

Study on promoting cross-border activities for social economy

Citation for published version (APA):

Bougiouklis, K., Kesselring, A., Premyanov, N., Thompson, D., Turkeli, S., & Wintjes, R. (2023). *Study on promoting cross-border activities for social economy*. Publications Office of the European Union. <https://doi.org/10.2826/638092>

Document status and date:

Published: 01/10/2023

DOI:

[10.2826/638092](https://doi.org/10.2826/638092)

Document Version:

Publisher's PDF, also known as Version of record

Document license:

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Study on promoting cross-border activities for social economy

July 2022

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EUROPEAN COMMISSION

European Innovation Council and SMEs Executive Agency (EISMEA)
Unit I-02. SMP / COSME Pillar

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Study on promoting cross-border activities for social economy

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PDF ISBN 978-92-9460-949-6 doi: 10.2826/638092 EA-08-21-304-EN-N

Luxembourg: Publications Office of the European Union, 2023

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Abstract

The study “*Promoting Cross-Border activities for Social Economy, including Social Enterprises*” (EASME/COSME/2018/032) has aimed to identify, analyse and report on cross-border social economy activities as well as corresponding European and national policies to promote successful approaches. SE actors embark on cross-border activities for reasons that may not necessarily be connected to generating profit – like for-profit traditional SMEs. Motivations and inspiration in the SE sphere usually have to do more with their mission, vision and social impact aimed to be achieved. They engage in cross-border activities mainly via four types of transnational activities, mutually non-exclusive: distribution (instead of mere export for for-profit businesses), replication (instead of merely equity/ownership-based activities), sourcing (which is wider than imports), and collaboration and collective impact (which is broader than contractual business agreements). Based on a comparison of 52 case studies we identified 12 cross-border pathways of SE organisations.

Executive Summary

The study “*Promoting Cross-Border activities for Social Economy, including Social Enterprises*” (EASME/COSME/2018/032) has identified, analysed and reported on cross-border social economy activities as well as corresponding European and national policies to promote successful approaches. To help social economy entities enter the Internal Market it is complemented by a Guide elaborated to support social economy entities to undertake cross-border activities.

To achieve this ambitious objective, a multimodal methodological approach has been employed combining quantitative as well as qualitative methodologies, including:

- (i) Desk research and literature review.
- (ii) Social economy stakeholders’ consultation via personal interviews (20 interviews) and an online survey (40 responses).
- (iii) Identification and exploration of 52 social economy cases involved in transnational activities from 14 EU Member States (Austria, Belgium, Cyprus, Denmark, Finland, France, Germany, Greece, Italy, the Netherlands, Portugal, Romania, Slovenia and Spain¹) and 3 non-EU COSME countries: Turkey, Serbia and Albania.
- (iv) Identification of policies, initiatives and intermediaries / institutions that foster cross-border entrepreneurial activities on European as well as national level in the countries abovementioned.
- (v) Two co-creation workshops with representatives of social economy, research and academia, and policymaking from the social economy and SMEs arena.

At this point, we would like to mention that the interviews with the experts, intermediaries, social economy entity cases as well as the two digital co-creation workshops were performed during the COVID-19 pandemic. We would like to thank all interviewees and contributors to this study for their time and provisions of insight during this difficult time, as in many cases they were also engaged in COVID-19 related alleviation projects, and despite their limited time they were all interested and willing to provide us with valuable perceptions and information on this important topic.

Although various studies have been conducted by the European Commission in the last fifteen years on the topic of SMEs’ internationalisation and its effects on the economy, rarely these studies have zoomed in on social economy actors and the internationalisation of social economy entities. In fact, the global nature of social entrepreneurs has only recently attracted growing interest among practitioners and scholars². Most importantly, research to date has mostly focused on large-scale country comparisons while the concrete individual and organisational antecedents required to undertake these processes have received little attention and are poorly understood³. On this basis, whilst we could generalise some of the findings related to SMEs and extend them to social economy, we recognised that the social

¹ There is also one case from Ireland

² e.g., Alon, I., Mersland, R., Musteen, M., & Randøy, T. (2020). The research frontier on internationalization of social enterprises. *Journal of World Business*, 55(5), 101091. <https://doi.org/10.1016/j.jwb.2020.101091>

³ Winkler, M., Vantor, P., & Mehrwald, M. How do organisations of the social economy scale across borders? A study on the challenges of internationalising social enterprises.

economy differs in aims, scopes and operational aspects and hence we aimed to identify what drives, shapes and affects the cross-border activities of social economy entities.

The social economy comprises many different types of organisations and legal forms, covering entities sharing the following main common principles and features: the primacy of people as well as social and/or environmental purpose over profit, the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users (“collective interest”) or society at large (“general interest”) and democratic and/ or participatory governance.

Traditionally, the term social economy refers to four main types of entities providing goods and services to their members or society at large: cooperatives, mutual benefit societies, associations (including charities), and foundations. They are private entities, independent of public authorities and with specific legal forms. Social enterprises are now generally understood as part of the social economy. Social enterprises operate by providing goods and services for the market in an entrepreneurial and often innovative fashion, having social and/or environmental objectives as the reason for their commercial activity. Profits are mainly reinvested with a view to achieving their societal objective. Their method of organisation and ownership also follow democratic or participatory principles or focus on social progress. Social enterprises adopt a variety of legal forms depending on the national context.

Acknowledging this diversity, we aimed to identify common challenges in the internationalisation of social economy entities based on literature review and expert interviews on one hand (see chapter 1), and on the other hand conducted an in-depth case study analysis that enabled us to identify 12 pathways for cross-border activities. The 12 pathways highlight specific, non-generalisable cross-border strategies as well as related challenges and mitigation strategies (see chapter 2).

During the desk research, literature review and stakeholders’ consultation conducted (see Chapter 1 of the present report), we explored the **dimensions** evident in shaping the internationalisation of social economy actors, and four types (or modes) of cross-border activities, which are: business, legal, spatial, and sectoral, further described hereunder. We used the same dimensions for our case study comparison and the resulting description of cross-border pathways.

Business dimension

The business dimension on one hand comprises business activities in the narrower sense (e.g., export of goods to other countries, provision of services in other countries, adapting business models to new markets, etc.) as well as operational activities and forms of cooperation that are necessary to successfully setup impact and business models. The latter are particularly important for social economy entities as they tend to rely more on competences, knowledge, resources and network provided by partner organisations due to their often more limited organisational and financial capacity.

The internationalisation of traditional SMEs is characterised by export, foreign direct investments, contractual partnerships and branching. Conventional SMEs usually aim at keeping control and ownership to generate revenue abroad. Some of the identified cross-border pathways of social economy entities follow this logic, but many deviate from it or adapt some of its elements significantly. A general conclusion from our pathway analysis is that cross-border activities of social economy entities can only be properly understood and supported when fully acknowledging their social missions and impact models. The business dimension is of course relevant, but it does not determine the pathway of social economy entities that engage in cross-border activities to the extent that we see for traditional SMEs. The prioritisation of social missions and impact models has different implications for cross-

border activities that become evident when comparing cross-border activities of social economy entities with those of traditional SMEs.

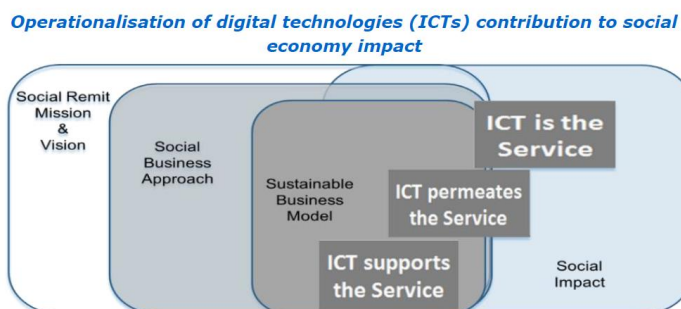
Social economy entities make strategic choices regarding their cross-border activities based on their social mission. On one hand, not being “tied” to the strategic objective to generate more revenue and profit through cross-border activities provides them with more options and – compared to conventional SMEs – leads to a higher diversity of cross-border pathways. Social economy entities may decide to disseminate their know-how and share their “intellectual property” without gaining competitive advantages or generating profits. Or they may collaborate with other social economy entities cross-border to tackle societal challenges.

On the other hand, social missions and impact models can restrict cross-border activities or related business opportunities. Social economy entities may for instance address local societal challenges being committed to specific values/social standard, specific beneficiaries, or specific modes of participatory governance. These commitments in some cases make them less flexible in adapting their cross-border activities to business services accessible to their beneficiaries which comes with restrictions on pricing models. We also identified social economy organisations where internationalisation is hampered by the social or environmental standards, they promote which leads to more complex processes (e.g., monitoring the supply chain, monitoring labour conditions, monitoring potential negative side-effects on communities).

Overall, it was identified that although SMEs face similar barriers with respect to the business aspects of their cross-border activities, but receive less support, receive less dedicated funding and experience more pressure on their (limited) organisational capacity. In terms of specialised intermediary support, many of the organisations available in the different member states – national or European, public or private – are established to serve SMEs. Thus, they are attuned to SMEs needs and particularities, making it difficult to provide appropriate services to social economy entities who may have similar business operations but have different goals, aspirations, vision and mission that are reflected in their differentiating business models. Internationalisation support programmes provided by social economy intermediaries – despite providing relevant professional support – lack capacity and regular funding for serving larger number of social economy entities.

A recent trend that has been affecting the uptake of social economy entities’ entrepreneurial activities across borders is observed in relation to the adoption of digital technologies – and in particular platforms – to serve the needs, mission and vision of the social economy entities. In this occasion, digital technologies are considered as an enabler, a facilitator towards the uptake of cross-border activities and the multiplication of the social impact of the social economy entities. The uptake of digital technologies is directly associated with the impact and business model of the social economy entity, as the technologies may be integrated within the heart of the social economy entity’s operations and is the service (e.g., provision of services in a multitude of countries via an online platform), or may be permeating the service in which case the digital technologies underpin and support the activities of the social economy entity (e.g., a platform may be used to serve the collection of big data on a certain social issue which are then analysed and based on the outcomes services are rendered) or may be supporting the services offered by the social economy entity (e.g., the digitisation of the accounting system of the social economy entity, to facilitate the exchange of information between entities established in different countries). The way

digital technologies are embedded and to which degree strongly influences their effect on cross-border activities in terms of speed or scale⁴.



Source: Gagliardi D. et. al., (2020), *New Technologies and Digitisation: Opportunities and Challenges for the Social Economy and Social Enterprises*

Legal dimension

Cross-border activities of social economy entities are subject to legal and regulatory framework conditions which differ among EU countries, and the choice of an adequate legal form for social economy entities remains a challenge considering the multitude of legal forms available across the EU.

European social economy entities are also affected by the Single Market’s rules in e.g., banking regulations access to structural funds and the application of public procurement rules, such that the different stages of social enterprise development reflect a significant degree of important historical and contemporary interaction between the social economy and single market. Through our research we identified that the Freedom of establishment, the Competition

Legal Aspect	Underlying Context	Effect on Social Economy Entities
Freedom of establishment	Legal forms widely vary between Member States.	To exercise this freedom and establish legal enterprise social economy entities are obliged to adopt a legal form that can be at odds with the rules of operation laid down in their original legal form.
Competition law, taxation and state aid	Social economy entities fall within the scope of competition rules on par with traditional enterprises possessing only a profit motivation, the rules applicable to services of general economic interest under Article 106(2) TFEU and its supplementary and interpretive texts.	Difficulties in operationalising preferential tax treatment for social economy entities. Also, often legal ambiguity about whether selective advantage (e.g., tax exemption) is to be applied to social economy entities.
Freedom to provide services and participate in public procurement	The division of tenders into lots and award criteria based on the most financially advantageous offer	Modest size and more tenuous access to sources of investment financing for social economy entities are competitive handicaps, whatever the type of activity envisaged.

Law, Taxation and State Aid, and the Freedom to provide services and participate in Public Procurement are among those that have a direct effect upon social economy entities.

The legal aspects associated with the implementation of social economy entities’ cross-border activities involve: the establishment and operation of legal entities – especially for

⁴ For more information, please refer to a previous EISMEA/DG GROW study on the topic of internationalisation of the social economy: Gagliardi D., Psarra F., Wintjes R., Trendafil K., Pineda Mendoza J., Haaland K., Turkeli S., Giotitsas C., Pazaitis A., Niglia F., (2020), *New Technologies and Digitisation: Opportunities and Challenges for the Social Economy and Social Enterprises*. European Commission, Executive Agency for SMEs, DOI: 10.2826/667682 available at: <https://op.europa.eu/en/publication-detail/-/publication/208a8be9-39d5-11eb-b27b-01aa75ed71a1>

the cases of mutuals and foundations which legal form varies significantly across the countries explored during the course of the study; taxation; the establishment of formal/contractual relationships and social franchising; and the intellectual property and data protection – which affects all types of social economy entities. The legal aspects associated with the financing of social economy entity's cross-border activities relate mainly to the (predominantly) national focus of social finance organisations as well as the lack of networks and market knowledge in “target countries”. Additionally, setting up impact investment contracts is even more difficult, as standardised contracts are rarely available or are not always fully adaptable to different legal forms (e.g., for associations), making it more difficult for social economy actors to engage in such contractual agreements.

Overall, the lack of legal differentiation at national level between for-profit companies and companies that perform market activities but clearly follow a social mission (reflected in their governance, profit-distribution, and other activities), has been leading to a variety of legal challenges for cross-border operations. In these occasions, social economy entities face the risk to fall in-between the for-profit and non-profit divide. Instead of potentially benefitting from tax advantages or more flexibility in developing market activities, social economy entities (due to their social mission) often need to develop complex legal setups or encounter opposition from the traditional social sector because of their market-oriented activities. The lack of uniformity and common understanding of the different legal forms of social economy entities across the EU in many cases forces social economy entities to invest considerable resources in finding the right legal setup and thus slows down the establishment or extension of cross-border activities. We see however that many social economy entities are creative and flexible and find proper legal setups eventually. The selection of the type of legal entity (for establishment or collaboration with) in a target county has major implications for the business model, the serving of the mission and vision and the voluntary exchange mode of crossing borders, i.e., the solidarity actions, the social impact and informal support (such as the transfer of business practices, experience, and knowledge) that social economy entities promote. On many occasions this is the inspiration towards the embracement of cross-border activities.

Spatial dimension

Experts shared the observation that social economy entities are often locally embedded and implement context-specific activities addressing specific local social problems or target groups. Based on our analysis of cross-border pathways we will argue that “local embeddedness” should not simply be regarded as a general characteristic of (most) social economy entities or an expression of their strategic orientation. The focus should rather be on how the current social economy ecosystem is enabling cross-border activities and specific pathways for social economy entities. The many identified barriers – and the complexities involved in many cross-border pathways – bring considerable risk to cross-border activities. There is a financial risk and certainly a capacity risk as social economy entities need to invest strongly in operational processes as well as mitigation strategies. Reducing these risks (see recommendations) may open cross-border pathways to more social economy entities. The 12 identified cross-border pathways show that there are manifold opportunities to engage in cross-border activities for a wide range of different types of social economy entities and legal forms. Even if they show a strong local focus (see pathway 6) they may discover that cross-border activities may help them to better support local communities.

We identified different spatial strategies depending on impact models and cross-border pathways chosen. Impact models that are more sensitive to language and demand personal presence of a social economy entities follow a spatial strategy where cross-border activities are in a first step undertaken in neighbouring countries (e.g., the D-A-CH region). Spatial proximity is also relevant if cross-border activities depend on strong integration between organisations that eventually merge. In contrast, social economy entity impact models that

are adopted in many different countries quickly are usually characterised by digital components (e.g., platforms) or “simple” impact models that can be adopted easily. Moreover, the spatial dimension not only relates to the spatial scale or number of involved Member States as markets, but also on how the internationalisation process for various types of transnational activities may evolve.

Cross-border activity of social economy entities is not necessarily directed towards low-cost or high-revenue destinations (like SMEs counterparts), but they nevertheless need to balance both perspectives: Identified need and financial feasibility. This is necessitated by the high efforts of setting up cross-border activities and the associated risks. We identified many other factors that influence the choice of target countries: The availability of partners (see pathway 1 or 7), the spatial proximity and similarity in culture and language (some of the cases in pathway 1 or 3), the availability of specific legal forms, the availability of purchasable land (see pathway 12), the location of key sector players (see pathway 10), the locations of key corporate partners (see pathway 5) the existence of specific customer groups (see pathway 6), and more. This means that a constant balance between an orientation towards existing needs and other factors will be necessary. The additional factors show however that they indeed do not primarily relate to commercial advantages, but prerequisites for setting up the impact and operational model of a social economy entity (see conclusion 1).

Sectoral dimension

Experts rated “Lack of understanding of how the sector works in other countries” as the highest barrier to transnational activities (4/5). Although this study was not designed to systematically compare cross-border activities of social economy entities by sector – which would have necessitated a quantitative approach, a larger sample and a focus on specific sectors – we explored how social economy entities on different cross-border pathways relate to economic sectors.

Social economy entities that collaborate with key sector players as customers to sell products and services become sector specialists in providing specific services to corporate partners in a specific business sector. They adapt their impact models and offers to match the needs of businesses in a certain sector and thus create viable business models. Social economy entities that innovate products to make them accessible to disadvantaged groups design innovations that introduce new market dynamics in a specific sector by accessing customer groups that were formerly excluded from markets due to low purchasing power (“Bottom of the pyramid” approach). Social economy entities that sell locally produced goods internationally to support local communities enter into direct competition with traditional SMEs and need to understand competitive dynamics and explore international markets and customer profiles in a specific sector.

These types of sector interactions show that “understanding how a sector works in other countries” can imply very different objectives and activities that only become visible when comparing cross-border pathways.

Barriers to cross-border activities

Based on literature and data collection (expert interviews, expert survey, stakeholder workshops, 52 case studies) we identified multiple barriers to cross-border activities of social economy entities on the four analytical dimensions.

A **legal** challenge mentioned by the interviewees concerned the differentiating recognition of a social economy entity’s legal form in the different member states, which in turn generates further issues and administrative and financial costs for the social economy entity when seeking to engage in cross-border activities. Depending on the cross-border pathway

this challenge can also be less relevant, as several pathways do not rely on establishing new legal forms. Or more relevant, if social economy entities adopted (and re-purposed) more sophisticated legal forms to fulfil their social impact mission (e.g., stock company for fostering regional development). In this case, the replication of the legal form in another country becomes a difficult challenge that then needs to be tackled in cooperation with foreign partners.

The legal barrier's impact also seems to vary between legal forms, as shown by our expert survey. For example, cooperatives were most frequently cited as a legal form that favours internationalisation. One expert with deep experience in the area did not see many barriers for cooperatives to cross borders, although they do need to be aware of national legal formats. Mutual benefit societies, on the other hand, were, in the survey, the least frequently cited legal form that favours internationalisation.

Legal challenges often translate into **financial** challenges for social economy entities. These range from not being able to register members; to taxation and tax barriers for receiving foreign funding; accessing public and private grants; experiencing cash flow difficulties; participation in public tenders, bids and procurement; as well as a lack of or low levels of risk funding, risk investment available for social economy entities. Moreover, financial challenges also associate and create **fiscal** issues, which include the demand for effective implementation of non-discrimination principle and freedom of establishment, movement and service principles, especially for foundations and overall, the performance of cross-border philanthropic activities.

The **business-related challenges** identified were similar to those faced by SMEs: the replicability barriers for the original social business and value models, upscaling; the barriers to brand awareness, marketing, social franchising; the sourcing of physical, financial, human and social capital supplies and suppliers; being part of supply chains and/or operating in a sector; transporting products, logistics, trading potentials and distribution activities.

Public and private **mindset challenges** concern the lack or low levels of acceptance of the notion and vision of internationalisation of social economy at the side of social entrepreneurs.

These legal, financial/fiscal, business-related and mindset challenges are connected to the continuation of **cultural challenges**, which relate to a lack or low level of acceptance and recognition of the differences of social enterprises from non-profit/for profit enterprises and by public and private sector, and even by general public due to lack or low levels of publicity of and public awareness about social economy entities.

If capabilities to address these challenges are lacking at the side of social economy entities (as well as public and private support to develop them), then they become impediments for cross-border activities of the social economy and its development overall, as they are translated into costs – both in time and money – that pose additional operational and administrative burden for social economy entities.

Types of cross-border activities

The broad scope of “cross-border activities of the social economy” necessitated to introduce a differentiation of different types of cross-border activities specifically for social economy entities. We used these types for a case selection (balancing different activity types and several other criteria such as country of origin, sector, etc.) and comparison of **52 cases of social economy entities involved in cross-border activities** across 14 Member States and 3 non-EU COSME countries. The typology also provided the framework for identifying

typical pathways for cross-border activities. At the same time, case analysis and comparison were used to validate the typology.

- **Replication**: refers to the replication of impact and business models in other countries through growth (branching, mergers, etc.), affiliation (partnerships, social franchising, etc.) or dissemination (open sourcing, consulting, etc.).
- **Distribution**: refers to the distribution of products and services transnationally.
- **Sourcing**: refers to gaining access to and utilising new resources located in other countries (know-how, funding, volunteers & contributors, products & production facilities, etc.).
- **Collaboration and Collective impact**: refers to engaging in cross-border alliances, movements, networks, campaigns or other relationships that focus on collaboration and collective impact in the sense of achieving a common social impact goal.

A single entity can engage in multiple types of cross-border activities.

Cross-border pathways of social economy entities

Through the analysis of the social economy entity cases involved in cross-border activities, we identified the cross-border pathways and respective barriers and mitigation strategies (see chapter 2).

- **Replication pathways**
 - Pathway 1: Setting up a replication partner network to scale impact: Social economy entities on this pathway develop a clear and standardised “offer” that usually consists in a programme or structured activity that partners can implement.
 - Pathway 2: Integration of strong partners into one legal entity: this pathway involves a process of “integration” of separated legal entities into one single legal entity that operates across borders, based on strong, value-based partnerships and long histories of collaboration and alignment.
 - Pathway 3: Establishment of a strong presence in new markets through branching or merging: branching is much more common in the for-profit sector than it is for social economy. However, it is adopted by social economy entities that are well established, have a clear offer and business model and already gained a lot of experience in implementing and replicating their offer in their original country.
- **Distribution pathways**
 - Pathway 4: Innovating products to make them accessible to disadvantaged groups: Millions of people do not have access to basic devices (e.g., eyeglasses), because they are too expensive, not offered in remote areas, or can only be offered in combination with professional services that are not available. Through innovation products can be simplified and made more affordable to make them widely available in underserved markets (“Bottom of the pyramid” approach).

- Pathway 5: Collaborating with key sector players as customers: in this pathway social economy entities gain access to key sector players' "internal" markets and use them to sell their products/services.
- Pathway 6: Selling locally produced goods internationally to support local communities, in which case digitalisation is an important element and parameter.
- Pathway 7: Professionalising the dissemination of know-how through consulting and training to spread it cross-border.
- Pathway 8: Leveraging digital platforms for reaching customers and beneficiaries.
- **Sourcing pathways**
 - Pathway 9: Building partnerships to establish sustainable value chains, experience, know-how, research and solutions in a shared or open manner. This is much boosted by open-source movements and (digital) commons.
- **Collaboration & collective impact pathways**
 - Pathway 10: Collaborating with key sector players to change sector practices and policies.
 - Pathway 11: Collaborating with partners to innovate or improve products and services.
 - Pathway 12: Creating membership organisations to secure social missions.

The pathways described above show the variety and potential of cross-border activities of the social economy. Moreover, these pathways are often unique for social economy entities as they combine business development strategies with deeply rooted social impact models. The pathways are mission driven and aim at generating long-term impact. They also highlight different "speeds" in cross-border activities. In most pathways, the legal form is chosen for technical matters⁵ and for responding to specific challenges regarding taxation, funding sources, access to public support or access to markets. However, for pathways primarily geared towards impact, social economy legal forms seem to be important to express an organisation's mission and position themselves in a sector although it may come with certain disadvantages.

Concerning policy response, we performed an exploration of European and national level initiatives across the 14 EU countries and 3 non-EU countries in our sample, that support the uptake of cross-border activities by social economy entities – taking into consideration also measures that aim to support SMEs. Our aim was not to perform an exhaustive mapping of all organisations and instruments available, but rather explore the diversity of the funding and supporting landscape, as well as its proximity and calibration towards the social economy. What we identified is that countries with more advanced social economy (e.g., NL, AT, FR, ES, FI, DK) tend to have specialised organisations (public or private) assigned to support social economy actors (e.g., Accio, SI2Fund, Trividend, Ashoka Impact Transfer programme Merkur Cooperative Bank, BonVenture, Banca Etica, Dutch Good Growth Fund, Social Innovation Portugal). On the other hand, countries with advancing

⁵ The legal forms refer usually to a specific business model that is best served by a certain legal form. Some legal forms operated by SE have strong historical roots in certain countries such as cooperative and mutual societies. In other countries it is indeed a rather instrumental matter.

social economy landscape (e.g., GR, SI, PT as well as the 3 COSME countries explored: Albania, Serbia and Turkey), tend to include social economy actors in the schemes and initiatives designed for SMEs, but this does not translate in an increased participation of the social economy entities in international activities primarily because the content and/or the type of SME-focused support services are oriented mainly towards the achievement of economic sustainability rather than expansion of impact, as usually is the case of social economy entities. Hence, SME-focused infrastructures, measures and programmes are not always relevant or appropriate to support social economy entities. Moreover, on EU level there are currently European instruments that are designed to support the uptake of transnational activities by social economy entities (e.g., EEN Social Innovation Competence Centres, EaSI), which should be widely communicated and disseminated so as to be further used by social economy entities as well as replicated / adopted on national and regional levels.

By analysing the three most important needs of social economy stakeholders for their internationalisation journey: 1) finance, 2) support services by third parties (such as mentoring, networking, legal advice), and 3) capacity building, we observed that at the EU level, the national and local levels there is a variety of policy and funding initiatives that aim to cater for these needs. However, there are several factors emerging that seem to affect access to these resources and their specificity to the social economy needs. One important aspect concerns the tailoring of the services to the social enterprise structure. The services, with a few notable exceptions, are tailored to traditional SMEs and only extend to specific types of social economy entities that follow the typical SME internationalisation logic more closely. There is a risk that these measures may be underplayed by the latter instances because the modes of internationalisation and the needs of social economy entities may not coincide with those of the business-oriented SMEs as those are more related towards financial accomplishments and sustainability than achievement of greater and larger social impact, which is the focus of social economy entities.

The relevance of international operations for the economy of SMEs is not limited to growth accounting indicators, but it involves other advantages such as introducing social innovations, new governance modes, or more social and sustainable sector practices. Consequently, these should gain importance in regular internationalisation support programmes. Moreover, they can facilitate spill overs between social economy and mainstream business actors.

In the post-COVID-19 era and to be able to successfully address emerging social and environmental needs, the enhancement of cross-border cooperation (e.g., digital) infrastructures, and activities of social economy need to become more visible and thus be more supported. Key developments in this respect at EU level have been:

- a) The recent signature of the Mannheim Declaration on Social Economy, at the end of the European Summit on Social Economy (EUSES) held on 26-27 May 2021. The Declaration addresses 10 domains in need for policy strategies among which the social innovation and utilisation of networks and promotion of cross-sectoral partnerships are mentioned, designating the political recognition of the importance for the promotion of cross-border activities by the social economy. In addition, the transition to the European Green Deal creates a particular opportunity for the development of businesses based on the social economy model, and innovative and entrepreneurial businesses may be key to creating successful and smart solutions to the existential challenge of climate change.

- b) The launch of the European Social Economy Action Plan in December 2021⁶, which promotes the Social Economy as a key enabler for a well-adjusted economic and social development in Europe and is considered an important step in boosting the social economy and instigating a certain level of homogeneity and agreement in how the social economy and its potential for addressing societal challenges and the 2030 headline targets in and across Europe.
- c) The creation of the European Cluster Collaboration Platform on Social Economy. The social economy clusters or “Cluster of social and ecological innovation” are *“Groups of social economy enterprises and other related supporting and economic actors that cooperate in a particular location to increase their joint social and ecologic impact by enhancing their cooperation, pooling resources and innovation capacity”*⁷.

Overall, a jointly agreed definition of Social Economy and Social Economy actors across the EU is considered vital. Such a definition will facilitate a more general appreciation and understanding of Social Economy, its constructing elements, the mission and vision it aims to serve and the various forms it may take. To this end, the definition of Social Economy in the Action Plan is considered a positive step towards this goal. Within this context, homogeneity of the legal forms that currently exist, as well as acceptance of social economy entity legal forms not being common across countries as valid forms of social economy actors is another step in the same direction. Such an approach will help alleviate some of the current issues social economy entities face and stimulate the collaboration between actors pursuing common goals even though not necessarily sharing the same legal form.

Another legal reform concerns the harmonisation of tax and disability regulations across the EU member states, as many social economy entities tend to rely upon such provisions within their business. Hence, the difficulties in the operationalisation of preferential tax treatment for social economy entities is an important policy aspect that should be addressed on European and national level in the years to come.

Public, private and public-private funding and acceleration programmes are needed on national and across European level which can assist social economy entities assess their readiness/capabilities/maturity to embark on cross-border activities. Most importantly, such programmes should facilitate the experimentation/try-out of such endeavours, while providing support in the sense of capacity building and networking in target countries. In particular, private funding should also be supported. To this end, private investors and investment funds could and should be trained on the differentiations of social economy and social economy entities from traditional for-profit businesses before proceeding with funding support. At the same time, specialised funding instruments can be developed in countries that are less developed in this regard taking after good practice that exist elsewhere and adjusting to local context.

Increasing the supply side through policy initiatives supporting social economy entities should go hand in hand with increasing the demand through public procurement, and to this end the 2nd edition of the European Guide for “Buying Social” that promotes the uptake of Socially Responsible Public Procurement by public authorities on regional, national and city level is considered a step in the right direction.

Transfer of good policy practices and mutual learning is always beneficial, yet an analysis and exploration of local context should take place prior to any transfer of knowledge /

⁶ Social Economy Action Plan. Available at: <https://ec.europa.eu/social/main.jsp?catId=1537&langId=en>

⁷ <https://clustercollaboration.eu/social-economy>

practices is attempted. Along these lines, further coordination and exchange among ministries, social economy entities and stakeholders at national level and across the EU would facilitate the improvement of policies designed for social economy entities.

Finally, the role of the Enterprise Europe Network (EEN), could be leveraged to support social economy entities' internationalisation, while taking into consideration the peculiarities and distinctive characteristics of social economy entities. More systematic communication, interaction and training, and possibly creation of specialised units within EEN, may facilitate a more effective collaboration between social economy entities and EEN local antennas.

At social economy intermediary level, mutual learning and collaboration among intermediaries may facilitate the exchange of practices and experiences among them and help alleviate the fragmentation existing in the social economy ecosystem. To this end, cooperation platforms that will offer opportunities for building partnerships among social economy peers and help them exchange experiences, know-how, and lessons learnt to minimise resources' duplication is considered a step in the right direction. Moreover, regular updates and support in building internal capabilities to take advantage of the offered opportunities for cross-border activities is considered another positive step towards the improvement of services offered by social economy intermediaries to social economy entities interested in embarking on cross-border activities. This training could be one of the responsibilities of the Social Innovation Competence Centres that exist or are currently being created in several countries.

Finally, there is also a strong need to make social economy support services - public and private - more visible and accessible to the EU social economy ecosystem, as well as increase their capacity, both in terms of financial as well as human resources. Dissemination, communication and raising awareness activities complemented by trainings and mutual exchange programmes may pave the way towards this end. Moreover, a mapping of these services will help address the fragmentation of the social economy ecosystem and comprehend how all these actors, intermediaries, agencies and supporting mechanisms co-exist in the different countries and at EU level overall. Such an exploration will facilitate the design of policies that will help towards the better functioning of the ecosystem on overall EU level as well as help cultivate more cross-border activities among them.

Introduction

This study is the outcome of the project “Promoting cross-border activities for social economy, including social enterprises” (EASME/COSME/2018/032). The project has been implemented by Q-PLAN INTERNATIONAL (Q-PLAN) in collaboration with the Maastricht Economic and Social Research Institute on Innovation Research (MERIT), Ashoka Austria (Ashoka), and Sociedade Portuguesa de Inovação (SPI), with the support of Dr Effie Amanatidou and Dr Dimitri Gagliardi.

The overarching objective of the project has been to study, assess and diffuse cross-border social economy initiatives and activities as well as corresponding European and national policies with a view to promoting successful approaches that could help social economy entities to access the Internal Market.

This overarching objective is further analysed in the following aims:

- Assess the state of play in transnational activities of SE and identify barriers and obstacles that refrain SE from developing cross borders activities.
- Collect, analyse and discuss good practices of SE regarding cross-border activities to fully benefit from the Internal Market.
- Pave a way for the future by proposing recommendations for SE business models and strategies, and for conducive policies and frameworks at national and EU levels that stimulate cross border activities and overcome the obstacles identified.

For the accomplishment of these objectives, a multimodal methodological approach, combining quantitative as well as qualitative means and methodologies has been employed, that is outlined in the next pages.

Overall, the report is structured as follows:

- a. **Chapter 1** discusses the outcomes of the Literature Review and stakeholders’ consultation in relation to the dimensions and types of transnational activities SEs may be involved in.
- b. **Chapter 2** discusses the pathways social economy entities may follow in their cross-border activities, which have been built upon the insights collected during interviews with 52 cases of social economy entities across the following EU countries (Austria, Belgium, Cyprus, Germany, Denmark, Spain, Finland, France, Greece, Ireland, Italy, the Netherlands, Portugal, Romania, Slovenia, the UK) and COSME countries (Turkey, Serbia and Albania).
- c. **Chapter 3** offers a description of the policies fostering cross-border activities at European and national level in the countries under review.
- d. **Chapter 4** provides the conclusions and recommendations drawn from our analysis of the results of the study, and the co-creation policy workshops held digitally in June 2021 with representatives of different social economy, for-profit and policy spheres.

The Final Report is complemented by the following Annexes:

Annex I – Thomson Reuters Web of Science Core Collection

Annex II – Stakeholders’ consultation

Annex III – Overview of the 52 SE organisations involved in transnational activities interviewed

Annex IV – Co-creation policy workshops

Annex V-Third country-focused instruments and initiatives

Design of the project and methodology

To accomplish the strategic objective of the study, a multimodal methodological approach has been employed combining quantitative as well as qualitative means and methodologies, and more specifically a literature review, an SE stakeholders' consultation, identification and exploration of 52 interesting social economy cases involved in transnational activities and an exploration of policies and initiatives that foster cross-border entrepreneurial activities in the following countries: Austria, Belgium, Cyprus, Germany, Denmark, Spain, Finland, France, Greece, Italy, the Netherlands, Portugal, Romania, Slovenia and 3 COSME countries: Turkey, Serbia and Albania.

The countries included in the study are illustrated in the figure below.

Figure 1: Countries covered by the study



In further detail, Phase 1 involved the exploration of the barriers that hinder social economy from pursuing cross-border activities across four analytical dimensions: Business, legal, spatial, and sectoral (see Chapter 1).

The challenges and opportunities associated with the uptake of cross-border activities were also discussed with selected experts and stakeholders across the EU through personalised interviews and an online survey (Chapter 2).

A pool of 52 social economy entities and practices that demonstrate a) a consistent impact model; b) a sustainable business model; and c) are engaged in cross-border activities, were identified and interviewed on their experience. The analysis of these cases was performed based on four analytical dimensions, so as to comprehend how SEs approach cross-border activities, what incentivises them to pursue transnational activities, what kind of challenges and barriers they faced and what solutions they found.

- Business dimension: Which business, operational and cooperation activities are most relevant for specific cross-border pathways? How do these activities differ

between SE organisations and traditional SMEs? How do SE organisations balance business and impact goals?

- Legal dimension: What are the main legal barriers for cross-border activities of SE and which mitigation strategies do SE organisations apply? How do different legal forms simplify/complicate cross-border activities? Are there specific legal barriers for different cross-border pathways?
- Spatial dimension: Which spatial strategies do SE organisations apply in their cross-border activities (regional, EU-wide, or international)? How do spatial aspects (language, culture) influence cross-border activities of SE organisations?
- Sectoral dimension: How do SE organisations interact with economic sectors?

Moreover, we identified how each of the 14 EU Member States and 3 non-EU COSME countries support the uptake of cross-border activities by SMEs and by social economy actors through the implementation of:

- funding instruments supporting social economy actors' internationalisation, including those available for SMEs.
- Initiatives supporting social economy actors' internationalisation, including those available for SMEs (e.g., intermediaries and their programmes).
- Capacity-building programmes for social economy actors' internationalisation, including those available for SMEs.

The results of this exploration are depicted in Chapter 3.

During the final Phase 3 of the study, two digital co-creation workshops were organised in June 2021, in which overall 43 SE experts and stakeholders together with our team collectively produced recommendations on how social economy business models, strategies, policies, and intermediaries can stimulate cross-border activities.

The synthesis of all information obtained, and the recommendations extracted thereafter are available in Chapter 4.

At this point, we would like to mention that the interviews with the experts, SE intermediaries, SE cases as well as the two digital co-creation workshops were performed during the COVID-19 pandemic. We would like to thank all interviewees and contributors to this study for their time insights during this difficult period, as in many cases they were also engaged in COVID-related alleviation projects, and despite their limited time they were all interested and willing to provide us with valuable perceptions and information on this important topic.

1. Assessing the state of play of social economy cross-border activities from the literature, expert interviews, and stakeholder surveys

1.1. Introduction

This chapter describes what has been known on the subject in the literature at the start of the project. This state of play has been extended and updated with information from interviews in 2020 with experts in the field, as well as a survey among stakeholders (see Annex 2 for the list of expert organisations and the survey).

This chapter serves to construct a conceptual framework from which interview and surveying questions can be derived and that would be relevant to address in the case studies. The framework covers **European initiatives** that address cross-border SE activities (section 1.3), concepts on various **dimensions** (section 1.4) that help to understand the dynamics of various **types** of transnational social economy activities (section 1.5). **Barriers** to these cross-border activities are addressed in section 1.6.

In the following section 1.2. we first address the specifics of internationalisation of social economy entities versus traditional, for-profit small and medium size enterprise (SMEs).

1.2. Social economy versus traditional, for-profit SMEs

The social economy is made up of a range of entities operating with different business and organisational models. They operate across many sectors, including but not limited to: agriculture, forestry and fishing, construction, reuse and repair, waste management, wholesale and retail trade, energy and climate, information and communication, financial and insurance activities, real estate activities, professional, scientific and technical activities, education, human health and social work activities, arts, culture and media.

The entities that make up the social economy share a base set of common principles and features, namely: the primacy of people as well as social and/or environmental purpose over profit, the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users (“collective interest”) or society at large (“general interest”) and democratic and/ or participatory governance. Social economy entities are private, possess specific legal forms and are independent of public authorities.

Social enterprises are now understood to be a part of the social economy. These entities provide goods and services to the market in an entrepreneurial and innovative way, with social and/or environmental goals as the motivation for their commercial activity. Most of their profits are usually reinvested into their societal/environmental objective. Their organisational and ownership methodology follows democratic or participatory principles or focuses on social progress. They may utilise a variety of legal forms, depending on national context⁸. Social economy (SE) ranging from SMEs to large companies, are enterprises that share common aims, principles, and values that define a business model different from the one of traditional for-profit enterprises. This model is characterised by: primacy (over capital interests) of the mutual or the social objective of achieving social impact through their activities or the people they employ (covering a wide range of social missions, from protecting the environment to promoting financial inclusion); inclusive (democratic or

⁸ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

participatory) governance to safeguard their social mission; business practices based on the principles of solidarity and responsibility, transparency and accountability; autonomous management and independence from public authorities; and reinvestment of most of the profits/surpluses to carry out social and sustainable development objectives or to provide services of interest to members or the general public.

A growing and more recent subset are social enterprises. These are organisations that (SBI definition): “engage in economic activity; pursue a social aim; prioritise the social value and impact creation aim over profit making; are independent of the state and other organisations; and have an inclusive decision-making process”.

Compared to for-profit SME internationalisation, the barriers to internationalisation of the social economy are less well known. The OECD⁹ identified that for SMEs the main barriers are:

- Shortage of working capital to finance exports
- Identifying foreign business opportunities
- Limited information to locate/analyse markets

The conclusion of this OECD report is that barriers that relate to capabilities are dominant (see also Ratten et al. 2007)¹⁰, and that these barriers tend to “*decrease as firms develop further experiential knowledge in international markets. This is consistent with the dominant theories for explaining SME internationalisation behaviour, notably the stage of development models (Johanson and Vahlne, 1977)*”.

From interviews with experts, we learned that the **barriers** which are specific for social economy actors, involve:

- A lack of understanding of the functioning of the sector in other countries
- Their small size and low degree of recognition and visibility, which negatively affects their access to finance
- The varying regulatory environments in SE across EU countries, and barriers related to different legal forms
- A lack of strategic visioning and orientation towards embracing with cross border activities, and
- A lack of funding that takes into consideration the specificities and objectives served by social economy.

There are also drivers specific for social economy, notably the strength of cooperation and solidarity that does not stop at country borders. Theory on internationalisation of for-profit organisations is focused on explaining different activities like export and foreign direct investments that are seen as stages in becoming a multinational company. International replication of for-profit ventures is often based on (nationality of) ownership and control gained by foreign direct investments (FDI)¹¹. From the business perspective (in terms of control, return, risk, and resources), four main modes or stages are distinguished by Johanson and Vahlne (2009) as the common internationalisation pathways or processes on a scale from lower to higher degree of internationalisation:

- (1) Domestic enterprise; operates exclusively at the domestic level.
- (2) Export entry mode: only carries out exports to foreign countries (minimum degree of internationalisation).

⁹ OECD (2009), “Top Barriers and Drivers to SME Internationalisation”, Report by the OECD Working Party on SMEs and Entrepreneurship, OECD.

¹⁰ Ratten, V., Dana, L. P., Han, M., & Welpel, I. (2007). Internationalisation of SMEs: European comparative studies. *International journal of entrepreneurship and small business*, 4(3), 361-379.

¹¹ Hymer, S.H. 1976. *The international operations of national firms: A study of foreign direct investment*. Cambridge, MA: MIT Press.

- (3) Contractual agreement entry modes: operates in foreign markets through licenses or franchises (medium degree of internationalisation).
- (4) Equity entry modes: operate at a global scale through joint ventures or wholly owned subsidiaries (maximum degree of internationalisation) (Johanson and Vahlne, 2009).

Recent work on internationalisation of SMEs shows that networking and strategic alliances is a type of internationalisation that has grown in importance, and the dominant pathway from export to foreign ownership has been contested with the emergence of 'born-global' SMEs¹².

As modes or types of transnational activities for the social economy, we differentiate (see section 1.4) between: distribution (not mere export), replication (not merely equity/ownership based), sourcing (which is broader than import), and collaboration and collective impact (which is broader than contractual business agreements).

The (ESEM) European Social Enterprise Monitor (2021)¹³ shows that social enterprises operate most frequently at the local authority/city level (44%), followed by the national level (41%) and at own neighbourhood/community level (33%). 67% of ESEM social enterprises operate solely in the country where they are based; 15% of the responding SE operate at the European level and 20% operate internationally beyond Europe. 7% operate at all three levels: nationally, European and internationally beyond Europe" (ESEM 2021, p. 48).

Regarding the **motives** of social economy for internationalisation, the consulted experts and stakeholders highlighted "softer" motives, such as building alliances and informal networks, sourcing – and probably adopting – innovative approaches. Such motives are not necessarily connected to generating revenue or accessing the internal market with products/services, although some experts did mention that these motives may play a role in certain cases. The OECD (2009) lists studies on SME internationalisation and regarding motives that are found in EU countries which refer to the search for markets, knowledge and networks. A difference mentioned by an expert interviewed is that "*social enterprises invest from their heart and passion, less from a business model calculation*".

The EC is fostering a higher participation rate of SMEs in territorial programmes and institutional EU cross-border cooperation already for a longer period since 1990s; however, the main difference between a social enterprise and a SME in cross-border cooperation is initially based on two main constraints:

(1) The difficult position of social economy entities compared to commercial enterprises due to:

- Social enterprises' social value orientation over profit-making,
- Spatial embeddedness of local contextual solutions (goods and services), which makes replication difficult due to varying legal and issue centrality in different spatial contexts,
- Financial barriers for sourcing, distribution, co-creation of local solutions in a cross-border and/or international setting, thus social enterprises' need to lower transaction costs or to increase their finance for market entry in a cross-border setting.
- The relatively small size of the social economy sector in most European countries and border regions¹⁴.

(2) Although social economy entities are mostly micro, small, and medium-sized enterprises (SMEs), and thus, can benefit from all European programmes (such as COSME, ESIF and

¹² Bell, J., McNaughton, R., Young, S., & Crick, D. (2003). Towards an integrative model of small firm internationalisation. *Journal of international entrepreneurship*, 1(4), 339-362.

¹³ <https://euclidnetwork.eu/portfolio-posts/european-social-enterprise-monitor-esem>

¹⁴ Wevers, H. T., Voinea, C. L., & de Langen, F. (2020). Social Entrepreneurship as a Form of Cross-Border Cooperation: Complementarity in EU Border Regions. *Sustainability*, 12(20), 8463

the European Social Fund), they face different **barriers** than traditional for-profit SMEs in terms of cross-border activities. This is due to:

- Lack of understanding of their functioning,
- Their small size and low degree of visibility that negatively affect access to finance,
- Varying regulatory environments across EU countries,
- Operational obstacles for some legal forms of social economy entities that may affect applicability of State Aid rules, or access to public procurement processes, and
- Their successful functioning is more complicated because they must combine entrepreneurial skills with the skills related to their social impact models¹⁵.

1.3. European initiatives that address cross-border activities of the social economy

Nevertheless, transnational, and cross-border activities become more visible. This has also been facilitated by emerging social and environmental needs, and availability of (e.g., digital) infrastructures enhancing cross-border cooperation¹⁶. These developments lead to multi-stakeholder debates specifically on what kind of cross-border cooperation is needed for social enterprises and social economy development in Europe¹⁷. An important example of a conclusion adopted by the Council for cross-border activities in Europe is “*The promotion of the social economy as a key driver of economic and social development in Europe*”¹⁸ in 2015. Through which the European Council of Ministers for Employment, Social Policy, Health and Consumer Affairs promoted the social economy as a vital enabler for well-adjusted economic and social development in Europe. Thus, recognising that the social sector has grown in importance for European integration¹⁹.

There have been attempts to harmonise legal forms at EU level. Harmonisation has so far only been reached with the EU Statute on Cooperatives²⁰ that was originally proposed in 1991 and entered into force in 2003. Previous proposals include a Regulation on the Statute for a European Association, also proposed in 1991 yet withdrawn in 2006²¹. A resolution on non-profit-making associations in the European Communities proposed and dispatched in 1987²². In 2011, a declaration on establishing a European statutes for mutual societies, associations and foundations was adopted by the European Parliament²³. A crucial recent development is a report containing recommendations to the Commission on a statute for

¹⁵ Source: [Social economy in the EU | Internal Market, Industry, Entrepreneurship and SMEs \(europa.eu\)](#)

¹⁶ Espada, JS., Lopez, SM., Duran, PB & de las Vacas, GLP. (2018). Education and training in social entrepreneurship: characteristics and creation of sustainable social value in social entrepreneurship projects. REVESCO-REVISTA DE ESTUDIOS COOPERATIVOS, 0 (129), 16- 38. 10.5209/REVE.62492

¹⁷ The Institute of Public Affairs (Poland), the European Federation of Ethical and Alternative Banks - FEBEA, the bank Crédit Coopératif (France), the Social and Economic Investment Company - TISE and the European Euclid Network, at Polish Social Economy Meetings (OSSES - main annual Polish conference dedicated to the social enterprises sector) co-organised a side-event and two main topics were discussed 1) exploration of the potential for establishing cross-border financial mechanism under the scheme proposed by the European Commission in the European Social Entrepreneurship Funds regulation (EuSEF) (that had been approved by the European Parliament just before the meeting in Kraków). 2) social impact methodology and indicators together with the creation of an internet platform for spreading good practices of social enterprises. Source: [Report](#)

¹⁸Source: [GEN \(europa.eu\)](#)

¹⁹ Liptrap, J. S. (2020). A Social Enterprise Company in EU Organisational Law?. *University of Cambridge Faculty of Law Research Paper*, (32).

²⁰ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3A126018>

²¹ COM(91)273 final

²² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52011XP0101>

²³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52011XP0101>

cross-border European associations and non-profit organisations by the European Parliament, with MEP Lagodinsky as rapporteur of the legal affairs committee. The report was published in January 2022, and officially adopted by the parliament in February 2022²⁴. The report calls for two legislative instruments: a statute for a European association based on Art. 352, which would set the conditions and procedures governing the creation, governance, registration and regulation of legal entities in the form of a European association. Together with a directive based on Art.114 on common minimum standards for non-profit organisations (NPOs) in the union, with the goal of levelling the playing field among such entities through the adoption of common standards.

