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**Annex III - Danube4SEecosystem Deliverable Template**

# D 2.1.4.
# National report on skills gap analysis and assessment tools
# Slovak Republic

**Due date of deliverable:** **Actual submission date:**

## Document Control Sheet

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# 1 Introduction

The activity "Skills gap analysis for resilient SEs & local public" carries out the analysis and the mapping of the key needs and challenges of social enterprise (SEs) and local public authorities (LPAs) and it is a complementary activity to the Mapping Social Economy ecosystem in the Danube region (A1.1). With the aim to assess capacity of SEs and LPAs, 2 skills gap assessment tools are developed, 1 for SEs and 1 for LPAs. These tools will be used to identify the most critical and relevant skills for both SEs and LPAs, to analyze & prioritize skills gap that need to be addressed in order to enhace cooperation of SEs and LPAs and to act on the findings and recomendations from assessement tools.

The tools will contribute to the following:

1. assessing the skill levels of SEs and LPAs,
2. identifying the skills these organisations need based on goals, values, business objectives (SEs) and strategic objectives (LPAs);
3. designing solutions to close the skills gap. Solutions will consider opportunities for upskilling or reskilling the existing employees through training, mentoring, networking, and recruiting and retention methods.

After conducting assessment by utilising questionnaires & personal interviews each project partner developed the National/ regional report on skills gap analysis in which they provided the results of its national/ regional survey. Those comprehensive national reports will used by CCIS to develop the D.2.1.5 Report on skills gap analysis and assessment tools .

# 2 National report on skills gap analysis of social enterprises (SE)

The data presented below is collected through an online questionnaire survey conducted in the month of May 2024.

The questionnaire survey was addressed to two target groups a.) social enterprises and b.) local and regional authorities.

In the case of the questionnaire addressed to social enterprises, the request to complete the questionnaire was sent to all registered social enterprises registered according the Act 112/2018 on Social Economy and Social Enterprises, i.e. 554 entities. At the deadline, 72 organisations had completed the questionnaire, which is an return rate of approximately 13%.

The respondents to the questionnaire are exclusively registered social enterprises, which represent the most structured group of social enterprises in Slovakia. The results of the survey are therefore only indicative of this segment of social enterprises.

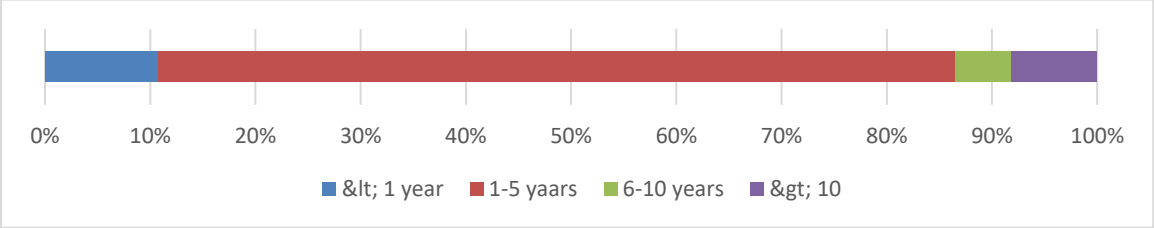
Interpretations of individual findings were then triangulated through a series of eight semi-structured interviews (four representatives from social economy sector and four representatives from LPAs).

## I. Administrative intro

In terms of age, the majority of survey respondents are young businesses (social enterprises) aged between 1-5 years (75% of respondents). The relatively young age among responding social enterprises can be interpreted by the practice of the staff of the Institute of Social Economy (key support scheme in Slovakia), who have often helped with the establishment of social enterprises and often advise those interested to launch a social enterprise to establish a new entity, also in view of the priorities of the spectrum of support schemes, which offer the most favourable conditions to young entrepreneurs.

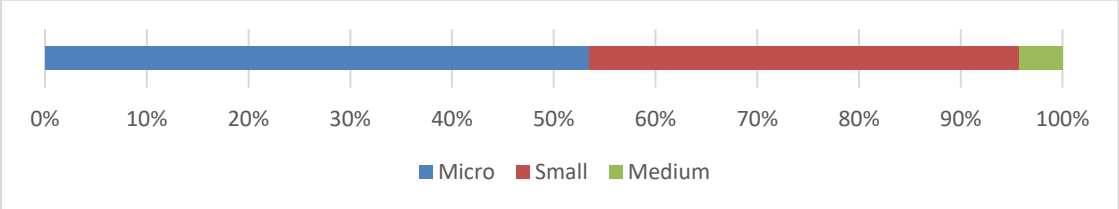
On the other hand, 8% of the respondents are enterprises whose age exceeds 10 years, in this case it can be assumed that these are primarily entities that have operated as sheltered workshops in the past and are entities that were well established on the market even before obtaining the status of a registered social enterprise.

**Figure 1: structure of respondents by age of enterprise**



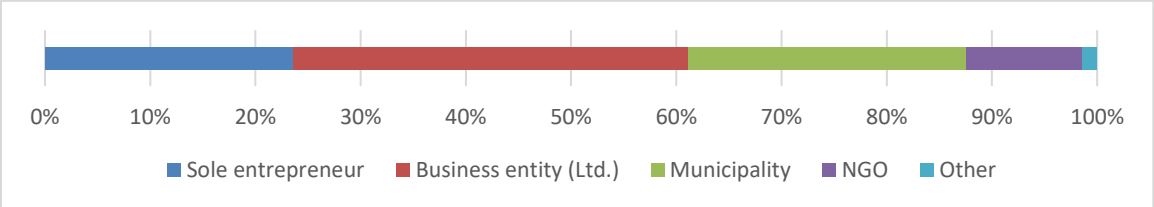

In terms of size, 54.2% of respondents belong to the group of micro-enterprises, which means that the number of employees of the enterprise is no more than 9 persons and the annual turnover is equal to or less than 2 000 000 Euro. The dominance of micro-enterprises among the respondents reflects the high rate of micro-enterprises among registered social enterprises, with the share of micro-enterprises accounting for 63%.

**Figure 2: structure of respondents by size of enterprise**



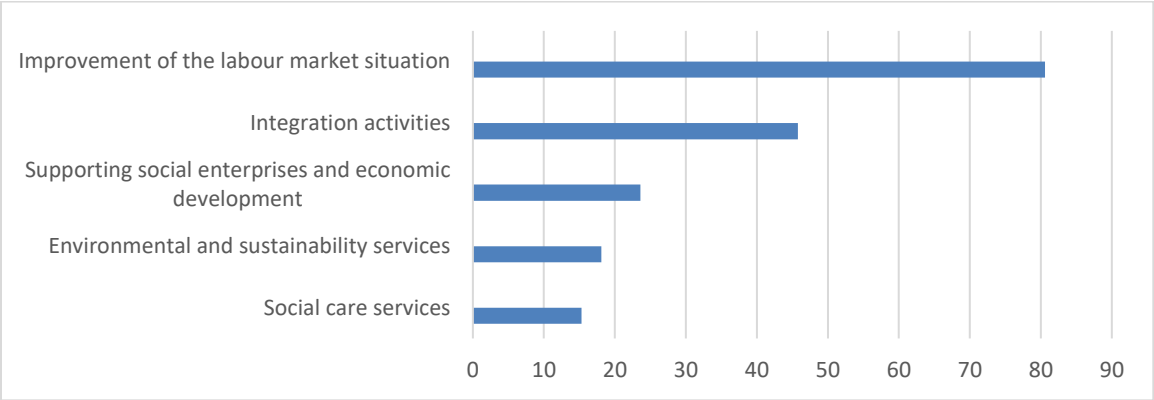

In terms of ownership structure, a relatively large group of respondents is made up of social enterprises owned by a sole entrepreneur, who is also employer. The size of this group is comparable to the size of responding SEs owned by local government. The largest group is made up of social enterprises owned by a trading company (Ltd.), the smallest group consists of social enterprises established by a non-profit sector organisation. The distribution of respondents strongly reflects the distribution of ownership structure among registered social enterprises as such.

**Figure 3: structure of respondents in terms of ownership**



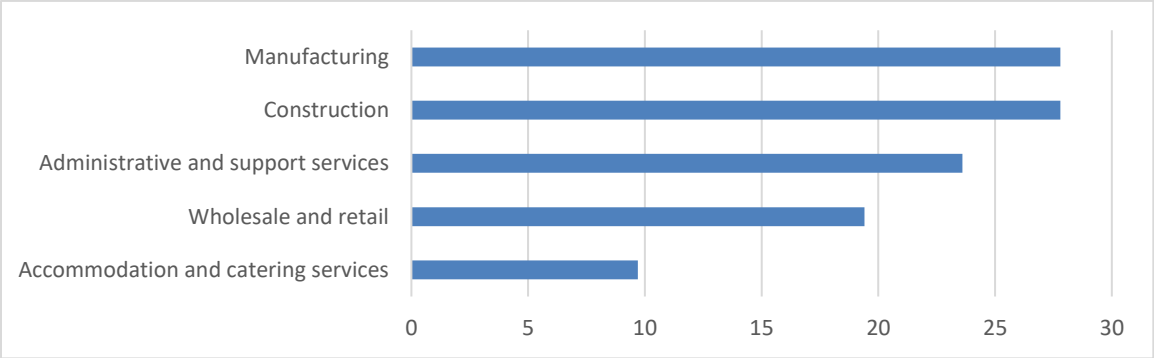

Given the dominance of work integration social enterprises in the registered social enterprises in Slovakia, it is not surprising that up to 80.6% reported the main positive impact of the existence of their social enterprise as "Improvement of the labour market situation". The second most cited area was "Integration activities", which was identified by up to 45.8% of respondents, and 23.6% of respondents identified the option "Support to social enterprises and economic development". In relation to this question, respondents could indicate any number of answers, the three answers above could be perceived synonymously among respondents, with only two respondents indicating none of the three most frequently mentioned answers.

