



**European Committee
of the Regions**

**Commission for
Social Policy, Education,
Employment, Research and Culture**

SEDEC

The impact of social economy at the local and regional level



© European Union, 2020

Partial reproduction is permitted, provided that the source is explicitly mentioned.

More information on the European Union and the Committee of the Regions is available online at <http://www.europa.eu> and <http://www.cor.europa.eu> respectively.

QG-04-20-226-EN-N; ISBN: 978-92-895-1044-8; doi:10.2863/781060

**This report was written by Haris Martinos,
Toby Johnson and Herta Tödtling-Schönhofer (Metis GmbH).**

**It does not represent the official views of the European Committee of
the Regions.**

Contents

Summary	1
1 Introduction	5
2 Part 1: Scoping of social economy, legal definitions and frameworks	7
2.1 Definitions and scoping	7
2.1.1 Social economy	7
2.1.2 Traditional social economy organisations and social enterprises.....	8
2.1.3 The impact of social economy	9
2.2 Enabling frameworks	11
2.2.1 Legal status of the social economy – EU level	11
2.2.2 Legal status of the social economy – National level.....	11
2.2.3 Public sector support	14
3 Part 2: The role of regional and local authorities	17
3.1 The place of LRAs in social economy ecosystems.....	17
3.1.1 Impeding and facilitating factors	17
3.1.2 Social economy ecosystems: Main actors and types of support.....	19
3.2 LRAs’ support and interaction with the social economy.....	20
3.2.1 Nature of LRA involvement.....	20
3.2.2 Degree of LRA involvement.....	23
4 Part 3: Best practices	25
4.1 Strategies, pacts and enabling legislation	25
4.2 Access to markets.....	27
4.3 Access to finance.....	29
4.4 Competence building and culture	30
4.5 Business development and networking.....	31
5 Part 4: Main conclusions and recommendations	33
5.1 Main conclusions	33
5.2 Recommendations	34
Annex 1: Main sources of information.....	37
Annex 2: Definitions of social enterprises.....	41
Annex 3: Contribution of social economy to EU priorities and policy initiatives	43
Annex 4: Categorisation of Member States based on legal status accorded to ‘social economy’ and ‘social enterprise’	47

List of Tables, Figures and Boxes

Table 1. Main support areas and actors in social economy enterprise ecosystems.....	20
Table 2. Building blocks of a comprehensive support environment for social economy enterprise development	22
Table 3. Degree of LRA involvement in SE support.....	24
Figure 1. CMAFs, SEnts, SEEs and the Social Economy (SE).....	8
Figure 2. The components of the social economy ecosystem.....	19
Box 1. The example of Spain – a systematic framework.....	13
Box 2. The example of the United Kingdom – an ad hoc framework.....	14
Box 3. Murcia – Pact for the Excellence of the Social Economy 2018-20 (ES)	25
Box 4. Karditsa social economy ecosystem (EL)	25
Box 5. Örebro Län – Policy for civil society and social economy (SE).....	26
Box 6. Community wealth building – The ‘Preston model’ (UK)	26
Box 7. Emilia-Romagna regional law 17/2005 for the employment of disabled people (IT)	27
Box 8. Barcelona City Council decree on socially responsible public procurement (ES)	28
Box 9. Alliance Villes Emploi – Social clause facilitators’ network (FR)...	28
Box 10. Friuli Venezia Giulia – Central purchasing organisation (IT)	28
Box 11. ESF Jeremie, Lombardy (IT).....	29
Box 12. Brasero (BE)	29
Box 13. Future Initiative for Social Cooperatives – Zukunftsinitiative Sozialgenossenschaften (DE).....	30
Box 14. Andalusian School of Social Economy – Escuela de Economía Social (ES)	30
Box 15. Baden-Württemberg – Welcome centre for foreign workers in the social economy (DE).....	31
Box 16. Intervento 18, Trento province (IT)	31
Box 17. Alter’Incub social economy incubator (FR).....	32

Abbreviations

CoR	European Committee of the Regions
CMAFs	Cooperatives, Mutual Societies, Associations and Foundations
CLLD	Community-Led Local Development
EaSI	EU Programme for Employment and Social Innovation
EFSI	European Fund for Strategic Investment
ERDF	European Regional Development Fund
EP	European Parliament
ESER	European Social Economy Regions
ESF	European Social Fund
EU	European Union
FAQs	Frequently Asked Questions
GECES	Expert Group on Social Economy and Social Enterprises
ITI	Integrated Territorial Investment
LRAs	Local and Regional Authorities
MFF	Multiannual Financial Framework
NGO	Non-governmental Organisation
REVES	European Network of Cities and Regions for the Social Economy
SE	Social Economy
SEDEC	CoR Commission for Social Policy, Education, Employment, Research and Culture
SDGs	Sustainable Development Goals
SEnt	Social Enterprise
SEE	Social Economy Enterprise
SEO	Social Economy Organisation
SMEs	Small and Medium-sized Enterprises
SRPP	Socially Responsible Public Procurement
WISE	Work Integration Social Enterprise

Summary

This File Note has been prepared to serve the work on social economy (SE) carried out by the CoR Commission for Social Policy, Education, Employment, Research and Culture (SEDEC).

Part 1 provides key definitions and a scoping of social economy, outlines the impact and benefits accruing from the social economy and considers the legal definitions and support frameworks enabling its development.

There are no common definitions of ‘social economy’ at EU level. It is normally regarded as comprising different types of SE ‘entities’ or ‘organisations’ with certain distinctive features, which are the hallmarks of social economy.¹ Some types of SE entities, such as **cooperatives, mutual societies, associations and foundations** are well established and are often referred to as ‘traditional’ SE organisations. However, considerable attention is increasingly devoted to ‘**social enterprises**’ or ‘**social economy enterprises**’ which combine societal goals with entrepreneurial spirit.

The impact of social economy and the potential benefits accruing from its development are considerable both at the social and the economic level. Notably, the SE institutions and actors have proved to be **resilient** during the financial and economic crisis, helping to improve public well-being and keep people on the labour market, and similarly, the **territorial contribution** of social economy is valuable at local and regional level.

Because of their orientation towards creating social value and their inclusive and participative governance systems, SE organisations contribute to many of the **UN Sustainable Development Goals** and are the main vehicle for implementing **social innovations**. Moreover, the SE can help implement the political **priorities of the new Commission**, such as the European Green Deal, an economy that works for people, and a Europe Fit for the Digital Age.

Regarding the **legal status of the social economy**, there have been very limited legislative achievements at EU level.² However, there is considerable ongoing recognition of the importance of inter-sector coordination, promoted through the development of dedicated legislative and policy frameworks.

¹ They produce goods and services for both market and non-market purposes and redistribute and/or reinvest revenues and incomes; are based on values of sustainability, solidarity, trust, reciprocity, local development, social cohesion and inclusion; and, aim at the reinforcement of social cohesion, awareness and citizenship.

² Member States have not been able to agree with only one exception, the Statute for a European Cooperative Society, which was adopted in 2003, but has been used to a very limited extent.

Different models of legislation are used across EU Member States. These include **legally binding definitions** applicable to particular types of entities in the SE sector, which fall into two categories: **legal form of incorporation** and **legal status or qualification**.

Understanding the legal status of the social economy as a whole requires an appreciation of the overall **legal framework** applicable to the SE sector, and not only the specific legal provisions for particular types of SE entities. In this respect, the EU Member States fall in two broad categories: countries with a comprehensive (broad and multi-faceted) legal framework and those lacking one³. **Countries with a broad and multi-faceted legal framework** have reached, through a systematic or an *ad hoc* process, a very broad framework covering multiple aspects of the operation of social economy entities and a high degree of social economy acceptance. In **countries lacking a broad and multi-faceted legal framework** there is limited or no legal recognition of the SE concept. The File Note includes a systematic categorisation of Member States in Annex 4.

However, public sector support to the social economy goes beyond establishing legal frameworks and has several dimensions: a favourable legal and regulatory environment, financial support and the fostering of synergies between public authorities and SE actors. A particularly relevant aspect is EU support available under the Multiannual Financial Framework 2014-2020, which is expected to continue in the 2021-2027 period.

Part 2 analyses the role of local and regional authorities (LRAs) in **social economy enterprise ecosystems**, including the nature and degree of LRA involvement and types of support offered to SE organisations.

The social economy exists and develops as part of a complex ecosystem, which builds on two main pillars: public policies that recognise, regulate and support such SE organisations, and citizens' ability to self-organise, which drives the upsurge and development of SE enterprises from the bottom up. These two underlying pillars shape and influence in turn a number of evolving factors that compose the social economy enterprise ecosystem.

The involvement of LRAs can take multiple forms in supporting, interacting and partnering with social economy enterprises, associations and other collective forms of social enterprise. LRAs can play a decisive role in scaling up the social economy in their territory. This can be done in a number of ways, including: **enabling legislation**, socially responsible **public procurement**,

³ Galera (2016); EP (2016), Social Economy p. 46, 51, 52; Social Enterprise Ecosystems country reports.

finance (such as start-up grants and innovative use of European funds to strengthen the capital base of SE enterprises), **competence building** as part of the broader creation of a supportive culture, and inclusive **business support**.

Part 3 presents a cross-section of examples of best practices regarding LRA support, partnering and interaction with SE enterprises in different fields, and these are listed in the box below.

- **Strategies, pacts and enabling legislation**
 - Murcia – Pact for the Excellence of the SE 2018-20 (ES)
 - Karditsa social economy ecosystem (EL)
 - Örebro Län – Policy for civil society and social economy (SE)
 - Community wealth building – The ‘Preston model’ (UK)
 - Emilia-Romagna regional law for the employment of disabled people (IT)

- **Access to markets**
 - Barcelona decree on socially responsible public procurement (ES)
 - *Alliance Villes Emploi* – Social clause facilitators’ network (FR)
 - Friuli Venezia Giulia – Central purchasing organisation (IT)

- **Access to finance**
 - ESF Jeremie, Lombardy (IT)
 - Brasero programme of financial support to cooperatives (BE)
 - Future Initiative for Social Cooperatives (DE)

- **Competence building and culture**
 - Andalusian School of Social Economy (ES)
 - Baden-Württemberg – Welcome centre for foreign workers in the social economy (DE)

- **Business development and networking**
 - Intervento 18, support for start-ups, Trento province (IT)
 - *Alter’Incub* social economy incubator (FR).