A more **bottom-up** attempt to promote a European approach concerned the signing of the Madrid Declaration²⁵ by the governments of 11 EU Member States.

The declaration called for:

- Understanding and support for diversity in the forms of social economy and taking into account the particularities of the social economy entities in the Single Market,
- Participation of the social economy in educational activities, and inclusion of social economy entrepreneurship in curricula,
- Developing satellite accounts (next to national accounts of the economy) to make the contribution of the social economy to economic growth and social cohesion,
- Policies to support entrepreneurship should consider social economy entrepreneurship,
- Coordination of policies and measures in favour of the social economy,
- Steps towards developing the European Social Economy Action Plan²⁶.

The European Commission and the City of Mannheim jointly held a European Summit on Social Economy on 26-27 May 2021²⁷. The event aimed to strengthen the social economy in Europe and establish links between the different social economy stakeholders in the member states, and harness its contribution to economic development, social inclusion as well as green and digital transitions. The main output of the summit is the Mannheim Declaration on Social Economy²⁸. The Declaration is strengthened by its participatory approach with more than 3,000 participants representing the rich diversity of the social economy in Europe. The declaration identified the needs to strengthen the social economy in Europe in particular, in 10 domains: policy strategies, legal and regulatory framework arrangements, improving access to finance, investment and recovery, training, education and workforce development, social innovation, utilising networks and cross-sectoral partnerships, providing better access to markets, social economy relevance to health sector due to COVID-19, visibility and awareness raising, creating public recognition and consumer demand. These recommended measures require coordinated efforts and active support of the European institutions, national, regional and local governments, as well as all stakeholders of the social economy and civil society. Before the signature of the Mannheim Declaration, between 2009 and 2017 the European institutions have implemented several initiatives in relation to the social economy, or for social enterprises. While this opened a

²⁴<https://oeil.secure.europarl.europa.eu/oeil/popups/printficheglobal.pdf?id=711042&l=en>

²⁵ Signed by Spain, Luxembourg, Portugal, Greece, Italy, Romania, Sweden, Slovenia, Cyprus, Bulgaria and Malta. The full text is available at: <http://www.lavoro.gov.it/notizie/Documents/2017-05-23-DICHIARAZIONE-MADRID-English-Version.pdf>

²⁶ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

²⁷ Source: [European Social Economy Summit | Mannheim | 26.-27.05.2021](https://www.euses2020.eu) – accessible from: [euses2020.eu](https://www.euses2020.eu)

²⁸ Available at: <https://www.euses2020.eu/wp-content/uploads/2021/05/Mannheim-Declaration.pdf> [last accessed December 2021]

new period of European public policies; few advances have been made concerning shared understanding and standardisation of legal forms^{29,30,31,32,33}.

The declaration fed into the preparations of the European Social Economy Action Plan (SEAP), which looks into:

- 1) Social Innovation
- 2) Development of the Social Economy
- 3) Boosting its economic and transformative potential.

The SEAP is borne out of a recognition of the scale of the social economy which is made up of 2.8 million entities alone in the European Union. Together with an acknowledgment of its importance for implementing principles of the European Pillar for Social Rights and achieving a range of EU headline targets. The plan also highlights the potential developmental dividends provided in terms of economic and job creation potential. To support innovation the plan provides for a series of actions over the next decade, focused mainly on awareness raising and dissemination of key lessons learnt. Further provisioning to create new financial products and increase grant support for SE in order to lessen their financial burden. The action plan also duly recognises the importance of cross-border activities for SEs, as such, the plan commits to expanding the European Social Economy Regions Network to reinforce new regional and local partnerships. Furthermore, efforts will be invested to also leverage the EEN in order to enhance networking between rural SEs and strengthening the internationalisation of the social economy by mobilising European level business networks. A key development outlined by the plan is the 2023 launch of the EU Social Economy Gateway, which will provide a single-entry point for all SE stakeholders. The gateway will ease SE access to funding programmes and allow them to establish transnational partnerships more effectively²⁶.

Despite the rising recognition of SE's potential, various experts interviewed think that the current SE sector is limited to the regional and local levels and thus, cannot reach a critical mass to create substantial impact in a cross-border setting. Yet, they also indicate that a significant untapped potential does exist for social entrepreneurship and institutional EU cross-border cooperation, e.g., via INTERREG or the European Grouping of Territorial Cooperation (EGTC) instrument. Although the potential for the social economy from cross-border public procurement is untapped and not clear³⁴, Member States can complement

²⁹ CIRIEC - Recent evolutions of the Social Economy in the European Union - 17_393_FINAL STUDY.

Accessible from: http://www.ciriec.uliege.be/wp-content/uploads/2017/10/RecentEvolutionsSEinEU_Study2017.pdf

³⁰ WeareEurope.Org (2018) European Associations: The Political Debate and Basic Legal Questions.

Accessible from: https://we-are-europe.org/wp-content/uploads/2018/09/wae_eas_historyandlegal_100918.pdf

³¹ The European Economic and Social Committee (EESC) calls for the strengthening of and targeted support for social enterprises and other social economy entities. The EESC believes that a Protocol on diversity in types of enterprises should be annexed to the TFUE, including a separate definition of non-profit social enterprises. Besides, the EESC estimates that support for non-profit social economy entities should be addressed in the Social Scoreboard linked to the European Semester Source:

<https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/strengthening-non-profit-social-enterprises-essential-pillar-socially-equitable-europe-exploratory-opinion-request>

³² Simon Loubris (November 21, 2003) European Association Status: the neglect of Europe's associations.

Accessible from: <https://cafebabel.com/en/article/european-association-status-the-neglect-of-europes-associations-5ae00603f723b35a145e01f2/>

³³ De Verenigde Verenigingen (2016) Proposal Paper "Caught between a rock and a hard place" CSOs entangled in European Legislation. Accessible from:

<https://www.deverenigdeverenigingen.be/downloads/standpunten>

³⁴ Deloitte (2020; p3): "The cross-border dimension of social health services in Europe, more specifically home care and youth care, is negligible. Of the 830 contract award notices published between 2016 and 2018, only 0.5% of awards had a cross-border dimension" Available: <https://www.rijksoverheid.nl/documenten/rapporten/2020/08/31/report-public-procurement-of-social-health-services-study-of-regulatory-burden-and-the-level-of-cross-border-dimension> [last accessed November 2021]

each other, leading to a sustainable form of cross-border cooperation³⁵. New approaches such as social franchising³⁶, cross-border philanthropy^{37,38} and technological, digital DGML (Design Global Manufacture Local)³⁹ are also part of these wider and deeper social economy societal debates⁴⁰ on further developing and increasing the impact of social economy in the EU. Several experts interviewed referred to the role of technology for increased internationalisation. The European Centre for Social Finance⁴¹ reported that from a sample of 200 social economy investments 50% still focused on non-digital solutions, while investments in the for-profit sector are predominantly focusing on technological and digital solutions. However, the interviewed experts also observed a trend of social enterprises based on digital platform models that follow an internationalisation pathway from the start. Examples of future trends are where platforms are combined with Artificial Intelligence (AI) or crypto currencies⁴².

We conclude with the insights from experts and literature that there are differences and similarities between social economy actors and traditional SMEs, which come down to and can be derived from the specificities of the social economy and social enterprises. Further insights in the diversity within the social economy are needed. Understanding cross-border social economy activities calls for a categorisation of social economy actors along relevant dimensions that may have a positive or negative effect on cross-border activities. In the next section the legal, spatial, business, and sector dimensions will be addressed. The differentiation between the main types (forms or modes) of cross-border activities of social economy actors are addressed in subsequent section.

1.4. Dimensions of cross-border activities

1.4.1. Legal dimension

Social Economy cannot be defined starting from a legal form, the legal form is rather a means to the end, a tool that facilitates achievement of their social goal. Social economy entities can possess several legal forms such as: associations, foundations, mutuals, cooperatives and social enterprises. For the latter, depending on the relevant frameworks, they may also choose, or be compelled to use any of the other social economy legal forms, or limited liability company status. Due to this legal diversity, and sometimes ambiguity, it is

³⁵ Wevers, H. T., Voinea, C. L., & de Langen, F. (2020). Social Entrepreneurship as a Form of Cross-Border Cooperation: Complementarity in EU Border Regions. *Sustainability*, 12(20), 8463.

³⁶ Social franchising is the use of a commercial franchising approach to replicate and share proven model to achieve greater social impact, e.g., Case of Impact Hub Giudici, A., Combs, J. G., Cannatelli, B. L., & Smith, B. R. (2020). Successful scaling in social franchising: The case of Impact Hub. *Entrepreneurship Theory and Practice*, 44(2), 288-314.

³⁷ EESC Report European Philanthropy: an untapped potential. Accessible from: <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/european-philanthropy-untapped-potential-exploratory-opinion-request-romanian-presidency>

³⁸ Breen, O. B. (2018). Enlarging the space for European philanthropy. European Foundation Centre (EFC) and Donors and Foundations Network of Europe (DAME). Accessible from: <https://www.efc.be/uploads/2019/03/Enlarging-the-Space-for-European-Philanthropy.pdf>

³⁹ Kostakis, V., Niaros, V., Dafermos, G., & Bauwens, M. (2015). Design global, manufacture local: Exploring the contours of an emerging productive model. *Futures*, 73, 126-135.

⁴⁰ Verena Ringler (29 August 2019) The EU needs a non-profit single market, Accessible from: erstestiftung.org

⁴¹ <https://ecsoffin.com/about-us/>

⁴² Skillab, for instance, uses AI to supports refugees in consolidating their skills profile. (e.g: Kleros, a French cooperative active in law, that de-centralises legal processes and use crypto-currencies to reward contributors to the platform). For further information on these cases please see Annex III of the present report that includes all 52 cases of SE actors involved in cross-border activities

useful to study the legal dimension of social economy cross border activities through the lens of social enterprises, as we have done below.

Cross-border activities of social economy entities are subject to legal and regulatory framework conditions and differences among EU countries. The State of Social Enterprise in Europe 2020-2021 Monitor (ESEM) report⁴³ highlights the presence of 65 different legal forms of social enterprises active across 17 Sustainable Development Goals. The legal form a social economy entity takes is strongly influenced by the legal framework within which it operates, an issue explored through the OECD's manual on "*Designing Legal Frameworks for Social Enterprises*"⁴⁴, written in collaboration with the European Commission. In doing so, the researchers try to explore what drives the EU countries to legislate (or not) on social economy as well as identify the issues that aim to address the frameworks that exist, such as tax regulations and associated fiscal implications. Considering the true multitude, the choice of an adequate legal form for social enterprises remains a challenge⁴³. As such, one study found that an average of 64% of social enterprises find value in having a specific social enterprise legal status while 13% do not⁴⁵. According to the information collected, for example in Sweden, social enterprises are considered any company, regardless of their legal form, for which business operation is a means to achieve one or more specific public benefit goals, such as reducing exclusion, improving the climate and environment, or contributing to a more secure living environment. In Spain, for instance, social enterprises include all organisations that try to solve a social problem and can include both social economy related legal forms – foundations, insertion companies, special employment centres, cooperatives – as well as those that operate within the legal framework and tax of commercial companies but whose main mission is to achieve a positive social impact⁴⁶.

Social enterprises in Europe are affected by the Single Market's rules in e.g., banking regulations, access to structural funds and the application of public procurement rules, such that the different stages of social enterprise development reflect a significant degree of important historical and contemporary interactions between the social enterprise and single market⁴⁷.

Social enterprises utilise different social, economic and governance criteria, than for-profit enterprises, to access finance, produce and distribute profit due to the intrinsic nature of social economy⁴⁸. This intrinsic nature is based on features such as:

- The primacy of the individual over capital,
- The primacy of the social objective over capital,
- Voluntary and open membership,
- Profit use and distribution criteria,
- Solidarity and democratic governance.⁴⁹

⁴³ Dupain, W., Pilia, O., Wunsch, M., Hoffmann, P., Scharpe, K., Mair, J., Raith, M., Bosma, N. (2021), "The State of Social Enterprise in Europe – European Social Enterprise Monitor 2020-2021". Euclid Network Accessible at: [euclid-network-esem-report-final-screen.pdf \(sena.or.at\)](https://www.euclid-network.org/euclid-network-esem-report-final-screen.pdf) [last accessed August 2021]

⁴⁴ For further information, please visit: <https://www.oecd.org/cfe/leed/social-economy/legal-frameworks.htm>

⁴⁵ The European Social Enterprise Monitor has engaged more than 100 social enterprise support organisations and 1,000 social entrepreneurs in its first year, Further information available at: [euclid-network-esem-report-final-screen.pdf \(sena.or.at\)](https://www.euclid-network.org/euclid-network-esem-report-final-screen.pdf) [last accessed August 2021]

⁴⁶ Spain NAB, 2019. *Publicación: Hacia una economía de impacto* as cited in European Social Enterprise Monitor 2020-2021 Further information available at: [euclid-network-esem-report-final-screen.pdf \(sena.or.at\)](https://www.euclid-network.org/euclid-network-esem-report-final-screen.pdf) [last accessed August 2021]

⁴⁷ Matei, L., & Matei, A. (2015). The single market and the social enterprise. From models to realities in some EU member States and countries from the Balkans. *International Review on Public and Nonprofit Marketing*, 12(1), 63-77.

⁴⁸ European Center for Non-Profit Law (2019). *Briefer on cutting edge trends in social enterprise regulation* Available: <https://ecnl.org/sites/default/files/files/Briefer-on-social-enterprise-regulation.pdf>

⁴⁹ Golubović, D., & Hartay, E. (2012). Legal framework for social economy and social enterprises: A comparative report. *Bratislava: UNDP*.

In practice, the aforementioned legislative diversity means that the legal differentiation between traditional commercial companies and companies that do not pursue profit as a primary aim, and prioritise social impact varies between member states and sometimes is unclear⁵⁰. This variation, coupled with the fact that SEs face the complexity of choosing from a very diverse range of legal forms that are not tailored to their operating models⁵⁰ can lead to several legal challenges for cross-border operations of SEs⁵¹. As some social economy entities become more market oriented and provide professional services or products to attain their social mission, they may start seeking more extended forms of support used by other successful businesses. However, instead of potentially benefitting from the full range of tax advantages available to other types of entities, or more flexibility in developing market activities due to their social mission. Some types of legal entities are excluded from traditional commercial support (business agencies, investment funds), have to develop complex legal setups or encounter opposition from the traditional social sector because of their market-oriented activities.

For social economy enterprises, these legal barriers (Table 1) arise with respect to:

- Legal recognition as a social enterprise (e.g., in the context of freedom of establishment)
- Business models and functions (including digital forms)⁵² with limited profitability
- Access to finance (e.g., that are yet subject to non-differentiating financial, tax, competition, state aid laws and public procurement frameworks)
- Sectoral regulations that apply to business activity of social enterprises in providing services (e.g., waste directives, health regulations, labour regulations, regulated professions (see European Single Market report 2020-2021 health and social services)).

Table 1: Horizontal Legal Issues for SEs

Legal Aspects	Underlying Context	Effect and Outcome on SEs
Freedom of Establishment	Legal forms widely vary between Member States.	In order to exercising this freedom, SEs are obliged to re-register in another MS sometimes with a different type of legal forms that the one used in the first MS
Competition Law, Taxation and State Aid	SEs fall within the scope of competition rules no different to a for-profit business entity, the rules applicable to services of general economic interest under Article 106(2) TFEU and its supplementary and interpretive texts	Difficulties in operationalisation of preferential tax treatment for SEs; legal ambiguity about whether selective advantage (e.g., tax exemption) is to be applied to SEs

⁵⁰European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

⁵¹ The European Economic and Social Committee (EESC) offers a Protocol on diversity in types of enterprise should be annexed to the TFEU, along the same lines as Protocol No 26 on SGIs, and calls on the Member States to include this revision on the upcoming reform agenda

⁵² To improve conditions of access to finance and technology, e.g., the German Prototype Fund provides micro-financing for civic technology projects: <https://prototypefund.de/en/> and initiative to help finance security improvements in Open Source Software that is often not established commercially): <https://juliareda.eu/fossa/> and <https://juliareda.eu/2019/07/fossa-cybersecurity/>

Freedom to provide services and participate in Public Procurement	The division of tenders into lots and award criteria based on the most financially advantageous offer ⁵³	Modest size and more tenuous access to sources of investment financing for SEs are competitive handicaps, whatever the type of activity envisaged
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In addition, no equivalent to the European “company” concept exists for all social economy entities other than the European Cooperative Society Statute⁵⁴, which only applies to cooperatives. That being said, a social enterprise can choose to use Directive 2009/102/EC, and thus establish themselves as a European company. However, if they were to do so, their social mission would not be legally appreciated.

Table 2: Variety of Legal Forms

Legal Form	Definition	Member States
Social enterprises	<p>⁵⁵. The social economy action plan defines social enterprises operators providing goods and services for the market in an entrepreneurial and often innovative fashion, having social and/or environmental objectives as the reason for their commercial activity. Profits are mainly reinvested with a view to achieving their societal objective. Their method of organisation and ownership also follow democratic or participatory principles or focus on social progress. Social enterprises adopt a variety of legal forms depending on the national context.</p> <p>can adopt a variety of legal forms and constitute a specific part of the social economy on their own. Therefore, for the purposes of our study it is valuable to discuss them as a whole even if they adopt varying legal forms depending on context.</p>	<p>Active and acknowledged in all EU Member States, with each country having its own working definition of social enterprise, varying in closeness to the EC’s operational categorisation⁵⁶. Their degree of acceptance varies from politically and legally accepted, to self-recognition (Ireland, Italy, UK), to challenged by social economy or other concepts (Belgium, France, Greece, Luxembourg, Portugal, Spain, Cyprus, Denmark), to not commonly used or narrow understanding (Austria, Denmark, Finland, Germany, Netherlands, Finland, Serbia) to emerging acceptance (Albania, Turkey).⁵⁶</p>

⁵³ See Deloitte (2020) Report public procurement of social health services: Study of regulatory burden and the level of cross-border dimension Commissioned by the Dutch Ministry of Health, Welfare and Sport (VWS), the Department of Legislation and Legal Affairs (WJZ) Accessible: [report-public-procurement-of-social-health-services-study-of-regulatory-burden-and-the-level-of-cross-border-dimension.pdf \(sociaalweb.nl\)](https://www.sociaalweb.nl/reports/report-public-procurement-of-social-health-services-study-of-regulatory-burden-and-the-level-of-cross-border-dimension.pdf)

⁵⁴ For the full legal text please visit <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3A126018>

⁵⁵ Dupain, W., Pilia, O., Wunsch, M., Hoffmann, P., Scharpe, K., Mair, J., Raith, M., Bosma, N. (2021), “The State of Social Enterprise in Europe – European Social Enterprise Monitor 2020-2021”. Euclid Network Accessible at: [euclid-network-esem-report-final-screen.pdf \(sena.or.at\)](https://www.euclid-network.eu/wordpress/wp-content/uploads/2021/08/sena.or.at) [last accessed August 2021]

⁵⁶ Borzaga, C., Galera, G., Franchini, B., Chiomento, S., Nogales, R., & Carini, C. (2020). Social enterprises and their ecosystems in Europe. *Comparative synthesis report. Luxembourg, LU: Publications Office of the European Union.*

Cooperative Societies	Enterprises that serve the needs of their members who contribute to their capital. An open and voluntary association, a democratic structure with each member having one vote, it aims for an equitable and fair distribution of economic results according to the volume of operations made through the cooperative	Active and hold substantial market shares in industries in many sectors (e.g., <i>Agriculture</i> - the Netherlands, Finland, Italy, France; <i>Forestry</i> – Sweden, Finland; <i>Banking</i> - France, Cyprus, Finland, Austria, Germany, <i>Retail</i> - Finland and Sweden; <i>Pharmaceutical and health care</i> – Spain, Belgium)
Mutual Societies	Managed according to solidarity principles between members who participate in its corporate governance and are intended to be accountable to those whose needs they were created to serve.	Insurance and finance market; Health (providence) market
Public Benefit Foundations	A non-membership organisation with assets designated to pursue any legitimate philanthropic goals	Depending on a country, those goals may be for public benefit (Spain, Slovenia) or for public and mutual benefit (Italy). A foundation may be established by a solo founder (legal or natural person).
Non- Profit Associations	A voluntary membership organisation which may pursue any legitimate mutual or public benefit goal. Both legal and natural persons may be the founders of an association. Associations are subject to the profit non-distribution constraint.	While registration (i.e. obtaining the legal entity status) is voluntarily, it is essential for an association to acquire the public benefit status, or register as a SE (e.g., Italy, Spain, Slovenia)

Source: [Social economy in the EU | Internal Market, Industry, Entrepreneurship and SMEs \(europa.eu\)](#) and European Center for Non-Profit Law (2012.) *Legal Framework for Social Economy and Social Enterprises: A Comparative Report*. Available from: https://ecnl.org/sites/default/files/2020-09/442_ECNL%20UNDP%20Social%20Economy%20Report.pdf

The below discussion of legal aspects does not include social enterprises, as mentioned previously and stated in the Social Economy Action Plan (2021) Social enterprises⁵⁷ are generally understood as part of the social economy. However, “Social enterprises adopt a variety of legal forms depending on the national context”⁵⁰.

Legal aspects associated with the type of activity of various legal forms

⁵⁷ Since the SBI, the term “social enterprise” has been deployed in a number of EU legal texts for funding purposes. See definitions in Regulation (EU) No 1296/2013 on a European Union Programme for Employment and Social Innovation; Regulation (EU) No 346/2013 on European social entrepreneurship funds; Regulation (EU) 2021/1057 establishing the European Social Fund Plus.

A) Foundations – i.e., Philanthropy – Asset Formation and Use

Engaging in transnational mission, impact-oriented investments, and asset formation raises specific legal challenges especially for public benefit foundations and donors. These challenges largely arise due to the great diversity of organisational forms and legal frameworks for philanthropic organisations in the EU. A situation explained by a century of political compromises and tensions on how to fit philanthropy into the modern market economy. The greatest challenge foundations face in this situation is the tax treatment of cross-border donations. Additional challenging legal aspects concern the difficulty in moving the seat of the foundation that creates legal uncertainties, the impossibility of cross-border mergers, tax barriers for donors and regulatory barriers for receiving foreign funding from donors. Such legal hurdles to cross-border philanthropic entities also deter the improvement of the conditions for social economy actors to access social impact finance.

A joint DAFNE and EFC project⁵⁸ has recently published a comprehensive review of these legal issues and the needs for EU and national level measures to stimulate more foundation engagement on the impact investing into social business and more mission-related investments.

According to their research, foundations and philanthropic organisations come into the social economy sphere from two angles: as social economy actors themselves (facing issues to their cross-border activities) and as funders of and investors into the social economy.

Despite the fact that the cross-border engagement of foundations and funders is growing, the administrative environment for cross-border donations tax treatment, even within the European Union, is still far from satisfactory thus limiting cross-border philanthropy. To address this issue, the European Court of Justice (ECJ) recognised the application of the free movement of capital to philanthropic funds along with ensuring that the principle of non-discrimination applies to donors and foundations in the EU. Following this treaty principle, donors must present a case-by-case comparability analysis to access favourable taxation rules for their cross-border donations⁵⁹ ⁶⁰. However, this does not yet work in practice, instead inflating compliance and administrative costs and feeding uncertainty amongst donors⁶⁰. Thus, EU and national policy makers have called to improve this situation. Philanthropic organisations are challenged by various legal, administrative, and fiscal issues. As a result, a high amount of available funding is “lost”: in the feasibility study on the European Foundation Statute this amount has been estimated to be 90-100 million Euros per year⁶⁰. To remedy this, apart from a commitment to follow up with infringement procedures where EU law has been wrongly applied and thus limited cross-border engagement. The EC, through its recently released Social Economy Action Plan, also states its intention to launch a homogenised guide on the correct tax treatment of cross-border donations⁵⁰.

Table 3: Barriers to cross-border activity of public benefit foundations/philanthropy

Challenge	Explanation
Recognition of Foreign Foundations	Philanthropic organisations sometimes need to register or create a branch before they are able to operate in another country in Europe. The legal personality is not always recognised abroad. Some Member

⁵⁸ For more information please visit: www.philanthropyadvocacy.eu

⁵⁹ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

⁶⁰ Hopt, K. J., von Hippel, T., Anheier, H., Then, V., Ebke, W., Reimer, E., & Vahlpahl, T. (2009). Feasibility study on a European Foundation Statute. Final Report.

	States require a special registration process or even creation of a branch in order for the foreign foundation to be able to operate in their territory.
Cross-Border Merger of Foundations	Philanthropic entities cannot merge across borders as companies can.
Cross-Border Transfer of the Seat	Need to register in the second Member State
Complex Impact Investing and Asset Administration rules (not always cross-border context)	Some national laws require a preservation of the value of the endowment – and mission related investment or investment in social enterprises do not always generate the required returns (or are considered too risky) – and some national laws do not permit the giving of loans by public benefit organisations or any other programme activity that generates income on the programme side.
Restrictions on Foreign Funding	Whereas philanthropic funding should flow freely according to the EU principle of free movement of capital within the internal market, there is a new worrying phenomenon of so-called foreign funding/foreign agent restrictions.
Discrimination of cross-border philanthropy and complex procedures	Some governments have not yet introduced the non-discrimination principle and the free flow of capital but continue to discriminate comparable foreign EU-based public benefit organisations and their donors from local ones. There are still rules in place which provide that non-resident foundations (and their donors) are denied all or some tax benefits which domestic legislators have granted to resident foundations (and their donors). If discrimination is formally removed rules and processes are often so complex, costly and lengthy that significant barriers to cross-border philanthropic action remains.

The potential solutions for foundations and philanthropy organisations to address the challenges abovementioned can be identified in the pathways described in the next chapter.

B) Cooperatives – i.e., Agri-Food Sector – Closed and Local Orientation

Cooperatives have been existing approximately for two hundred years now⁶¹, operate in different social (economical) fields and have a longer life expectancy than for-profit

⁶¹ The first documented [consumer cooperative](#) was founded in 1769 in the UK. Source: [The meaning of Rochdale](#)

(business) societies⁶². Cooperatives have been facing certain drawbacks in relation to access to sources of capital in the capital market, due to which they have been oriented towards their own resources or loans.⁶³ This is why, in the last two decades, cooperative law has undergone reforms⁶⁴ to ensure that cooperatives have an equal position in relation to other economic entities, in accordance with the principle of freedom of entrepreneurship, and to provide them with additional options for the collection of their own capital. The reforms are characterised by a tendency of diminishing differences between cooperatives and companies, in favour of the latter model.

Regarding the Statute for European Cooperative Society, evidence on its effectiveness is mixed⁶⁵. According to the research conducted in the “*Study on the implementation of the regulation 1435/2003 on the statute for European cooperative society*”⁶⁶ (2014) seventeen (17) SCEs were identified, showing that the SCE regulations had only limited success, a fact also demonstrated by the limited indirect approximation effect on the national cooperative legislation.⁶⁷ Although the Statute favours internationalisation, cooperatives do not tend to think globally. For instance, in the agri-food sector⁶⁸, cooperatives are often locally oriented. In Southern Europe, e.g., Spain and Italy, cooperatives are perceived differently when compared to the social economy, in contrast to Northern Europe e.g., in the Netherlands, which has a lower number of cooperatives. Expert interviews also highlight that the European Cooperative Societies Statute is important on a political and recognition level as it represents a milestone, with use value more as a reference point, notwithstanding its low application. In general, there is a lack of knowledge on how to correspond to cooperatives’ needs. According to expert interviews, for the statute to work, it is important to have legal experts who know more about the Statute and how it is implemented.

Overall, while cooperatives have grown in importance for the (social) economy over the past four decades, they face both long-standing and new challenges, resulting from globalisation or the presence of numerous national laws, but also from organisational and governance issues. Cooperatives have become more product-based and less region-based (in terms of member representation). In addition, cross-border-oriented cooperatives and producer organisations often experience legal uncertainty because of the absence or inconsistent application of international legislation.

Potential solutions for social economy entities in practice to these legal challenges are analysed with case studies in the following chapter.

⁶² Mićović, M. (2017). The legal nature and the framework for cooperative activities. *ЕКОНОМИКА пољопривреде*, 64(3).

⁶³ *ibid*

⁶⁴ UN Resolution 64/136 on cooperatives encourages the governments to consider the legal aspects of regulating the activities of cooperatives in order to increase the growth and sustainability of cooperatives (in the socio-economic environment that is rapidly changing), through the provision of equal opportunities for cooperatives relative to other business and social enterprises, including tax reliefs and access to financial services and markets

⁶⁵ <https://www.euricse.eu/publications/final-study-on-the-implementation-of-the-regulation-14352003-on-the-statute-for-european-cooperative-society-sce-part-i/>

⁶⁶ Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE) [EUR-Lex - 32003R1435 - EN - EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/eur-lex.do?uri=CELEX:32003R1435:EN:EUR-Lex)

⁶⁷ Cooperatives Europe, EURICSE and EKAI Centre, (2014), Study on the implementation of the regulation 1435/2003 on the statute for European cooperative society. European Commission - Directorate-General for Enterprise and Industry. Available online at: <https://op.europa.eu/en/publication-detail/-/publication/494bb15b-c34d-4bdf-8518-75d6bde38cbb>

⁶⁸ Agricultural cooperatives in Europe have a total of 60% of market share in the area of processing and marketing of agricultural products and around 50% shares in the procurement of raw materials. But they are also active in other sectors: there are about 4,200 credit cooperative banks across Europe with 63,000 branches and some 50 million members (about 10% of the European population), and average market share of about 20%. In the retail sector 3200 consumer cooperatives employ 400 000 Europeans, have 29 million members, 36,000 sales outlets and 73 billion Euros turnover.

D) Mutuals – i.e., Health and Insurance- Non-life health risks and life insurances

As defined at EC level, “mutuals are enterprises providing life and non-life insurance services, complementary social security schemes, and small value services of a social nature. Their primary purpose is to satisfy common needs while not making profits or providing a return on capital. Mutual societies are managed according to solidarity principles between members who participate in its corporate governance. They are intended to be accountable to those whose needs they were created to serve”⁶⁹.

Mutuals face major legal challenges – even barriers – when embracing cross-border activities due to their legal form as a mutual. As reported in a recent study⁷⁰, only in a minority of countries the legal framework for mutuals is wide enough for them to pursue activities that go beyond their traditional scope. Health mutuals are subject to specific legislation while dealing with risks, such as illness or disabilities, due to different historic trajectories of social security systems in EU countries. Insurance mutuals, on the other hand, cover all types of risk (e.g., accident, life insurance) and are normally subject to general legislation regarding insurance, e.g., MIFID, MIFIN. National legislations are fairly homogeneous with respect to insurance mutuals. Almost 70% of insurance companies in Europe are mutual societies⁷¹.

Overall, mutual businesses may be constrained if regulation unduly promotes the shareholder-owned business model or creates barriers to entry or unequal competition for mutuals. Moreover, numerous European mutuals report that existing legislative frameworks do not account enough for their non-profit nature, thus causing an undue administrative burden⁷². Legislators in some countries have been recognising the value of mutuals: e.g., in the UK, the national regulators are required to provide a cost-benefit analysis for any new rules, and within this are required to analyse whether there are any different consequences for mutuals, in France, the legislator has taken into consideration the characteristics of mutuals by asking the regulator to consider Société de Groupe d’Assurance Mutuelle (SGAMs) as a Group when applying Solvency II. Therefore, the EC plans to take such lessons from national legislation and utilise them in raising awareness amongst member states of the specificities of the mutual model⁷².

Our interviews with representatives of European mutual societies confirmed these barriers and provided an insight into how challenging the legal aspects can be. One respondent described that current legislation confines mutuals in their large part to operate within national territories, and thus inhibits their ability to use the single market to internationalise and especially fulfil their social mission better. They further informed us that although their organisation had made two attempts to enter the markets of two EU member states, in cooperation with local mutuals, the organisations were unable to find a way to achieve this while keeping their mutualist legal form pure.

Another respondent from a mutual society raised the issue of regulation, coming from their legal form. Namely, due to a plethora of EU regulations created with for-profit entities in mind, many mutuals are compelled to comply with rules that are neither suitable nor benefit them. Addressing why they are not suitable, it is mainly because the regulations do not account for mutual’s lack of access to capital markets, and their historically low risk of financial crime.

Both respondents underlined that the legal aspects associated with the mutual form, raise the risk of de-mutualisation, which they claim has been observed in the UK and North

⁶⁹ Obtained from: https://ec.europa.eu/growth/sectors/social-economy/mutual-societies_en

⁷⁰ PANTEIA (2017), “Mutuals In Europe: Who They Are, What They Do And Why They Matter”, obtained from: <https://www.aim-mutual.org/wp-content/uploads/2017/02/Mutuals-in-Europe-Who-they-are-What-they-do-and-Why-they-matter.pdf> [accessed August 2021]

⁷¹ [Mutual societies | Internal Market, Industry, Entrepreneurship and SMEs \(europa.eu\)](#)

⁷² European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

America. Conceivably, because of the current need to change their legal form to initiate cross-border activities and thus grow, mutuals may begin to transition away from their traditional models to continue business viability. *Potential solutions by social economy entities in practice to these legal barriers are analysed with case studies in the following chapter.*

E) Non-Profit Associations– i.e., Welfare Sector – Mitigation of Legal Barriers
Associations are in general active in sectors such as care, health care, education, and labour market at national level⁷³. Similarly, to social economy enterprises, associations find ways to overcome legal barriers when embracing cross-border activities which, however, lead to administrative challenges and costs that could otherwise be invested in social impact projects. For instance, in Sweden, they provide only a small share of publicly funded activities in sectors such as care, health care, education, and labour market. Yet, in all of these are areas for-profit companies continue to increase their share in recent decades⁷³.

Legal Forms, Barriers and Mitigation Strategies with respect to Sector and Type of Transnational Activity

The table below compiles the legal barriers and mitigation strategies identified in the most relevant case studies. It presents specific legal barriers that are connected to the SE organisation's legal form, type of cross-border activity, and cross-border activity pathway. SE organisations apply many mitigation strategies to address and overcome these barriers. Mitigation strategies, however, may come with additional pressure on organisational capacity and may force the SE organisation to invest more resources. Resources that could otherwise be invested directly in activities such as market analysis and marketing, partner acquisition, and setting up local activities.

⁷³ Source: Interview, e.g., in June 2018, the Swedish Government appointed a committee of inquiry to investigate and propose solutions to several legal problems, all associated with the use of different kinds of non-profit entities in the provision of welfare state services. The appointment of a committee of inquiry is the first step in the process for preparing reforms and new legislation in Sweden. The chair of the inquiry is Samuel Engblom.

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Name of organisation	Country of origin	Legal form	Sector	Countries with transnational activities	Type of organisation	Type of transnational activity
SEAL CYPRUS	Cyprus	Association	Education	All over Europe	NGO	Replication
	Although SEAL Cyprus never had legal implications in transnational cooperation activities, mainly via its EU-funded projects, the legal status of its project partners has been challenging with respect to the establishment of an entity, but also, in regard to the verification of the current status of an entity, the roles of the entity's officials, etc. Nowadays, it seems easier to find information in online public registries once directed by project partners who know the language and the places to search.					
IES Social Business School	Portugal	Association	Education	France, Mozambique, Algeria, Tunisia, Lebanon, Mongolia, Denmark, Slovenia, Ireland	Association	Replication
	The legal environment was not a critical factor during IES' cross-border operations since most of its presence in foreign markets did not need any local legal establishment (except for the first approach when creating a branch in Mozambique). The partnerships with local entities allowed IES to avoid legal barriers. However, the difficulty IES faced related to its branch in Mozambique and taxation requirement in Portugal. After establishing itself in Mozambique and generating income in the country, IES was then subject to significant taxation in Portugal. IES managed to develop a solution by applying for an NGO status to the Portuguese government, through which it became exempt from taxes. Obtaining the NGO status of public utility was possible due to operating a branch in a developing country (Mozambique in this case).					
Banca Etica	Italy	Cooperative	Financial services	Italy, Spain and the Netherlands	Cooperative	Replication, Collective impact
	FIARE Banca Etica is the first credit cooperative with branches in two European countries. The legal and operational challenges in this endeavour associated with the establishment of good cooperation and collaboration between FIARE (in Spanish, "the Foundation for Investment and Responsible Saving") and Banca Etica before the second would proceed to establishing branches in Spain. To this end, a contract was signed in 2005 between Banca Etica and FIARE through which FIARE was established as an "exclusive operating agent" of Banca Etica in Spain. From the 2005 agreement, FIARE launched its financial activities in the country. After years of stable collaboration between the two entities, FIARE merged into Banca Etica in 2013. A year later, in 2014, FIARE obtained the formal authorisation of the Spanish regulator (Bank of Spain) to operate as a bank under the Spanish legislation. Regarding the legal aspects associated with the expansion of Banca Etica in Spain, the target country was selected due to the similar legal frameworks governing banks between the two. Indeed, the legal framework in this occasion facilitated the process of opening branches in Spain.					
Smart	Belgium	Cooperative	Legal	France, Sweden, Spain, Netherlands, Italy, Austria, Germany	Cooperative	Collective Impact

Name of organisation	Country of origin	Legal form	Sector	Countries with transnational activities	Type of organisation	Type of transnational activity	
<p>Smart provides elements of social protection to freelancers and entrepreneurs. Its work requires working with local groups for co-creation and localisation, where markets and public institutions are not used to deal with cooperatives, e.g., in many places when it comes to public bids, there is a confusion in between Smart the organisation and Smart the individual cooperative member. Legal frameworks are not being adapted in particular for access to social protection at national and at EU level by public bodies, and there are varieties of different client profiles, and a need for autonomy and solidarity for the community of freelancers and entrepreneurs. Learning the field, especially when there are incentives for experimentation and social protection, becomes challenged due to changing realities of work and new contextual circumstances. In most situations, Smart has not been there before, and needs to be given the freedom to experiment as it has to learn and draw lessons, which can even be incorporated later into legislations relating to work, to be replicated elsewhere, and to be supported by the public more. Available legal forms (EU, national level) can be challenging for Smart in some countries due to the EU legislation about SMEs and micro enterprises. Financial regulations and rules in different countries for SMEs, larger enterprises, the entrepreneur or the collective, creates an identity scale problem. The most resource consuming activity for international activities is coordination and communication, mastering languages, transposing concepts, and large investments requirements, resultantly these activities deserve public support for experimentation and risk taking in this domain due to new and changing conditions for work.</p>							
Euskal Ikastolak Kooperatiba (EHI)	Herriko Europar	Spain	European Cooperative	Education	France, Spain	Cooperative	Replication
<p>Legal barriers especially included legal limitations that hampered joint and legally valid decision making (for instance, independent ikastolas registered in two different countries were not able to take legally binding joint decisions applicable for their own coordinated operations). There are challenges that affect the transnational cooperation of the ikastolas, mainly because Basque schools belong to three different public administration systems (French Ministry of National Education, and the departments of education of the Basque government and the Government of Navarre) across the two countries. The schools, therefore, have to abide by the requirements and rules set by these three systems, including on eligibility for funding for educational activities received from these administrations. Since the schools follow a harmonised approach and are coordinated by a single entity, EHI, pedagogical initiatives tend to be unified across the schools. However, frequently such pedagogical initiatives have to meet diverse standards and requisites imposed by the three different administrations – this means that the same initiatives often need to be adapted to the three different contexts in order to meet their specific eligibility requirements. The creation of EHI as a European Cooperative Society made it possible to establish a single legal framework under which all (Spanish and French) Basque schools could start to operate according to the same principles and systems, applying a unified Basque educational offer across the two countries. Ikastolas (which themselves are also cooperatives registered in their own countries) became members of EHI and are able to take decisions together over the European Cooperative’s activities, through its annual assembly. They also created a single Solidarity Fund (to which each Ikastola contributes financially) to channel funding to those ikastolas that face economic difficulties or require financial support for special pedagogical projects.</p>							

Name of organisation	Country of origin	Legal form	Sector	Countries with transnational activities	Type of organisation	Type of transnational activity
The Mobility Factory	Belgium	European cooperative	Mobility	Belgium, Spain, The Netherlands, Germany, United Kingdom	Social business	Replication
<p>For organisations to become new members, they are required to get a Belgium registration number and then be registered. Currently it is difficult to obtain legal documents in Belgium to register new members in other countries in Europe to be members. Even with the European legal form, establishment is not easy from a legal perspective. Furthermore, new members from different countries may have different laws that differ from that of conventional European laws making the process complicated and difficult. Furthermore, being a small organisation, trying to contract individuals from different countries will result in a large administrative load on the legalities of the process. Thus, TMF relies on indirect contracting provided by its members and other organisations. Currently there are some changes regarding the registration. One issue is that not every member possesses a Belgium ID. Only companies that have entities are recognised by Belgium laws. For the other organisation, it is determined by a “lottery”, and then get a number for the cooperatives. In general, the administrative process is manageable, however, it is very complicated and difficult for small organisations.</p>						
FLOOW2	Netherlands	For-profit limited liability	IT/ICT	Canada, UK, Ireland, Belgium, Denmark, Sweden, Norway, Finland	Social Enterprise	Distribution
<p>Legislations against sharing equipment e.g., via strict contracts are the main barriers. Insurances which cover renting out, and standardised rental contracts are a positive development. To permit inter-market transactions (in pharma), EU Law poses a challenge and requires a wholesale permit. As available legal forms created a barrier FLOOW2 preferred to operate in Luxembourg before moving back to the Netherlands. Tax regulations for internet companies, especially for purpose driven enterprises such as FLOOW2, are the main source of the issue. A further reduction of 10% could enhance the position of purpose-driven digital social enterprises. Financial regulations and rules, especially tax services are also found to be time consuming in the operational domain.</p>						
Fairphone	Netherlands	For-profit limited liability	IT/ICT	China, Congo, Peru, Netherlands, international	Social Enterprise	Distribution, Sourcing, collective impact
<p>Not serving outside Europe relates to complicated logistics, high costs and different VAT regulations. Since service, repair and recycling are important for sustainability ambitions, the international interaction with customers is more demanding than for other mobile phone companies. Because one of the basic principles is to extend the life of each phone as long as possible, each part can be replaced and repaired, software up-dated, parts are upgraded, long warranty is provided, and old phones are taken back and refurbished, or taken back to China. But also, when the phones or parts cannot be used anymore, the material is taken back and collected as E-waste. “One of the barriers for transnational activities for Fairphone is the fact that old, unused phones are treated at</p>						

Name of organisation	Country of origin	Legal form	Sector	Countries with transnational activities	Type of organisation	Type of transnational activity	
				<p>the borders as waste, and not as material for new phones". This problem has already been explained to the concerning internal market experts of the European Commission. Cost of import tariffs, administration costs and transport costs are a barrier for the efficiency of return streams in a circular economy. Fairphone recommended better facilitating such return streams across borders. Performing all necessary works under full control and ownership is impossible. One cannot even control 2% of the value chain of a mobile phone. This lack of control is the main transnational barrier. In order to influence behaviour, Fairphone has to work with existing partners and try to take them on the route towards more fair and more sustainable practices. Challenges concern making agreements with the Chinese assembly plant, with their suppliers e.g., of batteries and (Printed-Circuit Boards) PCB's. Screening vendor lists, asking for material declarations and running impact and improvement programmes.</p>			
Helsinki Foundation	Finland	Foundation	Environment	Estonia, Australia	Foundation	Collective Impact, Sourcing	
				<p>The main challenges related to the Helsinki Foundation's transnational activities were legal issues connected with land purchase in foreign countries. In Australia, for instance, it is more difficult for foreigners to own properties and, therefore, there are some legal restrictions and bureaucracy involved. In Australia, some other challenges were also found. The first land the Foundation was about to purchase had mining exploration rights on it. This was only possible to identify through a legal due diligence procedure implemented on the property before signing the sales agreement. Such mining rights would have prevented the Foundation from accomplishing its main goal of the purchase, namely the preservation of the land in its natural state. In Estonia, the process of buying land was also difficult since the legal system there is very different from the Finnish legal system, despite the geographical proximity of the two countries and their membership of the European Union (EU). Often such differences start at very fundamental levels, such as legal terminologies, including what ownership means in legal terms in the specific country.</p>			
Justdiggitt Foundation	Naga	Netherlands	Foundation	Environment	Kenya, Tanzania, Germany, UK	Social Enterprise	Collective Impact, Sourcing
				<p>Concerning the activities across EU countries, language is a barrier. A campaign in English needs to be translated when starting a campaign in Germany. Regulations concerning donations (and tax deduction) are a barrier. The motive for expanding to Germany in 2019 was that Germany has a strong philanthropy culture and is a large country. Because they are a Foundation in the Netherlands, they cannot shift funding collected in Germany to another country, so they had to set-up a separate own legal entity in Germany, and it was needed to make donations tax deductible. Barriers of working in Africa are numerous. The challenge has many aspects. For instance, it was difficult when they were simply not allowed to work there or were prevented from working there for quite a long time. It was very complex to find out what the best way was to start activities and what kind of legal entity would be best. After quite some time justdiggitt found out that setting up a branch office was most suitable.</p>			

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Name of organisation	Country of origin	Legal form	Sector	Countries with transnational activities	Type of organisation	Type of transnational activity
Eyes for the world	Belgium	Foundation	Health	Brazil, Uganda, Colombia, Myanmar, South Africa	Social Enterprise	Distribution, Collective Impact, Sourcing
<p>It was a deliberate choice to choose the Belgium statute of VZW (Belgian non-profit association legal form) since it had to be clear that no commercial intentions existed and that it would be a contribution without compensation. As a VZW, one cannot get public subsidies, NGO's can but then they would need to hire somebody and then it would already get commercial. Their form needed to be a foundation in order to do something for humanity." Challenges differ from project to project, and country by country. They found out that the best partners to collaborate with locally are medical optometrists, as they have no commercial interest. Getting permission involved working with ministries.</p>						
Libre Foundation	Space Greece	Foundation, mutual	IT/ICT	All over Europe	Foundation, mutual	Sourcing
<p>Libre Space's mission is to disrupt the long-established industry of space tech through the introduction of open-source technology, data and practices. According to the founding members' view, they chose the legal form of the foundation rather than that of social enterprise because their intention and strategic objective is to promote OS as well as allow all people involved in the development of the technologies to have a say about how they are used and by whom. Also, they wanted to ensure that LSF's strategic objective – the promotion of OS concept in the space tech industry – will remain as such in the future, and to this end the legal form they chose facilitates this.) Also, their legal form has caused them issues in relation to their "acceptance" not only by national authorities in Greece associated with the space industry, but also their eligibility to participate in Greek business support subsidy programmes, which do not foresee financial support towards non-profit organisations, or utilise tax incentive programmes exactly because of their chosen legal form (tax incentives for SEs in Greece promote the labour inclusion of disabled people or migrants for example, rather than research and innovation activities). With respect to the international activities they perform, on intra-EU level they did not identify any issues, problems or challenges that affect their course of work. The barriers they confront have to do with the overall legal framework of the space industry on a global level, and more specifically the US legal framework as they work closely with American colleagues and institutions. In further detail, the US space related entities face difficulties in conceptualising how OS data may be used for the space industry – as in the US the space industry is very much connected to the defence industry as satellites are usually used for dual use (defence and space related) – and for the benefit of the public good without compromising defence and security.</p>						
AfB	Germany	Limited liability company	IT/ICT	Austria, Switzerland, Spain, Croatia, Republic, Hungary, France, Slovakia, Italy, Slovenia, the Czech Republic	Social Enterprise	Replication

Name of organisation	Country of origin	Legal form	Sector	Countries with transnational activities	Type of organisation	Type of transnational activity	
		<p>Gemeinnütziger GmbH (in short gGmbH) is a non-profit company with limited liability under German law (gemeinnützige Gesellschaft mit beschränkter Haftung). Gemeinnützig means 'non-profit', that the purpose of the company is to benefit the common good. The exact same legal form does not exist in France, but they looked for the form that fits with the same idea. In France AfB is a normal company, but with a special status, complying with the status of helping people with a handicap on the labour market. AfB Austria is also a 'gemeinnützige'. The legal form of AfB Switzerland is 'Stiftung' (foundation). In Slovakia it is a normal company, with the status of non-profit. As a main barrier it was pointed out that a couple of rules regarding employing persons with disabilities are different due to national regulation. This relates to subsidies and touches on the business model. In Germany 50% of employees should have a handicap to be subsidised; in France 80% needs to be with handicap. This was an obstacle when starting up in France "We do not care about the legal form", as long as it is non-profit. The difference in legal form between AfB Switzerland and AfB France does not really matter, it is about finding the right people with the same attitude in their networks.</p>					
Made in Montaná	Roşia	Romania	Limited liability company	Retail (craft products)	All over Europe	Social business	Distribution
		<p>A legal issue was that companies from some countries request a certificate of organic production of the wool used by Rosia Montana. This certificate is very difficult to obtain due to high costs which wool suppliers are not willing to pay as they don't see the advantage. In Romania, social businesses can get a specific certificate: social limited. This certificate grants certain benefits, for instance obtaining facilities for free of charge. Therefore, Made in Rosia Montana tried to get this certificate some years ago and processed it within three years without any solution and result. It turned out that getting this certificate implies a lot of bureaucracy. In addition, having access to a free office space through the local government also seemed very challenging, as the local mining industry has bought up 80% of the real estate. Since the mining industry is against this social business because their idea is to turn the mountain area into a mono industrial zone, they impeded Rosia Montana from having access to a free space.</p>					
Wise Greece	Greece	non-profit civil partnership	Retail (Food)	UK, USA, Cyprus, Sweden, Austria	Social Enterprise	Distribution	
		<p>Wise Greece had to develop marketing strategies for promoting Greek products abroad, especially in regions where Greek products were not highly preferred in the market. This phenomenon was also identified with regards to the legal frameworks and the specific regulations of the targeted foreign country, and especially non-EU countries. For example, Wise Greece had to address high taxation rates when exporting alcoholic beverages to Scandinavian countries. The American Food and Drug Administration (FDA) also requires some differentiated kind of legal approvals that are associated with exports from Greece.</p>					
Sozialhelden (Wheelmap)	Germany	Non-profit association	Disability	Germany, Belgium, Ireland, France, Spain, Italy	Denmark, Netherlands	Non-profit association	Replication, Collective Impact

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Name of organisation	Country of origin	Legal form	Sector	Countries with transnational activities	Type of organisation	Type of transnational activity
				and the UK, Austria, Greece, Turkey, Canada, and USA		
	Different legal frameworks across the EU – and globally – concerning accessibility provisions (what is marked as accessible in one country is not the same in another) as well as what is considered as disability across countries (even across the EU) have put extra challenges to Wheelmap, as to how these differences would be incorporated and addressed by the platform. Finally, two challenges that currently the platform faces concern the questioning of the quality of the data incorporated on the platform by public stakeholders (municipalities, local authorities, etc.) who aim to use the platform because the data is collected by people rather than trained staff; and GDPR and data privacy rules that relate to the use of photos of places, etc. as these legal provisions limit the type of information that can be incorporated on the platform and help people with disabilities other than moving (e.g. sight related disabilities that can be assisted by the use of pictures or elderly individuals).					
TEAM U	Germany	Non-profit limited liability	Economy	Spain, Italy, Greece, Poland, Denmark, France, Netherlands, Belgium, Austria	Social Enterprise	Replication, collective impact
	Tax regulations are deemed too high for TEAM U, with tax rates between different services varying from 19% to 0%. Financial regulations and rules are heavily bureaucratic, e.g. days of work to apply and check declarations. Corporate governance obligations of gGmbH hold two CEO responsible. The ministries of justice and national insolvency law are the key actors and set the law in the domain of activity. New European legislation insolvency regulations intend to make support mechanism and services mandatory, which will in turn affect the administrative situation for TEAM U.					
ECHO by Hospice UK	UK	Private Limited Company by guarantee without share capital use of 'Limited' exemption'	Health	39 countries	Social Enterprise	Replication
	GDPR regulation is an important barrier, since ECHO asks for the data. Providing personal data to an organisation in the US is complex matter that took quite some effort to resolve and keep it legal. An implication is for instance that the data should be on servers in Europe. Further uptake of ECHO in European countries is challenged by suspicion of working with American organisations.					