**Figure 4: structure of respondents in terms of their focus on achieving positive social impact (in %)**




In terms of sectoral breakdown, most respondents are engaged in construction and manufacturing. Administration and business activities also feature prominently.

**Figure 5: structure of respondents in terms of their industry breakdown (in %)**




For a large proportion of respondents, the local level is the most common market. However, respondents were given the option of multiple responses in the question "In which markets do you sell your products/services?". Although 75% of respondents indicated that they operate in a local market, however the local market is the only domain for 29% of all respondents.

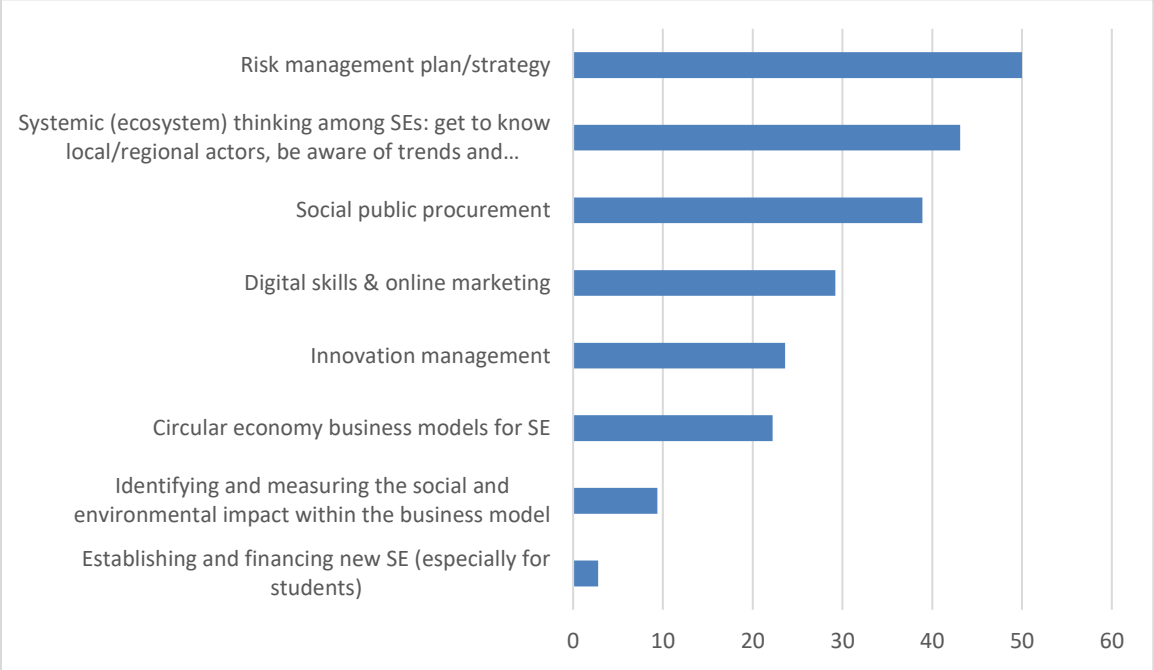
13.8% of respondents (10 respondents in total) are also active internationally, four of them are micro enterprises, six are small enterprises. Eight of these ten respondents are under 10 years of age.

29.2% of respondents are not interested in entering new markets, 28.5% of these respondents currently only trade in the local market, in terms of size, age or ownership structure, these businesses cannot be defined by common criteria.

However, the majority of survey respondents would like to enter the local (30.6% of respondents) or regional market (29.2% of respondents.) 13.9% of respondents would also like to enter the international environment.

Exactly 50% of respondents believe that mastering planning and strategic thinking is a key skill for entering a new job market. Systems (ecosystem) thinking for social enterprises (willingness to network, to get to know local/regional actors, to know trends, statistical data, etc.), together with the skills to master the principles of public procurement with social impact, are also among the skills that enable entry into new markets.

**Figure 6: skills needed to reach new markets (in %)**




The area of identification and measurement of social and environmental impact is worthy of attention. Although this was not included by survey respondents as a skill considered to be key in the context of reaching new markets, it was a topic of great interest in other parts of the questionnaire that focused on respondents' interest in new skills.

## II. Inclusive Labour Market Aspects

The question of the share of disadvantaged employees in the total number of employees is rather irrelevant in the case of registered social enterprises in Slovakia. The reason is that almost all registered social enterprises are work integration social enterprises, which, according to the law, must meet a minimum of 30% share of disadvantaged employees in the total number of employees, the minimum number being 1 person.

Considering the fact that almost 53% of all survey respondents are micro-enterprises with less than 9 employees, it is not surprising that up to 41.7% of respondents reported that the number of employees disadvantaged on the labour market in their enterprise is in the number 0-5.

Only two respondents stated that they have no ambition to employ people far from the labour market, which reflects the number of respondents who pursue their positive social impact in other ways such as improving labour market conditions, integration activities or supporting regional development.

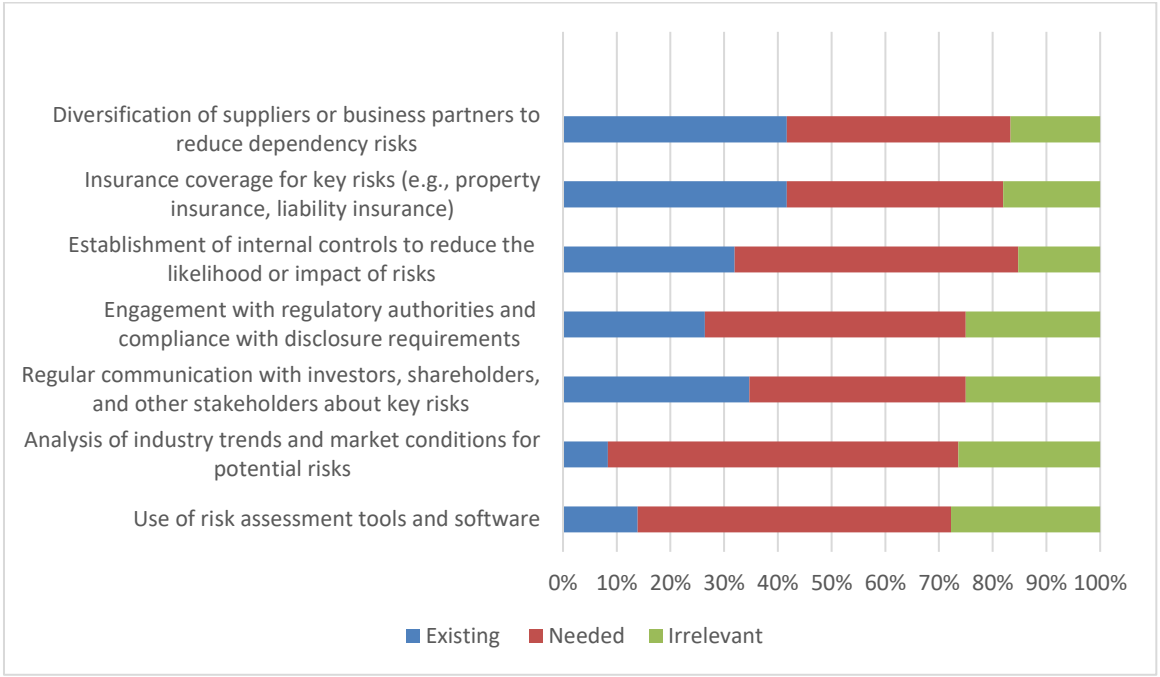
Providing employment opportunities for people disadvantaged in the labour market is one of the automatic forms of integration activities. In addition to the provision of job opportunities, 52.8% of survey respondents reported that they also support disadvantaged employees with the help of a job mentor, 19.4% of respondents also provide support through job training and 4.2% of respondents conduct networking events for their employees with employers active on the open labour market, and a further 4.2% of respondents offer internship opportunities in their social enterprise. Based on the survey results, other forms of integration support can be considered rather isolated cases.

## III. Risk management

Based on the results of the questionnaire survey, it can be argued that the most common risk management practices among respondents include (i) asset insurance, (ii) diversification of resources, and (iii) communication with stakeholders.

