

# EUROPEAN FAIRSHARES LABS FOR SOCIAL AND BLUE INNOVATION

Cooperation for innovation and  
the exchange of good practices



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# Quick facts

**Programme:** Erasmus+

**Key action:** Cooperation for innovation and the exchange of good practices

**Action:** Strategic Partnership

**Main objective of the project:** Development of innovation

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**Design:** Association for Creative Development Slap

**Translation:**

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# About the project

The European FairShares Labs for Social and Blue Innovation (FairShares Labs) project seeks to develop novel solutions to economic and environmental challenges, and to assist the reform of welfare systems and job markets. Traditional welfare and social services have not yet adjusted to the global rise of cooperative social entrepreneurship that has evolved as a response to the neo-liberalism of the 1990s and austerity policies of the last decade. Moreover, socio-structural changes brought about by the widespread use of the Internet make it imperative to develop new forms of democratic social enterprise that promote wider participation and sustainable development.

Innovative ideas are developed to solve social, ecological and/or economic challenges and a new movement has been formed where cooperative and mutual enterprises join non-profits and social businesses in building a broad social solidarity economy (SSE). The main difference to the existing welfare and social economy models is the aspiration to rethink the old, to implement innovative approaches in an efficient and a sustainable way. Those mainly non-institutional based but person-centred approaches, with the participation of the target groups, are receiving greater attention from a European audience.

The concept of “FairShares Labs” combines new approaches of social innovation, social entrepreneurship and social integration with innovative adult learning concepts and tools. In the “laboratories” the entrepreneurial innovations, products and services are developed in two ways: in the real life with users and/or region citizens, and; virtually through a FairShares Labs Platform where people all over Europe can share ideas, projects or start social enterprises themselves. In the Living Lab, citizens of Europe, companies, universities, public administrators and civil society organisations can become innovators themselves and be involved in the development of new products and services as experts in their own mission.

A new FairShares learning/training approach means a fair and equal opportunity for all the people in a community. FairShares provides participants with an opportunity to benefit, participate and to create social innovation and social enterprises.

## ***What are FairShares Labs?***

FairShares Labs are real and virtual laboratories in which primary stakeholders (Founder, Labour, User and Investor members) generate social and blue economy ideas together. They apply the FairShares Model to develop FairShares enterprises. FairShares Labs are physical and virtual co-working spaces that provide communication facilities, workshops, training and support to social enterprise start-ups and conversions. FairShares Labs can be situated wherever the four primary stakeholder groups can meet (using the FairShares Platform for e-learning and exchange). Primary stakeholders can place offers, find each other and use the FairShares tools by registering on the FairShares Platform. External and internal business experts can provide coaching in both real and virtual FairShares Labs using the FairShares Platform.

## ***What are FairShares Values and Principles?***

The FairShares Labs will be incubation hotspots based on the principles of equal cooperation between Founder, Labour, User and Investor members. Customer-oriented initiatives will be linked to sustainable development goals on the one hand and social inclusion on the other. Citizens can work together with experts to initiate and organise social innovations, and social/blue enterprises, that tackle problems in their working and living environments.

## ***What are the Objectives of FairShares Labs?***

The main objective of the project is to establish shared and local understandings of the FairShares Model. FairShares represents a unique way to do business, it advances the idea that success should be judged by the extent to which businesses satisfy human, social and environmental needs, and not by their annual profitability or contribution to GDP. FairShares values and principles guide lab participants to foster innovations, and adult educators offer coaching to improve skills and competences resulting in a more cooperative approach to business that distributes power, wealth and benefits more equitably.

## ***What is Social Economy?***

The social economy is used not only as a general term for economic activity guided by a social purpose but also as a technical term for that part of the economy in which firms are controlled by employees, producers, consumers and volunteers (rather than private and professional investors). Its primary focus is on worker cooperatives, employee-owned firms, consumer and mutual societies, but can extend to the economic activity of non-profit organisations, NGOs, credit unions, voluntary and self-help groups working with trade unions to distribute wealth more fairly.

## ***FairShares Labs Inclusion and Gender Mainstreaming***

FairShares Labs will develop and implement innovations that promote social inclusion, self-determination and independent living amongst marginalised groups. Following the principles of FairShares Labs, these groups are regarded as experts in their own affairs. The learning activities will be designed to promote the equitable involvement and participation of marginalised groups during idea generation and social enterprise design. Our methodology and guidance will include material on meeting the challenges of social inclusion.

