



WP.T1_ CONTEXT ANALISYS

A.T1.1_RESEARCH ACTIVITIES

D.T1.1.4 Regional Report_Croatia
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1. INTRODUCTION

Here is a national report about WISEs' context in Croatia. Main goal of the report is to present situation with WISEs based on development on institutional or legislative framework and its ecosystem, but also to present state of the art regarding numbers and potentials, risks and obstacles for better development of WISEs. This report is important, since the sector is still underdeveloped in Croatia and there is an expectation thankfully to the findings in report it will be more clear about needed steps or areas that should be improved to support more visibility, capacity and sustainability of WISEs in Croatia.

The report has four main chapters:

- first one is elaborating legal basis and institutional ecosystem for WISEs
- second one is focused on survey based on the prepared questionnaire
- third one presenting results from interviews with representatives of WISEs in Croatia
- fourth one is reserved for stakeholders meeting and consultation process with them

Before these four main subjects we will present scientific methods that we used in this research and after it we are finishing the report with synthesis or results from both quantitative and qualitative field work approaches.

The report is the result of almost half year of work from Institute of Social Science project's team work and it is good base and overview for further activities in the project.

1.1. reference documentation:

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2. METHODOLOGY

We used different methods depending on subactivity needs and purpose and what is scientifically appropriate regarding the content of the research.

For the part about formal legal basis and WISEs' ecosystem we used systematic audit of relevant materials in this field and desk research: reviewing relevant legislation, documents, and existing studies. However, since we already stated at the beginning that WISEs' sector is still underdeveloped and in some way not completely with a clear boundaries and structure, part of information or some paths for analyses were obtained through personal contacts with experts in the field, responsible public authorities and the main actors from their experience.

For survey about actual WISEs in Croatia first we entered in our already established base of social economy and entrepreneurship actors that we have set up through project iPRESENT - Installation Project for Research about Social ENTrepreneurship. From this base we took the ones that are satisfy definition and area/way of work typically for WISEs. Our initial sample included 30 organizations and from that after running a survey we reach 23 WISEs organisation, because some of them didn't responded at all or explicitly express their non-willingness to participate in survey and provide us with needed data.

For quantitative analyses we used the original questionnaire agreed by all INNO-WISEs project partners and adapted it to the Croatian context and for field work need translated it to Croatian language. The data was

analysed using SPSS software where we provide description analysis of all the variables, graphical presentation of the frequencies and cross-tabulations of a few key variables. After this we interpreted results using appropriate tests and methods.

Qualitative part was based on interview, but here also we arrange open coding after transcription of the interviews and other stages of coding by using Atlas.ti software.

For stakeholders meeting we used focus groups method which proved itself as the best tool to take at once opinion or attitudes of many people on the same place in the same time. Similarly, to questionnaires and interviews analyses, here we also used transcription and after it open coding, selective and axial coding with presentation. Transcribed document has been coded through NVivo11 software for qualitative data analysis. Analyzing the interview several open nodes were made, which we named using descriptive way meaning that as a name of open nodes there were used thematic context of coding text. After coding the whole interview, we created axial nodes which by their name were naming the topics about which participants were debating and which were already prepared through project's interview. After setting up coding tree we have been working on graphical presentation to be able to present in the most optimal way connection and correlation between axial and selective nodes, along with written interpretation.

3. FORMAL LEGAL BASIS

Ecosystem for WISEs in Croatia is still underdeveloped comparing to EU standard and to the political, social and economic systemic environments of WISEs that has been achieved in many European countries (Belgium, Spain, Italy etc.). This situation is in correlation with overall social economy/enterprises status, development and visibility in Croatia that are on lower level in comparison with their counterparts in Western/Northern Europe (ICF, 2014).

For the matter of objective obstacles for development of social economy sector, including WISEs as part of it, we can say that Croatia experienced one of the worst economic crises in Europe from 2008 onward. This situation just worsened anyway hard condition for marginalised and vulnerable groups that are of WISEs' highest interest and responsibility. We can say at the beginning of analyses that it was extra weight on WISEs as one the most important actors for social inclusion and integration in the work/market sector.

Here is a comprehensive list of vulnerable/marginalised groups that are beneficiaries/users or all regulatory and institutional policies and processes on state/central, regional or local administration level:

1. people in severe risk of poverty

For several years Croatia had negative growth in GDP and poverty risk level for 2015-year reach almost 20% which left every fifth citizen in high danger of low living condition. Risk of poverty rate in 2012 was at 20.5% of citizens even after social transfers. In the last couple of years as a direct result of economic crises we can witnessed rise of persons exposed to over-indebtedness and usurious loans that usually ended in their high risk poverty level status. In 2017 around 330000 citizens had blockade on their accounts and they owed more than 5.5 billion euros.

2. unemployed, especially long term unemployed people

Rate of unemployed persons rise as GDP went lower in last few years. It was moved between 15% and above 20% of total population. Long-term unemployment rise in double terms from 2008 to 2015 reaching 10.4% of work force.

3. youth (below 25)

One of the worst affected groups by economic crises was young citizens. Year by year they got harder way for entering in work sector. If they are already bounded by poverty they had more obstacles to join high



education level. This all together rise number of *NEET* (Not in Education, Employment and Training) persons meaning young people between 20 to 24 years old that are neither in employment nor participating in education or training. As it is concluded in extensive report *Social Justice in the EU - Index Report 2016*, Croatia experienced dramatic rise in NEET to 24,2% (only Italy and Greece in worse situation in EU) from the 13.7 percent reported in 2008 which “threatens the long-term viability of the Croatian economy” (Schraad-Tischler and Schiller, 2016 :93). Children were especially hit by economic crises and the number of children in poverty rise by 10%.

We have to mention a special need for social inclusion of young people that are under protection and in authorised homes for taking care of them that after their 18 year are left in uncertain situation and without further assistance and help.

There is a general consensus among social thinkers and demographer how we got first generation after Second World War that have a big chance to have lower quality of life than generation before.

4. older that 54 (especially if they are unemployed)

Croatian population is getting older which is in the line with EU perspectives. That was endorsed by numerous reports, statistical data, analyses and it is one of the most frequent subject in public debate. Share of inhabitants older than 65 years in the total population, vital index, and all other relevant indicator acknowledge this problem. It is stated in national level documents: “For the past two decades, the Republic of Croatia is facing the trend of population reduction, primarily due to the negative rate of natural increase. In the ten-year period between 2002 and 2011, the average annual rate of natural increase was negative (- 2.2 per mil)” (MSPY, 2014: 5).

Older people are in high vulnerable situation if they have low education and living in rural area especially ones in counties with low Development Index. There are still huge space for improvements in long-life learning since only 2.9 % of people between 25 and 64 participating in education and training whereas the European average is 8.9 % (MSPY, 2014).

5. Roma population

In spite of visible state effort with financial support for social inclusion of Roma population, this minority stays as one of the most vulnerable group in Croatia and they are experiencing high level of social exclusion, low housing condition and level of education.

6. Disabled people

They account big 12% in total population what their vulnerable situation leads to the massive scale for society. Children with developmental difficulties experiencing most challenging situations. One of the most striking marginalisation is happening in education system where only 5.61 % students with developmental difficulties are currently schooled at the primary-school and secondary-school level (MSPY, 2014).

7. Migrants, refugees and asylum seekers

According to Strategy for Combating Poverty and Social Exclusion IZVOR NAVEDI there were approved only 58 asylums and 51 subsidiary protections in Croatia even thou from the last refugees crisis from Middle East their number rising more than threefold on yearly basis till 2013.

8. Homeless people or other people with housing problems

Direct effect of economic crisis is rise of people with financial problems which in extreme situation leads to homelessness. According to Croatian Network for Homeless people there are around 1000 known persons in



Croatia that don't have a place to live and all stakeholders that are taking care for them and provide 12 secure home for rest and sleep cover together 420 places. According to their data there are more than 500 people that are sleeping on public spaces, in abandoned building, under the bridges etc. (CNH, 2017) However, according to ETHOS - European Typology on Homelessness and Housing Exclusion which in this group include person that occasionally use shelters, live in places without electricity and water, caravan camping vehicles, inadequate basement flats, garages and similar, then number of those kind of persons reach 7000 (FEANTSA, 2017).

More or less often, on the list of marginalised or vulnerable persons, there is a mentioning of people from other political minorities (besides Roma population), member of LGBT community, war veterans and their families or any other person with physical or psychical problems resulted from war period, member of houses without employed persons (especially where there are kids or persons that need support)), single person household, women (unemployed, single mother status, above 54), children without adequate parental care, ex-prisoners and drug users. All of them could be the most important people for training or employment in WISEs.

According to the *Strategy for Combating Poverty and Social Exclusion in the Republic of Croatia (2014 - 2020)* as one of the main document for WISEs ecosystem we can approach to vulnerable/marginalised people regarding reason for exclusion. In that manner we can have several types:

- -exclusion based on economic status (poor, unemployed, especially long-term unemployed, homeless, returned emigrants and displaced persons, migrants, especially asylum seekers and foreigners under subsidiary protection, persons who lives on islands and in rural areas);
- exclusion based on family structure (single-person households, single-parent families, children without parental care, families with more than two children);
- exclusion based on identification (national/ethnic/racial/religious minorities, sexual and gender minorities);
- exclusion based on age (children, young people and older persons and pensioners);
- exclusion based on the perpetration of crime (prisoners/former prisoners, a child and young adult with behavioural disorders, victims of crime, especially human trafficking victims and victims of domestic violence);
- exclusion based on education (persons with low levels of education, young people who discontinued their education too early);
- exclusion based on a medical condition (mentally ill people, persons infected with HIV, suffering from AIDS, infected with Hepatitis C, persons with alcohol addiction, gambling addiction and narcotic drugs addiction, persons suffering from genetic and chronic diseases);
- exclusion based on disability (persons with physical and sensory disability, persons with mental/intellectual disabilities) (MSPY, 2014: 13-14).

There are 8 strategic areas here that we are also referring in this analysis: education and lifelong learning; employment and access to employment; housing and the availability of energy; access to social benefits and services; access to the healthcare system; care for the elderly; fight against indebtedness and financial independence; balanced regional development.

The hardest situation or we can say the highest level of social exclusion is when some concrete and unique person's condition overlaps several conditions. The situation was even severe in some parts of Croatia deepening regional disparities and inequalities even further. Continental parts of Croatia, especially eastern regions suffered the most during war in '90s, and now were hit again by economic crisis which is leaving in some areas devastating results with unprecedented emigration. In those regions every fourth citizens can



be considered excluded from society according to UNDP categorization of social exclusion which consist itself simultaneously three hard living situations: unemployment, poverty and isolation (UNDP, 2006).

Economic situation started to recover slightly at the end of 2014 and more serious and continuously through 2015 till present days. Level of unemployment was in mid-2017 on 10.8% (contrast to 16,3% in 2015) and youth unemployment rate was on 26,4 which is significantly lower than 43% in 2015 which was double than average rate in EU at that time.

However, it is still premature to conclude what would be effects on marginalised groups in society. There are critics of the new rise of GDP and good results in unemployment numbers, with notion how a huge impact on those from the first look good results has been consequences of one of the biggest wave of emigration, especially young people, especially from less economic developed areas in Croatia. It is not easy to give precise number, because there are big differences in data - for example numbers that German immigration office publishing about Croatian citizens that are entering in their country for working and living are sometimes even three times higher that numbers declared in Croatian official statistical reports. In any case, there is agreement that mostly people in the best productive years are leaving (in 2016 almost half in ages 20-39) and there is a confirmed number of primary schools students which is in 2016 lower from 2011 for 22.500 young person's e.g. 6,6% less. In economically less developed counties in eastern part of Croatia they are missing young people in schools for 16% which leave devastating effect for future of these parts of country.

Considering the mutual conditionality and overlapping of the above parameters, four main groups can be pointed out that are at the greatest risk of poverty and social exclusion:

- children and young people,
- older persons and pensioners,
- unemployed persons
- persons with disabilities.

It is not surprised that almost all of WISEs in our research base cover one of more of these groups.

Since WISEs cover so much subjects and types of disadvantage/vulnerable groups, legislative ecosystem is quite huge and diverse. It covers many strategy documents, laws/acts and protocols or action plans. Here is a list of the most important ones:

Constitution of the Republic of Croatia

The Strategy for Combating Poverty and Social Exclusion in the Republic of Croatia (2014-2020)

National Strategy of Equalization of Possibilities for Persons with Disabilities from the Year 2017 till the Year 2020

National Strategy of Roma Inclusion 2013-2020

National Strategy on Combating Drug Abuse in the Republic of Croatia for the Period (2015-17)

National Strategy of Protection against Family Violence for the period 2011 - 2016

National Strategy for the Rights of the Children in the Republic of Croatia for the Period from 2014 to 2020

National Programme for the Protection and Promotion of Human Rights 2013-2016,

Migration Policy of the Republic of Croatia 2013-2015

National Anti-Discrimination Plan 2008-2013

Cooperatives Act (OG 36/95, OG 67/01, OG 12/02, OG 34/11, OG 125/13)

Law on Associations (OG 74/14)



Law on Small Business Development Encouragement (OG 29/02, OG 63/07, OG 53/12, OG 56/13)

Law on Foundations and Funds (OG 36/95, OG 64/01)

Law on Institutions (OG, 76/93, 29/97, 47/99, 35/08)

Croatian Companies Act (OG 152/11, OG 111/12)

Act on Employment mediation and Unemployment Rights (OG 16/17)

Act on Vocational rehabilitation and employment of disabled persons (OG157/13, 152/14, 16/17)

Act on ombudsman for persons with disabilities (OG, No.107/07)

Antidiscrimination Act (OG, No.85/08, 112/12)

Gender Equality Act (OG 82/08)

Life Partnership Act (OG 08/13)

Act on professional rehabilitation and employment of persons with disabilities (OG, No. 157/13)

Social Welfare Act (OG, No. 157/13, 152/14, 99/15, 52/16 i 16/17))

Law on Adult Education (OG 17/07, 107/07 i 24/10)

Ordinance on Standards and Specifications, the Mode and Procedures for Determination of the Fulfilment of Conditions in Adult Education Institutions (OG 129/2008)

Drug Abuse Prevention Act (OG 107/01, 87/02, 163703, 141/04, 40/07, 149/09, 84/11, 80/13);

Act on Protection against Family Violence (OG 137/2009, 14/2010, 60/2010)

Aliens Act (OG 130/11, 74/13)

Act on International and Temporary Protection (OG 70/2015)

Action Plan for the removal of obstacles to the exercise of particular rights in the area of integration of foreigners in the Croatian society, for the period of 2013 to 2015, Official Gazette (52/12, 81/2013, 38/2015)

Asylum Act (OG 79/07)

Residence Act, (OG 144/2012, 158/2013)

Public Procurement Act (OG 13/2014)

Act on Free Legal Aid (OG, 143/2013)

Law on the Rights of Croatian Defenders from the Homeland War and the Members of Their Families (OG 174/04, 92/05, 2/07, 107/07, 65/09, 137/09, 146/10, 55/11, 140/12, 33/13, 148/13, 92/14).

Convention on the Rights of Persons with Disabilities with the Protocol (OG, IC No. 6/07, 3/08 and 5/08)

Convention on the Rights of the Child (OG, IC No. 12/93)

Regulation on Types of Homes for Children and Adults (NN, No. 64/09),

Protocol on accommodation procedures for refugees and beneficiary of subsidiary protection 2012.

We should also mention that themes of WISEs interest are covered by several official Ombudsperson: Public Ombudsman, Gender Equality Ombudsperson, Ombudsperson for Persons with Disabilities and the Children's Ombudsperson.

Good laws, but something is missing?

