetings and working teams should be taken as a way to generate new knowledge. The existing online communication tool for SMart staff members is very useful but it is mainly used as a "reminder board" where events and meetings are posted. In this sense, a working tool that allows for putting in common locally generated knowledge to share with other national members of SMarteu would be important.

4. Communication experts are needed to support the translation and facilitation role of SMartbe. Communication entails not only ensuring that messages are exchanged, but understanding the process of engagement of a nascent community that shares needs and interests. The strategy should recognise the multi-stakeholder nature of Smart, which includes reaching out to opinion leaders and "multiplicators", political as well as institutional partners, and the general public. Regarding the tone of the communication, it should be more persuasive than informative so as to provide sense for a new transformative project. More-

2 Efforts in this direction have increased since the end of this research. For instance, SMart participates in the Task Force Cross-Border Culture (T4CBC) which since 2014 works on the creation of a cultural network of border regions. Cultural actors from European border regions are working to reinforce their capacity to work with each other at the cross-border and European levels. SMart is one of the co-organisers of the conference on cultural actors' mobility on 27-29 April in Belgium.

over, it should focus on stressing the ability to address a shared need rather than on the specific services.

5. To engage in a collective reflection and joint strategic planning process at the European level. The "SMart in progress" initiative conducted in Belgium in 2015 constitutes an excellent departing point.

6. The inclusion of representatives of the social and solidarity economy in the team of initiators across countries. As shown by the survey data, item 12 within factor 2, "the ability to nurture a feeling of membership and pride in belonging to the social economy" received the highest score (5.89 points out of 7). In terms of lessons learned for SMarteu, such ratings indicate that it is likely that management teams composed of social and solidarity economy leaders have a greatest chance of success to lead scaling-up attempts in new countries.

7. Departing from the success factors proposed here and in other relevant literature, SMart should also engage in a reflection about which factors seem to be more relevant for each country. Eventually, there should be a more in-depth research that looks at additional factors, analyses all countries, and considers latest developments so as to monitor the transnational scaling-up process. Most importantly, sharing the process with the other national partners would be crucial for reflecting upon past actions to improve future ones.

8. To continue reducing the complexity of the core operational model by making sure that processes that can be mechanised and standardised are in place. This will enable local teams to enhance the proximity aspect of the services and identify key partners and supporters to ensure medium- and long-term sustainability.

7.4.2. Recommendations for representative and umbrella organisations

While the presence in Brussels' policy machinery of the two European communities, that of cultural actors and that of social and solidarity actors, is a strategy perceived to achieve more prominence in the political agenda, some recent studies suggest that this many not be the case (Zimmer and Hoemke, 2016). Or at least, that this is not the most efficient or only strategy to raise the political profile of culture and social and solidarity actors.

In the field of culture

Firstly, SMart clearly marks itself as an agent active in the field of culture, so its association with this diverse and varied sector is explicit in all its communications and actions. All the interviews and the focus groups conducted in this research, as well as the document review, confirmed this conscious bond with this sector, where the social mission of SMart crystalises. One of the concrete ways whereby this belonging is confirmed is the high level of partnership and involvement in the cultural sector, mostly in Belgium but increasingly in the other SMart countries.

One of the success factors analysed in the present model (factor 6, "Potential effectiveness of scaling-up social impact with others") specifically includes three items devoted to the perceived value of collaborating with other organisations (items 6.5 and 6.6) and with other supra-national networks (item 6.7). The rating obtained by these items (6.5, 6.6 and 6.7) was relatively high in comparison with the others (6.13, 6.30, and 5.77, respectively), with item 6.6 on the importance of belonging to networks for the social value creation of SMart as the highest rated. This also was always the sense in the discussions held informally with SMart representatives in the course of this research.

In this context, a natural recommendation for umbrella organisations operating in the field of culture in the countries where SMart currently has a presence is to try and establish alliances that are based on a win-win basis. Indeed, there seems to be a predisposition on the part of SMart country offices to team up with other organisations and institutions active in the field of the arts and culture, not only in production and diffusion, but also education and training and research. The cases of Austria and Spain obviously illustrate this point as they are establishing partnerships with a large spectrum of actors (see sections 5.3.1 and 5.3.2).

Additionally, culture has already been presented as the core to the sustainability question under the label "fourth pillar of sustainable development", closely interlinked with environmental responsibility, economic development, and social equity (Hawkes, 2006). This view has been taken up by the UCLG Committee on Culture and World Secretariat in its Agenda 21 for culture programme and, although it represents a promising way to put culture at the heart of the unavoidable multidimensional transitions that societies are facing, it focuses on the economic value of culture. There is a risk associated with putting the emphasis on the "economic justifiers" for the arts community is general, especially for artists and artistic organisations, "since serving the state as an economic generator is very different from taking risks artistically, or being innovative and creative generally" (Caust, 2003:54).

In the field of the social and solidarity economy

The social economy has a relatively solid presence in Brussels as well as at the national level in some of the countries where SMart is present. However, the focus continues to be very corporatist, i.e. based in traditional social economy families (associations, co-operatives, mutual societies, and foundations). While this helps enlarge the attention toward the agenda of the social economy, there is an aspect that is unfortunately not covered: the startling variety and plurality of initiatives seeking the common good and led by citizens that exist around Europe.

In this sense, the main recommendation for European and national organisations would be to embrace the true plurality that the term social and solidarity economy captures in the sense defended by Hannah Arendt, to escape homogeneity and conformity and enable real transformative action (Arendt, 1958). Plurality is at the core of human action, but the sophism "freedom is an individual dimension and therefore plurality reduces the chances to achieve it" that stemmed from what she considers a wrong interpretation of core concepts from Greek philosophy (and that capitalism consolidated), has limited it relevance in modern societies.

Secondly, as can be seen from the survey data, the teams behind the SMart national scaling-up effort perceive as very important the fact of belonging to supra-national organisations (item 6.7=5.77), particularly to those of the social and solidarity economy (item 6.8=5.97). This is a solid basis for us to encourage social and solidarity economy umbrella organisations to explicitly include culture and the arts as a leading area of action and to position themselves further within the cultural political agendas across Europe.

7.5. LIMITATIONS AND FUTURE RESEARCH AVENUES

7.5.1. Limitations of the research

The most obvious limitation of the research is the timeframe covered (from 2008 until December 2015), which leaves a vibrant developmental period outside of the analysis. Indeed, the research period coincides with critical start-up phases for the organisational lives of national SMart offices, which made them less prone to providing their input. In this sense, without the contribution and support of the SMarteu department, the current study could not have taken place. An additional related challenge has to do with the scattered data and the different level of compliance in completing the documents, which made information on a given experience readily available while virtually nothing existed

on other experiences. Hopefully, by sharing the findings and recommendations of this research with the community of SMart actors, it will be possible to increase the access to them and their experiences with an eye on expanding the issues studied in the future.

In terms of statistical analysis, only rudimentary descriptive statistics have been run, which limits the potential contribution of this research. Having said that, there are a number of analyses that should be performed in order to take full advantage of the data gathered, namely:

- Principal component analysis of the factors presented in chapter 4. This analysis would provide a basis to state the most relevant items and avoid any redundancy that may exist. By doing so, we would earn a deeper understanding of each of the factors.

- Linear regression analysis would allow testing relations between different factors in order to understand which ones are more relevant for explaining the "success" (in terms of amount of turnover, speed of the scaling-up process, number of members, and repayment rate to SMartbe).

Even within the basic descriptive statistics, it would have been interesting to have a clearer sense of the correlation among the elements within each of the factors. This study has only looked in depth into the intersections of categories and countries in specific cases such as the perceived relevance of collaborating with the academic world (factor 2, item 2.6) or the importance of replicating the contract management service via the online tool (factor 3, item 3.2). However, in order to unveil meaningful explanations and relations among categories of respondents, further analysis in the form of regression and correlation would be needed. Analysing such interaction would require not only further statistical analysis but also additional methods that allow for triangulating the information obtained, such as in-depth interviews with the respondents whose ratings show the highest deviation with respect to the mean. In this context, it represents a promising avenue for future research.

Similarly, it would be interesting to look at specific countries to see how perceptions about factor relevance are connected to performance understood as turnover/surplus, membership growth, and reimbursement rate of the initial investment made by SMart (as stated in the point above about linear regression analysis).

By looking at all countries transversally, it would be possible to analyse those that show lower ratings in specific factors that have proven to be critical in the scaling-up of SMart in other countries. This cross-country learning is one of the advantages of having a supranational platform that can monitor the development and extract lessons from each national experience.

Even though SMart places a higher value on collaboration among countries than on competition, further research could look at which among the proposed factors are critical for ensuring a successful adaptation and implementation. Since the conditions of emergence and development and socioeconomic, political, and cultural contexts are so different, it is likely that different countries excel in different factors, thus allowing for a peer-based exchange and learning among SMart countries. By doing so, different country teams could stand out as champions of one or more factors, encouraging others wishing to implement a given strategy with their expertise and experience. Subsequently, national partners would share their experience with the implementation of the given strategy with the rest and particularly the champions, thus creating a positive feedback loop to increase the robustness of the factor to be implemented across countries. By doing so, SMart would stay away from the "cookie cutter" approach to scaling-up and implement a collective learning process capitalising on the variety of challenges encountered across national settings and the various strategies deployed to overcome them.

7.5.2. Promising conceptual and theoretical avenues

In the course of the present research, several areas at the level of concepts and theories have been identified that could strengthen further research in the area of CASE and social transformation.

The first one is the relevance of career paths in order to understand the evolution and the current profiles of professionals within culture and the creative industries fields. The motto "activities turn dreams into reality, and artistic ambitions into professional career paths" (SMartbe, 2012) applies a completely new sense to project-based work by combining it with a collective initiative. Research should be done on the different career stages, the motivations, the barriers, and the conditions under which the subjectivities of current cultural and creative professionals are built.

A related issue has to do with the adaptive strategies that cultural and creative workers have developed to cope with the resulting situation. While launching a CASE (collectively or individually) could be one of them, it is not the only one.

With regard to governance, the multi-stakeholder logic that characterises CASE has an impact on the way in which the organisation is governed as well as on how the services and their delivery processes are conceptualised, delivered, and assessed. Little is known about how CASE strike a balance in terms of representation and participation of the various types of stakeholders. Indeed, although the term "customer" and "beneficiary" are

used in third sector literature (Pestoff, 2001), it remains unclear how responsibility and ownership are shared. In the specific case of SMart, cooperativism has been the form selected as most conducive for the SMart transformational vision. Indeed, even in countries where the legal form selected to establish SMart was different from a cooperative (Belgium, France, and Austria) there is a clear and open move toward cooperativisation of the model. Such a move will bring about a set of issues and organisational challenges related to governance, participation, and communication with stakeholders. An explicit challenge is directly connected to the issue of growth, which is at the heart of the transformations which make SMart thrive, and its conflictual relationship with real participation in the organisation. The key challenge seems to be how to implement commitments, arrangements, and initiatives that ensure sustainable and equal socioeconomic development, not only of SMart members but ultimately of society overall.

A positive development stemming from this move toward cooperativisation is the potential of this new breed of social enterprises (gathered under the wide umbrella of social cooperatives) to support the general interest and to put in place really democratic governance. Moreover, this new breed of social enterprise is generally committed to the various transitions. By combining this new type of cooperativism with the existence of a powerful virtual platform tested and active in nine countries, SMart can tackle the transformative power of "platform cooperativism".[3] Platform cooperativism " is a term that describes technological, cultural, political, and social changes" and constitutes a mindset (Scholz, 2015:14). Alternatives do not abound and are certainly not inevitable, so they have to be nurtured and supported by actors committed to a fair and sustainable transition. In addition to the potential of transforming into a "criticism platform" that embodies resistance and imagines alternatives, SMart already represents a positive alternative that includes new takes on property, governance, and solidarity issues (Scholz, 2015). Analysing the scaling-up process of SMart is tracing the development of its potential to be a real socio-economic alternative rooted in platform cooperativism and a critical network. Therefore, SMart as a concrete example of CASE, offers two basic pillars that are basic for any transformation: meaning and a concrete platform for producing innovative services while generating participation. Indeed, as shown by the country studies and the evolution of SMartbe, the call-for-action and articulating discourse in the field of culture and the arts, and the anti-precarisation and empowering practices counterbalance the gradual dispossession of rights that creative and cultural workers are enduring.

3 Scholz (2015) specifically refers to "democratic ownership models for the Internet" when talking about platform cooperativism. However, the ten principles of platform cooperativism that he proposes can be considered as an update of the original cooperative principles, namely: 1) shared ownership; 2) decent pay and income security; 3) transparency and data portability; 4) appreciation and acknowledgement; 5) co-determined work; 6) a protective legal framework; 7) portable worker protections and benefits; 8) protection against arbitrary behavior; 9) rejection of excessive workplace surveillance: and 10) the right to log off.

The deep local roots of SMart and its international presence give it a unique place to to facilitate the social interaction of its members and stakeholders. In this context, crystallising the mission of SMart is tantamount to turning into a "critical network", both at the European and national/local level, able to articulate "grammars of democracy" that counterbalance the mainstream technocratic and economic regime (Calle, 2013:157). As this research has illustrated, doing so is complex and requires not only that key contacts are established, strategic partnerships nurtured, operational models implemented, and bottom-up dynamics brought into the process, but also that the sociopolitical contexts does not suffocate such an endeavor.

Having said that, critical readings of social enterprises will have to incorporate the internal tensions caused by their being located between the public and the private in the sense of Arendt and Habermas (Laville *et al.*, 2016). Indeed, they are private organisations dealing with the public interest and setting up public policy agendas (Hulgard and Eschweiler, 2011; Laville, 2009; Laville *et al.,* 2016), but they are privately managed, very often with scarce resources. Doing so may mean questioning the entrepreneurship mantra introduced in the motivations section or the very fact that an enterprise is the best locust for collective actions. Moreover, some social enterprises are not focused on their transformative potential but rather their market orientation and development, which has caused a "market of social well-being" to emerge (Montagut, 2014). Describing existing transformative social enterprises and advancing proposals for possible new breeds of social enterprises is beyond the scope of this work, but they will have to strike two critical balances: on the one hand, the social goal and the market orientation and, on the other hand, the combination of top-down and bottom-up dynamics at play within the organisation. In this sense, figure 10 below represents a crucial modification to figure 2 (included again below) that captures the unique transversal dynamic that connects social enterprises to its social transformation potential: the way in which it delivers its social mission, WHAT. The HOW dimension, therefore, cuts across the "social enterprise" square at the centre of the previous horizontal two-point arrow.[4]

4 A third arrow (FOR WHOM?) could have been added in order to capture the multi-stakeholder dimension already described in the literature (Nyssens, 2006). However, I preferred to focus on the less developed "HOW" dimension in contrast to the well know "WHAT" aspect of social enterprises.