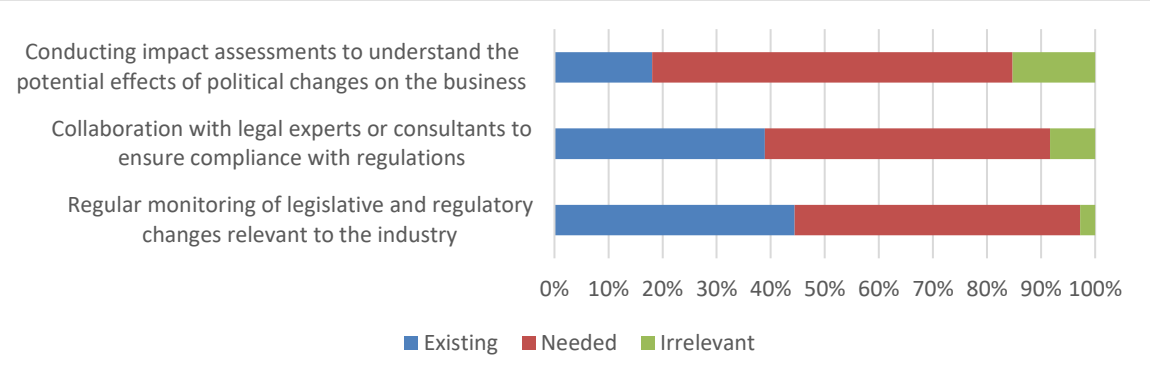
On the other hand, the most rarely used method was identified by respondents the "Analysis of industry trends and market conditions for potential risks" and "Use of risk assessment tools and software". These two methods were ranked most highly not only in terms of least used method but also in terms of highest request for skill enhancement and highest level of irrelevance.

**Figure 7: existence/need for skills in the topic of risk management**



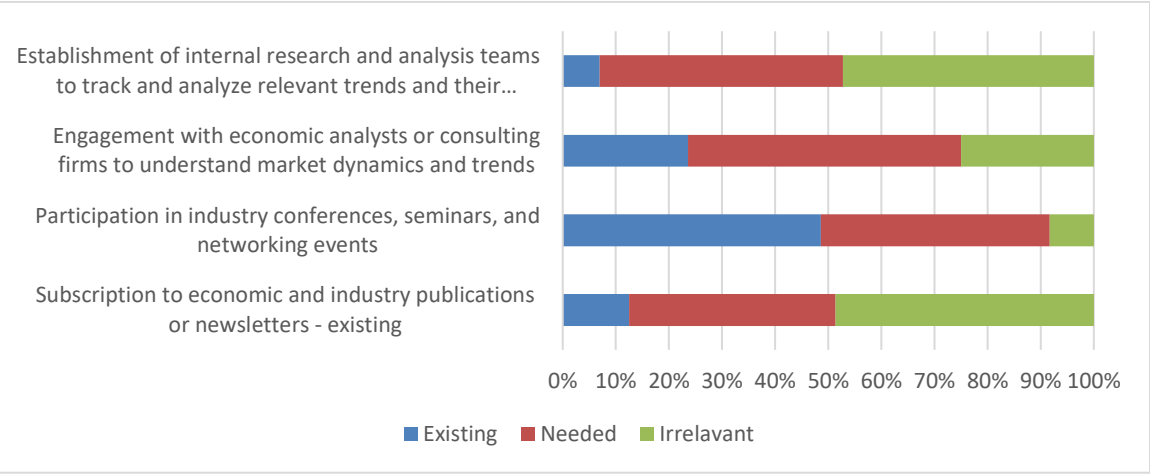
Survey respondents declared that they most often monitor the situation by their attempts to follow legislative changes. From the above it can be assumed that these activities are carried out inhouse by the respondents.

**Figure 8: existence/need for skills in the topic of risk identification**




The respondents also attempt to follow the broader socio-economic and political context mainly through participation in professional events and conferences. On the other hand, respondents rarely invest to journals and publications subscription or in building their own research teams. However, it is evident from the survey that they would like to acquire skills in relation to networking with external research and analytical organisations. The findings can be seen as a reflection of the structure of registered social enterprises, most of which are micro-enterprises, thus these can only with difficulty build their own research teams.

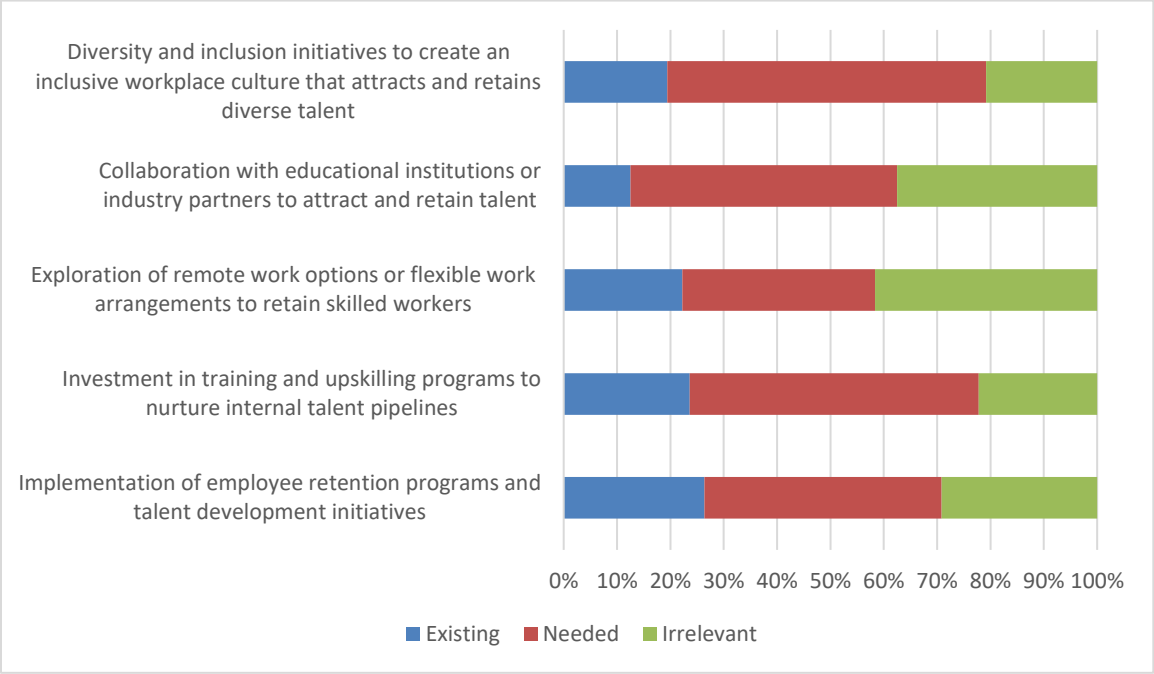
**Figure 9: existence/need for skills in the topic of better understanding of the wider context**




In the context of risk management, the issue of talent management and brain drain needs to be considered particularly carefully given the demographic trend and the increasing shortage of available workforce. The results of the survey indicate that most of the social enterprises involved

in the survey strive to create a supportive and good environment for their employees, which at the same time is seen as an important prevention tool for reducing employee fluctuation. In the context of this effort, the social enterprises involved feel the need to strengthen their skills in the topic of creating an intercultural and inclusive environment.

**Figure 10: existence/need for skills in the topic of talent management / work force migration**




## IV. Skills in running an enterprise

The skill level of the social enterprises surveyed reflects well their sectoral anchorage. While a large proportion of social enterprises are anchored in the sector of traditional business legal forms, it is not surprising that skills in key aspects of financial management or human resource management are prominent and their presence is evident. On the other hand, social enterprises declare an interest in topics and skills related to the social impact or social and environmental aspects of business. There is also a clear desire to increase skills in the topics of digitalisation and online marketing. The efforts of the social enterprises surveyed to improve their skills in social, environmental and digital topics are a good sign and follow modern trends related to efforts to strengthen the dual transformation of the European economy.

