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Republic of Slovenia, National Assembly
Committee on Labour, the Family, Social Policy and Disability

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## Proposal of Act on supplement of Social entrepreneurship Act

#### I. INTRODUCTION

1. Evaluation of situation and motive for supplement of act

This proposal supplements existent Social Entrepreneurship Act (Official Journal of Republic of Slovenia no. 20/11). Supplement is about Social enterprise TYPE C – learning company.

Social entrepreneurship is an ambitious program considering target groups that addresses. Capitalism is a "cruel" environment, where even "trained" and experienced entrepreneurs don't succeed always. When it is about members and participants of social enterprise coming from vulnerable groups, as a matter of fact, it is necessary to be very prudent. A possibility of qualification for new type of entrepreneurship, social entrepreneurship, can essentially reduce the risk of society and the risk of negative – instead of positive – impact on vulnerable groups, that could again (in the role of unsuccessful social entrepreneurs) face disappointment, financial ruin, worse self-esteem, etc.. Integral approach to solving the problem is possible only when future social entrepreneurs, members of social enterprise or its participants, have the possibility to learn about social entrepreneurship.

### 2. Goals, principles and main solutions of supplement of the act

This supplement and changes of act introduce new type of social enterprise TYPE C – (learning company). The purpose is to empower the achievement of ends of social entrepreneurship, to settle the sector more efficiently and to accelerate the implementation of social entrepreneurship.

3. <u>Evaluation of financial consequences of supplementation of act for state budget and other public financial funds</u>

Realization of Proposal of Act on supplement of Social entrepreneurship Act will not have financial consequences for state budget and other public financial funds.

Mechanism planed in the chapter IV. SUSTAINABLE ENVIRONMENT FOR

DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP of Social entrepreneurship Act is used also for the realization of the Act on supplement of Social entrepreneurship Act.

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# 4. Regulations in other legal systems and adaptation of the proposed regulation to EU jurisprudence

Proposal of novel of the act is not contrary EU jurisprudence. EU jurisprudence does not deal with learning companies.

The base of supplementation of the act is good practise gained from the project Leonardo da Vinci Transfer of Innovation (project Student Company) – transfer of the solution and training of entrepreneurship from Norwegian education system to partners' countries, also to Slovenia. Norway is not a member of EU, but it assumes its legislation. It is today's pupils and students that will create the values and workplaces of the future. In Report to the Storting (White Paper) no. 44 (2008-2009) Education Strategy, the Norwegian Government proposes measures designed to make education more realistic and practical to ensure a population which is flexible and well-qualified for working life. Strengthening a culture for entrepreneurship and collaboration between education and training and working life are essential measures to achieve this end. It is about long life learning of entrepreneurship.

Norway was the first country to present a national strategy for entrepreneurship in education and training, for which there has also been international acclaim (See the Opportunities and Make them Work! – Strategic Plan for Entrepreneurship in the Education System (2004-2008)).

The cross-ministerial collaboration has been given a lot of positive attention and also forms the framework for work on Action Plan (Entrepreneurship in Education and Training – from compulsory school to higher education 2009–2014). In addition the evaluation concluded that it is necessary to expand efforts in a number of areas so as to promote entrepreneurship in teaching and learning on all levels. Internationally Norway shall be a leading force when it comes to entrepreneurship in education and training. With new Social Entrepreneurship Act and with this Proposal of Act on supplement of Social entrepreneurship Act Slovenia maybe has a unique opportunity to put its ambitions parallel to Norway or even to overtake it. Norwegian model of learning company still has some limitations that Slovene Social Entrepreneurship Act exceeds. Social enterprise type C (learning/training company) as proposed has wider range than Norwegian model of "learning by doing" within virtual school environment inside educational system. Social enterprise TYPE C is learning, but real company, open to young people but also to other vulnerable groups, and for this reasons innovation of world measure.

 Other consequences that will supplement of act have Modification of Social Entrepreneurship Act will not have other consequences. SPIN NFORMACIJSKI INŽENIRING D.O.O. CESTA GORIŠKE FRONTE 11, 5290 ŠEMPETER PRI GORICI SLOVENIJA

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#### 1. TEXT OF ARTICLES THAT CHANGE

#### 1. Article (1)

The article 8 of Social Entrepreneurship Act is to be supplemented and changed so that after the second alinea (paragraph) new, third alinea (paragraph) is added as follows:

- is founded like learning environment/enterprise/company so that:
  - the founder of the learning company is local community, which guarantees funds for foundation, for costs of operation and for covering of possible loss of learning company, if learning company does not create income from operation,
  - o all persons, except the responsible one, act as volunteers,
  - o it doesn't have employees based on contracts of employment,
  - o volunteers are operating under the control of mentor(s) named from the founder,
  - o the responsible person is an employee of local community and receives salary according to legislation for public employees,
  - o the income of learning company does not exceed 25.000,00 EUR in one calendar year,
  - o volunteers who operate with learning company get knowledge and skills of "social entrepreneur" (new state professional qualification)

(Hereafter: social company/enterprise type C)

#### 2. REASONS AND MOTIVES FOR ARTICLES THAT CHANGE

--- not translated ---

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