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Name of organisation	Country of origin	Legal form	Sector	Countries with transnational activities	Type of organisation	Type of transnational activity
	Some are hesitant to work with ECHO, but the results mitigate this barrier, and there is some activity and further interest in for instance the Republic of Ireland and Denmark.					
EPEKA Slovenia	Slovenia	Social business	Regional development	Turkey, Austria, Armenia, Czech Republic, Serbia, Montenegro, United Kingdom, Germany, Kosovo	Social business	Collective Impact, replication
	<p>The main barrier was administrative burdens when initiating operations as a local organisation. This concerns, for instance, the need to adapt documents (such as statutes) to meet the regulations and standards of each country, among other requirements. The digitalised administration of the establishment of organisations would allow decreasing bureaucracy and speeding up these processes. The third barrier is the lack of a consensus in the definition, nature and legal aspects of social enterprises across the European countries. EPEKA faced challenges to understand and act according to the local legal frameworks available for the operation of social enterprises. In Slovenia, for instance, a new law on social entrepreneurship, passed in 2012, establishes the legal form 'social enterprise' and regulates its scopes/activities and other aspects of its operations. EPEKA was registered as an association but got also registered as a social enterprise after the new law was passed. This legal form is key for the organisation as it allows it to conduct a diversity of activities in different fields. As an example, EPEKA also operates a Roma restaurant to diffuse the Roma culture and cuisine and secure the employment of Roma people. This is only possible for EPEKA under its new legal form: social enterprise. This legal form, however, does not exist in all countries. In Croatia, for instance, where EPEKA is also planning to expand through a branch, it is forced to operate as two different entities: an association and a company. This is the only manner to develop business-related activities (e.g., a restaurant) and also maintain its status as an association. The complexity involved in the regulations makes it hard to identify which taxes to pay (risking overpaying), to have access to funding opportunities and of course, to develop the activities.</p>					
Montepio	Portugal	Mutual Society	Health services	South America, France, Spain, Italy (attempted)	Mutual	Co-Creation & Knowledge Exchange, Collective Impact

The main challenge faced by Montepio is that due to their legal status as a not-for-profit on a European level they are not allowed to operate cross-border while keeping the same legal form, even if they or their international partners desire it. This in its essence is a legal problem, caused by a lack of a common European legal statute for mutuals, which in turn limits their capacity to operate through

Name of organisation	Country of origin	Legal form	Sector	Countries with transnational activities	Type of organisation	Type of transnational activity
<p>the EU's internal market. In the view of our respondent from Montepio, the main issue lies in article 54 of the EU treaty, which avoids defining mutuals separately and leads to a situation wherein they are the only Social Economy entity that is not legally allowed to operate cross-border within the internal market.</p>						
FNMF	France Exchange	Federation of Mutual Societies	Health Services	Italy, Portugal, Belgium, West Africa	Mutual	Co-Creation & Knowledge Collective Impact, Distribution
<p>One of the main challenges faced by FNMF members is difficulties in complying with a plethora of EU regulations which are typically implemented with for-profit companies in mind. A mutual, as a not-for-profit organisation cannot raise or transfer capital across borders. All EU regulations, e.g., complying with solvency 2 regulations, are a burden and barrier for mutuals. Moreover, they must comply with all financial directives and regulations, which are aimed at preventing a multitude of crimes such as money laundering or terrorist financing, however, have been historically risks in other sectors, not the social economy. Therefore, they find themselves in a lose-lose situation, whereby the regulations are only hinderances for them, and do not protect or recognise them. A mitigation strategy for this problem would be more proportionality in insurance and prudential regulations, the recognition of mutuals as a common, separate legal form guided by a specific value set. This would be a step towards a potential loosening of certain regulations so as to ease their operation.</p>						

Legal aspects associated with the operational implementation of social economy's cross-border activities

- *Establishment and operation of legal entities*

Overall, the insights gleaned from interviews with experts and stakeholders during this study point towards a low level of adoption of the only European-level legal form, which is the European cooperative society statute (in relation to the high number of cooperatives working in Europe).

We asked an international platform offering legal pro-bono advice to social enterprises on the most frequent requests they receive. With respect to request for legal advice, this mainly concerns issues associated with human rights, where SEs and NGOs involved in campaigning and advocacy activities request legal advice on minority rights, freedom of speech and freedom of association, and if their employees are involved in political protests. Less often advice is requested on employment issues, and when it is sought it usually refers to specific situations, e.g., an NGO wants to send its employees to another country for a limited amount of time. Interestingly, there seems to be less demand for legal advice on the specific legal forms for social enterprises, compared to a few years ago. Social enterprises seem to be able to use (combinations) of available legal forms to fulfil their mission, although this could still be a relevant challenge in the context of internationalisation.

- *Taxation*

SEs do not usually have accountants or lawyers available in “target countries”. A common request is therefore to be informed about available legal forms and how they correspond with local tax and fundraising regulations. A comparative analysis of available legal forms is often followed by advice on how to setup a specific legal form and the implications this legal form will entail in terms of taxation.

- *Establishment of formal / contractual relationships and social franchising*

There is also recurring interest in screening target markets for internationalisation processes, as SE organisations tend to ask for legal support on how to set up legal entities (branches, subsidiaries) rather than set up formal relationships with partner organisations. The experts have nevertheless suggested that this may reflect the need for more legal advice on how to setup a legal entity and not necessarily the predominance of branching as an internationalisation strategy.

- *Intellectual property and Data protection*

Two usual topics of request for legal support concern the protection of intellectual property rights and data protection. According to the experts consulted, SEs contact intermediaries to get information on the trademarking process and advice on how to resolve trademark disputes. Moreover, there seems to be some insecurity of SEs around GDPR issues, as SEs tend to look for general guidance and checklists to avoid any pitfalls in relation to privacy and data protection issues.

Legal aspects associated with financing of social economy's cross-border activities

Social finance comprises impact investments, social venture capital funds, grants, social banking loans, crowdfunding, social impact bonds and even donations. The broad range of

social finance instruments tries to accommodate the particular missions, structures and practices of social enterprises⁷⁴.

As discussed with stakeholders in the area, social finance actors (from impact investors to foundations or banks) tend to have a predominantly national focus and impact investments in foreign social enterprises are rarely observed (even for for-profit venture capital investments there is a “proximity effect”, large geographical distance reduces the likelihood of investments).

The initial challenge is the lack of networks and market knowledge in “target countries”. Scouting and screening investment-ready social enterprises therefore becomes more difficult. The specific information needed to evaluate social enterprises (e.g., impact models and impact assessments) are not always available in standardised formats (compared to standardised financial evaluations) and therefore due diligence processes are more difficult to perform. Not all needed information is always available (also) in English – which particularly concerns legal documents (e.g., on establishment of the firm, governance, etc.) that are usually only available in national language. As impact investments are smaller in volume (many around 500,000 EUR), have lower returns on investment or management fees, investors will usually try to keep additional costs at a minimum.

Setting up impact investment contracts is even more difficult, as they are usually not as standardised as contracts for for-profit investments or are not always fully adaptable to different legal forms (e.g., for associations), making it more difficult for social economy actors to engage in such contractual agreements.

Moreover, social economy investments are strongly based on relationship- and trust building between investor and investee. Although impact measurement systems may be in place, the investor still needs to trust that impact is achieved, measured, and reported correctly. The need for relationship- and trust building (although it has many positive aspects) may slow down negotiation processes. In this respect, the new type of social economy digital platforms that combine platform models with crypto-currencies may be a good solution, as crypto-currencies and similar models may enhance “trust-building”, as they allow “tracking” of impact units and make impact assessment more transparent.

One of our consulted expert organisations has recently studied a sample of 200 social economy investments and noticed that around half of them are still focused on non-digital solutions, while investments in the for-profit sector are predominantly focusing on tech/digital solutions.

Platform models may in some instances simplify legal requirements, e.g., in the context of integrating contributors from other countries via online platforms and rewarding them with crypto-currencies, and complicate in some other instances (e.g., crowdfunding). We discussed briefly whether such platforms would side-line/undermine existing legal frameworks (e.g., national employment laws). This risk was considered rather low for social economy platforms, as they are gradually getting more and more regulated and demand regulations themselves to reduce their operational risks. In addition, social enterprises apply their own standards to platform models according to their social mission and ethical standards.

Proposed solutions by interviewed experts in the field to help address legal challenges include:

i) *The creation of a supranational legal form*

The creation of a European legal form for philanthropic organisations/foundations and associations and mutual societies would benefit from more uniform conditions across the EU by using one legal tool and a governing structure which would be comparable across all Member States, and which would give greater legal certainty and fewer compliance costs. Such a legal form would facilitate the pooling and scaling up of their expertise and resources. Having a recognisable European form would also stimulate cross-border initiatives and

⁷⁴ Information obtained from: <https://ecsocfin.com/>

donations and perhaps a spill-over effect would be for Member States' economies to secure more funding for important fields such as research and education, social and health services, culture or the protection of the environment

ii) Better implementation of the non-discrimination principle regarding tax treatment

The non-discrimination principle does not yet fully apply to public benefit organisations and their donors. It is important to ease the tax burden on cross-border donations from individual and corporate donors to SE actors and ease their tax effective asset allocation/investment of the endowment into SE actors. Some frameworks do not apply the non-discrimination principle and the free flow of capital regulation but continue to discriminate comparable foreign EU-based public benefit organisations and their donors from local ones. Where the discrimination is formally removed, rules and practices to be considered comparable and get the same tax status are very complex, costly, and legally uncertain. The complex rules and barriers create a widespread problem, and the interviewees suggested considering the following solutions: While a multilateral treaty might not be a realistic option, soft law approaches could be considered, see for example the 2017 Code of Conduct approach to withholding tax procedures that could be extended and adapted to EU law-based claims of withholding tax discrimination, with the aim of simplifying and streamlining the comparability test for such EU law-based claims. A code of conduct could help and guide Member States to grant mutual recognition to foreign EU based public benefit organisations and their donors. The EU could call on Member States to simplify procedures. Shifting how the notion of comparability is tested and taking a more functional approach, could be a potential approach for Member States to base comparability on a set of common principles around a public-benefit concept, rather than requiring comparability in all details.

iii) Develop EU and national measures to ease/stimulate more foundation engagement on the impact investing into social business on the programme side and more mission related investments

Some national laws require a preservation of the value of the endowment – and mission related investment or investment in social enterprises do not always generate the required returns (or are considered too risky investments) – and some national laws do not permit the giving of loans by public benefit organisations or any other programme activity that generates income on the programme side. EU and national measures to ease/stimulate more foundation engagement on the impact investing into social business on the programme side and more mission related investments could be considered.

Towards introduction of a European SE model statute

Within the scope of the Single Market [Single Market Act 1 (2011⁷⁵) and Single Market Act 2 (2012⁷⁶)], the EU emphasises harmonisation against missing legislations, administrative obstacles, regulatory barriers for social economy development in Europe since 1989⁷⁷ to reach the full potential of the Single Market. Social economy entities mainly pursue context relevant and embedded local, social and economic goals, and are thus hybrid forms between conventional for-profit enterprises and non-profit organisations⁷⁸. At the same time, their limited geographical and historical scope institutionally crystallised in emergence of different legal structures available to social economy actors (such as associations, charities co-operatives, foundations, mutuals, social enterprises, traditional for profit such as benefit corporation for example in the USA or an 'enterprise a mission' in France⁷⁹). This diversity can be expanded

⁷⁵ [Single Market Act - Twelve levers to boost growth and strengthen confidence](#)

⁷⁶ [Single Market Act II - Together for new growth](#)

⁷⁷ ['Business in the social economy sector: Europe's frontier-free market'](#) (1989)

⁷⁸ Mersland, R.; Nyarko, S.A.; Sirisena, A.B. (2020), A hybrid approach to international market selection: The case of impact investing organisations. *Int. Bus. Rev.* 29, 101624.

⁷⁹ This point has been addressed in the stakeholders' questionnaire [[\(Questionnaire: organisation type/legal form\)](#)]

and harmonised based on EU level statutes⁸⁰ in the scope of The Treaty of the EU⁸¹ – social market economy – and associated cross-border EU services⁸² (e.g., Internal Market Services⁸³, Services of General Economic Interest (SGEI)⁸⁴ for individual entrepreneurs and enterprises wishing to group together to access markets, achieve economies of scale, and/or undertake cross-border social economy activities). The regulation of the Statute for a European Cooperative Society (SCE) (2003) as such aims to facilitate cooperatives' cross-border and transnational activities⁸⁵. A 2010 EURICSE study shows that SCE Regulation has had limited success so far, due to

- i) the limited autonomy of the SCE regulation with respect to national laws;
- ii) the limited relevance of self-regulation through SCE statutes, where the SCE regulation and the statutes have a marginal role in the regulation of an SCE, while the national law maintains a predominant position; and
- iii) the complexity of the regulation as it provides little clarity in the definition of the role of every source of SCE law and their interaction, with too many ambiguous references to the national law⁸⁶. At supranational level, Ventura (2020) argues⁸⁷ that the introduction of a European SE model statute can provide the necessary legal framework to foster the development of a strong European third sector by offering domestic legislatures a uniform point of reference in implementing domestic regulations of hybrid companies and by establishing harmonised conditions for SEs all over the EU, and thus facilitating cross-border investments and trading in the social economy sector from the European Union perspective.

1.4.2. Spatial dimension

The spatial dimension of transnational social economy activity considers, first of all, the foreign countries involved. Literature on SMEs internationalisation shows that it is indeed relevant to differentiate between, for instance, export to neighbouring Member States or to third countries outside Europe. Relevant spatial categories in this respect could be:

- Transnational activities of SE in border regions, where barriers such as language, distance, or difference in traditions may be relatively low. Such cross-border activities are evident in INTERREG projects as was mentioned in expert interviews.
- Transnational activities of SE across (several Member States or the whole of) the EU, may involve changes in business model along a certain development path or a model that allows to start-up at transnational level.
- Transnational activities of European Social Economy actors with relevant actors in accession countries, or third countries.

⁸⁰ Council Regulation (EC) No 1435/2003 of 22 July 2003 on [the Statute for a European Cooperative Society \(SCE\)](#).

⁸¹ The Treaty of European Union sets out the EU vision for a sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. [Sustainable Development - Environment - European Commission \(europa.eu\)](#)

⁸² EESC (2019) Cross border services in the internal market: an important contribution to economic and social cohesion Accessible from <https://www.eesc.europa.eu/sites/default/files/files/qe-04-19-433-en-n.pdf>

⁸³ [Internal market for services](#)

⁸⁴ [Services of general economic interest - European Commission \(europa.eu\)](#)

⁸⁵ [The European Cooperative Society \(SCE\) | Internal Market, Industry, Entrepreneurship and SMEs \(europa.eu\)](#)

⁸⁶ EURICSE (2010) Societies [SCE - The Statute of European Cooperative Societies - Euricse](#)

⁸⁷ Ventura, L. (2020). The Essential Role of Enterprises for an Inclusive and Sustainable Development: Towards a New Uniform Model Law for the Social Enterprise? EUROPEAN COMPANY LAW, 17 (1), 7- 14

Specific for social economy in the choice of location, is that locations with high barriers may not be avoided, but sometimes even favoured, given the social need and impact aimed for⁸⁸. This is for instance obvious for the case of social economy entities that aim at problems in developing countries outside Europe. The trans nationalisation we focus on in this study, has an intra-European spatial dimension, but inter-EU collaboration can strengthen joint efforts and collective impact outside the EU, and as discussed during interviews with social economy intermediaries cross-border activities in neighbouring countries was mentioned as a trend.

According to Anghel (2014), specific grand societal challenges cannot anymore be addressed through the traditional ways, be it governmental or private sector interventions. The related market and institutional failures may exceed national borders (Tremblay, 2005).

INTERREG projects show that physical proximity of neighbouring regions does not imply that sectors like healthcare work in a similar way, but that once the differences are known (explained, discussed, and experienced), collaboration works and the contextual differences no longer are perceived as barriers (but rather as an advantage for those involved).

According to Bretos and Marcuello⁸⁹, from the beginning of the 2008 financial and economic crisis, scholars suggested a need to support territorial growth initiatives by establishing incentives for local businesses. These incentives aimed at facilitating funding and infrastructure, business modernisation, implementing new technologies, industrial design, improving technological quality, research and development, as well as supporting their internationalisation⁹⁰. In this local spatial and contextual ecosystem, social economy entities could contribute to the social, environmental and economic development of territories and regional revitalisation. This was done based on their (social) capital, capacity and capability to create quality local jobs (through the prioritisation of the labour factor over the capital factor) and their ability to adapt to the contextual singularities of those territories and respond to the changes taking place in their immediate environment more efficiently via client proximity, building social trust, and efficient management as a result of actively engaging the 'labour factors'⁹¹. The spatial dimension therefore not only relates to the spatial scale or number of involved Member States as markets, but also how the internationalisation process for various types of transnational activities may evolve, e.g., in terms of forward linkages (distribution) or backward linkages (sourcing).

The spatial dimension may apply both to destination and origin countries. The social economy in the Member States differs in many ways and is likely to also differ in the level of involvement in cross-border activity. Also, the preferred type of transnational activity might be different for SE in some countries, or regions within the Internal Market. This may also explain why the interviewed experts gave different answers regarding the dominant form of transnational activity.

Moreover, the EC's SEAP focuses most of their action points on instigating mutual learning between member states. By means of guides, direct outreach and training, the EC aims over the next years to leverage the spatial dimension and assist in proliferating good practices and legislation from some states to others⁹². Thus, we can see that treatment of differences across space as an advantage to spread lessons-learned, rather than as a source of challenge and a barrier. Namely representing an internationalisation process for legislative upgrading.

Policy support promoting cross-border social economy also has spatial dimensions as we will analyse in a separate chapter, but regarding policy to promote a country as a destination for

⁸⁸ ibid

⁸⁹ Bretos, I. & Marcuello, C. (2017). Revisiting Globalization Challenges and Opportunities in the development of cooperatives. *Annals of Public And Cooperative Economics*, 88 (1), 47- 73. 10.1111/apce.12145

⁹⁰ ibid

⁹¹ ibid

⁹² European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

SE transnational activities, the interviews pointed to 'soft-landing support' provided to 'incoming' social enterprise⁹³.

1.4.3. Business dimension

For traditional for-profit SMEs the business function or business model dimension, comes down to transnational selling, buying, producing, or financing. As discussed previously these traditional business functions are not sufficient to understand cross-border social economy activities, but they are not excluded either⁹⁴.

According to Mersland et al. (2020) many social enterprises deliver services across borders, and these social enterprises operating in foreign countries offer a desirable balance between their social and financial goals. The priority given to societal goals, does not make the financial aspects like revenues and costs irrelevant. As with any other activity of the social economy, also the cross-border activities are shaped by both social and financial goals, and both are considered in their business model.

According to Yang and Wu⁹⁵ the process of internationalisation for social economy entities has at least three aspects, namely: operational modes, product preferences, and expansion strategies. Thus, cross-border trade is not the only channel of internationalisation. Several other business-related activities (e.g., business model, exchange strategies, cooperation) can necessitate internationalisation and provide social and economic benefits⁹⁶. The interviewed experts shared that cross-border flows of trade, knowledge, technology and personnel (exchange) are sometimes underdeveloped in internationalisation of SE⁹⁶.

Veronica et al. (2020)⁹⁷ found that entrepreneurial skills, sourcing innovative approaches, and building networks are crucial factors in the development of new international social business models and international business model development. Scott and Laine⁹⁸ emphasise the capacity-building needs and processes of social learning for social economy actors engaging in cross border cooperation efforts. Social economy enterprises learn, and grow capabilities from crossing barriers and borders, but support to growth is limited and local governments do not support such kinds of activities. Digital capabilities and opportunities are a more recent enabler of internationalisation of social economy entities with regards to the business dimension. The digital aspects are either embedded from the start in their social business models or are developed as part of their digitalisation strategy for internationalisation. These aspects of cross-border business are motivated by the prospects of reaching a larger market, extending sourcing, collaboration for social impact, and/or replication. Digital platform business models may concern a combination of these types of cross-border activities. An example of how this works in practice is the Open Food Network that runs an open-source platform that enables new, ethical supply chains. Open Food Network's platform is a prime example of an SE using the open-source trend to empower their beneficiaries to manage production and

⁹³ <https://amsterdam.impacthub.net/programme/soft-landing-programme/> [last accessed November 2021]

⁹⁴ Ventura, L. (2020). The Essential Role of Enterprises for an Inclusive and Sustainable Development: Towards a New Uniform Model Law for the Social Enterprise? *EUROPEAN COMPANY LAW*, 17 (1), 7- 14

⁹⁵ Yang, YK. & Wu, SL. (2015). An Exploratory Study to Understand the Internationalization Strategies of Social Enterprises. *JOURNAL OF SOCIAL ENTREPRENEURSHIP*, 6 (1), 31- 41. 10.1080/19420676.2014.954255

⁹⁶ Alon, I., Mersland, R., Musteen, M & Randoy, T. (2020). The research frontier on internationalization of social enterprises. *JOURNAL OF WORLD BUSINESS*, 55 (5), - 0. 10.1016/j.jwb.2020.101091

⁹⁷ Veronica, S., Manlio, D., Shlomo, T., Antonio, MP & Victor, C. (2020). International social SMEs in emerging countries: Do governments support their international growth? *JOURNAL OF WORLD BUSINESS*, 55 (5), - 0. 10.1016/j.jwb.2019.05.002

⁹⁸ Scott, JW. & Laine, J. (2012). Borderwork: Finnish-Russian co-operation and civil society engagement in the social economy of transformation. *ENTREPRENEURSHIP AND REGIONAL DEVELOPMENT*, 24 (43894), 181-197. 10.1080/08985626.2012.670912

supply processes more efficiently and ethically.

Although open-source (freely accessible) software is a natural fit for SEs in terms of values. CoopCycle, an international federation of bike delivery co-ops, is an example of international cooperation that is digitally enabled, however strays from the open-source

The Open Food Network

was founded in 2012 in Australia but is now an international community that is locally led across the world. Open Food Network is operating in 20 countries. This global network of individuals and organisations work together to build a new food system. An open-source software platform makes it easy to create an innovative, independent, community of food enterprises. The software can be used by farmers setting up their own online stores. It helps farmers collaborate and sell together, manage food hubs, and take their farmers' market online.

Source: <https://openfoodnetwork.org/>

model. Instead, their software is based on a new type of license designed specifically for their case, which also enables other companies who use it to fit with the official definition of social economy actors of the European Union **Error! Bookmark not defined.**. Thus, representing a case where a mobility SE is using a digital evolution to facilitate replication. Apart from mobility coops and agri-food, further valuable examples are to be found in training and tourism. In the latter, following the traditional tourism sector, which has been strongly disrupted by digital platforms, SEs looking to develop sustainable tourism offering can also ride this trend. Utilising digital solutions to attract customers, lower market barriers to entry and develop more effective solutions⁹⁹.

Despite strong success stories amongst SEs, they still face crucial challenges to digital uptake such as limited budgets, limited digital skills, and technological gaps¹⁰⁰. SE budgetary constraints that inhibit investment in digital social economy models are borne partly from their poor visibility in and attractiveness to investment circles. Compounded by difficulties in accessing public procurement processes and other publicly funded programmes (i.e. H2020). The dearth in digital skills amongst SEs, can be partly explained by many organisations' origin in non-technological circles marked by the characteristics of digital late adopters. Furthered by a lack of accessible social economy-specific digital training programmes¹⁰⁰. Finally, the technological gap that exists between SEs and for-profit actors especially in some sectors, can result in SEs being disadvantaged from the beginning. Resultantly inflating other barriers, for example, even with investors who are receptive to SEs with digital models, the relative digital deficiency caused by an SE's origin may still inhibit its access to finance. While these barriers are indeed crucial, they should wane in importance as the social economy gains recognition and a new, tech-savvy generation of social entrepreneurs makes their breakthrough.

Furthermore, the emergence of digital platforms that cross borders is a trend recognised by experts, but the role of digitalisation in cross-border social economy is not well documented in the literature. An expert from the European Centre for Social Finance, mentioned that he has only recently started observing social enterprises that base their business on digital platforms that follow an internationalisation pathway centrally as part of their business model. Examples he mentioned are Skilllab and Jovoto¹⁰¹, which are two SEs in the training sector. Jovoto follows the trend of software platforms, just like Open Food Network and CoopCycle to allows users to overcome collaboration barriers more efficiently¹⁰¹. While Skilllab bases its digitalisation strategy on an app that involves the application of artificial intelligence to support refugees in

⁹⁹ <https://www.worldbank.org/en/events/2018/09/26/digital-platforms-and-sustainable-tourism>

¹⁰⁰ Gagliardi D., Psarra F., Wintjes R., Trendafil K., Pineda Mendoza J., Haaland K., Turkeli S., Giotitsas C., Pazaitis A., Niglia F., (2020), New Technologies and Digitisation: Opportunities and Challenges for the Social Economy and Social Enterprises. European Commission, Executive Agency for SMEs, DOI: 10.2826/667682.

¹⁰¹ <https://www.jovoto.com/about>

consolidating their skills profile and matching their skills with available occupations. Skillab recognises around 15000 informal skills, creates profiles, and matches them with 3000 occupations¹⁰². The expert also noted a trend that social enterprises start to use crypto currencies to “pay” contributors on digital platforms. One example is Kleros¹⁰³, a French cooperative active in law, that de-centralises legal processes.

Continuing with expert insights into business-driven SE internationalisation, one commented on the local orientation of many SEs going on to remark that “it is more difficult for SEs to see options for internationalisation, e.g., when a solution can be replicated elsewhere, it does not follow a template; it calls for investments to find out and try, to find the local match between needs and solutions”. As one expert put it. This problem may not be different from those of SMEs in general, but SEs do not have budgets or expertise to cover the costs of crossing these administrative, institutional, market and legal barriers, and to adapt and adopt business models. An example mentioned on the need to re-examine the business model, is “when the model is based on tax benefits: will the tax benefits be available in another country?”

The business dimension may also refer to the difference between social franchising and commercial franchising. Social franchising contracts are based on a specific national law. However, there are mandatory regulations in every legal system that need to be considered and checked. A legal expert explained that for social franchising such provisions (including: Confidentiality clause; Business secrecy protection law, EU Directive; Competition clause; Territorial protection clause; Obligations of the contracting parties) are primarily aimed at ensuring quality of services and less at protecting commercially exploitable know-how, as in the case of commercial franchising.

1.4.4. Sectoral dimension

A study on exports by SEs shows that especially among the entities of the primary sector, export propensity is high (Suarez et al., 2017). This was confirmed by interviewed experts, especially agricultural SEs who produce physical products that are widely exported. As with SMEs in general, export propensity is more likely to be lower for service sectors. Other forms of internationalisation may be also common, and this makes it difficult to rank sectors with 1 indicator for ‘transnationality’.

It is not always clear how sectors are defined and what a social economy entity regards as their sector, but the experts interviewed indicated that the strongest barrier is the lack of understanding how the sector works in other countries.

Wevers et al. (2020) distinguish the main social and environmental ‘sectors’ of cross-border activity for social enterprises¹⁰⁴ in EU border regions: local economic and social development in disadvantaged neighbourhoods; mitigating negative environmental effects; and social inclusion on the labour market (e.g., via matching supply and demand)¹⁰⁵. Suarez et al. (2016) show that social enterprises also appear in industries, such as in the retail industry. Another example showing that cross-border activities is not limited to a few sectors, is Mondragon, which is active in the sectoral domains of finance, retail, and knowledge services (consultancy)

¹⁰² <https://skilllab.io/en-us>

¹⁰³ <https://kleros.io/>

¹⁰⁴ Wevers, H. T., Voinea, C. L., & de Langen, F. (2020). Social Entrepreneurship as a Form of Cross-Border Cooperation: Complementarity in EU Border Regions. *Sustainability*, 12(20), 8463

¹⁰⁵ *ibid*

sectors and currently consists of more than 250 organisations, of which more than half (143) are overseas manufacturing subsidiaries¹⁰⁶.

Cross-border social economy also includes the education sector, e.g., in relation to construction and civil engineering¹⁰⁷ fields in which international talents are trained, involving colleges and universities¹⁰⁸. Liu et al. (2014)¹⁰⁹ point at the development of another cross-border sector, the modern logistics industry.

Since statistics on cross-border SE activity per sector are lacking, it was discussed with experts. Social enterprises, which are not subject to fundamentally varying legal, financial, labour, and sectoral regulations in different country contexts, are more likely to enter cross-border activities due to their relatively low financial capital costs and human capital needs in being able to operationalise their social business models, business functions and organisational modes in different country contexts. In the words of an interviewed expert: "*Sector specific laws and regulations (e.g., health, waste, philanthropy) pose variations thus barriers for internationalisation of SEs*".

Another difference per sector that was mentioned in one of the expert interviews concerned competition and advantages in scaling. Internationalisation becomes an option, "when SEs are in a sector, engaged in competitive activity where international scaling is necessary (e.g., in the case of recycling of textile where scale and competing with large scale is important)".

1.5. Types of cross-border activities

As explained above, the types of cross-border activities identified, are derived from the types that are considered relevant in the literature on cross-border activities of SMEs. Traditionally the stage model reflects a deterministic linear model where for-profit SMEs first sell abroad (export/distribute), establish network agreements and later open or acquire a branch (replicate). The relevance of such a pathway (business model and stages of maturity) will be questioned and analysed for the case studies. Transnational cooperation may have already been an integral element of the original business model or has been added to facilitate and drive scaling the business model or the social impact. Since many SEs produce unique products and services while operating mostly on a small and local scale, export (distribution) may not necessarily be a first stage, but transnational opportunities in the form of replication may arise from duplication or adaptation of locally rooted SE business models. Since the concepts of export, import and Foreign Direct Investments emphasise formal market transactions and ownership, they are less relevant to describe and analyse the specifics of the social economy. Legal forms are also associated with the motivation, vision, mission and purpose of the social economy entity. Kusa and Debkowska (2020)¹¹⁰ shows that four types of

¹⁰⁶ Bateman, Girard & McIntyre. (2006). Promising Practices: An Integrated Cooperative Approach for Sustainable Local Economic and Social Development in the Basque region of Spain. report to UNDP of a Study Visit

¹⁰⁷ Chen, WG., Wang, HH & Yue, LH. (2017). Exploration on the Cultivation Mode of Innovative Postgraduates in Architecture and Civil Engineering Specialty Based on Global Perspective. PROCEEDINGS OF THE 2017 INTERNATIONAL CONFERENCE ON EDUCATION, ECONOMICS AND MANAGEMENT RESEARCH (ICEEMR 2017), 95, 136- 139

¹⁰⁸ Pi, F. (2015). The Research on Multi Objectives and Multi-level International talents' Cultivation, Communication and Cooperation. PROCEEDINGS OF THE 2015 INTERNATIONAL CONFERENCE ON EDUCATION REFORM AND MODERN MANAGEMENT (ERMM 2015), 15 (), 138- 141

¹⁰⁹ Liu, HP. & Chen, FY. (2014). An Analysis of the Public Facility Design in Downtown Business District. 2014 4TH INTERNATIONAL CONFERENCE ON EDUCATION AND EDUCATION MANAGEMENT (EEM 2014), PT 6, 68 (), 140- 142

¹¹⁰ Kusa, R. & Debkowska, K. (2020). Identifying Internationalisation Profiles of Social Entrepreneurs Utilising Multidimensional Statistical Analysis. *Journal Of Social Entrepreneurship*, doi: 10.1080/19420676.2020.1751246

social economy entities are present in the scope of internationalisation of social economy. These are:

- (1) Organisations which sell products and operate as *social enterprises* or *business enterprises*, e.g., distribution orientation,
- (2) Organisations which provide a solution for free tend to operate as *charities* or *associations* and usually operate in several markets and transfer knowledge and goods, e.g., replication orientation,
- (3) Organisations that help to start a new business work as *charities*, *associations*, *foundations*, e.g., exchange and collective impact orientation,
- (4) Organisations that help in running an existing business tend to operate as cooperatives, *social* or *business enterprises*, e.g., sourcing orientation

Taking inspiration from such sources, we distinguish four types or modes of cross-border activities, but it should be mentioned that a single entity can engage in multiple types of cross-border activities as they are not mutually exclusive. According to Cwiklicki¹¹¹, the most significant elements for scaling social enterprises internationally are: earnings-generation and alliance building; staffing; communicating; and replicating. The less significant are lobbying and stimulating market forces. Existence of a strong social business model, neutral from market sources, if well-resourced and recognised in public sphere are also associated with the scaling up.

1.5.1. Replication

Replication is the process that enables SE organisations to spread their impact and business models to other regions or countries. Replication enables affiliates, partners or adopters to implement the offer of the SE organisation (programmes, services/products, methods, collaboration processes, etc.). SE organisations use a wide range of replication strategies. The main difference between them is the amount of control the SE organisation has over the delivery of their products, services or programmes and the achieved impact or revenue. We differentiate between three main replication strategies: Growth, Affiliation, and Dissemination. This differentiation is applied by intermediaries supporting replication processes¹¹² and has also been used in recent research on cross-border replication¹¹³. Bretos et al for instance identified the same strategies in their literature review using a different terminology (control-based, hybrid, altruism-based) (ibid. p.8).

GROWTH (Branching, , Mergers): Growth is usually connected to high control that comes with 1) higher costs and investments, 2) more responsibility, 3) less flexibility, and 4) full access to collected funds and earned revenue. Through this strategy SE organisations can create branches or merge with existing companies in other regions or countries, and hence stay in control of the implementation of their impact and business model and receive revenues. However, this strategy requires heavy investments and resource dedication. When branching, SE organisations also need to check the legal requirements for providing their offer. This regards the establishment of an appropriate legal entity as well as compliance with sector specific regulations (see section 1.4.1 on legal dimension).

¹¹¹ Cwiklicki, M. (2018). Requirements of scaling international social enterprises. INTERNATIONAL ENTREPRENEURSHIP AS THE BRIDGE BETWEEN INTERNATIONAL ECONOMICS AND INTERNATIONAL BUSINESS, 4 (3), 101- 115.

¹¹² Berelowitz, D.; Chopra, P.; Coussa, G.; Paren, M.; Towner, M.; Wetherill, H.; Huggett, J. Social Replication Toolkit; Spring Impact: London, UK, 2015.

¹¹³ Bretos, I., Diaz-Foncea, M & Marcuello, C. (2020). International Expansion of Social Enterprises as a Catalyst for Scaling up Social Impact across Borders. SUSTAINABILITY, 12 (8), - 0. 10.3390/su12083262

There are several factors that lead to differences in growth dynamics and prospects between traditional commercial SMEs and social economy entities. There are social economy entities that show considerable growth such as large social service providers or cooperatives, which are however often confined to their national territories. Large social service providers may rely on specific national public funding frameworks or a specific cultural context and history. Cooperatives might be more attached to specific territories and communities due to their governance and solidarity principles. Social enterprises may be focused on scaling their impact through adaptation and duplication rather than growing the organisation. Furthermore, social enterprises usually must invest in market building activities when introducing social innovations which slows down their growth. Social missions and impact models will generally prevent social economy organisations to engage in aggressive growth strategies (e.g., hostile takeovers, aggressive market entry strategies). As a result, social economy organisations usually strive for slower and sustainable growth and scaled impact.

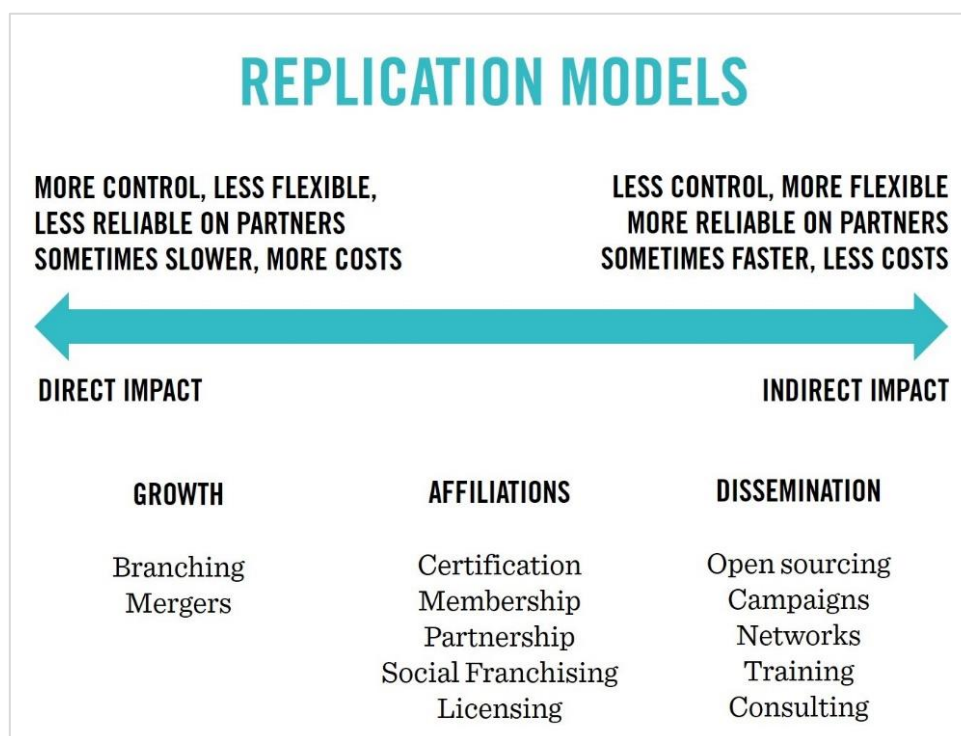
AFFILIATION (Franchising, Partnerships, Memberships, Licensing. Etc.): Affiliation strategies try to balance control with openness. Many social economy entities opt for the affiliation strategy. With affiliation models SE organisations enable other organisations to use their methods under certain formal conditions. The SE organisation can thus keep some control, while handing over responsibility to the affiliated organisation as well as making use of their competencies, resources and networks.

In more structured affiliation models such as social franchising, the SE organisations define and formalise their product, service or programme, engage in a formal relationship with partners, and enable them to deliver/implement it. The formal relationship defines the commitments and responsibilities for the SE organisation and the affiliated partners and will usually include financial commitments such as franchising fees. Due to the strong control and legal relationship component, social franchising is the affiliation form that is closest to “growth” based strategies. We see however a strong difference between branching and social franchising in terms of organisational structures, management structures and financial management.

In less structured affiliation models such as partnerships, the SE organisation may define a shared code of conduct or general principles that all partners need to commit to without strongly standardising the delivery of services and programmes.

DISSEMINATION (Consulting, Open Sourcing, Training, Campaigns, etc.): Dissemination strategies prioritise fast replication over control and usually come with 1) lower costs/investments, 2) less responsibility, 3) more flexibility for partners, 4) limited or no access to collected funds and earned revenue and often 5) limited or no access to impact assessment data. These strategies are often chosen when spreading/sharing a simple solution quickly and increasing its impact is a priority.

Figure 1: Replication models



Source: Adapted from the Spring Impact Replication Toolkit:
<https://www.springimpact.org/toolkit/>

1.5.2. Distribution

Distribution of products and services is the main internationalisation pathway employed by for-profit organisations. The distribution process has therefore also been used to describe the main internationalisation stages of SMEs (Johanson and Vahlne 2009). If SE organisation engage in cross-border distribution this is usually motivated not only by their business model, but also by the underlying impact model. SE organisations may for instance distribute products cross-border that have been produced by local communities, beneficiaries or other constituencies they support. The actual distribution process is very similar for SE organisations and for-profit SMEs and relies on market research, export logistics, and distribution channels and partners. They also engage in e-commerce and use online platforms¹¹⁴.

1.5.3. Sourcing

Sourcing refers to cross-border activities that aim to access resources in other countries (knowledge, innovations, funding, staff, volunteers, products, production facilities, etc.). International sourcing can involve e.g., collaboration with other social enterprises, non-

¹¹⁴ Yang, M. (2018). Research on the Innovation of Cross-border E-commerce Talents Training Mode on the Background of "The Belt and Road". PROCEEDINGS OF THE 2018 INTERNATIONAL SYMPOSIUM ON SOCIAL SCIENCE AND MANAGEMENT INNOVATION (SSMI 2018), 68 (), 460- 463.

governmental organisations (NGOs) and the corporate sector¹¹⁵. While sourcing by SMEs in general is dominated by a focus on supply chain management and cost advantages, social economy entities may consider sourcing as an important part of their impact model. They may even achieve their main impact by establishing specific sourcing practices (e.g., Fairphone aims to change supply chain practices in the smartphone industry by introducing new standards and partnership models)

1.5.4. Collaboration and collective impact

Collaboration and collective impact refers to cross-border activities where SE organisations engage in cross-border partnerships, networks, movements or campaigns to tackle societal challenges. The focus of collaboration is on advocacy, exchange of knowledge and practices and mutual support.

Collective impact is a concept used in the social entrepreneurship sector that describes a process of collaboration that is guided by principles such as co-creation of a shared vision and mission, commitment to shared success criteria, and mutually reinforcing activities. There is usually an entity or network hub facilitating this process also called a ‘backbone organisation’¹¹⁶. Collective impact is thus a facilitated and outcome focused type of collaboration that often involves stakeholders from different sectors.

1.5.5. Expert ranking of cross-border activity types

From the experts and stakeholders consulted during the study¹¹⁷, “Sourcing” (SE organisations that engage in transnational activities to gain access to new resources (knowledge, funding, volunteers & contributors, products & production facilities, etc.) is ranked as the most relevant cross-border activity, closely followed by collaboration & collective impact and replication. Replication is usually supported by intermediaries in the SE area to some degree and promoted by influential global SE networks and communities (Ashoka, Impact Hubs, Schwab foundation, etc.). What is interesting to see is the low ranking of “Distribution” (SE organisations distribute and sell products and services cross-border). We interpret this finding in three ways (taking the identified “trends” into account, see below):

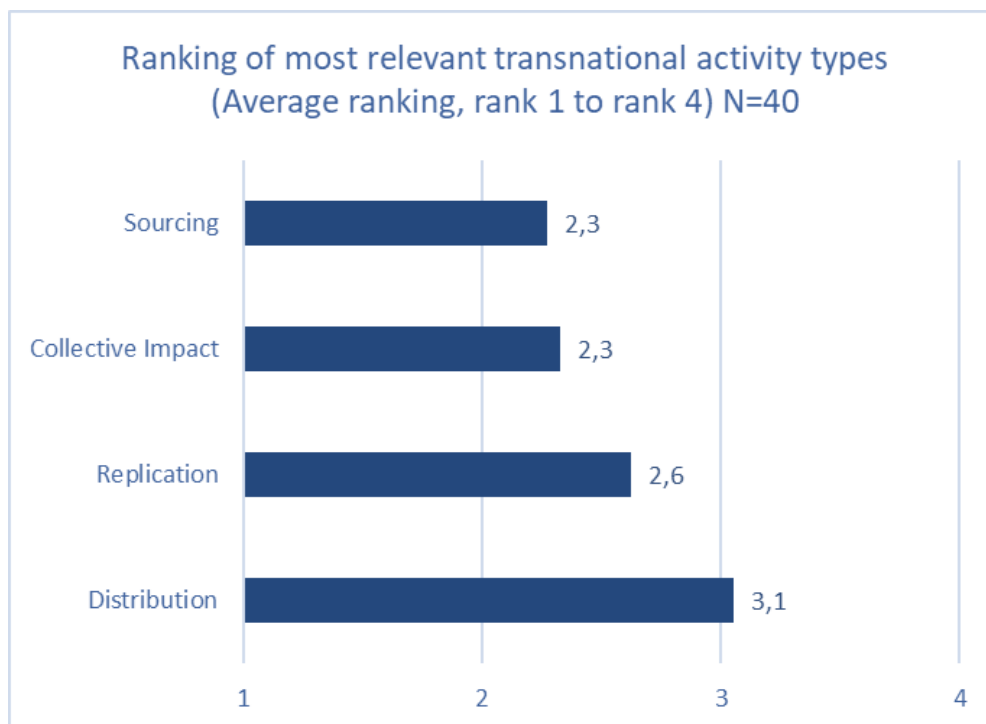
- 1) SE organisations often have a contextualised approach to solving social problems. Their offers “products/services” are therefore embedded into broader social impact strategies and cannot be “traded” easily in isolation from that context.
- 2) SE organisations do have only limited access to traditional “export” support and respective infrastructures.
- 3) Intermediaries supporting SE organisations are probably emphasising the impact dimension by trying to replicate contextualised approaches rather than pushing for the distribution/selling of products.