Figure 2. Social entrepreneurial activity spectrum

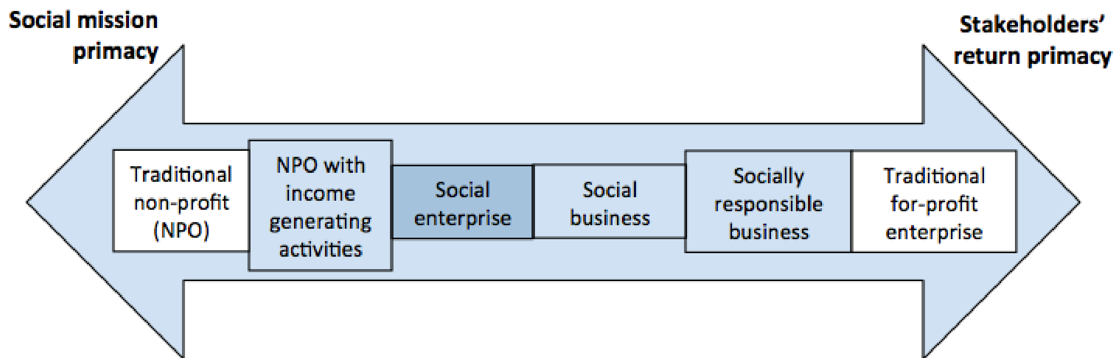
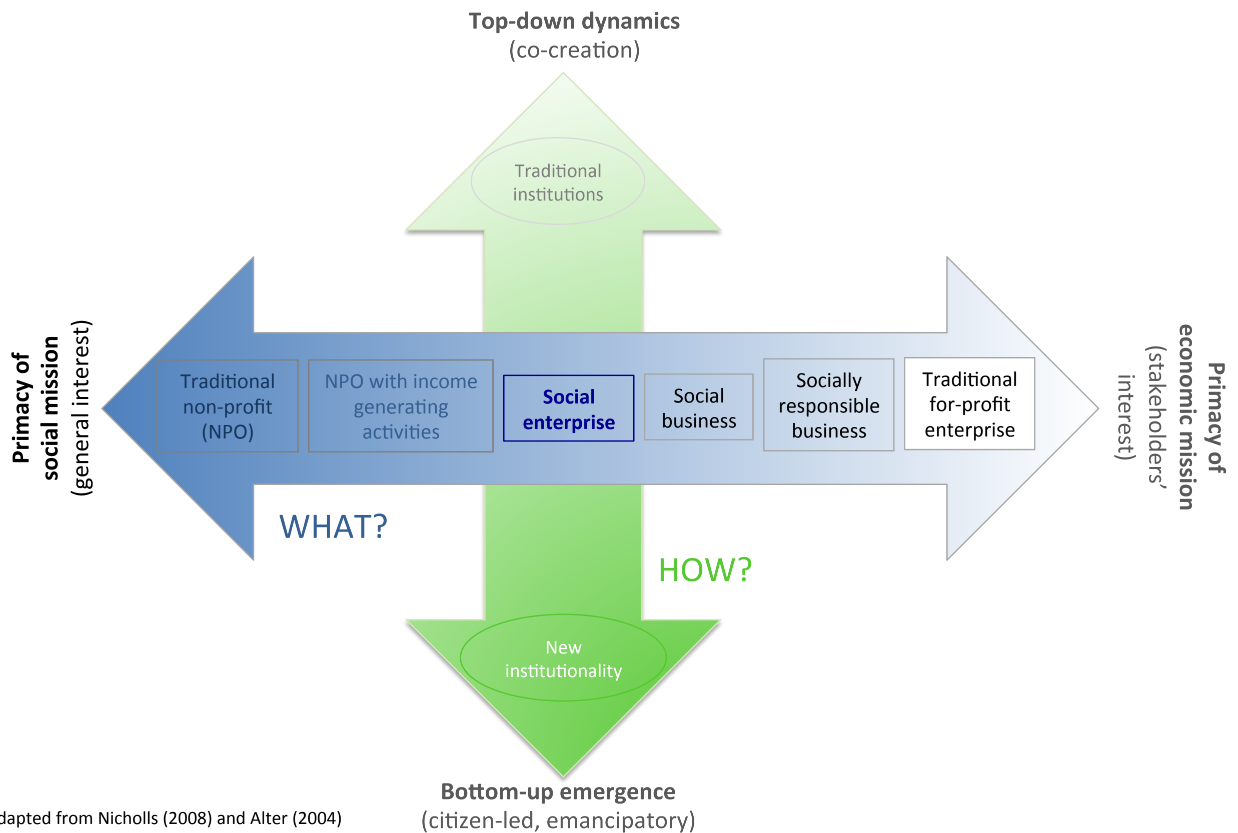


Figure 10. Social transformation in social enterprises: combining the what and the how



Adapted from Nicholls (2008) and Alter (2004)

In this context, terms traditionally associated to the self-organisation of citizens toward a common course of action such as civil society may not be the most appropriate in a context of emergent systems and new institutionality. Indeed, the study of its evolution over time has resulted in a rating of sorts across countries that are evaluated on the basis of a more or less organised and performing civil society. As already noted, invisibilised systems and actors exist, and a way to bring them to the light is by defining and securing institutional spaces where they can participate. Moreover, the term civil society has traditionally been connected to specific institutions and the discussion about their action was limited to the institutional perimeter set within the boundaries of those organisations. In this sense, social enterprises stay once more at another crossroads, only this time that of traditional and new institutionality. The vertical double-point arrow in figure 10 above captures visually this additional crossroads.

The critical contribution of the new institutionality approach

Once Kerlin's macro-contextual factor analysis was conducted, several limitations were observed in relation with the ability of the model to capture tensions produced by newcomer agents, and evolving patterns happening in such a changing environment. With a view on addressing this gap, the "*nueva institucionalidad*" (new institutionality), developed by European and Latin American researchers, offers an interesting framework to continue the inquiry. This approach has been nurtured mainly from urban experiences of trying to reconfigure institutional arrangements to face existing challenges at a time of the weakening of existing institutions. Contributions in this area have also looked at how public policies have been created to accompany such developments (Subirats and García, 2015).

New institutionality has already been operationalised and tested. One of the models is the one proposed by Laville and Sainsaulieu (1997), who set out to capture some of the tensions emerging from the oscillation between originality and normalisation within institutions. Indeed, focusing on the case of associations, they claim that the institutional dimension should be studied from a historical angle that captures the moment of their creation, but also throughout their life course as they clash with the institutional order first and then engage in normalisation processes, which ultimately produce different effects.[5] His analytical framework indeed aims to capture the "retroactive loops between project and organisations ... by making explicit the iterations between the dynamics of the project and the organisation that carries it and which can result in its redirection or redefinition" (Laville and Sainsaulieu, 1997:382). It includes five areas of study: 1) The identification of the institutional logics; 2) The relationships within the institutional framework; 3) The breakdown of the various resources; 4) The socio-professional analysis; and 5) The strategic and cultural analysis.

5 They distinguish three in the case of associations: recuperation, banalisation and instrumentalisation.

Although SMart is not set up formally as an association across the three countries studied (Austria, Hungary, and Spain), the model fits the overall vision for SMart at the European level driven by the collective action of members who mobilise resources from several sources and aim at a larger project of political transformation.

7.5.3. Methodological proposals for future research

Scaling-up success factor model for social enterprises

By applying the only available model to measure the critical factors that influence the transnational scaling-up process of a social enterprise (Weber *et al.*, 2012; Weber *et al.*, 2016), this study aimed at testing it in the particular field of culture and the arts. The model was proposed first and revised a few years after, mostly at the level of number of factors and pre-requisites added. As already explained, the timing of publication of these revisions did not allow incorporating them into the survey used in this research. However, the original model applied in this research seemed to capture effectively the various dimensions and the critical factors at play in the scaling-up process, as shown by the rating of the factors, the limited number of items left unanswered, and the fact that the open-end responses included in the questionnaire in the form of "comments" did not indicate major additions to the items presented in each factor.

Analysing the revisions of the model *a posteriori*, it would have been interesting to refine some of the items, particularly those used to capture the interaction between the source organisation and the national partner and those used to capture the cost of transfer costs, both internal and external (Weber *et al.*, 2016).

When it comes to the external key stakeholders and interlocutors for the adaptation and implementation of the model, it is usually public sector actors (local and national administrations). The presence of public administrators is explicit in factor 1 (items 1.6 and 1.7) and factor 5 (items 5.10 and 5.11), and in both cases, the perceptions of the survey respondents suggest a low involvement in and support of the project on the part of public policy-makers.

An interesting player that appears to be missing from the model is the traditional for-profit sector whose ability to leverage some of the strengths associated with their market orientation have been tapped for decades now via partnerships and joint actions both with cultural and social and solidarity actors. Such interaction is likely to be more intensive in countries with a long-standing philanthropic tradition and high levels of entrepreneurial culture or where the presence of the welfare state is reduced or non-existent.

The main contribution of the current research to strengthening the Weber model, then, relates to highlighting the key importance of the connections within the social and solidarity economy. The focus was on this aspect and not on allegiance and connections to the culture and the arts world due to the fact that the latter is most prominent in all communication and the positioning of SMart in each country. However, allegiance to the social and solidarity economy may pass unnoticed to potential and current users who are not familiar with the term. In this context, a stronger effort (beyond simple recognition of the selected legal form, usually a cooperative) has to be made to bring that trait forward and to connect the new organisation to the larger social and solidarity economy. As we have seen, in those cases where the connection is explicit and stressed (e.g. Spain), the adaptation and membership increase rate seem to be faster. While this dimension could be captured in part by success factor 6 in the revised model, "Legitimacy and reputation", Weber interprets this factor in terms of "prizes, honours and media presence" (Weber, 2016: 21) and not in the way it was understood in this research.

Operationalising the new institutionality approach

As we have seen above, the new institutionality approach could help bridge the main shortfalls observed in the method deployed for this study. The analytical framework includes five areas, each of them focusing on observing five distinct dimensions: the institutional logics; the relationships with the institutional framework; the various resources mobilised; the socio-professional situation; and the strategic and cultural context in place. The research design of the framework includes recommended methods for gathering data in each of the areas.

The institutional logics identified by Laville and Sainsaulieu (1997) include two different types of logics, namely, *instituting logics* (those that stem from the domestic realm, are based on help or self-help, incorporate an aim to mobilise people, and are multilateral) and *isomorphic logics* (those whereby actors set up as a reference for developing the institution the idea of the private or the public realm). From a methodological perspective, the authors emphasise the danger of trusting only one view instead of comparing and confronting a multiplicity of discourses. This analysis has the merit of bringing to the surface the interaction between possible logics and whether there exist an opposition, juxtaposition, or compromise among them.

Table 60 below summarises the analytical framework of the new institutionality approach by including its four main areas and the central points the authors suggest to focus on.

Table 60. Analytical framework

Area number and title	Main research foci
1. Identifying the institutional logics at play (domestic, help, self-help, movement or multilateral)	Convergence (or divergence) between the discourses and implemented processes around: › Shared conceptions: solidarity; social action; representations of relationship between public and private spaces; representations of production. › Characteristic processes: relationship with the creators/staff; relationship between creators/staff; and membership modalities. › Defining traits: risks and opportunities.
2. Relationships with the institutional framework	› Resistance and redistribution of resources (production, co-production). › Explicit strategies to impact the institutional framework (deconstruction, construction, co-construction).
3. Determining the various resources mobilised	› Nature and origin of the resources (market vs. non-market and within the latter, stemming from reciprocity or redistribution).[6] › Relationship with the public sector. › Political and social embeddedness.
4. Understanding the socio-professional context	› Structural configuration (simple, professional-bureaucratic, divisioned, and adhocratic)
5. Conducting an strategic and cultural analysis	› Sources of power (i.e. resources to tap in order to manage an incertitude or risk) mediating the relationship among groups (understanding, tacit collusion, negotiation, and conflicting opposition). › Unifying values, socialisation practices.

6 Since the original framework proposed by Laville applies to associations, the reciprocity logic is more common that in the case of SMart which, following the author's own terminology, could be referred to as a "quasi-enterprise". This means that volunteers for instance are not formally foreseen even though de facto members of SMart could act as volunteers in the organisation of events and initiatives to engage new members.

7.6. CLOSING THOUGHTS: ON THE ROUGH SAILING OF TRANSITIONING TOWARDS SUSTAINABILITY

As I hope to have illustrated with this research, a vision of change can be articulated stemming from emerging systems led by citizens; and SMart has the potential of becoming one. Ultimately, what is a stake is the ability to overcome the current dissatisfaction with existing institutions, mainly political and economic systems as they are highly unequal, and transform them into emerging systems for change.

The role of culture and the arts is so vital that no transition toward sustainability will be plausible without a profound transformation of how we relate to them and reposition them in the value system of our societies. Leaving aside the justification of culture by its weight in national GDP, it can be stated that the cultural and artistic sectors lack an articulated and solid discourse that supports their unique contribution to European society. An "emotional" starting point could be to ask ourselves: what would we do without culture? When a theater or a cinema house closes, when a group of young dancers abandon their dream of setting up their company, or when an artist cannot perform her work because of the lack of support structures or because the opportunity cost to do so would be too much to bear, it is not only the economy that suffers. It is mostly society and its potential to imagine alternatives that shrinks.

Despite warnings that "the transition will not be smooth sailing", the truth of the matter is that the alternative of not riding in the boat may be too expensive for humankind and the planet to bear. The current challenge is moving from extractive capital to generative capital (Kelly, 2012), and citizens have proven their potential as creators of this capital based on different dynamics. The efficiency of the mask of scarce resources under which capitalism used to hide has fallen: "in the old days, capitalism was a way of allocating resources in a situation of scarcity, but now it is an engineered scarcity system" (Bauwens and de Grave, 2016:306).

It is my hope that this research has generated some solar and wind impulse for our boat to continue the rough sailing toward the transition still ahead of all of us.

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ANNEX 1.
RESEARCH DESIGN AND METHODOLOGY

1. RESEARCH TECHNIQUES AND DATA GATHERED

Given the length of the information gathered around methodology, we decided to create an Annex in order to avoid interrupting the reading process of the thesis. The research methodologies deployed in the course of this research included six main types of techniques: direct (participant) observation, desk review, interviews, focus groups, questionnaire (Likert-scale survey), and contextual factor analysis. They are explained below including the different tools developed to achieve the research design goals.

1. Direct (participant) observation

The relatioship of the author with SMart dates back over a decade, when we interviewed Pierre Bernotte, one of the two co-founders of SMartbe, and his collaborator, Marc Moura on 4 July 2006 in the framework of a master's thesis. Using the transcription of that interview again in the framework of the present research brought to light the fact that replication was already central back then. As a matter of fact, the discussion opened around the ongoing adaptation process that had began to launch a SMart in France. It was an incredibly interesting and log interview that contributed a lot to the uniqueness of my master's thesis. When at some point during the interview the possibility of adapting the SMart model for Spain, he replied: "Then, take it on and launch it in Spain yourself!" Eleven years later, Mr. Bernotte's words were already very telling of the philosophy of SMart in relation to how they saw their proven model being replicated in other countries: openness on their part and enthusiasm and commitment on the part of the local partner, together with

a feeling of personal understanding and getting along. A few years after, in December 2011 we learned via a newsletter on the social economy in Spain a small news piece featuring the fact that the Belgian SMart model was going to be taken up by a social cooperative (a recognised form of social enterprise) from Andalusia, which incidentally, is the region where I come from. Immediately, we contacted them to introduce myself and to request an interview to share my knowledge and experience with them and offer my support at any level. It turned out that the central office of Actua was in my hometown, Seville, so a meeting with the two key people who were carrying the initial effort of launching SMart in Spain was organised. From then on, we joined the feasibility study phase in Spain on an advisory role, providing support, contacts, advice and follow up as needed. We were in constant communication via email, telephone and personal meetings during the first year and a half. Particularly, a meeting with a possible investor (a private impact investing advisory firm supporting social entrepreneurs) was set up; contact with the communication professional who would later on join the SMartib team as head of communication was facilitated; and connection with the Madrid's umbrella organisation of cultural and arts managers, AGETEC was established. A few months later, an agreement was reached between the two organisations to set up the Madrid branch sharing the first staff person and an office space. The arrangement worked very well for over a year and in the end the person became a full time employee of SMartib and Agetec had to find some other type of support. When the organisation was finally launched, I was invited to the opening event, all the General Assemblies and finally, after becoming a member in 2015, the author was elected by the other cooperative members to be a representative in the Managing Council. This was December 2015, which corresponds to the period covered in this research. Since the head of communication of SMartib began in her position, we accompanied her closely acting as external adviser both to her and the president. This advisory role became formal after the election to the Managing Council via full-day working meetings with her and some of the local *asesores* to reflect on actions conducted and plan a full communication strategy and its relevant actions.