**Figure 11: existence/need for skills in the topic of strategic management (Q21)**

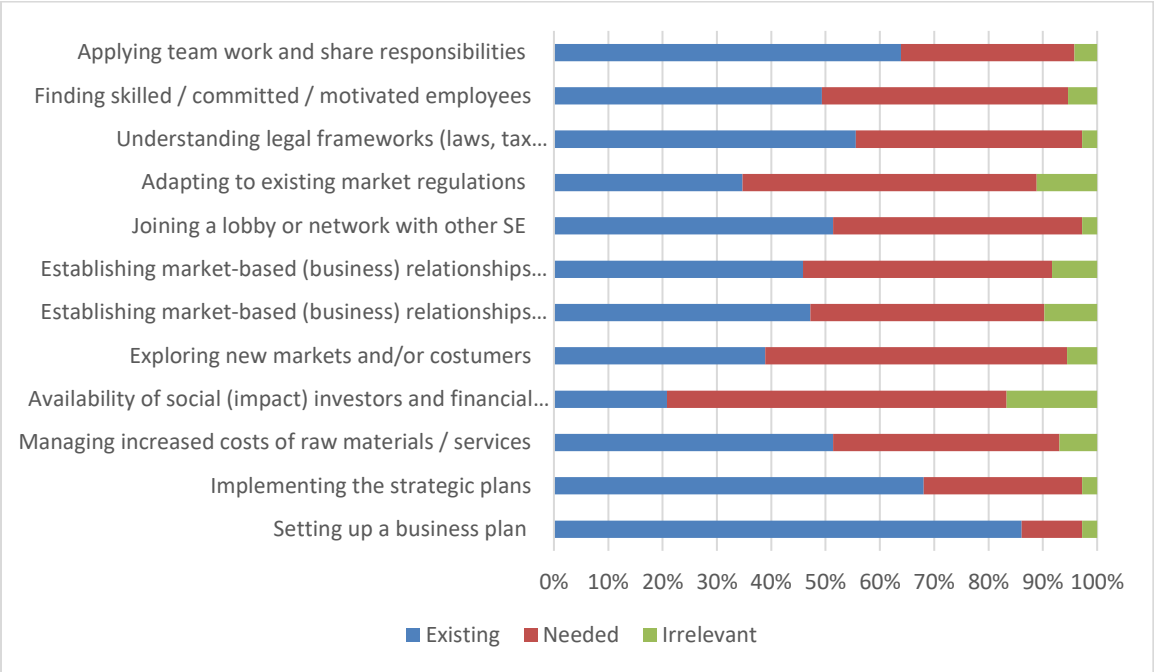



**Figure 12: existence/need for skills in the topic of financial management (Q16)**

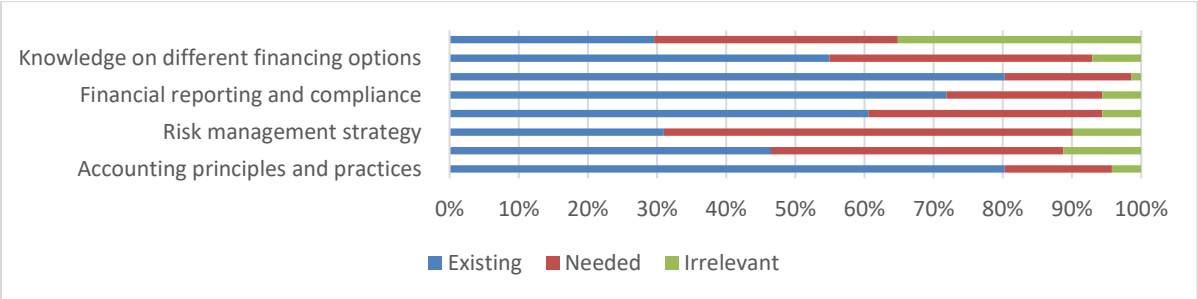


**Figure 13: existence/need for skills in the topic of ESG (Q22)**

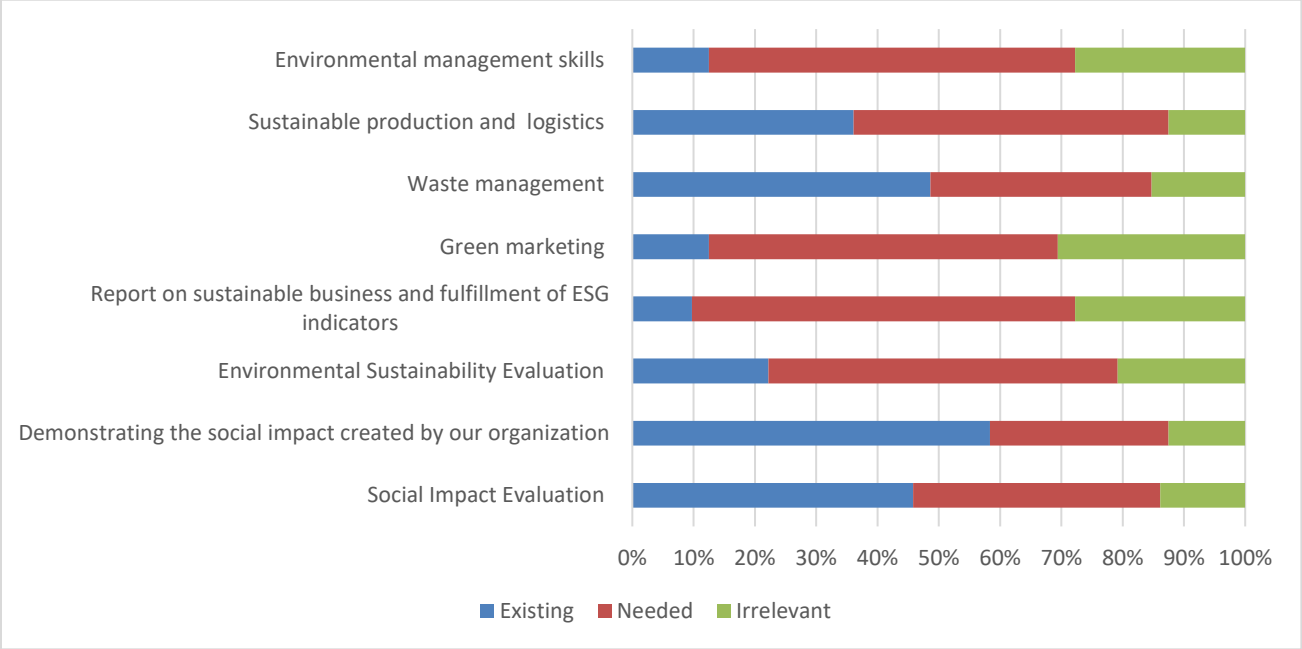



**Figure 14: existence/need for skills in the topic of human resources management (Q23)**

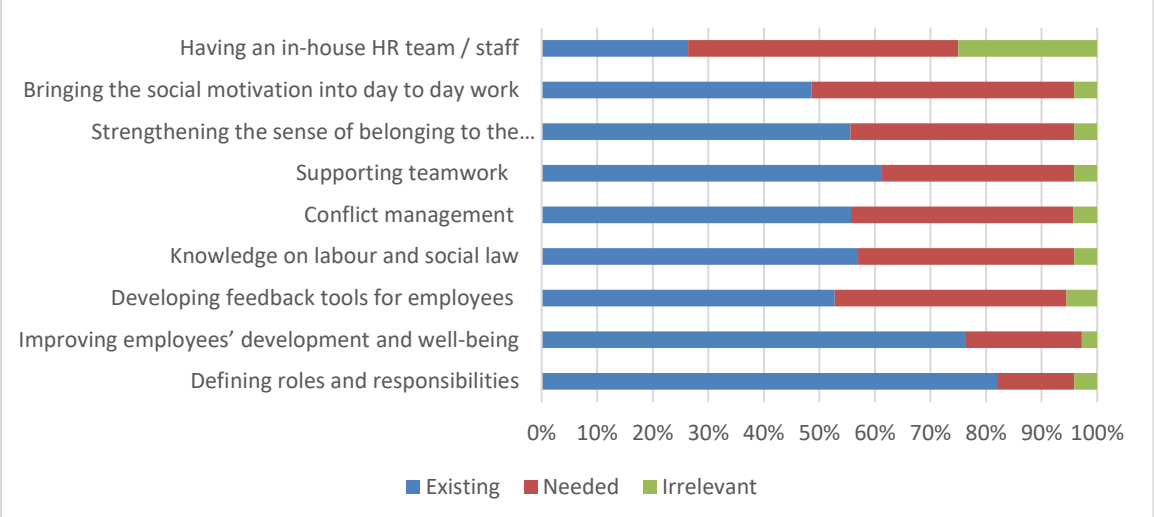
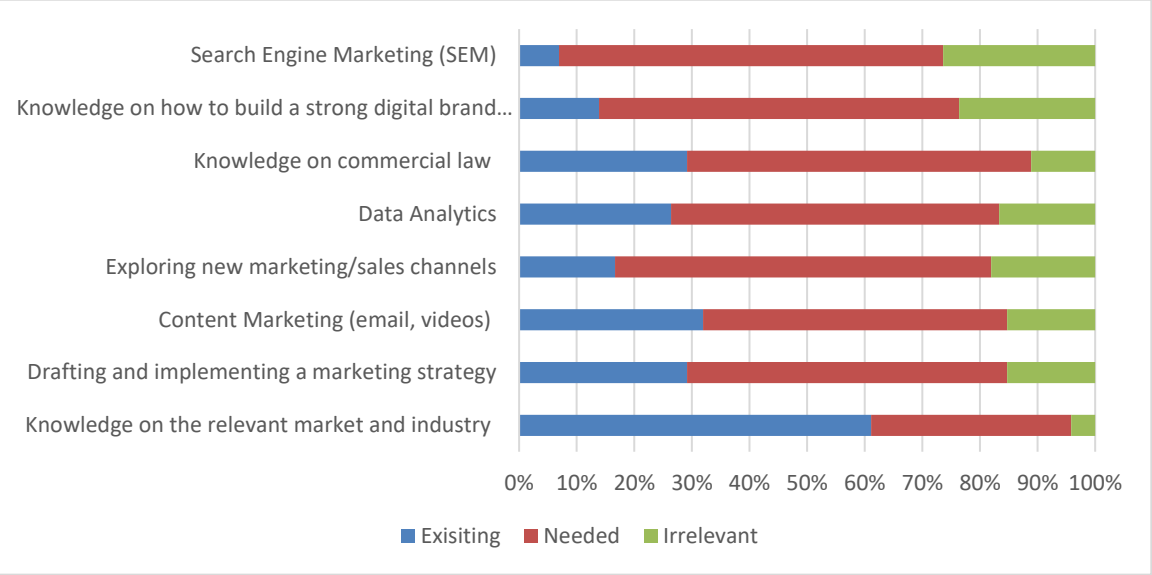