¹¹⁵ Lam, I. K. (2016). Tripartite Collaborative Model Value Creation Experience of iEnterprise with Corporate and Nongovernmental Organisation. In *The Essence and Measurement of Organisational Efficiency* (pp. 137-173). Springer, Cham

¹¹⁶ https://ssir.org/articles/entry/collective_impact

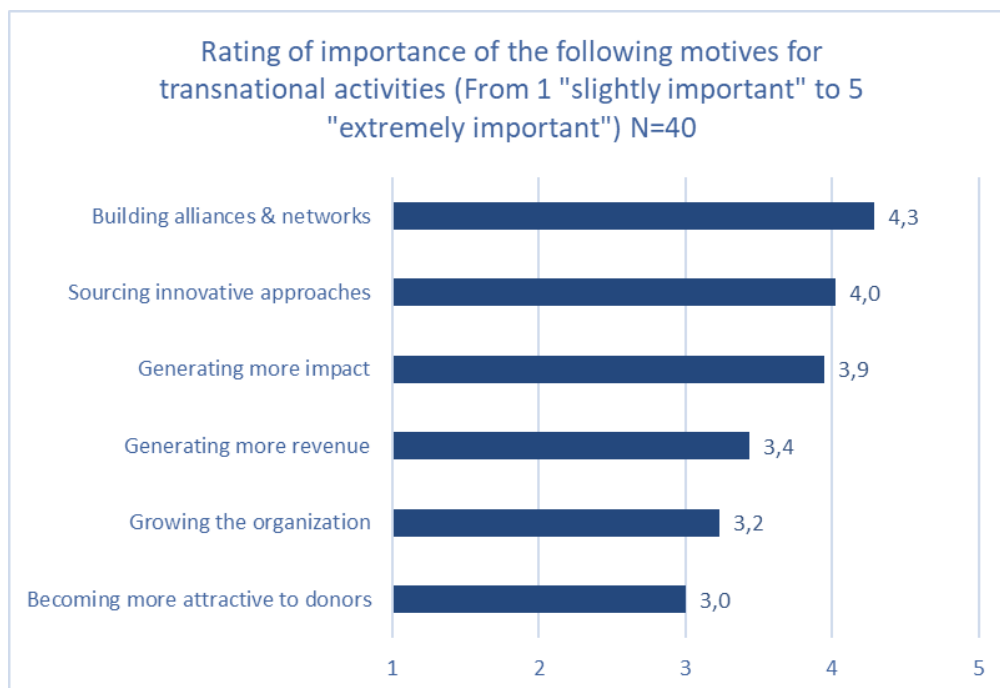
¹¹⁷ For further information please see Annex II of the present report

Figure 2: ranking of most relevant cross-border activity type



Also, with respect to motivation, the consulted experts and stakeholders rated “softer” motives for transnational activities higher. SE organisations – according to the experts’ views – are mostly motivated to engage in cross-border activities to build alliances and networks and to source – and probably adopt – innovative approaches. These motives are obviously not connected to generating revenue or accessing the internal market with products/services.

Figure 3: Rating of importance of the following motives for transnational activities



1.6. Barriers to cross-border activities

Scaling a social enterprise is more complex than scaling a commercial enterprise.¹¹⁸ The mission to create social impact must be balanced with the need to generate revenue, a tension that is often exacerbated in the process of internationalising.¹¹⁹

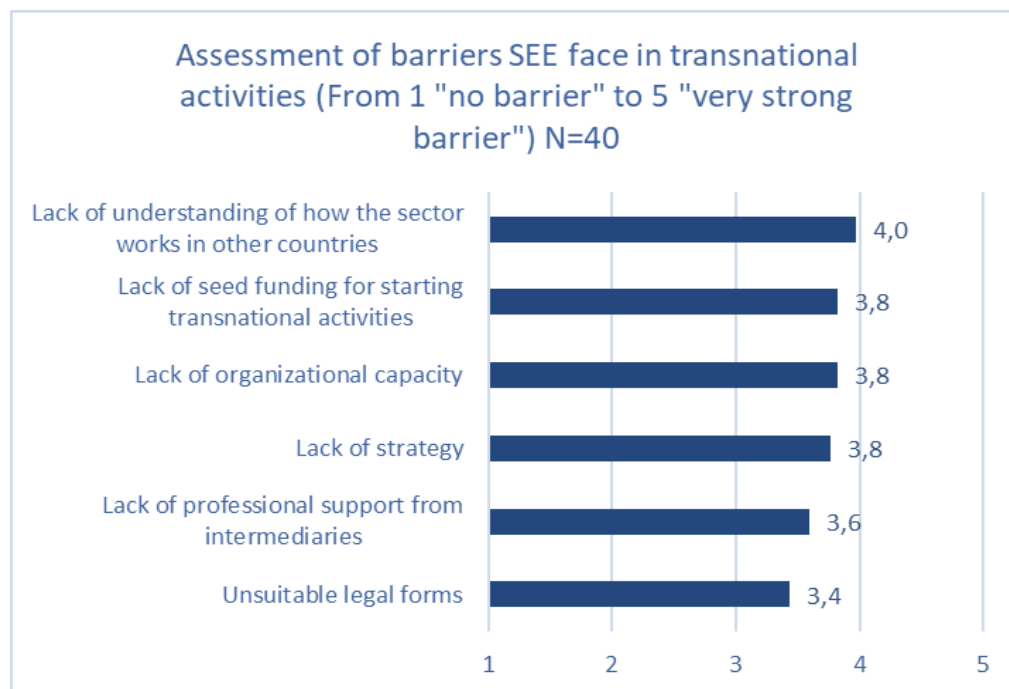
Social economy entities encounter many, interrelated barriers to cross-border activities, making it a complex endeavour that requires a great deal of information, planning, and competencies to succeed. Nevertheless, they find creative and diverse ways to scale their impact successfully to other countries.

This section summarises the barriers to cross-border activities already identified, and adds insights from the stakeholder survey, co-creation workshops, and expert interviews. Barriers are organised by the four dimensions described earlier: legal, spatial, business, and sectoral.

1.6.1. Overview

We asked 40 respondents with expertise in cross-border activities for different types of social economy entities to share their views in an online survey. In response to a question about the importance of a series of barriers, they rated all barriers relatively high, with average ratings between 3.4 and 4 (see graph below).

Figure 4: Assessment of barriers SEs face in transnational activities



¹¹⁸ Vador, P., Winkler, M., and Mehrwald, M. (2021) Scaling impact abroad: An analysis and framework of competences for social enterprise internationalisation. WU Vienna, Vienna.

¹¹⁹ Bretos, I., Diaz-Foncea, M & Marcuello, C. (2020). International Expansion of Social Enterprises as a Catalyst for Scaling up Social Impact across Borders. SUSTAINABILITY, 12 (8), - 0. 10.3390/su12083262

The highest rated was “Lack of understanding of how the sector works in other countries” (rated 4/5). Understanding how a sector operates in another country requires familiarity with a different legal system, different language and culture, and different business actors. Social economy entities also often need to understand how another country’s social system functions (e.g., mobile care, psychological support, recycling). The competence to map and analyse social systems goes beyond typical “market research” and might involve intensive stakeholder consultations.

Apart from difficulties in understanding inter-country sectoral nuances, survey respondents felt there is a „Lack of professional support from intermediaries” to gain the necessary insight and assistance (rated 3.6/5). “Lack of seed funding for starting transnational activities,” “lack of organisational capacity,” and “lack of strategy” were all rated equally high (3.8/5). “Unsuitable legal forms” are perceived as the lowest barrier to cross-border activities, according to the average rating of respondents (3.4/5).

These barriers interact, and several of the 20 experts interviewed pointed out that the complexity of the task can in itself be a deterrent to looking beyond the borders of one’s own country. One expert put it like this:

“The complexity of going to other countries and other markets with the local cultural differences is quite big. I think many entrepreneurs are aware of that and not willing to take the entrepreneurial risk or do not have the means or resources to go and make such a big step in a foreign country. Because often the solutions they have developed and the services, are really tailored for one specific target group in one specific city, town, region or local community. And it actually is not that easy to replicate such impactful solutions for other markets.”

A more granular expert assessment of the barriers rated in the survey will be provided in the context of the four dimensions and qualitative expert views below, starting with the legal dimension.

1.6.2. Legal barriers

Although several Members States have adopted legal frameworks and policies to support the social economy since 2011,¹²⁰ each country has a different regulatory environment. This came up frequently as a barrier in the survey comments, the two co-creation workshops, and in interviews, as illustrated by this statement:

“There is [a] great lack of homogeneity of the legislative profiles for the sector, although the European Union and the Single Market have made great progress, there are still 27 very different legislations to apply and interpret.”

Some experts pointed out that taxes are not harmonised. Workshop participants similarly called for harmonisation of taxes, along with simplification of taxation, and tax incentives for the social economy.

Understanding the implications of various legal frameworks and deciding on the best course of action can require substantial financial investment, as well as a great deal of time and energy. Experts noted that social economy entities need to identify and hire either lawyers with international contacts or lawyers based in other countries. One expert said about the complexity of cross-border philanthropy:

¹²⁰ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

“Now that there has been found an investor, what if I want to send my things over to that country and collaborate? That is enormous work, gathering and managing that knowledge on how concrete problems are solved.”

Differences in national legal contexts can pose particular difficulties when it comes to the legal form. The Social Economy Action Plan recognises that the “cross-sectoral nature of the social economy and the fact that it covers different types of entities are important challenges for public authorities, making it difficult to develop an effective approach, and that it is complicated for social economy entities to choose a legal form “from diverse options not fully tailored to their needs.”¹²¹ Legal forms that work for a social economy entity in one country may not work well—or even be recognised—in another country. These differences complicate tasks like setting up investment contracts, one of the experts noted.

However, the legal barrier’s impact seems to vary between legal forms, as shown by our survey. For example, cooperatives were most frequently cited as a legal form that favours internationalisation. One expert with deep experience in the area did not see many barriers for cooperatives to cross borders, although they do need to be aware of national legal formats. Mutual benefit societies, on the other hand, were, in the survey, the least frequently cited legal form that favours internationalisation. One expert said they “want but can’t go transnational because the legislation is completely different from country to country.” Another agreed that the legal form itself is a major barrier for mutuals to cross borders. According to the Social Economy Action Plan, “existing rules do not take sufficiently into account their not-for-profit nature.”¹²²

While SEs do possess separate legal forms, the degree to which they are differentiated from for-profit enterprises can vary greatly from state to state and thus at times may be difficult to grasp (p. 30). The variability of legal forms causes undue complexity for SEs who desire to set up cross border operations, with implications such as regulatory strangling of operations, difficulties in accessing finance, and limited freedom of establishment (please refer to chapter 1, p. 30-31 for more details).

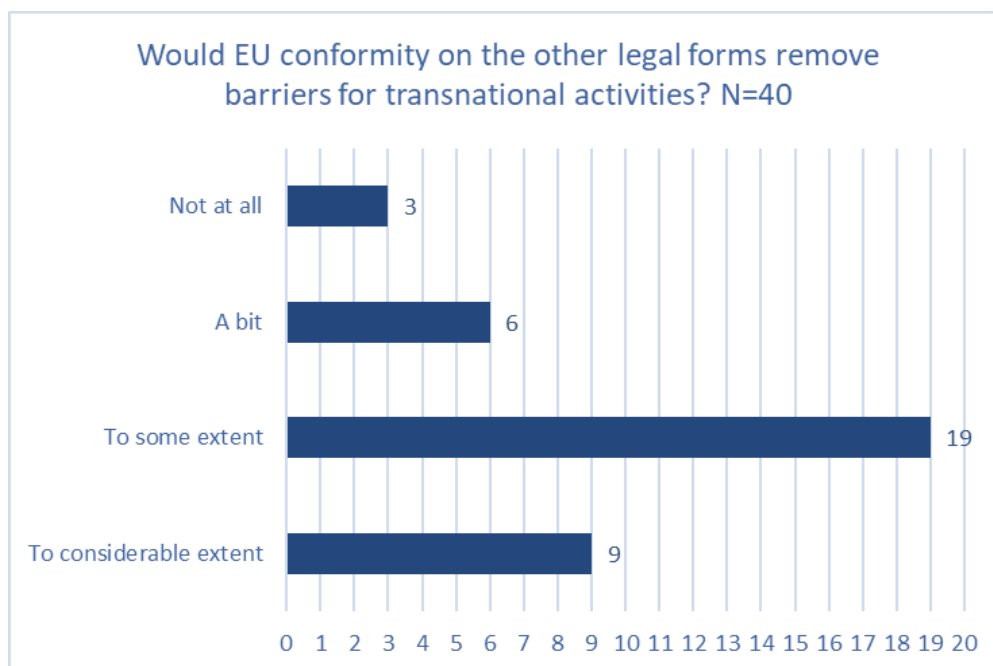
Thus, many experts agreed—in the survey, workshops, and interviews—that a single legal form would make cross-border activities easier. The Statute on the European Cooperative Society is currently the only example. However, in one of the workshops, it was described as “an answer to a non-existing problem,” one expert said it may not be “particularly useful for transnational activities,” (although one of the Spanish case studies found that it was very useful) and another said it is not a “truly harmonised legal form.” Some experts noted it is not much used. While its practical implications are debated, it may have had a symbolic effect, as exemplified by $\frac{3}{4}$ of the survey respondents answering that its introduction had some impact on promoting cross-border activities (“a bit” → “to a considerable extent”), and one commented from the vantage point of cross-border philanthropy that similar statutes in that sector would be welcome.

Furthermore, almost $\frac{3}{4}$ of the survey respondents believed that EU conformity on the other legal forms would contribute to removing barriers to some or a considerable extent (see table below). One expert said, “the existence of a single legal form in relation to SMEs has really helped their internationalisation – if something like that would be used for social economy entities, it would probably facilitate their internationalisation process also.”

¹²¹ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

¹²² European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

Figure 5: Would EU conformity on the other legal forms remove barriers for transnational activities?



Interestingly, when explicitly asked “Is the legal form a barrier for transnational activities? In what ways?” more than a quarter of survey respondents (12) did not consider the legal form a barrier for cross-border activities, which may partially explain why its average rating was weaker than the other barriers (3.4/5). Out of those respondents, seven wrote—and several interviewees agreed—that other barriers are more important, one interviewee thought social economy entities just need help choosing the right legal form, and one was of the opinion that cross-border activities are about networking rather than scaling.

The differences in national legal frameworks interact with barriers in other dimensions. Several interviewees pointed to legal barriers as a cause for financial ones which will be discussed in greater detail under the “Business Barriers” section. One expert said:

“...it is always easier to invest and give in the same country than in another one, which is a pity because many investors would love to support just the project, they feel is the best one, unrelated to where it is based.”

Philanthropic funding between countries is challenging, for instance, as described earlier in chapter 1. In the words of one of the experts interviewed:

“Despite the fact that the cross-border engagement of foundations and funders is growing, the legal, fiscal, and administrative environment for cross-border philanthropy even within the European Union, is still far from satisfactory. While the European Court of Justice (ECJ) recognised the application of the free movement of capital to philanthropic funds along with ensuring that the principle of non-discrimination applies to donors and foundations in the EU, this does not yet work in practice...”

Similarly, impact investors and other social finance actors can face difficulties in their due diligence, making it particularly time-consuming and reducing their interest in offering financing to social economy entities’ cross-border activities. One expert said:

“Not all the needed information may be available in English – including legal documents (e.g., on establishment of the firm, governance, etc.) that are usually only available in national language. As impact investments are smaller in volume (many around 500.000 EUR), they

have a lower return on investment or low management fees, so investors will usually try to keep additional costs at a minimum.”

1.6.3. Spatial barriers

Experts shared the observation that social economy entities are often locally embedded and implement context-specific activities (addressing specific local social problems or target groups).

One said it is “difficult to work on promoting the internationalisation of work integration social enterprises, as such organisations tend to have a local scope.” Another drew attention to “Italian social cooperatives that provide very important local welfare services but which are not “transferable” in a cross-border dimension.” A study in the Netherlands concluded that the cross-border dimension of social health services is negligible.¹²³

While the context-specific nature of the work can make it difficult to transfer a model to another country, one expert identified mindset as a related barrier: “99 percent of the entrepreneurs and social innovators I meet do not have it as a vision, not to mention as a concrete milestone, to go abroad. They often think of impact on a more local or regional level.” For some social economy entities, identifying more with the non-profit sector than the business sector can also be a barrier, suggested another expert: “A barrier is often the non-profit status and identity of a social project. For many organisations, this is at odds with a strategy that focuses on expansion/scaling and tries to generate revenue with a Social Franchising system.”

Our case studies show, however, that the primacy of the social mission is not necessarily a barrier. In fact, the desire to scale impact is often what *drives* cross-border activities. One expert observed that starting out with a global rather than local perspective is becoming more common:

“... social problems don’t necessarily know borders. Attacking a problem in Spain can mean solving a global problem, especially when we talk about environmental issues. The trend I see is that social enterprises/economy in general, since their inception already have a global view.”

Even then, social innovations and approaches are most likely to be successful when they are adapted to local circumstances, Bretos, Diaz-Foncea, & Marcuello (2021) found.¹²⁴ This assertion is supported by our case studies, which showed that social economy entities that initiate cross-border activities often do see the need to adapt their solution to new local environments and work closely with their partners to achieve this.

As previously described, legal barriers substantially restrict funding across borders. So does geographical distance. Entering into a financing relationship with a social economy entity involves financial risk for the investor, even in a familiar environment. These risks—and the perception of them—increase tremendously when contact is hampered by geographical distance. One expert explained it like this: “...geographical distance hampers the exchange between investors and investees, in particular in the early stage of investments where trust building, and closer interaction is needed.” Trust is important from the perspective of financial

¹²³ See Deloitte (2020) Report public procurement of social health services: Study of regulatory burden and the level of cross-border dimension Commissioned by the Dutch Ministry of Health, Welfare and Sport (VWS), the Department of Legislation and Legal Affairs (WJZ) Accessible: [report-public-procurement-of-social-health-services-study-of-regulatory-burden-and-the-level-of-cross-border-dimension.pdf \(sociaalweb.nl\)](https://www.sociaalweb.nl/reports/report-public-procurement-of-social-health-services-study-of-regulatory-burden-and-the-level-of-cross-border-dimension.pdf)

¹²⁴ Bretos, I., Diaz-Foncea, M & Marcuello, C. (2020). International Expansion of Social Enterprises as a Catalyst for Scaling up Social Impact across Borders. SUSTAINABILITY, 12 (8), - 0. 10.3390/su12083262

return, but also because, “Although impact measurement systems may be in place, the investor still needs to trust that impact is achieved, measured and reported correctly.”

Moreover, language differences create difficulties with accessing information. Documents may be available only in the local language, which can make information gathering burdensome. Language differences also create administrative hurdles and additional costs, perfectly exemplified by one expert’s experience with opening an office in Brussels: “It is a lot of work, especially in Brussels because we had to translate all material to Flemish.”

In addition to language, several experts considered cultural differences a barrier. Its forms are diverse and can include low levels of understanding of the social economy in many countries, according to the survey, workshops, and interviews. This is supported by the European Social Enterprise Monitor’s finding that a quarter of social entrepreneurs experience “poor understanding/awareness of SEs among the general public/customers” as a barrier which hinders them much or very much.¹²⁵ The European Commission describes the public’s lack of understanding and public authorities failure to take full advantage of existing possibilities to promote the social economy in many countries as barriers to realising its “social and economic transformative power.”¹²⁶

One implication of limited understanding can be a lack of demand for innovations. According to one expert, many social sector organisations run home-grown programmes and are happy with that: “On the partner side, the social sector often lacks the willingness to adopt an existing, proven programme. ... These psychological barriers have a stronger effect than the legal ones.” The capability to successfully communicate value to stakeholders becomes key for leaders seeking partners.¹²⁷

While all of the spatial barriers—as well as other barriers—to some extent impact which countries social economy entities choose to work in, that doesn’t necessarily mean that they avoid high-barrier locations. Since the social mission is paramount, they may even favour them, if social needs there are high.

1.6.4. Business barriers

Engaging successfully in cross-border activities requires access to a great deal of information and know-how to identify success factors, articulate a realistic strategy to achieve the goal, and correct course as needed.¹²⁸ Experts rated the lack of strategy and the lack of organisational capacity equally highly in the survey (average ratings of 3.8/5).

These are important barriers, because many competencies that fall under organisational capacity and impact the ability to develop good strategy, including management expertise, are

¹²⁵ Dupain, W., Pilia, O., Wunsch, M., Hoffmann, P., Scharpe, K., Mair, J., Raith, M., Bosma, N. (2021),

“The State of Social Enterprise in Europe – European Social Enterprise Monitor 2020-2021”. Euclid Network.

¹²⁶ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

¹²⁷ Cwiklicki, M. (2018). Requirements of scaling international social enterprises. *INTERNATIONAL ENTREPRENEURSHIP AS THE BRIDGE BETWEEN INTERNATIONAL ECONOMICS AND INTERNATIONAL BUSINESS*, 4 (3), 101- 115.

¹²⁸ Weber, C., Kröger, A. & Wilhelm, G. (2015). Scaling social impact in Europe: Quantitative Analysis of National and Transnational Scaling Strategies of 358 Social Enterprises. Bertelsmann Stiftung.

critical success factors.¹²⁹ Some experts pointed to the smaller size of many social economy entities as an explanation. To some, the primacy of their social objective and their attention to democratic governance also constitute inefficiencies that hinder growth. Bretos, Diaz-Foncea, and Marcuello (2018) challenge this view with respect to cooperatives. They argue that, despite the common view that cooperatives typically remain small and domestic because of their democratic nature and organisational and financial inefficiencies, many large cooperatives already operate and compete efficiently internationally.¹³⁰

Successful cross-border entrepreneurs consider “alliance-building” important to their success.¹³¹ Whether employing a branching model, collaborating with partners, or using another mode of scaling, social sector organisations are reliant on networks for knowledge, credibility, and other forms of social capital. Experts said in workshops and interviews, however, that the difficulty of building such networks is a barrier. This is supported by qualitative findings in an international context, where a study found that tapping into foreign networks was a consistent challenge for social entrepreneurs.¹³² Business functions that are dependent on the national, local, and sectoral knowledge and connections typically gained through networks over time can suffer as a result. One expert brought up an example:

There are business related barriers in different supply chains, different logistics. For example when you transport products from Germany to France you might need new suppliers. You basically need to build a lot of business from scratch, so it becomes money in the end.

Another example is marketing. The expert elaborated that, “when we export startups to other countries, one of the first things is to generate brand awareness.” Another pointed to additional barriers, including the difficulties of finding time to do all that needs to be done:

“We (ACCIO) conducted research on such barriers in 2017. The biggest barriers are difficult marketing and trading conditions and competition within the market, followed by economic and financial aspects like insecure or declined grant funding and cash flow difficulties. Last but not least are the lack of time and capacity to develop trading potential linked to the core functions of SE’s. For example, there has to be time invested in the people involved in the doings of the social enterprise.”

Financial barriers came up frequently. One example is public procurement, which represents 14% of European GDP. Despite a 2014 overhaul of EU public procurement rules, which since then allow social and environmental responsibility as award criteria, most public tenders are still awarded based only on price.¹³³ In one study, a fifth of social entrepreneurs described

¹²⁹ Weber, C., Kröger, A. & Wilhelm, G. (2015). Scaling social impact in Europe: Quantitative Analysis of National and Transnational Scaling Strategies of 358 Social Enterprises. Bertelsmann Stiftung.

¹³⁰ Bretos, I., Diaz-Foncea, M & Marcuello, C. (2018). Cooperatives And Internationalization: An Analysis Of The 300 Largest Cooperatives In The World. CIRIEC-ESPANA REVISTA DE ECONOMIA PUBLICA SOCIAL Y COOPERATIVA, 92 (), 5- 37. 10.7203/CIRIEC-E.92.11480

¹³¹ Cwiklicki, M. (2018). Requirements of scaling international social enterprises. INTERNATIONAL ENTREPRENEURSHIP AS THE BRIDGE BETWEEN INTERNATIONAL ECONOMICS AND INTERNATIONAL BUSINESS, 4 (3), 101- 115.

¹³² Winkler, M., Vador, P., & Mehrwald, M. How do organisations of the social economy scale across borders? A study on the challenges of internationalising social enterprises. Available from <https://cdn-assets.inwink.com/e34b7337-d151-4294-a09a-36038b91b434/6c1bcfb2-8806-4fc5-9c11-cfa1d0989b1d?sv=2018-03-28&sr=b&sig=zu5BlmCjQiFNDIk1jiGla2thEfyYiPhQpLAHr7%2BVEws%3D&se=9999-12-31T23%3A59%3A59Z&sp=r&rscd=inline%3B%20filename%3D%22How-do-organisations-of-the-social-economy-scale-across-borders.pdf%22%22> [last accessed April 2022]

¹³³ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

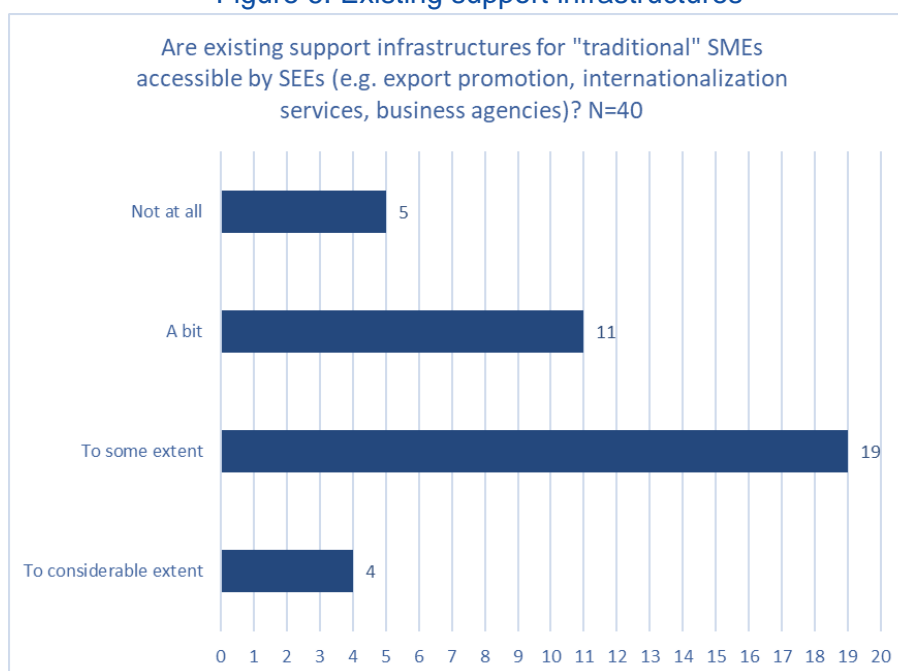
disadvantages concerning public procurement offerings as ‘much’ or ‘very much’ of a hindrance to them.¹³⁴

Ethical banks play an important role, but there is still, according to the Social Economy Action Plan, a “persisting mismatch between the demand and supply of repayable finance for social enterprises in Europe, both in terms of access to debt and equity.”¹³⁵ In a study of 930 social enterprises, the European Social Enterprise Monitor identified financial barriers as the most obstructive.¹³⁶ respondents supported this, especially in the areas of cross-border philanthropy and impact investments, as discussed earlier. Workshop participants called for funding dedicated specifically to cross border activities, funding for the exploratory stage of cross-border scaling, and financial instruments focused on the different life cycles of a social economy entity, among other ideas.

Further exploring business support from intermediaries, some social economy entities work well with entities designed to support SMEs. This is the case with work integration social enterprises, which according to one expert collaborate effectively with local and national chambers of commerce to help people into the conventional employment market.

Many others considered lack of support from intermediaries a major barrier, as indicated by the average rating of 3.6/5 in the survey and workshop participants’ calls for more capacity-building support, collaboration networks, and social incubators. While some experts see the problems social economy entities experience as the same or similar to those of SMEs, there was general agreement among the experts consulted that social economy entities cannot benefit from supports designed for SMEs in the same way or to the same extent. Around 90% of survey respondents said that existing support infrastructures for “traditional SMEs are accessible by SEs “to some extent” (19), “a bit” (11) or “not at all” (5).

Figure 6: Existing support infrastructures



¹³⁴ Dupain, W., Pilia, O., Wunsch, M., Hoffmann, P., Scharpe, K., Mair, J., Raith, M., Bosma, N. (2021),

“The State of Social Enterprise in Europe – European Social Enterprise Monitor 2020-2021”. Euclid Network.

¹³⁵ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

¹³⁶ Dupain, W., Pilia, O., Wunsch, M., Hoffmann, P., Scharpe, K., Mair, J., Raith, M., Bosma, N. (2021),

“The State of Social Enterprise in Europe – European Social Enterprise Monitor 2020-2021”. Euclid Network.

The reason is that the support offered to SMEs— while available to many social economy entities—is not tailored to their unique features, according to the Social Economy Action Plan,¹³⁷ survey responses, and experts interviewed. The nature and level of support needs depend on the mode of internationalisation. Branching requires the most, affiliation less, but the consensus is that social economy entities need targeted support.¹³⁸ One expert commented that traditional services “are perfectly accessible for social economy entities that have the form of a business,” but:

“...to internationalise the dimension of "social" content, on the other hand, other tools would certainly be needed that favour the sharing of good practices or the promotion of cross-border investments, perhaps with specific dedicated support structures, which know how to enhance the solidarity dimension and the peculiar vision of social enterprises.”

How to evaluate social impact is another unique need of social economy entities¹³⁸. In comparison with internationalising commercial entrepreneurs, social entrepreneurs have greater needs for support with visibility, sales, and HR, according to Vandor, Winkler and Mehrwald (2021). The study authors speculate it is related to greater reliance on funding partners that tend to be domestically focused (public sources and philanthropy), giving them the disadvantage of “foreignness.”¹³⁸ One expert said that social economy entities are also set apart because they “do not have budgets to cover the costs of crossing these admin and legal barriers.” That, according to another, additionally prevents them from accessing sources of funding with heavy administrative burdens.

Finally, compared to internationalisation of for-profit enterprises, advocating for better policy frameworks and market conditions are greater needs for social entrepreneurs¹³⁸. In one study, 25% found a weak lobby for social entrepreneurship to be much or very much of a hindrance to them.¹³⁹ Workshop participants substantiated this.

1.6.5. Sectoral barriers

Survey respondents rated “Lack of understanding of how the sector works in other countries” as the highest barrier to transnational activities (4/5). Most of the barriers discussed under other dimensions also apply to a single sector or compound the problems presented by a lack of sectoral understanding. Therefore, this is the barrier most intertwined with all the others, hence it is analysed last as many of the pertinent elements are already covered by the preceding discussions.

Sector-specific regulations vary between countries, just like overall legal frameworks and their accompanying barriers do. Spatial barriers like language differences can make it challenging to access market information and understand sector-specific laws and regulations, both of which are key to making the right decisions about how to scale and to becoming successful in a sector in another country. Competitive landscapes are different and cultural differences can make a sector less receptive to a given innovation in some countries than in others. The challenges around building networks and alliances in a new country can be closely tied to the sector in which the social economy entity works, slowing down the ability to overcome sectoral

¹³⁷ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

¹³⁸ Vandor, P., Winkler, M., and Mehrwald, M. (2021) Scaling impact abroad: An analysis and framework of competences for social enterprise internationalisation. WU Vienna, Vienna.

¹³⁹ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

information barriers, as well as building brand awareness, supply chains, and other business functions.

In some sectors, competing internationally on a large scale is necessary to succeed. One expert shared the example of textile recycling, where he believes the size of competitors requires social economy entities to internationalise through cooperation as well as expanded operations. Managing operations, partnerships, and international cooperation on a scale large enough to compete is complex, to say the least.

Social economy entities must figure out what implications sectoral differences may have to them: How will they make social impact in a different social system and how will they operate successfully in a new business context? The pathway analysis will show that, despite the barriers, social economy entities in many sectors have found ways to answer these questions and successfully scaled. Examples from our case studies include the education, health, disabilities, IT/ICT, environment, and food sectors.

1.6.6. Conclusion

This section has outlined legal, spatial, business, and sectoral barriers and shown how they interact across dimensions. Survey respondents rated all the barriers in the survey relatively highly, on average, showing that they apply broadly. Expert comments validated that, but also revealed variation suggesting that the relative strength of any single barrier depends on factors like the social economy entity's sector, legal form, business model, impact model, and mode of cross-border activity.

In the next chapter, the case studies will show how social economy entities engaging in different forms of cross-border activities are experiencing barriers in the different dimensions, and the pathways they have taken to overcome them. Contrary to the financial motivations of commercial companies, social economy entities' choice of pathways to cross-border activities is driven strongly by their social impact models.

2. Social Economy cross-border activities: results from the cases explored

As mentioned in the introductory section, this study aimed to identify and explore SE organisations involved in cross-border activities that demonstrate: i) a consistent **impact model**; ii) a sustainable **business model**; and iii) **an existing track record of engaging in cross-border activities and related strategies/goals**. In addition, the study team aimed to achieve a well-balanced distribution of **countries of origin, legal forms, thematic areas, and cross-border activity types**.

Indicators for assessment criteria:

- i) the study team compiled basic elements of the impact model (inputs, activities, target groups, outcomes).
- ii) the study team checked if potential cases showed a track record in performing their activities as a proxy indicator for a viable business or fundraising model.
- iii) the study team identified whether an organisation is already active in other countries and whether this activity could be assigned to one or more types of cross-border activities (distribution, sourcing, replication, exchange and collective impact)

In total, basic information on 114 SE organisations was gathered. Starting with desk research, information on indicators was enriched for SE organisations considered more closely for being selected as case studies through more in-depth desk research and clarification questions before scheduling the case study interview.

Based on these criteria and the assessment process, **52 cases of social economy entities involved in cross-border activities were selected and interviewed by the partnership**.

From a geographical perspective, the following 14 EU countries were covered: AT, BE, CY, DE, DK, ES, FI, FR, GR, IT, NL, PT, RO, and SI, complemented by the following 3 non-EU COSME countries: Turkey, Serbia and Albania. Apart from the countries aforementioned, we included also cases from the UK and Ireland, as they are important players in the social economy arena – and also represent different legal forms (cooperatives, mutuals, social enterprises, etc.), business models, sectors of operation and different types of cross-border activities

2.1. Overview of the cases explored

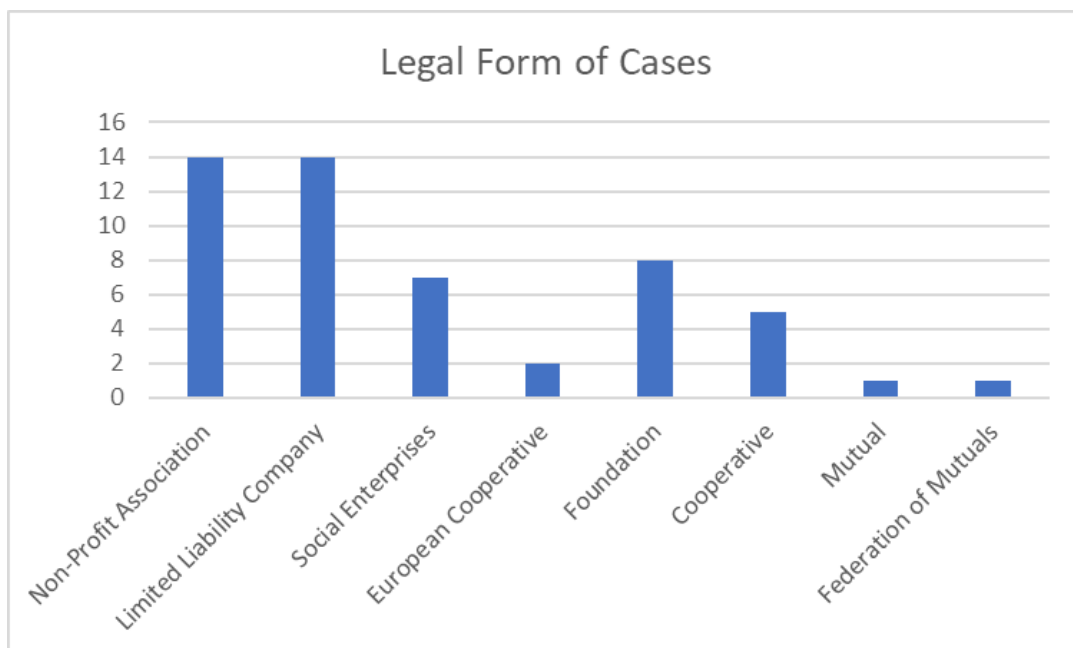
A primary objective of our partnership has been to explore cases in all 14 EU Member States and 3 COSME countries abovementioned.

Figure 9: Countries covered by the study



Concerning the type of organisations included in the database, as shown in the graph below, the main legal forms were social economy actors – non-profit associations, cooperatives, social enterprises, foundations – but we also see limited liability companies with a social impact represented.

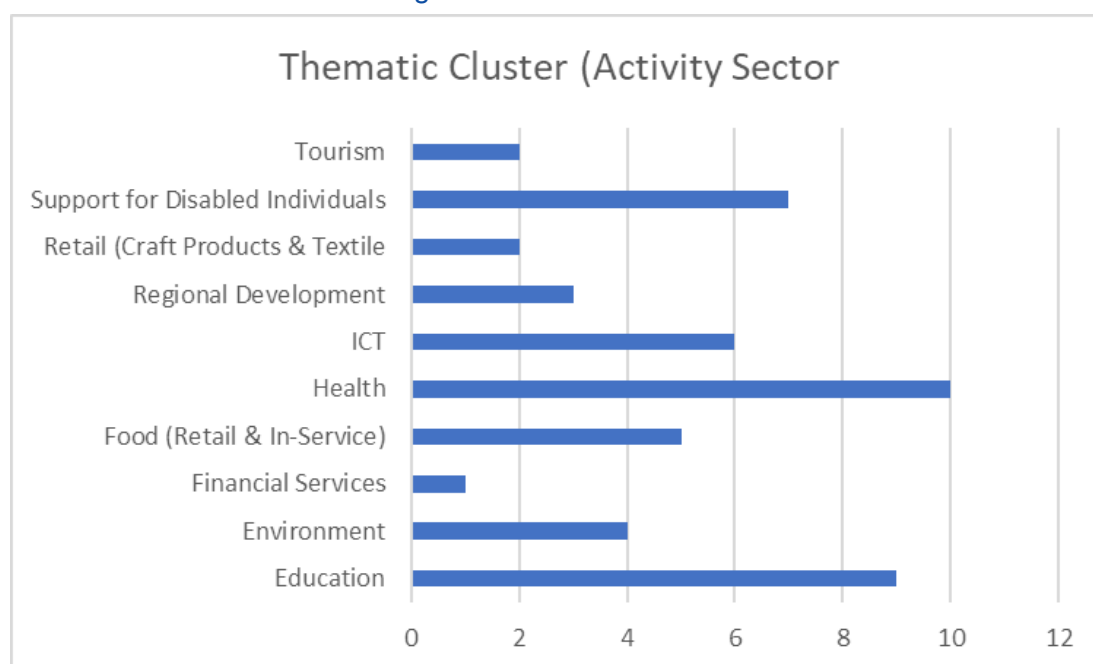
Figure 4: Legal forms



The cases were differentiated between the “type of organisation” that they constitute and the “legal form” that they represent. Because these two categories overlap, the analysis of the cases was based on their combination, with a focus on the legal form.

Many of the cases identified are working in the “traditional” areas of social economy, i.e. education, food, environment, health, employment, and social support services for people with disabilities. As anticipated – in line also with the findings of the EISMEA study “*New technologies and digitisation: opportunities and challenges for the social economy and social enterprises*”¹⁴⁰ – few initiatives were identified to be working in tourism, in retail, and in financial services.

Figure 5: Thematic cluster



2.2. Pathways for cross-border activities

In this chapter, we present the results of a comparative analysis of 52 case studies conducted in the framework of this study.

We identified 12 pathways to cross-border activities that we organised according to the four main types of cross-border activities described in chapter 1.3: Replication, Distribution, Sourcing, and Exchange & Collective Impact. The identification of pathways was based on a qualitative analysis and comparison of 52 case studies. The case studies feature strategic goals and processes related to cross-border activities as well as barriers and mitigation strategies. Based on these characteristics we identified clusters of organisations with similarities that we further developed into a typology of cross-border pathways.

We use the term “pathway” to describe how and why social economy entities engage in cross-border activities. A pathway thus connects a key activity (“e.g., Setting up a replication partner network...”) to a desired strategic goal (e.g., “...to scale social impact”). For each pathway, we

¹⁴⁰ Available at: https://ec.europa.eu/growth/content/new-technologies-and-digitisation-opportunities-and-challenges-social-economy-and-social_en

present the assigned case studies and describe the process of setting up and implementing cross-border activities. This is follow

ed by an analysis of typical barriers and mitigation strategies that we identified for each pathway. The barriers and mitigation strategies are organised according to the four analytical dimensions (legal, business, spatial, sectoral) we describe in chapter 1.2.

2.2.1. Replication pathways

“Replication” refers to the replication of impact and business models in other countries through growth (branching, mergers, etc.), affiliation (partnerships, social franchising, etc.) or dissemination (open sourcing, consulting, etc.). We identified three pathways where replication is the dominant cross-border activity. The first pathway is exemplifying the replication strategy of “affiliation” which is usually chosen by social enterprises aiming to scale their impact through cross-border activities. It features more formalised affiliation models such as social franchising and less formalised models where partnerships rely more on shared principles and values.

The second pathway exemplifies a replication strategy of “growth” that is based on merging/integrating two or more organisations.

The third pathway exemplifies a replication strategy of “growth” that is based on branching.

We did not identify a pathway with dissemination as a dominant replication strategy, although many pathways include dissemination elements.

Pathway 1: Setting up a replication partner network to scale social impact

This pathway is exemplifying the replication strategy of “affiliation”. Social economy entities on this pathway developed a clear and standardised “offer” that usually consists of a programme or structured activity that partners can implement. Depending on the type of activity, social economy entity may choose more structured (social franchising) or less structured (partnership) affiliation model. A key success factor for this pathway is the ability of the social economy entities to provide partners with a “complete replication package” that includes everything a partner needs to adopt/implement the activity ranging from documentation (manuals, knowledge resources, marketing materials) to support (training, consulting, co-fundraising) to formal frameworks (code of conduct, partnership contract, impact assessment). The featured cases have in common that replication is part of their core strategy. They have dedicated staff for cross-border activities or even create new entities to manage cross-border activities (e.g., atempo).

DESIGNATHON

Inspired by children and their capacity to imagine better futures, social designer and educator, Emer Beamer, founded Design-a-thon Works in 2014 in Amsterdam. In a design-a-thon [a design hack-a-thon], children aged 8 - 12 come together to tackle issues that matter to them. Together, they collaborate to envision and develop creative ideas, apply simple technologies and build prototypes, and finally present their solutions to an audience. What began as a one-day design-a-thon in one city has expanded into over 55 cities and regions worldwide with multiple design-a-thons taking place each year. Children in communities around the world can participate in a design-a-thon through local organisations called Design-a-thon Hubs that are trained by the SE and their Network Partners.

The Network Partners are on the lookout for schools, makerspaces and other community-based organisations that want to become Design-a-thon Hubs while teachers and adults who are experienced in working with children are supported to become facilitators being provided with training and programme materials.

Design-a-thon Works can also be commissioned for designing and implementing a specialised programme that aligns with the topics and values of a company or organisation. Organisations commission such a programme to 1) achieve strategic impact objectives related to a specific global issue or a particular region, 2) gain children's perspectives and insights to inform policy and decision-making, or 3) collaborate with a specific community by engaging its children.

Another option is to sponsor a global design-a-thon challenge. The international hubs host an international challenge on a specific topic, for example climate education.

ATEMPO

Atempo designed a translation method for simplifying text so that persons with mental disabilities and reading difficulties can better comprehend the content (capito). The translation is done in three language levels - from very simple to easy colloquial language. Capito offers its translation service to companies and public institutions for their internal and external communication and marketing.

After starting and developing their activities as an association from 2000 to 2005, Atempo established a limited liability company in 2005 in Styria (Austrian federal state) with the aim to offer their first product "capito" more professionally. Soon after, Atempo received requests from organisations in other Austrian federal states that wanted to adopt the "capito" products and services.

Atempo decided to establish its first branch in Vienna but recognised soon that the branching model did not fit well with the company's organisational culture, goals and competencies.

Atempo looked for a new approach to replication and discussed different models with a management consultant. Atempo wanted to create a strong brand for their "capito" products and services and common quality standards. Their partners should remain independent organisations. Atempo did not want to disseminate or open source the products and services fearing a deterioration of quality. Instead, Atempo wanted to stay in control over the standardisation and quality management process.

Atempo understood that they had created a very innovative product that was entirely new to the market. For the replication process, they wanted to rely on a well-known and established replication model.

Based on these criteria, Atempo decided to implement a social franchising model.

Atempo started to test the social franchise model with partners in three Austrian federal states where organisations initially expressed their interest. Implementing the social franchise model turned out to be more difficult than expected. Potential partners, customers and public authorities in the social sector rejected social franchising which they perceived as a "McDonaldisation" of the sector. They associated social franchising with non-inclusive, profit-driven business practices. Atempo needed to cope with the setback and decided to promote their offer with a softer approach and language, changing their wording to "Networking & Collaboration". This approach seemed to resonate more with Austrian partners.

After initial successes, Atempo – as many other social service providers at that time – faced their biggest challenge in 2011. The Austrian government cut funding for social services in the disability area by 40%. Atempo had to make a difficult decision: Should they give up?

Should they continue with their expansion plans? Atempo decided to pursue a “forward strategy” by building a professional social franchising system.

Supported by a social franchising professional, Atempo improved their branding, formalised their services, and designed the legal framework for the social franchising model. This included the creation of a limited liability company with the function to implement the social franchising system and to handle contracts and franchising fees. The funding for the expansion to Germany and Switzerland came from the impact investment fund Bonventure. Atempo became one of the first social enterprises in Austria receiving an impact investment.

Today (2021), Atempo has 21 social franchise partner organisations in Austria, Germany and Switzerland. 60 additional organisations use capito internally for their own communication and are connected to the capito network as “quality partners”. Such quality partners are, for example, non-profit NGOs, but also government departments or disability commissioners. These partnerships also contribute to changing society’s perception of people with learning and reading difficulties. Atempo's franchise partners are legally and economically independent organisations or individuals. At the beginning of their partnership with capito, they receive a detailed know-how transfer and represent capito regionally on the market or act as sales partners for the capito network nationwide.

SIMPLON

Simplon.co was founded in 2013 and is a network of social digital factories that offer free, intensive courses in digital professions in France and abroad. At the heart of Simplon’s work are training courses in digital skills for hard-to-fill occupations for people alienated from work and employees in need of reskilling or upskilling. They have a specific focus on male/female parity and support specific target groups such as refugees.

There are several ways to deploy the Simplon model abroad, depending on local market needs and situations. Simplon either opens training locations directly in the country or cooperates with existing local organisations in the form of a social franchise or knowledge partnership. “Simplon Corp” is the team dedicated to training all employees: those the farthest displaced from digital skills, those who need to acquire new skills, and those whose jobs are changing. Together with companies, Simplon designs and implements innovative training formats to demystify digital technologies through practical workshops, maintain the employability of employees, and support employees in learning a new job.

Measuring the quality and social impact of its actions enables Simplon to continuously improve their training. It is also an instrument for medium- and long-term strategic steering and enables them to stay innovative. So far, 11 476 people have been trained by Simplon all over the world. There are 109 factories in the Simplon Network that started activities in 2014. They achieve a positive outcome rate towards employment and training in France of 67%. Their job audience are 78% job seekers, 55% people with a high school level education or below, 7% foreigners, 6% individuals with disabilities and 37% of all trainees are women. They have 77 factories in France and 32 factories abroad, i.e. Belgium, Burkina Faso, Colombia, Ivory Coast, Spain, Romania, Senegal and Switzerland.

Organisations reach out to Simplon mainly because they want to implement their pedagogy and training methods. Their partners are organisations such as social businesses or NGOs that implement their programmes. In other cases, they cooperate with companies or large corporate partners such as Microsoft. After identifying a partner, Simplon supports the local fundraising process by identifying potential public and private funding sources which can include local, European (EU), or international funders (World Bank, African Bank and others).

Their main partners are Telenet and Orange, who are businesses located in Belgium that provide Simplon with seed capital to start their projects. Additional seed capital is provided by foundations such as 4Wings Foundation and Degroof-Petercam.

Also, the World Bank, African Development Bank, as well as business and philanthropic partners support them financially, so that they can invest in training and further internationalisation. Simplon is supported by Ashoka (their founder being an Ashoka Fellow), which is very helpful for them in terms of networking. Finally, Bruxelles Formations is their public service partner in Belgium, who certifies their training.

IRRSINNIG MENSCHLICH (MADLY HUMAN)

The international non-profit organisation “Irrsinnig Menschlich” (Madly Human), based in Germany, is committed to cross-sectoral work in the areas of education (school, higher education, vocational training) and mental health (prevention, provision). Their core competence lies in developing, implementing and scaling prevention programmes on mental health for young people.

Their flagship programme for schools “Mental? So what! Good Mental Health at School” has been implemented since 2001 and addresses students aged 14 and over and their class teachers. The social enterprise is replicating this programme in partnership with regional organisations from the mental health field in Germany and abroad. Partners are supported in setting up the programme with their local and regional schools, receive training, and materials for promotion, implementation and impact assessment. The organisations sign a partnership agreement and pay a standard yearly licensing fee. In 2019, the programme reached 26.000 pupils in Germany and 8600 pupils in Austria, Czechia and Slovakia. As partners continue to implement the programme each year these numbers are constantly rising.

As part of an Erasmus+ project, their partners in Germany, Austria, Slovakia and the Czechia currently (2021) developed a common framework for quality management, among other things, and will set up a transnational steering group for scaling at a European level.

The creation of new cooperative partnerships is focusing on countries in Central, Eastern and Southern Europe and countries with English as an official language. New scaling partnerships should also offer support in financing during the implementation phase. Countries that prioritise mental health issues have better options regarding legal forms and frameworks within that topic and allow better options to establish such cooperation. Only if cooperation partners are able to fulfil the necessary criteria on a legal level, a cooperation agreement can be signed. Madly Human also wants to establish their programme in the United Kingdom and Poland, where they are already looking for partners. As an independent strategy, they plan and host workshops at universities such as the Gabelli Business School at Fordham in New York.

