



Research summary

An assessment of community-based social enterprises in three European countries

This comparative study looks at community-based social enterprises (CBSEs) in England, the Netherlands and Sweden. The report reviews national and local policy and includes case studies from each country to explore the way that CBSEs are both a product of their national cultures and local contexts, as well as a response to political and economic uncertainty and communities' desire for self-governance.

This research was commissioned by Power to Change to learn from the experiences within and between CBSEs in three European countries. CBSEs explored in the research fit Power to Change's definition of community business; they are locally rooted, trading for the benefit of the local community, accountable to the local community and they have a broad community impact.

Key case study findings from England, the Netherlands and Sweden

Similarities

- **Social innovation and entrepreneurialism** is widespread in terms of organisation and management practices, projects and opportunities and collaboration with other local services;
- **Hybrid business models** combining trading and non-trading activities sought to achieve long term sustainability in each case. Public and charitable grants and loans are common in business' early years;
- CBSEs in the three countries are on similar **trajectories** from starting as community projects, to eventually developing a diversified range of services;
- Board members tend to be appointed based on their personal knowledge and skills rather than just as representatives of an area or interest. **Recruitment** of new board members based on these criteria proved difficult in all cases and there was little evidence of regular turnover of local representatives;
- **Careful balance** is needed so that trading activities reinforce the core values of the organisation and their non-trading activities, rather than undermine them;
- **Impact** was perceived as significant but CBSEs rarely carried out systematic evaluations except through financial and management reports.

Differences

- English and Dutch CBSEs' **origins** tended to be community development or regeneration projects harnessed by staff skill sets whereas those in Sweden were more likely linked to creating employment opportunities;
- **Context** is crucial for understanding role and growth prospects. This includes funding sources, skills in contract negotiation and asset acquisition and need to collaborate with other agencies;
- Land and/or building **asset transfers** were most evident in England, also in the Netherlands to a lesser extent;
- **Community business sector is undeveloped** in all three countries. None of the three countries has a national strategic policy. Locally, the sector relies on context-specific relationships, support organisations and activists. The sector is most developed in England;
- **Leadership** in Sweden is usually given by the chairperson whereas in England it tends to be the CEO who develops strategy and promotes the organisation externally. In the Netherlands, leadership emerges from board members, paid staff or volunteers;
- The way that CBSEs perceive their **accountability to the community** varies. In Sweden users and beneficiaries are considered to be 'the community' whereas in England and the Netherlands the view is taken that CBSEs are also accountable to local residents.

Policy-related points of interest

All three countries lack a clear policy framework for social enterprise and in particular for CBSEs. Responsibilities are also divided between several different government departments, sometimes with unclear ministerial accountability. Central and local governments in all three countries are often perceived as ambivalent to CBSE models and may appear uncertain as to whether they should support this sector and, if so, how best to do so. In light of this, definitions for the CBSE sector vary and change depending on political perspectives and priorities.

In areas where there is support from local authorities and housing associations, these have limited powers or resources to do so. Some are willing to offer leases on buildings or other assets of varying lengths at rents below full market value, and may transfer assets to CBSEs. Much of this depends on community businesses having personal contacts with political representatives or highly-motivated local authority officers.

The report finds that ultimately, it is the different legal and administrative frameworks which have a major influence on the establishment and support for CBSEs, while creating opportunities to deliver services and to provide facilities which would not otherwise be available.



About the research

The research was undertaken by a team of researchers from the University of Westminster in London, Delft University of Technology in The Netherlands and Stockholm University in Sweden. A mixed qualitative and quantitative approach was taken which included national and local policy review in each country as well as the development of nine case studies split across the three countries. Stakeholders were engaged through Power to Change and Locality in England, the National Association of Active Residents in the Netherlands and Coompanion in Sweden and were interviewed. Case studies were selected in order to be broadly representative of the sector in terms of organisations' age, location, sources of funding, assets and services provided and systems of governance. A list of the case studies can be found in the table below. Seminars enabled findings to be shared and comparative insights to be developed between countries.

In addition to the main report there is an Appendix with details of each of the nine case studies.

The full report can be found at www.thepowertochange.org.uk/research/research-publications/

List of case studies

England

Goodwin Trust, Thornton estate, Hull (Yorkshire)

Millfields Trust, Stonehouse, Plymouth (South West)

OrganicLea, Waltham Forest (London)

The Netherlands

Stichting Bewonersbedrijven Zaanstad (SBZ)

Bewonersbedrijf Malburgen (BBM) Malburgen, Arnhem

Bewonersbedrijf Crabbhoeve (BBC) Crabbhof, Dordrecht

Sweden

Yalla Trappan, Rosengård, Malmö

Nya Folkets Hus Rågsved Rågsved, Stockholm

Roslagskrafterna, Norrtälje