Part 4 distils some key conclusions on how to increase the impact of the social economy at sub-national level, through an effective LRA role. They stress the diversity of legal and other definitions and concepts of SE throughout the EU, and the lack of systematic efforts to understand and measure the involvement of LRAs in the development of social economy. They also highlight a number of actions that LRAs can take, as decisive factors of their social economy enterprise ecosystems, to meet the main development needs of the SE sector.

Finally, a number of **recommendations** are put forward about LRA involvement and support to the social economy regarding:

1. Greater awareness and appreciation of the contribution of LRAs;
2. Fuller use of Multiannual Financial Framework 2021-2027 for the development of the social economy;
3. More systematic study of the role of LRAs vis-à-vis the social economy.

1 Introduction

This File Note has been prepared to serve the work on social economy (SE) carried out by the CoR Commission for Social Policy, Education, Employment, Research and Culture (SEDEC).

The File Note was researched and elaborated between December 2019 and March 2020.

The methodology relied mostly on **desk research** covering studies, reports, resolutions and opinions of different EU institutions, as well as publications and websites of EU-level organisations and research centres operating in the field of social economy and social enterprises. The main sources of information are listed in Annex 1. A small number of **supplementary consultation interviews** were also conducted with representatives of EU-level organisations, research centres and stakeholders of social economy⁴ to obtain insights into recent developments concerning the social economy sector which are not yet covered systematically in published sources.

The Note is in four main parts accompanied by annexes.

- **Part 1** provides key definitions and a scoping of the different aspects of social economy, outlines the impact and benefits accruing from the social economy and considers the legal definitions and support frameworks enabling its development.
- **Part 2** analyses the role of local and regional authorities (LRAs) in social economy enterprise ecosystems, including the nature and degree of LRA involvement and types of support offered to SE organisations.
- **Part 3** presents a cross-section of examples of best practices regarding LRA support, partnering and interaction with SE organisations.
- **Part 4** raises key points and makes recommendations about LRA involvement and support to social economy, including under the 2021-2027 Multiannual Financial Framework (MFF).

⁴ Luigi Martignetti, REVES; Giulia Galera, Euricse; Victor Meseguer, Social Economy Europe; Günther Lorenz, Technologie-Netzwerk Berlin.

2 Part 1: Scoping of social economy, legal definitions and frameworks

2.1 Definitions and scoping

2.1.1 Social economy

Social economy is a sector of the market, which operates between the public and the private sphere. It varies considerably from country to country in terms of concepts and legal definitions, as well as size and importance.

There are no common definitions of ‘social economy’ (SE) at EU or other supranational level and it is normally regarded as comprising different types of ‘social economy entities’ or ‘social economy organisations’ (SEOs). Regardless of the specific legal form of these entities they have certain distinctive features which are the hallmarks of social economy⁵. They:

- produce goods and services for both market and non-market purposes and redistribute and/or reinvest revenues and incomes;
- are based on values of sustainability, solidarity, trust, reciprocity, local development, social cohesion and inclusion; and
- aim at the reinforcement of social cohesion, awareness and citizenship, through internal and external collaboration and collective efforts⁶.

The concept of ‘social economy’ is widespread in the EU but other variants, which are similar but not identical to the SE, are more commonly used in some countries, such as ‘social and solidarity economy’ in France⁷ and ‘third sector’ in Germany⁸.

⁵ There are several similar formulations in use, including: “Social Economy enterprises and organisations are economic and social actors present in all sectors of society, which are set up in order to meet citizens’ needs. Above all they are characterized by their purpose: a different way of doing business which continuously associates the general interest, economic performance and democratic operation” by Social Economy Europe (http://www.revesnetwork.eu/wp/?page_id=48)

⁶ EP (2016), Social Economy p. 27

⁷ In France, the concept of solidarity economy appeared in 1980, within an economic and unemployment context. Solidarity economy was defined according to the outcomes targeted, by ensuring insertion and consolidation of the social connections. (EP (2016), Social Economy p. 49).

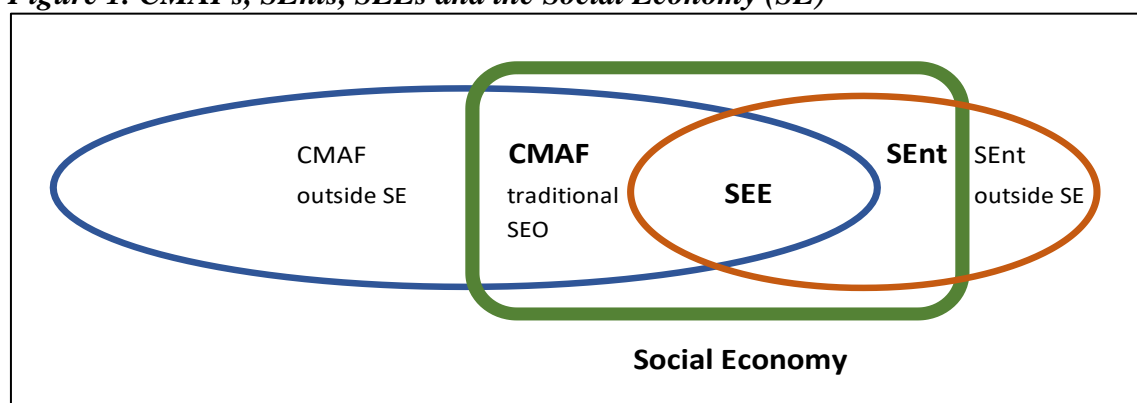
⁸ Social Enterprise Ecosystems, Germany country report.

2.1.2 Traditional social economy organisations and social enterprises

Some types of social economy entities, such as **cooperatives, mutual societies, associations and foundations (CMAFs)** are often referred to as ‘traditional’ SEOs. They have been well established and are more clearly defined at the EU level⁹. However, considerable attention is increasingly devoted to ‘**social enterprises**’ (SEnts) which combine societal goals with entrepreneurial spirit, focusing on achieving wider social, environmental or community objectives, and are regarded as the most innovative form of social economy entities¹⁰ – see Annex 2. Indeed, ‘**social economy and social enterprises**’ are increasingly referred together as in the European Commission’s ‘Expert group on social economy and social enterprises’ (GECES, 2018-2024)¹¹.

A large category of entities using legal forms commonly found in the social economy sector (i.e. CMAFs) lie altogether outside the social economy sector, as in the case of some cooperatives whose members are conventional enterprises, associations with no economic activity or non-philanthropic foundations not engaged in activities with broader wider social, environmental or community objectives. Equally, at the other end of the spectrum, some social enterprises fall outside the social economy, since they lack a participative governance dimension (for instance being sole proprietorships or partnerships). Social enterprises which are simultaneously CMAFs are often referred to as ‘**social economy enterprises**’ (SEEs) – see illustration below.

Figure 1. CMAFs, SEnts, SEEs and the Social Economy (SE)



This File Note covers, as far as possible, the whole spectrum of ‘social economy and social enterprises’ corresponding to the scope of the

⁹ EP (2016), Social Economy p. 29

¹⁰ *Ibid* p. 36

¹¹ https://ec.europa.eu/growth/sectors/social-economy/enterprises/expert-groups_en

Commission's GECES. 'Social economy enterprises' (or 'SE enterprises') is used in much of what follows for brevity and as this tends to refer to the core target group of LRA support and interaction with the social economy, although much of LRA support measures are of broader relevance to the social economy sector.¹²

2.1.3 The impact of social economy

Social economy has been growing during the past decades in the EU, in line with global trends. However, the differences in the legal status and role played by social economy entities in each Member State and the relatively scant attention that (until recently) has been accorded to this field by statistical offices, make it **difficult to assess the size of the social economy** in the EU as a whole¹³. Indeed, some countries do not have a clearly delineated social economy sector¹⁴.

Undoubtedly, there are major variations in the size of the SE sector in different EU Member States, to some extent reflecting different trajectories in the development of the sector, including historical factors such as reputational damage of certain SEO types used in the communist period in newer Member States. Notwithstanding such variations, the social economy plays, overall, a key role in the EU's social and economic development, accounting for two million enterprises and providing 11 million jobs, i.e. 6% of the employed population and 10% of all businesses in Europe¹⁵.

Nonetheless, the actual impact of social economy and the potential benefits accruing from its development are considerable¹⁶:

- **At the social level**, SE represents an area of civic activity which contributes to professional and social integration of persons at risk of social marginalisation, job creation, provision of social services of general interest and local development;

¹² Much of the relevant evidence in this area is drawn from work on 'social enterprises' including those which do not follow social economy principles, but the lessons are broadly applicable to all enterprises in the social economy sector.

¹³ EP (2016), Social Economy p. 29

¹⁴ The Social Economy in the UK, *Roger Spear, CRU, Open University, UK.*

¹⁵ As noted in CoR's Opinion of 3-4 December 2015 on 'The role of the social economy in restoring economic growth and combating unemployment'.

¹⁶ EP (2016), Social Economy p. 57

- **At the economic level**, it provides more choices to consumers, helps prevent the formation of monopolies, lowers retail prices, provides opportunities for skill development and innovation and limits information asymmetry.

The significant contribution of the SE sector has been noted especially in the context of the financial and economic crisis that started in 2008 and its aftermath¹⁷. The social economy institutions and actors have proved to be **resilient** during the crisis, helping to improve public well-being and keep people on the labour market, not without serious difficulty, even when other organisations and businesses had been unable to do so.¹⁸

Similarly, the territorial contribution of social economy is valuable at local and regional level. The positive role of SE institutions and actors in tackling unemployment and promoting inclusive and sustained growth has a potentially important role in regions marked by emigration, a rapidly ageing population, lack of economic dynamism and a low level of entrepreneurship, with particular attention to rural areas.