CYCLING WITHOUT AGE

Cycling Without Age (CWA) is a movement that enables elderly, who tend to be socially excluded, to create new social relationships and rediscover cities and nature. CWA’s model is simple and effective: Residents of nursing homes can book a bike ride with a volunteer. The volunteers use specific “trishaw” bikes that carry the pilot and two passengers. Nursing homes, municipalities and community groups can adopt the model easily. They commit to CWA’s code of conduct, sign the partner agreement and buy a trishaw bike. CWA supports them by sharing their online booking platform, helping with fundraising, and offering webinars to network partners.

The Global CWA umbrella is in Denmark. A small team of 5 persons coordinates and integrates the network/movement with support from other members. In some countries, where many chapters exist, CWA membership organisations can be founded. These organisations introduce a new layer of coordination and support for the national community of CWA chapters. CWA intend to keep the central organisation as lean as possible. Their main objective is to scale the impact, not the organisation. To do so, they empower their partners to become active in the CWA community, to support each other and to share their ideas.

Starting in 2012, CWA managed in only 9 years (2021) to have 25 national membership organisations, 2.200 chapters, 33.000 volunteers, and 3.000 active trishaws.

YOUTH BANK

With participatory grant making as an instrument, the YouthBank Model seeks to enable young people to take charge of their future and the future of their community. It is a unique method of involving young people in community activities. It shifts power, money and attitudes to demonstrate the value of participatory grant-making at a grassroots level based on a simple, flexible and transferable idea: YouthBanks are funds run by young people to support practical, youth-led projects that address issues that matter to them and improve their communities.

YouthBank International (YBI) develops and supports a growing global network of young people who use the YouthBank model to create practical positive change in their communities. Over the last seven years, YouthBank International has worked with local host organisations and donors to develop and support the growth of over 314 YouthBanks operating in 25 countries, distributing 7 million GBP. The outcome of the YouthBank process is a series of defined agendas for change determined by young people that are addressed and brought to life in funded projects. Young people learn how to share power, make decisions that have a consequence, think creatively, solve problems, work in a team(s), organise events and share their story of change.

ZEITPOLSTER

Zeitpolster (“time cushion”) connects people in need of support with younger “helpers” through a “time credit” system. The “helpers” support elderly people, families with children or people with disabilities through various smaller services such as gardening, housework, shopping or companionship. In return, they receive a time credit which they can redeem later when they need support themselves. The model includes a mechanism that provides “guarantees” so that helpers - if the network should dissolve or if they want to leave - can exchange time credits to EUR. Zeitpolster operates as a social franchise system that offers comprehensive manuals and support (community building, administrative processes, marketing) to potential partners. Currently there is a total of 250 helpers active in Austria. The online platform for administering time credits is managed centrally. Zeitpolster has already been replicated in Liechtenstein and is currently looking for replication partners in Germany

JUMPMATH

JUMP Math is a charitable organisation that believes all children are capable of rising to their full potential through an understanding and appreciation of math. The organisation empowers teachers and educators to maximise the abilities of every student, in every classroom. They offer an evidence-based, comprehensive math learning programme for students and professional teaching tools and support for educators and are beginning to develop resources for parents to help children learn at home. JUMP Math was founded in

2002 in Canada and has been offered in the USA, Chile, Colombia, Spain (2014) and Bulgaria (2015). The JUMP Math programme in Spain is led by a for-profit social enterprise Innovaciones Educativas Upsocial, S.L. (licensee) based in Barcelona, Spain (InnEdu UpSocial). JUMP Math already reaches approximately 250.000 students globally, including 11.000 indigenous students in Canada and 11.500 teachers in total.

TEAM U

TEAM U focuses on crisis prevention and management of small and medium sized enterprises (e.g., prevention, crisis/job loss, up-again-restart (Restart)/create jobs, encouragement), including a potential experience of bankruptcy. Its services are rooted in empathy and a structured support system for insolvents. TEAM U approaches insolvency as a step towards future opportunities for many micro-entrepreneurs who suffered the hardest hit in the business world. Failure is an opportunity for a new start for TEAM U. Team U not only provides entrepreneurs and SMEs with the infrastructure and network needed to prevent future instances of personal bankruptcy but also builds a community of support for insolvent individuals at all points in their insolvency experience, operating under the principle that those experiencing insolvency themselves can reverse the vicious circle of shame and isolation. Trainings work best in person, in direct contact. Restarter can be also provided via training online (e.g., Zoom, tutorials, self-paced). Support and trainings for entrepreneurs, SMEs, and self-employed increases resilience and recovery, and start-ups are informed about resilience and recovery, helping make them risk averse and knowledgeable about risks. Team U trained organisations in Spain, Italy, Greece, Poland, Denmark, France, Netherlands, Belgium, Austria, and offers services to all EU Member States.

GELECEKDAHA

Gelecekdaha supports children, youth and refugees in finding right education and job in the marketplace via providing a digital and physical platform for educational and vocational orientation activities, internships, webinars, online mentoring by real experts from the field. For such social empowerment and integration activities, its volunteer base reaches to 2000 volunteers from various companies and organisations. Activities of Gelecekdaha.net consist of empowerment for education and employability, especially youth empowerment which leads to better and more informed decisions for young people. Empowerment for social cohesion applies to refugees and companies, which are given mutual access to each other for better and more informed decisions for social acceptance/integration, and access to business world. Reverse mentoring for companies by refugees and employee volunteering increases companies' access to youth and refugees as well which lead to mutual understanding, increased social awareness and several corporate social responsibility activities.

The EMBARK project of gelecekdaha.net is deemed applicable in many more countries, such as the Netherlands and Germany. The EMBARK project provides refugee with reverse mentorship via structured (4-5) meetings with companies. More internationalisation via partnership with funds, localisation of expertise, and co-creating common goals with key stakeholders are deemed necessary for further cross-border activities.

Barriers related to this pathway and mitigation strategies

- **BUSINESS DIMENSION:**

Finding & selecting the right partners: Many social economy entities face difficulties in expanding their cross-border activities, because their partner profile is not well defined.

The featured organisations – often being small to medium sized organisations – partner with established organisation in their sector or related sectors. This has several advantages: 1)

Building on the local recognition of the partner, 2) Utilising the partner's competences, resources, facilities, and networks, 3) Reducing the time/effort for onboarding partners.

Simplon and Designathon – in the early stages of their replication – also tested individual social entrepreneurs as replication partners. Social entrepreneurs may contribute drive, dedication, and personal networks, but they usually need a lot of support to setup activities or even a new organisation. In particular in areas such as business and organisational development. Thorough selection processes, follow-up support, mentoring and co-fundraising may be needed to achieve success. Simplon and Designathon – after their experience – decided to shift their profile to established organisations.

Potential partners should be screened based on standardised criteria to see whether there is a fit in terms of values/culture, operational capacity, and roles/responsibilities. Cycling Without Age developed a simple online questionnaire to determine partner fit and communicating its principles at the same time.

Another mitigation strategy for partner related challenges is to shift the sector. When Simplon noticed that organisations working with migrants/refugees were sometimes reluctant to adhere to their methods, they decided in some cases to partner with IT training providers and trained them in working with migrants/refugees. The shift helped them to better manage the application of their principles and approaches in the work with migrants/refugees.

YouthBank International is a growing network that seeks to offer authentic leadership and community building opportunities to young people and to increase and deepen the impact of partner organisations. In attracting new partners, it is important that the values of supporting youth-led work, ceding decision-making power and encouraging young people to set their own agenda for change, are upheld. The focus on local communities and empowerment of youth needs to be protected and invested in. Authentic commitment to these values is therefore a primary selection criterion for YouthBank partners.

Managing the partner network: After successfully setting up a replication partner network, smaller social economy entities often face capacity restrictions in facilitating and supporting the network.

A key mitigation strategy used for instance by Atempo and Cycling Without Age is to connect the partners among each other and to give them an active role in supporting and advising other network partners.

This reduces the time investment of the central organisation and provides additional benefits to partners-for instance gaining access to know-how, adaptations or even support.

In the Atempo case, social franchising networks, partners from different regions can even pool their resources when responding to larger client commissions. Translators from different regions will work together to deliver the service which allows partners to increase capacity flexibly.

Promoting the concept of social franchising and matching franchisors and franchisees

Social economy entities opting for the “social franchising” concept, such as Atempo, found it initially difficult to promote this concept to potential partners from the social sector although it is widely known in the for-profit world where franchising platforms match franchisors and franchisees¹⁴¹.

A similar initiative was launched for social franchising in 2007, the European Social Franchise Network. It was established upon the interlinkages between social enterprises borne out of the EQUAL programme. The network, apart from promoting social franchising as a concept and creating a ‘positive environment’ for its development, also aimed at dissemination of best

¹⁴¹ [International Franchise Association](#)

practices¹⁴². A function of the network was to provide support and share advice among network members. Although this network has now ceased to exist¹⁴³, there could potentially be scope for once again exploring the possibilities that such an initiative could provide based on a thorough analysis of former attempts.

Setting up the coordination team and balancing strategic and administrative work:

YouthBank seeks to balance important administrative tasks with time for strategic development and fundraising. There are international plans to allocate some of its already stretched human resources to develop the idea for a funding platform that would be available for local YouthBanks to use that links their agenda for change to people from their villages, towns and regions who have moved away for work or study. However, with core central functions already defined, they have as a priority begun efforts to broaden the YouthBank team to provide opportunities for new associates to deliver YouthBank training.

Utilising EU-projects for piloting, replication and co-funding:

TEAM U participated in the development of project proposals and received financial support from the EC via EU-level projects, especially from COSME. It utilised these programmes to build partner networks in Europe, to implement trainings and thereby to pilot the TEAM U approach in other European countries. TEAM U emphasises the need for wider and more flexible public funding that takes into account the low level of capacity of SEs for applying for EU financing programmes.

Overcoming stakeholder resistance in positioning a social enterprise and its solution:

The Zeitpolster system has been established to fill the gap between private commercial, public and volunteer offers and furthermore to “activate” new communities of helpers. Although Zeitpolster showed that it attracts new groups of helpers, it is still perceived as “competition” by important players in the sector. It is very hard to overcome such barriers that are based on deeply rooted ideologies. Zeitpolster entered in conversation with all key stakeholders to find the best way to position the model as complementary to existing offers.

Even though JUMP Math is a research and evidence-based programme with proven results, it still gets little recognition within education systems as many schools and other educational institutions are dominated by large corporate math publishers with consultants imbedded within school districts that recommend their own programmes. Additionally, there is a conflict within the math education world with opposing views or pedagogical philosophies as to the best approach for math education that has been a barrier for the growth of the JUMP Math programme. School systems are dominated by the large publishers mostly following the “inquiry-based method” that requires students to facilitate their own learning rather than having a teacher facilitated approach (traditional math or rote learning).

Standardising the offer: Social economy entities – despite creating local impact – in many cases do not have a clearly defined offer. They may have too many or too complex offers. In both cases, it may be difficult for a partner to understand how the offer works, and how partners and the target group can benefit.

Social economy entities need to develop a clear value proposition for their potential partners and not just for their beneficiaries. The value proposition is often connected to the standardisation of the offer that promises a proven impact and business model, documentation, clear implementation and impact assessment processes and professional support.

All the featured cases have in common that they simplified and standardised their offer and promote it to partners based on a clear value proposition. This is also evident when visiting their websites that feature specific information addressing potential partners.

¹⁴² [European Social Franchising Network - Social Innovation Centre](#)

¹⁴³ [European Social Franchise Network \(ESFN\) | LobbyFacts Database](#)

Fundraising support for replication partners: In some cases, it may be difficult for replication partners to access the same funding sources as the original organisation. Social economy entities often use a funding source mix to finance their activities. Supporting partners in fundraising can be a demanding task. Sector differences and legal differences make it difficult for the original organisation to immediately identify available funding sources.

Simplon and Madly Human actively support some of their replication partners in identifying appropriate funding sources. Madly Human, for instance, provides partners with a transparent financial outlook for piloting and implementing the programme that is even adjusted to local conditions (e.g., number of schools in the region) and explores how long-term public funding could be accessed by partners.

Given the often-limited capacity of social economy entities they should carefully consider whether they are in the position to provide such fundraising support or if they need to include confirmed access to funding in the partner selection criteria.

The effort needed to establish new funding sources strongly depends on the organisational maturity of partners (e.g., how established they are in their sector, whether they can access public funding). Replication partners should therefore specify early on which funding sources they can access (public/private) and whether they need further support.

Replicating business models: There is a significant difference between programmes that enable replication partners to gain regular revenue to sustain their activities (e.g., Atempo) and programmes that do not generate regular revenue and rely on fundraising or public funding (e.g., Cycling Without Age). Atempo is providing its social franchise partners with a commercial service that they can offer to companies and public institutions in their region. In such a case, further measures are usually taken by the social enterprise such as 1) securing the brand, 2) providing partners with a license exclusively for a specific region, 3) including license fees. Furthermore, as in the case of Atempo, the partners will need support in marketing or actually “building the market” for an innovative service. Atempo introduced the role of “sales partners” that approach new potential customers and forward them to the regional social franchising partner. Sales partners work on commissions. This additional network role helps franchise partners that are coming from the social sector to significantly improve their marketing.

- **LEGAL DIMENSION:**

Setting up new legal entities to manage replication networks. Atempo is a mature social enterprise that already shows a significant degree of internal differentiation. They became a hybrid organisation with several legal entities attached to be able to manage different operations and offers. Atempo founded a limited liability company for the purpose of managing the social franchise network. Such legal entities may for instance address the need to receive payments from partners such as licensing fees.

Adapting the programme together with partners for better legal compliance. In Spain, JUMP Math has licensed its US Common Core Edition to InnEdu UpSocial who are responsible for compliance, legal and tax related matters. In 2020, JUMP Math formed a Joint Task Force with its Spanish partner to innovate the programme and work collaboratively to create a digital version of JUMP Math that will be launched in late 2023 to be used in markets around the world. It is designed to be aligned with curricula in multiple jurisdictions, i.e., a universal math curriculum. The partners recently renegotiated their license agreement to support InnEdu UpSocial’s growth in other Latin American and European countries.

Checking legal requirements for replication: Zeitpolster relies on a legal setup that allows them to manage time credits and pay insurance fees for members. Depending on the country, it can be hard to establish the project, because of these legal requirements. In Austria it was necessary to sort out legal controversies around the new model in court. There was no possibility to “submit” the model and get it signed off by legal and financial authorities. Thus, Zeitpolster had to invest their own time and effort to figure out all legal steps and requirements.

- **SPATIAL DIMENSION:**

Developing spatial strategies based on impact model. Our cases show that the spatial strategy depends on the impact model. Atempo focused on German speaking countries as they are offering a translation service. Only after running their social franchising network for several years and innovating their translation service using an app and artificial intelligence, they decided to explore the US market. In contrast, Cycling Without Age and Design-a-thon were able to quite rapidly find partners all around the world given the universal applicability of their impact models. Madly Human is an example of a patient and strategic replication process. Madly Human replicated their programme in all German federal states before replicating in neighbouring countries. After achieving this, the organisation defined a regional focus on Eastern European countries for further replication.

Pathway 2: Integrating strong partners into one legal entity to coordinate and align activities in different countries

Among our 52 cases, this pathway has been chosen primarily by cooperatives. Ikastolen Elkarte (founded 1960 in Spain) and Banca Etica (founded 1994 in Italy) both have a long history in their original countries. As their pathways are quite unique, we will present them in more detail. Both cases show a process of “integration” of separated legal entities into single legal entities that operate cross-border. This pathway is based on strong, value-based partnerships and long histories of collaboration and alignment.

IKASTOLEN ELKARTEA

Ikastolen Elkarte (ES) started with a collaboration of schools that initially belonged to five different regional administration bodies in the Basque region in Spain and France. Their cooperation started early on, so to achieve their mission in a collective way. However, over time the ineffectiveness in the management and coordination of their educational offers became apparent. In response to this challenge, the EHI was created in 2009 as a single entity by the five regional administrative bodies. It aggregates 111 primary and secondary schools. EHI not only represents these schools but also manages and coordinates their pedagogical approaches, and designs and implements teaching materials, out-of-school activities, and other support services.

EHI was created as a European Cooperative Society. This allows it to operate across the border and administer the schools located both in Spanish and French territories. Through their membership to EHI, all ikastolas can now operate under the same umbrella and apply a unified approach in their teaching activities.

The Statute of European Cooperative Society of the European Union (EU) from 2003 facilitates EU based cooperatives’ cross-border activities. Without this legal form, it was not possible to work together across the border effectively due to the differences in the legal frameworks of the two countries. The legal solution was found with the support received from a private consultancy. It was necessary to use private support services, as no public support was available to assist with the legal aspects of cross-border operations at the time.

BANCA ETICA

Shortly after the establishment of Banca Etica in Italy, the idea for the establishment of an Ethical Bank in Spain spurred. In 2002, Banca Etica's story intersected with that of FIARE, a Basque Popular Foundation. The shared values and goals between the two facilitated the cultivation of collaboration that resulted in the creation of the FIARE Agency in 2005, which placed Banca Etica’s products in Spain.

In 2012, Area FIARE was established that allowed the first Spanish members to invest in Banca Etica’s share capital. The FIARE management consisted of volunteer members from

both countries supplemented by the appointment of the first Spanish councilman to the Board of Directors. In 2014, the first branch opened in Bilbao, under the brand name FIARE Banca Etica. Currently, there are three offices in Spain (Bilbao, Madrid, Barcelona), while several info points are established in the most important cities of Spain supplemented by an online banking platform facilitating financial transactions. Overall, in about 12 years' time Banca Etica managed to create a replica of its model in Spain using a banking and savings management model following the principles of ethical finance.

Barriers related to this pathway and mitigation strategies

- **LEGAL DIMENSION:**

Coordinating and aligning entities in different administrative regions and across countries: The creation of EHI as a European Cooperative Society made it possible to establish a single legal framework under which all (Spanish and French) Basque schools could start to operate according to the same principles and systems, applying a unified Basque educational offer across the two countries. Ikastolas (which themselves are cooperatives registered in their own countries) became members of EHI and participate in decision taking through its annual assembly. EHI also created a Solidarity Fund to which each Ikastola contributes financially to channel funding to those ikastolas that face economic difficulties or require financial support for special pedagogical projects.

FIARE Banca Etica is the first credit cooperative with branches in two European countries. The two cooperatives established close cooperation before bringing their offers to the Spanish market. To this end, a contract was signed in 2005 between Banca Etica and FIARE through which FIARE was established as an “exclusive operating agent” of Banca Etica in Spain. Based on this agreement, FIARE launched its financial activities in the country. After years of stable collaboration between the two entities, FIARE merged into Banca Etica in 2013. A year later, in 2014, FIARE obtained the formal authorisation of the Spanish regulator (Bank of Spain) to operate as a bank under the Spanish legislation.

- **BUSINESS DIMENSION:**

Expanding financial services to/from new countries with different regulations: Banca Etica responded to this challenge through building trustworthy relations with European and international finance networks that helped Banca Etica to obtain a better understanding of enterprises or projects to be funded in countries outside of Italy and Spain. For example, Banca Etica has developed a collaboration with two Equity Crowd-funding platforms that have helped Banca Etica to extend its network and fund businesses and projects in Southern European countries in the areas of circular economy, or digital start-ups with high social impact.

Committing to shared visions & values: Particularly in the Banca Etica case we see how strongly cooperation – and finally merging – is based on strong visions and values and strong inter-organisational relationships that have been built over years.

Pathway 3: Establishing a strong presence in new markets through branching to deliver high quality programmes and services

Branching is much more common in the for-profit sector than it is for social economy entities, in particular when the branching is organised cross-border¹⁴⁴. The reasons are evident: Social economy entities often lack the investment capital and capacity to setup new branches. The decision for branching should be based on a thorough assessment of the impact and business model. In addition, a close analysis of the target market and the connected social system (e.g., educational system) will be necessary.

- Is it necessary to have a branch in another country to deliver services there? Or could services also be provided by partners?
- Is the business model proven? When will the branch be self-sustainable?
- Is the fundraising strategy proven? Which funding sources will be accessible?

Generally, cross-border branching should be considered by social economy entities that are well established, have a clear offer and business model and already gained a lot of experience in implementing and replicating their offer in their original country.

EPEKA

The Scientific and Research Association for Art, Cultural and Educational Programmes and Technology, EPEKA, is a social enterprise and association, headquartered in Slovenia and founded in 2008. It is a non-governmental, non-profit association, that is registered as a social enterprise since 2013. EPEKA's mission is "to provide young people with equal opportunities and empower them with skills, gained through non-formal education methods". They implement projects and disseminate knowledge on topics such as EU citizenship, culture, volunteering, ecology, and promotion of intercultural dialogue. In Slovenia, EPEKA runs offices, restaurants, galleries and is working to acquire a farm. EPEKA aims to be a reference on international mobility of youth and informal education (acquisition of learning competencies). In 2016, EPEKA established the "EPEKA Youth Cooperative Society" to support youth businesses.

EPEKA initiated its cross-border activities through the establishment of local branches in Turkey, Austria, Armenia, Czechia, Serbia, Montenegro, UK, Germany, Kosovo.

The work developed in each branch is unique and may vary according to local social and economic challenges. For example, in Turkey, EPEKA works on women empowerment and inclusion; in Germany the work is related to arts and culture. Nevertheless, the activities of different branches are linked to EPEKA's core mission to support European values and the promotion of human rights, creating equal opportunities for diverse groups.

ACKER e.V. (formerly Ackerdemia)

Acker e.V., founded in 2014, develops and realises sustainable, impact orientated and scientific concepts, which contribute to a responsible and healthy contact with nature and foods. They developed several projects tackling education, research and solutions. The organisation is based in Germany and is currently replicating in Switzerland and Austria.

GemüseAckerdemie is their practically oriented educational programme, which was developed for schools and kindergartens. By setting up a vegetable patch on school

¹⁴⁴ Scaling Social Impact in Europe: Quantitative Analysis of National and Transnational Scaling Strategies of 358 Social Enterprises. (2015) Bertelsmann Foundation. Accessible online [here](#).

premises, kids learn where food comes from, how it's grown and how to consume it consciously. Their main goal is to maintain contact with food and food chains, and strengthen a sustainable, climate friendly approach for the future.

Through the GemüseAckerdemie, Acker e.V. has a total of 100 employees and 500 volunteers in Germany. They are implementing their programme in around 163 kindergartens and 480 schools with 2.800 teachers and 875 educators in Germany and 12 schools in Austria. So far, they already reached 48.200 children in schools and 17.300 children in kindergartens and day-care.

Their main cross-border activity is replication. They set up subsidiary companies in new countries that operate programmes and fundraise for them. Country managers are usually recruited from existing staff. In 2021, they began to replicate their programme in Austria. An important motive to replicate their work outside of Germany, was their strong will to accomplish a system change in the educational system in all German speaking countries, in order to bring more awareness about climate change and challenges concerning the food sector. Their goal is to scale up, multiply their impact and reach every child in the DACH region until 2030, and therefore achieve a market penetration of 100%. Key partners for their activities in Austria are Bio Austria, which connects farmers, consumers, and sellers. They are supported by the Klimabündnis Oberösterreich & Salzburg (a regional network organisation promoting climate protection) and receive funds from an EU Interreg project they started in 2018. Those partnerships had the effect of strengthening their networks in Austria and facilitating fundraising.

Barriers related to this pathway and mitigation strategies

- **BUSINESS DIMENSION:**

Assuring cultural and competence fit: Managing a branch includes processes that are very different from managing a replication partner network. Many formal relationships between branches and central organisation will need to be managed. With full control also comes full responsibility and liability.

The central organisation needs to see whether its staff are willing and ready to take on such management roles (on the side of the branch and the central organisation).

In the case of Atempo, the first replication attempt with a branch failed due to a lack of cultural fit. Atempo decided to shift the model to social franchising.

Recruiting branch managers: Branching comes with the challenge to hire the right “manager” who – at the beginning – will usually have a very entrepreneurial role. The hiring profiles and processes must reflect this entrepreneurial role and provide full transparency on the effort it takes to setup the branch successfully.

In the case of Acker e.V., the branch manager for Austria was a former team member of the German organisation. This internal recruitment of branch managers is highly recommended (if people can relocate). The branch manager needs to be “immersed” into the key activities (implementation, coordination, fundraising) of the social economy entity before starting the branch. Recruiting internally also makes sure that there is a trustful relationship from the start.

- **LEGAL DIMENSION:**

Finding the right legal form: As branching involves setting up a legal form, the organisation will need to identify the right legal form allowing the branch to perform all key activities (implementation, business development, fundraising).

Acker e.V. chose the neighbouring country Austria for their first branch after replicating their programme in all German federal states. Proximity can be essential when setting up a first

branch and experimenting with the branching model. Neighbouring countries that share some cultural/ethnic/legal/socio-economic context or language make it easier to assess all relevant aspects in advance by using available information or by approaching intermediaries, legal experts, or sector experts.

Administrative efforts to set up a branch: Branching comes with some administrative burdens when initiating operations as a local organisation. This is, for instance, the need to adapt documents (such as statutes) to meet the regulations and standards of each country, among other requirements. EPEKA responded to this challenge by digitalising and streamlining the setup of new branches as much as possible.

Conducting non-profit and for-profit activities: EPEKA faced challenges to understand and act according to the local legal frameworks available for the operation of social enterprises. In Slovenia, for instance, a new law on social entrepreneurship, passed in 2012, establishes the legal form 'social enterprise' and regulates its scopes/activities and other aspects of its operations. EPEKA was registered as an association but got also registered as a Social Enterprise after the new law passed. This legal form is key for the organisation as it allows it to conduct a diversity of activities in different fields. As an example, EPEKA operates a Roma restaurant to diffuse the Roma culture and cuisine and secure employment of Roma people. This is only possible for EPEKA under its new legal form.

- **SPATIAL DIMENSION:**

Differences in languages and cultures: Europe is a region rich in cultural diversity. Hence, this translates into a complex environment that requires for the social actors involved in cross-border activities to present documents, presentations and have interactions in the target countries' languages as well as to adjust to different cultures. EPEKA managed to find ways to overcome this barrier by partnering up with local actors and using third party services to support preparation of documents, when needed.

Utilising EU projects to build partnerships and receive local support: EPEKA found support for starting its cross-border activities in its network which was mainly developed based on EU funded initiatives, such as Erasmus+ projects. With selected organisations from its network, EPEKA was able to develop further alliances that enabled it to receive local support for opening branches in countries where partners were present. External consultancies and partner organisations were fundamental for EPEKA in the process of establishing cross-border activities.

2.2.2. Distribution pathways

The cross-border distribution of products and services is of course a relevant cross-border activity for social economy entities, although it is not as dominant as for for-profit organisations. Distribution activities of social economy entities are clearly shaped by their impact models and impact goals. We identified five such pathways.

Pathway 4: Innovating products to make them accessible to disadvantaged groups

There are products present in our daily lives – such as eyeglasses – that are indispensable. Their accessibility and affordability are taken for granted. In a global context, however, millions of people do not have access to these products because they are too expensive, not offered in remote areas, or can only be offered in combination with professional services that are not available. Whereas consumer products are often innovated to increase their price and to address customers with high purchasing power, social economy entities sometimes innovate to decrease the price to reach customers with low purchasing power. This pathway is often referred to as a “bottom of the pyramid” approach. If successful, it can create new mass-markets.

EYES FOR THE WORLD

Eyes For The World designs and distributes self-adjustable glasses that allow users to alter the power of the lenses in order to correct their own eyesight. The technology is constantly improved and tested with new customers. Eyes for the world distributes its glasses in collaboration with local optometrists, school-based projects, and international partners such as Child Vision. It is currently (2021) active in Brazil, Uganda, Colombia, Myanmar, and South Africa

Eyes for the World launched its first project in Myanmar with the basic idea to use donations for buying glasses and distributing them among people in need. After this first pilot, Eyes for the World looked for more effective ways to collect donations and distribute their product. They developed a campaign around the participation of the Belgium soccer team in the world championship in Brazil. For 20 Euro, donors could buy one pair of glasses for a person in need. Sponsoring a pair of glasses is a very concrete solution. It is simple to understand for potential donors where their money goes, what is done with it and who benefits. These projects and the donors participating in it, opened many doors for Eyes for the World.

Barriers related to this pathway and mitigation strategies

- **BUSINESS DIMENSION:**

Managing the quality-of-service delivery of local partners: Eyes For The World follows up on cross-border projects in order to guarantee that the relevant needs are fulfilled, and to assure the donor that his/her money is well spent. Eyes for the World therefore stay in touch with all its partners and evaluates their activities centrally.

Responding to innovation barriers and related concerns: Innovation is not always welcome, in particular when it seemingly threatens local professions and practices. Eyes For The World for instance received heavy criticism from optometrists in Peru and Africa who were afraid that their core competence of 'measuring the strength of glasses' would not be needed anymore. The organisation engaged in long negotiations and finally managed to bring the optometrists on board. The Eyes For The World model demanded a change in professional practices and partly changed their business model. The strategic advantage of course was that the organisation involves the optometrists in a new practice and provides new business opportunities to them.

Identifying potential roles in a social system that could be threatened by innovation is essential for mitigating market entry risks. Generally, innovations need to be carefully assessed regarding their positive and negative influences on existing markets and social systems. If there is a high "system change potential" accompanying measures such as convening and convincing stakeholders, building alliances, and raising awareness may be needed.

Constantly innovating products: If innovation is the key driver for cross-border activities, the social economy entity needs to find ways to keep the "innovative edge" of their products.

Eyes For The World used projects in Belgium (Eyes for Belgium) to test and develop new kinds of glasses, new shapes and new techniques to adjust glasses. These projects were supported by local Lions clubs that donated money to provide glasses to homeless people in Antwerp.

In addition, the organisation collaborates with national universities and involves them into the design and production of glasses.

- **LEGAL DIMENSION:**

Overcoming import restrictions: Eyes For The World faced import restrictions for their glasses for some African countries. Getting permission involved working with ministries in the target countries.

- **SPATIAL DIMENSION:**

Innovation and distribution is spatially separated: The case also shows that innovation and distribution are spatially separated. The sometimes better developed R&D infrastructures in North American or European countries are utilised for driving innovations while products are typically distributed in developing countries.

Pathway 5: Collaborating with key sector players as customers to sell products and services

Social economy entities on this pathway use partnerships with large companies or organisations to get access to their “internal markets” (e.g., offers for employees, offers for branches). This is a powerful strategy as it allows the social economy entity to focus on key partners that “buy” offers in larger quantities. The social economy entity is thus not forced to “build a market” from the ground. This strategy clearly contributes to more regular revenue and may – depending on the partners – increase visibility and reputation. Multi-national corporations can become a driver for extending cross-border activities, e.g., when there is demand from branches in other countries.

Working with multi-national corporations demands a high degree of professionalism from social economy entities as they need to manage partnerships, to meet corporate requirements (e.g., data security), and to deliver high quality services.

YAPS

The concept of YAPS was originally developed by UNESCO as a response to the military conflict over Nagorno Karabakh, when the state economy collapsed and was replaced by a market economy. It was at that moment when many people were displaced around the country, 70% of them being women, children, and the elderly. YAPS provided basic support for disadvantaged groups. UNESCO replicated YAPS in Albania with support from international organisations (UN) and seed funding from private donors (such as Vodafone), which were already successfully cooperating with YAPS Georgia.

YAPS Albania started its operations with the aid of 6 board members, including UNICEF, Vodafone, Coca-Cola Bottling Albania, Boga associates, Ada group, and Albanian Children Foundation.

It has over 200 organisations as customers and offers mainly two types of services: mail delivery and cleaning. YAPS’s main customers include board member organisations, embassies, and hospitals. It employs mainly disadvantaged children and youth, in particular disabled children, and orphans as well as people from the Roma community.

TABIT

TABIT provides specialised IT services for the agricultural sector. Its capabilities extend to providing services for agricultural contents, agricultural software and applications, smart Agriculture, agriculture 4.0 and social projects in rural areas.

TABIT interacts with a wide variety of actors. For farmers, TABIT conducts studies to increase the productivity and profitability of farmers with the possibilities of technology and qualified knowledge. Services extend to cooperatives and unions by technology-related productivity and profitability studies along with agricultural trips for farmers working depending on their institution. For companies, TABIT establishes special collaborations, marketing support in communication with farmers and studies on social responsibility in rural areas. As far as the public sector is concerned, TABIT for municipalities provides product-oriented training centres and special studies for the producers within their municipality. TABIT works with Vodafone (Turkey branch) and the Vodafone Farmer’s Club. Vodafone

Farmers Club is a versatile programme which aims to improve the lives of farmers and their relatives in Kenya, New Zealand, Tanzania, Egypt, India, Ghana, Algeria, Azerbaijan, and Uzbekistan.

AfB

AfB specialises in certified IT-refurbishing and remarketing in Europe. They specialised in data erasure and remarketing of decommissioned IT and mobile devices from European corporations, insurances, banks, and public institutions. With its IT services AfB creates jobs for people with disabilities.

The motive of internationalisation and selection of new countries is based on multinational companies that ask AfB to collect their used IT equipment. Used computers are refurbished and resold to SME's or other second-hand buyers. German multinationals asked AfB to "follow" them internationally and to serve them in Austria, France, Switzerland, and Slovakia.

To replicate the service, the German AfB holding approaches social entrepreneurs in new countries and supports them in setting up their enterprise. The organisations use the same tools and offer the same services, but also keep some of their independency.

AfB is currently present in five European countries: Germany, Austria, France, Switzerland and Slovakia. In addition, AfB collects IT hardware in other European countries such as Italy, Spain, Benelux, Slovenia, Croatia, the Czechia, and Hungary.

Within Germany they created many new locations, involving offices, but also shops where people can buy refurbished IT. Also, in France the number of regions and locations have grown. There are four subsidiaries in France by now, each of them managed by local social entrepreneurs.

MY ABILITY

myAbility is a Social Enterprise that supports companies to embrace and use the potential of employees and clients with disabilities and chronic illnesses. They provide recruiting services, management and accessibility consulting, disability trainings and accompaniment throughout the process. In 2009, Career Moves was established as the first job platform in the German speaking area that supported people with disabilities. In 2014, myAbility grew out of Career Moves. In addition to the inclusive job platform, myAbility launched a matching programme for students with disabilities and companies (myAbility Talent® programme), they are biggest business disability network in the German speaking area, as well as hosting digital awareness trainings. MyAbility's motive to transfer their programme to countries outside of Austria was to reach more people and increase their social impact. They saw their potential as pioneers and wanted to distribute their idea internationally. They approached big companies in Germany and Switzerland for scaling the myAbility Talent® programme. Due to their low threshold and evidence-based approach, the programme has been integrated quickly into external markets and has now a total of six locations outside of Austria (Munich, Berlin, Frankfurt, Rhein/Ruhr, Stuttgart, Zürich). Throughout their expansion in Austria and abroad, MyAbility managed to acquire large companies as regular customers and partners, among them is for instance the UniCredit Branch in Austria. They are perceived as a pioneer and professional service provider. A part of their success is their strong value proposition: They show how their services not only improve working conditions for persons with disabilities, but directly improve the performance of a company through inclusive recruitment, services and products for customers with disabilities or impairments.

QLU

Qlu Ltd. is a Finnish company with expertise in assistive listening technologies and services for hearing impaired people. Founded in 2013, the company provides services and technologies to measure acoustics for people with hearing difficulties based on induction loops in public venues and to instruct how to improve the audio system.

The end-users of Qlu services are schools, universities, banks, cinemas, theatres, conference centres, meeting hotels, among others, that represent a combination of public and private places. In 2015, a further member with wide experience in supporting companies in their internationalisation was integrated into Qlu's team who helped Qlu introduce its technology and provide its services in other markets from 2016 onwards. Qlu's desire to internationalise was clearly associated with its mission to help the hearing impaired have equal chances, fulfilling the UN Convention on the Rights of Persons with Disabilities concerning the accessibility of public venues. Internationalisation is also critical for Qlu to increase its income and help grow further.

The internationalisation process of the category of "distribution" started in the United Kingdom (England and Northern Ireland). Here, Qlu tried different strategies, including building links with the association Hearing Link to help its market access, including partnering with organisations that can offer Qlu's services as part of their portfolios.

In 2018, Qlu also entered the Swedish market. Sweden proved to be a relatively easy market since the Swedish are very concerned about the treatment of people with disabilities. Here Qlu partnered up with a private company and gained access to the Swedish Association of Hard of Hearing People. This then helped explore other contacts in the market. This was going well up to the COVID-19 pandemic.

Barriers related to this pathway and mitigation strategies

- **BUSINESS DIMENSION:**

Levering global partnerships for replication: Social economy entities often face funding and capacity restrictions when starting cross-border activities. Examples such as YAPS show how international relationships in the development aid and private sector can be leveraged not only to successfully replicate, but also to sustain operations in new countries. Board members of YAPS - which are partly multinational corporations - hold multiple roles as funders, customers and strategic advisors.

- **LEGAL DIMENSION:**

Advocating for enforcing regulations to gain market access: Qlu faced a number of challenges during its transnational activities. In the UK, for instance, it encountered low-quality induction loop systems in public venues. Although the legislation set the quality standard for induction loops, there was no entity for controlling the quality of these systems. This implied that organisations that install audio systems in this market and that could be potential partners for Qlu to deploy its services in the UK, started to consider Qlu as a threat. With the technology and techniques that Qlu developed, it would be easy to detect the poor level of quality of the induction systems installed by these companies, revealing that these systems do not meet the legal requirements. It turned out, therefore, that it is problematic to find partners in the UK, even with the support of the Hearing Link association.

Expanding together with multinational corporate partners: Social economy entities may lack the capacity to access new markets abroad and therefore benefit from "following" multinational corporate partners to new countries. They can immediately start their business activities abroad by delivering their services to other branches of their multi-national corporate partner.

For AfB this is their explicit cross-border strategy. They only engage in setting up enterprises and business development in a new country if a multi-national corporate partner requests their services.

Assessing legal regulations and subsidies for employing disadvantaged target groups:

YAPS and AfB employ people with disabilities and other disadvantaged groups as part of their impact model. The main legal barrier concerns rules regarding different national regulations for employing persons with disabilities

This relates to public subsidies that can affect the business model. AfB faced a situation where in Germany 50% of employees need to have a handicap to be subsidised, whereas in France 80% need to be with a handicap. This obviously had an impact on how they operate in France in terms of either readjusting the operating model (employing more people with disabilities) or the business model (increasing revenue to compensate for the loss of subsidies).

Pathway 6: Selling locally produced goods internationally to support local communities

Social enterprises on this pathway find ways to connect local communities with international markets. They create e-commerce and distribution partnerships to market their products cross-border. They are mission driven and attempt to preserve local communities, environments and traditional crafts while improving working and living conditions of their employees.

PROGETTO QUID

The Social Cooperative QUID is a non-profit organisation, set up in 2012, aiming to help vulnerable women enter the labour market. In 2014, it changed its legal form and became a social cooperative enterprise and during the same year won the social innovation challenge of the European Commission among 1.250 participants. There are now 10 QUID shops which reinvest funds obtained from sales to improve logistics, to expand production, to create new sources of work, to improve product design and seasonal collections with the collaboration of external designers.

Towards that end, QUID works with 16 local and international companies and markets its products both through its own shops and via a network of 100 multi-brand shops. By doing so, it also brings an ethical and social brand to the mass consumption market. The majority of products are made with end-of-series fabrics destined to be discarded. QUID sources fabric from 24 Italian textile and fashion companies and recovered 250 km of fabric in 2019.

The enterprise is a supplier of some leading Italian fashion brands and in doing so it contributes in making their supply chain more sustainable and ethical. The company has designed a scalable model and in the coming years will expand its B2C and B2B business across the country and overseas, setting up a benchmark for ethical fashion and integration for vulnerable people. Strategic planning and production are located in Italy.

Moreover, QUID carries out transnational activities via B2C and B2B operations with multiple chain stores. More specifically, it collaborates with international brand stores and retail chains, such as Stella McCartney, L'Oreal, Unilever, IKEA, and Calzedonia. It develops garments and accessories collections for Calzedonia Group, Altromercato, Naturasi, and for Diesel and Den Stores and established partnerships with 15 Italian brands.

WISE GREECE

Wise's transnational activities are conducted in cooperation with countries such as the United Kingdom, Germany, Austria, Netherlands, Norway, Cyprus and the USA. These transnational activities include trade relations based on the exportation of food products made in Greece. In the context of increasing its food exports, Wise Greece has achieved to grow its sales by promoting Greek products and the Mediterranean diet abroad. In this way,

Wise Greece maximises its social impact and continues to provide basic food supplies to Social Groceries.

WISE employs persons from refugee and vulnerable groups (with 85% of those being women). It employs 150 people of 17 different nationalities, 25 of whom suffered from social insecurity and exclusion.

MADE IN ROȘIA MONTANĂ

Rosia Montana is a limited company that operates in the mountain area of Rosia Montana, Romania. The company was founded in 2013 with the intention of preserving the mountain area from a gold mining destructive project and improving labour conditions for local women. The business activities developed later to provide a practical solution to local social and economic challenges.

Rosia Montana's main product is handmade knitwear produced by local women. Currently (2021), they have 35 women working directly from their homes. The products are evolving into a variety of handmade knitwear specified for men, women, and children, as well as other products like blanket and merino yarn.

The production and company operated locally and nationally at first, then in 2015, an e-commerce website was officially launched to scope the international market. The e-commerce website reaches customers from different countries mainly in Europe, mostly from Germany and France. However, for the Romanian market, Rosia Montana still has offline stores in Christmas markets.

COLIVE

The creation of Colive Oil was a response to the decades of civil fighting that resulted in national crises that peaked in 1974 in Cyprus, when the country became geographically divided and ethnic communities were separated. Colive Oil fosters mutual dialogue in the post-conflict zone by offering employment and income to farmers from both sides. The olive oil produced by farmers in the post-conflict zone in a collaborative way is then sold internationally. Furthermore, the farmers are trained in regenerative organic cultivation with minimal carbon emissions to build the soil for following generations.

The founders of Colive consider that actions related to sourcing and distribution of their products are important for the transnational character of their enterprise. On the one hand, Colive's selling activities surpass the border of the island to 16 other countries, including UAE (Dubai and Abu Dhabi), Cyprus, Turkey, Greece, Germany, France, Finland, Norway, Denmark, Spain, Belgium, the UK, Mexico, Colombia, Australia, the USA, and Canada. On the other hand, the olive oil factory uses packaging material (cups, bottles, taps) imported from EU countries, such as Italy, Spain, Greece, and the Netherlands.

Regarding its outreach potential, Colive Oil holds its own e-shop via Amazon for selling goods overseas. The enterprise sells its products (olive oil bottles) particularly in the USA, via Amazon's Halfords web page. It used to also sell its packages to the European Market, but concentrated its sales within the UK, after Brexit, by moving its stock exclusively into the British market.

KLABU

KLABU is a foundation located in the Netherlands that implements its projects globally. Its mission is to provide refugees with access to sports in a meaningful and motivating setting. KLABU sets up sports clubs in refugee camps that are funded by selling their branded

sportswear internationally. The first project of KLABU started in 2019 in the Kalobeyei Refugee Settlement in Kenya. It is a home to 36.000 refugees from 13 different African countries. Today, the first KLABU in Kalobeyei provides more than 10.000 athletes with access to sports every day. KLABU provides individual refugees in camps access to sports equipment, solar power, and connectivity via Wifi all of which contribute to wellbeing and skills development. Local engagement is lead together with representatives of host communities in order to boost social cohesion, enhancing the international profile through storytelling and awareness campaigns.

KLABU advertises its sportswear through diverse partnerships. It has for instance been featured in the FIFA sports game. It also collaborates with UNHCR to get access to refugee camps and set up their clubs. KLABU now seeks additional seed funding to scale its operations into new countries.

LYGO

Established in 2008, LYGO has become one of the pioneers of the French social economy enterprises. Lygo was founded by Nolwenn Buvat after she gained experience of ten years working in Orange/France Telecom with professional work on training and communication. Lygo was created to focus on helping people in poverty and with disabilities by providing them jobs. The company has centred its purposes on humanity and the environment.

Lygo offers the promotion of accessories such as personalised cosmetic pouches, tote bags, and other accessories made of cotton. Located in Paris, France, Lygo has a manufacturing (including sewing and recycling) workshop in Dakar, Senegal where they produce high quality and eco-friendly cotton. Beyond the production, Lygo has the ambition to take its clients much further by showing them the social impact of their order on local populations and the environment.

Earlier, Lygo focused on producing travelling eco-friendly goodie bags that were suitable for tourism companies, as the company also has established cooperation with the tourism companies and union of local textile producers. However, as the pandemic arrived, the clients dropped significantly, as 80% of their sales were from the tourism business. Fortunately, Lygo started cooperation with other companies, one of them is Dior.

Lygo's clients are spread in francophone countries such as Belgium, France, Luxembourg, Switzerland and Senegal. Lygo has also managed to connect, collaborate, and cooperate with associations of social economy enterprises and organisations that work towards humanity's cause.

Barriers related to this pathway and mitigation strategies

- **BUSINESS DIMENSION:**

Improving language skills for international promotion and distribution: Some of the major challenges that PROGETTO QUID faced throughout its cross-border activities, were related to the fact that most of its employees can only communicate in Italian. The English level of the employees has been quite low, and as a result, the communication with the customers is not always effective.

Overcoming challenges due to labour market structure, infrastructure, and work culture: Since Lygo's main manufacturing workshop is in Senegal, it faced many different barriers due to the differences in labour market structure, infrastructure, and work culture. In terms of the labour market, it was difficult to find trained employees locally. In terms of infrastructure, access to water was limited to morning hours which caused issues for worker's

hygiene. In addition, Lygo faced challenges with the local work culture. Lygo managed to mitigate it by developing different kinds of trainings for the workers. Additionally, Lygo established literacy training courses with the AVA (Améliorer la Vie des Autres) associations.

Marketing products without certification: Cross-border customers of Rosia Montana requested a certificate for organic products from the company. The certificate was difficult to obtain, and suppliers did not see sufficient added value that would justify the additional costs.

A possible mitigation strategy could be to better show/promote the quality and production of products – even if they do not achieve the standards for certification. Even without certification, positive characteristics of production processes can be highlighted in marketing.

Setting up production facilities: Social economy entities on this pathway depend on affordable production facilities that are not always available. In the case of Rosia Montana, access to free office space through the local government also seemed very challenging, as the local mining industry bought up 80% of the real estate in the region. Mining industry organisations blocked access to real estate with the aim to turn the mountain area that Rosia Montana aims to protect into a mono industrial zone.

In 2015, QUID established its first production unit and inaugurated its factory base. It is worth mentioning that Calzedonia offered its empty shops to QUID in 2014, making itself the prior donor of QUID's shopping area. Based upon Calzedonia's contribution to the expansion of its brand and the in-house delivery of its products to the customers, QUID also extended its factory base in 2018 and widened its services from outsourcing to B2C distribution.

Both cases show that national and regional private or public partnerships and support schemes are needed (similar to the for-profit sector) to create scaling opportunities for social economy entities in production and distribution.

Gaining access to skilled staff: Rosia Montana is a village area in Romania without a sufficiently skilled workforce in key business operation areas such as human resources, marketing, and others. The organisation considered remote work and sourcing staff from other countries as a possible solution, but still seeks additional funding for implementing the international staff sourcing system.

As the products are knitwear, another challenge of Rosia Montana is seasonal shifts in demand. During winter, the demand of the market is high, but not for other seasons. Thus, stocking for the winter season was their solution to provide a frequent income to the company. However, to keep producing income on a continuous basis, Rosia Montana started a cooperation with several companies from Germany, and they are currently discussing a pilot cooperation with companies in Australia and the USA (New York).

- **LEGAL DIMENSION:**

Overcoming import regulations: COLIVE experienced import restrictions as a barrier to their cross-border activities. In their case this related to import restrictions of material from the Turkish territory to the Greek/EU state of Cyprus. COLIVE would highly benefit from special permissions allowing it to foster cross-border regional exchange to pursue their impact-driven mission.

Optimising product range to account for taxation of imports: Rosia Montana encountered high tax rates when distributing their handmade products cross-border, whereas production quantity is lower compared to industrial goods and costs are usually higher. The high taxes further increased the price of the products. Rosia Montana diversified their product range to optimise the marketing of handcrafted products abroad.

Pathway 7: Professionalising dissemination of know-how to spread it cross-border

This pathway is chosen by a social economy entity that primarily monetise the dissemination of know-how through consulting, training, and programmes. Both cases, the IES Social Business School and SEAL Cyprus, show a step-by-step professionalisation of cross-border

service provision. IES for instance experimented with different ways of creating a more permanent cross-border presence after delivering programmes in new countries.

IES SOCIAL BUSINESS SCHOOL

IES-Social Business School is a business school focused on social entrepreneurship and social innovation, with the aim to promote new models of leadership and management oriented towards impact creation. IES offers capacity building to entrepreneurs, career shifters, leaders, and managers, as well as the staff of local municipalities.