**Figure 15: existence/need for skills in the topic of marketing (Q24)**

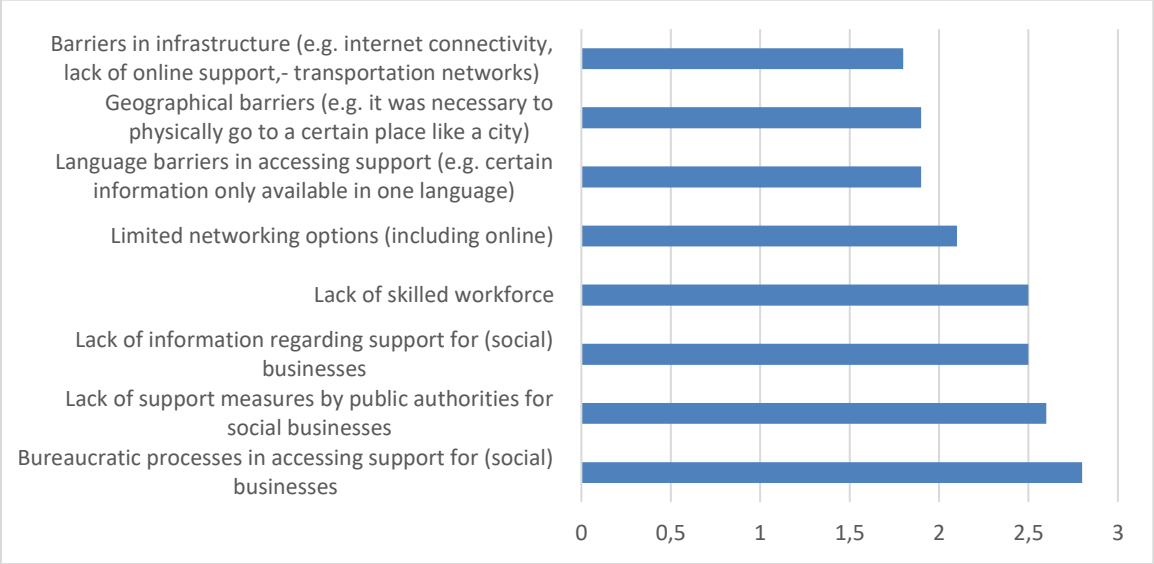



## V. Collaboration & support with local public authorities

Up to 66.7% of the survey respondents indicated that their social enterprise cooperates with LPA (with emphasis on local and regional self-government). Based on this finding, it can be concluded that cooperation between social enterprises and public administration is not unique.

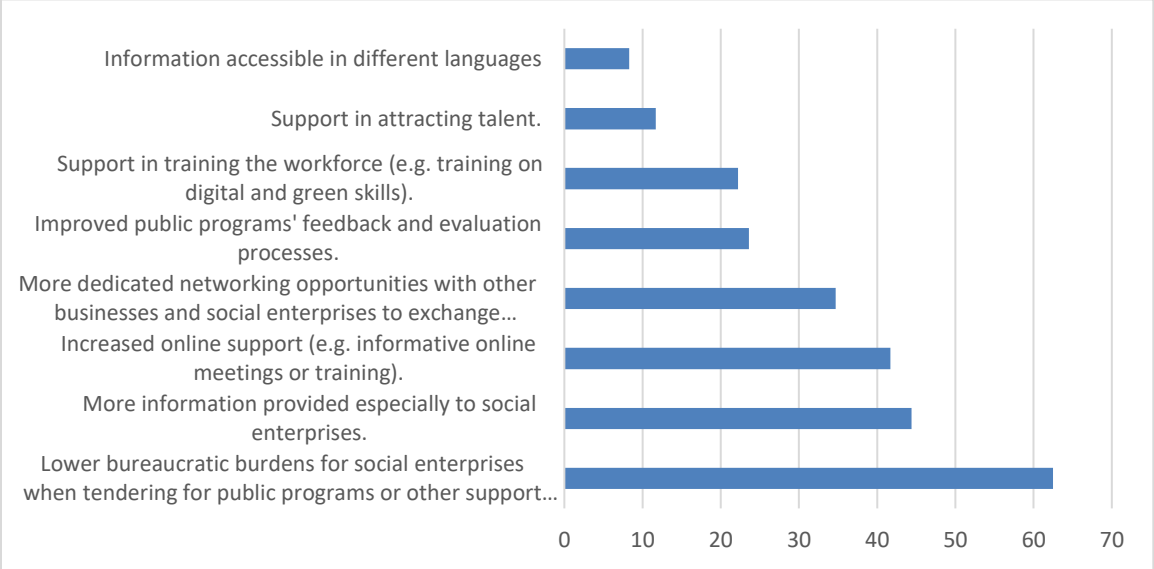
However, survey respondents often call for more open communication and a reduction in administrative burdens. This was also evident during the Covid 19 pandemic, when the problem of high levels of administrative burden was perhaps the biggest barrier to receiving pandemic assistance. Respondents were given the opportunity to rate each aspect on a scale of 1-5. With 5 representing the worst and 1 the best experience. Administrative burden was rated with an average score of 2.8.

**Figure 16: challenges in accessing public support during the pandemic (average of 1-5 score) (Q25)**




The call for administrative simplicity also resonates as the most frequent request from social enterprises to public and state authorities. Social enterprises would also welcome more information and more opportunities to meet each other.

**Figure 17: government support with a positive impact on resilience and sustainability of SEs (in %) (Q 26)**




## VI. Collaboration and Communication (open questions)

Despite the fact that up to 66.7% of respondents stated that the social enterprise they represent cooperates with public authorities, in the case of the question "Do you believe there are ways to streamline or simplify the administrative processes to make them more accessible to social

economy enterprises?", the question "Do you believe there are ways to streamline or simplify the administrative processes to make them more accessible to social economy enterprises? 57% of respondents believe there is room for improvement. Suggestions and comments were mainly related to repeated requests for different documents and the poor level of interconnectivity between different authorities, which forces respondents to submit documents that can be provided by another public administration body. Respondents would also like to see a more participatory approach in the development of individual regulations and more involvement in the process of developing these regulations. However, a number of respondents also indicated that although there is still room for improvement, processes are gradually improving.

Despite the identification of a wide scope for improvement, in relation to the assessment of the level of communication and engagement between the social enterprise and public support agencies, respondents were rather positive and on average scored 2.1, with "1" indicating a problem-free situation and "5" indicating a problematic situation.

## VII. Capacity Building and Training

Respondents rated their satisfaction with the capacity-building support and training provided by public authorities with an average score of 2.93, with '1' indicating a problem-free situation and '5' indicating a problematic situation.

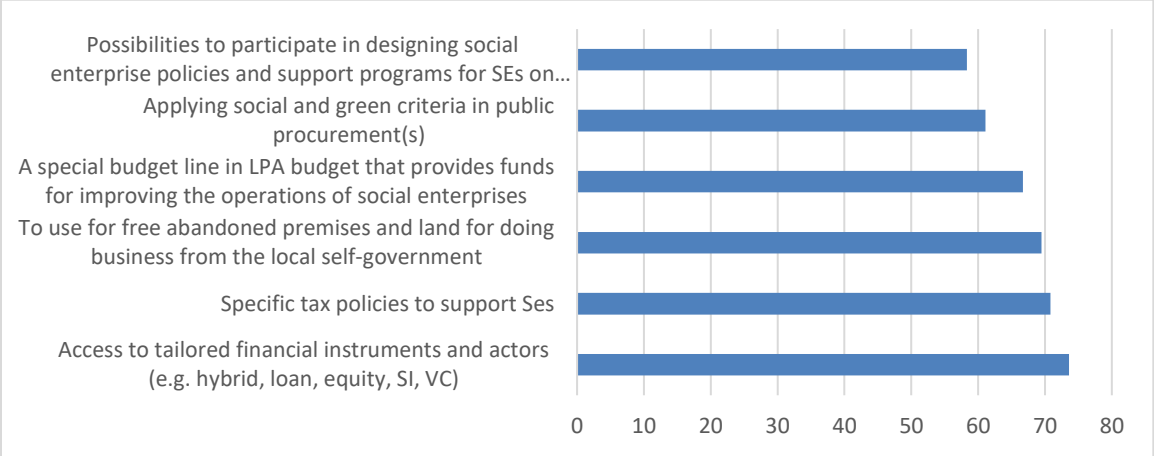
83.3% of respondents also report that they have not encountered constraints or problems in accessing training and capacity building initiatives.