Because of their orientation towards creating social value and their inclusive and participative governance systems, SEOs contribute to many of the **UN Sustainable Development Goals** (SDGs). The social economy is also the main vehicle for implementing **social innovations**, i.e. innovations that are social in both their ends and their means, in an economically sustainable way. Moreover, it can help implement the political **priorities of the new Commission**, such as the European Green Deal, an economy that works for people, a Europe Fit for the Digital Age and a new push for European democracy, as explained in Annex 3.

These aspects merit being taken up in the **Action Plan on the Social Economy**, which the new European Commission has committed to put forward in the second half of 2021, after a period of evidence-gathering and cocreation with stakeholders, including LRAs.

¹⁷ Galera *et al* for ILO (2015)

¹⁸ <https://www.cecop.coop/works/the-resilience-of-the-cooperative-model>

2.2 Enabling frameworks

2.2.1 Legal status of the social economy – EU level

The development of legal statutes and support measures enabling the development of the social economy sector has received considerable attention from the EU institutions and some Member States in recent decades. Various initiatives have addressed the social economy sector as a whole or particular types of social economy entities.

Since the 1980s, various attempts have been made¹⁹ at EU level to develop commonly accepted statutes for traditional SEOs (cooperatives, mutuals, associations and foundations), and these efforts are continuing²⁰. However, Member States have not been able to agree with only one exception, the Statute for a European Cooperative Society, which was adopted in 2003²¹.

Notwithstanding these very limited legislative achievements at EU level, there is considerable ongoing recognition²² of the importance of inter-sector coordination, promoted through the development of dedicated legislative and policy frameworks, in order to:

- facilitate social economy entities in their attempt to penetrate the single market; and
- offer an important support to the role they play in the enhancement of social cohesion and solidarity across Europe.

These initiatives have also moved on beyond the traditional legal types of SEOs, with arguments that a distinct legal identity of social enterprises will be beneficial in many respects²³ and this approach, calling for legal recognition of social enterprises, has also been supported by the CoR.²⁴

2.2.2 Legal status of the social economy – National level

Different models of legislation may be identified across EU Member States, and the legal nature of a social economy entity depends on the model adopted in a given jurisdiction. These include **legally binding definitions** applicable

¹⁹ EP (2016), Social Economy p. 43

²⁰ For example, the EP meeting on “Single Market for Philanthropy: Helping unlock the potential for public good across Europe” held on 1 October 2019 to relaunch the creation of a European Foundation statute.

²¹ However, limited use has been made of this statute to date.

²² EP (2016), Social Economy p. 38

²³ EP (2017a), A European Statute for Social and Solidarity-Based Enterprise, p. 6

²⁴ There is already an EU definition of ‘social enterprise’ in the EaSI Regulation – see Annex 2.

to particular types of entities in the social economy sector, which fall into two categories: legal form and legal status.

More precisely, on the one hand, there are laws according to which a social economy organisation is a **legal form of incorporation** (such as a particular type of cooperative or a particular type of company) and, on the other hand, laws according to which a social economy organisation is defined as a **legal qualification or status**, i.e. it complies with certain requirements (e.g. on governance or profit distribution) irrespective of its legal form.²⁵

As regards social enterprises, different legal forms or qualifications have been adopted since the 1990s – see Annex 2. By the end of 2019, 18 Member States had laws specifically designed for social enterprises – see Annex 4 – and some of them have more than one²⁶.

Understanding the legal status of the social economy as a whole requires an appreciation of the overall **legal framework** applicable to the SE sector, and not only the specific legal provisions for particular types of social economy entities²⁷. The key criteria are:

- the extent of the coverage of different aspects of the operation of social economy entities (e.g. in the field of public procurement);
- the process through which the existing network has been derived (incrementally/*ad hoc* or systematically); and
- the degree of the legal recognition of various ways in which the social economy can contribute to socio-economic development.

On this basis, the EU Member States fall in two broad categories: countries with a comprehensive (broad and multi-faceted) legal framework and those lacking one²⁸.

Countries with a broad and multi-faceted legal framework have reached, through a systematic or an *ad hoc* process, a very broad framework covering multiple aspects of the operation of social economy entities and a high degree of social economy acceptance.

A first sub-category, where a comprehensive legal framework has been derived **systematically**, comprises countries that have developed initiatives

²⁵ EP (2017a), A European Statute for Social and Solidarity-Based Enterprise, p. 6

²⁶ *Ibid.*, p. 12 and Table pp. 42-44

²⁷ EP (2016), Social Economy p. 46

²⁸ Galera (2016); EP (2016), Social Economy p. 46, 51, 52; Social Enterprise Ecosystems country reports.

directed at creating overarching social economy legal frameworks. A typical case is that of Spain – see Box:

Box 1. The example of Spain – a systematic framework

Spain's Social Economy Law (5/2011) institutes an overarching definition of the social economy, as “the set of economic and business activities that are carried out in the private sphere by entities that pursue the collective interest of their members, whether the general economic or social interest or both, in accordance with the principles”:

- Primacy of the individual and of the social purpose over capital. This materialises in an autonomous and transparent, democratic and participative management, which prioritises a decision-making process based more on individuals and the contribution they make to the organisation with their work and services or on the social purpose, than on their contributions to the capital;
- Distribution of the profits obtained from the economic activity mainly according to the work contributed or the service or activity performed by members and, if applicable, according to the entity's social purpose;
- Promotion of solidarity internally and with society that favours commitment to local development, equal opportunities between men and women, social cohesion, the insertion of persons with the risk of social exclusion, the generation of stable and quality jobs, the conciliation of private, family and work life and sustainability;
- Independence with regard to public authorities.

Within this framework, specific legislation covers cooperatives, associations with an economic activity, foundations with an economic activity, social cooperatives, WISEs and special employment centres. Regional laws enlarge and interpret this framework.

A second sub-category comprises countries that have developed an extensive range of statutory provisions covering SEOs, through the ***ad hoc adoption*** of legislative measures, without establishing a systematic approach to the social economy. In some cases, this has involved adjustments to the existing legislation concerning cooperatives and other traditional SEOs. In other cases, it was based on the introduction of ‘social enterprise’ status, and there are also instances of legal forms designated to manage activities with a social focus²⁹. In this group of countries, the legal framework that has evolved, often over a long period of time, as in the case of the UK, is broad and multi-faceted covering both legal form aspects and SE principles – see Box:

²⁹ Three types of ad hoc legislation, with country examples (Galera (2016)).

Box 2. The example of the United Kingdom³⁰ – an ad hoc framework

Although the term ‘social economy’ does not appear in British legislation, the UK has a range of different laws which, taken together, regulate the different components of the social economy. The most common status adopted is the company limited by guarantee (CLG), which, if accompanied by registered charitable status, incorporates non-profit distribution and an asset lock. The main alternatives are the forms of a cooperative or a community benefit society, the latter of which also incorporates non-profit distribution and an asset lock. The community interest company (CIC), introduced in 2004, allows companies of any type to entrench their primary social purpose, and imposes limits on distributions and an asset lock. Charitable incorporated organisations (CIOs), introduced in 2013, provide a way for charities to gain limited liability without the need to also register as a company.

In **countries lacking a broad and multi-faceted legal framework** there is limited or no legal recognition of the SE concept. This group is made up mostly of countries which joined the EU in 2004 or later, as well as some older Member States, in which the social economy is still not well known or is incipient, while related concepts (non-profit sector, voluntary sector and non-governmental organisations) are widely recognised. Germany is an example of a country where the SE concept has been overshadowed by other similar but different concepts, such as third sector, etc.

In the last few years, a number of countries have passed legislation defining social enterprises, but several of these (CZ, FI, HR, LT, PL) limit this to work integration social enterprises (WISEs).

Annex 4 summarises the categorisation of Member States in terms of legally binding definition(s) of ‘social enterprise’ and availability of a broad and multi-faceted legal framework.

2.2.3 Public sector support³¹

Public sector support to the social economy goes beyond establishing legal frameworks and comprises a favourable legal and regulatory environment, financial support and the fostering of synergies between public authorities and social economy actors.

A key area of **regulatory facilitation** is the promotion of ‘social value’ procurement and there are many examples of such regulatory measures at both national and local/regional levels. Given SE’s important and growing role in the delivery of many services of collective interest (i.e. health, social care, education and regeneration), the creation of **synergies between social**

³⁰ EU Member State until 31.01.2020.

³¹ EP (2016), Social Economy p. 61

economy actors and public authorities is of paramount importance in ensuring the provision and continuity of innovative and quality social services.³²

Improving the social economy's access to various forms of **financing** (such as European funds, venture capital, microcredit and crowdfunding) is essential for unlocking the sector's potential.

At the EU level, under the current **MFF 2014-2020** there are both mainstream programmes (ESF) and innovative funding, notably through EFSI and EaSI, which develop and stimulate the use of different financial instruments and grants such as³³: guarantee schemes; capacity building investments; equity for social impact pilots; grants to reduce transaction costs of financial intermediaries for small investments/microfinance; project grants to develop markets (social finance intermediaries); and, operating grants for EU-level networks.

The draft ESF+ regulation for the **MFF 2021-2027** provides for support to the social economy, notably to enable them to provide work integration and employment, including through improving the supply of appropriate finance and updating skills, business networks and clusters³⁴. This continues the actions from previous periods, such as the establishment of a network of social economy support centres in each region of Poland. In the previous period, Spain established an ESF operational programme for social inclusion and social economy³⁵, and this could be repeated.

At national level, many countries (namely FR, LT, SI, ES and UK) introduced direct support schemes specifically designed for SE entities. These **public financial schemes** take various forms, including the provision of grants, subsidies, loans, financial compensations etc. However, it must be noted that national support schemes are often limited to social enterprises that have a distinct legal status, or operate in a special legal form for social enterprises.

There are also various other interesting national schemes, such as **support for social banking in the UK and France**, and a tax relief for social investment scheme in the UK (**Social Investment Tax Relief, SITR**).