### ***What are Living Labs?***

The European Network of Living Labs (ENoLL) describes Living Labs as “user-centred, open innovation ecosystems based on a systematic user co-creation approach integrating research and innovation processes in real life communities and settings”. The five main living lab principles such as multi-stakeholder, co-creation, active user involvement, real life settings and multi-method approach are also FairShares principles.

## ***What is Blue Economy?***

The essence of the Blue Economy is promoting entrepreneurship that eliminates waste and the additional costs of waste management. Günter Pauli, who founded the concept, focused on using knowledge of natural systems to improve the production and consumption of materials by firms. In natural ecosystems there is no waste. The point of the paradigm-shift is to learn from nature to develop sustainable economics/entrepreneurship. The Blue Economy is profit-oriented, uses goods wisely and involves all sections of society.

## ***What is Social Enterprise?***

Social enterprises are business ventures that prioritise their social purpose(s), operate ethically and promote democratic ownership and governance by primary stakeholders. Social enterprise describes organisations that rely on trading for their income and consider themselves engaged in business activities. "Not for Profit" is a misleading criterion; it is good practice for social enterprises to provide incentives to workers and social/community investors by sharing the wealth that is created with them.

## ***The FairShares Model***

AnyShare Society, the world's first internet-based FairShares company calls itself the "complete cooperative". The FairShares Model is a philosophy and methodology for redesigning companies, cooperatives, associations and partnership to fully recognise and reward entrepreneurs (founders), workforce members (labour), customers (users) and the creators/providers of financial capital (investors). We recognise that wealth comes from the quality of the interactions between the producers and users of various products and services, and not solely from the provision of financial capital. So founders, labour, users and investors can have shares which grant them three rights: Firstly, a fair share of any profits; secondly, a fair and formal vote on matters of policy or governance and; thirdly, democratic management processes such as social audits that engage all stakeholders. They can participate in the everyday decision-making of the enterprise.

## ***What is FairShares Economy?***

The FairShares economy is one in which all who contribute to the creation of wealth have a legal and moral right share in it and participate in decisions on how to invest it. Three types of investment create wealth: investment of financial and economic capital (committing money and resources); investment to build social capital (attracting customers and building supply chains); investment of human and intellectual capital by labour (developing skills and generating ideas). It further recognises the special role of entrepreneurial labour (often providing all three investment types) and grants Founder members a protected right to shape power and wealth-sharing arrangements during their lifetime.



## **What are the FairShares Labs Tools?**

FairShares Labs project will offer many tools and materials for training, learning, cooperation, creating and implementing FairShares enterprise:

- ▶ a methodology and handbook with background material and practical guidelines on how to develop and implement a FairShares Lab
- ▶ an interactive cooperating working tool which guides the four stakeholder groups and the individual FairShares Lab through the process of generating a social enterprise idea, developing a business plan and starting an enterprise
- ▶ a self- and blended-learning training tool for social enterprise developers generally and other people interested in starting and leading their own FairShares Lab.
- ▶ an interactive E-learning and exchange platform (website) housing dynamic online courses, providing the means and medium for communication and cooperation between the partners as well as learners and the community. The platform enables sharing of project related materials and information.

## ***Stakeholder Groups in a FairShares Enterprise***

The FairShares Model conceptualises four primary stakeholders who interact to create the success of any enterprise. The four member (stakeholder) groups are:

**Founders:** the people/organisations who start the enterprise. Founder members qualify for membership by virtue of being a founder of the enterprise (i.e. are signatories to the documents that bring the organisation into existence). In a FairShares Company or Cooperative, Founder members are allocated Founder Shares.

**Labour:** people/organisations who make the goods/services offered by the enterprise. Labour members qualify for membership by virtue of a qualifying labour contribution. In a FairShares Company or Cooperative, Labour members are allocated Labour Shares and can qualify for Investor Shares when a surplus is generated.