We can emphasise reasons for limited development of WISEs in Croatia:

a) shortage of adequate source of financial support for WISEs



b) lack of expertise and know-how in WISEs

c) lack of awareness about importance and beneficial values of WISEs in general public

There is also lack of tradition. No matter about long term presence of cooperatives in Croatia, social economy and entrepreneurship are new phenomenon.

From today's perspective we can say that more valued for WISEs was agreement from the same year between EU and Croatia Joint Memorandum on Social Inclusion of the Republic of Croatia, which after it brought EU IPA funds in Croatia many civil society organisations used for setting up new generation of entities that use model of social enterprises for work integration of disadvantage groups.

Not before 2005 we got Law on Professional rehabilitation and employment of persons with disabilities (new in 2013) with two main forms of integration that WISEs might use: integrative and sheltered workshop.

Within new version of Law (OG 157/13, 152/14) integrative workshop is an institution or company that is funded for employment on people with disabilities that are not able to find job on open market, and which has a human, technical and organisational capacities to have at least 40% of persons with disabilities in total number of employees (ch. 18).

Sheltered workshops is defined as an institution or company that is funded for employment on people with disabilities which are not able to get a job in integrative workshop entities, and which has a human, technical and organisational capacities to have at least 51% of persons with disabilities in total number of employees, and that exclusively on jobs that are under protection status (ch. 20).

Beneficial quotas that some entities might obtain because of employment of persons with disabilities are on a good and encouraging level, but not use enough regarding the number of persons in needs, so lots of employers often decide to pay a fee for not using these beneficial quotas.

We have two important documents that explicitly have notion about at least possibilities to use social enterprises as a model for employment of disadvantage groups. First it is the National Strategy of Equalization of Possibilities for Persons with Disabilities from the Year 2017 till the Year 2015 where as one of the Measures (No. 7) mentioned "models for employment of persons with disabilities that are not able to find a job on the open market without support" (MFVAIS, 2007: 45) and with need for securing this support for employment. Next to agencies and workshops, cooperatives were mentioned as one of the models for employment. We can say that at that time level of awareness and development of social enterprise were almost not existed, besides some initial pioneers in civil society sector. It is also the same with level of work integration of disadvantages/marginalised groups, especially ones with disabilities. All in all, this measure wasn't generated so much on real open market and economy.

According to the study *Support of more active inclusion of persons with disabilities in labour market* we can witnessed drop in the number of jobs and sheltered workshops in the last 20 years - 39 workshops with a total of 3,500 employees in 90s to 6 sheltered workshops and 4 working units with a total of 560 employees in 2010 (Human Dynamics, 2010: 37).

More precise was new Cooperative Law in 2011 where in Article 66 it is explained two types of reasons for foundation of social cooperatives or we can say how it is explained two types of activities for social cooperatives:"

- Actions that are helping to fulfil the basic needs of the socially endangered, afflicted or other natural persons that are unable to fulfil those needs themselves or with the help of their families because of the adverse economic, social or other circumstances
- Including the people with impaired work ability and other natural persons with income insufficient for fulfilling their basic needs, that are unable to acquire that income by work or property income or otherwise, into the work and production processes.

Both definitions of these two types of activities for social cooperatives suits for definition of activities for WISEs or they are valid reasons for setting up cooperative.



It is also important to mention how law stressed that members of social cooperative can be users/beneficiaries, service providers and workers.

In 2015 Croatia adopted Strategy for the Development of Social Entrepreneurship in the Republic of Croatia for the period 2015-2020 that finally shape framework for social economy actors in Croatia, including WISEs even thou there is no specific mentioning of it. Importance of integration of social excluded groups were emphasised regarding war-veterans social cooperatives and benefits that cooperative way of doing things can benefit this vulnerable group. Today it is especially interesting workers-social oriented cooperative for war veteran. In the same chapter about cooperatives there is also of mentioning of Law on Professional rehabilitation and employment of persons with disabilities (OG 157/13, 152/14) and closeness of its two integration types - integrative and sheltered workshop, but it doesn't go in deeper explanation or clarification why it is important for development of social entrepreneurship in Croatia.

We can say that all four goals of this Strategy completely overlapping with needs for bigger development of WISEs: financial support, legislative framework, promotion and visibility and education. In all four areas we need more efforts and concrete action for better position and achievements of WISEs in Croatia. Regardless of these shortcomings, we can say how responsible Ministry of Labour and Pension System, always incorporate in their tenders and Calls for applicants needs for integration in work sector or at least education of disadvantage groups in Croatia.

The highest connection of national documents and WISEs or the highest potential for coordinated development and mutual benefit actions can be seen in already mentioned Strategy for Combating Poverty and Social Exclusion in the Republic of Croatia 2014 to 2020 where as one of three priorities and primary objectives for Strategic programme activities is: "3. Establishing a coordinated system of support for groups at risk of poverty and social exclusion, as well as a monitoring and evaluation system" (2014: 18). Here we have emphasizing innovative social approaches and financing tools under which they stressed social entrepreneurship.

In Chapter 4. Strategic Areas in the Fight Against Poverty and Social Exclusion there is a subchapter 4.2. Employment and access to employment, social cooperatives are specifically mentioned as model for social and work integration of "persons with diminished working capacity" (ibid.: 22) or to be of assistance to anyone in "unfavourable personal, economic, social and other circumstances" (ibid.: 23) with a need for inclusion in wider community. From all disadvantaged groups here are listed specifically: women, youth, the Roma and persons with disabilities.

At the other part in Strategy it is stressed how "special priority given to the assistance programme for social inclusion through social entrepreneurship (Supporting social economy in combating social exclusion), establishing the system and carrying out the education in the field of social welfare (ibid.: 31). Saying all this we can conclude how *Strategy for Combating Poverty and Social Exclusion in the Republic of Croatia 2014 to 2020* is without comparison the most supportive and pro-active oriented national document for WISEs.

Some other new approaches and decisions might bring better times for the sector.

Institute for professional rehabilitation and employment of persons with disabilities gives a significant subsidy for employment of persons with disabilities in integrative and sheltered workshops. There are some debates about impact of possible setting up a framework for creation of non-profit (social) enterprise or even for public-civic institution for developing WISEs sector.

Croatia has laws and regulatory frame for development of WISEs at least in social cooperative area, but as it is in the case of general social economy here is also missing a holistic approach to the subject and institutional setting for the concept. In the light of this we shouldn't be surprised that there a small amount of WISEs in Croatia with insufficient number of employees regarding the needs of disadvantage groups in society, but we can say even regarding the need of the whole economy and society in Croatia if we take in

the count numerous benefits that WISEs secure (ENSIE, 2016). Croatia is looking behind many EU countries regarding the development of WISEs and there is no time anymore for slow and short steps.

If we look at listed regulative and legal structure and ecosystem for WISEs, we might conclude about high level of development. We can't say that ecosystem doesn't exist, but it is still looking its way, still around phase of development that is determinate by incoherence and lack of coordination in favour for long term orientation and results.

Even thou in almost all of official documents about social entrepreneurship there is additional point about its importance for work integration of disadvantages groups, we can say that WISEs very often live in Croatia under the shadow of broader concept even thou in EU most of the social enterprises are WISEs. There is no network or institutions with enough capacity for wider and deeper support for WISEs development, very few scientific researches about the subject and only ACT Group as consortium of social economy actors/enterprises taking care for relevant lists or register about WISEs in Croatia. Project INNO-WISEs should strengthen know-how and visibility of sector in Croatia.

4. SURVEY RESULTS

The initial sample included 30 organizations. The sampling procedure was done as follows. First, using the data collected between 2015 and 2017 within the "iPRESENT" scientific research project on social entrepreneurship in Croatia and the official "Strategy for the Development of Social Entrepreneurship in the Republic of Croatia for the period 2015-2020" we identified the national scene of social enterprises of all types. In other words, the first step was to make a tangible distinction between social enterprises and traditional not-for-profits (e.g. NGO's) on the one hand and between social enterprises and commercial enterprises (for-profits) on the other hand. Among other criteria, the Strategy defines social enterprises as social mission-oriented organizations that make or plan to make at least 25% of triennial income through entrepreneurial activities (Strategija, 2015: p.8). Therefore, in the present research social enterprises were conceptualized as not-for-profit organizations that make or plan to make at least 25% of annual income through entrepreneurial activities. We opted for this particular criterion because it is "highly tangible" and the data (on the income structure of not-for-profits in Croatia) was available. Second, once a clear overview of social enterprises in Croatia was achieved, we identified those involved in operations of work integration i.e. WISEs. Third, to be able to discuss a wide range of the subject-related topics the initial sample included only the most entrepreneurially oriented (innovative, proactive, and risk taking) WISEs. Again, the selection of the most entrepreneurially organisations were made based on the data collected within the "iPRESENT" research project.

The final sample included 23 organizations, i.e. the response rate was 76.7% (5 organizations refused to participate, 2 organizations did not respond). The data collection consisted of conducting questionnaires and in-depth interviews. The quantitative data was analyzed using SPSS software.

4.1. results of the quantitative research

DESCRIPTION ANALYSIS

The following section presents the data collected through the questionnaires. Most of the results are presented both by a table and a chart. The interpretation of each research result is presented before the associated table/chart.

Table 1 and Chart 1 present the roles the survey respondents pursued at their organizations (at the time the survey was conducted). The most represented respondents were cooperative governors (8 organizations) followed by directors (7) and presidents (4) of organizations.

Table 1. Roles of the respondents at WISEs

	Count
One of the cooperative founders	1
Representative of the owners	1
Owner and director of the organization	1
President of the general assembly of the organization	1
President of the organization	4
Director of the organization	7
Cooperative governor	8

Chart 1. Roles of the respondents at WISEs

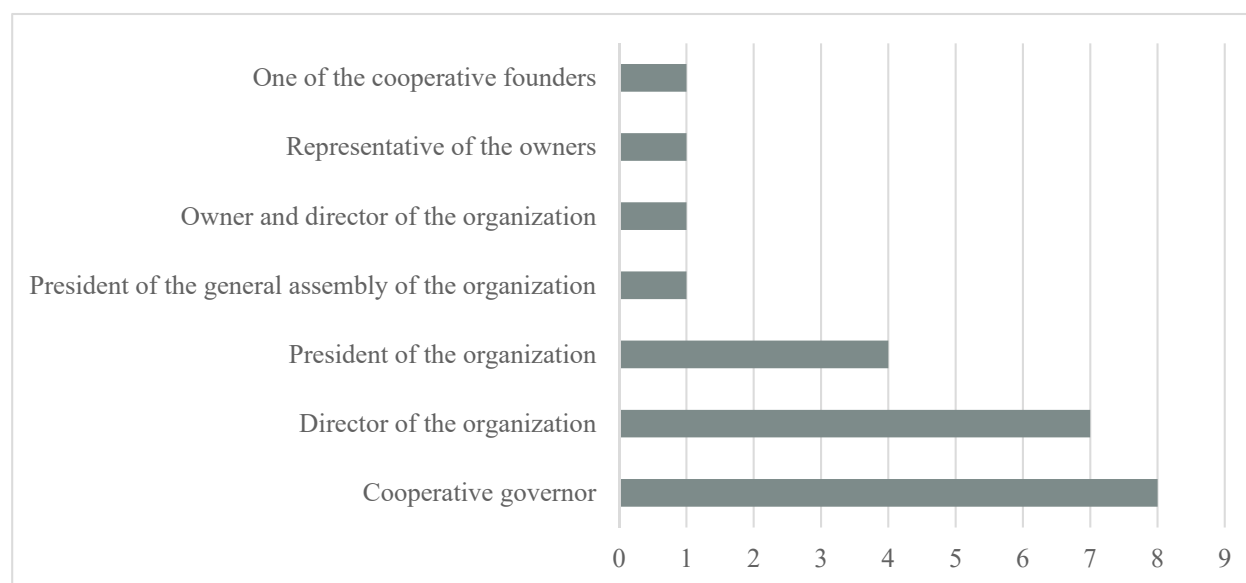


Table 2 and Chart 2 present legal forms of organizations included in the final sample. Hence, equally represented were cooperatives and limited liability companies (9 organizations). Associations were the least represented legal form in the sample (5).

Table 2. Legal form of the organizations

	Count
Association	5
Cooperative	9
Limited liability company (Ltd.)	9



Chart 2. Legal form of the organizations

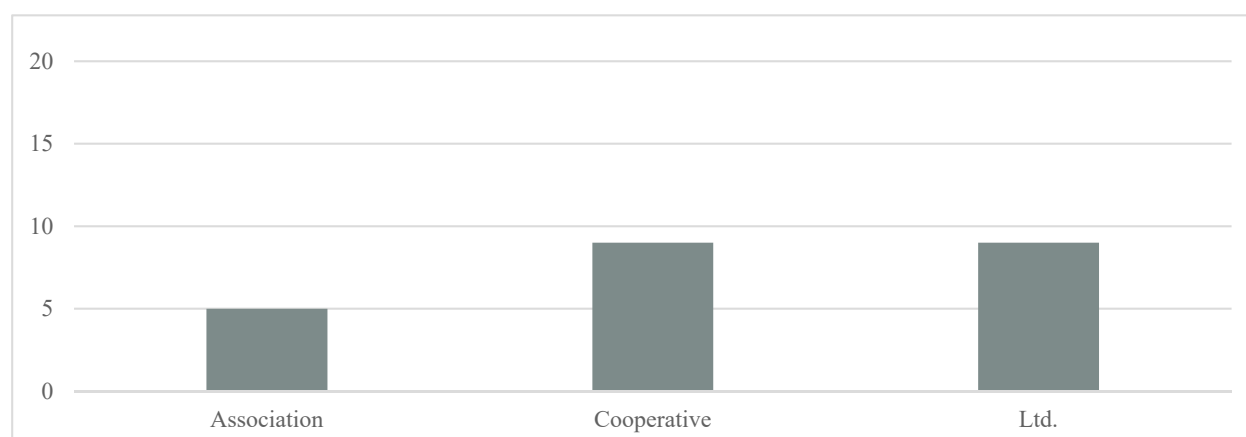


Table 3 and Chart 3 present the distribution of the organizations among industries. Each organization was asked to name all industries it operates within. The most represented industry was Training (8 organizations) which encompassed providing various types of business and/or social skill-empowerment trainings for vulnerable and/or non-vulnerable groups. The second most represented categories were Cleaning (5) and providing Food Services (5).