³² The creation of the European Network of Cities and Regions for the Social Economy (REVES) represents an important step towards the creation of cooperation channels, based on the principle of partnership between LRAs and territorial social economy organisations. <http://www.revesnetwork.eu/wp/>

³³ GECES 19.10.2019 ppt.

³⁴ https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-european-social-fund-plus-regulation_en.pdf, recitals 13 and 33, articles 4.1(i), 4.2.1 and 23(f).

³⁵ EESC (2018), Best Practices, Case 6.

3 Part 2: The role of regional and local authorities

3.1 The place of LRAs in social economy ecosystems

3.1.1 Impeding and facilitating factors

There are still many deeply embedded cultural, regulatory and financial **obstacles** that affect the full development of the social economy, among which the following stand out from an EU perspective³⁶:

- The social economy's competitiveness is currently hindered by the underdevelopment of an appropriate business environment;
- There is a need to harmonise different European legal environments for social economy enterprises, allowing them and other SEOs (particularly mutuals, associations, foundations and work integration social enterprises) to operate across borders in the internal market, on an equal footing with other forms of enterprises;
- While the adoption of European statutes for social economy enterprises would contribute to the deepening of the European Single Market through the removal of the remaining obstacles in the free movement of social economy goods and services, harmonisation proposals are likely to encounter national resistance;
- The difficulties in accessing adequate financial instruments affect most social economy actors and their capacity to develop entrepreneurial activities in Europe;
- Lack of visibility and understanding of the social economy enterprise model.

³⁶ EP (2016), Social Economy p. 77

Specifically, the creation and scaling up of social economy enterprises is known to be encountering a wide range of **challenges**³⁷ concerning:

- Conceptual clarity – social enterprises continuing to be poorly understood in several countries and the notions of ‘social entrepreneurship’ and ‘social enterprise’ often being used interchangeably;
- Untapped potential of the cooperative model to address the needs of local communities;
- Relations with public authorities, especially regarding the transposition of the EU rules on public procurement; and the use of reserved contracts and social clauses following the introduction of national legislation;
- Public support schemes and EU funding insufficiently adapted to the needs of social economy enterprises;
- Legislation weaknesses, in some cases as a result of legislation transplanted without being adapted to the national context;
- Management skills shortcomings and a dearth of educational and training programmes tailored to the needs of social economy enterprises.

Against these obstacles and challenges, a wider recognition on the part of national and sub-national governments and the definition of consistent public policies can be key drivers and **facilitating factors**³⁸ boosting development and scaling up of social economy enterprises. Such actions include public procurement strategies that fully acknowledge their special nature, the strengthening of their ability to self-organise; the development of research and training strategies that can have a role in enhancing their managerial skills; and the existence of tailored financing strategies and schemes for covering management costs and investments.

³⁷ EC (2016), Social Enterprises and their ecosystems, Developments in Europe p. 43

³⁸ EC (2016), Social Enterprises and their Eco-systems, Developments in Europe p. 46

3.1.2 Social economy ecosystems: Main actors and types of support

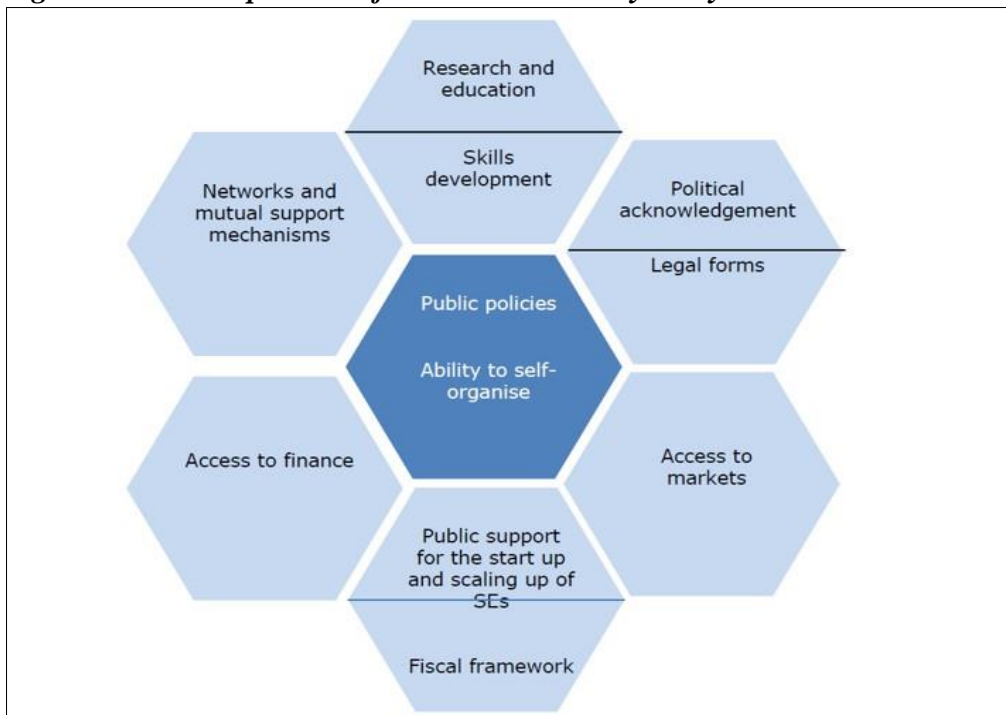
The social economy exists and develops as part of a complex ecosystem, as documented and analysed systematically in a series of country reports and synthesis reports of the European Commission that have mapped out these ecosystems throughout Europe³⁹.

The typical social economy enterprise ecosystem, which includes support for the social economy, builds on two main pillars:

- first, public policies that recognise, regulate and support such organisations, with a view to fostering their development and multiplication (and which have already been mentioned above); and
- second, citizens' ability to self-organise, which drives the upsurge and development of social economy enterprises from the bottom up.

These two underlying pillars shape and influence in turn a number of evolving factors that compose the social economy enterprise ecosystem, as illustrated below.

Figure 2. The components of the social economy ecosystem



Source: European Commission (2016) *Social Enterprises and their Eco-systems: Developments in Europe*, p. 19

³⁹ EC (2014-2019), *Social Enterprises and their Ecosystems, Country Reports*.

These factors correspond to areas of potential support. An effective way to appreciate the actual or potential role of LRAs and other categories of actors is to align them with the main aspects of direct or indirect support they give to the social economy. This can be summarised as in the following table:

Table 1. Main support areas and actors in social economy enterprise ecosystems

Main support area	Main actors⁴⁰
1. Political acknowledgement; legal and regulatory measures; strategies and programmes for SE development	Governmental departments or institutions designing or implementing policy, support instruments and measures for social economy enterprises
2. Access to markets	Customers – authorities contracting social economy enterprises Public procurement officials Organisations promoting, certifying and awarding social business labels
3. a. (Public support for) Business development	Business support providers Providers of social economy enterprise start-up and development support services and facilities (such as incubators)
b. Networks and mutual support mechanisms (for business development)	Institutions, civil society initiatives or other social economy enterprises promoting social entrepreneurship education and training, and presenting role models
4. Access to finance	Key providers of finance (such as foundations, solidarity funds and credit providers)
5. Research, education and skills development	Facilitators of learning and exchange platforms for social economy enterprises. Organisations that have the capacity to act as observatories and to monitor the development and assess the needs and opportunities of social entrepreneurs/social enterprises

3.2 LRAs’ support and interaction with the social economy

3.2.1 Nature of LRA involvement

The mapping of the ecosystems confirms that, rather than depending upon one factor alone, an ecosystem is shaped by the interplay between all these factors⁴¹. Therefore, the involvement of LRAs can take multiple forms in

⁴⁰ Based on Social Enterprise Ecosystems, Belgium country report p. 12-13

⁴¹ EC (2016), Social Enterprises and their Eco-systems: Developments in Europe p. 16

supporting, interacting and partnering with social economy enterprises, associations and other collective forms of social enterprise⁴². LRAs can play a decisive role in scaling up the social economy in their territory, and this can be done in a number of ways. There are many examples showing the active and multi-faceted involvement of LRAs in all the above support areas, several of which are presented in Part 3 as best practices.

In order to ensure that policies achieve high take-up and are effective, many authorities develop **comprehensive strategies in partnership** with the representative organisations of the social economy. This approach can result in the signing of ‘pacts’ between the two parties (see the examples of Murcia and Örebro in Part 3).

The contents of a local or regional policy regarding the social economy may comprise one or more of the following elements:

- **Enabling legislation** (where the authority has legislative power), for instance Italian regions have passed regional laws to give effect to national legislation whereby work integration social enterprises can ‘sub-contract’ from other enterprises the quota of disadvantaged employees that they are required to employ (see example of Emilia Romagna in Part 3). By defining social services as ‘social services of general interest’, LRAs are enabled to simplify procurement and avoid state aid limits;
- Socially responsible **public procurement**, which gives social economy enterprise access to **larger markets** (see example of *Alliance Villes Emploi* in Part 3);
- **Finance**: some LRAs have made innovative use of European funds to strengthen the capital base of social enterprises, while others offer start-up grants (see examples of ESF Jeremie Lombardy and *Zukunftsinitiative Sozialgenossenschaften* in Part 3);

⁴² The main exception is 3b (Networks and mutual support mechanisms) which is confined to interaction among SE entities.

- **Competence building**, which may be supported by the ESF (see example of *Escuela de Economía Social* in Part 3). This is part of the broader creation of a supportive **culture**, which can include raising public awareness of the social economy model, as in the pacts already quoted, but more particularly some regional authorities have competence for education, and can ensure that school and college curricula give parity to all forms of entrepreneurship, including the social economy;
- **Inclusive business support**, which has two aspects: first, the inclusion of social economy enterprises, by all business support agencies in the territory, among the range of business types they advise on; and secondly the development of links to specialist social economy support agencies, normally run by **federal bodies and networks** of the social economy, to whom they can refer relevant clients. New enterprises are thus connected to a peer support system. This is referred to as a **‘braided’ support system**. The support agencies need to be accessible geographically, and open at hours which enable people with caring responsibilities to attend. The ‘menu’ of services offered can include as many as possible of: initial assessment, business plan counselling, skills development, easy in-easy out premises, peer support, and contacts with microfinance institutions. (See example of *Alter’Incub* in Part 3).