2. Desk review

Within this section we include two types of techniques: literature review and document analysis.

1. *Literature review*: Reviewing the literature required a significant effort since it included several disciplinary strands and most of them are in the process of consolidation. Most of the literature review was completed by July 2015 although subsequent adjustments and additions were done afterward.

2. *Document analysis*: A lot of material has been produced in the course of the replication of SMart national organisations as well as the European network of national SMart centres (SMarteu). Thanks to the support of the Coordinator of International Projects at SMartbe it was possible to have access to some of them. Document analysis has been an essential pillar of for progressing and we created five categories: replication documents; internal documents; meeting minutes; communication material; news and others. Over 200 pages of these documents were read and analysed.

   - Background information: The major source of written background information to analyse the various SMart experiences were the website pages, the Local Information Questionnaire or LIQ (although not all countries prepared it) and any report presenting the organisation.

   - Replication documents: we studied the documents created *ad hoc* to enter the process of creating a SMart office in a given country. Particularly they included the Local Information Questionnaire (LIQ) for two of the countries where the in-depth analysis was done (Austria and Spain); the SMarteu_Territories_Checklist (including the "TheSmartTeam"); and the SMarteu_First operations. Information and guidance services and the SMarteu_First operations checklist.

   - Meeting minutes: These include minutes from national as well as European meetings, which were held in different cities in Europe.

   - Communication materials (including press releases and news, when possible): Due to the relevance for the official and unofficial discourses put forward by the organisation, we conducted an analysis of some of the organisation's promotional materials, Internet site, press clippings, as well as members and other stakeholders' statements.

   - Others: In this category we have included mainly the materials that have emanated from some of the participatory processes put in place by SMartbe to define collectively the future of the organisation (i.e. SMart in progress).

Below, we summarize the various documents analysed in the course of this research. The list is organised aiming to cover the EU project and then the national SMart offices. Within the latter, we divided the six into those that were studied in depth (Belgium, Austria, Hungary and Spain) and those that replied to the questionnaire (France and Italy). The Netherlands and Sweden were not included as it was not possible to include them in the study.

Table 1. Documents and information included in the document analysis

SMarteu	
Background information	› Public website (http://smart-eu.org) and blog (http://smart-eu.org/blog) › Annual Report of the EU Development Unit 2011-12 › Annual Report of the EU Development Unit 2012-13 › Annual Report of the EU Development Unit 2014
Replication and work documents	› SMart Functional Specification: Local Information Questionnaire (LIQ) › SMarteu Territories Checklist › SMarteu Territories Checklist: TheSmartTeam › SMarteu First operations: Information and guidance services › SMarteu First operations checklist › Comparative financial evolution until 2016
Meeting minutes	› EU Partners Meeting (22/10/2011) › EU Partners Meeting (28-29/2/2012) › EU Partners Meeting (19-20/6/2012) › EU Partners Meeting (29-31/10/2012) › EU Partners Meeting (3-4/12/2013)

IN-DEPTH ANALYSES	
SMartbe	
Background information	› Public website (http://smartbe.be/fr/) › The Activities in the Production House
Replication and work documents	› Questions Activity Registration appointment

Press releases	› Refaire le monde...du travail – Une alternative à l'ubérisation de l'économie (25/10/2016) › SMart devient la plus grande coopérative de freelances en Europe (21/06/2016) › Commandes annulées, spectacles déplacés... : SMart crée un fonds d'indemnisation (26/11/2015) › SMart in Progress – 30 juin 2015 (22/06/2015) › Economie sociale, secteur culturel et créatif (10/06/2015) › Sandrino Graceffa prend la direction de SMart (04/04/2014) › 30 mesures concrètes pour voter culture (01/04/2014) › Se lancer dans un parcours artistique (06/03/2014) › Réforme du statut social des artistes – épisode 2 (22/11/2013) › Réforme du statut social des artistes – épisode 1 (19/11/2013) › Le tribunal fait, l'ONEM défait (03/10/2013) › Protection de l'intermittence: victoire des artistes face à l'ONEM (22/07/2013) › Statut d'artiste: le verdict est tombé! (28/06/2013) › Statut d'artiste: une régularisation le vendredi 28 juin au tribunal du travail? (17/06/2013) › L'APMC interpelle la Ministre Fadila Laanan (23/11/2012) › Statut de l'artiste: l'APMC réagit (17/10/2012) › Elections communales: la culture s'invite dans les débats (18/09/2012) › Statut de l'artiste: un avis du CNT contrasté et incomplet (08/08/2012)
Other material	› Livre vert "Libérer le potentiel des industries culturelles Proposition de réponse faite par SMartbe" (response for a consultation launched by the European Commission)
News	› "SMart inaugure une Vallée dédiée aux créateurs", Le Soir, 5/11/14 › "Le renouvellement de l'art d'entreprendre", Libération, 7/11/14
SMartat	
Background information	› Public website (http://www.smart-at.org/)
Replication document	› SMartat Local Information Questionnaire (LIQ, 90 pages)
SMarthu	
Background information	› Public website (http://www.smarthu.org/) and blog (http://smarthu.org/blog)
Replication and work documents	› SMarthu Local Information Questionnaire (LIQ, incomplete) › SMarthu profit and loss accounts 2014-15 (projections for 2016)

SMartib	
Background information	› Public website (http://www.smart-ib.org) › Activity report SMartib 2013-2014
Replication and work documents	› SMartib Local Information Questionnaire (LIQ, 258 pages) › SMartib profit and loss accounts 2013-15 (projections for 2016)
Meeting minutes	› Summary of working days 3-5/10/2014 › Summary of meeting at CADE Alameda (28/04/14) › Summary of meeting at Consejería de Economía (29-04-14)
Press reléase	› Launch of SMartIberica (10/5/2013)
Other material	› Draft of the agreement Agetec-SMartib

Responsive country cases	
SMartfr	
Background information	Public website (http://smartfr.fr) Charte SMartfr. La culture - un secteur socio-économique en profonde mutation
Work documents	Rapport de la visite de Grands Ensemble à Lille (16/03/2015)
SMartit	
Background information	Public website (http://smart-it.org/)
Work documents	SMartit Local Information Questionnaire (LIQ, 132 pages)

3. In-depth interviews

As already explained, there were two types of in-depth: on the one hand, those conducted in the originating social enterprise, and on the other hand, in the three different countries studied in depth for the contextual adaptation processes. The goal of the first batch of interviews was to understand the design of the expansion strategy and the assessment of the process. Fieldwork began in March with a visit to the source organisation SMartbe in Brussels, Belgium, where two in-depth interviews were carried out to the General Director (Sandrino Graceffa) and one of the founders (Julek Jurowicz) in March 2015. Interviews guidelines were developed; the language used in both interviews was French and they were recorded and transcribed.

A second batch of interviews was conducted in the three case study countries in the form of key informants' validation. The objective was to assess the validity of the findings and conclusions of the present research. We prepared and sent representatives from SMartat, SMarthu and SMartib a draft version of their national case study report and send them a short closed questionnaire. In combination with the data analysis, the opinions from these key informants' helped validate the main results of the analysis. The consulted key informants are included in the table below.

Table 2. Key informants within selected national SMart case studies

Expert	Profile	Country
Laura Acosta	Head of communication	Spain
Dária Belinskaya	Founder and Manager	Hungary
Sabine Kock	Founder	Austria

Particularly in the case of the three national interviewees, their responses respond to a combination of information and perspectives that illustrate their subjectivity and social identity (Hammersley and Atkinson, 2001). Indeed, we proceeded as followed: in the case of the Austrian, Hungarian and Spanish interviewees, we sent them the results from the quantitative and the contextual analysis pertaining to their countries and asked them to 1) review the account that had been made about their national process; and 2) share with us their impressions about the way the process had been articulated. The interview were semi-structured around these two main axes and several additional questions where added focusing on the main hypothesis of the study. An interview structure was developed aiming to guide the discussion according to some issues con-

necting the discussion to wider theoretical issues with some concrete questions. They were conducted via Skype with the Austrian and Hungarian representatives and face-to-face with the Spanish one toward the end of the research.

4. Focus group

In the context of the present research, the focus group technique has been used as data collection instruments in combination with other research methods such as in-depth interviews and surveys. The main purpose of focus groups is to obtain collective information "in action", i.e. participants in the focus group interact and therefore provide also information with that interaction. For this purpose it is fundamental that the composition of the focus group offer a variety of standpoints: a single-viewed focus group will not work properly and will not provide the adequate type of information.

The focus group held in March 2015 was audio recorded and participants were informed of this. All participants were given the chance to express their views on the proposed questions and in the end; a short wrap-up was done including next steps. The main objective of this focus group was to understand perceptions from various actors involved in SMartbe about:

1. The core mission and operational model of SMart.
2. The pertinence of the current SMart model to achieve such mission.
3. The contribution of the SMarteu initiative to the overall mission.

The discussion of the focus group was open and dynamic. The following four questions were used by the facilitator to spark the discussion:

1. How would you describe the mission of SMartbe?

   The mission is the social objective of the organisation. It is what makes it unique and what creates the unique added value of the organisation in general and with regard to other present/potential competitors.

2. Please describe the operational model of SMartbe. *An operational model includes de specific combinations to achieve social and economic value/impact and it is designed in accordance with the social mission. How an organisation operates across a range of domains in order to accomplish its function (people, processes, technology, locations and buildings, suppliers and business partners)*

3. In your view, how well is SMart delivering its mission?

   Considering the long history of SMart, how has it changed over time? The mission of an organisation tends to stay quite stable and new processes and strategies are usually in support of the mission.

4. In your opinion, what have been the most positive actions taken toward the fulfillment of the mission? (Mention at least three)

   Among the various products, services and processes that contribute to ensuring that SMart's mission is attained, which three are for you the most unique and distinct ones (in general and also with regards to present/potential competitors)

5. In your opinion, which actions may have fallen short in contributing to the overall mission? (Mention at least three)

   Sometimes, products, services and processes conceived to enhance the work toward fulfilling a mission fail short in their implementation or results.

6. How acquainted are you with the SMarteu initiative?

   How did you learn about the replication/adaptation strategy of the SMart model and are you involved in it (how)?

7. As far as you are concerned, what are the potential benefits for the cultural sector in Europe emanating from the SMarteu initiative? What about potential obstacles?

8. In your view, what are the potential benefits for SMartbe emanating from the SMarteu initiative? What about potential obstacles?

Unfortunately, the recording of the two-hour focus group was lost due to an accident so the findings emanating from it were recovered from notes taken during the event.

5. Questionnaire (Likert-scale survey)

The type of survey selected for this research was a common rating format questionnaire developed by Rensis Likert in 1932 in order to capture respondents' attitudes towards a given topic, in this case, the replication process of SMart in their country. Some specificities about Likert-type data include that the results constitute ordinal data (we cannot know the distance between the points, only which one is higher than the other). In other words, the ranking of responses can be done but the distance among them cannot be measured.[1] More specifically, you can measure the numerical distance between 2 and 3 but such difference does not really have an equivalent distance in the qualitative reasoning of the respondents. However, Likert scales are also treated as interval scales when traditional descriptive statistics like means, standard deviations, etc. are applied. In this research, we did apply some basic descriptive statistical analysis but we are aware that such data needs to be treated carefully. Secondly, variables (or factors) are composed of several items in order to capture the complexity of the concept covered and operationalize them.

In order to be able to carry a meaningful data analysis with Likert-type data some considerations need to be taken into account at the questionnaire design stage. In our case, considering that we had a series of Likert-type questions that aggregated describe a factor, we knew that we would be able to use means and standard deviations to describe the scale.

Like with any other methodology in social science research, there are specific bias (in addition to the limitations described above) that apply to Likert scales:

- A central tendency bias as respondents tends to avoid using extreme response categories.
- An acquiescence bias which implies that respondents tend to agree with statements as presented.
- A desirability bias as respondents have a tendency to portray themselves or their national SMart office in way that looks nice from a social standpoint.

However, while these distortions may certainly constitute a problem, they also represent unique opportunity to detect salient responses that stand out from the rest. This is the rationale that we have followed for our analysis and it has proven to be quite fruitful.

1 There are typically four scales of measurement: nominal, ordinal (or ranked), interval, or ratio scales. For this research, we assume the ordinal nature of Likert items and scales although the scientific community is far from agreeing on this (Knapp, 1990).

Analytical model for the replication of social enterprises

We run a survey across representatives of all countries where SMart is present based on a quantitative model developed to assess the factors influencing adaptation and replication of SMart in the different European countries. The model used was the one developed by Professor Weber and her colleagues specifically for social enterprises in 2014 and updated in 2016. The revision of the model entailed the inclusion of two prerequisites and the reduction of the success factors from seven to six (Weber 2014, 2016). Unfortunately, the 2016 refinement of the model was not available when this research was defined and the survey launched, so the seven factors identified in the original model were maintained for this research. In all, the result was satisfactory in the sense that it captured critical factors for the scale up attempts completed across the selected countries.

The definition of the items was based on the original 2014 text by Weber together with the documents analysis conducted by the researcher to identify the representative aspects that would effectively capture the specificity of the SMart scaling up attempts. For instance, a crucial area that seemed to be missing based on these analyses was the sense of belonging to and identification with the social economy as well as the interaction with other institutions, organisations and actors of the social economy. In this context, we proposed a dimension named "connection to the social economy", which was distributed among four of the seven abovementioned areas or factors via five specific items (1.8; 2.11 and 2.12; 5.12; and 6.8).

Future developments of the present research are likely to incorporate a combination of the two versions of the Weber model with a specific item devoted to the "connection to the social economy" factor. Table 1 in the text (replicated below as table 3) presents the seven factors studied to measure perceptions of the scaling up process while the next two sections offer a detailed description of each as well as the items they include.

Table 3. Measured success factors for scaling up as included in Weber (2014)

Success factor	Questions	Number of items
Commitment of the individuals driving the scaling process	1.1 - 1.8	8
Competence of the management	2.1 - 2.12	12
Entire or partial replicability of the operational model	3.1 - 3.12	12
Ability to meet social demands	4.1 - 4.6	6
Ability to obtain necessary resources	5.1 - 5.12	12
Potential effectiveness of scaling social impact with others	6.1 - 6.8	8
Adaptability	7.1 - 7.7	7
	Total	65

Description of survey factors and items

In this section we describe the seven factors originally described by Weber (2014) and briefly explain the various items that compose them.