Table 3. Areas of operation (Industries)

	Count
Agriculture	2
Agro-food production	4
Green Area Services	2
Training	8
Construction	1
Cleaning	5
Mobility-Transport	3
Waste	4
Tourism	4
Food Services	5
International Cooperation	1
Services for Business	4
Graphic Design	3
Laundries	1
Manufactured goods	2

Manufacturing and retail of souvenirs	4
Manufacturing and retail of apparel	3
Manufacturing and retail of accessorize	2
Flyer distribution	1
Digital printing	1
Social services	1

Chart 3. Areas of operation (Industries)

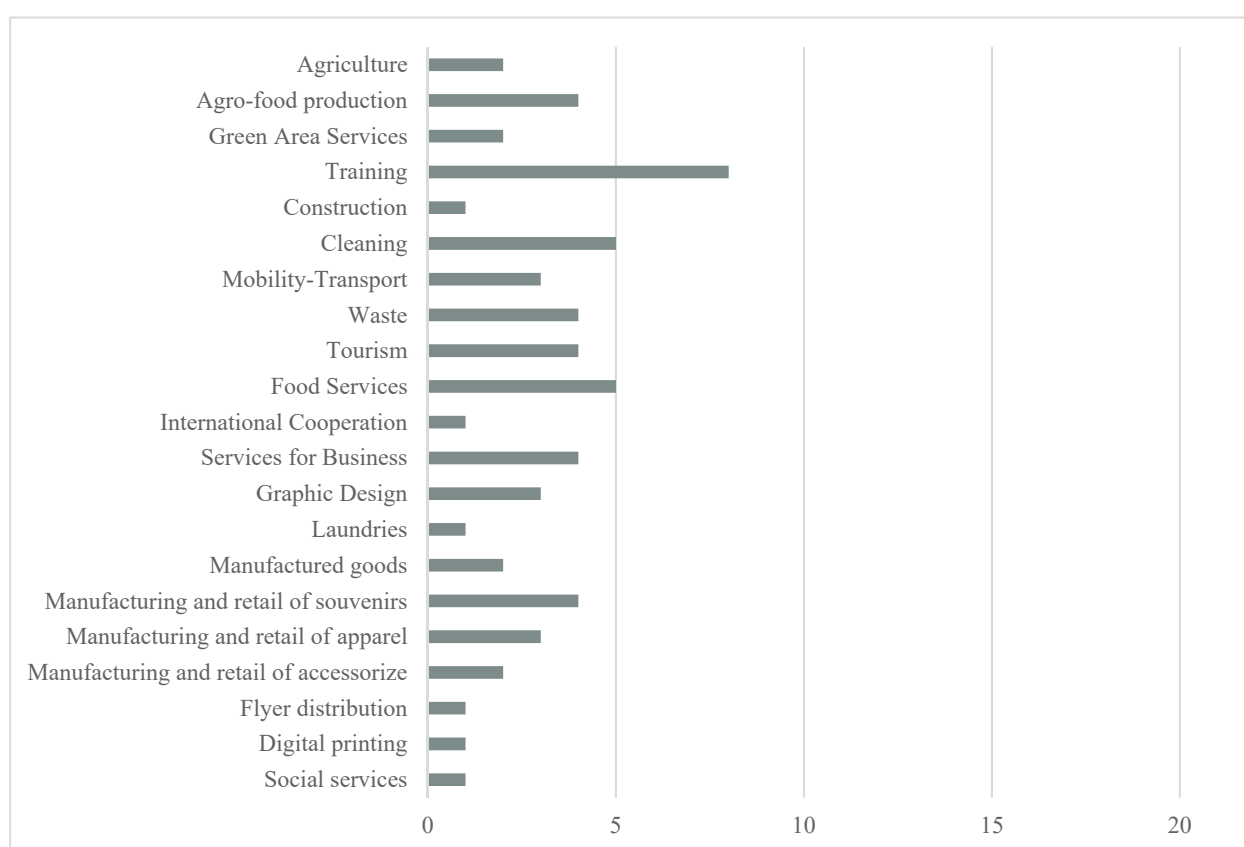


Table 4 shows the first year of operation of the WISEs in each of the industries. The Training industry had the longest presence in the market (since 1992). The second oldest was the Agro-food production industry where the first organization (within our sample) was founded in 2000. The industry of Laundries was reported to have the shortest presence in the market (since 2017). Among the youngest WISEs in each of the industries, the oldest was founded in 2013.

Table 4. First year of business venture by area of operation

	Count	Minimum	Maximum	Mean	Standard Deviation	Median	Percentile 25	Percentile 75
--	-------	---------	---------	------	--------------------	--------	---------------	---------------



Agriculture	2	2011	2014	2013	2	2013	2011	2014
Agro-food production	4	2000	2013	2009	6	2012	2006	2013
Green Area Services	2	2009	2017	2013	6	2013	2009	2017
Training	6	1992	2017	2009	9	2013	2007	2013
Construction	1	2016	2016	2016		2016	2016	2016
Cleaning	5	2009	2017	2014	3	2014	2014	2016
Mobility-Transport	3	2009	2016	2012	4	2012	2009	2016
Waste	4	2010	2016	2013	3	2012	2011	2014
Tourism	3	2012	2018	2015	3	2016	2012	2018
Food Services	5	2012	2017	2015	2	2016	2016	2016
International Cooperation	1	2016	2016	2016		2016	2016	2016
Services for Business	2	2009	2017	2014	4	2015	2009	2017
Graphic Design	3	2009	2014	2011	3	2011	2009	2014
Laundries	1	2017	2017	2017		2017	2017	2017
Manufactured goods	2	2012	2017	2015	4	2015	2012	2017
Others	12	2003	2016	2012	3	2012	2011	2014

Table 5 and Chart 4 present the reported level of product development. Most of the organizations reported it as either Under development (11 organizations) or Consolidated (8).

Table 5. Level of product development

	Count
Planned/to be started	0



Just started	1
Under development	11
Consolidated	8
Excellent	3

Chart 4. Level of product development

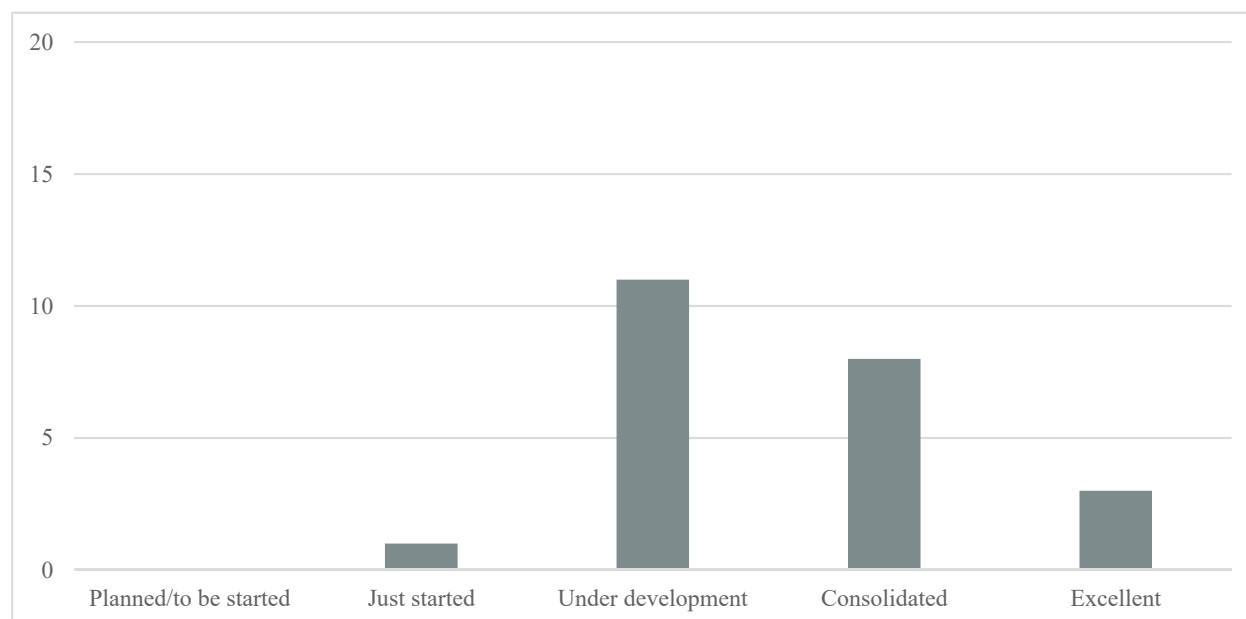


Table 6 and Chart 5 present a brief overview of the profitability among the WISEs in the last year (2016). Hence, 19 organizations reported profit and 3 organizations reported loss. One organization was not able to provide the information because its operation started this year (in 2017).

Table 6. Profitability in 2016

	Count
Profit	19
Loss	3

Chart 5. Profitability in 2016

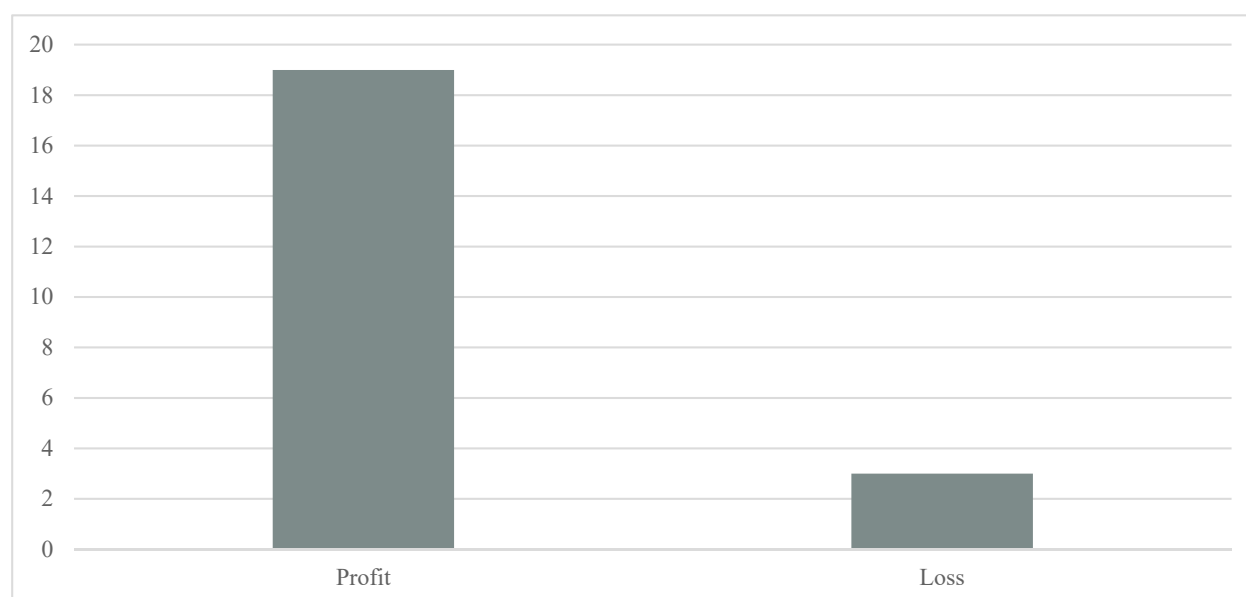


Table 7 shows annual turnover of the organizations in 2016. One organization was not able to provide the information because it started operating in 2017 while 4 organizations refused to reveal this financial data. Among 18 organizations that did respond, the main finding was the significant difference between the organization that reported the smallest (20,616 HRK) and the one that reported the biggest (1,769,459 HRK) annual turnover.

Table 7. Annual turnover in 2016 (in HRK¹)

Count	Minimum	Maximum	Mean	Standard Deviation	Median	Percentile 25	Percentile 75
18	20,616	1,796,459	513,077	503,769	333,515	102,255	700,000

Table 8 presents the total number of active members at the WISEs on 30.9.2017 and the number of vulnerable group members. Regarding the first variable, the number varied between 2 and 50. However, it seems important to emphasize that the respondents were asked to indicate the number of people who were actively involved in (business) operations which included permanently and temporary employed staff, volunteers, and persons engaged through the official state organized professional training program. Regarding the second variable, the number varied between 1 and 39.

Table 8. Number of active members (Variable A) and Number of active members - vulnerable groups (Variable B)

	Count	Minimum	Maximum	Mean	Standard Deviation	Median	Percentile 25	Percentile 75

¹ The EUR-HRK exchange rate on 27.12.2017 was 1 EUR=7,540746 HRK (<https://www.hnb.hr/temeljne-funkcije/monetarna-politika/tecajna-lista/tecajna-lista>, accessed 27.12.2017).

Variable A	23	2	50	13	11	10	5	6
Variable B	23	1	39	8	9	5	3	8

Table 9 and Chart 6 show the level of experience in work integration of specific types of vulnerable groups. Roma people (20 organizations), Homeless people (20), Refugees (20), and Minors without primary or basic vocational education (19) were the most represented groups among those the WISEs had no experience with. Among types of vulnerable groups the WISEs had much experience with, the most represented categories were Disabled (formally designated by competent bodies) (15) and Long term unemployed (15) followed by Persons over 55 years old (12).

Table 9. Level of experience in work integration by type of vulnerable groups

	No experience	Some experience	Much experience
	Count	Count	Count
Disabled (formally designated by competent bodies)	4	4	15
Other persons with physical or mental problems who are thus deprived on the labor market	4	10	9
Long term unemployed	3	5	15
Persons over 55 years old	7	4	12
Minors without primary or basic vocational education	19	4	0
Persons who served a prison sentence or are on probation	15	8	0
Refugees	20	2	1
Persons undergoing treatment for alcohol or drug addiction or have undergone treatment in the last two years	12	8	3
Homeless	20	2	1
First employment seekers	5	9	9
Roma people	20	3	0

Chart 6. Level of experience in work integration by type of vulnerable groups

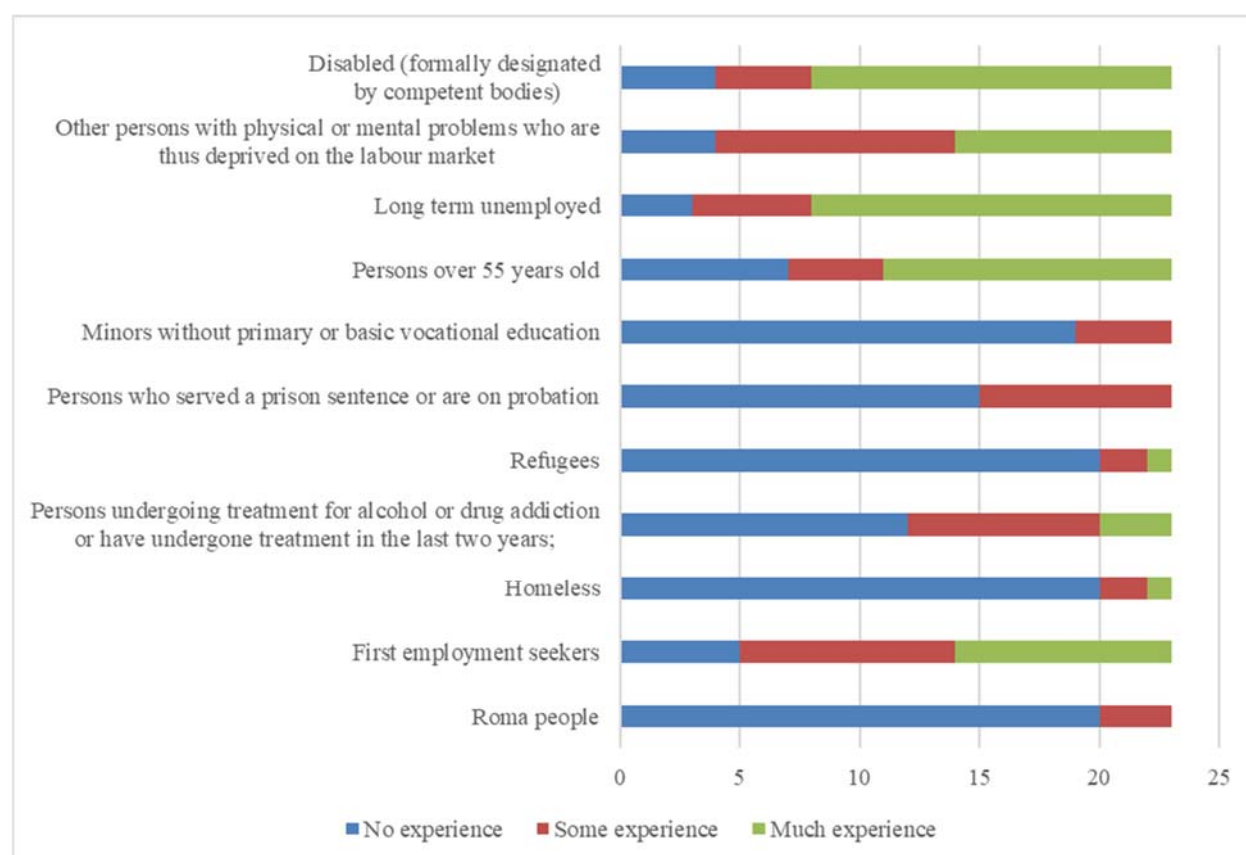


Table 10 and Chart 7 present the interviewees' perception in regard to relevance of certain skills for their employees/members. The interviewees were asked to indicate, on the 5-item scale, the extent to which they agree that each of the offered skills is relevant (completely irrelevant (1) - very relevant (5)). Within the category of skills reported as "completely irrelevant" the most represented skill was the ability to communicate in foreign languages and intercultural understanding (6 organizations). Within the category of skills reported as "very relevant" the most represented skills were the ability to communicate in maternal language and interpersonal communication in a proper linguistic form and mode (4) and the calculation, logic and spatial skills (4). Overall, the capability for additional training reported as "relevant" (4 out of 5 on the scale) was the most represented category (11).