The ‘building blocks’ of a comprehensive support environment for social economy enterprise development are shown in the following table.

Table 2. Building blocks of a comprehensive support environment for social economy enterprise development⁴³

The user experience	Outreach & accessibility	<ul style="list-style-type: none"> ▪ Physical accessibility (location, travel cost, timing, caring responsibilities) ▪ Cultural appropriateness (language, sub-contracting to specialist agencies, partnership with community groups) ▪ Welfare bridge (transitional benefit, capitalisation of benefit, specific legal structures (<i>couveuses</i>, business & employment cooperatives)
	A coherent pathway	<ul style="list-style-type: none"> ▪ Recruitment (open door / selective) → Business planning → Start-up → Consolidation & growth
	A menu of appropriate services for each phase	<ul style="list-style-type: none"> ▪ Lifestyle-appropriate counselling ▪ Modular training & qualification ▪ Coaching & mentoring ▪ Microfinance ▪ Access to larger markets ▪ Premises & incubation ▪ Business co-operation

⁴³ Source: Social Entrepreneurship Network
https://www.wikipreneurship.eu/index.php/Social_Entrepreneurship_Network

System functions	Governance	<ul style="list-style-type: none"> ▪ Stakeholder partnership
	Maintaining quality	<ul style="list-style-type: none"> ▪ Sourcing from the best providers (one-stop shop, prime contractor, consortium, voucher, braided) ▪ A quality management structure for agencies ▪ Quality standards for advisers (values & purpose of SE, organisation & legal structures, finance & support, project work) ▪ A ‘passport’ as a portable record of achievement for social entrepreneurs
	Co-ordination	<ul style="list-style-type: none"> ▪ Coherence: signposting, branding ▪ Adequate financing (Structural Funds, vouchers) ▪ Research ▪ Monitoring & evaluation

Topics covered by the European Social Economy Regions (ESER) provide further indications of the focus of LRAs in the field of the social economy. In 2019, they included for example business development, education, public procurement, social innovation and digital services⁴⁴.

3.2.2 Degree of LRA involvement

A wide range of actors (institutions/organisations) are involved in social economy enterprise ecosystem, fulfilling different roles and functions. The country reports of the Commission’s mapping study have sketched out the social economy enterprise ecosystem in each Member State and in the candidate countries. Although these assessments are not always presented in a fully consistent way, they still allow a broad picture of LRA involvement to emerge. This is supplemented by other evidence, such as the published examples of best practices regarding specific initiatives with LRA involvement⁴⁵.

An overview of the degree of LRA involvement in ecosystems – supporting, interacting and partnering with social economy organisations – is presented in the following table, regarding Member States with broad and multifaceted legal frameworks – see Annex 4.

⁴⁴ European Social Economy Regions 2019 Partners, <https://ec.europa.eu/docsroom/documents/36433>

⁴⁵ REVES (2017), EESC (2018).

Table 3. Degree of LRA involvement in SE support

Member States with a broad legal framework	Degree of LRA involvement in SE support ⁴⁶
	High, Medium, Low
BE	H
BG	L
DK	M
FI	M
FR	H
EL	M
ES	H
IT	H
LV	M
PL	M
PT	H
SI	M
SK	L

Additionally, there are several Member States among those lacking a comprehensive legal framework, notably DE and SE as well as AT, CZ, IE, LU and NL, with a strong track record in LRA support to the development of SEOs, as highlighted in the examples of good practices later on⁴⁷.

⁴⁶ Based on Social Enterprise Ecosystems country reports and supplementary consultations.

⁴⁷ Published examples of best practices by REVES, EESC, OECD etc. and supplementary consultations.

4 Part 3: Best practices

4.1 Strategies, pacts and enabling legislation

LRAs at all levels have drawn up comprehensive strategies to support the growth of the social economy. These recognise the importance of the sector in implementing public policy and the actors involved, and can frame legislative, administrative and financial measures. Relevant examples of best practices are presented in the boxes below (relevance to SDGs shown in []).

Box 3. Murcia – Pact for the Excellence of the Social Economy 2018-20 (ES)⁴⁸

The Pact for the Excellence of the Social Economy, subtitled “Creating quality employment and social cohesion”, is a regional government instrument to strengthen and boost the social economy in the medium term. It has been allocated a budget of €52 million over three years, of which €18 million is specifically targeted at the social economy, and €34 million at SMEs more broadly.

The pact was agreed in partnership with representative organisations of the social economy. It covers 64 measures implementing eight priorities: Creation and consolidation of jobs, Competitiveness and innovation, Finance, Business start-ups, Social economy training, Public image of the economic model, Legal and administrative framework and Monitoring committee. The target is to create 10,500 jobs and more than 250 new social economy enterprises by the end of 2020, and to increase take-up of social inclusion initiatives by 15%.

[SDGs: 4, 8, 9]

Box 4. Karditsa social economy ecosystem (EL)⁴⁹

Karditsa has built an effective local ecosystem for the social economy, based on collaboration between ANKA, the Development Agency of Karditsa (established in 1989, with several municipalities as majority shareholders), the Cooperative Bank of Karditsa (established in 1994, a pioneer in social financing tools which accompanies its loans with mentoring), and a range of social enterprises in agriculture, development and inclusion.

ANKA operates an incubator which hosts collective schemes and has so far supported two civic cooperatives, five agricultural cooperatives, three social cooperatives, two networks of SMEs and two NGOs. Services offered include:

- Technical support during the initial phase (pre-start up)
- Organisation and support of communication campaigns (meetings in the villages, press releases, etc.)

⁴⁸ <http://economiasocialmurcia.es/>

⁴⁹ <https://www.arc2020.eu/karditsa-field-trips/>

http://www.forum-synergies.eu/bdf_fiche-experience-178_en.html

Video: <https://gr.boell.org/en/2018/07/17/developing-social-economy-karditsa-social-ecosystem>

- Hosting of cooperatives for 1-4 years, until the completion of the investment plan
- Traditional incubator services (secretary, book-keeping etc.)
- Investment readiness capacity building (business plan, marketing plan etc.)
- Preparation and submission of grant applications
- Networking with research centres, universities or technological institutes etc.

The area of Karditsa now has 36 social economy initiatives, among them cooperatives active in agriculture (including organic farming), energy and support for women, as well as an NGO working on Roma integration.

[SDGs: 8, 9]

Box 5. Örebro Län – Policy for civil society and social economy (SE)⁵⁰

In 2018, Örebro Län (county), in consultation with representatives from social economy and civil society, adopted its first policy for civil society and social economy for the period 2018-2021. Its main objective is to strengthen the participation and influence of civil society and social economy in regional development and regional growth.

The policy has four objectives:

1. Understanding: improve statistics, information material, impact measurement tools, investigate holding a regular conference;
2. Support: investigate how to develop grants to associations, issue a call for social innovations, develop social procurement, map social enterprises and social entrepreneurship, work towards certification of WISEs, research financing methods;
3. Networks and meeting places: coordinate the Social Innovation Partnership, further develop Dialogue Meetings, explore the possibility of a municipal cooperation council for civil society and social economy;
4. Internationalisation: participate actively in REVES, develop transnational projects.

[SDGs: 4, 8, 9]

Box 6. Community wealth building – The ‘Preston model’ (UK)⁵¹

The ‘Preston Model’ is a term applied to the way Preston City Council, its anchor institutions and other partners, are implementing the principles of Community Wealth Building within Preston and the wider Lancashire area. The idea is to reorganise the local economy so that wealth is not extracted but broadly held, and income is recirculated.

The approach is based on five strategies: Plural ownership of the economy (including by social enterprises); Making financial power work for local places; Fair employment and just labour markets; Progressive procurement of goods and services; and Socially productive use of land and property.

Among the outcomes are €131 million retained in the local economy through progressive procurement activities, and 4,000 extra employees in Preston now receiving the Real

⁵⁰ anders.bro@regionorebrolan.se

<https://www.regionorebrolan.se/sv/Regional-utveckling/Kultur/Civilsamhalle-och-social-ekonomi/>

⁵¹ https://cles.org.uk/wp-content/uploads/2019/07/CLES_Preston-Document_WEB-AW.pdf

<https://www.preston.gov.uk/article/1339/What-is-Preston-Model->

Living Wage. Over the five years to 2017/18, locally retained spend has increased within Preston from 5% to 18.2% and within Lancashire from 39% to 79.2%.

The approach is also being taken by other UK LRAs such as Birmingham, Bristol, Enfield, Islington, Kirklees, Oldham, Salford, Southampton and Wakefield.

[SDGs: 8, 10, 11, 16]

Box 7. Emilia-Romagna regional law 17/2005 for the employment of disabled people (IT)⁵²

This is an example of the regional laws adopted across Italy to address the problem of non-compliance by 30% of companies with the requirement under national law 68/1999 to employ a quota of 7% of disabled people. It enables the companies to fulfil this quota by sub-contracting to WISEs. It thus promotes virtuous relationships between profit and non-profit sectors, encouraging SEs to expand into new markets and become more competitive.

The innovation resides in Article 22 of the law, which enables public administrations, enterprises and type B social cooperatives or their consortia to sign agreements whereby enterprises assign work orders to cooperatives/consortia, the latter hire workers with disabilities, and these count towards the quota.

By the end of 2017, there were 262 agreements engaging 30 social cooperatives, generating a turnover of c. €7 million and benefitting 424 workers with severe disabilities.

[SDGs: 8, 16]

4.2 Access to markets

Across the EU, public authorities – the vast majority regional and local – spend some €2 trillion per year (14% of GDP) on the purchase of services, works and supplies. The reform of the public procurement directives in 2014 encourages LRAs to maximise the social value they receive from their contracts by taking social and environmental factors into account. Because of their value base and rootedness in the social fabric, social economy enterprises are well placed to provide such additional social and environmental value. The transfer of delivery of some public services to social economy enterprises can greatly increase service quality.