On the other hand, both semi-structured interviews and 16.6% of survey respondents point out that the offer of similar training and capacity building is not fully functional. As one of the questionnaire survey respondents stated "basically there are no such programmes" several respondents pointed out that the offer of training activities is very limited and if there is any offer, it is often the case that they find out about the opportunities very late.

Given the high level of interest on the part of the respondents to be regularly informed about further activities of the project within which the survey was conducted, it can be assumed that the demand from social enterprises towards the implementation of training and other support activities is increasing. This is also evidenced by the fact that up to 56.9% of the respondents would like to participate in the trainings that will be implemented within the project.

In terms of other types of support, respondents most strongly call for accessible and tailored financial instruments, but also for a specific tax regime or access to free rental of buildings.

**Figure 18: interest in further support to improve conditions for social enterprises**




# 3 National report on skills gap analysis of Local Public Authorities (LPA)

The data presented below is collected through an online questionnaire survey conducted in the month of May 2024.

The questionnaire survey was addressed to two target groups a.) social enterprises and b.) local and regional authorities.

The return rate of questionnaires addressed to local and regional authorities was significantly lower comparing the social enterprises, with 8 completed questionnaires being returned out of a total of 200 requests for questionnaire completion, representing 4%. The findings from the local and regional government environment cannot therefore be seen as representative, but rather as a probe into the issue, while the low rate of return of questionnaires can also be seen as a signal of the situation on the topic of linking local authorities with the social entrepreneurship sector.

Interpretations of individual findings were then triangulated through a series of eight semi-structured interviews.

Given the low number of questionnaires received and the low return rate of questionnaires from the LPA, the findings below cannot be considered as relevant conclusions. The results of the questionnaire survey among LPAs should be seen as a probe into the local government sector, whose capacities are very limited in relation to the systematic support provided towards social enterprises.

## I. Administrative intro

A total of eight municipalities participated in the survey. The representation of rural and urban areas is equal. Although 50% of the respondents represent urban settings, as many as 87.5% (seven out of eight) of the participants represent local governments that have a population of less than 5,000. Three of the four participating towns are in the size range of less than 5,000 inhabitants.

Given the size of the participating municipalities, it is perhaps not surprising that up to five of the participating municipalities are in the 1-20 employee category (which is the smallest category in the survey).

On the other hand, only one of the respondents stated that they are not familiar with the principles of social entrepreneurship and two stated that they could not identify areas where social enterprise can achieve positive social impact. In the case of percentage, 75% of the respondents reported that they can indicate the areas of social enterprise.

50% of the respondents (4 municipalities) also report that they work with a social enterprise and two of them have a dedicated staff member who communicates with social enterprises. However, based on the list of Registered Social Enterprises, in the case of both municipalities, these are situations where the municipality itself operates a municipal social enterprise. Thus, these are not situations where the municipality communicates with the social enterprise in relation to the external supply of goods and services.

Local governments that cooperate with social enterprises report that they provide them with financial incentives, provide them with business premises and rent them premises/land at reduced prices, and establish contacts through social enterprises. None of the participating municipalities provide education/training or mention incentives related to tax benefits. Due to the small number of participating municipalities, it is not possible to generalise these conclusions, but it can be assumed that education/training is not provided due to the size of the participating municipalities (small municipalities do not have the capacity to implement such activities) and that the provision of tax incentives is not within the competence of the municipality.

It can also be assumed that there is a relatively good level of awareness among LPAs about the existence of social enterprises, as all the involved LPAs that indicated that they do not currently cooperate with social enterprises are planning to cooperate in the future.

## II. Local public administration skills

### a) Policy Implementation

The results of the questionnaire survey in relation to local administration skills should be seen in the context of the size of the participating entities, most of which (seven out of eight) have less than 5,000 inhabitants, so they are rather smaller municipalities whose capacity to implement

anything that goes beyond the exercise of the primary and delegated competences of the municipality is very limited.

When asked whether the municipality has taken measures to support social enterprises, 50% gave a positive answer. However, it should be stressed that in all cases these are municipalities that have set up their own social enterprise.

Three out of four local authorities report having staff who understand and can support social enterprise. For two municipalities, there are also ongoing initiatives involved to strengthen competencies in promoting social entrepreneurship, and the other two are planning such initiatives. The lowest activity can be observed in relation to training on the legal and regulatory framework, where it can be assumed that staff mainly attend these trainings in an external setting.

The municipalities that indicated that they have not adopted support measures do not, in most cases, plan to adopt support measures in the future. The only exception is the area of adoption of a support policy, which is planned by two of the participating municipalities.

*b)* Financial Support

Financial support in the form of a grant, subsidy or other financial incentive designed to help social economy organisations, in particular social enterprises, to start up and/or expand their activities shall be provided by only one of the participating municipalities. The latter states that it has a staff member with the necessary skills and has not implemented and does not plan to implement any further capacity building activities for staff in this area. The municipalities that indicated in the questionnaire that they do not actively implement financial support also do not plan to implement any further activities in this area.

It should also be pointed out that in the case of the respondent who stated that the local government represented by him/her implements financial support, we do not know what type/range of grants, subsidies or other financial incentives are involved.

c) Partnership and Networking

In the area of developing partnerships and networks aimed at linking and collaborating social enterprises with other stakeholders, three respondents indicated that they are undertaking such activities, three gave a negative response and two could not comment.

For those who do implement such activities, two indicated that they have a specific staff member who does similar activities, and all three indicated that they are planning additional training in the future that could strengthen skills in this area.

For those municipalities that do not currently implement similar activities, or do not know whether or not they are implementing them, they do not plan any future activities in this area.

d) Capacity Building

In relation to the question of whether the LPA represented by the respondent has the capacity to provide training and support programmes designed for people from social economy backgrounds, particularly social enterprises, implemented for the purpose of promoting their skills, none of the responses were positive. For five respondents the answer was 'no', for a further three 'don't know'.

In the case of the LPAs that indicated that they do not have capacity, they do not foresee that the situation will change in the future and therefore do not plan to implement any activities. The exception is one LPA that plans to train both people from the social economy environment and its own staff. However, none of the respondents plan to recruit a staff member specifically dedicated to this topic.

e) Public-Private Partnerships (PPPs)

The development and promotion of public-private partnerships implemented for effective public service delivery and community development is being implemented by two of the participating municipalities. Three respondents expressed a negative response and three were unable to comment.

For those municipalities already implementing this type of support, one LPA has a dedicated staff member and one plans to implement training as well.

In the case of municipalities that do not implement this type of support, one of the participating municipalities is planning to implement this type of support and is also planning to implement training on this topic. None of these municipalities plan to recruit a staff member specifically dedicated to this topic.

f) Co-Creation of Solutions

The stated level of opportunity for social enterprises to participate in the decision-making process on proposed solutions in order to better link them to community needs is surprisingly high, with 5 out of 8 respondents giving a positive response. Two of the respondents do not provide these opportunities and one cannot give an answer.

Where there was a positive response, one respondent indicated that they had a dedicated member of staff who was involved in these processes and one respondent indicated that the LPA was undertaking training in this area and two indicated that they planned to undertake training.

Despite the high level of positive responses in this area, none of the respondents gave a relevant example of how these opportunities are implemented.

For respondents who answered negatively, no changes are planned for the future.

III. Strategic objectives

In relation to the ability to meet the principles and elements of the LPA's strategic objectives, survey respondents were quite critical.

The rating was on a scale of 1-5, with 1 representing the most positive situation. Individual ratings for each aspect are given below, but ranged from 2.5 to 3.5.

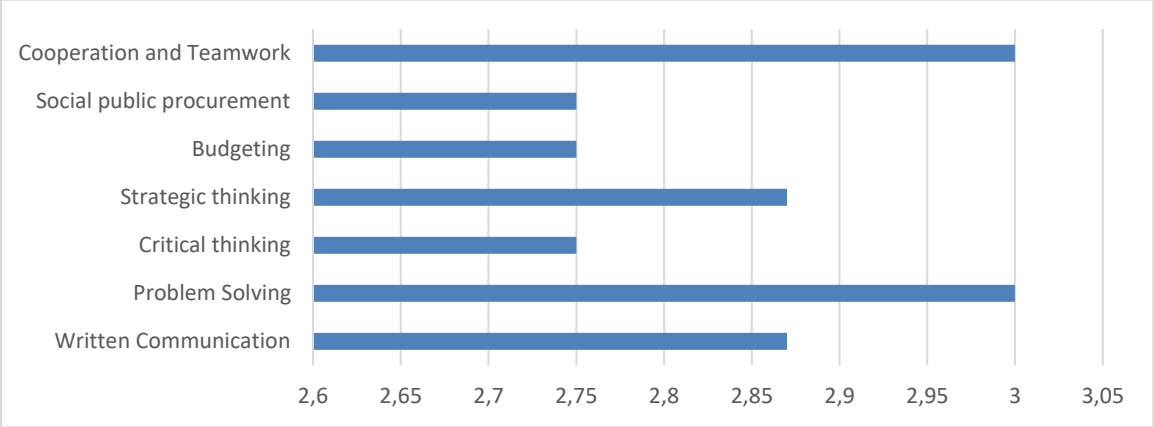
1. Strategic objective 1: Service delivery

The fulfilment of the strategic objective Service delivery was assessed through seven aspects, namely:

- Written Communication - Knowledge of digital accessibility practices that can better the communication with vulnerable groups, esp. with people with disabilities.
- Problem Solving - The ability to understand problems, effectively develop solutions, and effectively make decisions.
- Critical thinking - The ability to draw conclusions from the information that has been collected and apply relevant knowledge or experience.
- Strategic thinking - The ability to analyse a variety of inputs to ideate a strategy that helps SEs reach their objectives.
- Budgeting - The ability to manage:grants, subsidies. Public-Private Partnerships, European funds, other
- Social public procurement - Knowledge of strategic approaches used by public authorities to achieve positive social outcomes through their purchasing decisions.
- Cooperation and Teamwork - The ability to understand a variety of perspectives, manage priorities, share ideas, and take decisions collaboratively.