1. Commitment of the individuals driving the scaling process (8 items)

A particular critical factor is the commitment of the leader (normally an individual but occasionally also collective) driving the scaling process (CASE, 2003). An important aspect to consider is that the role of such leader is likely to be transformed in the process: whether more partners or more employees will come on board, the result will be an increased need to delegate and follow strategic issues (Weber, 2016).

In this area, we assessed perceptions of the level of commitment of the key people involved in the process of adaptation to the various national contexts. Eight items were included in this factor: the first four ones related to the commitment of individuals from within the organisation, namely the initiators, the source organisation (SMartbe), the management and the staff; the fifth one (1.5) related to volunteers, is likely to receive

different ratings as different legal frameworks do not foresee their incorporation (cooperatives) while others do (associations). Lastly, the commitment of relevant external actors such as public authorities (local, regional and national) and other social economy organisations are captured by items 1.6 through 1.8 respectively.

2. Competence of the management (12 items)

The solid set of competences refers to the ability to ensure day-to-day operations while thinking strategically. Managers ensure that the timing and priorities are defined correctly in the resource-intensive scaling-up process, while putting in place evaluation and corrective measures and ensuring that the social mission is achieved (Dees 1998; Weber, 2016). Timing is important at two levels: in relation to the speed of the process and in relation to the lifecycle of the organisation. Indeed, different opportunities and threats exist depending on whether the organisation has just been established or whether it has been active for a number of years) (Weber, 2016). Not all managers are well-versed in the intricate ins and outs of scaling up so they may require some training or coaching if needed.

This set of 12 items captured the specificity of the competences that social enterprises managers should have in order to ensure the implementation of national SMart initiative and ensuring its sustainability. However, as suggested in research objective 3 in the Introduction, Weber's scaling-up framework for social enterprises neglected an exceptional competence that impacts the possibility of carrying out a successful replication attempt of the SMart model: the ability of being recognised by and interacting with the larger social and solidarity economy (both local and national) in order to position the national SMart organisation in a relevant position among social and solidarity economy actors. We tried to overcome this shortcoming by adding the last two items (2.11 and 2.12) in order to measure how important this competence was rated.

3. Entire or partial replicability of the operational model (12 items)

We understand replicability as the ability of an organisation "to reproduce not only its products and services, but also, where appropriate, its structures and processes – nationally and internationally" (Weber, 2016). As already explained, the main operational model of SMart is composed of the five core services offered: contract and/or activity management (ideally via online tools); information and advice; debt collection; guarantee fund and insurances. These five core services generate social impact most effectively (Weber, 2016) so scale up attempts focus on maintaining them in the various countries where SMart is present despite the high variance in the national contexts. Other "additional services" (financial services; online community; co-working spaces; professional trainings…) can exist but depend largely on the goals set and resources available for each national organisation.

The items developed within factor 3 address whether the SMart operational model is easy to replicate fully in other countries or whether intensive adaptation is needed. The 12 items that compose this factor refer to how easy it is to replicate the SMart model but also its link to the social mission of the organisation; the last four items try to connect specifically the failure of a successful scale to the absence of several elements (network and legal resources, financial resources, peer-to-peer support, and business coaching and support). Weber (2013; 2016) recommends reducing complexity of the core operational model by implementing standardisation and mechanisation in as many processes as possible (e.g. contract and/or activity management). Similarly, those elements of the operational model that can be fully tailored to each country context and whose standardisation and implementation depend on the local SMart team are likely to be easier to replicate (e.g. information and advice sessions for members).

The last four items aimed to establish connections with possible sources of failure to reproduce some of the core elements of the SMart operational model in the given country, namely, the lack of network and legal resources (3.9); the lack of financial resources (3.10); the lack of peer-to-peer support from others working in similar fields (3.11); and the lack of business coaching and support (3.12).

4. Ability to meet social demands (6 items)

If we assume that maximising the delivery of the SMart mission is the primary driver for implementing it in different countries, we would like to assess how replication of the elements of the model is able to scale up the creation of social value most effectively both in quantitative and qualitative terms. In order to do so, this factor is divided into six items that focus on the social value proposition (the fact that the offer of SMart addresses a specific social need shared by a specific society group in the country (4.1) and that it does so effectively (4.2) and innovatively by offering services that did not exist before or were insufficient (4.3). The next two items capture two of the most common risk factors when scaling up, namely operational challenges (4.4) and economic challenges (4.5). Lastly, item 4.6 refers to how well the new Smart venture has attracted its target.

5. Ability to obtain necessary resources (12 items)

This factor captures whether the various SMart initiatives will be in a position to generate the various resources that it needs across the various phases of the scaling up via internal human capital (initiators, management, and staff) or if it will need to call upon external supporters, partners and networks to do so (Weber 2016). Weber (2013; 2016) describes these resources as primarily financial capital, human resources (particularly knowledge), social capital and proof of concept. Through the 12 set of items the constrains and opportunities perceived to be the strongest can be identified with a view on reduced and increasing them respectively in order to maximise the social impact of the initiative. Items related to financial capital include 5.2, 5.3 and 5.5; related to human resources include 5.1,

social capital include 5.6, 5.8, 5.9, 5.10, 5.11, and 5.12 (the latter specifically connected to other social economy actors); while proof of concept-related item includes 5.4.

6. Potential effectiveness of scaling social impact with others (8 items)

This factor aims at understanding the role of partnering in the replication and adaptation process both between the source social enterprise and the national leading partner and also between the national leading partner and other local partners. With regard to the former, in general, the closer the collaboration between the source social enterprise and its partner is, the higher the level of willingness "to invest in the joint project, the more leverage the project will have and the faster and more successfully social impact can be scaled" (Weber, 2016:18). However, the trade off is usually in terms of control over the process as the partner increases its control over certain activities and the influence of the source social enterprise reduces. This trade off, however, is counter-balanced by the formal presence of SMartbe and the financial investment that it makes in the national scale-up effort, which ensures that it can participate in decision-making.

As for the latter, factor 5 refers to how important it is for the national SMart scale up attempt to do so with a partner or alone - with the different set of consequences that each decision involves – in order to maximise its social value creation. The way in which the majority of the eight items within factor 5 are articulated, emphasises however the value of creating alliances with other local organisations, beyond the source social enterprise and the leading team of initiators in a given country. Several statements are proposed related to the question of whether scaling up alone is worth the attempt (6.1); to the supposedly higher cost of scaling up with others (6.2); the higher impact of the scaling up effort if done with others (6.3); the stronger result of working with local (6.4); and the value of local strategic alliances (6.5). The last three items (6.6-6.8) refer to the added value of networks, of supra-national organisations, and of the connection to the larger social economy respectively. The last one (6.8) was not foreseen in the original Weber model but included here in order to measure hypothesis 1 and 2 and capture the connection to the social economy dimension, as already explained.

7. Adaptability (7 items)

Depending on the social needs that SMart intends to address by replicating its model in various countries across Europe, it may cover new geographic areas, target groups, services/products other than those they have previously served. When doing so, there will be new requirements at play that determine the way in which SMart operates in this new environment. In this context, it is important to understand to which degree the model is adaptable and what are some of the obstacles to this adaptability. In order to measure perceptions about this factor four blocks were designed. The first block relates to the level of adaptability and includes a direct question (item 7.1) and a counterintuitive one (item 7.4 "the SMart model is way too disruptive for adaptation to your country"). The second

block refers to possible reasons that hinder the possibility of adapting the model to the local context, namely regulations and policies (7.2) and the financial environment (7.3).

The third block tries to connect the adaptability to the social mission of SMart by associating the expansion of the target groups served (7.5) and the services offered (7.6) with a maximization of social value created. Lastly, given the importance of financing for the scaling up process captured by previous factors, a specific item associating this expansion of target groups and services with an unaffordable financial hurdle is presented (7.7).

Table 4 below includes the seven factors and the items included in each of them with the questions included in the survey.[2]

Table 4. Survey questions related to each factor of the study

Area	#	Question
1. Commitment of the individuals driving the scaling process	1.1	Our initiators/founders are highly committed with the adaptation and implementation process of SMartX.
	1.2	The representatives from the source organisation (SMartX) are highly committed with the adaptation process in (country).
	1.3	Our management is highly committed with the adaptation process of SMart in (country).
	1.4	Our staff (if any) is highly committed with the adaptation process of SMart in (country).
	1.5	Our volunteers (if any) are highly committed with the adaptation process of SMart in (country).
	1.6	The local government is highly committed with the implementation of SMartX.
	1.7	The national public administration is highly committed with the implementation of SMartX.
	1.8	Other social economy organisations are highly committed with the implementation of SMartX.

2 In each item, references to the national SMart organisations were personalized per country (i.e. for Austria, SMartat; for Spain, SMartib, etc.) but here we use a X instead of the country.

Area	#	Question
2. Competence of the management	2.1	Our management is perfectly able to develop a strategy that can sustain the multiple goals of SMartX.
	2.2	Our management perfectly knows how to mobilise the network and legal resources (understanding of local regulations, business requirements, access to clients & partners) needed by SMartX.
	2.3	Our management perfectly knows how to access the financial resources (loans, subsidies, etc.) needed by SMartX.
	2.4	Our management perfectly knows how to mobilise the peer-to-peer support from others working in similar fields that SMartX requires.
	2.5	Our management perfectly knows how to mobilise business coaching and support to sustain SMartX.
	2.6	Our management perfectly knows how to mobilise academic expertise to support the goals of SMartX.
	2.7	Our management perfectly mobilises the internal governance system (how members, staff, volunteers, and directors participate in decision-making) of SMartX.
	2.8	Our management perfectly manages the various external stakeholders so they support the goals of SMartX.
	2.9	Our management perfectly manages the staff (and volunteers, if any) so they support SMartX's goals.
	2.10	Our management perfectly manages the finances and related matters of SMartX.
	2.11	Our management is perfectly able to position SMartX within the social economy.
	2.12	Our management perfectly develops a feeling of membership and pride in belonging to the social economy.

Area	#	Question
3. Entire or partial replicability of the operational model	3.1.	The core SMart operational model can be perfectly replicated in (country).
	3.2	The management of contract and/or activity via online tools offered by SMart is perfectly replicable in (country).
	3.3	The information and advice service offered by SMart is perfectly replicable in (country).
	3.4	The debt collection service offered by SMart is perfectly replicable in (country).
	3.5	The guarantee fund service offered by SMart is perfectly replicable in (country).
	3.6	The various insurances offered by SMart are perfectly available in (country) to offer to members.
	3.7	The core elements of the SMart operational model successfully replicated or adapted in (country) achieve the social impact sought by the organisation.
	3.8	The core elements of the SMart operational model adapted to (country) perfectly spread the SMart model for supporting culture in Europe.
	3.9	The failure of reproducing some of the core elements of the SMart operational model in (country) is directly connected to the lack of network and legal resources.
	3.10	The failure of reproducing some of the core elements of the SMart operational model in (country) is directly connected to the lack of financial resources.
	3.11	The failure of reproducing some of the core elements of the SMart operational model in (country) is directly connected to the lack of peer-to-peer support from others working in similar fields.
	3.12	The failure of reproducing some of the core elements of the SMart operational model in (country) is directly connected to the lack of business coaching and support.

Area	#	Question
4. Ability to meet social demands	4.1	SMartX clearly addresses a specific social need/problem shared by a specific society group in Austria.
	4.2	SMartX clearly alleviates the need/problem it set out to address.
	4.3	SMartX offers new services that did not exist before (or they existed in an insufficient format).
	4.4	Operational challenges do not jeopardise the adaptation and implementation process of SMartX.
	4.5	Economic challenges do not jeopardise the adaptation and implementation process of SMartX.
	4.6	Since SMartX exists, a large portion of the target public benefits from the services we offer.
5. Ability to obtain necessary resources	5.1	SMartX has the staff with the necessary skills to consolidate the adaptation process and successfully operate in (country).
	5.2	SMartX steadily generates a revenue stream from services and activities that we sell.
	5.3	SMartX has secured finance streams for our activities that keep us sustainable.
	5.4	SMartX has proven that culture workers can save time, money and administrative hassle through our services.
	5.5	SMartX has been fully successful at getting government agencies and officials to provide financial support for our efforts.
	5.6	SMartX has effectively communicated what we do to key constituencies and stakeholders.
	5.7	SMartX has fully successfully informed individuals we seek to serve about the value of their services for them.
	5.8	SMartX counts with the right connections with potential external resource providers in case of need.
	5.9	SMartX has definitely accomplished more through partnerships and joint actions than it could have by acting alone.
	5.10	SMartX has been fully successful at getting government agencies and officials to create laws, rules, and regulations that support our efforts.
	5.11	SMartX has been able to raise our cause to a higher place on the political agenda.
	5.12	SMartX has been fully successful at getting other social economy actors to provide support for our efforts.

Area	#	Question
6. Potential effectiveness of scaling social impact with others	6.1	The implementation process of SMartX will be fully successful if done on its own.
	6.2	The implementation process of SMartX will be more expensive if done in partnership with other organisations.
	6.3	The social impact of SMartX will be maximised if the implementation process is done in partnership with others.
	6.4	Implementing SMartX with local partners as opposed to doing it alone strengthens the result.
	6.5	Strategic alliances with other organisations always benefit the implementation process of SMartX.
	6.6	Connection to other networks always increases the social impact achieved by SMartX.
	6.7	The connection to supra-national organisation (e.g. Culture Action Europe) always benefits the implementation process.
	6.8	The connection to social economy federations and peer organisations always benefits the implementation process.
7. Adaptability	7.1	The SMart model is fully adaptable to the (country) context.
	7.2	Local regulations and policies in (country) require the SMart model to be substantially adapted.
	7.3	The financial local environment of (country) requires the SMart model to be substantially adapted.
	7.4	The SMart model is way too disruptive for adaptation to (country).
	7.5	SMartX will maximise social impact by expanding the target groups we serve.
	7.6	SMartX will maximise social impact by expanding the services we currently serve.
	7.7	Expanding target groups and services is not sustainable financially in (country).

Survey design

The survey was produced in the late fall 2014 and tested during the two following months. The test involved SMart representatives from Belgium, Italy and Spain as well as academic colleagues. An important connection was made on January 2015 with Professor Christiana Weber from Leibniz University Hannover (Germany) whereby she provided direct feedback on the survey we had submitted to her. We also received feedback from an assistant professor on social entrepreneurship at the Polytechnic University of Madrid. The input from these individuals was incorporated into the survey and a final version was produced before delivery to respondents.

As already mentioned, the survey was based on the theoretical framework Webet *et al.* developed including seven success factors for scaling-up social enterprises (each of them with a number of items) and adapted for each national organisation. The items in each question are used to measure the attitudes of respondents to a particular issue, usually expressed in the form of a statement that they had to rank from 1 (fully disagree) to 7 (fully agree).

Type of data

The data gathered in the Likert-type survey conducted for the present survey consisted of:

1. The respondents' answers to the areas of inquiry under study operationalized into the 65 items included above.

2. Some demographic data like gender (female or male) or age group (five age groups were created).

3. Some discriminatory variables such as the 1) role within the organisation, including five categories (founder, manager, adviser, council member, supporter); 2) distance to the organisation depending on whether they are internal or external to the association; 3) the age of creation of the organisation.