Table 10. Relevance of skills for vulnerable group employees/members by skill type (5-item scale)

	1	2	3	4	5
	Count	Count	Count	Count	Count
Communication in maternal language and interpersonal communication in a proper linguistic form and mode	0	4	6	9	4
Communication in foreign languages and intercultural understanding	6	4	8	4	1

Calculation, logic and spatial skills (mathematic competence)	2	6	7	4	4
Using computer and web (digital literacy)	2	2	9	7	3
Capability for additional training	1	1	7	11	3

Chart 7. Importance of skills for vulnerable group employees/members by skill type (5-item scale)

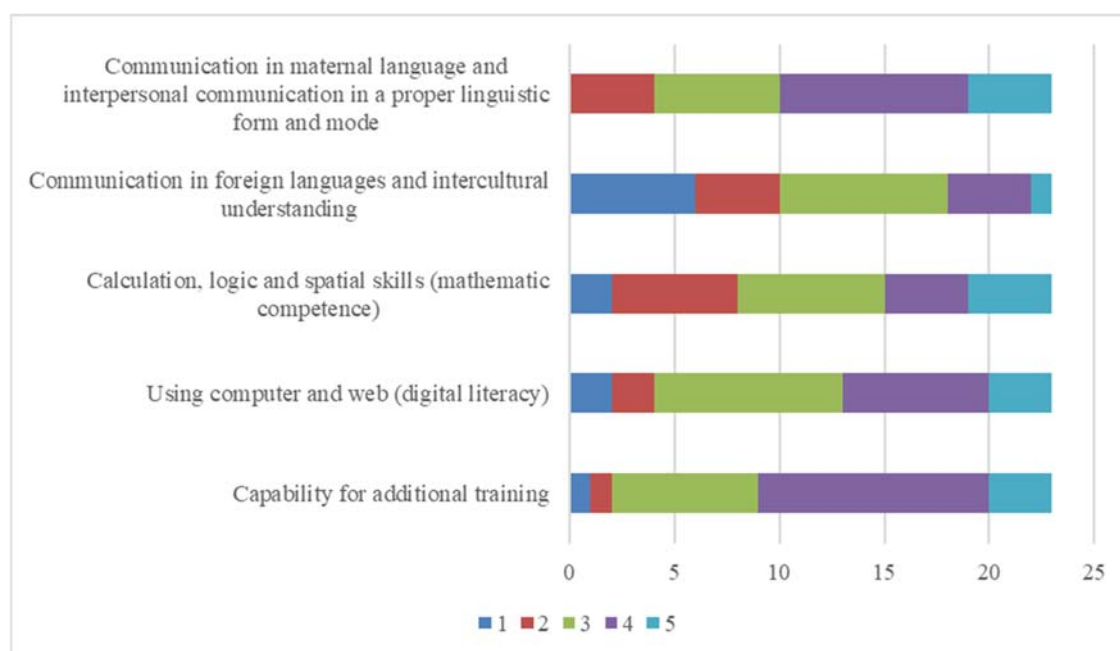


Table 11 and chart 8 present the interviewees' perception on possession of certain skills among their employees/members. The interviewees were asked to indicate, on the 5-item scale, the extent to which they agree that each of the offered skills was possessed (not at all (1) - very much (5)). Within the category of skills reported as "not at all possessed" the most represented skill was the ability to communicate in foreign languages and intercultural understanding (5 organizations). Within the category of skills reported as "very relevant" the most represented skill was the ability to communicate in maternal language and interpersonal communication in a proper linguistic form and mode (3). Overall, the most represented categories (11) were the ability to communicate in maternal language and interpersonal communication in a proper linguistic form and mode reported as "possessed" (4 out of 5 on the scale) as well as the calculation, logic and spatial skills reported as "neither possessed nor not possessed" (2 out of 5 on the scale).

Table 11. Possession of skills among vulnerable group employees/members by skill type (5-item scale)

	1	2	3	4	5
	Count	Count	Count	Count	Count
Communication in maternal language and interpersonal communication in a proper linguistic form and mode	1	2	6	11	3

Communication in foreign languages and intercultural understanding	5	6	10	1	1
Calculation, logic and spatial skills (mathematic competence)	1	7	11	3	1
Using computer and web (digital literacy)	1	7	6	8	1
Capability for additional training	0	8	7	6	2

Chart 8. Possession of skills among vulnerable group employees/members by skill type (5-item scale)

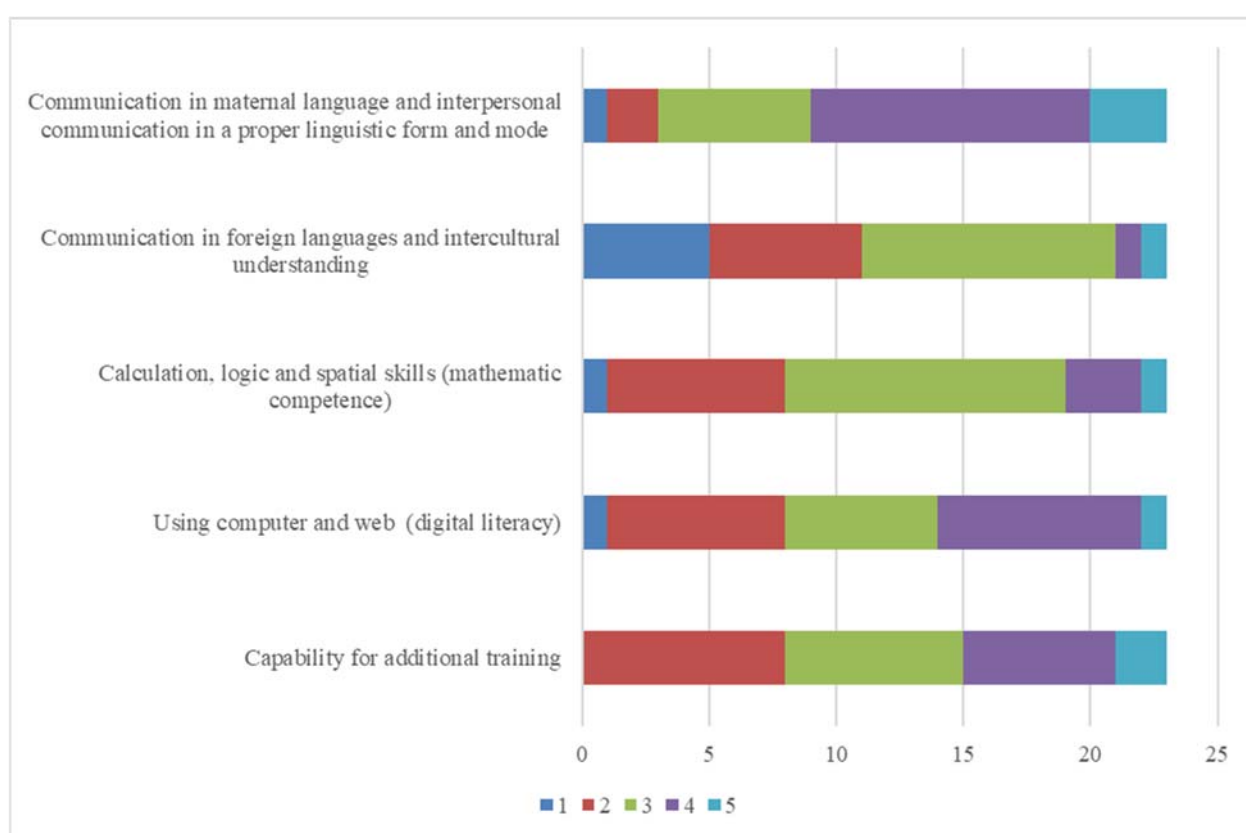


Table 12 and chart 9 show four definitions of a successful company. The respondents were asked to choose one that best describes a successful company. The answers indicated that a company is successful if each part of an organization contributes to common goals (12 organizations) and if it possesses the ability to adapt needs and dynamics in each concrete situation (11).

Table 12. Defining a successful company - a company is successful if...

	Count
Employees are analyzed, evaluated and controlled	0
Each part of the organization contributes to common goals	12

Organization adapts to needs and dynamics in each concrete situation	11
People are mostly managed by themselves	0

Chart 9. Defining a successful company - a company is successful if...

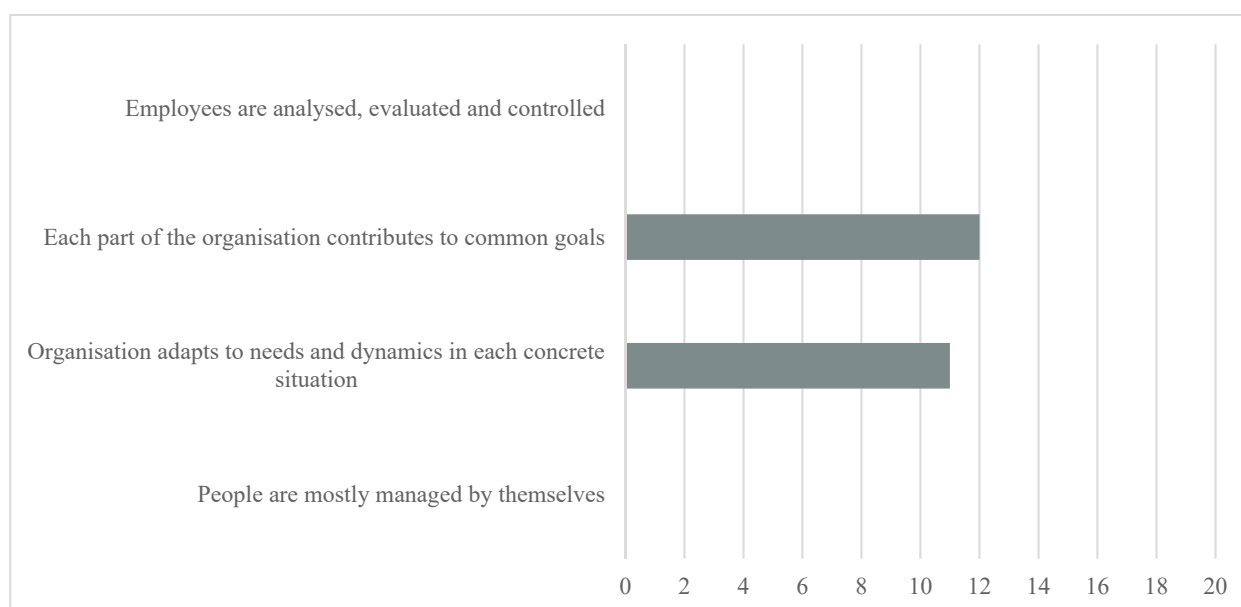


Table 13 and Chart 10 present features of the WISEs in Croatia. The respondents were asked to indicate the extent to which they agree/disagree that their company possesses certain features. Within the “not at all” category the most represented feature was the Effective collaboration with research centers (4 organizations). Within the “very much” category the most represented features were effective team work, efficient human resources management, and efficient work organization (10). Overall, the most represented categories (14) were the Good administrative skills and Regular additional training (rated 3 out of 4 on the scale) as well as the Other foreign languages proficiency (2 out of 4 on the scale).

Table 13. Features of WISEs by type of feature

	Not at all	Mostly not	Mostly	Very much
	Count	Count	Count	Count
Effective team work	0	1	12	10
Effective collaboration with other WISEs in the same sector	1	6	13	3
Effective collaboration with other WISEs in other sectors	1	9	8	5
Effective collaboration with research centers (ICT, social innovation, technology transfer)	4	10	5	4
Effective collaboration with other organizations in terms of joint projects	1	4	11	7



English language proficiency	2	4	12	5
Other foreign languages proficiency	1	14	7	1
International cooperation	2	7	11	3
Regular additional training	0	3	14	6
Lifelong learning	1	2	11	9
Capability of quick implementation of changes	0	4	12	7
Efficient human resources management	0	1	12	10
Efficient work organization	0	2	11	10
High level of self-initiative	0	3	12	8
Familiarity with legal regulations	0	1	13	9
Good administrative skills	0	1	14	8
Proficiency in financial management	0	4	9	10
Successful fundraising	1	5	11	6

Chart 10. Features of WISEs by type of feature

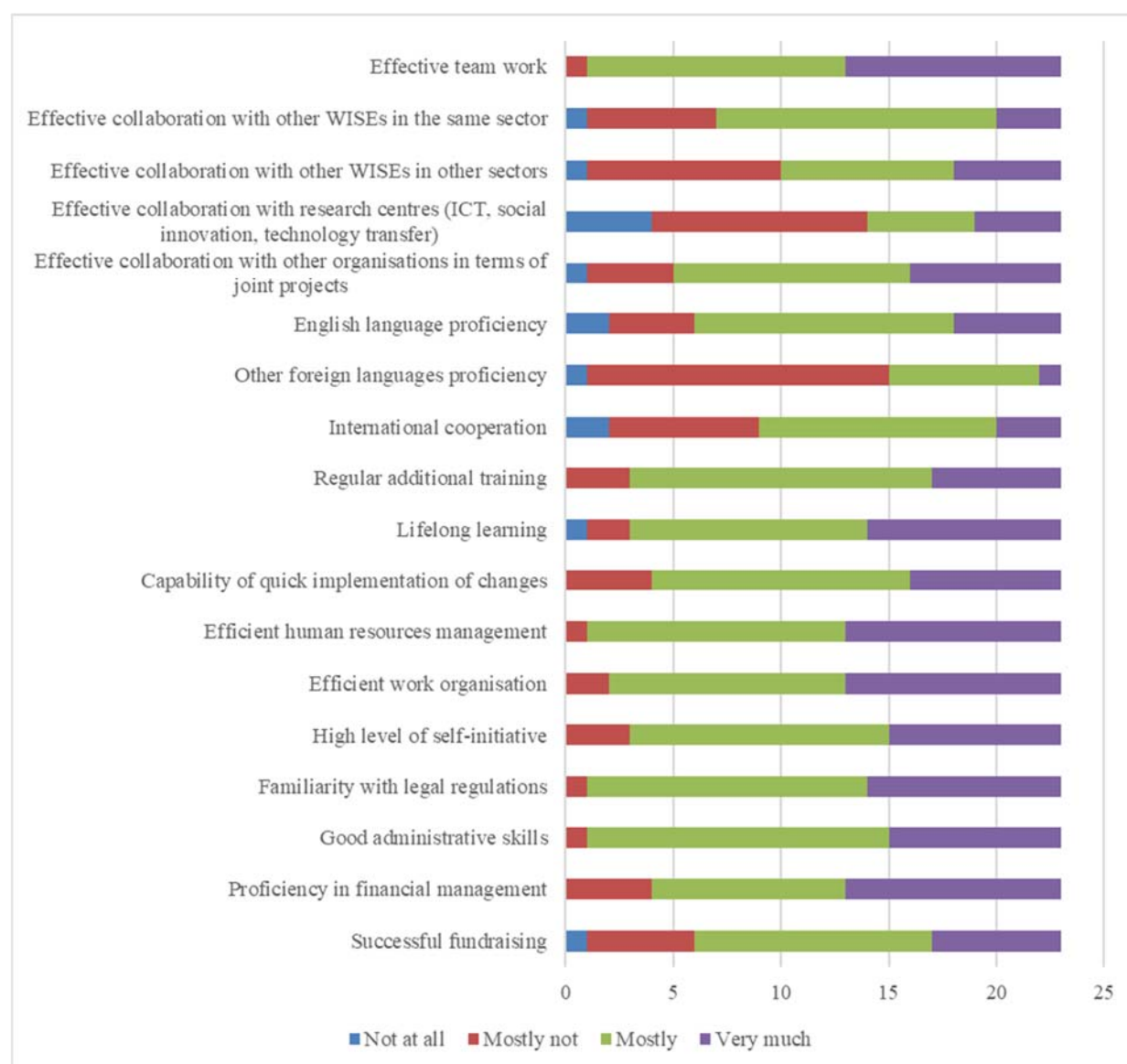


Table 14 and Chart 11 present the reported availability of management related ICT and the need for it. The most important findings were as follows: the most represented available ICTs were Office automation tools (21 organizations), Financial management tools (20), and Tools for internal collaboration (19); the most represented not available, but needed ICT were HRM (12), Project management (11), and E-learning tools (10); and the most represented not available and not needed ICT were Evaluation (4) and Other leadership and management tools (3).