IES' international presence was initially driven by foreign participants in IES courses in Portugal, who then became IES ambassadors in their own countries. An opportunity to launch a capacity building offer for women in Mozambique emerged in 2012 through IES ambassadors. This leadership academy for women was organised in a partnership with the local organisation Girl Move. The local partner helped with recruitment and organisation of the programme locally. After the successful implementation of this capacity building in Mozambique, IES established itself in the country through a formal branch organisation. IES received funding for the delivery of capacity building in Mozambique by Odebrecht, a major Brazilian construction company that started its operations in the country at the time. Although IES' operations in Mozambique were successful, sustaining a physical presence and infrastructure locally turned out to be burdensome for IES. For this reason, IES discontinued its branch in Mozambique in 2015. Learning from this experience, IES chose a different path for entering other foreign markets. It initiated strategic partnerships with local key organisations that allowed for international expansion without relying on a physical presence in the specific markets. This strategy has been successful in Africa and Asia.

The first experience driven by this strategy was in North Africa in 2015. IES was approached by MEDAFCO, after IES had implemented three successful impact bootcamps in Morocco, Tunisia, and Algeria in the framework of a European Union project (2015) in collaboration with the EUCLID network, the European Network for Social Enterprises and Impact Driven Leaders. IES was asked by MEDAFCO to replicate the bootcamps in other locations in the region. MEDAFCO took over the fundraising, recruitment, and other organisational tasks, leaving to IES to focus on the conception and implementation of capacity building. This partnership has been in place since then, resulting in an increased outreach and presence in the region. The same process was also applied in Asia in 2018 through the collaboration with Asia Business Alliance. This resulted in the organisation of IES impact bootcamps in Mongolia and Lebanon.

While this strategy has been effective in developing countries, IES opted for a different method in Europe, where there was already an increased number of social entrepreneurship training courses and other support schemes. It was more challenging to enter such a saturated market and offer complete capacity building packages as had been done in Africa and Asia where such impact creation and capacity building was rather new. Having this in mind, IES' strategy in Europe was to offer its expertise as part of existing programmes instead of creating an offer from scratch. In Europe, IES managed to establish a strategic partnership with the European Investment Bank Institute and collaborate in its annual programme, the Social Innovation Tournament. This programme is designed to fund start-ups through awards. IES is involved in the Tournament as a contracted entity to build the capacity of start-ups from different European countries and so help them prepare for the award. By working with start-ups from diverse countries, IES can deliver its capacity building in these markets.

SEAL CYPRUS

SEAL Cyprus supports competence development of individuals by offering customised education, training, and career resource solutions. They assist competence development of

youth workers, trainers and youth leaders by offering training in fields such as leadership, project management and dissemination strategies.

During 2014, SEAL Cyprus implemented local activities and had to solidify the ties between members, beneficiaries, and stakeholders. In addition, the organisation applied for its prospective participation in international projects. The first transnational activity of SEAL Cyprus was in 2014 when they implemented an international training course on biodiversity and green jobs for 30 youth workers from 10 European countries. However, SEAL Cyprus managed to transfer know-how and good practices at the transnational level. In June 2021, it received international visits in its premises from three organisations outside Cyprus, in a process of acquiring more in-depth knowledge of its services. In particular, the visits were organised from the countries of Estonia and Poland.

CITIZENS IN POWER (CIP)

Citizens in Power (CIP) from Cyprus provides a means for young people to engage in opportunities provided by the EU. It motivates young people to become active citizens coming from different economic, legal, educational, social, religious, national, and cultural backgrounds. By doing so, the organisation aims to share the same vision with all volunteers for equal and fair opportunities in lifelong learning, in elections, and in communication between political officials and citizens on issues affecting young people and society overall.

The organisation fulfils its vision through its collaboration with high profile organisations such as HEI and R&D institutions, civic society organisations, SMEs and other corporate organisations. Such organisations are bringing them in touch with their target groups: universities operate as a communication bridge with youth target groups, whilst civic society organisations with disadvantaged or marginalised populations, such as migrants, refugees, unaccompanied minors, detainees, NEET and long term unemployed. On the other hand, SMEs and corporate organisations ensure their strong affiliations with the labour market, while ensuring an increased potential for employability when it comes to disadvantaged target groups. CIP also works in collaboration with local policy actors and governmental authorities which monitor our actions and results, while they are integrating them in their annual policy agendas.

IPOP

The Institute for Policies of Space (spatial planning) is an independent research institution and a think tank. The institute was registered as a research organisation at the Slovenian Research Agency in 2008. The Ministry of the Environment and Spatial Planning granted IPOP the status of a non-governmental organisation working in the public interest in the field of environmental protection in 2014, and in the field of spatial planning in 2019.

The institute tries to create conditions for a common understanding of challenges, goals and solutions, leading to effective spatial and urban planning. In this way, it aims to integrate knowledge and experience of different sciences and practices dealing with space and place. IPOP has prepared several strategic documents for municipalities, for example, SUMP for the Municipality of Tržič or the Strategy for Managing Public Green Areas in the Municipality of Ankara. They participate in the process of preparing sustainable urban strategies in city municipalities and in analysing their performance at the EU level.

One of the challenges addressed by IPOP include the study of cross-border public services (CPS) which have not yet been comprehensively analysed at the EU level, and there is no established methodological framework in this regard. CPS can address local development needs in many ways that do not make CPS provision more likely for certain types of territories. For example, CPS contributes to reducing negative border effects, supports the

cross-border flows of people or contributes to raising awareness about cross-border possibilities.

„ALATURI DE VOI” ROMANIA FOUNDATION (ADV)

The „Alaturi de Voi” Romania Foundation (ADV) is a non-governmental organisation and a work integration social enterprise, established in February 2002 by Holt International Children’s Services U.S.A. It’s mission is the integration of people with disabilities and from other groups at risk. The foundation has created over 100 workplaces, of which at least 40% for people with disabilities. In time, ADV Romania created 7 products for an integrated approach in the field of social economy. So far, they reached 2.761 people, that are living under extremely poor socioeconomic conditions. 142.524 people showed improved health and well-being because of ADV’s work. Also, they were able to provide quality education to 156 children and work for 4.604 young professionals in the region. Finally, they are the founding member of four federations, establishing non-financial institutions for social entrepreneurs. Working closely with the ministry of economics, they pass on important knowledge to social entrepreneurs, providing them with social services, funding, coaching, advocacy trainings and know-how on capacity development. They carried out their approach to 5 places in the Republic of Moldova and 3 locations in Ukraine, expanding their community and showcasing good ideas. ADV is distributing their expertise, in the sense of research or field visits and replicating their social services and supporting the development of social enterprises. Their motive to transfer their programme to other countries is to expand their network, transform practical experience in to systemised policies and frameworks, build up a sector strategy, gather new data for social enterprises and exchange best practice methods.

RÁDIO MIÚDOS

Rádio Miúdos is the first Portuguese radio station for children that started experimental broadcasts in November 2015. It is an exclusively online radio, broadcasting 24 hours/7 days a week. Rádio Miúdos’ mission is to give a voice to Portuguese speaking children all over the world, whether they are Portuguese or from other countries where Portuguese is the mother tongue, such as Brazil. This includes getting children to think and act as active and conscious citizens from an early age. The founders of Rádio Miúdos consider that a citizen is not only born at 18 years old and therefore if the child is prepared and acts as a citizen from an early age, then he/she will also be able to choose more consciously and be more conscious in his/her actions.

Rádio Miúdos has audiences (listeners) in 176 countries and territories. It thus has around 30 local kids that participate in live broadcasts from 3 to 6 PM (Portuguese time) from Monday to Friday and they also have correspondent kids (that don't live near the studio, either from Portugal or abroad) that actively participate in Radio Miúdos as journalists producing radio programmes, conducting interviews, talking about what's going on in their cities/countries or in the city/country where they are living at that moment.

Radio Miúdos has also other projects, it doesn't stop at the studio, it has many projects outside, for example, one of the most active is the Radio Escolas (i.e., radio schools). The radio at schools is a potential instrument for several issues such as the development of soft/open skills that are necessary for the future of children. According to data from the World Bank, 4 out of 5 children who are now at school will have jobs that do not exist at the moment. So, the school teaches them how to develop these necessary skills, and radio at school supports this by bringing to reality what the children have learnt. Also, teamwork is very important, and children will start to discuss and understand whether the news they read is

true or false. This project also tries to promote interaction between children from different cultures and different countries.

Barriers related to this pathway and mitigation strategies

- **BUSINES DIMENSION:**

Leveraging international networks to enter new markets: Entering new markets and promoting the offer without seed funding is often difficult. IES entered new countries by offering cross-border programmes often supported by international networks. IES used this opportunity to develop relationships with new partners that funded the further replication of the IES programmes. Furthermore, IES decided to offer their expertise for existing programmes. This made it easier and less costly and risky to access an already saturated market.

Partnering across sectors to drive exchange & collective impact: CIP builds strategic partnerships across sectors and borders to fulfil its mission of providing people with full access to opportunities provided by the European union. It builds up competences to engage with a diverse range of organisations (policy, research, companies, NGOs) to connect their dissemination and implementation projects to specific target groups and to maximise opportunities for societal, political and economic participation.

Involving local ambassadors and defining their role: Within the RÁDIO-ESCOLAS project, the network of international schools is still very small. The main difficulties are on the one hand to understand exactly the reality of the schools in other countries and to know how to adapt the service and how to create an impact on the children and teachers and effectively involve 1 or 2 teachers from each school who can oversee the project. Radio Miudos plans to better define the role of local ambassadors as persons who live in the region, have a good network in the educational sector, and are embedded in the institutional partnership that Radio Miudos develops with local schools.

- **LEGAL DIMENSION:**

Experimenting with different legal forms: IES experimented with different legal forms to avoid high taxation of their training offers or to access private funding. IES found different solutions for different countries to optimise entities.

For instance, IES applied for an NGO status to the Portuguese government through which it became exempt from taxes. Obtaining the NGO status was possible due to operating a branch in a developing country (Mozambique in this case).

However, being an association restricts IES' access to private investors due to this legal form (associations have a democratic governance system that represent a risk to private investors).

The example shows that legal forms may be adapted to specific stages of a social enterprise. However, changing the setup has usually trade-offs and points to legal limitations for social economy entities.

- **SPATIAL DIMENSION:**

Regional capacity and ecosystem building: ADV combines cross-border dissemination of know-how on social enterprises with advocacy and capacity building. They carried out their capacity and ecosystem building programmes in 5 locations in the Republic of Moldova and 3 locations in Ukraine, and – by involving public authorities – contributed directly to building social economy ecosystems in the region.

Pathway 8: Leveraging digital platforms to reach large groups of customers and beneficiaries

For-profit online platforms for consumers dominated the platform sphere for many years. They often follow a “growth before profit” strategy that is possible due to large private investments. Eventually, such platforms monopolise the access to mass markets (e.g., AirBnB, Spotify). In contrast, social economy entities started to utilise the power of online platforms to spread practices that create social and environmental impact, to bring professional know-how into remote regions, or to make services more accessible.

TOO GOOD TO GO

Established in Denmark and launched in four EU countries (Denmark, Norway, France, and the UK) in 2016, Too Good To Go (TGTG) is a social impact company that has as its mission to inspire and empower everyone to fight food waste. The TGTG application is currently the world’s largest B2C marketplace for surplus food and has grown exponentially. It boasts a community of 44 million people, and 106.000 partners (cafés, restaurants, supermarkets, bakeries, hotels, etc.) who have together saved more than 89 million meals and continue at a rate of one million meals every week. TGTG partners simply make their surplus food available on the app as ‘Magic Bags’, once they know how many will be available that day, so that users can reserve their bag, and collect their food at the end of the day.

Starting in 2017, TGTG began to replicate the business model in other European countries, then continued into the USA in 2020, and then finally launched in 2021 in Canada and Ireland. As TGTG continues to increase global market coverage, several methods of cooperation had been used for the transnational activities, such as co-creation of collaborative campaigns with several Too Good To Go offices, replication by making the app scalable for the local markets, and exchange & collective impact by joint efforts to reform legislative frameworks on an international level.

TGTG complements these efforts against food waste through indirect impact via households, businesses, schools, and public affairs. TGTG targets (1) behavioural changes at home; (2) adoption of sustainable practices in businesses; (3) adoption of sustainable food habits by the young generation; and (4) building of long-term partnerships with public institutions to reshape and reform legislation.

FairBnB

Fairbnb.coop started its journey in 2016 as a movement seeking to create a just alternative to existing home-sharing platforms. Initially the movement emerged in Venice, Amsterdam and Bologna but soon other groups from all over Europe joined the debate and helped in shaping the final business model. FairBnB is fighting the negative impact of tourism on communities and the environment, not only as an outcome of the industry’s growth, but also because of its huge expansion into residential areas. Hence, the mission and vision of FairBnB is to support solidarity and participatory economy through sustainable tourism as well as the proper use of apartments.

FairBnB went through 3 phases in their development: the first one concerned the design of the manifesto by the founding partners that declares the values and the business model of the coop. The second involved their transformation from a workers’ coop to a multi-stakeholder coop supported by various funds. And the third involved the launch of the online platform in 2019 (which unfortunately coincided with the outbreak of the COVID-19 pandemic).

The cross-border activities actually started in 2018, when the platform was first launched. The countries in which they carry out transnational activities include EU and non-EU ones,

and it is feasible through their online booking platform. Their business model is replicable and replicated in other countries. The initiative was launched with financial support from Banca Etica supplemented by funds invested by the founding partners themselves.

Be My Eyes

Be My Eyes offers an app that connects blind persons to volunteers who support them in daily tasks. Being a start-up and app-based company, technology was the core of the business of Be My Eyes from the start.

Be My Eyes kept growing by combining their app technology with a video conference platform that it is easily accessible for blind/low vision people.

Even though the company was founded in Denmark, the country is just a test site since Be My Eyes was designed to be used internationally from the start. On 15 January 2015, Be My Eyes was launched and was featured in Danish media. Surprisingly, within 24 hours, Be My Eyes gained 10000 volunteers and 1000 blind/low vision people registered. And within a week, the number of the app users increased up to 10000 blind/low vision people and 100000 volunteers. By 2021, Be My Eyes has obtained 5 million volunteers. Currently (2021), the application is provided with 185 languages and is available in 197 countries. The application can be downloaded from Google Play and Apple Store.

As the app is free for all users. The main funding comes from big corporations, such as Microsoft and Google, that were highly interested to collaborate with Be My Eyes. The SE gives them recognition for supporting the platform with a fixed monthly fee that is adapted to the size of the partner organisation.

THE MOBILITY FACTORY (TMF)

THE MOBILITY FACTORY SCE is a European cooperative active in electric car sharing based on an IT platform. They started in 2016 as a transnational collaboration between two companies, Som Mobilitat SCCL and Partago CVBA, which was later bought by TMF in 2018. TMF sets up an e-car sharing platform for its members (companies or individuals) that wish to be engaged in sharing electric cars in their company. Members of TMF are provided with the car sharing services and IT platform.

TMF has a clear and transparent governance structure and decision-making process for the development of the platform. The platform is for use by its members only. Once joined as a member, companies can change and adjust the platform to suit their specific needs. This method of cooperatively owning and developing IT code is called "Platform Cooperativism".

ECHO PROJECT / ECHO HUBS

Using proven adult learning techniques and interactive video technology, the ECHO Model™ connects groups of community health providers with specialists at centres of excellence in regular real-time collaborative sessions. The method is designed to merge hands-on knowledge with professional expertise, since both can benefit from learning in decentralised networks. The sessions, designed around case-based learning and mentorship, help local workers gain the expertise required to provide special medical services. Providers gain skills and confidence; specialists learn new approaches for applying their knowledge across diverse cultural and geographical contexts. As the capacity of the local workforce increases, lives improve.

Organisations can get training in setting up ECHO projects and ECHO hubs. Currently (2021), ECHO runs more than 600 training hubs that apply the ECHO methodology worldwide.

MYMIND

MyMind is the first and largest blended model of mental health care in Ireland. It has created a unique movement for community-based mental health services that work towards giving every person in Ireland equal access to mental health support early, affordably, directly, without stigma or delay. Mental health professionals in MyMind are accredited or pre-accredited with professional bodies and are employed by the organisation. The platform offers different professional profiles, languages and online, as well as offline formats, which include individual counselling session.

The impact of MyMind in Ireland is significant. In 2020, the organisation hosted 35.400 appointments, a 25% growth compared to 2019, and served 5000+ individual clients. MyMind employs 110 mental health professionals who contribute not only with their competences and different professional backgrounds, but also with different languages.

The COVID-19 pandemic helped MyMind to fully understand the potential of their online offers - in particular related to their internationalisation. MyMind wants to meet client demands in Ireland, scale the online component of their offer and expand their service to other countries. It currently seeks legal advice from pro bono agencies such as TrustLaw to determine if they can offer online services in other countries or recruit online counsellors from other countries.

FLOW2

FLOW2, established in Luxembourg, is active in developing sharing platforms for networks, large companies, municipalities, and healthcare organisations. Their platforms aim to create economic returns due to sharing, as well as environmental and social returns in terms of developing local collaborations among organisations. Its business model involves several types of revenue such as one-time fee to design and implement the sharing platform, or license fees. Co-creation with partners takes place during platform development e.g., for pharmaceutical sector organisations, and distribution activities take place via sales and marketing individuals using a reseller model.

After starting as a sharing platform, it extended its services to provide white label sharing platforms for other organisations, networks and countries.

In 2020, due to the COVID-19 pandemic, FLOW2 saw the opportunity to become more engaged in the health sector that increased its transparency. As FLOW2 provides sharing platforms for different sectors with specific needs (from the building industry to pharmaceutical industry), its success depends on thorough knowledge of sector dynamics and needs. Understanding how sectors work in other countries is mitigated by working with actors active in the local context.

FLOW2 benefitted financial support from Flanders Government, in particular to create a platform for Belgian construction companies. Networking support is received from Holland Circular Hotspot and ShareNL, of which FLOW2 is one of the founders. FLOW2 also benefitted from international/EU projects of H2020 which showcased it as a best practice, and this supported its growing visibility.

SMART

Smart opened in France in 2009. Further branches followed in Sweden, Spain, Netherlands, Italy, Austria and Germany.

Smart provides legal advice and operational support for freelancers through an online platform. Smart helps freelancers to develop their business operations, such as managing contracts, getting paid in time, conflict resolution. It incorporates elements of social protection and tries to mutualise the risk of individual freelancers not being paid in time.

As smart provides elements of social protection to freelancers, the platform and its services need to be adapted to the national legal context. Smart partners with local groups that screen the legal context to find solutions for freelancers in a specific Country. Smarts describes this adaptation as a process of co-creation and co-learning.

Barriers related to this pathway and mitigation strategies

- **LEGAL DIMENSION:**

Combining platforms with membership models: Our cases show an interesting difference in how access to online platforms is structured. This is partly due to the legal form and governance of the organisations as well as the business model (B2B or B2C). TMV is membership based and combines a cooperative model with a platform model. This comes with additional legal barriers for members to register (see below) but allows members to adapt the platforms to their needs and participate in decision making on the general platform strategy.

Adopting international members under national law: TMF combines the offers of an online platform with a membership system. Therefore, organisations that want to become members are required to get a Belgium registration number. Currently (2021) it is however difficult to obtain legal documents in Belgium to register new members in other countries. Even with the European legal form, establishment is not easy from a legal perspective.

Sourcing legal information from different national contexts: Part of the services Smart provides to its members rely on information on public social protection schemes for freelancers. The provision of this information requires working with local groups for sourcing information and co-creating solutions where markets and public institutions are not used to deal with new forms of cooperatives.

Introducing sharing economy models to new industries: FLOW2 experienced that the mindset of companies and networks can be very attached to ownership which leads to buying, using, and disposing. In addition, legislations can prohibit or restrict sharing of equipment. FLOW2 perceives insurances that cover renting out via standardised rental contracts as a first positive development. Restrictions can be stronger in highly regulated sectors such as health and medical supplies where FLOW2 is also active.

Advocating for tax incentives for purpose-driven digital social enterprises: FLOW2 preferred to operate in Luxembourg before moving back to the Netherlands due to specific tax regulations. FLOW2 would welcome specific tax incentives for purpose-driven digital social enterprises.

- **BUSINESS DIMENSION:**

Utilising platforms and online services to reduce prices for specific target groups: MyMind's standard pricing in 2021 was 50 EUR for a face-to-face mental counselling session and can be even lower for persons who receive social support or work part-time/self-employed. Offering below-market prices is part of their vision and mission that prioritises accessibility and affordability over profits. MyMind offers a "service package" that convinces many health professionals to join MyMind and to accept lower fees. MyMind is covering most administrative tasks for mental health professionals and allows them to fully focus on their counselling.

Through the MyMind platform professionals get easy access to clients. Another advantage is that they are not forced to work for MyMind exclusively but are free to offer private counselling. Furthermore, MyMind hosts the professional community and provides opportunities for exchange and learning.

Sourcing staff from other EU countries for the provision of online services: MyMind sources staff from other EU countries in its attempt to provide different cultural backgrounds and languages for mental counselling. In the current setting, however, their staff needs to be based primarily in Ireland and needs to be employed under Irish law. MyMind therefore started to explore if it is legally possible for them to somehow employ/contract mental health professionals based in other countries who could provide online services on their platform to Irish clients or clients in other countries. Technically, MyMind would be ready to host online sessions with mental health professionals based outside of Ireland and sees demand in Ireland for multi-language, multicultural mental health counselling.

Designing business models that benefit local communities: FairBnB shows how business models can be designed according to the impact model and goals of an organisation. They levy a commission on bookings. Half of the commission is provided to the local community where the apartment is located. The commissions are provided for funding projects chosen by and in consultation with the local community. FairBnB guests are also able to choose the community project that would benefit from their stay. Through this practice FairBnB alleviates negative effects of tourism, improves quality of life and engages the community in practices of solidarity economy.

Creating awareness and a user base: A key barrier to TGTG's activities is a lack of awareness among people, businesses, and other stakeholders, of the connection between food waste and the environment, and the negative impact of food waste on our planet. Some food businesses particularly are not aware of the link between food waste and its environmental consequences, and until recent years, it has been more widely regarded as a monetary issue. TGTG is breaking down this barrier by providing people and businesses with inspirational talks, marketing campaigns, and by launching informative and creative communications content through TGTG platforms.

2.2.3. Sourcing pathways

Sourcing refers to cross-border activities that aim to source necessary resources for delivering services or producing goods. It comprises resources such as staff, know-how, finance or materials for production. We identified one pathway where sourcing is a dominant activity that is also highly relevant for the social impact mission and model. Elements of sourcing are however present in other pathways too. Replication networks, for instance, include a strong element of sourcing competences, resources and networks provided by partner organisations from other countries.

Pathway 9: Building partnerships to establish sustainable value chains

FAIRPHONE

After starting as a non-profit initiative in 2010, the Fairphone team decided to shift the strategy and to operate as a business. The mission, however, was not primarily to develop a monetarily profitable business, but to demonstrate to key market players (Apple, Samsung) and the broader public that sustainable and fair production of smart phones is possible.

Fairphone successfully designed, produced, and distributed a new generation of smartphones that could compete with market leaders in terms of functionality and design (although technical problems appeared from time to time). Setting up partnerships with

producers along the value chain was essential to improve and monitor working conditions. Fairphone also introduced a new technological paradigm that focuses on the repair (many components are exchangeable) and recycling (old smartphones are recycled by the company).

Currently, Fairphone sells and ships products to countries within the EEA and Switzerland. As an organisation based in Amsterdam, The Netherlands, the company focuses its sales efforts on Europe. At the same time, the company is exploring the market and logistic possibilities to sell outside of Europe.

Barriers related to this pathway and mitigation strategies

- **LEGAL DIMENSION:**

Conflicts between new technological paradigms and legal regulations: Fairphone is currently not selling outside of Europe, because of complicated logistics, high costs and different VAT regulations. Since service, repair and re-cycling are important for the sustainability ambitions, the international interaction with customers is more demanding than for other mobile phone companies. In general, import costs, administration costs and transport costs are a barrier for an efficient and competitive circular economy.

Fairphone, for instance, tries to extend the life of each phone as long as possible: Each part can be replaced and repaired, software can be updated, parts are upgraded, long warranty is provided, and old phones are taken back and refurbished. When phones or parts cannot be used anymore, the material is taken back and collected as e-waste.

Legal problems arise, for instance, when used phones are treated at the borders as waste, and not as material for new phones. Fairphone advocates at European Union level to improve trade conditions for circular economy.

- **BUSINESS DIMENSION:**

Monitoring supply chain: Performing all necessary production steps under full control and ownership is impossible. This lack of control is a key barrier for international activities. Fairphone works with established production companies and tries to shift their behaviour towards fair and sustainable practices. This included making agreements with assembly plants and even their suppliers. Fairphone screens vendor lists, asks for material declarations and runs impact and improvement programmes. The approach thus changed from ownership and control to influencing partners in the value chain.

2.2.4. Collaboration & Collective Impact pathways

Social economy entities in many cases engage in cross-border activities together with partners to exchange and to achieve collective impact. This collaboration can take many forms and can be more or less formalised.

Pathway 10: Collaborating with key sector players to change sector practices and policies

LIBRE SPACE FOUNDATION

Libre Space Foundation (LSF) is a non-profit foundation established in Greece that develops and supports open-source (OS) technologies for space. It is unique on a global level, as it is the only legal entity that provides OS technologies and data for space.

LSF has been founded by members of the Athenian hacker makerspace, which is dedicated to the promotion of open-source technologies. Through their experience and collaboration with the hacker's makerspace, the founding members were able to develop hardware as well as software applications for space. The funding for supporting the establishment of LSF came from a 2014 NASA Space Challenge hackathon that the founding team won. The prize money (~200,000€) as well as the successful development of a 3-D printed satellite ground-station, allowed the team to create the foundation.

Overall, LSF since its establishment has been advocating for more OS data, software, and hardware in the space industry, arguing that space is a commodity that should belong to the overall population. Their activities have helped to shift the conversation around the application of OS in space. The US legal framework, for instance, recently became more open and accepting towards open data.

On a national level, their continuous collaboration with national authorities and the advocacy that they perform – primarily through their line of work and their ongoing international collaborations – has built their recognition as an equal player in the Greek space ecosystem, and most importantly on international level.

RESCOOP

REScoop.eu is a sector federation of [Cooperatives Europe](#), the European branch of the International Cooperative Alliance. Cooperatives Europe represents the voice of 160,000 cooperatives in Europe and their 123 million members. REScoop.eu holds a seat in the board of Cooperatives Europe. REScoop.eu is also one of the co-founders of [REScoop MECISE](#) and [The Mobility Factory](#), European cooperatives through which they provide services on RES financing and e-car sharing. REScoop.eu also teams up with other like-minded organisations through the [Community Power Coalition](#). This coalition features organisations like Friends of the Earth Europe, Energy Cities, ICLEI, Greenpeace Europe, etc. and gathers monthly to discuss policy and plan advocacy actions on community energy.

All citizens are eligible to join an energy cooperative. REScoop.eu is the European federation of citizen energy cooperatives. It acts as a learning network of 1.900 energy cooperatives operating across Europe and jointly representing over 1,25 million citizens. After purchasing a cooperative share and becoming a member or co-owner of local renewable energy or energy efficiency projects, members share in the profits and are often given the opportunity to buy the electricity at a fair price. In addition, members can actively participate in the cooperative: they can decide where the REScoop should invest and are consulted when setting the energy price. REScoop.eu was legally set up in 2013 as a Belgian not-for-profit association. Their team consists of 13 staff members who are all based in Belgium.

REScoop promotes a business model through which citizens jointly own and participate in renewable energy or energy efficiency projects. These citizen groups and the organisations they create do not necessarily have the legal form of a cooperative, they rather distinguish themselves by the way they do business and the principles they follow (Democratic member control, economic participation through direct ownership and others).

PRAKSIS ACCESS

PRAKSIS is an independent, non-profit association implementing humanitarian and medical action programmes. It was founded in 2004, and since then it targets socially vulnerable groups regardless of gender, colour, nationality, race, political or religious affiliation, or

sexual orientation. It aims to render people self-sufficient by providing them with access to medicines and the health system.

PRAKSIS participates in networks on the Greek and European level aiming at lobbying, advocating, informing and advocating vulnerable social groups to relevant Greek and European stakeholders, such as the Hellenic Antipoverty Network, the Network for the Right to Housing, the Racist Violence Recording Network, FEANTSA, and the Hellenic Platform for Development.

One of PRAKSIS's action programmes is PRAKSIS ACCESS which aims to increase awareness and inform the public about the affordable medicines and the methods that are used by the pharmaceutical companies to control drug policies and prices.

PRAKSIS ACCESS calls all stakeholders to actively engage in price negotiations to guarantee affordable access for the benefit of all patients. It conducts these negotiations in a transparent and publicly accountable manner, and refrains from unilateral actions which undermine the necessary trust between all parties. At the same time, it engages governments based on the argument that they have tools at their disposal, such as compulsory licensing, so as to remedy excessive pricing abuse in defence of public interest.

JUSTDIGGIT NAGA FOUNDATION

By combining landscape restoration techniques with the power of media and communication, data, and mobile technology, Justdiggitt spreads greening practices. The self-understanding is closer to a social movement than a social business: "We want to inspire, unite and empower an entire generation, and together grow a landscape restoration movement."

At the same time, Justdiggitt applies smart sourcing and partnership strategies to setup new landscape restoration programmes. New methods were for instance developed and implemented to combat desertification. Initial investments have taken place in Kenya in 2013. In the same year the Justdiggitt approach, including awareness and fund-raising campaigns, was tested.

The first cross-border strategy consisted in fundraising abroad, namely in countries like the UK, Germany, and the Netherlands. This included developing and operating campaigns to make the brand known and raise awareness. The campaigns are supported by national ecosystems and public media (such as Havas Germany) and raise awareness on national and international level.

In 2020, Justdiggitt have been able to successfully implement programmes in Kenya and Tanzania, despite some operational delays due to COVID-19 restrictions. Justdiggitt restored over 2.3 million trees in the Dodoma region in Tanzania, 32.400 water bunds were dug in the Enkii area in southern Kenya and 3 new grass seed banks were established together with Maasai women groups.

Fédération Nationale de la Mutualité Française (FNMF)

The FNMF was established as a development of historical movements in France to concentrate efforts of local mutuals and ensure wider access to healthcare for the population. It represents mutual societies, at national, regional, or local level. The FNMF is present in metropolitan France and overseas via 17 regional unions that promote and implement its positions with local decision-makers. It works to influence policy, leveraging

its privileged access to public authorities, parliamentarians, trade unions, representatives of the health professions and users.

FNMF have had cross-border links for over 100 years, even before the EU, yet these links have been in the main part political in nature. Namely, the main motivation behind their cross-border activities has been protecting the mutual model as a specific form of organisational governance in Europe. In modern times, this is embodied by general efforts to avoid what is termed as 'de-mutualisation'. This refers to a legal process generated by regulations allowing a mutual, to start selling memberships and generating profit for external

Their main cross-border activity is collective impact, which follows two main lines. The first is the historical one, mentioned above, which is now embodied by lobbying and awareness raising at an EU-level of the needs of mutual societies and especially the needs for a specifically defined European mutual legal form. Because, as shared by our interviewee, having different legislation in every member state is not effective. The other line is to support the continued existence of mutual societies as separate legal forms, with their own structures and guiding values. Because, unless collective action is taken to protect the mutual form in Europe, there is a risk that slowly private limited company law will take primacy and 'eat away' at the number of "true" mutuals in European countries (democratic governance/not for profit/ surpluses invested only for better social services to the members).

Montepio

Montepio is the oldest and largest Portuguese mutual, and with over 600,000 members it is one of the largest in Europe. Committed to the typical mutualist values of liberty, responsibility, solidarity, equality, and autonomy. Founded in 1840 as a social security scheme for public sector workers, the organisation has changed and adapted over its near 200-year existence and now constitutes a mother organisation presiding over several other branches providing a range of services. Including complementary (to the state provided scheme) health services and social security complementary schemes.

Moving to cross-border activities, it is worth noting that current European legislation limits Montepio's operations to within Portugal's borders. Therefore, they have no operational transnational activities, being limited to co-creation & knowledge exchange, and collective impact. For example, they leverage their membership of the International Association of Mutual Benefit Societies (AIM) to participate in collective efforts to legally recognise the mutual model as a separate form on an EU-level. At a bi-lateral level, they have collaborated with the Fédération Nationale de la Mutualité Française (FNMF) on a technical support matter. Namely, when the Portuguese government required them to comply with solvency II regulations, FNMF (whose members have been complying with similar regulation for many years) facilitated exchange of expertise and advised Montepio on how to resolve technical issues related to compliance.

Barriers related to this pathway and mitigation strategies

- **BUSINESS DIMENSION:**

Setting up international cooperation to influence the sector: LSF is devoted to promoting knowledge and research around space, as well as making space exploration accessible to everyone. It does so through a number of projects it runs that encourage knowledge, scientific research and innovative ideas related to space tech. LSF shares its vision with a diverse community of contributors and supporters from around the world. It collaborates on international level with international organisations (e.g., European Space Agency), renowned space research institutes (e.g., Harvard and the Smithsonian Centre for Astrophysics),

companies (e.g., Google) and dozens of independent researchers, engineers and volunteers interested in open-source technologies. Collectively and jointly, they work together to develop OS solutions for space tech while simultaneously promoting the concept of open collaboration and innovation.

REScoop.eu teams up with other like-minded organisations through the [Community Power Coalition](#). This coalition features organisations like Friends of the Earth Europe, Energy Cities, ICLEI, Greenpeace Europe, etc. and gathers monthly to discuss policy and plan advocacy actions on community energy.

PRAKSIS participates in networks on the Greek and European level aiming at lobbying, advocating, informing and advocating vulnerable social groups to relevant Greek and European stakeholders, such as the Hellenic Antipoverty Network, the Network for the Right to Housing, the Racist Violence Recording Network, FEANTSA, and the Hellenic Platform for Development.

JUSTDIGGIT partners with organisations such as Rain, MetaMeta and the IKEA Foundation for their framing programmes. For promoting and funding their landscape renovation programmes, they specialise in working with large media outlets and design media campaigns with partners, such as Havas and JCDecaux.

Both FNMF and Montepio leverage their membership of the International Association of Mutual Benefit Societies (AIM) to cooperate internationally with other mutuals. Due to legal constraints, the organisation does not issue binding decisions yet allows likeminded mutuals to act as one block, lobby together and share useful practices. Through such cooperation both organisations have interacted through direct knowledge exchange on the issue of compliance. Namely, FNMF sent experts to work together with Montepio on complying with incoming Portuguese government regulation.

- **LEGAL DIMENSION:**

Advocating for changes in sector specific regulations: LSF tries to influence sector specific regulations and is at the same time affected by them. With respect to the international activities they perform, on intra-EU level they did not identify any issues, problems or challenges that affect their course of work. The barriers they confront have to do with the overall legal framework of the space industry on a global level, and more specifically the US legal framework as they work closely with American colleagues and institutions. In further detail, the US space related entities face difficulties in conceptualising how OS data may be used for the space industry – as the US space industry is very much connected to the defence industry as satellites are usually put to dual use (defence and space related) – and for the benefit of the public good without compromising defence and security.

FNMF actively advocates for more legislative proportionality and for decisions on mutual sector regulations to be taken after careful impact assessment. They cooperate with other mutuals through AIM, to instigate the creation of a common European mutual form. Which they believe would be one of the strongest mitigation measures to the challenges that they face.

Montepio also actively collaborates with other mutuals to advocate for a European-level recognition of the mutual form, accounting for all its values. This advocacy work is driven by a risk which seems to be much more existential than a lack of capacity to perform cross-border activities. There are fears that if the mutual model is not recognised and supported at a European level, then slowly the model will die out, due to unfair competition on the Internal Market, leading to de-mutualisation as has been witnessed in the UK and Canada, for example.

Getting recognition in a sector for untypical legal forms: The legal form of LSF (cooperative) caused issues in relation to their “acceptance” not only by national authorities in Greece associated with the space industry, but also their eligibility to participate in Greek business support subsidy programmes, which do not foresee financial support towards non-profit organisations, or utilise tax incentivisation programmes exactly because of their chosen

legal form (tax incentives for SEs in Greece promote the labour inclusion of disabled people or migrants for example, rather than research and innovation activities).

Advocating for access to funding for represented groups: ReScoop is representing many small-scale energy providers and identified financial barriers to participate in EU projects because of the ongoing cuts in the overheads. The rate for indirect costs used to be 60% in the former Intelligent Energy Europe programme, dropped to 25% in Horizon 2020 and is apparently going to be only 7% in the new Life programme. This forces small-scale initiatives to bail out or not even consider EU projects anymore. REScoop reactions to that is, that there should be exceptions for smaller players including NGO's which give them some kind of special treatment to facilitate their work through EU projects. If not, projects will end up in the hands of big companies. In addition, increased competition on EU calls also makes it harder for small players to win bids. Some members of REScoop.eu indicated that lack of time or dedicated resources to commit to writing project proposals prevents them from considering such programmes in the first place. Dedicated calls for energy communities could overcome this barrier.

Pathway 11: Collaborating with partners to innovate or improve products and services

This pathway features organisations that utilise cross-border partnerships to innovate and improve products and services. Cases such as Sozialhelden with their Wheelmap project show the potential of combining data sources through partnerships to provide a cross-border service to beneficiaries.

Sozialhelden (Wheelmap)

The German social enterprise "Sozialhelden" developed the Wheelmap app that enables people to share accessibility information on buildings and to tag their location. All location data is received from Openstreetmap, the biggest user-generated mapping project of the world, which is a sort of Wikipedia for maps.

Wheelmap was launched in 2010 following the idea of its founder who wanted to crowdsource information about the accessibility of places by wheelchair users. The app has currently over 1.200.000 locations mapped worldwide. The maps generated actually serve two functions: one is to let people know how accessible a place is, the other is to change the way city governments think about accessibility and give NGOs and activists a tool to use to lobby for improvements.

While the majority of the places added so far are located in Germany, the mapping platform works globally, as it is based on OpenStreetMap (OSM). The Wheelmap interface is currently available in 33 languages including Arabic, Danish, German, Greek, English, Spanish, French, Icelandic, Italian, Japanese, Swedish, Turkish, Korean, and Polish. The transnational activities started in 2010, with its launch as the platform is aimed to be used on global level and crowdsource global level on accessibility.

Other non-profit organisations around the world had a similar idea to Wheelmap which led to the development of an exchange platform – Accessibility Cloud – which now serves as a backend bringing together over 130 other data sources, such as OpenStreetMap, FourSquare, Parkopedia, HERE WeGo, Jaccede and AXSMap among others. These sources are regularly updated by members of their own users' communities. The datasets provide information on over 1.5 million locations and their accessibility worldwide, including countries like USA, India, France, South Africa, UK, Austria, Italy, Spain, Belgium, Japan and Taiwan.

The international aspect was integrated in the design of the platform right from the start, as the whole concept of the platform relies upon crowdsourcing, working together with data partners (e.g., parkopedia.com) and aiming to advocate for accessibility on global level.

Care Innovation Centre (CrossCare)

CrossCare is a consortium of living labs in the Netherlands and Flanders which organise and accelerate cross-border innovation in the care sector.

The strength of the project is that it allows for developments such as further standardisation of services provided to SMEs amongst the living labs. Harnessing this development of standardisation could/should become the next step in the development of sustainable, interregional or cross-border collaboration activities which could then be supported through national, regional or local funding.

CrossCare is a project funded by the Interreg Cross-border Cooperation Programme. By collaborating across borders, the markets for the companies that develop and commercialise innovations, are enlarged. This increases their interest in taking part in the co-creating activities and testing in the living-labs with real patients and target groups.

Naša Kuća

Naša Kuća was founded in 2007 by parents of children with disabilities as a response to the existing systematic gap in the provision of support to such families. Instead of following the medical treatment model, the founders approached work and children's development through a social model. The social framework implies taking care of children and youngsters by respecting their needs, opinions, rights and providing them with a safe and supportive environment. The founders expected the initiative would support the evolution of new skills and a sense of belonging in the local communities. To succeed in that, the founders formed a social enterprise and made a job offer to young people in which they can show their best skills and talents. The job offer consists of: i) a manual production of high-quality paper and paper bags, cardboard boxes and eco-packaging; and ii) hydroponic gardening. These approaches to paper production (since 2019) and hydroponic gardening (since 2015) are sourced from Japan and are based on innovative and clean technologies. For the past six years, the team has been building capacities to upscale their impact and business model by replicating them to neighbouring countries (the e.g., Republic of North Macedonia and Montenegro), Italy, Austria, and the Netherlands.

Barriers related to this pathway and mitigation strategies

- **BUSINESS DIMENSION:**

Avoiding fragmentation and combining crowd-sourced data: Many platforms rely on massive amounts of data to provide useful services to users, while suffering from fragmentation and competing platforms. Wheelmap understood this barrier for expanding its activities and identified and convened other non-profit organisations around the world with a similar idea to Wheelmap. This led to the development of an exchange format – Accessibility Cloud – which now serves as a backend bringing together over 130 other data sources, such as OpenStreetMap, FourSquare, Parkopedia, HERE WeGo, Jaccede and AXSMap among others. These sources are regularly updated by members by their own user communities. The datasets provide information for over 1.5 million places and their accessibility worldwide, including countries like USA, India, France, South Africa, UK, Austria, Italy, Spain, Belgium, Japan and Taiwan.

Utilising innovative technologies for creating meaningful jobs for disadvantaged target groups: NASA KUCA sourced innovative and sustainable technology from Japan that is utilised in their programmes for youngsters with disability. Through this approach, the social enterprise attracts specific customer segments for their products. NASA KUCA adopted the manual production of high-quality paper that involves cycling cigarette packages. The produced paper is used for other types of packaging and/or artistic production. The customer groups are painters, marketing companies with promotional merchandising, socially responsible companies and civil society organisations. Another technology they adopted, is the production of micro plants and spices in an urban hydroponic garden that provides vegetables with minimal consumption of water, energy and fertilisers. The customer groups are the 'open kitchen' for people with disabilities, restaurants, hotels, catering companies, and individuals.

Funding platform services: In addition to a small paid staff, Wheelmap works with a network of volunteers engaging in various activities from programming to marketing. The initiative started in 2010 through prize money and continues to secure funding via taking part in contests, receiving donations from public and private sponsors, by selling ramps that are manufactured by local small suppliers, and through monthly subscriptions and advertisements available for cities and by supporting Wheelmap-related activities of social engagement.

Fundraising for sector specific innovation activities: The case of Care Innovation Centre, shows that funding of the care sector is complex and differs among countries. Care organisations have limited funding for innovation and the scale of the market for care innovations is small. Transnational collaborations increase the scale of these niches. Seven living labs cooperate in selecting and accelerating innovations in the care sector. In waves, 5-8 companies are selected and supported in co-creating solutions on specified challenges. The innovation supply-side is linked to the innovation demand-side. Companies, care organisations and citizens are involved. They each play a different role and have their specific benefits of the innovation activities. Co-creation is a buzzword nowadays, but it is underestimated how much time and money it takes for the various stakeholders. The project CrossCare facilitates such activities involving the 7 labs on both sides of the border between Belgium and the Netherlands.

Pathway 12: Creating membership organisations to secure social mission

This pathway features two cases, Helsinki foundation and Regionalwert AG, that both apply a participation and governance model that includes the distribution of "member shares" in very innovative forms. The Helsinki Foundation developed a model that allows "guardians" of conservation lands from other countries to become members. Their decision power over the use of lands owned by the Foundation creates barriers to any future attempts to use these lands for purposes other than land conservation. Regionalwert AG is a citizens' stock corporation that offers citizens the opportunity to take responsibility for a sustainable and resilient agricultural and food economy. By purchasing Regionalwert shares and participation rights, they support small and medium-sized biological farms in their region.

HELSINKI FOUNDATION

The Helsinki Foundation was established in 2015 in Finland for the purpose of promoting long-term land conservation. Its mission is to acquire lands and leave them in their natural state in order to preserve them for future generations. The Helsinki Foundation pursues its mission across borders and operationalises it through its Greenspace Guardian programme that allows any citizen to take action and contribute to this environmental project.

In practice, the Foundation purchases ecologically relevant lands using the donations provided by individuals and corporations. The lands are then split up into virtual green spaces with exact GPS coordinates, land size and greenspace codes. Permanent and exclusive guardianship over the virtual green spaces can then be bought by anyone through

the website of the Foundation. The actual ownership over the entire lands remains with the Helsinki Foundation and the guardians who own the virtual green spaces (inheritable digital assets) acquire voting rights within the Foundation. Land can only be sold / its use changed through the agreement of all the involved parties (the Helsinki Foundation and the guardians with virtual green areas composing the specific land). This system safeguards decision-making rights for all the parties over the lands owned by the Foundation, creating barriers to any future attempts to use these lands for purposes other than land conservation.

Transnational activities for the Helsinki Foundation are essential to enable land conservation with the highest possible impact. The more land is acquired in the most possible countries, the more natural areas will be preserved worldwide.

In this sense, the Foundation has purchased lands around the world, including in Finland, Estonia and Australia. It started off with these activities in 2015 first locally in Finland, to test the concept and identify any bottlenecks that could affect its replication in foreign countries. After the proof of concept, land purchasing activities were also initiated in Australia in 2016. This country was chosen due to its unique wildlife and the personal motivations of the founders. Soon after, in 2018, an opportunity for purchasing a nature area arose in Estonia when the Helsinki Foundation was approached by the landowner situated in this country. The land was important from an ecological perspective as it served as a bird nesting place. The Foundation managed to buy it.

In addition to accessing lands in different countries, the transnational element is also strongly present in the Greenspace Guardian programme. Guardians are sourced from a range of countries to purchase guardianship over the lands, including places, such as the United States, Germany, United Kingdom, France, Canada, Hungary, Poland, Australia, and many others.

REGIONALWERT AG

As a citizens' stock corporation, Regionalwert AG offers citizens the practical opportunity to take responsibility for a sustainable and resilient agricultural and food economy. By purchasing Regionalwert shares and participation rights, they support small and medium-sized bio farms in their region. Regionalwert AG invests the citizens' money in shareholder capital, land, buildings and facilities of Regionalwert partner farms along the entire value chain. In this way, the partner association of farms, food traders, restaurants and service providers receive financing, that also measures the return on investment on the basis of ecologically, socially and regionally economically created values. In this way, agriculture and society are linked and entrepreneurs are helped out of anonymous competition. The desirable goal is to establish regional food sovereignty based on a social contract between producer and consumer. Regionalwert AG is based in Germany and in 2020 began replicating their approach in Austria. They do not proactively seek new partners but receive requests from various countries or companies. This is usually followed by an offer for a contract and a training workshop. If the applicants are qualified to establish a Regionalwert AG, a preliminary contract for the trademark license is drawn up and signed (which costs 5.000 Euros and is valid for 3 years). All the accumulated knowledge and experience of all Regionalwert AGs is then incorporated into the new region. When the foundation process is finished, the new Regionalwert AG has to become a shareholder of the umbrella company Regionalwert Impuls GmbH and gets a say over the Regionalwert AG brand. Partner companies in the local Regionalwert AG can be producers from the agriculture and food industry, as well as traders and businesses from the gastronomy sector.

Barriers related to this pathway and mitigation strategies

- **LEGAL DIMENSION:**

Purchasing land in other countries: Although the legal form of the Helsinki Foundation did not represent a problem when buying properties outside Finland, the organisation came across legal difficulties in foreign markets due to the specific rules around foreign ownership of land or simply due to the lack of knowledge of the local legal environments. For any kind of organisation, it can be very challenging to purchase lands in other countries without having local support. For a foundation, it is even more challenging since it has a limited or no budget to spend on such local service costs. The Helsinki Foundation invests all the income it generates through the Greenspace Guardian programme into new properties for nature conservation and, thus, does not have funds available for this purpose. Finally, the Foundation managed to get pro bono support via a Finnish law firm that connected it to local solicitors. In Australia, for instance, it is more difficult for foreigners to own properties and, therefore, there are some legal restrictions and bureaucracy involved. The challenges in Australia continued, as the first land the Foundation was about to purchase had mining exploration rights on it. This was only possible to identify through a legal due diligence procedure implemented before signing the sales agreement. Such mining rights would have prevented the Foundation from accomplishing its main goal through this purchase, the preservation of this land in its natural state.

Obtaining EU funding for foundations: The Foundation also made an attempt to access EU level funding opportunities via the Finnish Innovation Fund (SITRA) however, SITRA advised that whilst the Foundation could apply for funding, in practice, funding was not available to Foundations.

Establishing complex legal setups in new countries: The legal form of a joint stock company used by Regionalwert AG turned out to be problematic in some countries, e.g., in Spain, because it was and still is difficult to find a suitable legal form for the foundation of a Regionalwert AG. The AG and partner companies usually have to be very creative and adaptable to find a solution or an alternative legal form that is suitable. In addition, low-income countries or regions may not be able to pay the pre-contract fees. In addition, the legal form of a corporation is often negatively associated with capitalist structures, while the legal form of a cooperative is preferred. In response, Regionalwert AG explains that its model differs from the traditional stock market and follows different principles that are like those adopted by cooperatives.