⁵² http://www.ervet.it/wp-content/uploads/2013/09/RaiSE_GP-GUIDE.pdf, p. 50

Box 8. Barcelona City Council decree on socially responsible public procurement (ES)⁵³

The decree came into force in 2013 and stipulates social clauses in procurement contracts. Impact is that more than €500 million of the municipal construction budget is now being used to create employment for vulnerable people. An annual budget of €8 million is allocated to contracts reserved for WISEs. 770 people benefited in the first year. The net cost is zero, as other measures can be reduced when the target groups are in work.

More than 50 other Spanish LRAs have followed Barcelona's lead.

[SDGs: 8, 16]

Box 9. Alliance Villes Emploi – Social clause facilitators' network (FR)⁵⁴

Since 2009, *Alliance Villes Emploi*, France's local authority network on employment, has animated a country-wide network of 448 facilitators to assist its member authorities to build social clauses into their public procurement contracts. The facilitators are employed by 323 organisations, mainly Employment Services – *Maisons de l'Emploi* and Local Plans for Employment and Integration – *Plans Locaux pour l'Insertion et l'Emploi* (PLIE). Their main tasks are to:

- support public buyers in identifying suitable markets
- help draft specifications
- inform bidders and assist contracted companies to implement social clauses
- act as a relay between the companies and local integration structures
- monitor the implementation of social clauses

The network's online resource centre contains a contact list of facilitators, examples of good practice, legal advice, a toolbox, an activities and events calendar, publications and frequently asked questions (FAQs). There is also a telephone helpline, and the network organises training. Finance comes mainly from national funds and the European Social Fund, and the facilitators also pay a small annual fee.

In 2018, social clauses covered over 15.4 million hours of integration, corresponding to 52,780 employment contracts for 37,953 participants.

[SDGs: 3, 8]

Box 10. Friuli Venezia Giulia – Central purchasing organisation (IT)⁵⁵

The autonomous region of Friuli Venezia Giulia established a central purchasing organisation (*Centrale Unica di Committenza*) to centralise all public procurement (regional law no. 26 of 12 December 2014).

This held the risk that municipalities would lose their autonomy, and furthermore that lot sizes would increase, thus debarring many social economy enterprises from bidding. This risk was avoided by the exemption of social economy enterprises from this system.

[SDGs: 8, 16]

⁵³ <https://www.oecd.org/publications/boosting-social-enterprise-development-9789264268500-en.htm>

⁵⁴ <https://www.ville-emploi.asso.fr/clauses-sociales/presentation/>

⁵⁵ <http://autonomielocali.regione.fvg.it/aall/opencms/AALL/CUC/>

4.3 Access to finance

In this field, LRAs can support social economy enterprises by setting up investment funds to provide loans, guarantees and equity funds.

Box 11. ESF Jeremie, Lombardy (IT)⁵⁶

Finlombarda, which is wholly owned by the region of Lombardy, runs a Jeremie programme to capitalise social cooperatives. In a scheme started in 2008, Finlombarda, which is a Jeremie fund-holder, took €20 m of ESF funding, and matched it with €20m of private money, from several banks chosen through a public procurement process. It uses this €40m pot to make loans of €4,000 to individuals, for investment in the shares of their cooperative.

On condition that the borrower stays in the cooperative for five years, half of this sum is repaid free of interest at the end of the period. The other half is repaid to the participating bank, at an interest rate of 2.65%. The scheme has made 7,850 loans totalling €31.4 million to members of 526 social cooperatives.

[SDGs: 3, 5, 8]

Box 12. Brasero (BE)⁵⁷

In 2014 the government of the Walloon Region, via its public body the *Société Wallonne d'économie sociale marchande, société anonyme d'intérêt public* (SOWECSOM) launched the Brasero programme of financial support to cooperatives. It comprises the provision of public risk capital to cooperatives, in the form of a capital contribution or any other form of permanent fund, up to €1 for €1 of capital contributed by private cooperators, to a maximum amount of €200,000 for each cooperative. An exit is envisaged after 5-10 years. Budget €3.5 m in 2014-15.

From 2014-2018, 80 enterprises have received financing totalling €8.8 million. Each euro invested levers in €1.5 in private investment and €1.6 in bank and public investment. 80% of these cooperatives are start-ups, while 20% are established. Sometimes loans are made in addition to the equity investment.

In Brussels, BRUSOC operates a similar scheme called COOP-US with a ceiling of €150,000.

[SDGs: 8]

⁵⁶ https://www.fi-compass.eu/sites/default/files/publications/case-study_finlombarda.pdf
<https://wikipreneurship.eu/index.php/Finlombarda>

⁵⁷ <http://www.sowecsom.org/votre-financement/brasero.htm>, <http://coopus.be/>

Box 13. Future Initiative for Social Cooperatives – *Zukunftsinitiative Sozialgenossenschaften (DE)*⁵⁸

In Germany, the popularity of the cooperative legal form had been steadily falling, until in 2006 when the law was reformed to permit cooperatives to pursue social and cultural goals. Since then, the trend has reversed and around 40 new social cooperatives have been created every year.

In 2012, inspired by the success of social cooperation in South Tyrol, the federal state of Bavaria launched the *Zukunftsinitiative Sozialgenossenschaften* (Future Initiative for Social Cooperatives). An annual budget of around €300,000, cofinanced by the ESF, allows the region to make start-up grants of €30,000 apiece, to new cooperatives which will act as role models.

The new cooperatives carry out a wide range of activities including village shops, community transport, swimming pools, schools, cinemas, day nurseries, orchard maintenance, communities for elderly people and those with dementia, and refugee accommodation.

[SDGs: 8, 16]

4.4 Competence building and culture

LRAs can help build the capacity of social economy organisations to self-organise and manage their own growth by operating training programmes and through other initiatives such as by supporting academies within the social economy sector. These can facilitate learning, offer exchange platforms for SE organisations, and act as observatories to monitor the development and assess needs and opportunities.

Box 14. Andalusian School of Social Economy – *Escuela de Economía Social (ES)*⁵⁹

This school is supported by the Autonomous Community of Andalusia as part of the third Andalusian Pact for the Social Economy. Established as a foundation in 2002 by CEPES-Andalucía, the representative body of the social economy in Andalusia, it is located in Osuna, a small town in the centre of Andalusia. It offers a wide variety of short courses for managers, the staff of social economy representative organisations and public officials. The two principal courses are:

- *FIDES Directivos y Directivas* (FIDES Managers) is a sort of mini-MBA targeted at senior managers in social economy enterprises. But it also accepts students from the public sector, which serves to build bonds and a partnership approach. It is delivered as a blended learning programme including 14 two-day residential units;
- *FIDES Emprande* (FIDES Start-up) is targeted at newly-established businesses and entrepreneurs with a viable business idea.

[SDGs: 4, 8]

⁵⁸ <https://www.sozialgenossenschaften.bayern.de/>

⁵⁹ <https://socialeconomy.pl/node/271>

Box 15. Baden-Württemberg – Welcome centre for foreign workers in the social economy (DE)⁶⁰

In order to address skill shortages in the regional economy, the federal state of Baden-Württemberg subsidises 10 ‘Welcome Centres’ which advise foreigners looking for work, as well as employers, in how to integrate into the local labour market. They advise on matters such as educational qualifications and language learning.

One of the centres focuses on the SE sector. It is five years old, is managed by the *Diakonisches Werk* in Baden-Württemberg and has received a subsidy of €235,020 for 2019-20, which covers 60% of its costs.

Since its inception, it has advised more than 850 foreign workers and over 500 social economy organisations.

[SDGs: 3, 4]

4.5 Business development and networking

Direct support to entrepreneurs intending to establish new social economy enterprises is a key function of LRAs. This is done most effectively by bringing the stakeholders in the territory together into an interactive ‘ecosystem’, within which actors from the public and social economy sectors play complementary roles.

Box 16. Intervento 18, Trento province (IT)⁶¹

Created in 1992 to give economic support to social cooperatives providing work integration to disadvantaged people, and managed by the Local Employment Agency of the Province of Trento. It supports start-up and pays a tapering wage subsidy for disadvantaged workers employed in social cooperatives as well as tutors’ wages. From 1992 to 2011, 27 social cooperatives have benefited. Its budget has grown from €300,000 in 1994 to €1.5 million in 2010.

Some 1,000 vulnerable people have benefited so far, of whom about 21% were drug addicts, 20% had physical disabilities and 15% mental disabilities, 14% were prisoners, and the others had other recognised disadvantages. Half of beneficiaries remain in work after the subsidy ceases.

[SDGs: 8]

⁶⁰ www.welcome-centre-sozialwirtschaft-bw.de/

⁶¹ <https://socialeconomy.pl/node/99>

<https://www.agenzialavoro.tn.it/Schede-informative/Interventi-per-lavoratori-svantaggiati-disabili-in-cooperative-sociali-Intervento-18>

Box 17. Alter'Incub social economy incubator (FR)⁶²

The first SE incubator financed by the ERDF, it came about through a partnership between the region of Languedoc-Roussillon and the regional union of worker cooperatives. Set up in 2007, it employs 5 staff and its annual budget is €500,000, 90-95% provided by the ERDF and the region, and 5-10% by SE sector organisations.

Its mission is to support socially innovative entrepreneurs legally, financially and commercially. Between 2007 and 2017 it received 275 applications for support, which resulted in the creation of 41 social enterprises employing 250 people. It promotes the use of the SCIC (*sociétés co-opératives d'intérêt collectif*) legal form.

It has replicated itself into a network covering 4 regions.

[SDGs: 8, 9]

⁶² <http://www.alterincub.coop/>
<https://www.oecd.org/publications/boosting-social-enterprise-development-9789264268500-en.htm>

5 Part 4: Main conclusions and recommendations

5.1 Main conclusions

Distilling the conclusions arising from the previous parts of this File Note, on how to increase the impact of the social economy at sub-national level through an effective LRA role, there are two key conclusions to be noted:

- Legal and other definitions of the social economy and related concepts vary considerably throughout the EU, and indeed some countries lack a clear delineation of the SE sector;
- Relatively little attention has been accorded so far to systematically understanding and measuring the involvement of LRAs in the development of social economy.