Table 14. Availability of and need for management related ICT

	Available	Not available, but needed	Not available and not needed	Do not know
	Count	Count	Count	Count

HRM tools	9	12	2	0
Evaluation tools	11	8	4	0
Project management tools	10	11	2	0
Collaboration tools - for internal collaboration	19	3	1	0
Collaboration tools - for work with external partners	16	6	1	0
Office automation tools (word processors, spreadsheets, e-mail, etc.)	21	1	1	0
Financial management tools	20	2	1	0
Workflow management tools	12	8	1	2
E-learning tools	11	10	2	0
Document management tools	13	8	2	0
Other leadership and management support tools	7	4	3	3
Other leadership and management support tools 2	6	4	3	2

Chart 11. Availability of and need for management related ICT

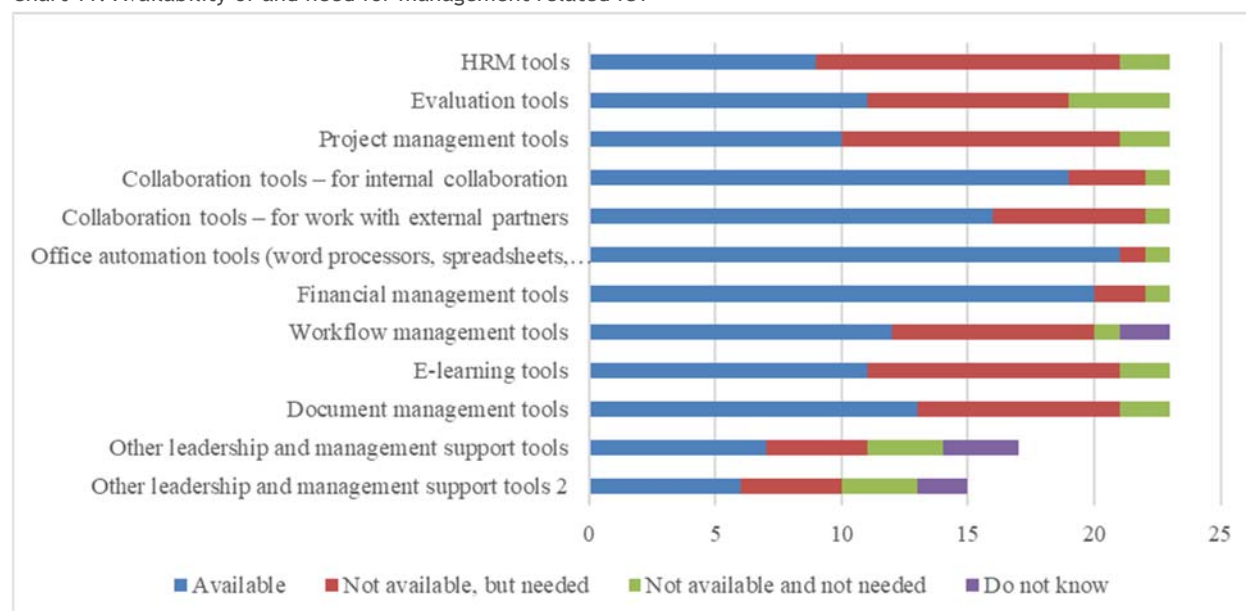


Table 15 and Chart 12 present the reported availability of marketing related ICT and the need for it. The most important findings were as follows: the most represented available ICTs were Tools for communication with customers (17 organizations), Promotional support tools (15), and Collaboration tools (13); the most represented not available, but needed ICTs were eCommerce tools (10), Collaboration tools (9), and Other

marketing support tools (8); and the most represented not available and not needed ICT was eCommerce tools (3).

Table 15. Availability of and need for marketing related ICT

	Available	Not available, but needed	Not available and not needed	Do not know
	Count	Count	Count	Count
eCommerce tools	10	10	3	0
Tools for communication with customers	17	5	1	0
Promotional support tools	15	7	1	0
Collaboration tools	13	9	1	0
Other marketing support tools	3	8	0	4
Other marketing support tools 2	3	7	0	3

Chart 12. Availability of and need for marketing related ICT

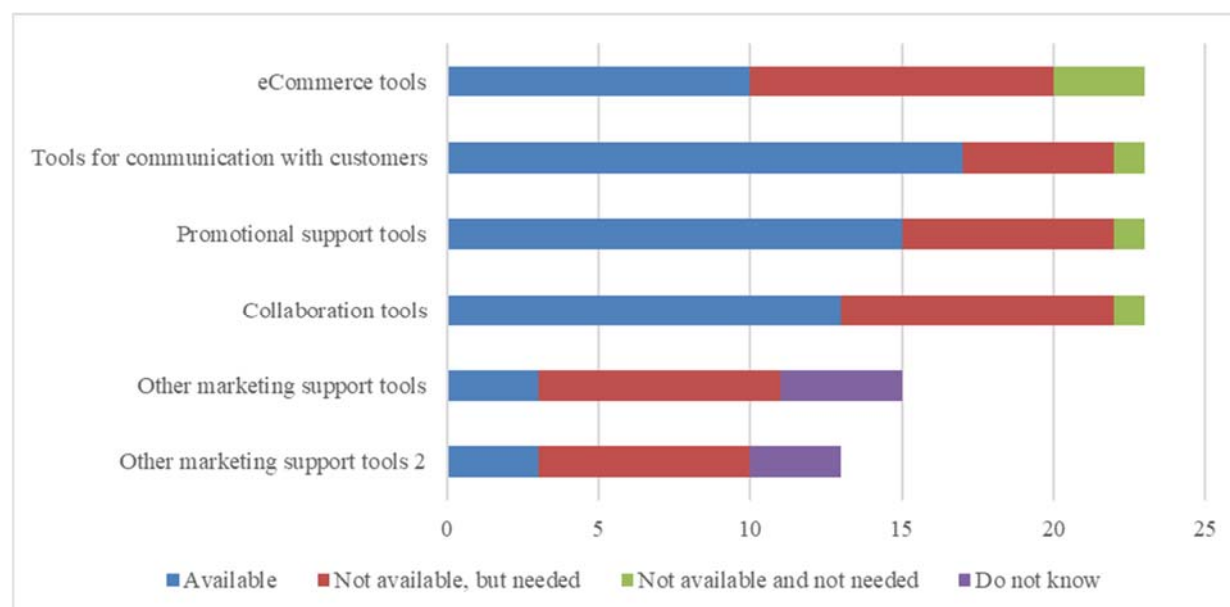


Table 16 and Chart 13 present the reported availability of service related ICT and the need for it. The most important finding was Product design tools being the most represented ICT among those that were reported as “available” (14 organizations) and those “not available, but needed” (8).

Table 16. Availability of and need for product and service related ICT

	Available	Not available, but needed	Not available and not needed	Do not know
	Count	Count	Count	Count

Product design tools	14	8	1	0
Typical production/service support tools	8	3	2	4
Typical production/service support tools 2	4	2	0	3
Typical production/service support tools 3	5	0	0	3

Chart 13. Availability of and need for product and service related ICT

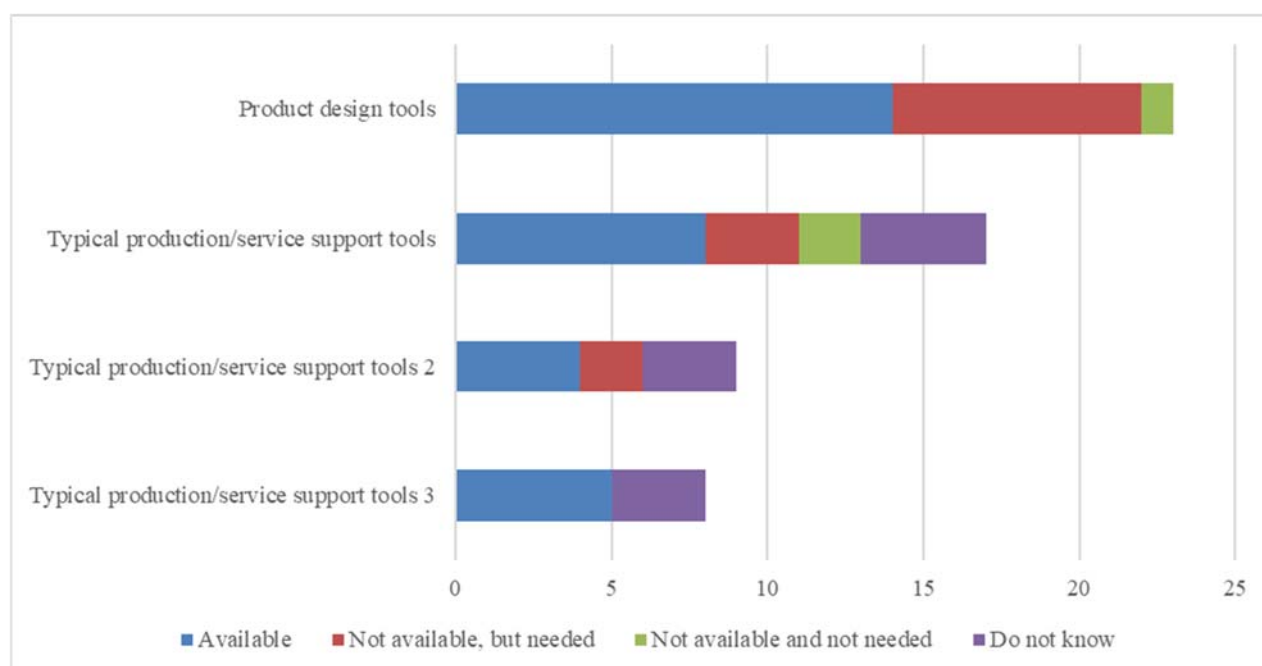
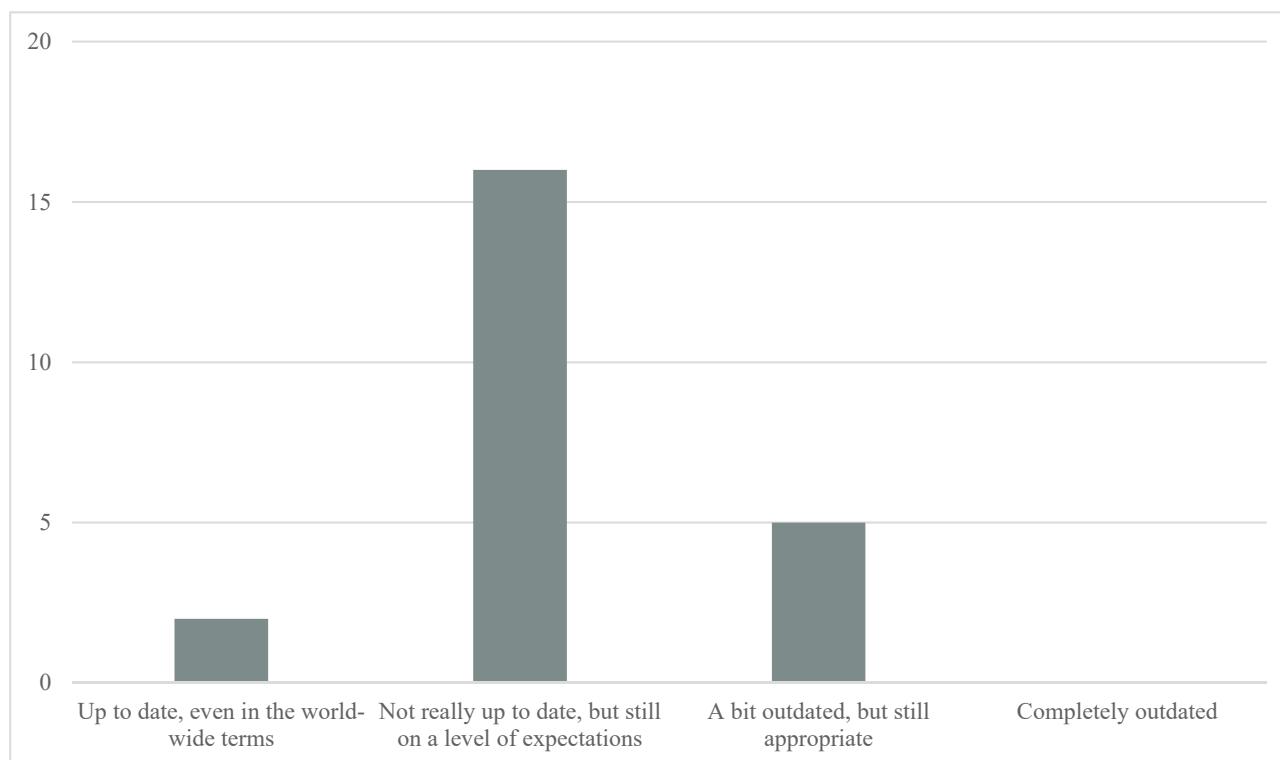


Table 17 and Chart 14 show the respondents' perception on the level of modernity of some typical tools and systems their organization use. Most organizations reported their typical tools and systems being not really up to date, but still on a level of expectations (16 organizations).

Table 17. Typical tools and systems that the organizations use - level of modernity

	Count
Up to date, even in the world-wide terms	2
Not really up to date, but still on a level of expectations	16
A bit outdated, but still appropriate	5
Completely outdated	0

Chart 14. Typical tools and systems that the organizations use - level of modernity



CROSS TABULATIONS (THE TABLES ARE IN THE APPENDIX)

The main findings revealed in Table 18 show the following: respondents from the WISEs involved in the industry of providing trainings were the most represented (7 organizations) among those who believed that a successful company is the one where each part of the organization contributes to common goals. Furthermore, the respondents from WISEs involved in the industry of tourism (3) and cleaning (3) were the most represented among those who believed a successful company is the one that adapts to needs and dynamics in each concrete situation.

The main research findings revealed in Table 19 were: a) the results were dispersed, b) the respondents from WISEs involved in the industry of training were the most represented category, in the case of each of the features offered by the questionnaire, within the pool of those who indicated the highest level of agreement with the statements/features (4 out of 4 on the scale).

Table 20 shows dispersed results. Therefore, we present only the cases represented by at least 25% of the final sample i.e. only the cases represented by at least six organizations. Hence, in regard to the Tools for internal collaboration, Office automation tools, and Financial management tools, the organizations involved in the business of Training were the most represented among those that reported these tools as “available”.

Table 21 also shows dispersed results. Again, we present only the cases represented by at least 25% of the final sample i.e. only the cases represented by at least six organizations. Hence, again, in regard to the Collaboration tools, the organizations involved in the business of Training were the most represented among those that reported these tools as “available”.