- **SPATIAL DIMENSION:**

Creating long-term formal relationships and local ownership across organisations, people and regions: Both cases have a strong connection to specific regions and natural environments. They furthermore focus on long-term economic or ecologic development to create their expected impact. Co-ownership of local organisations or citizens is therefore extremely relevant. To achieve this, both models not only distribute “shares”, but demand that members become part of the governance structure. They thus create long-term formal relationships across organisations, people, and regions.

3. Policies and initiatives fostering cross-border activities at the EU and national level

This section of the study aims at describing mapped policies and initiatives adopted in 14 EU countries and 3 non-EU COSME countries that support cross-border initiatives. The mapping process was implemented through desk research, expert interviews, the two co-creation workshops with intermediaries, policymakers, social economy entities and interviews with the case study representatives.

At first, the study investigates trends visible in the **European Union's policies** and policymaking practice and the co-development of the European laws and plans with the involvement of social economy entities and intermediaries. The current EU Action Plan for Social Economy recognises that SEs usually operate at the local level providing social and care services, contributing to social inclusion and cohesion, social innovation, circularity and sustainability through alternative business models. To scale their social innovations and businesses, social economy entities create new branches and companies in different countries (Expert Interview with Cooperatives Europe; referred to as well in co-creation workshops). However, the organisations are not always able to use for example the European Cooperative Society Statute when wanting to expand their social businesses to another country or the status doesn't match their operational or business model.

A dialogue between the EU and the EU Member States on legislation and mainstreaming social economy entities as legal entities is desired by many stakeholders who took part in this study. Thus, stronger exchange of good practices on innovation and policy design was also highlighted (in co-creation workshop). SE intermediary programmes aiming to improve the internationalisation of social economy entities through supporting the development of scaling strategies, is considered the first step towards this direction. The **EU level intermediaries** work at the international scale, such as the networks, platforms, foundations and associations and are known to the study stakeholders and further described in subsection 3.1.

There are also different types of **intermediaries that are supporting social economy entities at the national level**. Overall, this is an important point, as according to the interviews conducted, the existence of supporting intermediaries on a national level is an important leverage for the intensification of social economy entities' international activities. On the other hand, when social economy entities are service providers and tend to internationalisation through international cooperation, in those cases they opt for European funding instruments. Several EU tools are available to social economy entities while many of them are supporting SMEs internationalisation but do welcome social economy entities.

Secondly, the study has collected information on the available **funding instruments**, initiatives and **capacity-building tools** at the national level at the time of the elaboration of the study.

We observe that funding instruments and other support initiatives exist on a national level to support the dissemination and promote the public image of specific products and services. The funding schemes support the enterprises' participation (regular SME's) in events, and exhibitions, among others. Such an approach may be beneficial for the social economy as well, especially if exhibitions are organised on areas the social economy entities work on to facilitate the promotion of services for the scaling-up/scaling-out/replication of operations as well as the international networking.

Conversely, there are social economy entities that are mostly interested in developing and extending impact on the local territories without an actual need to internationalise their operations.

3.1. Case studies analysis on the instruments and intermediaries supporting cross-border activities

SE intermediaries are organisations that support local initiatives and promote their success at the national, regional and EU levels. They may be national or international associations, networks, clusters and platforms that provide: i) consulting, mentoring and coaching and other types of services with more of an advisory role to social business development; ii) networking and matchmaking services; and iii) micro-financing. Some of them support directly **social economy** and have concrete internationalisation programmes or projects such as Ashoka, REVES, Social Economy Europe, ENSIE, ESS SE Forum International, Euclid Network, Social Services Europe, Global Social Economy Forum. Others are available to **SMEs**, but include SEs, such as EBN, Cooperatives Europe, EVPA and European Microfinance Network among others.

Networking and matchmaking are crucial elements in the development of effective cross-border collaboration, and intermediaries play a great role in this respect as they are involved in the information and consultation of their members on the relevance of regulations and legislations that are beneficial for the development and internationalisation of the social economy

Most of the social economy entities have somewhat experienced use of the existing European instruments for their cross-border activities. In the featured cases, intermediaries have played an advisory role, provided access to finance or supported knowledge transfer. Below is a list of the intermediaries, funding instruments and initiatives which the organisations interviewed in our study have turned to for support before and during the uptake of their cross-border activities.

Table 4: Intermediaries, funding instruments and initiatives to which the organisations interviewed in our study have turned to for support

Case study/ SE actors	Funding instrument Intermediary Other initiatives	Cross border support given (EU and others)
EHI (Euksal Herriko Ikastolak Koopertiba) - Spain	Erasmus+ programme	Erasmus+ helps EHI to ease the barrier on the public administration as a good platform to support joint work.
EPEKA - Slovenia	European School	European School helps to promote and support good practices that are relevant for the common EU values.
EIS Business - Spain	European Investment Bank Institute	Establishing strategic partnership and collaboration programmes.
	The European Network for Social Enterprises and Impact Driven Leaders (EUCLID) Network	As an intermediary and instrument in engaging collaboration in relevant programmes.

Case study/ SE actors	Funding instrument Intermediary Other initiatives	Cross border support given (EU and others)
	MEDAFCO Development	To expand the EIS Business bootcamp programme as a replication in other regions/countries.
	Asia Business Alliance	To replicate the bootcamp programme in Mongolia and Lebanon
Helsinki Foundation - Finland	Greenspace Guardian	Transnational element to support the Helsinki Foundation on accessing land in different countries.
Made in Rosia Montana - Romania	NESST Network	Support in invest, especially in the region of Central and Eastern Europe or South America
Qlu - Finland	Hearing Link	Supports market access and partnering with organisations, and internationalisation process in the UK.
Nasa Kuca - Serbia	US Agency for international Development (USAID)	Partnering and collaboration
Be My Eyes	H2020	Be My Eyes was a part of H2020 project which entailed specialised help for them. Titled 'harnessing technology to connect companies directly with their blind and visually impaired users', GA no. 873373.
Citizens in Power - Cyprus	Erasmus for Young Entrepreneurs (EYE)	Facilitating the exchange of entrepreneurial and management experience in Europe.
	Fundamental Right Platform (FRP) as part of the network of Fundamental Right Agency (FRA)	CIP is a member; and this helps to expand the network of civil society organisations.
PRAKSIS Greece	European Federation of National Organisations Working with the Homeless (FEANTSA)	PRAKSIS is a member; it supports the networking on the communities in Europe for the purpose of the fight against the homelessness.
SEAL Cyprus	Europe for Citizens	Funding for social economy programmes
YAPS Albania	UNICEF	UNICEF helped to start the operation of YAPS

Case study/ SE actors	Funding instrument Intermediary Other initiatives	Cross border support given (EU and others)
Banca Etica - Italy	Microfinance and Development Foundation (MICROFIDES)	Participation in their network and association.
	The International Association of Investors in the Social Economy (INAISE)	
	CRESUD	
	CoopMED (Microfinance Fund in the MENA Countries)	Banca Etica tries to build relations and expand its international approach in MENA countries (Algeria, Bahrain, Egypt, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates and Yemen).
	CoopEST	Banca Etica tries to expand the cooperation in Central and East Europe
CrossCare – The Netherlands	INTERREG VA Flanders	Support for matchmaking, co-creation, life-testing and business model development within the framework of cross-border cooperation
FLOOW2 – The Netherlands	H2020	Support to showcase the best practices and growing possibility
Gelecekdaha - Turkey	Ashoka Fellowship (Global USA)	Support in networking on social empowerment on reaching numbers of volunteers
	Eisenhower Fellowship (USA)	Support in funding
	Ashoka globaliser programme	Support in capacity building on replication, scaling, mentoring support, and travel funds
KLABU - The Netherlands	Avery Dennison (USA)	Support in sponsorship on the role and the use of technology and support KLABU jersey in EA sport game FIFA.
	UNHCR	Support in networking of refugee camps
TABIT Turkey	Vodafone Farmers Club	Support in facilitation of the lives of the farmers
TEAM U Germany	COSME	Support in funding

Some social economy entities have been successful with the use of the European instruments, yet several case studies have **utilised instruments that work at national level**. Some of them received support from instruments in their own countries; others from the country of the intermediary in where they wanted to expand their network. Below is a description of the national-scale level instruments that the SEs interviewed in this study used for implementing their cross-border activities.

Table 5: National level instruments and support organisations the SE interviewed in our study have turned to for support

Case study/ SE actor	Instrument/ Intermediary/ Initiative	Country of Instrument/ Intermediary/ Initiative	Cross-border support given
Made in Rosia Montana - Romania	Synerb Venture Catalyser	Romania	Pro-bono consultations on how to mitigate the legal, funding and operational barriers that they face.
Helsinki Foundation - Finland	The Good Lobby	Belgium	Support as intermediary to network with Brussels, with assistance in digital marketing aspects
	Finnish Innovation Fund (SITRA)	Finland	Support in advice to access funding (SITRA, however, advised to reach EU projects)
Qlu - Finland	Swedish Association of Hard of Hearing People	Sweden	Support in access to Swedish market, especially private companies
Be My Eyes - Denmark	The Foundation Velux	Denmark	Support by providing a sufficient amount of funding to start the company as a worldwide start-up.
SEAL - Cyprus	Norway Grants Programme	Norway	Support in funding
YAPS - Albania	Albanian Children Foundation	Albania	Support as a board member within the start of the operation
Colive Oil - Cyprus	Home for Cooperation	Cyprus	Support in access and reconciliation at the fringe of the United-Nation-designated buffer zone.
FairBNB - Italy	Banca Etica	Italy	Support in funds
CrossCare - The Netherlands	ZonMW	The Netherlands	To support development of partnership in Flanders

Case study/ SE actor	Instrument/ Intermediary/ Initiative	Country of Instrument/ Intermediary/ Initiative	Cross-border support given
Eyes for the World - Belgium	Dokters van de wereld	The Netherlands	Support in collaboration and networking in the Netherlands
	TED-X Padua	Italy	Support in disseminate the awareness of the SE
	Lions' clubs	Belgium	Support in funding, philanthropy
	Rotary clubs	Belgium	Support in funding philanthropy
KLABU - The Netherlands	Wieden+Kennedy AMS	The Netherlands	Support in capacity building
	De Brauw	The Netherlands	Support in legal aspects

Despite not all of the SEs interviewed in our study gained support from instruments/initiatives/intermediaries, it can be seen that the instruments played a significant role in support and facilitating transnational and cross-border activities.

3.2. European instruments supporting and facilitating SE internationalisation

Throughout the years, the EU has increasingly recognised the importance of SMEs in adding value in every sector of its economy, thus representing 99% of all businesses in the EU¹⁴⁵. For this reason, EU institutions have designed and implemented a significant number of support schemes and programmes that address SMEs' challenges and opportunities, with the ultimate goal of turning Europe into the most attractive place to start a business, make it grow and scale-up in the single market and beyond¹⁴⁶.

In this context, some of the measures implemented by the EU offer direct support to business internationalisation while others provide indirect support by acting towards better framework conditions, business environment and information. Moreover, such instruments can have a strong social component, as is the case of the Employment and Social Innovation (EaSI) programme and the European Social Fund Plus (ESF+). These funds are more tailored to SE organisations, but they also address other SMEs, supporting their internationalisation efforts on a global, regional or country level.

We posit that, while a particular programme may not offer explicit (stated) support to cross-border operations or SE internationalisation, any financial, in-kind or knowledge support offered to SEs can increase their capacity to perform cross-border activities. Therefore, in the ensuing sub-section, 'Cross-Border Support' refers to all support that *could* be used to assist in SE cross-border actions directly or indirectly.

¹⁴⁵ For more information, please visit: https://ec.europa.eu/growth/smes_en (accessed April 2022)

¹⁴⁶ For more information, please visit: https://ec.europa.eu/growth/smes_en (accessed April 2022)

The overview hereunder offers information on active instruments and initiatives that support for-profit SMEs and SEs to uptake cross-border activities. Thus, this section is divided in two sub-sections based on the area addressed by the internationalisation measures, namely if it concerns European or third-country level.

3.2.1. European-focused instruments and initiatives

Enterprise Europe Network (EEN)

Link: <https://een.ec.europa.eu/>

The Enterprise Europe Network (EEN) helps businesses innovate and grow on an international scale. EEN is the world's largest support network for SMEs with international ambitions.

The Network is active worldwide and brings together experts from member organisations that are renowned for their excellence in business support.

EEN's member organisations include high-technology clusters, innovation support organisations, universities and research institutes, regional development organisations, and chambers of commerce and industry.

Cross-border support:

Enterprise Europe Network local branches offer the following free of charge services:

- International partnerships: Targeted expertise that accesses businesses' internationalisation opportunities, access to a contacts' database specialised in the detection of business opportunities, organisation of events to connect SMEs with the right international partners to grow their business and support during the partnership process;
- Advice for international growth: Expert advice for growth and expansion into international markets, professional knowledge in preparing personalised action plans to meet businesses' goals, accompaniment during the plan's course; and
- Support for business innovation: Solution-driven services to help SMEs turn their innovative ideas into international commercial successes through innovation awareness, one-to-one services on innovation capacity building and innovation management services, designed to support potentially innovative businesses struggling with innovation management.

European Cluster Collaboration Platform (ECCP)

Link: <https://www.clustercollaboration.eu/>

The European Cluster Collaboration Platform (ECCP) is a European service facility aiming at providing cluster organisations with tools that facilitate networking (search/find potential partners and opportunities), international collaboration (within Europe and beyond), support

the emergence of new value chains through cross-sectorial cooperation, provide access to information on cluster development, and overall help clusters improve their performance and increase theirs.

Type of support provided:

ECCP offers a range of services aiming to promote information provision, matchmaking, innovation support, transnational cooperation, and training and capacity building. ECCP's services include:

- ClusterXchange: provides support to short term exchanges to better connect Europe's industrial clusters and their ecosystems;
- EU Clusters support Ukraine Forum aims to enhance the ability of the European industry to contribute to the delivery of humanitarian aid for Ukraine and Ukrainian refugees;
- Events: ECCP organises and shares information about events organised by either ECCP or others related to cluster development and internationalisation opportunities;
- Knowledge and sharing forum: for ECCP's registered members there is a knowledge sharing forum where they exchange with others.

Joint Cluster Initiatives (EUROCLUSTERS) for Europe's Recovery

Link: https://eisma.ec.europa.eu/funding-opportunities/calls-proposals/joint-cluster-initiatives-euroclusters-europes-recovery_en

In 2021, the EC launched around 30 cross-sectoral, interdisciplinary and trans-European strategic Joint Cluster Initiatives (JCI) called Euroclusters. The Euroclusters will contribute to the EC's New Industrial Strategy for Europe, as well as the updated strategy and the SME Strategy for a sustainable and digital Europe from 2020.

Cross-border support:

A 'Eurocluster' is defined as 'consortia of cluster organisations or their EU networks teaming up with other types of organisations supporting green and digital transition and building social and economic resilience. Therefore, this programme rests exactly on cross-border activities and cooperation between members of the consortia. There is specifically a proximity, social economy, and civil security strand, however due to their sectoral diversity, SEs can also be supported in cross-border cooperation across any of the other 13 strands. Two of the programme's objectives focus explicitly on supporting internationalisation, namely the 'network' objective which aims to reinforce interlinkages between member states and the 'go international' objective which looks toward increasing SME collaboration with third countries and supporting their access to new markets.

The activities of the Euroclusters on the whole constitute networking, training, peer-learning, and internationalisation activities.

Erasmus for Young Entrepreneurs

Link: <https://www.erasmus-entrepreneurs.eu/>

Erasmus for Young Entrepreneurs is focused on helping European entrepreneurs who want to start their own business to acquire the necessary skills to successfully start and/or run a small business in Europe. Through this programme, new entrepreneurs have the chance to meet and exchange knowledge and business ideas with an experienced entrepreneur, with whom they stay and collaborate for a period of 1 to 6 months. The programme is partially financed by the EC.

Overall, Erasmus for Young Entrepreneurs aims to:

- Reinforce entrepreneurial attitudes by offering skills, knowledge, and experience;
- Increase the number of start-ups and boosts their resilience;
- Foster the cross-border transfer of ideas, knowledge, and cooperation between small firms;
- Help small firms to network, innovate, and go international; and
- Help to create jobs.

Cross-border support:

Erasmus for Young Entrepreneurs is funded by the EC and is a cross-border exchange programme that allows business-minded individuals from participating countries to exchange entrepreneurial and management experience. New entrepreneurs are paired with existing ones, with whom they stay with and collaborate for a period of 1-6 months. The new entrepreneur mainly benefits from on-the-job training in an SME in another country. Yet, they can also benefit from access to new markets, international cooperation and potential possibilities for collaboration with business partners abroad. While the host entrepreneur can gain a fresh perspective on their business, or gain access to specialised skills depending on who they are paired with.

EU Programme for Employment and Social Innovation (EaSI)

Link: <https://ec.europa.eu/european-social-fund-plus/en/esf-direct-easi>

The Employment and Social Innovation (EaSI) programme is a financing instrument managed directly by the EC. EaSI is focused on promoting a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, tackling social exclusion and poverty, and improving working conditions.

More precisely, EaSI is an instrument that aims to:

- Increase access to finance for social enterprises;

- Strengthen ownership of EU objectives and coordination of action at EU and national level in the areas of employment, social affairs, and inclusion;
- Modernise EU legislation and ensure its effective application;
- Promote geographical mobility and boost employment opportunities by developing an open labour market; and
- Increase the availability and accessibility of microfinance for vulnerable groups and micro-enterprises;

For the period 2021 – 2027, the EaSI programme is a strand under the European Social Fund Plus (ESF+).

Cross-border support:

EaSI provides support through analytical activities, such as surveys, studies, statistical data, methodologies, classifications, micro-simulations, indicators, support to European-level observatories and benchmarks. This support is focused on promoting evidence-based policy making in the areas of employment and social policy. Under the EaSI framework is also EURES, a job mobility network for Europe that provides a range of services to those wishing to take advantage of freedom of movement for work. An especially relevant thematic section of EURES is its cross-border partnerships axis. Furthermore, through the MobiliseSME programme, EaSI directly supports the internationalisation of EU SMEs and their competitiveness while establishing a common methodology at EU level for a mobility scheme for staff of SMEs.

EaSI Guarantee Instrument

Link: https://www.eif.org/what_we_do/microfinance/easi/easi-guarantee-instrument/index.htm

The EaSI Guarantee Instrument is funded from the EaSI Programme and is specifically dedicated to microfinance and social entrepreneurship. It aims to improve and increase the availability of access to finance for vulnerable groups willing to launch their own enterprises, micro-enterprises and social enterprises, both in their start-up and development phases.

The EaSI Guarantee Instrument builds on the success of the European Progress Microfinance Facility (Progress Microfinance), which is an EU initiative launched in 2010 and managed by the European Investment Fund (EIF).

The main purpose of EaSI Guarantee Instrument is to incentive financial intermediaries to continue to provide financing to micro-borrowers, micro-enterprises and social enterprises hit by the economic consequences of the coronavirus pandemic.

Cross-border support:

EaSI Guarantee supports social and micro-enterprises through the following instruments:

- Guaranteed micro-loans of up to EUR 25,000 for micro enterprises and micro borrowers; and

- A variety of guaranteed debt products of up to EUR 500,000 for social enterprises.

These enterprises are indirectly supported by the EaSI Guarantee Instrument. This means that guarantees are offered to financial intermediaries, ensuring them risk protection when investing in these higher-risk entities. Therefore, the EaSI Guarantee Instrument expands the outreach of financial intermediaries to a larger number of underserved micro and social enterprises, facilitating their access to finance which, in turn, strengthen the development and scaling up of such enterprises.

EaSI Capacity Building Investments Window

Link: https://www.eif.org/what_we_do/microfinance/easi/easi-capacity-building-investments-window/index.htm

The EaSI Capacity Building Investments Window is funded by the Employment and Social Innovation Programme. The objective of this instrument is to strengthen the institutional capacity of selected financial intermediaries that have not yet reached sustainability or are in need of risk capital to sustain their growth and development.

The EaSI Capacity Building Investments Window is focused on reinforcing the capacity of selected financial intermediaries in the areas of microfinance and social enterprise finance. Through equity investments mostly, EIF aims to support the development of these finance providers. These investments will help increase the offer and opportunities for micro-borrowers and social enterprises.

Cross-border support:

EIF invests in financial intermediaries operating in the microfinance and social entrepreneurship space. Through the EaSI Capacity Building Investments Window, EIF will help build up the market primarily via investments. These can be used, for instance, for: supporting organisational development and expansion, including branch expansion, scaling up or developing IT infrastructure, or investments in human resources; strengthening operational and institutional capabilities; seed financing support of newly created intermediaries with a strong social focus.

EaSI Funded Instrument

Link: https://www.eif.org/what_we_do/microfinance/easi/easi-funded-instrument/index.htm

The EaSI Funded Instrument is part of EaSI. This new fund aims at boosting the lending capacity of eligible financial intermediaries that operate in the microfinance and social enterprise finance space. Thus, it complements the current product offering under the EaSI Programme, which includes the EaSI Guarantee Instrument and the EaSI Capacity Building Investments Window.

The EaSI Funded Instrument has an overall size of EUR 200 million, including contributions from the EU, the EIF and the European Investment Bank (EIB).

Cross-border support:

In order to support job creation and social inclusion, the EaSI Funded Instrument aims to improve access to finance for micro-enterprises, including self-employed and those that employ vulnerable people, as well as social enterprises. The Instrument operates indirectly, providing support towards financial intermediaries that operate in microfinance and social enterprise finance space that may, in turn, have further funds to support the internationalisation process of SE actors.

European Social Fund Plus (ESF+)

Link: <https://ec.europa.eu/european-social-fund-plus/en>

The ESF+ is Europe's main instrument for supporting jobs and ensuring fairer job opportunities for all EU citizens. It works by investing in Europe's human capital, such as its workers, its young people and all those seeking job opportunities.

In this context, the ESF+ supports social innovations through different actions. The ESF Social Innovation + is a new initiative that includes EU-wide and multi-national projects to develop, replicate and scale up innovative solutions. The ESF Social Innovation + will implement a European Competence Centre for social innovation which will be focused on collecting, assessing, developing, validating and promoting tools and methods for social innovation.

In addition, the Transnational Cooperation Platform is focused on coordinating lessons learned and information sharing between managing authorities.

ESF+ has a financing of EUR 10 billion a year to improve job prospects for millions of Europeans, in particular those who find it difficult to get work.

Cross-border support:

ESF+ invests in the following priority areas:

- Providing capacity building and networking opportunities to ESF Managing Authorities and other relevant stakeholders;
- Reskilling and upskilling people for the transition to a green and digital economy;
- Providing capacity building and networking opportunities to ESF Managing Authorities and other relevant stakeholders;
- Encouraging transnational cooperation for promoting social innovation across the EU through the Transnational Cooperation Platform, which aims to create communities of practice (including social innovation) in order to facilitate knowledge and information share between managing authorities; and
- Providing direct support to social innovation through the EaSI strand.

European Network for Rural Development (ENRD)

Link: <https://enrd.ec.europa.eu/>

The European Network for Rural Development (ENRD) acts as hub for exchange of information regarding how Rural Development policy, programmes, projects, and other initiatives are working and how they can be improved to achieve even more effective results.

The ENRD has four key objectives:

1. Increase the involvement of stakeholders in rural development;
2. Improve the quality of Rural Development Programmes;
3. Better inform on the benefits of Rural Development policy; and
4. Support the evaluation of Rural Development Programmes.

Cross-border support:

The ENRD supports the implementation of EU Member States' Rural Development Programmes (RDPs) by generating and sharing knowledge, as well as through facilitating information exchange and cooperation across rural Europe. These activities are facilitated by two support units, namely the ENRD Contact Point and the European Evaluation Helpdesk for Rural Development.

The ENRD Contact Point coordinates thematic and analytic work, facilitates networking and exchange, and communicates the work and voices of the network. In addition, the European Evaluation Helpdesk provides specialist support to improve methods, tools, knowledge and understanding for evaluating RDPs.

European Agricultural Fund for Rural Development (EAFRD)

Link: https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/rural-development_en

The European Agricultural Fund for Rural Development (EAFRD) is the funding instrument of the second pillar of the EU's Common Agricultural Policy (CAP) and it is one of the European Structural and Investment Funds (ESIF). The EAFRD aims at strengthening the EU's agriculture, agro-food and forestry sectors, as well as rural areas in general.

The EAFRD budget for 2021-27 amounts to EUR 95.5 billion. Financial instruments supported by the EAFRD can contribute to the achievement of most of the established EU priorities for rural development. These financial instruments are available to all potential recipients, such as SEs, in agriculture, forestry and in the rural areas.

Cross-border support:

A considerable part of the EAFRD budget is planned for investments, through grants and other financial instruments in agriculture, forestry, environment, and natural resources management, as well as sustainable development of the rural economy.

Horizon Europe

Link: https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en

Horizon Europe, the research and innovation funding programme 2021-2027, is one of the main programmes to implement Europe's strategy for international cooperation: the global approach to research and innovation. Horizon Europe is open to researchers and innovators worldwide who are encouraged to team up with EU partners in preparing proposals.

Horizon Europe has a budget of around EUR 95.5 billion for 2021-2027¹⁴⁷.

Horizon Europe structure consists of three main pillars:

- Pillar I – Excellent Science;
- Pillar II – Global Challenges and European Industrial Competitiveness;
- Pillar III – Innovative Europe

Under Pillar III – Innovative Europe of the Horizon Europe Programme, the following strands provide support to SMEs internationalisation:

- The European Innovation Council (EIC), which promotes breakthrough, deeptech and disruptive innovation with scale-up potential at the global level, especially market-creating innovation;
- The European Innovation Ecosystem (EIE), which acts in complement and synergy with other EU funding programmes to improve the overall ecosystem for innovation in Europe by supporting the scaling of companies, encourage innovation and stimulate cooperation among national, regional and local innovation actors.

Cross-border support:

Horizon Europe includes the following international participation opportunities:

- Horizon projects are executed by multinational consortia, mainly from member countries but also accepting actors from certain third countries. SEs can play an important role in these consortia.
- Allows non-EU third countries to become associated with the programme;
- Comprises topics encouraging or requiring international cooperation;
- Fosters joint or coordinated calls;

¹⁴⁷ For more information, please visit: https://ec.europa.eu/info/research-and-innovation/strategy/strategy-2020-2024/europe-world/international-cooperation_en (accessed April 2022)

- Allows EU funding for participants, including SEs, from non-associated third countries;
- Promotes twinning activities with entities from non-associated non-EU countries; and
- Comprises topics contributing to the implementation of multilateral or bilateral agreements.

Furthermore, Horizon Europe includes targeted actions with key partners from non-EU countries, such as the development of the Africa initiative that will be focused on topics across the clusters of pillar II of the programme¹⁴⁸.

More specifically, under the EIC, the following instruments are addressed to SMEs:

- Pathfinder funding: for advanced research, supporting cutting-edge science collaborations for early-stage development of future and emerging breakthrough, market-creating and/or deep tech technologies;
- Transition funding: for developing effective technology together with a business model, its initial validation and a business plan for its development to market in order to define the pathway to commercial development for promising research results;
- Accelerator funding: for supporting individual SMEs, start-ups and small mid-caps to bridge the financing gap between late stages of research activities and market take-up, to effectively deploy breakthrough, market-creating innovation and scale-up companies where the market does not provide viable financing;
- Additional activities such as prizes and fellowships, and business added-value services.

Under the EIE, the instruments addressed to SMEs include:

- SCALEUP: for reinforcing network connectivity within and between innovation ecosystems to accelerate sustainable business growth with high societal value
- INNOVSMES: which supports the European Partnership on Innovative SMEs which helps innovative SMEs to increase their research and innovation (R&I) capacity and productivity and successfully embed in global value chains and new markets.
- INNOSUP legacy programme: for enhancing innovation in SMEs in Europe essentially via cascade funding schemes. Currently it is part of the European Innovation Ecosystem;
- European Partnership for Innovative SMEs (Eurostars 3): an initiative supported by EIE which aims to help innovative SMEs grow and become integrated in global value chains and new markets, thus contributing to Europe's competitiveness and economic growth;

¹⁴⁸ For more information, please visit: https://ec.europa.eu/info/research-and-innovation/strategy/strategy-2020-2024/europe-world/international-cooperation_en (accessed April 2022)

- European Regional Development Fund: EIE complements this fund to support for innovation ecosystems and interregional partnerships around smart specialisation topics.

Erasmus+

Link: <https://erasmus-plus.ec.europa.eu/about-erasmus/what-is-erasmus>

Erasmus+ is the EU's programme to support education, training, youth, and sport in Europe. The 2021-2027 programme is highly focused on fostering social inclusion, green and digital transitions, as well as on promoting young people's participation in democratic life.

Erasmus + supports priorities and activities defined in the European Education Area, Digital Education Action Plan, and the European Skills Agenda. The programme also supports the implementation of the European Pillar of Social Rights.

Cross-border support:

Erasmus+ rests on the concept of cross-border exchange between actors from different participating countries. Thus, it can allow SEs to establish transnational cooperative partnerships with organisations from other countries in order to produce innovative outputs or exchange best practices. It can increase participating organisation's capacity to operate at an international level alongside improving management methods, access to funding, access to projects, advance project implementation capabilities and offer attractive opportunities for staff from participating organisations.

The Erasmus+ Programme implements three different key actions. Mobility of individuals, namely mobility of learners and staff. The second key action is cooperation for innovation and the exchange of good practices. The last key action aims to provide support for policy reform, focusing on improving knowledge in the fields of education, training and youth and support for policy innovation, and promotion.

Digital Europe Programme

Link: https://ec.europa.eu/info/funding-tenders/find-funding/eu-funding-programmes/digital-europe-programme_en

The Digital Europe Programme aims to bridge the gap between digital technology research and market deployment.

Digital Europe Programme provides funding for projects in five areas: 1) supercomputing; 2) artificial intelligence; 3) cybersecurity; 4) advanced digital skills; and 5) ensuring the wide use of digital technologies across the economy and society.

Cross-border support:

The programme is designed to fill the gap between digital technology research and market deployment. It benefits Europe's citizens and businesses, especially SMEs. Investment under the Digital Europe Programme supports the European Union's twin objectives of a green transition and digital transformation while strengthening the Union's resilience and digital sovereignty. The programme focuses on the key areas of artificial intelligence (AI), cybersecurity, advanced computing, data infrastructure, governance, and processing. With the goal of developing and deploying these technologies in sectors like energy, climate change and environment, manufacturing, agriculture, and health.

Digital Europe aims to reinforce the EU's digital capacities; therefore, it requires cross-border cooperation between entities in different member states, especially for initiatives such as the European Common Data Spaces. SEs can find a place amongst many of these funded efforts, principally in target sectors such as health, or environment. Due to the programme's scope of work, insofar as it deals with European data and strategic technologies such as quantum communication, the level of cross-border support to activities including third countries is more limited. However, while certain sections of the work programme totally exclude third country entities, there are others where extra-EU cross border cooperation is supported under specific conditions.

Policy Learning Platform/ "Interreg Europe" programme

Link: <https://www.interregeurope.eu/policy-learning-platform>

The Policy Learning Platform aims to foster EU-wide policy learning. Thus, through this platform, the European policy-making community can exchange with regional policy experts and peers, which will contribute to facilitating the design of suitable SME policies. The platform also allows users to showcase success stories via the Policy Learning Platform good practice database.

Cross-border support:

The Policy Learning Platform brings access to knowledge and continuous learning possibilities. It's a space where individuals can meet (online and offline), exchange, learn from each other, and jointly strive for better solutions.

The Policy Learning Platform provides a forum for direct discussions through thematic workshops, peer review learning, or in webinar and online discussions. The platform also provides expert advice through its on-demand policy helpdesk service.

Cross-border Cooperation / Interreg programme

Link: <https://interreg.eu/strand-of-cooperation/interreg-a-cross-border-cooperation/>

Interreg supports individuals who cross borders to find employment, receive better healthcare, make use of public facilities, or receive emergency support. The cross-border programmes also focus on remaining obstacles that stem from diverging national legislations

on either side of the border (national legislation is "border-blind"), incompatible administrative processes, or simply lack of common territorial planning.

Interreg contributes with around EUR 1 billion to EU's external border cooperation programmes supported by the Instrument for Pre-Accession Assistance (IPA) and the European Neighbourhood Instrument (ENI).

Cross-border support:

With a budget of EUR 6.5 billion, cross-border programmes are implemented within the EU and at EU's external borders, this includes:

- 49 programmes in the EU, making sure to turn some border obstacles into opportunities between EU Member States;
- 10 Interreg IPA programmes, which are operating at EU's border with IPA countries. They are mainly contributing to the enlargement policy of the EU; and
- 14 Interreg NEXT programmes, implemented at the borders with Neighbouring countries of the EU.

Transnational Cooperation / Interreg programme

Link: <https://interreg.eu/strand-of-cooperation/interreg-b-transnational-cooperation/>

Transnational cooperation, known as Interreg B, involves regions from several countries of the EU forming bigger areas. It aims to promote better cooperation and regional development within the Union by a joint approach to tackle common issues. The transnational programmes add an important extra European dimension to regional development, developed from analysis at a European level, leading to agreed priorities and a coordinated strategic response.

Cross-border support:

Transnational cooperation, known as Interreg B, allows for cooperation over larger transnational territories or around sea basins. Interreg B offers funding opportunities for projects that stimulate regional development or tackle common issues by a joint approach. The 15 transnational programmes have their own specific objectives, but all support projects related to innovation, environment, accessibility, and sustainable urban development. Transnational programmes specify eligibility criteria and define characteristics such as financing rates.

In general, all Interreg B projects require cooperation between different countries: because Interreg B is dedicated to supporting transnational cooperation, the partnership must include partners from the specified area. Funding Types: Debt, Equity, Guarantees, Grants, Alternatives, Advisory services.

Interregional Cooperation / Interreg programme

Link: <https://interreg.eu/strand-of-cooperation/interreg-c-interregional-cooperation/>

Interregional cooperation, known as Interreg C, works at pan-European level, covering all EU Member States, and more. It builds networks to develop good practice and facilitate the exchange and transfer of experience by successful regions. It showcases what regions do well, to the benefit of those still investing.

Cross-border support:

The interregional cooperation strand aims at boosting the effectiveness of cohesion policy by promoting exchange of experiences, innovative approaches and capacity building between regions.

For the period 2021-2027, four interregional cooperation programmes will continue, namely:

- Interreg Europe;
- Interact;
- URBACT¹⁴⁹; and
- European Spatial Planning Observation Network (ESPON).¹⁵⁰

Allocation for this strand amounts to more than EUR 550 million.

The strand C programmes cover all 27 EU member states. Norway and Switzerland will continue to be part of the programmes, as for 2014-2020, with their own funds.

Moreover, URBACT will cover 5 IPA beneficiary countries (Serbia, Montenegro, North Macedonia, Bosnia-Herzegovina and Albania).

Interreg Volunteer Youth (IVY) programme

Link: <https://www.interregyouth.com/>

The Interreg Volunteer Youth (IVY) helps with the implementation of current Interreg projects focusing on specific aspects or difficulties to be solved in fields such as solidarity projects, people to people projects, cross-border health projects, community-based projects, projects focusing on the social dimension of European Territorial Cooperation. It engages young people from any EU country and other partner countries between 18 and 30 years old and deploys them in the territory of one of the Interreg projects beneficiary. Interreg Volunteer Youth is co-financed by the European Regional Development Fund and the Association of European Border Regions (AEBR).

¹⁴⁹ URBACT is a European exchange and learning programme promoting sustainable urban development.

¹⁵⁰ ESPON 2020 Programme aims at promoting and fostering a European territorial dimension in development and cooperation by providing evidence, knowledge transfer and policy learning to public authorities and other policy actors at all levels.

Cross-border support:

The IVY promotes training, participation in international networks, volunteering experience in cross-border areas, and sharing of knowledge and expertise between border regions.

Volunteers support, promote and report the concrete achievements of Interreg programmes and projects, as well as generally promote cooperation and related values across European borders and beyond. While helping their host organisations, volunteers acquire a unique experience of personal growth and gain skills that can employ in their future experiences.

Interreg SME Support

Link: <https://interreg.eu/programme/interreg-europe/>

Interreg has developed a range of programmes and projects regarding SMEs competitiveness aiming to promote the implementation of regional development policies and programmes supporting SMEs in all phases to develop and achieve growth and engage in innovation.

Cross-border support:

Interreg particularly has developed projects for Investment for Growth and Jobs and European Territorial Cooperation programmes for SMEs, including:

- The SILVER SMEs project aim is to improve the implementation of Regional Policies for SMEs competitiveness by taking better advantage of opportunities derived from the Silver Economy by identifying and improving policy measures for the promotion of the Silver Economy.
- The ECoC-SME project will improve five Policy Instruments in the regions of the Partnership to promote a lasting positive impact of the European Capital of Culture on socioeconomic development.
- The Recreate project will improve the capacity and capability of regional transport SMEs to further develop and grow by giving support in research and development areas; promoting a rapid development and implementation of products and services; facilitating the access to finance schemes; and, fomenting Internationalisation opportunities.
- EXTRA-SMEs is a project that aims to improve SMEs competitiveness in regions with an aquaculture business ecosystem. By bringing together 8 regions from 7 countries, it expects to achieve expansion of rural and coastal SMEs in wider markets for the promotion of their products.
- INTRA Interreg Europe project main focus is to support public authorities creating internationalisation services to support the competitiveness of the regional economies and thus contribute to the Europe 2020 strategy.

European Business and Innovation Centre Network (EBN)

Link: <https://ebn.eu/>

EBN is a not-for-profit that acts as a pan-European, global community of people that use innovative business as a driver for regional economic development. EBN is an open community for any business support organisation whose mission is to help entrepreneurs, start-ups, or innovative SMEs.

EBN's mission commitments include a) Regional (sustainable and social) economic development; b) Quality Business Support; and c) Access to finance.

Cross-border support:

EBN's initiatives include:

- EU|BIC globally recognised certification;
- Development and distribution of quality business support programmes (EU|BIC Impact Assessment Framework, Yearly benchmarking report, EU|BIC Impact and Activity Study results and peer-reviews);
- Facilitation and initiation of project collaborations (connection with business leaders, practitioners and innovation partners enabling);
- Global networking throughout Special Interest Groups – SIGs – that facilitate matchmaking, collaborations and knowledge exchange, and,
- Advocacy for excellent business support actors like the EU|BICs, aiming to provide a step-by-step overview of the tools, resources and best practices boosting business continuity and the delivery of the highest-quality support services.

3.3. Programmes by intermediaries supporting and facilitating SE internationalisation

The intermediary programmes below constitute a snapshot of the initiatives available to social economy entities wanting to internationalise. It is intended as an orienteer to give the reader a feeling for what kinds of options exist from the intermediary sphere. Readers should be aware that there are many more social economy-based initiatives that may also support social economy internationalisation.

Ashoka Programmes

Globalizer Programme

<https://www.ashoka.org/en-AT/file/ashoka-globalizer-report-2016>

Purpose: Launched in 2010 by Ashoka, Globalizer is a programme that supports social entrepreneurs to spread their impact more broadly and efficiently by helping them strengthen and deepen their vision for systemic change and to find the most effective scaling methods. The social entrepreneurs participating in the programme are encouraged to reflect on the strategies and leadership skills they need to generate widespread impact in a world characterised by constant change. Globalizer supported 350+ social entrepreneurs (primarily Ashoka Fellows) worldwide in more than 20 thematic programmes.

Cross-border support:

The Globalizer programme provides support in strategy development using a combination of Ashoka in-house training and mentorship. The programme is usually offered as a component of Ashoka partnerships in specific thematic areas (e.g. employment, energy poverty, circular economy). The selection of programme participants is based on a targeted outreach by the Globalizer team and national Ashoka offices.

Ashoka Hello Europe

<http://www.hello-europe.eu/>

Purpose: Launched in 2015 by Ashoka, Hello Europe is an initiative which identifies the most powerful solutions related to migration from around the world and helps scale them in Europe. The programme supported 10 Ashoka offices in setting up acceleration programmes to support local organisations in replicating solutions from international social entrepreneurs in the migration & refugee area (Accelerators implemented: Germany, Austria, Turkey, The Netherlands, Accelerators launched: Belgium, Spain, Portugal, Italy, Greece, Sweden).

Cross-border support:

Hello Europe developed into a European collective impact initiative that combines the internationalisation of social innovation with advocacy and ecosystem work in the area of refugees. International social innovations are usually sourced from Ashoka Fellows, while local adopters and replicators come from a broad community of social entrepreneurs and changemakers. The programme supports these adopters and replicators in “localising” the

international social innovation in their country. In some programmes, adopters and replicators are provided with seed funding.

Ashoka Europe Fellowship Programme – Replication & Transfer Module

<https://fellowship-europe.ashoka.org/story/replication-transfer>

Purpose: Launched in 2019 by Ashoka Europe, the Ashoka Europe Fellowship Programme provides co-learning modules on social entrepreneurship and collective impact. The replication & transfer module is dedicated to supporting Ashoka Fellows, social entrepreneurs and their supporters in developing strategies for cross-border (or cross-region) replication and transfer of social innovations. The module is offered each year.

Cross-border support:

The replication & transfer module is a European-wide offer to support social entrepreneurs in assessing their internationalisation readiness and developing and finetuning their internationalisation strategy. This includes a clarification of the vision/mission/goal, the programme/product/service to be scaled, the definition of partner and stakeholder roles, the selection of a replication & transfer model (branching, affiliation, dissemination), and the assessment of potential target regions. The programme uses a combination of expert training and light mentorship.

Accelerate 2030 (Impact Hub and UNDP global partnership)

<https://accelerate2030.net/undp-impact-hub/>

Purpose:

Accelerate2030 is a global, multi-stakeholder programme co-initiated by Impact Hub and UNDP Geneva. The Accelerate2030 programme was co-initiated by UNDP Geneva and Impact Hub Geneva in 2016 in order to identify and support entrepreneurs from developing and emerging markets to scale their solutions for the Sustainable Development Goals (SDGs). The scaling programme has to date been run in 24 countries, attracting 1600+ applicants and supporting 200+ SDG-related entrepreneurs.

Cross-border support:

Accelerate2030 identifies the most innovative businesses in emerging and developing countries tackling the SDGs and supports them in scaling their solutions in a way that is sustainable for their teams and their businesses, driving the shift towards a more sustainable economy. The National Scale-Readiness programme runs for 4-6 months, and offers personalised guidance, workshops, mentoring, peer support, retreats and online course content, in 5 major pillars: Leadership & Resilience, Impact Measurement Scaling Strategy, Access to Finance, and Partnerships. The Global Scaling programme provides 6-months of tailored support to Accelerate2030 ventures with the highest potential for international scaling, kicking-off during the Building Bridges Week in Geneva, Switzerland.

Change-X platform

<https://www.changex.org/ie>

Purpose:

ChangeX is a platform that gets proven ideas and funding directly to anyone ready to lead impactful projects in their communities. ChangeX sources “easy-to-scale” social innovations from around the world and offers them to local groups and communities. The specific expertise of ChangeX is to simplify the replication process of social innovation by using step-by-step guidelines and by providing all necessary information to implement a project.

Cross-border support:

Groups and communities can apply to become local adopters and receive guidelines, support and in some cases seed funding. The ChangeX platform thus provides a “tool” for social entrepreneurs that aim to open source and spread their solutions internationally. Examples are formats developed by Siel Bleu or Cycling Without Age (featured as case study in this report).

European Social Catalyst Fund

<https://www.euscf.eu/>

Purpose:

The European Social Catalyst Fund (ESCF) is a new initiative designed to have significant impact on some of Europe’s most pressing social challenges. The ESCF was established and co-funded by the European Union’s Horizon 2020 Research and Innovation Programme, Genio (Ireland), the Robert Bosch Stiftung (Germany) and the King Baudouin Foundation (Belgium).

The ESCF will provide financial and capacity building support to develop plans to scale proven social service innovations. It is anticipated that these plans will provide details of how public and private resources (philanthropy and/or social investment) can be brought together in a range of collaborations that focus on the role that philanthropy and social finance can play in working with the public sector to help re-focus public spending in a more effective direction in the interest of European citizens. It is intended that during the project a further phase will be designed, based on learning obtained, which will include a focus on supporting implementation of plans to scale proven social service innovations.

Cross-border support:

The fund awarded planning grants across a range of priority social challenge areas within, and across, European Union Member States. The purpose of the grants has been to support the development of detailed implementation and scaling plans aimed at reducing, or overcoming, social challenges. Innovations were identified through a pan-European call and all eligible applications were evaluated against published criteria. Preference was given to innovations that had the most robust evidence of success and that aim to reach the most significant scale. Each selected application received financial and non-financial support to develop scaling plans. A total fund of €600,000 was allocated to support the development of plans concerning 7 innovations.

Snowball effect programme

<https://www.snowball-effect.org/>

Purpose:

Snowball Effect supports the internationalisation of social innovations by sourcing social enterprises, featuring scaling-ready solutions, training adopters and matchmaking them with originators. The programme promotes the role of “adopters” and perceives them as co-creators and changemakers. This approach addresses the common challenge of social enterprises to find partners and like-minded entrepreneurs in other countries that are motivated and sufficiently skilled to adopt their models.

Cross-border support:

Snowball Effect sources social enterprises on their international platform. The programme supports social enterprises in finding adopters for their programmes. A special methodology is applied to prepare individuals for becoming a replication partner.

Specialised consultancies and advisors (UpSocial, ScaleChanger, Spring Impact)

<https://www.springimpact.org/>

<http://scalechanger.com/>

<https://upsocial.org/en>

Purpose:

The featured intermediaries consult social enterprises and social economy entities as well as adopters (other social enterprises, cities, governments) that aim to replicate social innovations cross-border. Their support usually focuses on developing cross-border scaling strategies, identifying challenges, and designing adoption processes.

Cross-border support:

Intermediaries work with funders, adopters and innovators to scale innovations cross-border. The consulting process is more tailored and long-term compared to some of the regular programmes provided by larger networks and intermediaries (Ashoka, Impact Hub). In some cases, the intermediaries themselves act as replication partners.

Philanthropy Europe Association (Philea)

<https://philea.eu/>

Purpose:

Philea nurtures a diverse and inclusive ecosystem of foundations, philanthropic organisations and networks working for the common good. Uniting over 10,000 public-benefit foundations that seek to improve life for people and communities in Europe and around the world. Their main purpose is to inspire, connect and represent the European philanthropy sector and enhance its role as a credible and trustworthy partner. Apart from connecting organisations, Philea also aims to connect citizens and communities with philanthropic organisations and

contribute to building more resilient, sustainable and just societies. Their purpose is underscored by a belief that philanthropy in Europe plays a unique role in innovation and acts as a 'catalyst for good'.

Cross-border support:

Key to the Philea mission is fostering collaboration in order to increase synergies, and with so many members over Europe and abroad, that collaboration is necessarily cross-border. The intermediary represents its members interests to the EU, acting as a monitoring, legal analysis and policy engagement hub for European philanthropy. Their main operational objective being at the moment being to shape national, European and international legislative environment to be more enabling for philanthropy. Through their policy engagement hub, they represent the interests of the sector in different EU and international bodies, thus engaging directly with policymakers. Pushing forward initiatives such as the 'Single Market for Philanthropy', which would significantly lessen the burdens placed on cross-border philanthropy.

3.4. EU Countries

At the national level, we see a variety of initiatives put in place by EU Member States and COSME countries, which target mostly non-social economy entities and to some extent reflect the needs expressed by the social economy stakeholders. The policy instruments designed and deployed aim to **provide i) funding opportunities, ii) build capacity for internationalisation and iii) provide any other type of support needed for accessing the target markets** (e.g. networking support, legal advice), for both for-profit SMEs and SEs. Even operating on equal footing with for-profit business enterprises, these measures constitute a valuable platform to initiate and establish cross-countries operations to boost social impact, extend the market reach, and replicate social innovation initiatives.

A measure that was found to be very popular amongst some Member States is the provision of an internationalisation voucher (e.g., Austria, Belgium, Italy, Netherlands). This is a grant that may be used by for-profit SMEs and SEs to provide initial funding for transnational operations. The monetary amount is usually relatively small - around €20,000 - and can be used to establish a pathway to internationalisation. The vouchers alone, however, would not be sufficient to overcome the barriers to internationalisation of most organisations since small organisations usually find it difficult to embed their activities in cross-border networks, have a poor understanding of how the sector work in foreign countries or whether there are different regulatory norms in place as discussed with the SEs that have up-taken cross-border activities as well as during the co-creation policy workshops. In other words, funding alone won't suffice to implement a successful internationalisation strategy, support and additional capabilities are necessary conditions. For these reasons, many of the most progressive internationalisation voucher schemes deployed in EU member States (such as in Austria and Belgium) provide also support in terms of contacts and information for matters concerning import and export, foreign investments and industry developments. The direct funding in the form of a voucher is complemented with intelligence, operation support and other activities opening to marketing, digitalisation, consulting with intermediaries etc. In fact, the Italian internationalisation voucher scheme permits the recipient of the grant to spend up to €10,000 in consultancy fees so that an intermediary can guide the organisation through its internationalisation journey and secure initial deals.