Notwithstanding the above limitations, a key conclusion from best practices in this field and the overall analysis of this File Note is the value that a strong SE sector can bring to the local and regional level, and the relevance and potentially large contribution to many EU policy areas and initiatives that the social economy can make in conjunction with the LRAs.

A further important conclusion highlights the actions that LRAs can take, as decisive factors in their social economy enterprise ecosystems, to meet the main development needs of the SE sector, notably:

- Developing **strategies** in partnership with the SE and signing **pacts** for the development of social economy;
- Establishing local **SE development agencies and fora** for business networking and promotion among social economy enterprises;
- Providing **start-up grants and investment** in social economy enterprises;
- Implementing regional laws to **support demand** for SE services and to leverage **purchasing** policy to favour SE solutions, through socially responsible public procurement;
- Supporting and taking part in interregional **mutual learning**.

5.2 Recommendations

A number of recommendations can be put forward, based on the above main conclusions and other findings of the File Note.

Recommendation 1 – Greater awareness and appreciation of the contribution of LRAs

The CoR should call for:

- A clear recognition, in the European Commission’s Action Plan on the Social Economy, of the contribution of LRAs to the success of the social economy and, through it, to different EU policy priorities and initiatives, such as the European Green Deal.

The CoR and the Commission could also encourage:

- LRAs to use existing tools and resources⁶³ to assess the strengths and weaknesses of their existing social economy enterprise ecosystems and
- learn what measures they could take to improve them; and, take active part in EU-supported programmes of sharing best practices and mutual learning among LRAs.⁶⁴⁶⁵

Recommendation 2 – Fuller use of MFF 2021-2027 for the development of the social economy

The CoR should advocate an EU policy environment and funding support conducive to SE development, and LRAs should make full use of the possibilities this will provide:

- The MFF regulations should incorporate a more complete partnership with LRAs and social economy actors at territorial level, enshrined in a revised European Code of Conduct on Partnership;
- Place-based approaches such as CLLD and ITIs should be maintained and actively encouraged;

⁶³ Such as the EU/OECD *Better Entrepreneurship* online self-diagnosis tool, www.betterentrepreneurship.eu

⁶⁴ For instance, the Mutual Learning Programme of peer reviews within EaSI and URBACT IV networks (URBACT has already supported a number of social economy networks) <https://urbact.eu/social-economy>

⁶⁵ Transnational networking under ESF+ including LRAs is provided for in the draft regulation and can build on the work of the previous ESF Social Economy Thematic Network <https://ec.europa.eu/esf/transnationality/forums/social-economy>

- Greater accessibility to funding for small local SE organisations which are often those closest to citizens should be ensured;
- The administrative burden facing fund beneficiaries should continue to be reduced, for instance under the ongoing simplification efforts;
- Awareness raising of LRAs regarding the use of MFF resources for the development of the social economy should be undertaken.

Recommendation 3 – More systematic study of the role of LRAs vis-à-vis the social economy

The CoR should ask the European Commission to initiate and support, and encourage LRAs to engage in:

- Research into the impact and value of social economy at local and regional level, through their studies' programmes and initiatives like the Horizon Europe mission on 'The importance of climate-neutral and smart cities';
- Action research on LRA involvement in social economy enterprise ecosystems and ways of supporting and enabling SE development.

Annex 1: Main sources of information

Council of the European Union (2015) *The promotion of the social economy as a key driver of economic and social development in Europe*. Council Conclusions of 7 December 2015: <http://data.consilium.europa.eu/doc/document/ST-15071-2015-INIT/en/pdf>

European Center for Not-for-Profit Law for UNDP (2012) *Legal Framework for Social Economy and Social Enterprises: A Comparative Report*: http://ecnl.org/dindocuments/442_ECNL%20UNDP%20Social%20Economy%20Report.pdf

European Commission (2014-2019) *Social enterprises and their ecosystems, A European mapping report (Country Reports)*: https://ec.europa.eu/social/main.jsp?pager.offset=5&advSearchKey=socnteco&mode=advancedSubmit&catId=22&doc_submit=&policyArea=0&policyAreaSub=0&country=0&year=0

European Commission (2016) *Social enterprises and their eco-systems: developments in Europe*: <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7934>

European Commission (2018) *The European Social Economy Regions 2018 Pilot*: https://ec.europa.eu/growth/content/european-social-economy-regions-2018-pilot_en

European Commission (2019) *European Social Economy Regions 2019*: https://ec.europa.eu/growth/content/european-social-economy-regions-2019-0_en

European Commission (2020) *Social enterprises and their eco-systems: Comparative synthesis report*: <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8274>

European Committee of Regions (2015) *The role of the social economy in restoring economic growth and combating unemployment*. Opinion of 3-4 December 2015: <https://cor.europa.eu/en/our-work/Pages/OpinionTimeline.aspx?opId=CDR-1691-2015>

European Economic and Social Committee (2018) *Best practices in public policies regarding the European Social Economy post the economic crisis* (Authors: Rafael Chaves Avila & José Luis Monzón): <https://www.eesc.europa.eu/sites/default/files/files/qe-04-18-002-en-n.pdf>

European Parliament, (2016) *Social Economy*. Study for the IMCO Committee (authors: Liger, Q., Stefan, M. and Britton, J., Optimity Advisors): [https://www.europarl.europa.eu/RegData/etudes/STUD/2016/578969/IPOL_STU\(2016\)578969_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2016/578969/IPOL_STU(2016)578969_EN.pdf)

European Parliament (2017a) *A European Statute for Social and Solidarity-Based Enterprise*. Study for the JURI Committee (author Prof. Antonio Fici, University of Molise, Italy): http://www.europarl.europa.eu/RegData/etudes/STUD/2017/583123/IPOL_STU%282017%29583123_EN.pdf

European Parliament (2017b) *Statute for social and solidarity-based enterprises*. European Added Value Assessment Accompanying the European Parliament's legislative own-initiative report (EPRS study, author Elodie Thirion, rapporteur Jiří Maštálka): https://www.europarl.europa.eu/RegData/etudes/STUD/2017/611030/EPRS_STU%282017%29611030_EN.pdf

Fondazione Giacomo Brodolini (2018) for European Commission: *The ESF Support to Social Innovation*. ESF Performance and thematic reports: <https://op.europa.eu/en/publication-detail/-/publication/3fc20b5e-6df0-11e8-9483-01aa75ed71a1/language-en>

Galera, G. (2016), *Social Economy and the National Legal Frameworks*. Presentation at the international Conference on Social Economy under the auspices of the Slovak Presidency of the EU Council. Eurice (European Research Institute on Cooperative and Social Enterprises), EMES Network: https://ec.europa.eu/growth/content/conference-social-economy-and-social-enterprises-under-slovak-presidency-council-eu_en

Galera, G. and Salvatori, G. (2015) for ILO: *Public policy in the social and solidarity economy: Towards a favourable environment. The case of Europe*: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---coop/documents/publication/wcms_535145.pdf
http://www.socioeco.org/bdf_fiche-document-4853_en.html

GECEs (2016), *Social enterprises and the social economy going forward*: https://ec.europa.eu/growth/content/social-enterprises-and-social-economy-going-forward_en

IFKA for Interreg Europe (2016) *Social Seeds. Synthesis Report on Previous EU Projects and Initiatives*:

https://www.interregeurope.eu/fileadmin/user_upload/tx_tevprojects/library/Overview%20on%20past%20projects%20and%20ongoing%20initiatives.pdf

OECD (2017), Boosting Social Enterprise Development, Good Practice Compendium: <https://www.oecd.org/publications/boosting-social-enterprise-development-9789264268500-en.htm>

Panteia (2012), *Study on the current situation and prospects of mutuals in Europe*, Final report to DG ENTR: <http://ec.europa.eu/DocsRoom/documents/10390/attachments/1/translations>

REVES (2017) *REVES Excellence Award*, http://www.revesnetwork.eu/wp/?page_id=828

REVES (2019) *Position Paper – European Cohesion Policy 2021-2027 and related legislative proposals*, http://www.revesnetwork.eu/wp/?page_id=53

Stefanova, J. and Wenner, Z. (2016) ‘The European Union Regulatory Framework for Social enterprises’, in *Journal of Financial and Monetary Economics*, Bucharest, No. 3/2016: <http://www.icfm.ro/jfme.icfm.ro/JFME2016.pdf>

Stott, L. for ESF Thematic Network on Partnership (2018) *Review of the European Code of Conduct on Partnership (ECCP)*, Thematic Dossier no. 7: https://ec.europa.eu/esf/transnationality/filedepot_download/1145/1749

Technopolis for European Commission (2018), *Social Business Initiative (SBI) follow up: Co-operation between social economy enterprises and traditional enterprises*, Final Report: <https://ec.europa.eu/docsroom/documents/36684>

Wilkinson, C. for European Commission (2015) *A map of social enterprises and their eco-systems in Europe. Synthesis Report*: <https://www.euricse.eu/wp-content/uploads/2015/11/Synthesis-report-FINAL.pdf>

Material from EURICSE, European Research Institute on Cooperative and Social Enterprises: <https://www.euricse.eu/>

Material from GECES, Expert Group on Social Economy and Social Enterprises: https://ec.europa.eu/growth/sectors/social-economy/enterprises/expert-groups_en

Material from Social Economy Europe: <http://www.socialeconomy.eu.org/>

Material from REVES: <http://www.revesnetwork.eu/wp/>

Material from URBACT: <https://urbact.eu/good-practices/home>

Material from Urban Innovative Actions: <https://www.uia-initiative.eu/en>

Annex 2: Definitions of social enterprises

Social enterprises can take a variety of legal forms and statuses, ranging from existing legal forms (i.e. associations, foundations, cooperatives, share companies), to new legal forms exclusively designed for social enterprises.⁶⁶ In other cases, the legal status of a social enterprise can be obtained by existing legal forms, provided that they comply with a number of legally defined criteria (e.g. *impresa sociale* in Italy or *entreprise sociale/sociale onderneming* in Belgium⁶⁷).