Survey administration and response

The survey was sent to five categories of stakeholders of the national organisations to understand perceptions of success factors in each of the nine countries where the SMart model currently exists. Therefore, the survey was sent via email to 45 potential respondents (five representatives in nine different countries) with a detailed introductory message at the end of January 2016. The collection phase lasted until June 2016 ex-

tending well beyond the initial plan. It is worth noting that after at least three reminders were made directly via email and telephone as well as indirectly via the leader of the European structure, who encouraged those who had not replied to do it.

Regarding the response rate, it reached 68% which is the equivalent to 31 completed surveys. Five countries had full response rates (Austria, Belgium, Italy, Spain, Germany) with a total of 25 replies. We only received three responses (as opposed to five) from France and Hungary but the later was included as a full country in the analysis. The reason is that the two missing categories of respondents (director and council member) were not possible to obtain since the same individual acts as founder and director and as of now the Hungarian SMart organisation does not count with a council or board. In the end, we had to exclude from the analysis the two countries where no responses could be collected (The Netherlands and Sweden).

The two initiators from the two countries (Denmark and United Kingdom) that had launched processes of implementation of SMart which were later on interrupted were also contacted in February 2016 with a different message. Our goal was to study the experience in order to understand the main factors that prevented SMart to successfully replicate in the country. Unfortunately, after three attempts, we never heard back from the Danish representative whereas the British representative replied to us after two attempts. We proposed to set up a Skype call to have an informal discussion with him and if he felt like it we would have prepared a short questionnaire to send to him. Unfortunately, we never heard back from him and we never managed to talk and have the planned discussion.

6. Contextual analysis

Qualitative macro-institutional factor framework

The analysis of the socioeconomic, political and cultural contexts was based on Kerlin's (2013) qualitative macro-institutional factor framework. We describe the institutional and contextual factors present in each of the three countries selected after running the survey (Austria, Hungary and Spain). We made an analysis of the five elements she proposed by Kerlin: recent culture and history, type of government, stage of economic development, model of civil society, and international influences. As already mentioned in the questionnaire section above, we consider the weight that the social economy and/or the cultural sector has/have in a given country to be critical for the replication process in a given country. Since SMart is rooted in the social economy (mutualistic and

not-for-profit) and is active in the field of culture the relative effective and symbolic power at a moment of profound transformation for both fields may determine the success or failure of the initiative.

Specifically, we looked at how this recognition of the social economy and culture has a direct impact in the level of public, private and civil society support for the new initiative thus influencing the way adaptation is carried out in many different ways. We focused on how this support translates into sources of available finance and the possibility of dialogue with public administrations, private actors and citizens. In turn, this will affect how the social impact of the initiative transcends the micro and meso levels to reach a systemic level.

The complementary EU-level analysis was carried out via the development of the SMarteu platform. We covered its initial development but given the framework of the study (ending in December 2015), only its initial stages were included. However, we did devote a section in the conclusions chapter to analysing some of the main issues and challenges with the replication process of SMart to be considered at the European level.

In addition to the references included in the literature review specifically pertaining to the three countries, several sources were consulted for all three countries whenever possible in order to ensure some consistency in the contextualization. Regarding culture and cultural policy data, developments, debates and trends the main comparative source was "*Cultural Policies and Trends in Europe: A compendium of basic facts and trends*" is a transnational project launched by the Council of Europe in 1998 jointly the European Institute for Comparative Cultural Research (ERICarts).[3]

In terms of social enterprise, the social economy or even the nonprofit sector, we consulted:

1. The study "A map of social enterprises and their eco-systems in Europe" was the first mapping effort to capture the main features of social enterprises in 28 EU Member States and Switzerland using a common definition and approach. The study provides a somewhat dynamic overview of social enterprise eco-systems across the countries, including Austria, Hungary and Spain, insofar as they describe to some extend the interaction of social enterprises with other actors in the economy and society. The original study was launched in 2014 and

3 The URL for the three countries are Austria (http://www.culturalpolicies.net/web/austria.php?aid=1, last accessed on July 7th, 2016); Hungary: http://www.culturalpolicies.net/web/hungary.php, last accessed on July 7th, 2016); Spain (http://www.culturalpolicies.net/web/spain.php?aid=1, last accessed on July 7th, 2016)

a limited update will be published in November 2016 covering only seven of the 29 countries originally included. Unfortunately, Austria and Hungary have been left out of the update but Spain was included so the latest analysis on this country will be available.[4]

2. The International Comparative Social Enterprise Models (ICSEM) project aims at comparing social enterprise models and their respective institutionalisation processes around the world. It does so through two distinct parts: firstly, the "mapping social enterprise models", to provide detailed descriptions and to build typologies of social enterprise models as they have emerged and developed, and secondly the processes through which these social enterprise models have been or are currently being institutionalized. The three countries covered by this in-depth analysis are part of the ICSEM project although the papers have not been published yet but are forthcoming.[5]

3. The Johns Hopkins Comparative Nonprofit Sector Project (CNP) launched in 1991 which constitutes the largest systematic research effort aimed at analyzing the scope, structure, financing, and role of the private nonprofit sector in over 45 countries. The goal is ultimately scientific insomuch as it aims to enrich the understanding of this sector in dialogue with other sectors and actors, including the social economy and social enterprises. Unfortunately Austria was not included in this study but both Hungary and Spain were covered. For Hungary, the major sources were:

   - "Hungary" Chapter 15 of Global Civil Society: Dimensions of the Nonprofit Sector, Volume 1 (1999).

   - "Hungary" by Eva Kuti, Comparative Nonprofit Sector, Working Paper #13. The non-profit sector in Hungary is discussed in the context of the historical and political changes after the fall of Communism. The paper explains the lack of established legal, economic and fiscal regulations regarding the sector in the country and describes trends in the growth of the non-profit sector since 1989, including the main organisation types that have formed in light of the changed political conditions.[6]

4 The original "Mapping study on social enterprise eco-systems" in Europe and 28 country studies can be found at http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2149 . The new update of seven country studies can be found at http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=2649 .

5 Publications from the project are published as hey become available at http://www.iap-socent.be/icsem-working-papers

6 The publication is available at http://ccss.jhu.edu/publications-findings/?did=131 (last accessed July 9th, 2016).

For Spain, the homonymous chapter “Spain” Chapter 8 in Global Civil Society: Dimensions of the Nonprofit Sector, Volume 1 (1999) was used. This chapter analyses the scope, size, composition, and financing of the civil society sector in Spain with data from circa 1995.[7]

7 Available at http://ccss.jhu.edu/?page_id=61&did=215

2. ASSESSING OBJECTIVES AND CONFIRMING HYPOTHESES

The research objectives and the expected contributions presented in section 1.3 are discussed in detail in chapter 7 (Conclusions) in connection to the main research questions. Some of the research questions included hypotheses to be tested in the course of the research. Two methods will be deployed to validate these hypotheses, namely:

- Experts' validation both to experts within and outside SMart through a semi-structured interview.
- Statistical information from the Likert survey conducted to the countries whose members replied in a sufficient number.

Arguments will be built in order to answer the research questions and validate the proposed hypotheses based on Yin's (2003) analytical methods recommended for exploratory and descriptive research, namely cross-case synthesis and pattern matching:

- **Cross-case synthesis** (Yin, 2003) is a technique recommended for the analysis of multiple cases. We will perform this analysis based on the abovementioned data collection techniques which combined represent an analytical uniform framework. The goal is to analyse common features as well as specific features from the case studies that help understand the similarities and differences among them. This technique replies strongly on argumentative interpretation for the examination of cross-case patterns but we will counteract such caveat with the experts' and key informants contributions.
- **Pattern matching** (Yin, 2003): In the case of descriptive studies like the present one, pattern-matching is relevant as long as the predicted patterns of specific variables is defined prior to the data collection which we did in the objectives section. In short this technique allows for strong inferences if after the analysis the initially predicted values have been found for each outcome and alternative "patterns" have not been found. Moreover, the fact that we can compare responses in different national contexts for each outcome and connect them to ongoing trends included in this research helps strengthen the internal validity of such inference. This analytical procedure will be used to analyse the relationship between the variables included in the four hypotheses included in this study.

Table 61 in the text (included below as table 5) summarises the hypotheses and the initially predicted values of each hypothesis (regarding the dependent variable for all four hypotheses it is the success of the adaptation - or scaling-up – process which can be assessed using indicators such as the speed of the process, the number of members or the turnover in the years of activity covered in this research).

Table 5. Hypotheses proposed and initially predicted values

Hypothesis	Initially predicted value
1. The higher the recognition by public administration of the social and solidarity economy and the higher the tradition of collaboration among them, the higher the possibility of creating a supportive environment for adapting the CASE.	In those cases where there is a tradition of collaboration between the public sector and the social economy, SMart country offices show stronger success rates (in terms of speed of the process and number of members).
2. The higher the level of collaboration among social enterprises as members of the social and solidarity economy, the higher the possibility of replicating a successful CASE model.	It relates to the mutual level of recognition of the social enterprise (and the wider social and solidarity economy context) in a given country. The initially predicted result is that in those countries where the social and solidarity economy is recognised and there is a high level of internal cooperation among the actors, the adaptation process has been more successful. Moreover, it is likely that it is supported from the public sector as well.
3. The more participative the governance model of the CASE, the higher the possibility of adapting the social innovation to the specific context.	In those cases where the national SMart office has implemented a participative governance model through the inclusion of various stakeholders, including internal ones, the success will be more solid.
4. Two critical factors determine the success of a given social innovation in culture: the type of political regime toward culture and the adaptation to the local context developed by critical actors.	The predicted value is twofold in this outcome related to social innovation. On the one hand, if the national context includes a political regime that nurtures culture and recognises its added value for a more cohesive and vibrant society, solutions brought forward by SMart in the current socioeconomic context will be supported. On the other hand, if critical local actors are involved in the careful adaptation of the SMart model the likelihood of a successful implementation is much higher.

3. PHASES OF THE RESEARCH

3.1. Research reports

The main goal of these reports has been to ensure that the research yielded relevant results while still being finished in a timely manner with regard to the proposed timeline. A total of three research reports were submitted on the original PhD research project that began in October 2013. Subsequently, I resubmitted a research report with an updated research plan in July 2014, a second research report on July 2015 and a last one in May 2016. The reports covered the three years over which this report progressed without major deviations from the original plan apart from several adjustments made to account for unexpected circumstances, which are listed below:

- Regarding the content and focus of the research, the major fine-tuning of the structure of the research has consisted of changing the order two of the methodological phases and the decision on what countries to analyse in-depth in a comparatively way.
- While originally we aimed at analysing all eight countries where the SMart model had replicated, unfortunately we had to adjust the number due to the absence of response in two of them (Sweden and the Netherlands) and incomplete responses from France.
- Experts panels stemming from the field of culture and the social economy in each country were planned since the beginning as a way to double check the accuracy of the findings. Unfortunately time availability made it impossible to set them up but they were substituted on the one hand by a second focus group including experts from various countries (see "Focus groups" section above) and the feedback from some experts in the field to the present research in its final stages.

3.2. Research phases

The research has been composed of four phases each of them with a specific focus, goal and associated methods. Phase one aimed at analyzing the SMart expansion strategy (SMarteu) designed by the Belgian source social enterprise (SMartbe). Therefore, the focus was on understanding the core model of SMart to be replicated and adapted in other countries, the perceptions about how the process had been taking place and the integration of such expansion process within the source organisation.

Phase two analyses the implementation process of the SMart expansion strategy in several countries with a view on understanding the factors hindering or helping implementation process and the degree of implementation of each of them across specific countries.

During phase three we focused on understanding the contexts where three different national SMart offices adapted the model and how the original strategy was implemented. The aim was to identify trends and understand the possible reasons behind the various actions taken to adapt the original model.

The last fourth phase focused on the impact that the various national adaptations and implementation processes had both at the national and the larger EU level. Based on these, we advanced some conclusions both at the national and European level focusing on recommendations for future research, for policy-making and for the sector itself.

In order to provide a focused update on the actions carried out in each research step, I include table 13 below with the beginning and ending dates of each phase as well as the main research methods used in each of them.

Table 13. Phases of the research (October 2013-December 2016)

	Beginning	End	Focus	Methods used
Phase 1	October 2013	October 2014	› SMart expansion strategy › Belgian source social enterprise (SMartbe)	› Literature review › Desk review › Interviews › Focus groups
Phase 2	November 2014	October 2015	› Success factors in the scaling up efforts across five countries	› Questionnaire (Likert-scale survey) › Statistical analysis
Phase 3	September 2015	September 2016	› Three country case studies (Austria, Spain, Hungary)	› Desk review › Qualitative macro-institutional factor analysis
Phase 4	September 2016	December 2016	› Lessons learned › Conclusions › Recommendations	› Desk review › Key informants consultation

ANNEX 2.
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ANNEX 3.
SAMPLE QUESTIONNAIRE

Survey respondents received the questionnaire including a brief explanation about the project and an introduction to the model used. In addition, each of the seven factors was briefly introduced.

Systemic transformation in the field of culture:
The case of the SMart model and its adaptation across Europe

National adaptation questionnaire

Country: XX

Respondent: XX

Rocío Nogales · University of Barcelona

December 2015

1. INTRODUCTION

We appreciate the time you are taking to complete this questionnaire. It should take you about 10 minutes to read the introduction and 20 minutes to reply to all the questions.

In the context of this research, we consider SMart as a social enterprise operating in the field of culture and embedded in the social economy. As the SMart model replicates and is adapted to several national contexts, we refer to SMartbe as the “source organization”.

The questionnaire you are about to complete is based on the model developed by Professor Weber and her colleagues specifically for social enterprises. The questions have been adapted for people engaged in the development of SMart organizations around Europe. It includes seven areas identified in the original model:

1. Commitment of the individuals driving the scaling process
2. Competence of the management
3. Entire or partial replicability of the operational model
4. Ability to meet social demands
5. Ability to obtain necessary resources
6. Potential effectiveness of scaling social impact with others
7. Adaptability

In the context of the current research and following some authors who also include the interaction with the social economy institutions, organizations and actors, we propose an important dimension named "**connection to the social economy**", which is distributed among the seven abovementioned areas.

Below we provide a short explanation for each area so you can get an idea of what the questions are trying to capture.

- **AREA 1.** Commitment of the individuals driving the scaling process

  In this area, we would like to assess the level of commitment of the key people involved in the process of adaptation to your national context.

- **AREA 2.** Management competence

  With this set of questions we aim to capture the specificity of the competences that social enterprises managers should have in order to ensure the implementation of national SMart initiative and ensuring its sustainability.

- **AREA 3.** Entire or partial replicability of the operational model

As you know, the main operational model of SMart is composed of the five core services offered: contract and/or activity management via online tools; information and advice; debt collection; guarantee fund and insurances. These five services are to be maintained in the various countries where SMart is present despite the high variance in the national contexts. Other “additional services” (financial services; additional online tools such as Agora; co-working spaces; professional trainings; peer-to-peer sessions…) can exist but depend largely on the goals set and resources available for each national organization. With these questions, we will address whether this operational model is easy to replicate fully in other countries or whether intensive adaptation is needed.

- **AREA 4.** Ability to meet social demands

If we assume that maximizing the social impact of SMart is the primary driver for setting it up in different countries, we would like to asses how replication of the elements of the model is able to scale the social impact most effectively both in quantitative and qualitative terms.

- **AREA 5**. Ability to obtain necessary resources

Through this set of questions we aim at understanding how constraints can be reduced and opportunities increased in order to maximize the social impact of the initiative.