Table 22 shows dispersed results. None of the cases was represented by at least 25% of the final sample i.e. none of the cases was represented by at least six organizations.

Table 23 shows dispersed results. We present only the cases represented by at least 25% of the final sample i.e. only the cases represented by at least six organizations. Hence, 6 organizations where the relevance of the Communication in foreign languages and intercultural understanding skill was rated 3 out of 5 (5 represented the highest relevance) also rated 3 out of 5 the possession of the Communication in foreign languages and intercultural



understanding skill and the possession of the Calculation, logic and spatial skills (5 represented the highest level of possession). Furthermore, 7 organizations where the relevance of the Capability for additional training skill was rated 4 out of 5 also rated 4 out of 5 the possession of the ability to communicate in maternal language and interpersonal communication in a proper linguistic form and mode. Six organizations where the relevance of the Capability for additional training skill was rated 4 out of 5 also rated 4 out of 5 the possession of the skills of digital literacy and capability for additional training.

5. INTERVIEWS RESULTS

The interviewees were selected purposively and included one highly ranked executive (director, owner, CEO etc.) per each organization encompassed in the research (23 interviewees in total). All the interviewees were anonymized. The entire process of data collection was done during October and November 2017.

The interviews were between 29 and 86 minutes long; conducted via either telephone or Skype without major external distractions; consensually recorded using a digital voice recorder; and organized and conducted using the exact same procedure. The data analysis consisted of open coding (seven rounds in total) and axial coding. The transcribed interviews were analyzed using Atlas.ti software.

The original questionnaire was adapted to the Croatian context and translated into Croatian language (see the appendix). It was delivered to the interviewees via e-mail and they were asked to return it via e-mail immediately upon completion. The research results comprised description analysis of all the variables and cross-tabulations of a few key variables.

5.1. results of the qualitative research

The research findings were organized within 35 codes that were grouped into 10 categories which made 4 themes. The following four sections present the four themes (organizations, external business obstacles and advantages, managerial teams, and vulnerable groups) along with the categories and codes they contain. To better depict the subject, quotations from the interviews will mostly be used. Since all the interviewees were anonymized, we refer to them as “person 1” (p.1), “person 2” (p.2), and so on. The axial coding results are integrated in the presentation below.

ORGANIZATIONS

The Organizations theme comprises four categories: Business plan, Internal environment, Funding, and External environment. Each of the categories will be presented below.

The Business plan category comprises three codes: Business ideas, Business model, and Plans for the future.

Regarding the Business ideas, most of the organizations generated ideas through social contacts in everyday life in Croatia (“...through functioning in society and socializing with people we notice ideas and needs...” - p.13) and/or by importing and adapting them from abroad. The latter element is present both in cases where the organizations cooperate with innovative foreign organizations (“...we do have contacts with organizations that do this abroad... we are not reinventing the wheel, we decided to implement some of their experiences...” - p.6) and where the organizations just go online to get information about actors “unknown” to them (“...we spend a lot of time online, study a lot how they do it in Spain, in France, especially how they do it in Italy...” - p.1).

Regarding the Business model, the key elements the WISEs in Croatia emphasized were quality (“...we have been trying to make an exceptional... place... something that will attract people not because disabled people work there, but because the place is pleasant and nice...” - p.1), flexibility (“...we make tailor-made offerings, we approach each client with what suits their needs and abilities the best...” - p.21), unique products (“... I offer dishes that customers might not be able to get someplace else...” - p.23), and unique



business approach (“...we operate exclusively with leather residuals of the local leather industry... we use more than 70% of it... and the rest gets properly disposed in cooperation with a local company...” - p.19).

The Plans for the future code refers to their plan to take three main business paths in the future. First, start a venture within a completely new area of business. As an illustration, one of the organizations that had been completely unrelated to flower production stated: “...if this Hot house for orchids project gets started, 45 more of them (vulnerable population) will start to work...” (p.1). Second, they plan to further develop the current business activities and broaden the range of offerings (“...next year we are going to move our manufacturing to another facility... within a development center and technology park... we have secured 640 sq. meters for manufacturing... it is ten times more then what we have now... using the equipment we already have we are going to be able to increase our production by three times...” - p.2). Third, some of the organizations reported plans to accommodate new types of vulnerable people within their ongoing business activities (“...up to 70% of Roma people in Croatia lives in our county... I have (also) been thinking about including them into the production process...” - p.19).

The Internal environment category comprises three codes: Leadership styles, Work organization, and Relationship with the “mother organization”.

Regarding the Leadership styles, the organizations reported nurturing the democratic decision-making process and encouraging employee autonomy. The value of employee autonomy was emphasized as present both in the field of day-to-day tasks (“(at our organization) ...everyone is autonomous in their own way...” - p.1) and as an asset for attracting new employees (“(when I was recruiting her, I told her:)... you are going to make less money here... but you are going to be on your own... and the lady came to work for us...” - p.1). The democratic decision-making process was reported as present at almost all organizations, regardless of their legal form. However, when it came to limited liability companies, there was a distinction between those where the owner/CEO/director figure was more influential than other members of the organization were (“...we have been trying to make all decisions based on the principles of democracy... but I make the final call...” - p.3) and those that operated in a way which is more associated to “the pure” democratic decision making process (“...after two years of working for the company... if an employee wants that and if the general assembly approves it... employees can become owners (of the organization)... we did not find any other way to ensure that employees can make strategic decisions... in this way each person gets the right to vote...” - p.22).

Work organization seemed to be connected to the size/developmental level of an organization. Namely, smaller organizations tended to have an executive who is in charge of pretty much everything (“... we simply do not have enough activities in all segments of work... enough to have someone in charge of each of the segments... therefore I, as a director, do everything I have time to do...” - p.12). On the other hand, bigger/more developed organizations have more diverse division of labor (“...we have (project) teams consisted of 3-5 people... the teams are equally competent and provide support to each other if needed...” - p.6). Furthermore, another significant aspect of work organization was outsourcing; many organizations used a wide range of vital business services from external actors (legal services, bookkeeping, PR etc.). As expected, the primary motivation was to get expertise and be cost effective at the same time, but they also took advantage of the situation where social-mission driven organizations might attract socially-conscious experts interested in contributing to not-for-profit ventures for free i.e. for the purpose of being useful to the wider community (“...we have a couple of external (PR) agencies that help us voluntarily...” - p.3).

The Relationship with “mother organization” stands both as a separate code and a subcode of the Work organization code. Hence, it refers to the fact that many WISEs in Croatia emerged from traditional not-for-profit organizations (associations) i.e. they were established by associations as separate organizations for the purpose of making profit in the free market and improving the financial situation of the “mother organization” (“...at the moment the company becomes stable in the market and starts making profit, most of the profit gets reinvested into the manufacturing, education of employees and so on, but a part of it goes back into the association, this is the purpose our company was founded for...” - p.19). However, some of the WISEs that were founded by associations rely on association’s resources - not the other way around -



because otherwise they would not be able to operate (“... everyone who is employed at the association volunteers at the company...” - p.12). Besides these financial sustainability related reasons, some organizations also maintain a close day-to-day connection to the “mother organization” because it is a convenient way to operate, it represents a rational business move² (“...within the association we have a team in charge of writing research proposals... so we (the WISE) use this opportunity and write our own research proposals in cooperation with them...” - p.9). Regarding the pros of having this type of relationship with the “mother organization” i.e. this type of work organization, interviewees reported “free” resources and the ability to have a more comprehensive/knowledgeable overview of the vulnerable group issues and needs which, consequently, enables them to make better business moves (p.4; p.18). Some of the reported cons was a situation where “... people (from the outside) do not differentiate the association from the cooperative... people see it (the business venture) as an association...” (p.7).

The Funding category comprises three codes: Money from EU/national funding programs, Issues related to the funding programs, and Other sources of funding.

Many WISEs in Croatia used EU/national funding programs at different developmental stages. These programs were reported to be especially valuable in early stages of venture development i.e. as seed money (“...you actually get an investment for starting a business...” - p.7; “...the idea is that projects (funding programs) do not pay salaries... but enable us to buy equipment and certain machines... which are necessary for us and represent the biggest expense...” - p.4). A few bureaucratic constraints regarding EU/national funding programs were reported as obstacles. As an illustration: “...while we run a project, we can’t offer that (project related) service in the free market... one excludes another...” (p.6); “(our organization wasn’t an eligible candidate because)... one of the requirements for organizations was to be profitable in the previous year...” (p.9); “...when you start a cooperative, you are not immediately eligible for EU funding, you have to have some previous experience... you (also) have to grow gradually, once they (EU) see that you have been able to manage 500000 they are going to give you 800000...” (p.13); “...programs offer what we don’t need... there is a call for equipment and machines at the moment... (but) we would be interested in getting funding for financing someone who would do sales and marketing...” (p.19); “... they offer funding for starting a business... (but) in order to be an eligible candidate you have to be active for (at least) a year...” (p.23). Additionally, it needs to be noticed that heavily relying on EU/national funding programs was occasionally found to be negatively connected to entrepreneurial spirit of organizations - it takes their primary focus and efforts away from developing commercial activities. Regarding the usage of other sources of funding, a group of WISEs used them for both starting and growing their businesses. The seed money group: “...at the beginning... we used funds provided by cofounders, a crowdfunding campaign, and two donations...” (p.21); “I started the business with my own money... and I took a loan...” (p.23). When it comes to growing a business, “... from the very beginning we have been doing business carefully, step-by-step, we have not taken any loans... we have been expanding the business step-by-step, nothing has happened over a night...” (p.5). The prevalence of this organic-growth path might be changed in the near future with a funding program tailor made for social entrepreneurs which was recently started in Croatia by a few organizations (“... we actually took a loan from the entrepreneurship starter program...” - p.21).

The External environment category comprises four codes: Social enterprises, Other organizations, Politicians, and Networking issues.

Regarding the cooperation with other social enterprises, three main groups of organizations can be identified: the group that reported (complete) absence of cooperation (“... we know each other, we know who does what, but there is no formal cooperation...” - p.9), the group that attends thematic conferences and similar events (“... since we operate in different industries...we meet at conferences on social entrepreneurship... this is the only way we have (at the disposal) to meet each other and exchange experiences...” - p.2), and the group that does business with other actors

² A necessary remark - this relying on “mother organization” resources is not considered a part of the above-mentioned outsourcing. The outsourcing element refers exclusively to obtaining goods/services from organizations/people initially unrelated to the organization that outsources them.



within the scene. Among the latter group, the most common stream of cooperation seemed to be sharing resources i.e. reducing expenses: “... we have a cooperation with a social cooperative which we share the offices with...” - p.3; “...we cooperate with... (a WISE) ... because we have been trying to make common sales network...” - p.19; “... we have a cooperation with...(a work integration association) that has its own social cooperative, we are going to set up a common production facility...” - p.4. Furthermore, some organizations reported active cooperation on advocacy matters (“... we are a member of the CEDRA network, we are very active in that field...” - p.14) and providing financial support to each other (“... if we have an opportunity to buy their (other WISEs) products... even the smallest opportunity gets seized...” - p.8). Another aspect of this code was putting themselves (their organizations) in perspective with others. While most of the interviewees were reluctant to make comparisons, some did make them: “...we are better organized and have better management... I believe we have a higher enthusiasm, higher motivation...” - p.2; “...we simultaneously run a few business activities... this is a huge advantage when one of them stops working... we never had a situation where all activities stopped working at the same time...” - p.6; “...the rest (of the domestic scene) understands the market significantly less (then we do)...” - p.8; “...we do concrete things, really concrete... if some associations or organizations are in the business of spreading consciousness... it is really necessary... but it is extremely intangible...” - p.11.

Regarding the relationship with other organizations (does not include suppliers and buyers), the WISEs cooperated with various types of institutions: faculties within universities (“(we cooperated with)... Faculty of Textile Technology... at the very beginning of our venture...” - p.5; “...(we have been cooperating with)... Faculty of Food Technology and Biotechnology... from the day one...” - p.2; “...we have established a good cooperation with Faculty of Agriculture... within a research project...” - p.13); big corporations (p.5; p.16); hospitals (“...we cooperated with the University Hospital Centre Zagreb within a research project...” - p.2); various organizations that deal with vulnerable groups (“...we cooperate a lot with the institution “URIHO”... - p.5; “...with the school “Slava Raškaj”...” - p.20), and supporting organizations for social entrepreneurs (“...(we are related) to organizations that run start-up incubators for social entrepreneurs...” - p.22).

Regarding the relationship with politicians, the most important finding was that the interviewees were mostly referring to local politicians which they were mostly pleased with³: “...we have a very successful cooperation... in five minutes we have agreed with the mayor to found a company of this kind...” (p.2); “...our work has been supported a lot by the City of...” (p.4); “...every year we get a support from the City of... we get certain amount of money to run the workshops and to manufacture the products...” (p.16). However, despite the above-mentioned, their alertness/vigilance when it comes to dealing with politicians needs to be underlined: “...I am a little bit worried about the political establishment (as a whole) ... they are good to us on the proclaimed level, not in reality...” (p.1).

The networking issues code refers to three main streams of issues: a) underdeveloped and/or low functioning supporting organizations (“...we have a regional cooperative alliance... that does not work well for various reasons...” - p.10); b) lack of contacts (“...obstacles are not knowing the right people at the right positions...” - p.15); and c) risk of being involved with incompatible organizations (“...a lot of people would like to work and cooperate with us nowadays... but many of them would (just) like to pursue their own agendas... we have to be careful...” - p.1).

EXTERNAL BUSINESS OBSTACLES AND ADVANTAGES

The External business obstacles and advantages theme comprises of two categories: Major external business obstacles and Major external business advantages.

The Major external business obstacles category comprises of six codes: Legal obstacles,

³ The interview question was on politics in general i.e. politicians of all types.



Funding obstacles, Cultural obstacles, Obstacles related to medical condition, Obstacles related to education level, and Other obstacles.

According to the interviewees, WISEs in Croatia face various legal obstacles: through the disability allowance policy the state discourages disabled people from working (“...once disabled people get employed the state stops seeing them as disabled... disability allowance can’t be taken away from them... it represents something that the state gives to them to bypass the difference... disabled people did not stop being disabled because they got employed...” - p.1); the state does not treat cooperatives in a proper way (“...in every possible way - the state has been trying to put us (a cooperative) in the same line with limited liability companies which we are not...” - p.10); the state has not legally regulated the field of social entrepreneurship (“...the problem is that social entrepreneurship is not legally regulated... the legal framework is missing...” - p.19); the taxes are too high (“... of course, the taxes need to be payed... but why can’t the state be more sensitive (towards organizations that employ disabled people) ...” - p.10); the state could/should have set the (mandatory) quotas for disabled people in companies in a different way (...the additional/substitute quotas... are definitely set too high... - p.19); some particular laws/rules do not correspond to the needs of WISEs (“...they need to improve the law on professional rehabilitation, the law on expert evaluation... (they need to) lower the criteria for entering the inquest register for disabled people...” - p.19).

The Funding obstacle code refers to two common aspects: the lack of funding sources and lack of funds in general. Regarding the first aspect, “...we do not grow/expand as fast as we would like, as fast as we could, and as fast we think it is realistic. The problem is of financial nature, lack of investments... our venture is more related to people, life, integration, and community building... because of it investors do not find us attractive” - p.21; “...I am becoming more and more aware... if we are a cooperative where no one owns more than 25% of the company and if 75% of the profits get reinvested, how do you get an investor?... they can’t get a piece of the cake; they can get a piece of a piece...” - p.21. Regarding the second aspect, “...we do not have funds to make stock on hand... when an organization wants us to deliver a higher quantity of products... within a week... we face certain issues...” - p.16; “...we can’t make certain items (which there is a need for) because we lack the machines that could make them in good quality...” - p.5.