The European Commission's "**Social Business Initiative**⁶⁸ – Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation" in 2011-2014 provided a definition of social enterprises, which has become broadly accepted throughout the EU and, although not legally enacted, constitutes a significant step towards the improvement of the existing regulatory framework. According to this definition a social enterprise must fulfil the following conditions:

- it must engage in an economic activity;
- it must pursue social aims explicitly and as a primary goal;
- it must have limits on the distribution of profits and/or assets;
- it must be independent; and
- it must have inclusive governance.

This formulation is also reflected in the formal definition of 'social enterprise' adopted as part of the **EaSI Regulation**⁶⁹ – see Box, below.

(1) 'social enterprise' means an undertaking, regardless of its legal form, which:

(a) in accordance with its Articles of Association, Statutes or with any other legal document by which it is established, has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders, and which:

(i) provides services or goods which generate a social return and/or

(ii) employs a method of production of goods or services that embodies its social objective;

⁶⁶ e.g. social cooperatives in Italy, *sociétés co-opératives d'intérêt collectif* (SCICs) in France, community interest companies (CICs) in the UK, *gemeinnützige Gesellschaften mit beschränkter Haftung* (gGmbH) in Germany) EP Social Economy p. 55

⁶⁷ In 2019 Belgium replaced the status of social purpose company (*société à finalité sociale/vennootschap met sociaal oogmerk*) with that of social enterprise (*entreprise sociale/sociale onderneming*).

⁶⁸ https://ec.europa.eu/growth/sectors/social-economy/enterprises_en

⁶⁹ European Union Programme for Employment and Social Innovation ("EaSI"), Article 2, [Regulation \(EU\) No 1296/2013](#)

(b) uses its profits first and foremost to achieve its primary objective and has predefined procedures and rules covering any distribution of profits to shareholders and owners that ensure that such distribution does not undermine the primary objective; and

(c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities.

In 2018, the European Parliament adopted a proposal to give social economy enterprises a legal status by creating a European Social Economy Label.⁷⁰ The proposed **ESF+ Regulation** under MFF 2021-2027 includes the following definition of ‘social enterprise’⁷¹:

2.1(15) 'social enterprise' means an undertaking, regardless of its legal form, or a natural person which

(a) in accordance with its Articles of Association, Statutes or with any other legal document that may result in liability under the rules of the Member State where it is located, has as its primary social objective the achievement of measurable, positive social impacts rather than generating profit for other purposes, and which provides services or goods that generate a social return, and/or employs methods of production of goods or services that embodies social objectives;

(b) uses its profits first and foremost to achieve its primary social objective, and has predefined procedures and rules covering any distribution of profits that ensure that such distribution does not undermine the primary social objective;

(c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders impacted by its business activities.

⁷⁰https://view.officeapps.live.com/op/view.aspx?src=http%3A%2F%2Fwww.europarl.europa.eu%2Fdoceo%2Fdocument%2FTA-8-2018-0317_EN.docx

⁷¹ https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-european-social-fund-plus-regulation_en.pdf

Annex 3: Contribution of social economy to EU priorities and policy initiatives

Social economy organisations, with their orientation towards creating social value and their inclusive and participative governance systems, contribute to many of the UN **Sustainable Development Goals**, notably:

- 3 – Good Health and Well-being
- 4 – Quality Education
- 5 – Gender equality
- 8 – Decent Work and Economic Growth
- 9 – Industry, Innovation, and Infrastructure
- 10 – Reducing Inequality
- 11 – Sustainable Cities and Communities
- 12 – Responsible Consumption and Production
- 13 – Climate Action
- 16 – Peace, Justice, and Strong Institutions

The social economy is the main vehicle for implementing **social innovations** in an economically sustainable way. The European Commission has defined social innovation as:

“Innovations that are social in both their ends and their means. Specifically, we define social innovations as new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. They are innovations that are not only good for society but also enhance society’s capacity to act.”⁷²

Because of their inclusive governance models, social economy organisations show a perfect fit with the criterion of “creating new social relationships or collaborations”. The 2011 Bureau of European Policy Advisers (BEPA) report “Empowering people, driving change: Social innovation in the European Union” recognises that:

“Social enterprises often develop innovative solutions which increase productivity while delivering better services in social, health, and education services, the new growth markets for innovative companies.”

⁷² Empowering people, driving change: Social innovation in the European Union, Publications Office of the European Union, 2011. Similar definition is included in the proposed ESF+ Regulation, Art. 2.1(16).

The social economy can also help implement the political priorities of the new Commission, such as the European Green Deal, an economy that works for people, a Europe Fit for the Digital Age and a new push for European democracy.

Two examples show how social economy enterprises, usually working in partnership with municipalities, are contributing to the **Green Deal**:

- **Recycling:** Work integration social enterprises have been at the forefront of recycling and reusing waste. Their umbrella body RREUSE, with 27 member federations across 25 European countries and the USA, represents 850 social enterprises employing 95,000 people. They annually divert around 1 million tonnes of materials from landfill through re-use, repair and recycling, generating a combined turnover of €1.2 billion;⁷³
- **Renewable energy:** REScoop.eu, the European federation for renewable energy cooperatives, represents 1,500 energy cooperatives with 1 million members. It works not only on power generation, but on electric car-sharing;⁷⁴

One priority of **an economy that works for people** is a deeper and fairer economic and monetary union, which combines stability with fairness and democratic accountability. And one of the five policy areas within this is the European Pillar of Human Rights. Social economy organisations play a key role in delivering all of these rights to citizens. Among them, the contribution is greatest in the following areas:

- Active support to employment – particularly in integrating young and unemployed people into the workforce;
- Secure and adaptable employment – by offering high-quality jobs, and also in tempering the effects of the insecure ‘gig economy’;
- Social dialogue and involvement of workers – because of their inherently participatory nature;
- Health care – through health insurance mutuals;
- Inclusion of people with disabilities – through work integration social enterprises (WISEs);
- Long-term care – through social cooperatives and associations delivering social services;

⁷³ <http://www.rreuse.org/about-us/>

⁷⁴ <https://www.rescoop.eu/federation>

- Housing and assistance for the homeless – through housing associations and cooperatives.

Regarding a **Europe Fit for the Digital Age**, and in particular under its priority to support an inclusive digital society, social economy organisations are developing new digital technologies to address social problems. An example is the application *Comme à la Maison* (CALM), created by the French association SINGA, to match refugees with available housing accommodation.⁷⁵

These aspects should be taken up in the **Action Plan on the Social Economy**, which the new European Commission has committed itself to putting forward in the second half of 2021, after a period of evidence-gathering and cocreation with stakeholders – including LRAs – in 2020. Stakeholders can already submit proposals via the consultation on the further implementation of the Pillar of Social Rights.⁷⁶

⁷⁵ <https://www.singafrance.com/calm>

⁷⁶ Submissions can be made at <https://ec.europa.eu/social/main.jsp?catId=1487>. Source: presentation by Risto Raivio of EMPL/E.1 at DIESIS strategy day, 1 February 2020.

Annex 4: Categorisation of Member States based on legal status accorded to ‘social economy’ and ‘social enterprise’

	Member States with ‘legally binding’ ⁷⁷ definition of Social Enterprise*	Member States with SEnt legal definition plus a broad legal framework for Social Economy ⁷⁸ (derived systematically or <i>ad hoc</i>)
AT	No	No
BE	Yes	Yes systematic
BG	Yes	No
CY	No	No
CZ	Yes (WISEs only)	No
DE	No	No
DK	Yes	Yes <i>ad hoc</i>
FI	Yes (WISEs only)	Yes <i>ad hoc</i>
FR	Yes	Yes systematic
EE	No	No
EL	Yes	Yes systematic
ES	Yes	Yes systematic
HR	Yes (WISEs only)	No
HU	No	No
IE	No	No
IT	Yes	Yes systematic
LU	No	No
LV	Yes	No
LT	Yes (WISEs only)	No
MT	No	No
NL	No	No

⁷⁷ Based on EP (2017a), A European Statute for Social and Solidarity-Based Enterprise (Annex), supplemented with EC (2020) Social Enterprises and their Ecosystems, Comparative Synthesis Report (Fig. 3), Galera (2016) and clarifications obtained through consultation interviews and reference to national legislation.

⁷⁸ Based on EP (2016), Social Economy p. 46, supplemented with EC (2014-2019) mapping study and clarifications obtained through consultation interviews.

	Member States with ‘legally binding’⁷⁷ definition of Social Enterprise*	Member States with SEnt legal definition plus a broad legal framework for Social Economy⁷⁸ (derived systematically or <i>ad hoc</i>)
PL	Yes (WISEs only)	Yes <i>ad hoc</i>
PT	Yes	Yes systematic
RO	Yes	No
SE	No	No
SI	Yes	Yes <i>ad hoc</i>
SK	Yes	Yes <i>ad hoc</i>
(UK) ⁷⁹	Yes	Yes <i>ad hoc</i>

* In some cases, limited to WISEs (work integration social enterprises).

⁷⁹ Member State until 31.01.2020

EN

ISBN 978-92-895-1044-8
doi:10.2863/781060

QG-04-20-226-EN-N



**European Committee
of the Regions**

Created in 1994 following the signing of the Maastricht Treaty,
the European Committee of the Regions is the EU's assembly of 329 regional and
local representatives from all 27 Member States, representing over 447 million Europeans.

Rue Belliard/Belliardstraat 101 | 1040 Bruxelles/Brussel | BELGIQUE/BELGIË | Tel. +32 22822211
www.cor.europa.eu | [@EU_CoR](https://twitter.com/EU_CoR) | [/european.committee.of.the.regions](https://www.facebook.com/european.committee.of.the.regions)
[/european-committee-of-the-regions](https://www.linkedin.com/company/european-committee-of-the-regions)