- **AREA 6.** Potential effectiveness of scaling social impact with others

With these questions we would like to understand whether the social enterprise requires or decides to scale with a partner or alone - with the different set of consequences that each decision involves – in order to maximize its social impact.

- **AREA 7.** Adaptability

Depending on the social needs that SMart intends to address by replicating its model in various countries across Europe, it may reach cover new geographic areas, target groups, services/products other than those they have previously served. When doing so, there will be new requirements at play that determine the way in which SMart operates in this new context. In this context, we would like to understand to which degree the model is adaptable and what are some of the obstacles to this adaptability.

2. QUESTIONNAIRE

Thinking about the adaptation and implementation process of SMart in your own country **until December 2015**, please indicate how strongly you fully disagree (1) or fully agree (7) with each of the following statements.

You can use any symbol you wish to mark your choice (e.g. **X**).

Area 1		1	2	3	4	5	6	7
1.1	Our initiators/founders are highly committed with the adaptation and implementation process of SMartit.							
1.2	The representatives from the source organization (SMartbe) are highly committed with the adaptation process in Italy.							
1.3	Our management is highly committed with the adaptation process of SMart in Italy.							
1.4	Our staff (if any) is highly committed with the adaptation process of SMart in Italy.							
1.5	Our volunteers (if any) are highly committed with the adaptation process of SMart in Italy.							
1.6	The local/regional government is highly committed with the implementation of SMartit.							
1.7	The national public administration is highly committed with the implementation of SMartit.							
1.8	Other social economy organizations are highly committed with the implementation of SMartit.							

Remember: 1 = fully disagree and 7 = fully agree.

Area 2		1	2	3	4	5	6	7
2.1	Our management is perfectly able to develop a strategy that can sustain the multiple goals of SMartit.							
2.2	Our management perfectly knows how to mobilize the network and legal resources (understanding of local regulations, business requirements, access to clients & partners) needed by SMartit.							
2.3	Our management perfectly knows how to access the financial resources (loans, subsidies, etc.) needed by SMartit.							
2.4	Our management perfectly knows how to mobilize the peer-to-peer support from others working in similar fields that SMartit requires.							
2.5	Our management perfectly knows how to mobilize business coaching and support to sustain SMartit.							
2.6	Our management perfectly knows how to mobilize academic expertise and/or research support to support the goals of SMartit.							
2.7	Our management perfectly understands and mobilizes the internal governance system (how members, staff, volunteers, and directors participate in decision-making) of SMartit.							
2.8	Our management has perfectly identified and manages the various external stakeholders so they support the goals of SMartit.							
2.9	Our management perfectly manages the staff and the volunteers so they support SMartit's goals.							
2.10	Our management perfectly manages the finances and related matters of SMartit.							
2.11	Our management perfectly knows, understands and is able to position the social economy and SMartit within it.							
2.12	Our management perfectly develops a feeling of membership and pride in belonging to the social economy.							

Remember: 1 = fully disagree and 7 = fully agree.

Area 3		1	2	3	4	5	6	7
3.1	The core SMart operational model can be perfectly replicated in Italy.							
3.2	The management of contract and/or activity via online tools offered by SMart is perfectly replicable in Italy.							
3.3	The information and advice service offered by SMart is perfectly replicable in Italy.							
3.4	The debt collection service offered by SMart is perfectly replicable in Italy.							
3.5	The guarantee fund service offered by SMart is perfectly replicable in Italy.							
3.6	The various insurances offered by SMart are perfectly available in Italy to offer to members.							
3.7	The core elements of the SMart operational model successfully replicated or adapted in Italy achieve the social impact sought by the organization.							
3.8	The core elements of the SMart operational model adapted to Italy perfectly spread the SMart model for supporting culture in Europe.							
3.9	The failure of reproducing some of the core elements of the SMart operational model in Italy is directly connected to the lack of network and legal resources.							
3.10	The failure of reproducing some of the core elements of the SMart operational model in Italy is directly connected to the lack of financial resources.							
3.11	The failure of reproducing some of the core elements of the SMart operational model in Italy is directly connected to the lack of peer-to-peer support from others working in similar fields.							
3.12	The failure of reproducing some of the core elements of the SMart operational model in Italy is directly connected to the lack of business coaching and support.							

Remember: 1 = fully disagree and 7 = fully agree.

Area 4		1	2	3	4	5	6	7
4.1	SMartit clearly addresses a specific social need/problem shared by a specific society group in Italy.							
4.2	SMartit clearly alleviates the need/problem it set out to address.							
4.3	SMartit offers new services that did not exist before (or they existed in a insufficient format).							
4.4	Since SMartit exists, a large portion of the target public benefits from the services we offer.							

Remember: 1 = fully disagree and 7 = fully agree.

Area 5		1	2	3	4	5	6	7
5.1	SMartit has the staff with the necessary skills to consolidate the adaptation process and successfully operate in Italy.							
5.2	SMartit steadily generates a revenue stream from services and activities that we sell.							
5.3	SMartit has secured finance streams for our activities that keep us sustainable.							
5.4	SMartit has proven that both artists and their clients can save time, money and administrative hassle through our services.							
5.5	SMartit has been fully successful at getting government agencies and officials to provide financial support for our efforts.							
5.6	SMartit has effectively communicated what we do to key constituencies and stakeholders.							
5.7	SMartit has fully successfully informed individuals we seek to serve about the value of their services for them.							
5.8	SMartit counts with the right connections with potential external resource providers in case of need.							
5.9	SMartit has definitely accomplished more through partnerships and joint actions than it could have by acting alone.							
5.10	SMartit has been fully successful at getting government agencies and officials to create laws, rules, and regulations that support our efforts.							
5.11	SMartit has been able to raise our cause to a higher place on the political agenda.							
5.12	SMartit has been fully successful at getting other social economy actors to provide support for our efforts.							

Remember: 1 = fully disagree and 7 = fully agree.

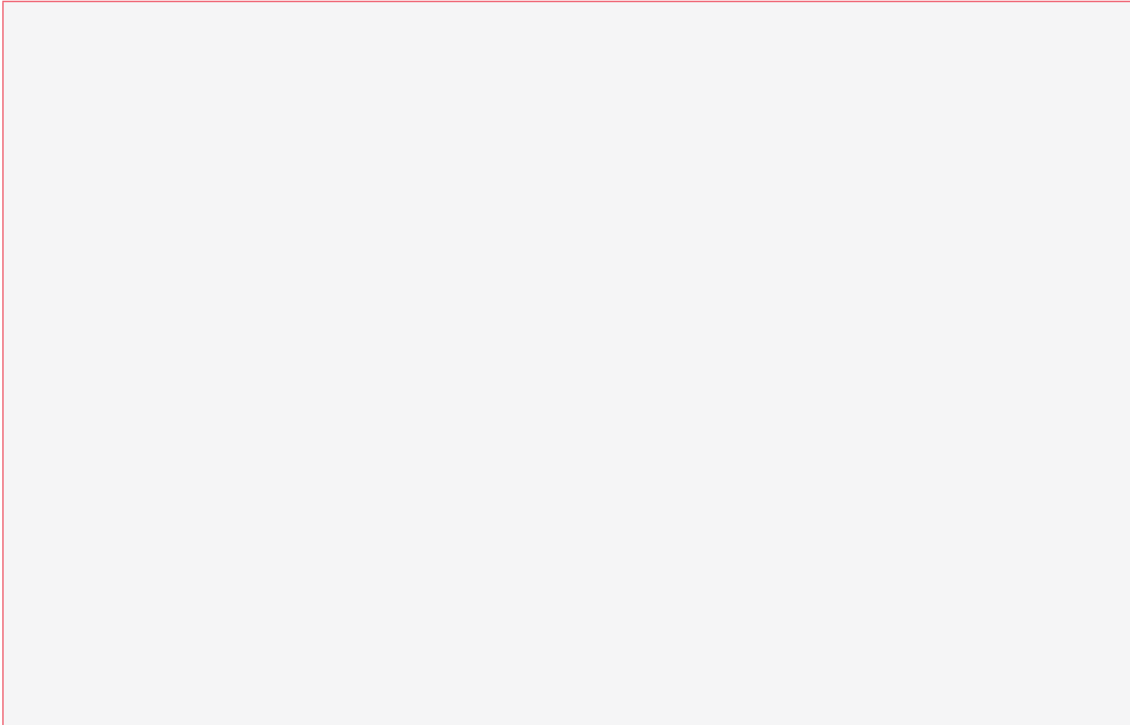
Area 6		1	2	3	4	5	6	7
6.1	The implementation process of SMartit will be fully successful if done on its own.							
6.2	The implementation process of SMartit will be more expensive if done in partnership with other organizations.							
6.3	The social impact of SMartit will be maximized if the implementation process is done in partnership with others.							
6.4	Implementing SMartit with local partners as opposed to doing it alone strengthens the result.							
6.5	Strategic alliances with other organizations always benefit the implementation process of SMartit.							
6.6	Connection to other networks always increases the social impact achieved by SMartit.							
6.7	The connection to supra-national organization (e.g. Culture Action Europe) always benefits the implementation process.							
6.8	The connection to social economy federations and peer organizations always benefits the implementation process.							

Remember: 1 = fully disagree and 7 = fully agree.

Area 7		1	2	3	4	5	6	7
7.1	The SMart model is fully adaptable to the Italian context.							
7.2	Local regulations and policies in Italy require the SMart model to be substantially adapted.							
7.3	The financial local environment of Italy requires the SMart model to be substantially adapted							
7.4	The SMart model is way too disruptive for adaptation to Italy.							
7.5	SMartit will maximize social impact by expanding the target groups we serve.							
7.6	SMartit will maximize social impact by expanding the services we currently serve.							
7.7	Expanding target groups and services is not sustainable financially in Italy.							

3. OTHER REMARKS?

Please feel free to add or comment anything that you believe will strengthen the knowledge about your country case:



Thank you again for your participation. You can now save and return your completed questionnaire via email at gefiri@gmail.com .

We will contact you again once we have some results and have selected the countries to deepen our analysis.

ANNEX 4.
DATA FROM THE DESCRIPTIVE STATISTICAL ANALYSIS

As explained in the methodological section, the raw statistical data obtained during the descriptive analysis is presented in this Annex for further detail if needed. The data are presented per country (Austria, Belgium, Germany, Hungary, Italy, and Spain). Within each country, all seven factors and their items are included first and then a summary table with the aggregated rating of the items per factor. The five items marked in magenta and bold (A8, B11, B12, E12, F8) correspond to the items I added to Weber's model in order to capture the relationship with the wider social and solidarity economy.

AUSTRIA

Factor 1. Commitment of the individuals driving the scaling process

	N	Min.	Max.	Mean	Std. Deviation
A1 Initiators	5	1.0	7.0	4.800	2.6833
A2 SMartbe	5	2.0	7.0	5.400	2.0736
A3 Management	5	1.0	7.0	5.200	2.4900
A4 Staff	4	2.0	7.0	4.750	2.2174
A5 Volunteers	3	2.0	7.0	4.333	2.5166
A6 Local government	4	1.0	6.0	3.250	2.2174
A7 National admin	5	2.0	6.0	4.000	1.5811
A8 SE organisations	4	2.0	5.0	4.000	1.4142

Factor 2. Competence of the management

	N	Min.	Max.	Mean	Std. Deviation
B1 Develop strategy	5	3.0	6.0	4.600	1.1402
B2 Network&legal res	5	2.0	5.0	4.200	1.3038
B3 Financial resources	5	2.0	7.0	4.800	2.2804
B4 Peer-to-peer support	5	3.0	6.0	4.800	1.3038
B5 Business coaching	5	4.0	5.0	4.600	.5477
B6 Academic expertise	5	2.0	6.0	4.400	1.5166
B7 Activate governance	4	3.0	7.0	5.250	1.7078
B8 Manage stakeholders	5	3.0	6.0	4.600	1.1402
B9 Manage staff	4	3.0	6.0	4.250	1.5000
B10 Manage finance	4	2.0	7.0	5.000	2.1602
B11 Position within SE	5	4.0	6.0	5.000	1.0000
B12 Pride belonging to SE	5	4.0	6.0	5.000	1.0000

Factor 3. Entire or partial replicability of the operational model

	N	Min.	Max.	Mean	Std. Deviation
C1 Core model	5	3.0	5.0	3.600	.8944
C2 Contract via online tool	4	1.0	7.0	4.500	3.0000
C3 Info & advice service	5	1.0	7.0	5.800	2.6833
C4 Debt collection	4	1.0	6.0	4.000	2.4495
C5 Guarantee fund	5	1.0	6.0	3.800	2.1679
C6 Insurances	4	3.0	7.0	5.250	1.7078
C7 Social impact achieved	4	3.0	6.0	4.250	1.2583
C8 Supporting culture	5	4.0	7.0	5.400	1.3416
C9 Fail: lack of network	5	1.0	7.0	2.600	2.5100
C10 Fail: lack of finance	4	1.0	5.0	2.500	1.7321
C11 Fail: lack of peer2peer	4	1.0	5.0	3.000	1.8257
C12 Fail: Lack of biz coach	3	1.0	4.0	2.333	1.5275

Factor 4. Ability to meet social demands

	N	Min.	Max.	Mean	Std. Deviation
D1 Clearly addresses need	5	1.0	7.0	5.600	2.6077
D2 Clearly alleviates its goal	5	3.0	6.0	5.000	1.2247
D3 New/revamped services	5	1.0	7.0	5.800	2.6833
D4 No operational challenges	5	4.0	6.0	5.200	1.0954
D5 No economic challenges	5	3.0	7.0	4.800	1.6432
D6 Target benefits from service	5	3.0	6.0	5.000	1.4142

Factor 5. Ability to obtain necessary resources

	N	Min.	Max.	Mean	Std. Deviation
E1 Staff with skills	5	2.0	6.0	4.800	1.7889
E2 Revenue stream created	5	5.0	7.0	5.800	.8367
E3 Financial streams	5	3.0	6.0	4.800	1.3038
E4 Concept proven	5	3.0	7.0	6.000	1.7321
E5 Public funds secured	5	2.0	7.0	4.000	2.1213
E6 Comm done to targets	5	3.0	6.0	4.400	1.3416
E7 Informed our customers	4	3.0	6.0	5.250	1.5000
E8 Connections for resources	4	4.0	7.0	5.500	1.2910
E9 Partnerships have helped	5	4.0	7.0	5.800	1.3038
E10 Legal support	5	1.0	7.0	3.600	2.1909
E11 In the political agenda	5	1.0	6.0	4.000	2.1213
E12 SE actors' support	5	1.0	7.0	4.200	2.2804

Factor 6. Potential effectiveness of scaling social impact with others

	N	Min.	Max.	Mean	Std. Deviation
F1 Success alone	4	1.0	6.0	4.000	2.1602
F2 Partnering is expensive	4	1.0	5.0	2.750	1.7078
F3 Soc impact max with others	5	2.0	7.0	4.800	2.2804
F4 Local part, better results	4	2.0	7.0	5.000	2.4495
F5 Strategic alliances	5	2.0	7.0	5.400	2.0736
F6 Connection to networks	5	1.0	7.0	5.600	2.6077
F7 Supra-national connections	3	4.0	7.0	5.333	1.5275
F8 Connection to SE networks	4	2.0	7.0	5.000	2.1602