Respondents most critically evaluated the “Cooperation and Teamwork” aspect and the “Problem Solving” aspect. On the other hand, aspects such as “Budgeting” or “Social Public Procurement” were rated most positively. This may also be related to the common LPA role in which these two aspects are quite common.

**Figure 19: assessment of the fulfilment of the principles of the strategic objective 'Service delivery'**



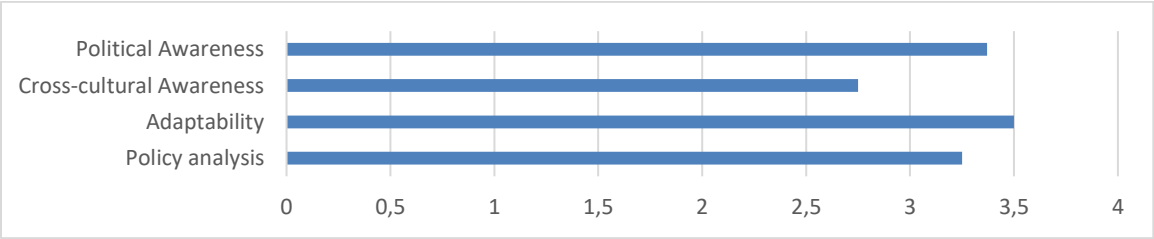

2. Strategic objective 2: Good Governance

Achievement of the Good Governance strategic objective was assessed through four aspects, namely:

- Policy analysis - Policy knowledge and economic understanding.
- Adaptability - Adjusting strategies in response to changing social needs and policy environments.
- Cross-cultural Awareness - Understanding and respecting the diverse backgrounds of the community served by the social enterprise.
- Political Awareness - The ability to be aware of the political context, so you can know how it will affect your work.

Respondents were most critical of the "Adaptability" aspect, which is not surprising in the context of Slovak LPAs, which face high levels of underfunding and a wide range of competencies.

**Figure 20: assessment of the fulfilment of the principles of the strategic objective 'Good Governance'**

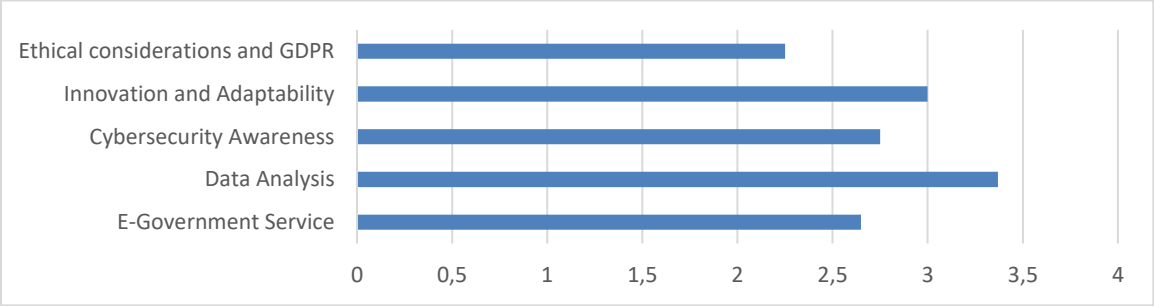



3. Strategic objective 3: Innovation and modernisation

The Innovation and Modernization element was considered in the context of the LPA's capacity to implement new technologies and practices to improve public service delivery and was assessed through five aspects, namely:

- E-Government Service - The ability to use online services and platforms for public engagement.
- Data Analysis - the ability to interpret data to inform policy decisions and improve services
- Cybersecurity Awareness - The ability to protect sensitive information from digital threats
- Innovation and Adaptability - The ability to use new technologies and adapt to change.
- Ethical considerations and GDPR - Knowledge of the ethical implications of digital technologies in public service and of GDPR principles.

**Figure 21: assessment of the fulfilment of the principles of the strategic objective 'Innovation and Modernization'**

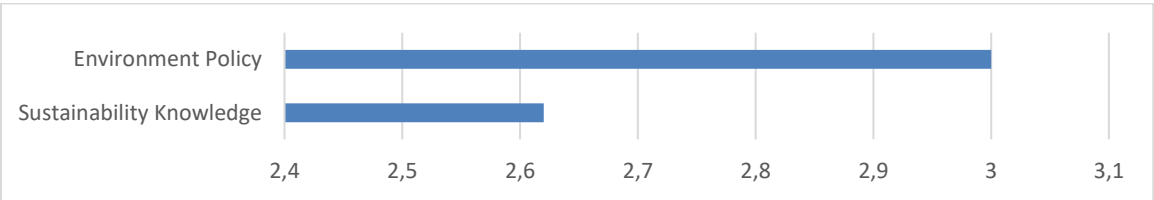



4. Strategic objective 4: Sustainable Development

The achievement of the Sustainable Development strategic objective was assessed through two aspects, namely:

- Sustainability Knowledge - Understanding of sustainable development principles and practices.
- Environmental Policy - Understanding of environmental laws, regulations, and policy making.

**Figure 22: assessment of the fulfilment of the principles of the strategic objective 'Sustainable Development'**



IV. Assessing LPA's administrative capacity: the LPA agenda for supporting the development of SE

As noted repeatedly above, the sample size of survey respondents is too small to make any single recommendation generalizable.

The main denominator of the responses captured is certainly the lack of capacity, especially in terms of staff and money. This fact conditions the development and implementation of further activities aimed at supporting social enterprises

When asked if the respondent felt oriented to social economy legislation, the responses were evenly matched, with equal numbers of respondents indicating that they felt oriented and that they did not feel oriented. The same result can be reported in relation to orientation in social enterprises topic.

In the case of self-confidence regarding the possible preparation of a support programme towards social enterprises, the majority of respondents stated that they would not be able to prepare a programme or, even if they were able to prepare a programme, they would need the help of a support team.

From the above it can be concluded that cities and municipalities have a relatively good overview of the existence of municipal social enterprises, but only a minimal number of those involved know that the support of the local government and LPAa as such towards social enterprises can take place even beyond the establishment and operation of a social enterprise.

As an example of good practice and inspiration can be mentioned the initiative of the Banská Bystrica Self-Governing Region (regional self-government), which was the first (and so far the only one) to create a support structure aimed at promoting social enterprises in the region. The initiative is part of the regional development agency and, through a specialised employee, tries to support the creation of social enterprises and links existing social enterprises with other institutions. One of the initiatives that have been implemented in the Banská Bystrica municipality is the establishment of a contract system, which tries to link food producers with organisations under the responsibility of the municipality (according to the law, these are state secondary schools and public social service homes), which prepare food in their kitchens. The aim was to increase purchasing from local suppliers, particularly social enterprises, and thus strengthen the economic development of the county.

# 4 National report on skills gap analysis of social enterprises - personal interviews of SEs

The findings of the questionnaire survey on social enterprise skills gaps were triangulated through a series of four semi-structured interviews with social enterprise representatives who are simultaneously active in the creation of local social enterprise ecosystems.

The latter drew attention to the large degree of skills disparity among social enterprises, which is driven by a variety of factors. From the motivation of social entrepreneurs, the focus of the business, the sector of the business, the age of the entrepreneurs etc.

Social enterprises in Slovakia are representing a dynamic sector that includes a wide range of subjects, many of which have excellent entrepreneurial skills and large teams of people (employees or volunteers) involved in the management of the company, while others are entities whose main motivation to engage in social entrepreneurship is conditioned by the possibility of obtaining support intended for social enterprises, in particular the compensatory allowance, which finances the wages of disadvantaged employees.

Respondents were unable to identify any specific skills social enterprises lacked, rather they pointed to the absence of training and other support events on offer, which makes social entrepreneurs grateful for any events.

In day-to-day operations, the skills of social enterprises are not fundamentally different from those of ordinary entrepreneurs, according to respondents; for both social and ordinary entrepreneurs, the ability to sell their goods and services, whether through B2C, B2B or B2government, is key. Marketing skills are needed to fulfil this role, therefore respondents confirmed the findings regarding the need for skills support on the topic of digital marketing.