The cultural obstacles seemed to be quite significant in the context of disabled people. The issues were reported as present starting from their formative years: “... the society, supported by their parents, did not want them to work (because they are disabled). I know many people (parents of disabled persons) who were saying - as long as I am alive he or she won’t work...” - p.1, “...disabled people were treated (at school) in a way that enables them not to do anything...” - p.20. On the other hand, disabled people were discouraged from work by the before-mentioned state rule regarding the disability allowance (“... especially younger generations... they are just not interested to work... they (rather) keep their allowance, they are afraid to lose it...” - p.19). Furthermore, among those who do want to work, the most common cultural obstacles fall within the field of prejudices - in all directions. Namely, disabled people tend to be skeptical towards employers (“... disabled people did not dare to go to a relatively unsecure environment... they did not know if the employer will understand that they, for example,... need to empty their catheter...” - p.1), employers tend to be skeptical towards disabled people (“...employers still do not know enough about the work abilities of disabled people...” - p.20), and customers tend to do the same (“...generally speaking people tend to have prejudices towards products made by social enterprises i.e. marginalized people... in terms of their products being less expert made...” - p.3).

Some of the most significant reported obstacles related to medical condition of disabled people were as follows: “... it makes no sense to expect, in the context of people with the Down syndrome, that they will work for 8 hours - they will work for 2 hours, 3 hours, 5 hours, a half an hour...” - p.1; “...a disabled person usually isn’t 100% efficient...” - p.22; “if you employ someone with intellectual disability... they do not have the skill, the speed... (as people who are not intellectually disabled do)” - p.23.

The Education level related obstacles code refers to the fact that vulnerable people tend to be undereducated (“...the statistics shows... what is the percentage of (highly) educated disabled people, it is devastating...” - p.1) and/or educated for obsolete jobs, jobs that no more needed in the market (“...through



the official educational system the society generates certain professions that are obsolete... we still produce telephonists, printmakers, but printmakers from the 1970s..." - p.19).

The Other obstacles code refers to a few types of obstacles: the idea of being able to provide jobs for everyone ("...we might have hired too many people... afterwards we had to cut down our salaries to be able to keep operating..." - p.7); high turnover of employees due to the nature of social mission ("...we would like to be a platform for people (immigrants) who pass through (Croatia)... a few of them will stay with us..." - p.21); and customers who got used to subsidized prices during times when ventures were predominantly funded by project money ("...as long as we are running a project we can't offer the (project related) product in the market because one excludes another... the projects that have finished - those products are offered in the market... but, people have heard that we used to provide our product to others for free (while manufacturing was funded by projects) and they expect us to keep on selling it for free..." - p.6).

In regard with the before-presented, the axial coding results show the following. The Funding obstacles as well as the Obstacles related to medical condition and educational level seemed to be connected to the Work organization of WISEs. It seems reasonable to conclude that work organization depends on these major external business obstacles. For example, if there was more money, the existing tight relationship with the "mother organization" might be loosened. The Cultural obstacles seemed to be connected to the education related obstacles. Namely, the cultural environment that discourages vulnerable (disabled) people to start working might affect their educational level - if there is no reason to work, there might be no reason to educate yourself. Furthermore, the relationship between the WISEs and other SE organization seemed to be connected to certain Legal obstacles. Namely, if the cooperation was more developed, it might make the power of their advocacy actions more significant and, consequently, some of the existing legal/administrative obstacles might be less significant.

The Major external business advantages category comprises two codes: Funding advantages and Cultural advantages.

The funding advantages refer to the fact that social enterprises do not necessarily have to rely exclusively on the money generated in the market - they have access to non-commercial income streams such as national and EU funding programs, public subsidies, donations etc.: "...the advantage is the availability of the EU funding... EU has shown more understanding regarding establishing social enterprises (than Croatia has) ..." - p.3.

The cultural advantage seemed to be the empathy that people feel towards WISEs which, consequently, could positively reflect on their sales: "...although we are not competitive, they (customers) come to us, give us jobs just to contribute, to make us earn our salaries and keep going" - p.5.; "...the social responsibility component is important for them when they choose us..." - p.18.

These two major external business advantages seemed to be connected to the Business plan category. Namely, the fact that WISEs have money from the non-commercial income streams at the disposal and that certain types of people tend to buy from them (just or primarily) because they want to support social-mission oriented organizations shapes their business models and plans for the future. For example, hypothetically, it might make sense (for some WISEs) not to strive towards exploiting all commercial opportunities, but to pay extra attention on the public image in terms of keeping a safe distance from being labeled as a socially responsible for-profit organization. This, consequently, might bring more money from EU funding programs and loyal customers who prefer to buy from not-for-profits.

MANAGERIAL TEAMS

The Managerial teams theme comprises three categories: Managerial team features, Marketing, and Sales.

The Managerial team features category comprises four codes: Professionalism, Lack of skills, Training courses/workshops, and Technology.



The Professionalism code embraces elements of work discipline and human resources. The work discipline element refers to the commonly reported way of doing business where “...you do not have to walk after anyone, (no need to) analyze if something was done in a proper way... once the tasks get distributed among employees, people do them... and they stick to the deadlines” (p.13). The human resource element refers to: 1) the professional structure of management teams: “We have hired legal experts, economists, social workers, psychologists, people from the private sector, everyone we had heard about and made sure they possess the business potential...” (p.1), “... we have... a salesperson, and a sales manager... these are the two people who operate in the market, who feel the pulse of the market and the potential of customers...” (p.2), “... we are going to create our own departments of sale, branding, and marketing... we have found people with expertise and professionalism to do it...” (p.8); 2) the approach towards hiring new team members: “...our psychologist assesses a potential candidate... we go through their references... they have to have good oral skills, they have to have everything that should bring us money...” (p.1), “...our model (for hiring new employees) has been going on for two years now... once we preselect a few people... we ask them to join us as volunteers for three, maybe two days... this helps us to assess their readiness for what comes next... to make sure obstacles can be easily overcome, if there are any...” (p.8).

The professionalism of managerial team seemed to be connected to the Leadership styles of managerial team. Namely, if it wasn't for the professionalism, the existing leaderships styles might not work.

The lack of skills was reported in the following fields: Sales and Marketing in the first place, but also Project proposal writing, Finances, and Organizational skills. Each of the fields will be presented below. Organizational skills: “...the organizational aspect is not on the admirable level... everyone should know what to do...” - p.7; “... (we could use) someone who can pursue the business plan in a better way...” - p.18. Finances: “...we definitely lack the bookkeeping skills...” - p.12; “...we could use financial management skills...” - p.21. Project proposal writing: “...we lack the basic knowledge... writing a project proposal requires skills...” - p.5; “...we do not lack interest (in applying to national/EU funding programs)... we lack knowledge...” - p.10. As it was previously mentioned, marketing represented a weak spot for most of the organizations: “...the biggest deficiency is the lack of knowledge regarding marketing...” - p.9; “...we could use additional knowledge on marketing...” - p.15. Regarding the lack of sales skills, another commonly reported weak spot, the interviewees were quite straightforward: “we need a salesperson... someone who is going to be 100% focused on selling the products...” - p.4.

The Lack of skills among the managerial teams seemed to be connected to the Funding obstacles. Namely, if there was more money at the disposal, they might be able to hire more experts and/or attend more specialized tailor-made training/workshops. Also, the lack of skills among managerial staff seemed to be related to the type of training courses/workshops they are interested in.

Hence, regarding the participation in training courses/workshops, almost all the interviewees reported attendance on a regular basis. However, the main distinctive feature among them is the ability to pay for training courses/workshops. Among organizations that can afford to invest money in staff education&development, various channels were used (“... whenever the Centre for cooperative entrepreneurship organizes conferences of something similar, some of us always attend them...” - p.13; “...we have invested a lot in gaining knowledge... we have paid for private consultants, huge amount of money to get tips and tricks revealed ...” - p.1; “...we send our younger employees on professional exchanges...” - p.14) and various topics were covered (“... most of us got educated... on project proposal writing... we had the ECDL course (European Computer Driving License) organized...” - p.19; “...we organize sales and marketing workshops... workshops on business models... we attend start-up camps...” - p.21). When it comes to those that can't afford to invest money in staff education&development, they all reported basically the same: “... at the moment we can't afford to pay high fees (for attending courses/workshops) ... therefore we use those that are free of charge...” - p.2; “...not a single free of charge training course was missed...” - p.6. In regard with the way offerings of training courses/workshops are being followed (regardless of the type of course/workshop), it can be summarized that most of the organizations neither have a specific person in charge of it nor have an internal organizational system to make sure that important training courses/workshops do not get missed.



The Technology code refers to three main streams of technology use: basic technology usage, specialized software usage, and technology facilitated ventures. A few organizations do not go beyond basic, commonly present (business) ICT: “...we use the classic technology... all of us know how to use a computer, how to use Microsoft Word, but we do not use something unique...” - p.1; “... we use an official web page that has an integrated web-shop...” - p.3; “...we use MS Office... those standard technologies, e-mail, social networks, Dropbox... we have networked computers...” - p.4; “...we are all connected with each other... we communicate regularly via work groups (google groups)...” - p.21. The second stream of technology usage consists of specialized software users: “...we got ourselves a software... where we can take a look at all potential buyers/clients... we can see how have they been doing financially, what is their (business) perspective and so on...” - p.2; “...we use the ERP software (Enterprise Resource Planning), it is an online based software which covers our needs regarding managing human resources... we also use a software titled E-Bill... we use Team Work, it is (a software) more oriented towards project management tasks...” - p.8; “... I have software made for cooperatives that was bought from a bookkeeping company... it is a tailor-made software...” - p.10; “...we use software for bookkeeping... a licensed program to make business offers, receipts, to keep financial structure in order, to track profits that were made...” - p.21. Finally, a few organizations reported using ICT as a means fundamentally important for pursuing their business venture. For example, an organization that uses tablets as the only way to take orders in their bar or “...(we are going to create) a network, an online platform... an internal market of labor force and products... for example, to enable people to see which cooperative offers catering services...” - p.13.

Since the interviewees reported the most significant lack of skills in Marketing and Sales, the following categories explore the existing level of development within those fields.

The Marketing category comprises two codes: Marketing channels and Relationship with media representatives.

Before we begin, although there were some rare bright examples of marketing related ideas and actions (p.1), many organizations, for various reasons, explicitly reported having no marketing strategy at all (p.9, 12, 13, 15, 21). Hence, the Marketing channels code embraces a wide range of channels organizations used to communicate with clients and wider audiences: social networks - Facebook, Instagram (p.1, 2, 7, 12, 13, 15, 18, 20, 22, 23); official web page (p.2, 6, 15); industry related online exchange platforms (p.22); TV stations (p.1, 9); radio programs (p.13); local markets (p.11); flyers (p.12, 18, 20, 22); catalogues (p.14); word of mouth (p.7, 21); google ads (p.6); mailing lists (p.15); company vehicles with associated logos (p.18); and conferences (p. 22). As shown, the most represented form was advertising via social networks - mostly because of its increased cost effectiveness and the ability to reach target audiences.

The Marketing channels code seemed to be related to the Technology code in a way that new technologies (ICT) might open new marketing channels and the presence of new marketing channels might encourage WISEs to use (new) technologies that support them.

The Relationship with media representatives code relates to the fact that all of them maintain some kind of relationship with media representatives of all scopes (local, regional, national). Most commonly media representatives contact them seeking for a story, not the other way around (“...the media follows what they find interesting... what sounds like and an exclusive...” - p.17). Stories on the WISEs were reported as well accepted by the public: “...people like our stories (social entrepreneurship ventures), basically because they have not been told so far... the story is always affirmative, it might sometimes be even exaggerated, but we pay attention not to enter the sphere of lies...” - p.1. However, “... (us being present in the media) usually lasts for a day or two... everyone likes to hear it (our story) ... but it (the media presence) does not have a long-term effect on our venture...” - p.8.

The Sales category comprises four codes: Customer base, Unique selling points, Sales channels, and Customer care.

Regarding the Customer base, the organizations sell their products to both private persons (“...we produce personalized gifts for private persons... for weddings, birthdays, baptisms...” - p.9) and organizations/companies (“...99% (of the entire customer base) are companies, hotel chains, social



enterprises, commercial enterprises...” - p.2; “...civil society organizations are our regular clients.... besides them...governmental organizations, Ministries, embassies... - p.21). The distribution of the customer groups seemed to be either equally distributed among the WISEs or they sell slightly more to organizations/companies. The main unique selling points were quality (“... we offer the service... which might be even better in certain segments in comparison with others... it stands out from the ordinary market offer...” - p.21), specialization (“...we are specialized in providing these services to non-profit organizations, to social entrepreneurs...” - p.22), social-mission oriented character (“...we have the social component which others don’t, I believe it is our advantage...” - p.23), and cost effectiveness (“...we can provide social services in the community... we can provide them at the same quality level as (state) institutions, but cheaper... and this “cheaper” is our added value...” - p.1.). The unique selling points seemed to be related to the Cultural advantages the in terms of WISEs recognizing the business advantage of emphasizing their social mission-oriented character. Furthermore, the Sales channels code embrace a wide set of channels: social networks and websites i.e. digital channels (p.2), specialized markets (p.16), physical stores run by product producers (p.8), and wholesalers&retailers (p.19). The Customer care code comprises various ways organizations maintain and expand their customer base: “...after the service has been provided we always ask for a feedback...” - p.21; “...we maintain the constant e-mail contact with our clients...” - p.5; “...regardless of the fact the project activity has stopped, our experts are still at the disposal for the customers (who bought products within the project) ...” - p.6; “...we are completely open for making product samples in a different way... other companies charge it, we do it free of charge...” - p.8; “...what I have been doing is listening to our customers (their suggestions, wishes, complaints etc.) ...” - p.23. The Customer care i.e. the awareness of its importance seemed to be related to the managerial team professionalism.

VULNERABLE GROUPS

The Vulnerable groups theme comprises one category: Features of vulnerable groups.

The Features of vulnerable groups category comprises four codes: Skills, Training courses/workshops, High value-added positions, and Technology.

Regarding the skills, technical skills of vulnerable group members were found to be good (“...regarding their segment of work, they are highly expert... highly professional...” - p.5). However, expectedly, the situation was different in the case of people with mental disabilities - regardless of how well tasks are adjusted to their medical condition (“... (our customers) often return the products... then we need to make them better/right...” - p.7). Among other, non-technical skill shortages, communication skills were most often reported as needed (“... some communicational skills (might be beneficial) ... and some team work skills...” - p.9; “... communication and social skills in the first place (would be beneficial for them) ...” - p.17). Furthermore, various “pure business” skills were also mentioned: “... (it would be beneficial for them to have) some skills within the field of economics, within the field of management... bookkeeping, finances, marketing...” - p.13; “... they could use additional training courses/workshops in marketing... sales...” - p.18; “...they could use some managerial skills... to be able to organize themselves and pursue certain (business) ideas...” - p.21. Finally, the attitude towards the job and the workplace was also mentioned as a field that could use some improvements: “... some of the employees do not care (about the job), they only care about getting their salary... and then you often get one who makes more harm than good...” - p.15;

“...they all have certain emotional immaturity... interpersonal relationships are not being handled in a mature way... they take it personal (everyday workplace challenges), they can’t lift themselves above the particular situation and review what has happened... they can’t even bring to consciousness the fact that they are employees and that the job should be in the first place... they are like kids...” - p.23.

The lack of skills among vulnerable groups was related to the type of training courses/workshops managerial teams were interested in providing for them.