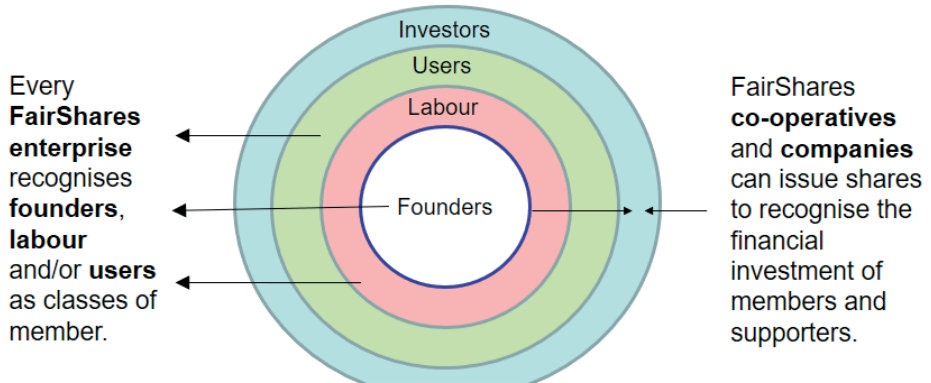
**Users:** people/organisations who use or buy goods and services from the enterprise. User members qualify for membership by virtue of a qualifying user contribution. In a FairShares Company or Cooperative, User members are allocated User Shares and can qualify for Investor Shares when a surplus is generated.

**Investors:** people/organisations who create or contribute financial capital. Investor members qualify for membership by virtue of creating or contributing financial capital. In a FairShares Company or Cooperative, Investor members are allocated Investor Shares.

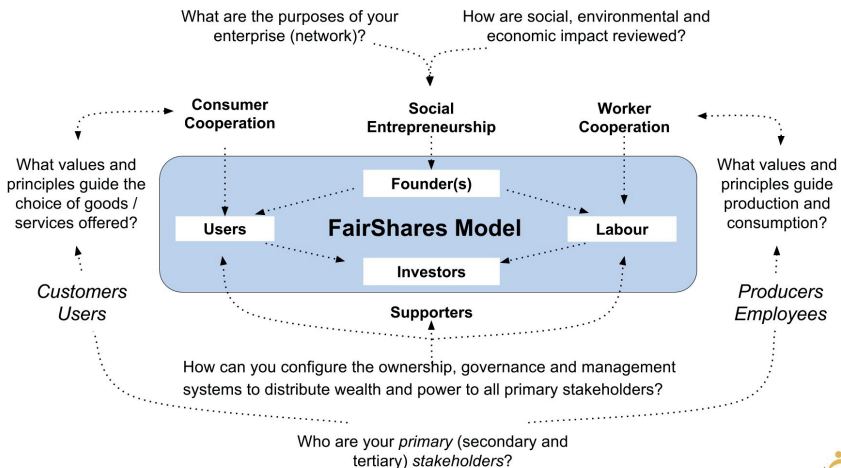
In practice, the labels that are given to each member group (stakeholder) can change to reflect context.

# The logics of the FairShares Model

- **Sustainable co-operative enterprises** that are legal persons designed to enfranchise primary stakeholders.



*FairShares values and principles can be operationalised through company, co-operative, partnership and association law.*



# PROJECT

## Partners



**Roger Schmidtchen**

Sixtistr. 16a D-06217  
Merseburg, Germany

+49 3461 441326

[rschmidtchen@vsbi-online.de](mailto:rschmidtchen@vsbi-online.de)

[www.vsbi.eu](http://www.vsbi.eu)

***Verein zur sozialen und  
beruflichen Integration e.V.***

VSBI was founded in 2005 to develop and implement innovative ideas to provide support to people with disabilities for their independent living, employment and a full inclusion in society. VSBI is providing them with services to support the access to personal budget and personal assistance. It's main offices are in Merseburg (Saxony-Anhalt, seat of the VSBI) and in Erfurt (Thuringia). Roger Schmidtchen, born in 1963, has been chairman of VSBI since 2005, for 35 year a trainer in youth and adult education; for 26 years managing social inclusion services and welfare organisations, working on European Projects for adults and vocational training since 2010.



**Stefanie Trzecinski**

Oudenarder Str. 16  
13347 Berlin, Germany

+49 30 8321 6640

info@kopfhandundfuss.de

www.kopfhandundfuss.de

## **KOPF, HAND und FUSS gemeinnützige Gesellschaft für Bildung mbH**

KOPF, HAND + FUSS gGmbH is a non-profit organisation based in Berlin. It was founded in July 2010 by Stefanie Trzecinski, a well educated special needs pedagogue. KHuF actively campaigns for everyone who is different to be accepted in and valued by society, as well as to enable them to actively contribute – inclusion. Stefanie Trzecinski, the founder of KOPF, HAND + FUSS, is a qualified special needs pedagogue for people with hearing and speech problems and was also a manager at Microsoft for many years, so she has not only a well-founded teaching history but also respected IT-related skills.