Factor 7. Adaptability

	N	Min.	Max.	Mean	Std. Deviation
G1 Fully adaptable	5	3.0	7.0	4.600	1.8166
G2 Legal env needs adaptation	5	1.0	7.0	5.000	2.5495
G3 Financial env needs adaptation	5	1.0	6.0	4.000	2.1213
G4 Too disruptive model	4	1.0	3.0	1.500	1.0000
G5 More impact w/ new targets	5	1.0	7.0	5.000	2.3452
G6 More impact w/ new serv	5	1.0	7.0	5.000	2.5495
G7 Cannot expand targets/serv	5	1.0	7.0	2.800	2.3875

Aggregated table for Austria (N=5)

	Min.	Max.	Mean	Std. Deviation
Commitment of the individuals driving the scaling process	2.00	5.00	3.95	1.239
Competence of the management	3.00	5.50	4.46	1.035
Entire or partial replicability of the operational model	2.42	4.58	3.45	0.796
Ability to meet social demands	3.83	6.33	5.23	0.961
Ability to obtain necessary resources	3.50	5.67	4.66	0.783
Potential effectiveness of scaling social impact with others	2.13	5.50	4.05	1.410
Adaptability	2.57	5.00	3.94	0.950

BELGIUM

Factor 1. Commitment of the individuals driving the scaling process

	N	Min.	Max.	Mean	Std. Deviation	Variance
A1 Initiators	5	6.0	7.0	6.600	.5477	.300
A2 SMartbe	4	7.0	7.0	7.000	.0000	.000
A3 Management	5	6.0	7.0	6.600	.5477	.300
A4 Staff	5	4.0	6.0	5.200	.8367	.700
A5 Volunteers	2	1.0	6.0	3.500	3.5355	12.500
A6 Local government	5	1.0	6.0	3.600	1.8166	3.300
A7 National admin	4	2.0	5.0	3.000	1.4142	2.000
A8 SE organisations	5	6.0	7.0	6.400	.5477	.300

Factor 2. Competence of the management

	N	Min.	Max.	Mean	Std. Deviation
B1 Develop strategy	5	5.0	7.0	6.400	.8944
B2 Network&legal res	5	6.0	7.0	6.200	.4472
B3 Financial resources	5	5.0	6.0	5.800	.4472
B4 Peer-to-peer support	5	4.0	7.0	5.200	1.0954
B5 Business coaching	5	5.0	6.0	5.400	.5477
B6 Academic expertise	4	4.0	6.0	5.250	.9574
B7 Activate governance	5	4.0	6.0	4.800	.8367
B8 Manage stakeholders	5	5.0	7.0	5.600	.8944
B9 Manage staff	5	5.0	6.0	5.400	.5477
B10 Manage finance	5	5.0	7.0	6.000	.7071
B11 Position within SE	4	5.0	7.0	6.500	1.0000
B12 Pride belonging to SE	4	5.0	7.0	6.250	.9574

Factor 3. Entire or partial replicability of the operational model

	N	Min.	Max.	Mean	Std. Deviation
C1 Core model	3	5.0	7.0	6.000	1.0000
C2 Contract via online tool	3	5.0	7.0	6.000	1.0000
C3 Info & advice service	3	6.0	7.0	6.667	.5774
C4 Debt collection	3	4.0	7.0	5.333	1.5275
C5 Guarantee fund	3	6.0	6.0	6.000	.0000
C6 Insurances	3	6.0	6.0	6.000	.0000
C7 Social impact achieved	3	5.0	7.0	6.000	1.0000
C8 Supporting culture	3	6.0	7.0	6.333	.5774
C9 Fail: lack of network	3	3.0	7.0	5.333	2.0817
C10 Fail: lack of finance	3	4.0	7.0	5.333	1.5275
C11 Fail: lack of peer2peer	3	4.0	6.0	5.333	1.1547
C12 Fail: Lack of biz coach	3	5.0	7.0	6.000	1.0000

Factor 4. Ability to meet social demands

	N	Min.	Max.	Mean	Std. Deviation
D1 Clearly addresses need	5	5.0	7.0	6.200	1.0954
D2 Clearly alleviates its goal	5	5.0	7.0	6.000	.7071
D3 New/revamped services	5	6.0	7.0	6.800	.4472
D4 No operational challenges	4	5.0	7.0	6.000	.8165
D5 No economic challenges	4	5.0	7.0	6.000	.8165
D6 Target benefits from service	5	4.0	6.0	5.200	1.0954

Factor 5. Ability to obtain necessary resources

	N	Min.	Max.	Mean	Std. Deviation
E1 Staff with skills	5	4.0	6.0	5.200	.8367
E2 Revenue stream created	5	5.0	7.0	6.000	.7071
E3 Financial streams	4	5.0	6.0	5.500	.5774
E4 Concept proven	5	6.0	7.0	6.600	.5477
E5 Public funds secured	5	2.0	5.0	3.400	1.3416
E6 Comm done to targets	5	4.0	6.0	4.800	.8367
E7 Informed our customers	5	4.0	6.0	5.000	.7071
E8 Connections for resources	4	4.0	5.0	4.250	.5000
E9 Partnerships have helped	3	3.0	7.0	5.000	2.0000
E10 Legal support	5	2.0	6.0	4.000	1.4142
E11 In the political agenda	5	4.0	7.0	5.200	1.3038
E12 SE actors' support	5	3.0	7.0	4.600	1.6733

Factor 6. Potential effectiveness of scaling social impact with others

	N	Min.	Max.	Mean	Std. Deviation
F1 Success alone	5	2.0	7.0	3.400	2.0736
F2 Partnering is expensive	3	2.0	3.0	2.333	.5774
F3 Soc impact max with others	4	6.0	7.0	6.250	.5000
F4 Local part, better results	5	4.0	7.0	6.200	1.3038
F5 Strategic alliances	4	5.0	7.0	6.250	.9574
F6 Connection to networks	4	6.0	6.0	6.000	.0000
F7 Supra-national connections	5	5.0	7.0	6.000	.7071
F8 Connection to SE networks	5	5.0	7.0	6.000	.7071

Factor 7. Adaptability

	N	Min.	Max.	Mean	Std. Deviation
G1 Fully adaptable	2	6.0	6.0	6.000	.0000
G2 Legal env needs adaptation	3	2.0	4.0	3.000	1.0000
G3 Financial env needs adaptation	3	2.0	4.0	3.000	1.0000
G4 Too disruptive model	3	2.0	4.0	2.667	1.1547
G5 More impact w/ new targets	3	6.0	7.0	6.667	.5774
G6 More impact w/ new serv	3	5.0	7.0	6.000	1.0000
G7 Cannot expand targets/serv	2	2.0	2.0	2.000	.0000

Aggregated table for Belgium (N=5)

	Min.	Max.	Mean	Std. Deviation
Commitment of the individuals driving the scaling process	3.50	5.38	4.72	0.74
Competence of the management	4.58	6.08	5.43	0.56
Entire or partial replicability of the operational model	5.33	6.17	5.86	0.46
Ability to meet social demands	3.83	6.67	5.63	1.06
Ability to obtain necessary resources	4.42	4.92	4.63	0.20
Potential effectiveness of scaling social impact with others	2.88	5.38	4.72	1.07
Adaptability	3.71	4.00	3.81	0.16

GERMANY

Factor 1. Commitment of the individuals driving the scaling process

	N	Min.	Max.	Mean	Std. Deviation
A1 Initiators	5	6.0	7.0	6.800	.4472
A2 SMartbe	5	6.0	7.0	6.800	.4472
A3 Management	5	6.0	7.0	6.800	.4472
A4 Staff	5	6.0	7.0	6.800	.4472
A5 Volunteers	4	6.0	7.0	6.750	.5000
A6 Local government	2	2.0	5.0	3.500	2.1213
A7 National admin	2	2.0	5.0	3.500	2.1213
A8 SE organisations	5	4.0	6.0	5.400	.8944

Factor 2. Competence of the management

	N	Min.	Max.	Mean	Std. Deviation
B1 Develop strategy	5	6.0	7.0	6.400	.5477
B2 Network&legal res	4	5.0	7.0	6.250	.9574
B3 Financial resources	4	5.0	7.0	6.000	.8165
B4 Peer-to-peer support	5	6.0	7.0	6.400	.5477
B5 Business coaching	5	5.0	6.0	5.600	.5477
B6 Academic expertise	5	5.0	6.0	5.400	.5477
B7 Activate governance	5	6.0	7.0	6.400	.5477
B8 Manage stakeholders	5	6.0	7.0	6.400	.5477
B9 Manage staff	5	6.0	7.0	6.600	.5477
B10 Manage finance	5	6.0	7.0	6.800	.4472
B11 Position within SE	5	5.0	7.0	6.200	.8367
B12 Pride belonging to SE	5	6.0	7.0	6.400	.5477

Factor 3. Entire or partial replicability of the operational model

	N	Min.	Max.	Mean	Std. Deviation
C1 Core model	5	3.0	4.0	3.200	.4472
C2 Contract via online tool	3	3.0	5.0	4.000	1.0000
C3 Info & advice service	5	6.0	7.0	6.200	.4472
C4 Debt collection	4	4.0	5.0	4.750	.5000
C5 Guarantee fund	5	4.0	7.0	5.600	1.1402
C6 Insurances	3	2.0	5.0	3.667	1.5275
C7 Social impact achieved	5	3.0	5.0	3.800	.8367
C8 Supporting culture	4	4.0	5.0	4.250	.5000
C9 Fail: lack of network	5	2.0	4.0	2.800	1.0954
C10 Fail: lack of finance	3	2.0	3.0	2.333	.5774
C11 Fail: lack of peer2peer	5	2.0	4.0	2.400	.8944
C12 Fail: Lack of biz coach	5	2.0	2.0	2.000	.0000

Factor 4. Ability to meet social demands

	N	Min.	Max.	Mean	Std. Deviation
D1 Clearly addresses need	5	4.0	7.0	5.600	1.1402
D2 Clearly alleviates its goal	5	4.0	7.0	5.800	1.0954
D3 New/revamped services	5	6.0	7.0	6.200	.4472
D4 No operational challenges	5	4.0	6.0	5.000	.7071
D5 No economic challenges	5	3.0	6.0	4.600	1.1402
D6 Target benefits from service	4	2.0	4.0	3.250	.9574

Factor 5. Ability to obtain necessary resources

	N	Min.	Max.	Mean	Std. Deviation
E1 Staff with skills	5	4.0	7.0	5.800	1.0954
E2 Revenue stream created	5	3.0	5.0	3.800	.8367
E3 Financial streams	5	3.0	5.0	3.800	.8367
E4 Concept proven	5	6.0	7.0	6.200	.4472
E5 Public funds secured	4	2.0	5.0	2.750	1.5000
E6 Comm done to targets	5	5.0	6.0	5.600	.5477
E7 Informed our customers	5	4.0	6.0	5.000	1.0000
E8 Connections for resources	5	5.0	6.0	5.800	.4472
E9 Partnerships have helped	5	5.0	6.0	5.800	.4472
E10 Legal support	2	2.0	2.0	2.000	.0000
E11 In the political agenda	5	4.0	6.0	5.200	.8367
E12 SE actors' support	5	5.0	6.0	5.800	.4472

Factor 6. Potential effectiveness of scaling social impact with others

	N	Min.	Max.	Mean	Std. Deviation
F1 Success alone	5	3.0	4.0	3.600	.5477
F2 Partnering is expensive	4	2.0	3.0	2.250	.5000
F3 Soc impact max with others	5	5.0	7.0	6.000	.7071
F4 Local part, better results	5	5.0	7.0	5.800	.8367
F5 Strategic alliances	5	6.0	7.0	6.400	.5477
F6 Connection to networks	5	6.0	7.0	6.200	.4472
F7 Supra-national connections	3	4.0	5.0	4.667	.5774
F8 Connection to SE networks	5	6.0	7.0	6.600	.5477

Factor 7. Adaptability

	N	Min.	Max.	Mean	Std. Deviation
G1 Fully adaptable	5	2.0	4.0	3.000	.7071
G2 Legal env needs adaptation	5	2.0	6.0	4.000	1.8708
G3 Financial env needs adaptation	5	2.0	4.0	2.800	.8367
G4 Too disruptive model	5	2.0	3.0	2.200	.4472
G5 More impact w/ new targets	5	4.0	5.0	4.600	.5477
G6 More impact w/ new serv	5	3.0	5.0	4.400	.8944
G7 Cannot expand targets/serv	5	2.0	3.0	2.200	.4472

Aggregated table for Germany (N=5)

	Min.	Max.	Mean	Std. Deviation
Commitment of the individuals driving the scaling process	4.38	6.38	5.10	.772
Competence of the management	4.92	6.75	6.03	.676
Entire or partial replicability of the operational model	2.67	3.92	3.27	.469
Ability to meet social demands	3.67	5.83	4.97	.892
Ability to obtain necessary resources	4.25	5.33	4.65	.430
Potential effectiveness of scaling social impact with others	4.63	5.50	4.90	.346
Adaptability	3.14	3.57	3.31	.186

HUNGARY

Factor 1. Commitment of the individuals driving the scaling process

	N	Min.	Max.	Mean	Std. Deviation
A1 Initiators	3	7.0	7.0	7.000	.0000
A2 SMartbe	3	7.0	7.0	7.000	.0000
A3 Management	3	7.0	7.0	7.000	.0000
A4 Staff	3	7.0	7.0	7.000	.0000
A5 Volunteers	3	7.0	7.0	7.000	.0000
A6 Local government	3	3.0	5.0	4.000	1.0000
A7 National admin	3	4.0	5.0	4.333	.5774
A8 SE organisations	3	4.0	5.0	4.333	.5774

Factor 2. Competence of the management

	N	Min.	Max.	Mean	Std. Deviation
B1 Develop strategy	3	7.0	7.0	7.000	.0000
B2 Network&legal res	3	7.0	7.0	7.000	.0000
B3 Financial resources	3	7.0	7.0	7.000	.0000
B4 Peer-to-peer support	3	7.0	7.0	7.000	.0000
B5 Business coaching	3	7.0	7.0	7.000	.0000
B6 Academic expertise	3	7.0	7.0	7.000	.0000
B7 Activate governance	3	7.0	7.0	7.000	.0000
B8 Manage stakeholders	3	7.0	7.0	7.000	.0000
B9 Manage staff	3	7.0	7.0	7.000	.0000
B10 Manage finance	3	7.0	7.0	7.000	.0000
B11 Position within SE	3	7.0	7.0	7.000	.0000
B12 Pride belonging to SE	3	7.0	7.0	7.000	.0000

Factor 3. Entire or partial replicability of the operational model

	N	Min.	Max.	Mean	Std. Deviation
C1 Core model	3	6.0	6.0	6.000	.0000
C2 Contract via online tool	3	4.0	5.0	4.667	.5774
C3 Info & advice service	3	7.0	7.0	7.000	.0000
C4 Debt collection	3	6.0	6.0	6.000	.0000
C5 Guarantee fund	3	6.0	6.0	6.000	.0000
C6 Insurances	3	5.0	5.0	5.000	.0000
C7 Social impact achieved	3	6.0	6.0	6.000	.0000
C8 Supporting culture	3	6.0	6.0	6.000	.0000
C9 Fail: lack of network	3	1.0	2.0	1.333	.5774
C10 Fail: lack of finance	3	5.0	6.0	5.667	.5774
C11 Fail: lack of peer2peer	3	2.0	2.0	2.000	.0000
C12 Fail: Lack of biz coach	3	2.0	2.0	2.000	.0000