The training courses/workshops code refers to the fact that almost all interviewees reported being involved in organizing some type of training courses/workshops for their employees/beneficiaries/members. Among



those whose organizations were not involved in it, the main reported reason for failing to organize trainings was the lack of funding. Generally speaking, the training courses/workshops were mainly attended in the initial phase of venture creation i.e. in the phase when staff was trained to do the job (“...we gave them some elementary, unspecified knowledge... but we also hired experts to teach them some basic skills...” - p.1; “...we had people who we sent to waitress courses/workshops... but we also educated them to use new, contemporary (job related) software...” - p.4). Trainings attended in the later stages of business development were reported in not more than a few cases (“...through the project secured funding we had a training course/workshop organized for empowerment of soft-skills...” - p.20).

The technology was used in the process of producing products and (in a slightly lesser extent) in the process of communicating among the team members (“... there is no need for more (technology involvement), communication and manufacturing... this is enough...” - p.2). Within the field of producing products, the level of technology involvement depended primarily on the type of manufacturing/service production and on the medical condition of employees. Namely, some organizations manufactured exclusively hand-made products while people with, for instance, mental disability might not be capable of using technology. In the cases where technology was needed/required, it was used in numerous ways: “...we have the most advanced machines for this type of manufacturing... these are standard machines, we have adjusted the workplace according to the abilities of each of our employees...” - p.2; “...we have no special machines... the standard ones are adjusted (to the abilities of disabled people)...” - p.3; “...they (the employees) use a computer... and a CNC machine...” - p.7; “... in the process of manufacturing they (the employees) use commercial programs like Photoshop, Adobe Illustrator... we are familiar with technological novelties (in our industry)... if something could improve our manufacturing, we buy it...” - p.9.

Overall, regarding the participation at high added-value positions, vulnerable people were not significantly represented. The main reported reason for it was the mixture of medical conditions and a low-level business initiative - “...among 20 of us, there is 14 disabled persons and they are represented at literally all positions, but not in the decision-making process... we do not push people to be independent in areas where they can’t be (independent)...” - p.8. On the other hand, there were some organizations where the internal upward mobility was encouraged: “... we strive towards... making people independent ... to ensure that they do not depend on the director who should (ideally) be needed just as an administrative support...” - p.21.

It seems reasonable to assume that the lack of skills among vulnerable groups and their (under)representation within high value-added positions was (also) related to the educational level of theirs.

6. STAKEHOLDERS MEETING

Stakeholders meeting was organised after research survey and interviews in December 2017. Main goal of meeting was to get opinions and attitudes from the most important stakeholders about current situation of WISEs in Croatia, more specifically how they see institutional, technological and managerial framework and capacities of WISEs in Croatia, what kind of knowledge and skill WISEs need to improve their situation and position.

The stakeholders meeting was gathered 25 participants which was above all expectations of project teams. Only one person from experts field didn't show up, which is amazing response rate.

Regarding stakeholders for meeting they were divided in four consecutive panels and here is list of their numbers and institutions:

- A1 Business sector - Managers of successful SMEs in addressed sectors and Representatives of WISEs (managers and employees) - there were 3 people from first group from tourism and food production and 4 people as representatives of WISEs, for A1 total 7 people.
- A2 Experts, and interest groups dealing with WISEs - one person from scientific experts in the field and 5 from interest groups - Centre for Cooperative Entrepreneurship, IMPACT HUB Zagreb, 2 from Department for Expertise, Professional Rehabilitation and Employment of Disabled Persons and ACT

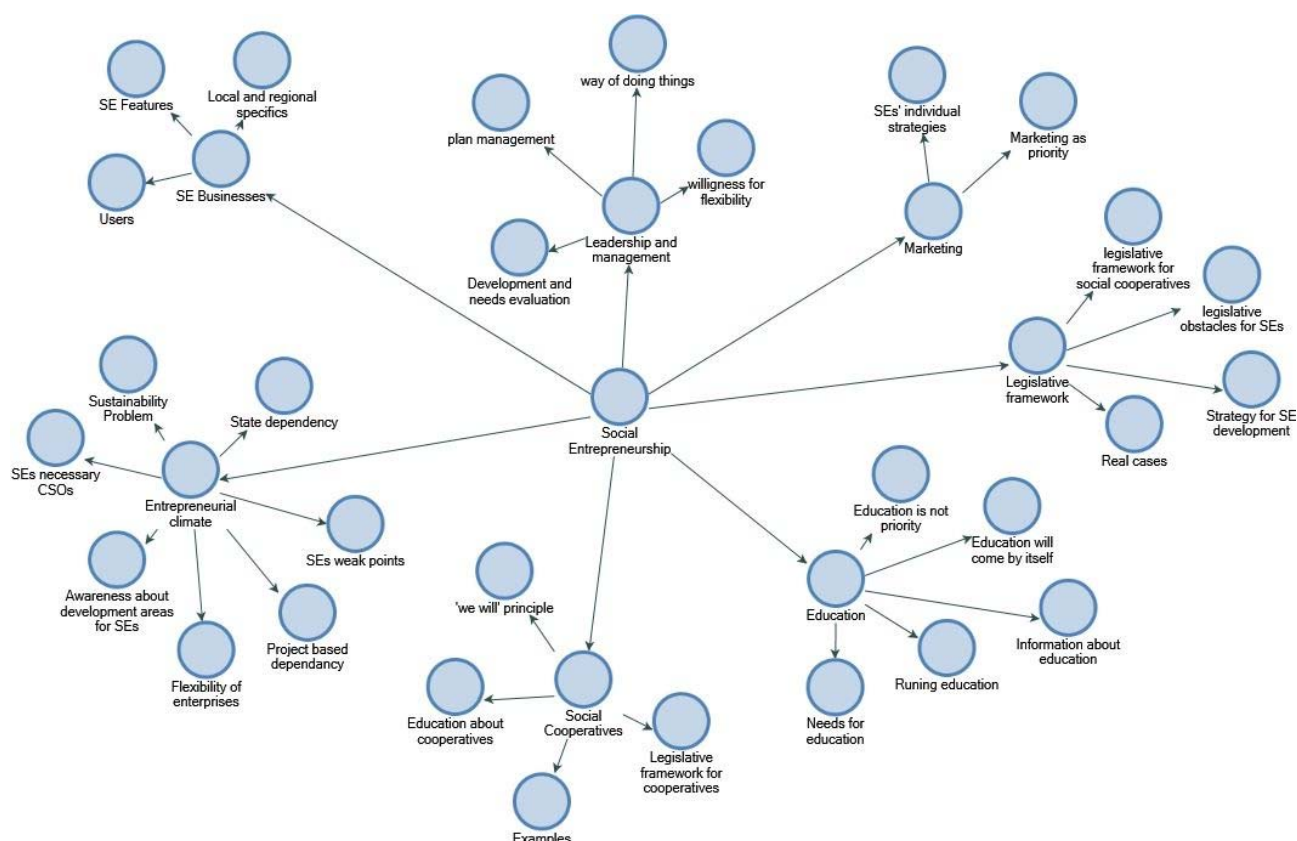


Group as the most experienced and well-known consortium of social economy actors, for A2 totally 6 people.

- A3 Public authorities (local, regional, national) which brings this one to highest number at stakeholders meeting: for national ministries there were 6 representatives from three ministries (Ministry of Labour and Pension System, Ministry of Economy, Entrepreneurship and Crafts, Ministry of Demography, Family, Youth and Social Policies), three people from Zagreb city administration offices (2 people from City office for social protection and people with disabilities and 1 person from City Office for Economy, labour and entrepreneurship), three people from regional county representatives (one person from Međimurska County administration and 2 from REGEA - Development Agency from Međimurje County which is very interesting for future cooperation because they participate in close another one INTEREG project), for A3 totally 12 people.
- From general public we didn't have representative at the stakeholders meeting, because there wasn't need for it.

Meeting was organised in the space of project Associate Partner Ministry of Labour and Pension System and all other partners in the project from Croatia, ACT Group and Međimurje County were present and actively participated in the meeting.

Meeting with stakeholders were organised like focus group and the whole event lasted more than 2 hours. For analyses we used software Nvivo11. After coding transcribed document we got 7 main axial nodes: SE businesses, Education, Leadership and Management, Marketing, Entrepreneurial Climate, Social Cooperatives and Legislative framework. They were derived from 27 open nodes. We can say how these seven thematic contexts that came out of stakeholders meeting are anticipated regarding questionnaire and situation in Croatia with social enterprises and WISEs. What is interesting how selective code is social entrepreneurship and not WISE which bring us again to the statement how WISEs in Croatia are not enough visible as unique and specific part of social economy, but debate during meeting very often from WISEs switch to more general concept. This also demonstrates lack of legislative and institutional framework for WISEs and social enterprises which contribute to non-selective and mixing up approach. From seven axial nodes we have the biggest amount of open themes/open nodes in Entrepreneurial Climate (7) and in Education (5) and the minimum one in Leadership and Management (2).



In SE business axial node there was most talk about SE's users: *"Well, to all of you to know we are working with users that are mostly excluded (from society), it can be disabled person, children without adequate parental care, kids with behaviour problems, homeless people, asylum seekers and so on, so it is an users which we called vulnerable groups that are more hard to employ or they are not able to find a job...so this is first to mention..."* (p17).

In Education, open nodes Needs for education were present for 13 times, which is the highest in the whole analyses. *"When I said education, I didn't mean pure education, but more likely strengthening of social entrepreneurs education...I think that responsible investment in SE actually investment in support organisations that will be able to strengthen skills in SE"* (p11).

"I'm pleased that you confirm how we need an education and on all levels, first for social entrepreneurs...everyone knows it should be done, but when we come to actual doing than it stuck somewhere...many of us and our supporters thinking that they are doing something wrong, because it is not explained by law...you said so right, what is not forbidden, it is allowed" (p9).

In this theme we also had an open node Running the education: *"I wanted the emphasize positive example of the City of Zagreb which firstly organised education for social entrepreneurs and some of them gave up because they realised how they are not ready at the moment. That is why educations are important, to not loose resources"* (p5)

Well, it is often said how Cooperative Law is not good enough...but it is a regulative dimension what is the most important in it...the law regulate the cooperative area and basic needs for operation...but yes, there are thing that are not good...I also have a friends that don't believe when I said to them how cooperative need to reinvest 20% of its revenue...so this is not a question of Cooperative Law, but tax law and administration p6).

In legislative framework node, we have four open nodes which mark this theme as one of the most important for stakeholders. From these four ones, three of them were quite often part of discussion and showed up in



many situations during analyses: legislative obstacles for SE (10 references), legislative framework for social cooperatives (10) and real cases (9).

“I just wanted to emphasize how many cooperative members have a motiv for joining in democratic decision making and management of cooperative. But our legislative framework is very often barrier for cooperative development...so, you can't be member of cooperative and unemployed person which get state subsidy as a support for this situation, next we decided to be non-profit cooperative, and from that we are not allowed to use support for employing disabled people. I consider this as an absurdity and would like change of it” (p8).

Our analyses showed up how the most frequent themes that are raised during stakeholders meeting and the ones that are the most concerned for stakeholders were: legislative framework, entrepreneurial climate, education and leadership and management.

At the end of discussion stakeholder expressed their interest for future steps of INNO-WISEs project and willingness to be informed about it and for new meetings.

7. SYNTHESIS OF RESULTS

Results from this report we can divide in three lines: results from quantitative research (survey - SPSS software) of WISEs, results from qualitative research (atlas.ti software), and results from stakeholders meeting (Nvivo11 software).

Results are validated and were obtain by using scientifically tested programs and procedures. From 30 WISEs organisations that were derived from social economy and entrepreneurship database made on Institute of Social Science Ivo Pilar, 23 WISEs organisation willingly participate in this research. From 26 persons contacted for stakeholder meeting, 25 persons from all range of important stakeholders participate in the meeting.

Regarding quantitative (survey) part of research we can synthesise the most important findings:

- it is a positive outcomes of mapping that in WISEs more business oriented organisations (cooperatives and companies) are the most common used, more than associates
- also positively, from 23 organisations in research, 19 organisation proclaimed profit in previous year and only 3 organisation loss (one was deductible from this question regarding its foundation at the year of researching)
- most of the organizations reported it as either Under development (11 organizations) or Consolidated (8). Only 3 expressed view on themselves as an excellent.
- from vulnerable groups, WISEs in Croatia mostly work with the disabled people, long term unemployed and persons over 55 years old and very few with Roma people, homeless people, refugees and Minors without primary or basic vocational education.

Regarding one of the most important issue in the whole INNO-WISEs project, capacity, knowledge and skills for using new technologies meaning ICT in promotion and marketing, internal communication and outside services, here are the most important findings:

- perhaps from the fact that most organisation work with disabled persons most relevant skills needed to be improved in their organisation were the ability to communicate in maternal language and interpersonal communication in a proper linguistic form and mode, and the calculation, logic and spatial skills
- WISEs in the research as the most represented features of their organisation assigned good administrative skills and regular additional trainings as well as the other foreign languages proficiency.

- regarding ICT they are very good in using office automation tools, financial management tools and tools for internal collaboration, but really more needed are HRM, project management, and E-learning tool.
- the most represented available marketing related ICTs were tools for communication with customers, promotional support tools, and collaboration tools and the most needed and wanted were eCommerce tools, Collaboration tools and Other marketing support tool.
- The most important finding in service related ICT was that product design tools being the most reported as needed but available (14 organisations), but very close needed but “not available, but needed” (8 organisations).

In cross tabulations of survey questions whenever considered relevant we got dispersed results and none of the cases was represented by at least 25% of the final sample i.e. none of the cases was represented by at least six organizations.

Regarding synthesis results from qualitative research we can present that optimally with down there visualisation. Totally we got 35 codes that were grouped into 10 categories which made 4 themes: organizations, external business obstacles and advantages, managerial teams, and vulnerable groups.

ORGANIZATIONS	EXTERNAL BUSINESS OBSTACLES AND ADVANTAGES	MANAGERIAL TEAMS	VULNERABLE GROUPS
BUSINESS PLAN	MAJOR EXTERNAL BUSINESS OBSTACLES	MANAGERIAL TEAM FEATURES	FEATURES OF VULNERABLE GROUPS
Business ideas	Legal obstacles	Professionalism	Skills
Business model	Funding obstacles	Lack of skills	Training courses/workshops
Plans for the future	Cultural obstacles	Training courses/workshops	High value-added positions
	Obstacles related to medical condition	Technology	Technology
INTERNAL ENVIRONMENT	Obstacles related to education level		
Leadership styles	Other obstacles	MARKETING	
Work organization		Marketing channels	
Relationship with the “mother organization”	MAJOR EXTERNAL BUSINESS ADVANTAGES	Relationship with media representatives	
	Funding advantages		
FUNDING	Cultural advantages	SALES	
Money from EU/national funding programs		Customer base	
Issues related to the funding programs		Unique selling points	
Other sources of funding		Sales channels	
		Customer care	
EXTERNAL ENVIRONMENT			
SE organizations			
Other organizations			
Politicians			
Networking issues			

From analyses of stakeholders meeting we got one selective code: social entrepreneurship, 7 main axial nodes (SE businesses, Education, Leadership and Management, Marketing, Entrepreneurial Climate, Social Cooperatives and Legislative framework) and 27 open nodes.

8. CONCLUDING REMARKS

In this report it was for first time in Croatia that WISEs were analysed through such a comprehensive research. Not only that through this research it was completed mapping of WISEs in Croatia, but right now it is clearer what are their institutional, technological and managerial capacities, but also needs and areas that might be improved for strengthening position, sustainability and visibility of WISEs in Croatia.

Especially it is important for one the most important objectives of INNO-WISEs project which is to strengthen innovative know-how and skills for use of new technologies and ICT for marketing and service/product related areas and processes, but also to improve internal efficiency and quality of work.

With this more educated entrepreneurial mind-set and improved managerial skills we hope that results of this research paper will contribute to the greater social cohesion of disadvantaged groups which is highly needed.

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