**Jumbo Klercq**

Boutensgaarde 40 7414WB  
Deventer, The Netherlands

+31 6 28263998

jumbo.elephant.klercq@gmail.com

www.the-elephant.nl

## **The Elephant Learning in Diversity B.V.**

The Elephant is a consultancy agency with expertise in strategy and innovation in adult learning and social development. We advise and support organisations in and outside Netherlands on how to make use of the European dimension of lifelong learning. Our core business is advising enterprises, organisations and municipalities about educational policies, change and project management, training and coaching. Jumbo Klercq is a lifelong learning expert, philosopher, consultant and entrepreneur in education. Owner of the Elephant Learning in Diversity, a small business, developing and supporting several educational projects. Learning to know, learning to do, learning to be, learning to live together.



### **Sonja Vuković**

Lorenza Jagera 6/3  
31000 Osijek, Croatia

+385 31 21 3 556

sonja.slap@gmail.com

www.slap.hr

## ***Udruga za kreativni razvoj „Slap“***

Slap is a development oriented association, registered in 2000 as an NGO. Slap is dedicated to promoting eco-social economy values and practices by being a leader in social enterprise in Croatia with its main office in Osijek and a local office in Zagreb. Slap is concerned with creating sustainable models of eco-social economy mainly in the Slavonian region of Croatia whilst the Zagreb office is mainly working on advocacy issues such as the creation of the National Strategy for Social Enterprise Development, and being active in the Croatian Rural Development Network as one of the founding organizations. Mrs. Sonja Vuković, Slap president, is an expert for social enterprise and social development with years of experience in preparation and implementation of educational programs.



### **Veronika Pataki**

Dollár u. 1.

7677 Orfű, Hungary

+36 30 6621941

info.zoldaktiv@gmail.com

www.zoldaktiv.hu

## ***Zöld-Aktív Szociális Szövetkezet***

Zöld-Aktív Szociális Szövetkezet (Green-Active social cooperative) was founded in 2013 as cooperative of social eco-touristic companies/entrepreneurs for social, cooperative and ecological entrepreneurial purposes especially in rural areas in Baranya county. Main activities are the support of social, ecological and rural tourism through qualification, public relation and networking activities. The qualification activities are targeting especially to social segregated and unemployed young people and also people with disabilities. Veronika Pataki has studied social policy, worked 17 years in the public sector and has developed several employment programs for special unemployed groups. She has a qualification as journalist also and worked many years for the local newspaper. Social Economy, equal opportunities, holistic and innovative thinking are her main principles.



### **Cliff Southcombe**

Mount Pleasant South  
Robin Hoods Bay Falconhurst,  
Mount Pleasant South  
+44 845 330 8310  
info@socialenterprise.co.uk  
www.socialenterpriseeurope.co.uk

## ***Social Enterprise International LTD***

Social Enterprise International Ltd is a founder of the social enterprise movement with over 20 years of experience. It supports and develops the idea of social enterprise through specialised consultancy, customised training and working with partners on innovative projects. Social Enterprise International has now worked in over 40 countries and has pioneered work in many aspects of social enterprise thinking and practice. Cliff Southcombe is Managing Director and Founder of Social Enterprise International Ltd. One of the founders of the social enterprise movement in the 1990s he has worked in over 30 countries promoting and developing the concept of social enterprise and social auditing. He is one of the founders of the FairShares Association.



### **Rory Ridley-Duff**

Mount Pleasant South  
Robin Hoods Bay Falconhurst,  
Mount Pleasant South  
+44 845 330 8310  
r.ridley-duff@shu.ac.uk  
www.socialenterpriseeurope.co.uk

## ***Social Enterprise International LTD***

Rory worked for 12 years as a director of a workers' cooperative before building his academic career at Sheffield Hallam University through a PhD study of cooperative social enterprises. He has been a faculty member since 2003 with a research focus on the development of democratic relations in informal and formal organisations. With a strong interest in the impact of workplace democracy on corporate governance, he has maintained a connection to practice through directorships with Social Enterprise International Ltd and FairShares Association Ltd. Rory is lead developer of the FairShares Model and co-founder of FairShares Association Ltd.



Supported by





# Sheffield Hallam University

*Methodology for Creating a FairShares Lab*

RIDLEY-DUFF, Rory <<http://orcid.org/0000-0002-5560-6312>>, SCHMIDTCHEN, Roger, ARNOLD-SCHAARSCHMIDT, Martin, VUKOVIĆ, Sonja, WENDLING, Nika, KLERCQ, Jumbo, SOUTHCOMBE, Cliff, TRZECINSKI, Stefanie, PATAKI, Veronika, OPARAOCHA, Karin and KÁROLY, Judit

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