Factor 4. Ability to meet social demands

	N	Min.	Max.	Mean	Std. Deviation
D1 Clearly addresses need	3	7.0	7.0	7.000	.0000
D2 Clearly alleviates its goal	3	7.0	7.0	7.000	.0000
D3 New/revamped services	3	7.0	7.0	7.000	.0000
D4 No operational challenges	3	7.0	7.0	7.000	.0000
D5 No economic challenges	3	4.0	5.0	4.333	.5774
D6 Target benefits from service	3	4.0	5.0	4.333	.5774

Factor 5. Ability to obtain necessary resources

	N	Min.	Max.	Mean	Std. Deviation
E1 Staff with skills	3	7.0	7.0	7.000	.0000
E2 Revenue stream created	3	4.0	4.0	4.000	.0000
E3 Financial streams	3	4.0	4.0	4.000	.0000
E4 Concept proven	3	7.0	7.0	7.000	.0000
E5 Public funds secured	3	4.0	4.0	4.000	.0000
E6 Comm done to targets	3	7.0	7.0	7.000	.0000
E7 Informed our customers	3	7.0	7.0	7.000	.0000
E8 Connections for resources	3	7.0	7.0	7.000	.0000
E9 Partnerships have helped	3	7.0	7.0	7.000	.0000
E10 Legal support	3	4.0	4.0	4.000	.0000
E11 In the political agenda	3	3.0	4.0	3.667	.5774
E12 SE actors' support	3	3.0	5.0	4.333	1.1547

Factor 6. Potential effectiveness of scaling social impact with others

	N	Min.	Max.	Mean	Std. Deviation
F1 Success alone	3	6.0	7.0	6.667	.5774
F2 Partnering is expensive	3	4.0	5.0	4.333	.5774
F3 Soc impact max with others	3	4.0	5.0	4.667	.5774
F4 Local part, better results	3	5.0	5.0	5.000	.0000
F5 Strategic alliances	3	7.0	7.0	7.000	.0000
F6 Connection to networks	3	7.0	7.0	7.000	.0000
F7 Supra-national connections	3	7.0	7.0	7.000	.0000
F8 Connection to SE networks	3	6.0	6.0	6.000	.0000

Factor 7. Adaptability

	N	Min.	Max.	Mean	Std. Deviation
G1 Fully adaptable	3	6.0	7.0	6.333	.5774
G2 Legal env needs adaptation	3	6.0	6.0	6.000	.0000
G3 Financial env needs adaptation	3	6.0	6.0	6.000	.0000
G4 Too disruptive model	3	3.0	3.0	3.000	.0000
G5 More impact w/ new targets	3	3.0	4.0	3.667	.5774
G6 More impact w/ new serv	3	6.0	6.0	6.000	.0000
G7 Cannot expand targets/serv	3	2.0	2.0	2.000	.0000

Aggregated table for Hungary (N=3)

	Min.	Max.	Mean	Std. Deviation
Commitment of the individuals driving the scaling process	5.75	6.25	5.95	0.260
Competence of the management	7.00	7.00	7.00	0.000
Entire or partial replicability of the operational model	4.75	4.83	4.80	0.048
Ability to meet social demands	6.00	6.17	6.11	0.096
Ability to obtain necessary resources	5.42	5.58	5.50	0.083
Potential effectiveness of scaling social impact with others	5.88	6.00	5.95	0.072
Adaptability	4.57	4.86	4.71	0.142

ITALY

Factor 1. Commitment of the individuals driving the scaling process

	N	Min.	Max.	Mean	Std. Deviation
A1 Initiators	5	4.0	6.0	5.200	.8367
A2 SMartbe	5	4.0	7.0	5.800	1.3038
A3 Management	5	4.0	7.0	6.000	1.2247
A4 Staff	5	6.0	7.0	6.400	.5477
A5 Volunteers	0				
A6 Local government	4	1.0	4.0	2.500	1.7321
A7 National admin	5	1.0	4.0	2.400	1.3416
A8 SE organisations	5	2.0	6.0	4.800	1.6432

Factor 2. Competence of the management

	N	Min.	Max.	Mean	Std. Deviation
B1 Develop strategy	5	3.0	6.0	5.200	1.3038
B2 Network&legal res	5	3.0	6.0	5.000	1.2247
B3 Financial resources	5	6.0	7.0	6.200	.4472
B4 Peer-to-peer support	5	4.0	6.0	5.000	1.0000
B5 Business coaching	5	4.0	5.0	4.600	.5477
B6 Academic expertise	4	3.0	6.0	4.500	1.2910
B7 Activate governance	5	4.0	6.0	5.000	.7071
B8 Manage stakeholders	5	3.0	6.0	4.800	1.0954
B9 Manage staff	5	3.0	6.0	4.800	1.3038
B10 Manage finance	5	5.0	6.0	5.600	.5477
B11 Position within SE	5	3.0	7.0	5.400	1.5166
B12 Pride belonging to SE	4	6.0	7.0	6.250	.5000

Factor 3. Entire or partial replicability of the operational model

	N	Min.	Max.	Mean	Std. Deviation
C1 Core model	5	2.0	5.0	3.800	1.3038
C2 Contract via online tool	4	1.0	3.0	1.500	1.0000
C3 Info & advice service	5	4.0	7.0	5.400	1.5166
C4 Debt collection	4	4.0	7.0	5.750	1.2583
C5 Guarantee fund	5	4.0	7.0	5.400	1.5166
C6 Insurances	3	2.0	4.0	3.333	1.1547
C7 Social impact achieved	5	5.0	7.0	5.800	1.0954
C8 Supporting culture	5	5.0	7.0	6.200	.8367
C9 Fail: lack of network	5	4.0	7.0	5.600	1.5166
C10 Fail: lack of finance	5	2.0	7.0	4.800	1.9235
C11 Fail: lack of peer2peer	5	1.0	6.0	3.400	1.9494
C12 Fail: Lack of biz coach	5	1.0	6.0	4.400	2.0736

Factor 4. Ability to meet social demands

	N	Min.	Max.	Mean	Std. Deviation
D1 Clearly addresses need	5	5.0	7.0	6.200	.8367
D2 Clearly alleviates its goal	5	6.0	7.0	6.400	.5477
D3 New/revamped services	5	5.0	7.0	6.000	.7071
D4 No operational challenges	5	5.0	7.0	5.400	.8944
D5 No economic challenges	4	4.0	7.0	5.250	1.2583
D6 Target benefits from service	5	4.0	5.0	4.800	.4472

Factor 5. Ability to obtain necessary resources

	N	Min.	Max.	Mean	Std. Deviation
E1 Staff with skills	5	3.0	6.0	4.800	1.3038
E2 Revenue stream created	5	4.0	7.0	5.400	1.1402
E3 Financial streams	5	2.0	7.0	4.000	1.8708
E4 Concept proven	5	5.0	7.0	6.600	.8944
E5 Public funds secured	5	1.0	6.0	3.800	1.9235
E6 Comm done to targets	5	5.0	6.0	5.200	.4472
E7 Informed our customers	5	4.0	6.0	5.000	1.0000
E8 Connections for resources	5	4.0	7.0	5.200	1.6432
E9 Partnerships have helped	5	5.0	7.0	6.200	.8367
E10 Legal support	5	1.0	4.0	2.400	1.3416
E11 In the political agenda	5	1.0	5.0	3.600	1.6733
E12 SE actors' support	5	4.0	7.0	4.800	1.3038

Factor 6. Potential effectiveness of scaling social impact with others

	N	Min.	Max.	Mean	Std. Deviation
F1 Success alone	5	1.0	4.0	1.800	1.3038
F2 Partnering is expensive	4	1.0	5.0	3.000	1.8257
F3 Soc impact max with others	4	5.0	7.0	6.000	1.1547
F4 Local part, better results	5	4.0	7.0	5.600	1.3416
F5 Strategic alliances	5	5.0	7.0	6.000	.7071
F6 Connection to networks	5	5.0	7.0	6.200	.8367
F7 Supra-national connections	5	4.0	7.0	5.400	1.1402
F8 Connection to SE networks	5	5.0	7.0	6.200	.8367

Factor 7. Adaptability

	N	Min.	Max.	Mean	Std. Deviation
G1 Fully adaptable	5	3.0	6.0	5.000	1.4142
G2 Legal env needs adaptation	5	4.0	6.0	4.800	.8367
G3 Financial env needs adaptation	5	2.0	5.0	3.400	1.3416
G4 Too disruptive model	5	1.0	5.0	2.600	1.6733
G5 More impact w/ new targets	5	4.0	7.0	5.400	1.1402
G6 More impact w/ new serv	5	5.0	7.0	5.400	.8944
G7 Cannot expand targets/serv	5	1.0	6.0	3.400	1.8166

Aggregated table for Italy (N=5)

	Min.	Max.	Mean	Std. Deviation
Commitment of the individuals driving the scaling process	2.88	4.63	4.075	0.72133
Competence of the management	4.00	5.58	5.0167	0.61633
Entire or partial replicability of the operational model	3.75	5.25	4.3833	0.57009
Ability to meet social demands	4.67	6.17	5.5000	0.54006
Ability to obtain necessary resources	4.42	5.50	4.7500	0.43700
Potential effectiveness of scaling social impact with others	4.25	5.38	4.8000	0.48088
Adaptability	3.71	4.57	4.2857	0.33503

SPAIN

Factor 1. Commitment of the individuals driving the scaling process

	N	Min.	Max.	Mean	Std. Deviation
A1 Initiators	5	5.0	7.0	6.400	.8944
A2 SMartbe	5	4.0	6.0	4.800	1.0954
A3 Management	5	4.0	7.0	6.000	1.2247
A4 Staff	5	5.0	7.0	6.600	.8944
A5 Volunteers	0				
A6 Local government	5	1.0	6.0	4.000	1.8708
A7 National admin	5	2.0	6.0	3.800	1.6432
A8 SE organisations	5	4.0	6.0	5.200	.8367

Factor 2. Competence of the management

	N	Min.	Max.	Mean	Std. Deviation
B1 Develop strategy	5	4.0	7.0	5.200	1.3038
B2 Network&legal res	5	4.0	7.0	5.000	1.4142
B3 Financial resources	5	3.0	7.0	5.000	1.4142
B4 Peer-to-peer support	5	3.0	6.0	4.000	1.4142
B5 Business coaching	5	1.0	7.0	3.400	2.3022
B6 Academic expertise	5	1.0	5.0	3.400	1.8166
B7 Activate governance	5	2.0	6.0	3.600	1.5166
B8 Manage stakeholders	4	2.0	5.0	3.250	1.5000
B9 Manage staff	5	2.0	7.0	4.200	1.9235
B10 Manage finance	5	3.0	7.0	5.000	1.5811
B11 Position within SE	5	3.0	7.0	5.200	1.4832
B12 Pride belonging to SE	5	3.0	7.0	5.000	1.5811

Factor 3. Entire or partial replicability of the operational model

	N	Min.	Max.	Mean	Std. Deviation
C1 Core model	5	5.0	7.0	6.400	.8944
C2 Contract via online tool	5	4.0	7.0	6.000	1.4142
C3 Info & advice service	5	4.0	7.0	6.400	1.3416
C4 Debt collection	4	4.0	7.0	5.750	1.5000
C5 Guarantee fund	5	2.0	7.0	5.200	1.9235
C6 Insurances	5	4.0	7.0	5.400	1.1402
C7 Social impact achieved	5	5.0	7.0	5.800	1.0954
C8 Supporting culture	5	5.0	7.0	6.400	.8944
C9 Fail: lack of network	5	2.0	7.0	4.800	2.5884
C10 Fail: lack of finance	5	4.0	7.0	5.600	1.1402
C11 Fail: lack of peer2peer	5	3.0	7.0	4.800	1.6432
C12 Fail: Lack of biz coach	5	2.0	7.0	3.800	1.9235

Factor 4. Ability to meet social demands

	N	Min.	Max.	Mean	Std. Deviation
D1 Clearly addresses need	5	7.0	7.0	7.000	.0000
D2 Clearly alleviates its goal	5	7.0	7.0	7.000	.0000
D3 New/revamped services	5	4.0	7.0	6.400	1.3416
D4 No operational challenges	5	2.0	6.0	3.800	1.6432
D5 No economic challenges	5	3.0	6.0	4.400	1.1402
D6 Target benefits from service	4	3.0	7.0	4.750	1.7078

Factor 5. Ability to obtain necessary resources

	N	Min.	Max.	Mean	Std. Deviation
E1 Staff with skills	5	4.0	6.0	5.000	1.0000
E2 Revenue stream created	5	4.0	7.0	5.400	1.1402
E3 Financial streams	5	3.0	6.0	5.000	1.2247
E4 Concept proven	5	4.0	7.0	6.000	1.4142
E5 Public funds secured	5	1.0	5.0	2.600	1.8166
E6 Comm done to targets	5	3.0	7.0	5.000	1.5811
E7 Informed our customers	5	5.0	7.0	6.200	.8367
E8 Connections for resources	5	4.0	5.0	4.800	.4472
E9 Partnerships have helped	4	3.0	6.0	5.250	1.5000
E10 Legal support	5	2.0	7.0	5.600	2.0736
E11 In the political agenda	4	2.0	7.0	4.500	2.0817
E12 SE actors' support	4	4.0	7.0	5.250	1.2583

Factor 6. Potential effectiveness of scaling social impact with others

	N	Min.	Max.	Mean	Std. Deviation
F1 Success alone	5	1.0	4.0	2.200	1.6432
F2 Partnering is expensive	5	1.0	3.0	2.000	1.0000
F3 Soc impact max with others	5	1.0	7.0	5.600	2.6077
F4 Local part, better results	5	1.0	7.0	5.600	2.6077
F5 Strategic alliances	5	4.0	7.0	6.200	1.3038
F6 Connection to networks	5	6.0	7.0	6.800	.4472
F7 Supra-national connections	5	6.0	7.0	6.800	.4472
F8 Connection to SE networks	4	6.0	7.0	6.750	.5000

Factor 7. Adaptability

	N	Min.	Max.	Mean	Std. Deviation
G1 Fully adaptable	5	3.0	7.0	6.000	1.7321
G2 Legal env needs adaptation	5	2.0	6.0	4.400	2.1909
G3 Financial env needs adaptation	5	2.0	6.0	3.800	1.7889
G4 Too disruptive model	5	1.0	4.0	1.800	1.3038
G5 More impact w/ new targets	4	3.0	7.0	5.500	1.9149
G6 More impact w/ new serv	5	6.0	7.0	6.800	.4472
G7 Cannot expand targets/serv	5	1.0	6.0	2.400	2.0736

Aggregated table for Spain (N=5)

	Min.	Max.	Mean	Std. Deviation
Commitment of the individuals driving the scaling process	3.88	5.38	4.60	0.575
Competence of the management	3.25	5.25	4.30	0.807
Entire or partial replicability of the operational model	4.50	6.08	5.43	0.599
Ability to meet social demands	4.50	6.33	5.40	0.672
Ability to obtain necessary resources	4.50	5.25	4.80	0.315
Potential effectiveness of scaling social impact with others	2.75	6.13	5.07	1.373
Adaptability	3.71	4.86	4.22	0.480