However, the extent to which goods and services are sold also depends on their quality. Respondents point out that the goods and services of social enterprises must argue for their quality and price, since, despite the presence of instruments such as reserved contracts for social enterprises, price always wins in the end. In the words of the respondents, social enterprises do not do charity but compete with ordinary commercial companies. The social objectives of social enterprises are secondary in the competition and may help in the final decision, but customers rarely buy from social enterprises because they are a social enterprise, but because the social enterprise produces high quality goods and services that are necessary for the customer.

However, in the opinion of the respondents, social enterprises in Slovakia should be strengthened in their capacity to work with disadvantaged employees. Despite the fact that almost all social enterprises in Slovakia have the character of a work integration social enterprise, according to the respondents, few of them fully understand the roles of the social enterprise in employing and working with disadvantaged employees and few of them support their employees in their journey to the open labour market, on the contrary, they try to keep these employees in their staff. For not every social enterprise or disadvantaged employee, a shift to the open labour market is possible, but practice suggests that the shift of disadvantaged employees to the open labour market is all too rare. This is also largely determined by the type and range of support measures available, yet social enterprises need to be explained and assisted in their roles related the disadvantaged employees.

The high interest in "green" topics is a positive surprise for several respondents. The interest can be easily interpreted, however it is not entirely clear whether the interest is instinctive or whether it is more conditioned by the wording of the questions in the questionnaire. Regardless of the motivation, all respondents perceive this interest positively and recommend focusing on green topics in the preparatory training events, as these significantly reflect current trends in business development as a whole.

In the area of cooperation with local government, the respondents rate it very relatively and also point to a high degree of variability. The results of the questionnaire survey indicating a high level of cooperation between social enterprises and LPAs do not necessarily illustrate truly established relationships and cross-sectoral cooperation but rather a high proportion of social enterprises established by the local government where cooperation between the LPAs and specific social enterprise is a must. However, the degree of cooperation between LPAs and social enterprises that are not established and controlled by a particular LPA is questionable according to several respondents.

# 5 National report on skills gap analysis of Local Public Authorities - personal interviews of LPAs

In an effort to gain more information about the LPA situation, four semi-structured interviews were conducted. Given the sample of respondents to the questionnaire, the

majority of whom were LPAs under 5,000 in population size, the interviews were deliberately conducted with LPAs above 50,000 in population size.

The main message of the questionnaire survey was the finding on the state of the LPA in terms of supporting social enterprises, which is limited due to "lack of capacity, especially human capacity". Unfortunately, a similar finding resonates among larger municipalities during the interviews. Each of the four municipalities interviewed has long been planning to set up its own social enterprise or to cooperate more intensively with social enterprises, but none has done so to date because "if there was a person who would take it on", "if we had more capacity", "this is not one of the statutory competences, because we are constantly putting out urgent things, there hasn't been time for this"...

LPAs in Slovakia have experienced an extremely challenging period in the last four years, marked by the Covid19 pandemic, the Ukrainian crisis, followed by the energy crisis during which local elections were held. On the other hand, NGOs and social enterprises played a significant role during the period of COVID19 as well as during the high influx of refugees from Ukraine.

Thanks to this experience, NGOs and social enterprises are a relatively well-known concept among larger municipalities, and larger municipalities are trying to create grant schemes to support the activities of NGOs. However, the budget for these schemes is very limited.

In the context of social enterprises, it is important to note the limited perception of social enterprises, which is narrowed down to labour integration and the possibility of running one's own social enterprise.

Limited perceptions also define the extent of support for social enterprises. While in cities in western Slovakia, which currently has the historically lowest unemployment rate, possible efforts to establish and operate social enterprises are argued to achieve lower prices for services provided by their own social enterprises compared to external suppliers. In eastern Slovakia, where the rate of long-term unemployment in particular is consistently high, when discussing social entrepreneurship, cities argue for the possibility of creating jobs for locals and reducing unemployment.

Each of the LPAs interviewed is considering the idea of setting up their own social enterprise, but for all of these LPAs this plan is being slowed down by the determination of other tasks.

The municipalities involved are not averse to other forms of support, in particular the application of social purchasing principles. However, the application of this type of

support is, according to respondents, limited by the concerns and lack of experience of procurement experts working in the city. Public procurement in Slovakia is considered to be a very complex and professionally demanding topic, where even a small violation of the rules can result in large financial penalties; therefore, public procurement experts prefer procedures that are traditional and the level of risk is minimal.

In terms of direct financial support, the representatives of the municipalities involved do not see many options. This is due to tight LPA budgets as well as other possibilities to support social enterprises. However, it is not out of the question that social enterprises, once they meet the criteria, could apply for direct financial support under existing grant schemes.

However, a number of interviewees indicated that social enterprises are progressively reflected in LPA documents, e.g. the Management Principles document, which is considered to be the LPA key document. In this document, it is possible to specifically mention the possibilities of favouring social enterprises, e.g. in the use of municipal property, etc. The inclusion of social enterprises in this type of documents is considered by several respondents as a first and essential step for the implementation of any other forms of non-financial or indirect financial support.

None of interviewed municipalities are implementing training or capacity building programmes on social entrepreneurship, either towards their own employees or towards the social economy sector as such. LPAs, in their own words, do not have such capacity and rather expect an offer from the external environment aimed at building their own capacity. None of the LPA's interviews are considering implementing training programmes in the future.

In relation to the issue of capacity building, several respondents mentioned the role of the Institute of Social Economy, which is seen as a key institution in the issue of capacity building, and all would like to see the latter implementing more training also aimed directly towards LPAs. These should focus not only on the topic of social entrepreneurship as such (i.e. better understanding of the concept, etc., which is also important according to the respondents) but also and especially on topics specifically addressed to LPAs, i.e. strengthening their capacities to work more intensively with social enterprises, to strengthen the capacity of LPAs to create supportive conditions and supportive local regulations. Although the municipalities interviewed all declared a high level of support towards social economy and social enterprises, they all noted their low capacity to implement targeted support. The municipalities interviewed often do not know how (apart from directly setting up and running a social enterprise) they could implement support towards social enterprises.

The capacity to apply for non-repayable financial support from European sources is questionable. On the one hand, there is a high level of capacity and commitment to use these resources for investment projects in all the cities interviewed; the capacity to use these resources for non-investment or research projects lags behind. This fact is conditioned, among other things, by the structure of redistribution of European resources in favour of non-investment projects in Slovakia, which is implemented centrally and especially in favour of centrally implemented projects, but Slovak organisations very rarely apply for support in favour of non-investment projects also at European level.

The interviewed municipalities also doubt their capacity to actively seek partners from the social entrepreneurship environment with whom they could form a consortium and apply for support together, but in most cases they do not resist the opposite approach, i.e. if they are approached by a social enterprise, a non-profit organisation or a research institution with an offer of cooperation and the LPA only plays the role of a partner.

A complication in submitting the European resources funded projects is the condition of approval by the City Council, or at least the appropriate City Council committee, which may not always be supportive, may have other priorities, or simply not be seated until the project closes and approval cannot be submitted.

# 6 Identified skills gap

The identified skills gaps are listed in the previous text.

However, in the context of social enterprises, there is an assumption of the existence of reporting, administrative and financial management skills.

On the other hand, it is reasonable to assume that the social enterprises involved in the survey are interested in strengthening their skills in better risk management, green issues and marketing, with an emphasis on digital marketing.

On the LPA side, any need for skills is limited by lack of capacity. Municipalities openly declare their interest in cooperation with social enterprises, but the biggest problem is the lack of capacity (whether financial, human or time) that they could allocate to this topic.

LPA support towards social enterprises often focuses on the establishment and operation of social enterprises. However, the need for skills in the area of social enterprises support

has not been identified by the LPA, which may be largely due to the lack of capacity mentioned above but if not ignorance of other forms of support.

# 7 Conclusions

The topic of skills support and development is also highly topical in the social enterprise sector, as evidenced by the results of the survey. In addition to the individual topics, the availability and accessibility of training and other support events aimed at improving skills is also a topical issue in the environment of social enterprises in Slovakia, as the training opportunities are currently significantly absent in Slovakia.

Based on the results of the research carried out, it can be argued that the low level of engagement on the part of the LPA is not necessarily conditioned by ignorance of the existence of social enterprises or lack of interest in working with social enterprises, but mainly by the lack of capacity that the LPA faces. The lack of capacity is not only related to finance, but in particular to staff and time capacities that would be specifically allocated in favour of working with social enterprises. The LPA's approach towards supporting SEs is also mainly limited to supporting SEs through the establishment of a municipal social enterprise; awareness of other forms of support from the LPA towards SEs is significantly absent.

Another problem is the definition of the subjects with which the local government cooperates and which it supports, while in the case of large municipalities (regions or regional cities) it is quite common to have grant schemes through which social economy subjects of non-profit legal forms can apply for financial support, however the social enterprises as such are often excluded from this type of support. It is therefore crucial to clearly define in the next project activities whether the activities concern support and cooperation with social enterprises or support and co-operation towards social economy entities, which is a different category of the organsations.