In many European Member States there are other internationalisation funding mechanisms, such as investment funds. Examples of such are the AWS in Austria, Trivalent in Belgium, Merkur bank and Social Capital Fund in Denmark, Amundi finance in France, Bon-Venture in Germany, EquiFund in Greece, Almpact in Italy, DGGF in the Netherland, Social Innovation

Fund in Portugal, SID Bank and SEF in Slovenia, the Internationalisation Fund in Spain, and other similar initiatives in COSME countries. These funds are either run through a Ministry agency, a public-private partnership bank or investment fund and may be either specific to the internationalisation of the social economy or directed at SMEs, including both for-profit and social economy entities and social enterprises. Instruments considered under this heading may either provide loans or minority equity investments. These instruments are much narrower in scope than the voucher schemes seen above, which operate under the assumption of providing additional support to the applicants. Nonetheless, these funds provide also timely business support through business plan analysis and case-reviews for internationalisation. Moreover, in most cases, especially when the funding organisations focus on the social economy, they may provide essential support in terms of the business viability of cross-border social innovation initiatives.

The paragraphs hereunder present some of the instruments available for supporting SEs internationalisation in the countries included in our analysis. The intention of the team preparing this part has not been to present an exhaustive list of instruments and organisations involved in the provision of support towards SEs to uptake cross-border activities but rather to present the diversity of actors available in each of the explored countries that can provide support to SEs' international activities, the type of services they can provide. Most importantly, we wanted to highlight the availability (or lack) of specialised programmes, incentives or organisations to support SEs international activities.

3.4.1. Austria

The Austrian government created a comprehensive funding and support structure for traditional SMEs, start-ups and university spin-offs as the country lags behind in attracting private venture capital investment in international comparison. There are well-established public intermediaries that fund and support the growth phase and internationalisation of traditional SMEs. Partly, these structures also started to fund social enterprises with specific calls. Sometimes social enterprises are also eligible for standard calls if they meet certain criteria. However, a full inclusion of social enterprises into the existing support structures has not been achieved yet. Therefore, SEs are mainly supported by programmes launched by private or NGO intermediaries such as Ashoka or Impact Hub. They provide tailored capacity-building programmes, networking support and funding for SEs. Compared to public intermediaries they still have limited capacities and rely on their own fundraising to be able to channel financial support to SEs.

Aussenwirtschaft Austria & Go-International

Public

<https://www.go-international.at/foerderungen/uebersicht-foerderungen.html>

AUSSENWIRTSCHAFT AUSTRIA is the internationalisation and innovation agency of the Austrian economy. It provides information and contact persons for all questions concerning foreign business: export, import, foreign investments, country information, international industry developments. It presents Austrian companies abroad, arranges business contacts, advises from the initiation to the completion of business transactions, helps to solve problems and screens for global trends. In addition, it implements go-international, a programme for boosting exports. The programme provides direct funding for internationalisation in the form of the "Internationalisation voucher". The "voucher" is a payment that funds external costs for marketing, digitisation, consulting, travel, events

connected to internationalisation. Applicants need to be members of the Austrian chamber of commerce and need to register online to apply for the “voucher”.

Cross-border support:

AUSSENWIRTSCHAFT AUSTRIA has supported several successful Austrian SMEs including Social Enterprises to create partnerships across Europe and worldwide, by providing legal, financial, mentoring, matchmaking, and market analysis.

Wirtschaftsagentur Wien | Vienna Business Agency

Public

Link: <https://viennabusinessagency.at/>

The Vienna Business Agency supports local and international companies in all phases of their business development, providing advice on all corporate issues and helping expats get up and running in Vienna. Anyone wanting to set up a company, start-ups, sole traders, domestic and international small and medium-sized enterprises or corporations will receive all the information they need. The agency offers funding, business premises, an office, free advice or workshops and supports in establishing partnerships.

Cross-border support:

The Vienna Business Agency provides legal, financial, mentoring, matchmaking, and office space support. Programmes that have been conducted in social economy are:

- Funding for international expansions: <https://viennabusinessagency.at/funding/programmes/internationalisation-focus-85/>
- Funding for appearances at international trade fairs: <https://viennabusinessagency.at/funding/programmes/internationalisation-focus-85/>
- Call Social Entrepreneurship: <https://viennabusinessagency.at/events/kick-off-call-social-entrepreneurship-65/>

Austria Wirtschaftsservice (AWS)

Public

Link: <https://www.aws.at/aws-technologie-internationalisierung/>

Austria Wirtschaftsservice Gesellschaft mbH (AWS) is the promotional bank of the Austrian federal government. It supports companies in implementing their innovative projects by offering soft loans, grants and guarantees, particularly in cases where the funds required cannot be obtained sufficiently through alternative funding. Specific information, coaching and services are also offered to prospective, existing and expanding companies. The support provided through the AWS can help to set up an enterprise more easily, access soft loans from EUR 10,000 onwards, access finance by providing guarantees, develop and implement innovations, check strategies thoroughly. AWS also runs a programme on internationalisation of innovative technologies. Although AWS runs special funding calls for social businesses in Austria, it is usually geared towards “traditional” SMEs with a business model and profit/growth focus.

Cross-border support:

AWS developed the “AWS Connect” (<https://www.aws.at/en/aws-connect-1/>) which supports enterprises (SMEs and SEs) in matchmaking, investments & internationalisation, with currently 1600 users.

Ashoka Austria

Private

Link: <https://ashoka-cee.org/austria/en/>

Ashoka Impact Transfer is Ashoka’s own programme to support social entrepreneurs in replicating their models in new regions or countries. Ashoka developed a methodology for improving the replication & transfer strategy of social enterprises that we implement in different formats and programmes. Impact Transfer has supported 60+ social enterprises so far. At European Level the programme currently engages similar programmes and intermediaries in other countries to conceptualise and potentially setup a European platform for scaling social enterprises.

Cross-border support:

Ashoka owns 3,500+ networks in over 80 countries. 177 of them come from Central and Eastern Europe. Ashoka provides help in internationalisation through strategy development, mentoring, matchmaking, and feasibility assessment.

Impact Hub: Investment Ready Programme

Private

Link: <http://investment-ready.org/>

Investment Ready Programme is an accelerator programme for social entrepreneurs from Central and Eastern Europe (CEE) and is tailored to start-ups who want to improve their investment case. IRP aims to advance social entrepreneurship through capacity building and catalysing investment into the sector.

Cross-border support:

Impact Hub developed the “Global Impact” initiative, which is geared to ventures from Central and Eastern Europe that create scalable solutions to societal challenges. The networks of Impact Hub and its key partners provide access to 70+ locations in all continents and connections to globally minded stakeholders and investors.

Programme University spin-off accelerators: INiTS

Semi-public

Link: <https://www.inits.at/en>

IniTS was founded in 2002 by the University of Vienna, the Vienna University of Technology and the Vienna Business Agency with the aim of promoting the exploitation of R&D results in the academic environment through spin-offs and start-ups. As a University Business Incubator (UBI), IniTS has been repeatedly mentioned by UBI Global as one of the world’s

best university incubators since 2013 and is number one in the German-speaking world. Founded as the Vienna incubator of the AplusB Scale-up programme, IniTS has comprehensively expanded its range of services through the technology marketplace START:IP and the financing instrument STARTKapital and complemented it with the Acceleration programme Health Hub Vienna. It addresses not only start-ups, but also investors, companies, universities and research institutions, thus establishing IniTS as a central hub for technology start-ups.

Cross-border support:

IniTS conducted several initiatives/programmes that helps enterprises, including SEs to expand their activities internationally, such as:

- Validate.Global: <https://www.inits.at/en/validateglobal/>
- Health Hub Vienna: <https://www.inits.at/en/healthhubvienna/>
- STARTKapital: <https://www.inits.at/en/startkapital/>
- STARTIP Matching Day: <https://www.inits.at/en/startip-matching-day-was-a-success/>

3.4.2. Belgium

Belgium is one of the most developed countries when it comes to Social Economy. With its roots in the strong associative tradition in the country, since the 19th century, there are over 16000 SE in the country. In the 80s, the social economy was formalised and diffused, and a new dynamic of associations and cooperatives supported by key structures. These key structures, according to a report published by the European Commission¹⁵¹, are (i) funding through public authority policies, (ii) donations and social investment from philanthropic actors; and (iii) input from a more business-oriented approach. This support reflects in a vast presence of funding instruments for social economy actors' internationalisation. Private support, such as Trividend Hefboom, Solfin, and Si2Fund have financial support for internationalisation of social actors but are not limited to internationalisation. In addition, Les chèques-entreprises and Syneco: Centre d'expertise en économie sociale et solidaire are initiatives that support not only internationalisation but the social economy actors' activities as a whole. Furthermore, Coopcity, SAW-B and L'Associatif Financier are the main capacity-building providers that provide the training needed for social economy actors to internationalise their businesses.

Trividend: Fonds D'investissement Pour L'économie Sociale | Trividend Investment Fund

Private

Link: <https://www.trividend.be>

Trividend is a fund with the goal of providing sustainable financial support to young (or still developing) businesses (both for-profit and not-for-profit) led by social entrepreneurs. In addition, it aims to help social actors to create a sustainable activity, escalate and internationalise in a socially responsible and environmentally friendly manner. Trividend is

¹⁵¹ European Commission (2020). SOCIAL ENTERPRISES AND THEIR ECOSYSTEMS IN EUROPE: Belgium Country Report.

formed by three distinct groups of shareholders: (i) social economy entities (representing a quarter of the capital); (ii) public authorities, namely the Flemish government and a federal fund (Kringloopfonds), representing half of the capital; and (iii) private participants (representing a quarter of the capital), consisting of donors, insurance companies, employers' organisation and a trade union (ACV-Metea), as well as all the customers, who are invited to be members of the cooperation, each taking a share of the vote.

Cross-border support:

Trividend supports all activities, including cross-border activities, especially those with direct impact on SDGs. Several SEs that were supported by Trividend obtained specific SDGs related to the SE sectors they operate in.

Sociale Innovatie Fabriek

Private

<https://www.socialeinnovatiefabriek.be/>

The Sociale Innovatie Fabriek (Social Innovation Factory) accelerates promising social innovations. Anyone who starts up innovative and impactful solutions for social challenges in an entrepreneurial way, can be supported by the Factory in multiple ways such as by participating in the initiative's digital platform (capacity building) and receiving networking opportunities.

Cross border support:

They provide structured capacity building through their digital platform as well as tailored networking and financial opportunities.

Be-impact

Private

<https://www.be-impact.org/>

Belgium Impact (be-Impact) inspires and connects social entrepreneurs. It wants to contribute to the work of social entrepreneurs, their initiatives, and those of supporting organisations. Its mission is to stimulate innovative social entrepreneurship with a perspective on the transition towards a sustainable society.

Cross border support:

By running a dedicated digital platform (be-impact platform) they support the further development of an ecosystem in which social innovation and sustainable entrepreneurship, based on financial and social profit, go hand in hand.

Hefboom*Private*Link: <https://www.hefboom.be>

Hefboom supports the operation of cooperatives and non-profit organisations that are committed to a social and sustainable society including individuals, organisations, and entrepreneurs (especially in Flanders and Brussels). It acts as an intermediary between investors and initiatives from the social economy. Hefboom have a varied range of financing, management advice and services. Its purpose is to actively contribute to the good governance and efficient operation of these organisations.

Cross-border support:

Trividend supports all activities, including cross-border activities, especially with the direct impact on SDGs. Several SEs that were supported by Trividend obtained specific SDGs related to the SE sectors they operate in.

Societe Regionale d'Investissement de Bruxelles | finance&invest.brussels*Public*<https://www.finance.brussels>

SRIB is a public company that aims to facilitate and take part in the financing chain for social enterprises creating value in the Brussels Region. To do so, SRIB provides concrete solutions to the financial needs of entrepreneurs in the form of loans or equity investments at key moments in their path: creation, development, innovation, internationalisation, environmental transition, takeover-transfer. SRIB focuses on two specific social actors: start-ups, scale-ups and SMEs, and very small businesses, social enterprises and cooperatives.

Cross-Border support:

Financial support.

Solifin*Private*solifin.be

Solifin is a network of financial actors active in the Belgian impact economy. Solifin aims to improve collaboration within the sector in order to better finance the impact entrepreneurs. Ultimately, Solifin's goal is to simplify the process of fund raising and better finance the enterprises which contribute to tackling the current social and environmental challenges in Belgium. Solifin also helps social economy entities with raising funds for upscaling the business, including, but not limited to, internationalisation. Solifin intends to generate positive, measurable social and environmental impact alongside a financial return they invest, as they have diverse financial return expectations but provide long term capital.

Cross border support:

Solifin provides tools to links and connections to find the right funding and connection in Belgium and the EU countries that easily accessed here: <https://solifin.be/get-funding/>

Financement des entreprises sociales d'insertion | Funding of Social Enterprises

Public

<https://economy-employment.brussels/node/2225>

The Capital Region of Brussels offers partial funding for selected social enterprises that specifically aim at socio-professional integration of workers. The target of funding are the social enterprises that offer support for workers (professional training, autonomy development, and social support).

Cross border support:

The support for internationalisation (<https://economy-employment.brussels/primes-export>) is given through many services such as:

- Counsel of registration and administration;
- Informative support;
- Prospect of travelling;
- Participation in virtual fair;
- Participation in physical fair;
- Prospect of invitation;
- Exhibition; and
- Participation in tenders beyond the EU.

Les chèques-entreprises | The Enterprise Voucher

Private

<https://www.chèques-entreprises.be>

Les chèques-entreprises are an initiative to support social actors in their creation of activities, innovation, internationalisation, circular economy and the growth of Walloon businesses. It consists of vouchers that can be ordered through a single virtual portal. With these vouchers the social actors may acquire specific aid such as consultancy services, capacity-building and advice. They offer funds for individual (project leader), business (self-employed or SME), and starter (company that are less than 5 years old).

Cross border support:

Export consultancy (<https://www.chèques-entreprises.be/chèques/>)

Syneco: Centre d'expertise en économie sociale et solidaire | Syneco Social and Solidarity Economy Expertise Centre

Private

<http://syneco.be>

Syneco is an expertise centre that offers tailored services for social actors through the numerous partnerships with organisations. Syneco supports the creators and managers of social and solidarity economy businesses by providing practical answers, advice and simple tools to address the difficulties and problems related to the creation, management, internationalisation, law, accounting, taxation and others.

Cross border support:

Training, support, mentoring.

Coopcity: Unusual Business

Private

<https://coopcity.be>

Through its different programmes, Coopcity helps social economy entities with the skills needed to carry out their projects and other tasks that exist in the development of activities. It aims to develop an environment of cooperation and collaboration between different social economy entities, working with social entrepreneurship in Brussels.

Cross border activities:

Coopcity supports internationalisation by providing access to its network, helping in the development of the strategy and specific “on demand” training.

SAW-B, Solidarité des Alternatives Wallonnes et Bruxelloises

Private

<http://www.saw-b.be>

SAW-B is a movement for the economic and social economy. It aims to bring together people that are building a social economy initiative with respect for people and the environment. SAW-B has 130 members (non-profit organisations, cooperatives, foundations and companies) with a social purpose, from Brussels and Wallonia.

Cross border support:

SAW-B develops many activities for the internationalisation of social economy entities such as networking activities (including international networking), training and consulting services.

L'Associatif Financier : Associations Sans But Lucratif*Private*<http://www.associatiffinancier.be>

L'Associatif Financier is a mixed team of workers and managers of non-profit organisations and social enterprises, independent financial professionals and management experts that aims to provide support and capacity building for the social actors developing a business in the social economy field.

Cross border support:

They provide structured capacity building and customised “à la carte” courses and a high variety of consulting services (the services also target the area of internationalisation).

3.4.3. Cyprus

Cyprus has a long history of cooperative tradition, mainly in the banking sector, as well as a strong sector of volunteer and charity organisations¹⁵². However, “social enterprise” itself is a recent phenomenon on the island and the sector is still underdeveloped. Most of the social economy entities in the country can be classified under two categories: cooperatives and non-profit voluntary organisations, NGOs¹⁵³. Most of the NGOs are legally registered though under the Associations and Foundations Law (57/1972) and are run by elected councils.

At the moment, Cyprus has no legal, regulatory or fiscal framework for social enterprises. The Cypriot government has recently established several initiatives to formulate a policy in support of an enabling ecosystem for social enterprise development. The draft law, which was developed in 2017¹⁵⁴ but has not yet been approved, provides a definition of social enterprises that classifies them into two types: general purpose; and social inclusion/integration social enterprises.

In terms of internationalisation, Cyprus continues to perform above the EU average¹⁵⁵. The share of SMEs exporting online outside the EU is the second highest in the EU and the country has the EU’s best scores for information availability and advance rulings.

To this end, during the past years, the Cypriot government has introduced various policy measures to support the internationalisation of SMEs. However, there is still a relative weakness in targeted financial support (e.g., loans, guarantees, equity, and export credit insurance facilities) for internationalisation.

¹⁵² European Commission (2019) Social enterprises and their ecosystems in Europe. Updated country report: Cyprus. Author: George Isaias. Luxembourg: Publications Office of the European Union. Available at <https://europa.eu/!Qq64ny>

¹⁵³ The Unit of Administrative Reform (2018) Policy document for the development of an ecosystem for social enterprises in Cyprus. Nicosia: Ministry of the Interior, Republic of Cyprus.

¹⁵⁴ Ibid.

¹⁵⁵ EC (2019), 2019 SBA Fact Sheet Cyprus, Available at: <file:///C:/Users/kevin/Downloads/Cyprus%20-%20SBA%20Fact%20Sheet%202019.pdf>

Trade Service of the Ministry of Energy, Commerce and Industry

Public

http://www.mcit.gov.cy/mcit/trade/ts.nsf/page01_en/page01_en?OpenDocument

The Trade Service of the Ministry of Energy, Commerce and Industry aims at the promotion of exports of products and services of Cyprus abroad and in general the coordination of the external commercial policy of Cyprus.

Cross border support:

The principal activities, amongst others, of the Trade Service include: (i) the export promotion of agricultural products and industrial products, (iii) the promotion of Cyprus as an international business centre and of services and a provider of high-value professional services, and (v) the issuing of import/export licences. Moreover, the Trade Service implements a series of business forums / seminars with a view to inform the Cypriot companies of business opportunities in key forging markets. The activities are mainly aimed for SMEs but SEs can participate also.

Export Helpdesk

Public

<http://www.mcit.gov.cy/mcit/trade/ts.nsf/All/F038B11AAFBD1551C22580C700323414?OpenDocument>

The Export Helpdesk service aims to support Cypriot exporters in their effort to diversify Cypriot products and services abroad. The Export Helpdesk creates a communication platform between the Ministry of Energy, Commerce and Industry, the Trade Centre abroad and the applicants.

Cross-border support:

Through communication the applicant's profile is created and at the same time exchange of opinions takes place in relation to the products and services to be exported, the marketing aspects of the targeted foreign market and the type / category of buyers that should be approached by the Trade Centre. The activities are mainly aimed at SMEs but SEs can also participate.

State Aid Scheme for the Promotion of Agricultural Products on the Internal Market and in Third Countries

Public

<http://www.mcit.gov.cy/mcit/trade/ts.nsf/All/5BB787F0BC0B1775C2257BE10030AD5D?OpenDocument>

The Ministry of Energy, Commerce and Industry in its effort to further enhance exports through promotion of agricultural products and information of Cypriot enterprises on market conditions in various markets, implements the scheme.

Cross Border support:

The scheme mentioned above provides two types of subsidies, the one related to promotion activities (e.g., participation in exhibitions and fairs), and the other one for collective

advertising campaigns. The activities are mainly aimed for SMEs but SEs can participate also.

Scheme addressed to SMEs involved in the processing and marketing of agricultural products, for their participation in competitions, exhibitions and fairs that take place on the Internal Market and in Third Countries

Public

<http://www.mcit.gov.cy/mcit/trade/ts.nsf/All/B164D98213B7102BC2257BE10030AD70?OpenDocument>

Cross border support:

The Scheme aims to cover expenses of SMEs involved in the processing and marketing of agricultural products, which intend to participate in competitions, exhibitions and fairs that take place on the Internal Market and in Third Countries. The activities are mainly aimed for SMEs, but SEs can participate also.

3.4.4. Denmark

Several programmes and agencies to support social economy entities have been closed with a change in government in 2015. “*The government terminated both the National Growth Centre and the National Council on Social Enterprise by the end of 2015*”¹⁵⁶. Several new initiatives have been taken to support social economy entities, but from public business agencies there is a large focus on the most promising, profit-making ventures. The approach of agencies is to select only the best applicants in a very competitive procedure. Similarly, organisations like the Social Capital Fund, that focus on social ventures, fund only the most promising social entrepreneurs. A few instruments specifically include internationalisation support.

Merkur Cooperative Bank

Private

<https://merkur.dk/>

Merkur Cooperative Bank is a Danish values-based bank that combines classical banking with a vision of a sustainable society. On the business side they finance profit making enterprises within sustainable production and not-for-profit institutions and associations within cultural and social fields. MCB is mainly concerned with socially responsible banking. They do not solely work with Social Enterprises, as such, but have acted as a main connector of social enterprises in the nation to financial resources for carrying out their activities beyond state support mechanisms. In December 2017, the European Investment Fund and Merkur Cooperative Bank signed the first Social Entrepreneurship guarantee agreement in Denmark

¹⁵⁶ Hulgård, L., & Chodorkoff, L. (2019). Social enterprises and their ecosystem in Europe. *Country Report Denmark*.

under the EU Programme for Employment and Social Innovation. The new agreement allows MCB to provide a total of 27 million EUR to social entrepreneurs over the following five years.

Cross border support:

Financial support to SEs for the uptake of cross-border activities.

Lean Landing project

Public

https://vb.northsearegion.eu/public/files/repository/20190930133049_Effectevaluation-LeanLanding.pdf

The Lean Landing project aimed at developing and implementing a soft-landing network and concept between 16 incubators, accelerators and partners from six countries in the North Sea Region: Denmark, Germany, the Netherlands, Norway, Sweden and the UK. The purpose of the soft-landing network and concept was to support the internationalisation efforts of 250 SMEs, mainly micro-SMEs and start-ups, by creating international partnerships between SMEs and knowledge institutions, business development organisations and other micro-SMEs in the six countries.

Cross border support:

Support the internationalisation efforts by matching SMEs (for profit / social economy) with potential customers or business partners in a foreign market, thereby allowing them to test and adapt their product or service in that market before moving forward with their internationalisation activities.

Øresund Startups

Private

<https://oresundstartups.com/>

Øresund Startups is a voluntarily driven organisation that aims to improve collaboration between entrepreneurs and to promote successful start-ups in the cross-border region of Denmark and Sweden. Øresund region is both Danish and Swedish and goes from Malmö in the south to Helsingborg in the north. The biggest cities are Copenhagen, Malmö, Helsingborg and Lund. The aim of Øresund Startups is to enable a better community for startups and entrepreneurs in the Øresund region – to get a more integrated region that can grow towards its full potential. They focus mainly on startups in the bigger cities on both the Danish side (Copenhagen) and Sweden (Malmö, Lund and Helsingborg). They are constantly adding more startups, co-working spaces and other information that is relevant for the community. SMEs, entrepreneurs, including small initiatives for social enterprises: e.g: KPH, also known as Copenhagen Project House, which is a creative hub located in southern Copenhagen. Their focus is on cultural and social organisations and entrepreneurs. They have a wide range of startups within that sector.

Cross border support:

Support the internationalisation efforts by networking across the Danish and Swedish border.

3.4.5. France

France has been a pioneer in the development of the concept of "social economy". The concept emerged with the industrial revolution of the early nineteenth century in the work of Fourier, Proudhon, Blanc, and others. However, the term "social enterprise" is less used than in other European countries. France uses the term of social enterprise in a limited sense, this is linked to the particularity of the process of legitimation, structuring and institutionalisation that also include forms of social enterprises referred to as the social and solidarity economy (SSE).

Social economy is legally defined in France to include associations (non-profits), cooperatives, mutuals (mostly insurance), and public oriented foundations. In 2014, there were approximately 223,000 establishments included in the category of social economy: 190,000 associations (only associations with at least one paid worker are included in these statistics), 27,000 cooperatives, 8,000 mutual societies and around 1,600 foundations¹⁵⁷. These establishments have over 2.3 million employees or co-operators, accounting for roughly 10% of French workers¹⁵⁸.

According to a report published by Technopolis¹⁵⁹ the main beneficiaries of French SEs activities are the general population and the unemployed. The areas of operation of the French social entities are mainly in education, training and skills development, followed by work integration.

As mentioned, there are various types of organisations operating as social economy entities in France, with a strong representation of associations and co-operatives among them. Social enterprises are in an uptrend since 2014, with the definition and role of the social economy clarified with the "LOI n° 2014-856 du 31 juillet 2014 relative à l'économie sociale et solidaire"¹⁶⁰. The law aimed to (i) meet the need for recognition of SSE actors, (ii) recognise SSE as a specific model of entrepreneurship, (iii) be part of an approach initiated at the European level, and (iv) complete or reform a range of tools aiming to foster the development of SSE actors, particularly by facilitating access to financing and public procurement, consolidating the network of SSE actors, facilitating the return to work of salaried employees, modernising the legal status of co-operatives, and strengthening sustainable local-development policies.

Thus, in France, initiatives to support Social Economy Internationalisation, in a broad sense, such as Pact for Impact, are gaining momentum. This particularly one, aiming to create a Global Alliance to promote and strengthen the Social and Solidarity Economy (SSE), the Inclusive Economy, its companies, and all stakeholders of social innovation. The creation of a global alliance facilitates the outreach, networking and open doors for French SE to establish operations outside France.

In a closer look, France supports the internationalisation of SMEs through a dedicated public agency, Business France¹⁶¹. An inclusion of SEs into this system is however not evident. Instead, France introduced a large-scale funding and capacity building programme for social enterprises carried by the cross-sectoral foundation "La France S'Engage"¹⁶². This type of private-public co-funding and engagement is unique in the European union. There are similar initiatives in Germany and Austria, but on lower scale, usually around social impact bonds. In

¹⁵⁷ CNCRESS, 2017, Atlas commenté de l'Économie sociale et solidaire, Dalloz et Juris Associations.

¹⁵⁸ Atlas commenté de l'économie sociale et solidaire - édition 2017

¹⁵⁹ Technopolis (2018). *Social Business Initiative (SBI) follow up: Co-operation between social economy enterprises and traditional enterprises*

¹⁶⁰ LOI n° 2014-856 du 31 juillet 2014 relative à l'économie sociale et solidaire (Retrieved November 2021). See: <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000029313296>

¹⁶¹ Business France (Retrieved July 2021). See: <https://www.businessfrance.fr>

¹⁶² Foundation La France S'Engage (Retrieved October 2021). See: <https://fondationlafrancesengage.org>

In addition, the French social enterprise ecosystem features specialised intermediaries such as Avise, Initiative France, France Active, La Nef to name a few, that focus on the topic of scaling and partly international scaling. Generally, the initiatives and programmes addressing SEs seem to be more targeted at national scaling and not international scaling. However, the capacity-building involved in both types of scaling is very similar and international scaling often builds on successful national scaling.

La France S'Engage

Private

<https://fondationlafrancesengage.org>

La France S'Engage is a foundation declared as 'of public-interest' in 2017 – the highest level of recognition in France. Its Board is comprised of four private company founders (Total Foundation, BNP Paribas, Andros, Artemis) and three government agencies (La Poste, Caisse des Depots and Agence française de développement). The foundation also benefits from public funds. The Board of Directors is presided over by Francois Hollande, former French head of state. The foundation has a five-year budget of €30 million for 2017-2022. The foundation is fundraising for its future work. A number of supporters have already provided funds and support to the foundation: AG2R La Mondiale, Accenture, Fondation Orange, and KPMG.

La France s'engage Foundation awards, promotes and supports social innovation initiatives, carried out by grassroots organisations and social enterprises, in France and abroad. It scales up these local initiatives from local to national level. These have a proven impact and innovative solutions to societal issues.

Cross border support:

As part of their operations, they support the uptake of cross-border activities by SEs.

Amundi Finance et solidaire

Private

<https://amundi.com>

Amundi is Europe's largest asset manager by assets under management. Due to its research capabilities Amundi provides retail, institutional and corporate clients with investment strategies and solutions tailored to their needs, targeted outcomes and risk profiles.

Amundi has a specific credit line called "Finance et Solidarité" that aims to finance the development of social and solidarity enterprises responding to crucial challenges of society (reintegration through employment, housing, access to healthcare, etc.) while seeking positive remuneration.

Cross border supports:

Within "Finance et Solidarité" Amundi has funding available for what they call "Solidarité Internationale" destined to SEs that aim to develop activities abroad.

la Nef

Private

<https://www.lanef.com>

La Nef is a financial cooperative that offers savings and credit solutions geared towards projects of social, ecological and / or cultural utility. Created in 1988, it is approved and controlled by the ACPR, the Prudential Control and Resolution Authority, as a Specialised Credit Institution.

Cross border support:

Its financial solution has lines specially designed to support SE in the most different stages of development, including internationalisation.

Avise

Private

<https://www.avise.org>

The mission of Avise is to develop the social and solidarity economy (SSE) and social innovation in France, by supporting project leaders and helping to structure an ecosystem favourable to their development. Created in 2002, Avise is a collective engineering agency that is working with public institutions and private organisations focused on contributing to the general interest. Avise intervenes at every stage of the life of an SSE company, from the emergence to the maximisation of its social impact, by producing tools, by animating communities of actors of the territories and by building dedicated support programmes.

Cross border support:

Animating communities of SE actors from cross-border territories.

Mouvement Impact France

Private

<http://mouves.org>

Mouves is the voice of social entrepreneurs in public policies to move the lines and improve their operating conditions. Mouves also educates the general public about entrepreneurial initiatives and encourages young people and women to engage in social entrepreneurship.

Cross border support:

Advocating for internationalisation of SE on policy level.

Credit Cooperatif

Private

<https://www.credit-cooperatif.coop/>

The group is a cooperative bank, whose capital is held by its customers which also participate in Bank activity and strategy. Their main aim is to finance social economy entities, such as non-profit associations, social enterprise, mutual and cooperative companies. They also service individual customers who are drawn in by the Bank's values. Their banking products are designed with the thought of turning funds into socially useful tools.

Cross border supports:

As a leader in social finance, its loans can go towards French social economy entities wanting to establish or grow their cross-border activities.

Groupe SOS

Private

<https://sos-group.org/>

Groupe SOS aims to meet contemporary social issues by developing innovative solutions across 9 sectors : International action, Youth, Employment, Solidarities, Health, Seniors, Culture, Ecological transition, Territorial action. The central group guides and supports their different associated institutions, companies and non-profit organisations.

Cross border supports:

They see themselves as a catalyst for social innovation that transcends borders. They integrate organisations that are looking to grow, and through this approach have incorporated international entities active in over 40 countries. Those performing the international activities can depend on SOS GROUP's expertise and assets to ensure their actions are sustainable, efficient and impactful and that their beneficiaries' needs are met.

Labo de L'ESS

Private

<https://www.lalabo-ess.org/>

Le Labo is an association of general interest that relies on a wide variety of actors to build and disseminate innovative work on the social economy. They aim to collaboratively build structure-determining axes of the social economy. Basing their work on concrete, innovative and inspiring initiatives. They aim to instil a structure into the social economy by co-constructing a common language and frame of reference for social economy initiatives. They work towards strengthening the impact and facilitating the spread of social economy solutions and raising awareness of the social economy.

Cross border supports:

Their activities are mainly focused on organising events for social economy entities and producing thematic studies, whose aim is to promote and generalise social economy at

national and European level. Therefore, their materials and events may support French social economy entities looking to establish cross-border activities within Europe.

France Active

Private

<https://franceactive.eu/>

France Active focuses on providing solidarity finance to entrepreneurs so that they can make positive impacts on the social, environmental and economic development of their region. The organisation provides them with finance issues, provides them with the funding that is best suited to their needs, and offers access to a unique network of business and social stakeholders. Their main goal is to instigate social transformation through financial structures available to social entrepreneurs.

Cross border supports:

They offer different kinds of support to entrepreneurs at different stages, from pre-seed to turnaround. Especially in the 'scaling-up' stage, entrepreneurs may access France Active's financial support in order to grow cross-border.

3.4.6. Finland

Several programmes and agencies support SMEs in internationalisation. Finnish social enterprise is an emergent sector, and "*The country has adopted a policy decision that treats all social enterprise types the same as any other enterprise or organisation in relation to public support. They are entitled to use the same instruments as all other businesses*"¹⁶³. The development of social enterprises in Finland is hindered by a nascent ecosystem that does not support specific social enterprise business model characteristics. Most financial tools are designed either for conventional business or not-for-profit associations and therefore do not cater specifically for social enterprises.

The regional SME growth accelerator programme

Public

<https://www.foreigner.fi/articulo/business/government-granted-4-million-for-smes-in-southern-and-western-finland/20200313172106004772.html>

The regional programme is part of a more extensive export and international growth programme of the national government. The programme is intended particularly for SMEs in the early stages of their growth to make them better equipped to pursue growth and

¹⁶³ European Commission (2019) *Social enterprises and their ecosystems in Europe. Updated country report: Finland*. Author: Harri Kostilainen. Luxembourg: Publications Office of the European Union. Available at <https://europa.eu/!Qg64ny>

internationalisation. Häme Centre for Economic Development, Transport and the Environment (ELY Centre) was granted 2.2 million euros and the Centre for Economic Development, Transport and the Environment for Central Finland 1.8 million euros from the total budget.

Cross border support:

Accelerator, financial and business support services offered.

Business Finland

Public

<https://www.businessfinland.fi/en/for-finnish-customers/services/smes-and-midcap-companies/smes-and-midcap-companies>

Business Finland aims to help Finnish companies go global by coaching them in every phase of their internationalisation. Business Finland is a partner organisation in the Enterprise Europe Network and also coordinates the network in Finland.

Cross border support:

Coaching, training and mentoring as well as networking services are offered. Their global network has 148 experts in 35 countries.

Team Finland

Public

<https://www.team-finland.fi/>

The network has the aim to help companies go global, by bringing together all public internationalisation services. Services are tailored to the needs. It is a one-shop-stop for public services aimed at internationalisation funded by the National Ministry.

Cross border support:

Advice, training, mentoring and assistance in planning company's internationalisation activities; provides a range of financing services, from aid and grants to loans and guarantees. Services are free of charge.

Turku Business Region

Public

<https://turkubusinessregion.com/en/growth-and-development/growth-and-development-mentoring/>

This (non-profit) regional development company Turku Science Park Ltd. provides intensive support to companies and aspiring entrepreneurs in Turku and its ten

surrounding municipalities. The support aims at growth and development, also internationally (for which they participate with the EEN).

Cross border support:

The support includes many personalised support and free advice from private experts which is tailored to the need and the internationalisation strategy of the companies.

My Enterprise Finland

Public

<https://oma.yrityssuomi.fi/>

'My Enterprise Finland' provides on-line general business support services, mostly free of charge, and refers to more specific support instruments and initiatives.

Cross border support:

General business support services an on-line advice for internationalisation activities among others.

Co-op Network Studies (CNS)

Private

<https://www2.helsinki.fi/en/ruralia-institute/education/co-op-network-studies>

The Co-op Network Studies (CNS) was established by a group of ten universities. Teaching within the network's framework is developed, produced and coordinated by the Ruralia Institute of the University of Helsinki together with other participating universities. The university network was established in 2005. Internationalisation is however a minor aspect in their courses. CNS receives support and funding from Finnish cooperatives and mutual companies through the Finnish Cooperative Advisory Board, the Pellervo Society and the University of Helsinki.

Cross border support:

CNS offers multidisciplinary, web-based, minor subject courses and modules related to the cooperative sector, social economy and social enterprises. Moreover, the CNS coordination unit is actively involved in developing and investigating matters affecting the cooperative sector in cooperation with its partners. Some of the courses concern internationalisation.

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3.4.7. Germany

While the term social enterprise is still a relatively new concept in Germany, a number of key actors are building out infrastructure for social business in the country. In fact, German social enterprises have strong roots in several traditions: from associative and philanthropic action, to cooperative, mutual and other group-self-help motives or work integration, communitarian and business-driven traditions¹⁶⁴.

Federal government began to recognise social enterprises in the 2000s and has remained relatively passive. Still, there is no legal acknowledgement, no definition, no concerted strategy or any general action plan that stands clear in dedication to social enterprises as yet in Germany¹⁶⁵. The most explicit use of this notion in the country is made by “social entrepreneurship” promotion institutions such as Ashoka, the Schwab Foundation, Social Impact and others. The latest recognition came from the Federal Ministry of Economic Affairs and Energy (BMWi) with the latest coalition treaty (2018) placing social enterprise in a section titled “Competitive Economy”.

Germany is one of the largest exporting nations, and it ranks among the top ten source countries of foreign direct investment¹⁶⁶. Germany's close integration into the global economy

¹⁶⁴ Birkhölzer, K., Göler von Ravensburg, N., Glänzel, G., Lautermann, C. and Mildenerger, G. (2015) “Social Enterprise in Germany: Understanding Concepts and Context”, ICSEM Working Papers, No. 14, Liege: The International Comparative Social Enterprise Models(ICSEM) Project.

¹⁶⁵ European Commission (2018) Social enterprises and their ecosystems in Europe. Updated country report: Germany. Authors: Nicole Göler von Ravensburg, Gorgi Krlev, Georg Mildenerger. Luxembourg: Publications Office of the European Union. Available at <http://ec.europa.eu/social/main.jsp?advSearchKey=socenterfiches&mode=advancedSubmit&catId=22>

¹⁶⁶ The world Bank (2020), Foreign direct investment, net inflows, available at: https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD?name_desc=false

also finds expression in the export activities of its small and medium-sized enterprises (SMEs). However, large corporations are the main players driving this development, and Germany is no exception. Cross-border investments by small and medium-sized enterprises (SMEs) and social ones, however, remain limited¹⁶⁷. Overall, in the country there exist plenty of supporting mechanisms that promote foreign trade and investment provided both the state and the private sector. Moreover, various institutions, such as German chambers of commerce abroad, foreign missions, and Germany Trade and Invest (GTAI), work closely together to deliver the best possible backing for German firms.

Social Entrepreneurship Academy

Private

<https://seakademie.org/>

The Social Entrepreneurship Academy was founded in 2010 as a network organisation of the four Munich universities. With its three pillars, the academy currently offers a qualification programme in teaching, specifically promotes social start-up projects and promotes the development of a broad network to anchor social entrepreneurship in our society.

Cross border support:

Capacity building.

Iiversity Changemaker MOOC - Social Entrepreneurship

Private

<https://iversity.org/>

The Changemaker MOOC is a course for planning socially and ecologically sustainable projects. Participants learn to solve social problems in an entrepreneurial manner.

Cross border support:

Capacity building.

Social Impact Lab

Private

<https://socialimpact.eu/labs>

Social Impact develops innovative projects to solve social challenges - for a just and sustainable society of tomorrow. As such, it has been setting up Social Impact Labs since 2011, in which its start-up, networking and qualification programmes are offered. The labs

¹⁶⁷ KfW Research (2017), The happy few: German SMEs investing abroad

offer space for coworking, coaching & workshops as well as networking and events. It currently operates nine Social Impact Labs nationwide [Berlin](#), [Hamburg](#), [Frankfurt](#), [Leipzig](#), [Duisburg](#) and other places.

Cross border support:

Capacity building and networking.

Impact Hub

Private

<https://impacthub.net/>

Impact Hub hosts a global movement to build locally rooted, globally connected social innovation ecosystems. In this context, it connects entrepreneurs and innovators to each other, as well as to large organisations, investors and the public sector.

Cross border support:

Networking.

OpenTransfer

Public

<https://opentransfer.de/>

With openTransfer.de and the regional openTransfer CAMPs, the Foundation Bürgermut promotes the exchange and development of knowledge transfer systems for the dissemination of social innovations.

Cross border support:

Networking and knowledge transfer

Export initiatives and market development programmes powered by Federal Ministry for Economic Affairs and Energy

Public

<https://www.bmwi.de/Redaktion/EN/Dossier/export-initiatives.html>

The Federal Ministry for Economic Affairs and Energy (BMWi) provides a number of export promotion services to help small and medium-sized enterprises to develop new markets abroad.

Cross border support:

The supports given for the internationalisation of SMEs - SEs included - are through financing within these two schemes:

- Foreign trade-fair programme: For the purpose of promoting foreign trade, the Federation covers part of the costs of joint exhibition stands operated by several SMEs together, to allow these to be involved in trade fairs abroad and gain access to new markets;
- Export credit guarantees (Hermes insurance) and investment guarantees: The Federal Government's export credit guarantees protect exporters and banks against the risks of unpaid claims in foreign transactions due to economic or political reasons.

Programm für Internationalisierung - Förderung von KMU-Projekten

powered by Investment Bank Berlin

Private

<https://www.ibb.de/de/foerderprogramme/pfi-foerderung-von-kmu-projekten.html>

Investment Bank Berlin, the business development bank of the Federal Region of Berlin, provides support to SMEs (*with their registered office and/or an operating facility in Berlin*) for participation at fairs, exhibitions, conferences, exchanges, fashion shows and showrooms. The bank provides: (i) non-redeemable, earmarked grant in the form of partial financing for up to 50% of the expenditure eligible for support; (ii) From EUR 3,000 to EUR 12,000 max. as support for each individual measure; (iii) The overall expenditure eligible for support must total at least EUR 6,000.

Cross border support:

Financial support to SEs – as part of the SMEs ecosystem – to undertake international activities.

BonVenture

Private

<https://bonventure.de/>

BonVenture is the first investment company in the German-speaking countries that focuses on the social impact of its portfolio companies. Since 2003, it offers investors the possibility to provide social venture capital to social enterprises through its fund.

Cross border support:

BonVenture provides SMEs – and SEs thereafter – long-term financial resources, starting at €500,000, as well as a network and professional support to social enterprises that strive to grow beyond their national borders.

**German Government – Federal Ministry for Economic Affairs and Energy
(Bundesminister für Wirtschaft und Energie)**

Public

<https://www.bmwi.de/Redaktion/EN/Dossier/export-initiatives.html>

The Federal Ministry for Economic Affairs and Energy (BMWi) export promotion services help small and medium-sized enterprises to develop new markets abroad. The institution backs the attempts by German firms and especially SMEs to develop and secure foreign markets with a wide range of instruments promoting foreign trade and investment.

Cross border support:

Their internationalisation SME services may be provided to SEs also.

**The German Chambers of Commerce Abroad (Die Deutschen
Auslandshandelskammern)**

Public

<https://www.ahk.de/>

The German Chambers of Commerce Abroad (AHKs) advises, supports and represents German companies worldwide. In other words, AHKs are institutions of German foreign trade promotion.

Cross border support:

Economic and legal information, organisation and support services for meetings, representations of German fairs abroad, market studies, technological transfer, environmental protection, promotion of trade and investment, public relation activities and further vocational training.

**IHK - Chamber of Commerce and Industry Berlin (Industrie- und Handelskammer zu
Berlin)**

Public

<https://www.ihk-berlin.de/>

The Chamber of Commerce and Industry (CCI) Berlin provides support for local businesses which operate in international markets and wish to conduct business there.

Cross border support:

It supplies information on importing and exporting, the European internal market, invitations to tenders and support programmes as well as on extending into new markets and finding business partners.

Germany Trade and Invest*Public*<https://www.gtai.de/gtai-en>

Germany Trade & Invest (GTAI) is the economic development agency of the Federal Republic of Germany. GTAI is the first point of contact for Germany's export-oriented small and medium-sized enterprises. Its business analysts regularly report on 120 countries and provide the knowledge base for planning and conducting foreign business activities. Moreover, GTAI promotes Germany's advantages as a business location internationally. This benefits not only Germany as a business location, but also the image of German companies as reliable partners, suppliers and service providers worldwide.

Cross border support:

Among its focal activities are export promotion, investor consulting and location marketing.

GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)*Public*<https://www.giz.de/>

GIZ provides services in the field of international development cooperation. GIZ mainly implements technical cooperation projects of the Federal Ministry for Economic Cooperation and Development (BMZ), its main commissioning party, although it also works with the private sector and other national and supranational government organisations (but usually not with non-governmental organisations) on a public benefit basis.

Cross border support:

GIZ offers consulting and capacity building services in a wide range of areas, including the internationalisation of German firms (SMEs / SEs).

3.4.8. Greece

The Greek Social Economy has marked significant growth over the past decade¹⁶⁸, yet its internationalisation follows the country's overall picture. Greece's performance in internationalisation is one of the weakest in the EU, as reported in the latest 2019 SME Performance Review country report¹⁶⁹. According to the report, businesses imports and exports in goods have improved compared to previous years' performance, as the tourism industry recorded a very good year and the country's exports of goods increased rapidly also. Yet, despite this progress, the internationalisation policies implemented to date have not

¹⁶⁸ Gagliardi D., Psarra F., Wintjes R., Trendafil K., Pineda Mendoza J., Haaland K., Turkeli S., Giotitsas C., Pazaitis A., Niglia F., (2020), *New Technologies and Digitisation: Opportunities and Challenges for the Social Economy and Social Enterprises*. European Commission, Executive Agency for SMEs, DOI: 10.2826/767888 – Annex I: Full Country Profile: Greece.

¹⁶⁹ C (2019), 2019 SBA Fact Sheet Greece, available at: <https://ec.europa.eu/docsroom/documents/38662/attachments/13/translations/en/renditions/native>

resulted in sustainable outcomes, as the decrease of labour costs due to the 2008 economic crisis was not translated into an increase in international commerce market share.

Overall, Greek exports are directed towards primary products and goods with low value added and a low innovation component¹⁷⁰. To address this issue, the government set in its National Growth Strategy an ambitious target for exports, namely 50% of GDP. This target is considered ambitious, yet attainable, considering the recent improvements in cost competitiveness, privatisations, logistics infrastructures and business environment legislation^{171,172}. Despite this positive strategic move for the for-profit sector, we don't see an equivalent direction for the Social Economy, as in the first ever funding call specifically designed for SEs there is a specific mention that activities related to exports will not be funded¹⁷³. Nevertheless, Greek SEs that wish to internationalise can use programmes, initiatives and intermediaries developed for the overall for-profit companies as described hereunder.

“We Venture Abroad” programme

Public

http://www.antagonistikotita.gr/epanek_en/prokirixeis.asp?id=20&cs=

The “We Venture Abroad” programme supports the extroversion of Greek manufacturing companies that are already involved in international/transnational activities through provision of funding and support for participation in events/exhibitions taking place within the EU or in third countries.

Cross border support:

SEs may utilise the services offered by the programme.

EquiFund

Public

www.equifund.gr

EquiFund is the Greek Government Fund of Funds, launched because SMEs need a private equity and venture capital ecosystem to support them. Recognising that each start-up business passes through a lifecycle, EquiFund's investment strategy includes three windows: the Innovation window (supporting both Technology Transfer and Acceleration), the Early-Stage window and the Growth Stage window. Each window is designed to ensure that a Greek start-up or SME can access the right financing, at the right stage for them.

¹⁷⁰ ACCI & EY (2019), “Greek exports and a new development model for SMEs”, available at: https://adminportal.acci.gr/images/ErevnaEBEAexport2019_F-1781993573.pdf

¹⁷¹ EC, Country Report Greece 2019 Including an In-Depth Review on the prevention and correction of macroeconomic imbalances, Accompanying the document COM(2019) 150 final, SWD(2019) 1007 final

¹⁷² Following the Council Recommendation 2016/C 349/01, Greece is in the process of appointing the Centre of Planning and Economic Research (KEPE) as National Productivity Board.

¹⁷³ For further information, please see (in Greek): Πρόσκληση υποβολής προτάσεων επιχορήγησης Φορέων Κοινωνικής και Αλληλέγγυας Οικονομίας στο πλαίσιο του Επιχειρησιακού Προγράμματος Ήπειρος 2014 – 2020 available at: <https://www.espa.gr/Lists/Proclamations/Attachments/4956/6%CE%A6867%CE%9B9-5%CE%A5%CE%98.pdf>

Cross border support:

EquiFund overall aims to support the internationalisation of Greek enterprises – SEs included.

Support Centres of Social and Solidarity Economy

Private

https://foreis-kalo.gr/?q=-kentra_list

The Support Centres are funded by the Greek Government to provide support either to already established SEs to further their services – including the achievement of internationalisation – or to prospective SEs on how to establish their initiatives.

Cross border support:

Training and consultation on internationalisation.

Social economy entities Network (Δίκτυο ΚοινΣεπ)

Private

<https://koinsep.org/>

The SE Network supports anyone who wants to establish a social economy entity or has one and wants to improve its activities. As part of their services, they provide training and mentoring on various topics, among which is internationalisation.

Cross border support:

Training and mentoring on internationalisation for SEs, when required.

AGORA

Public

<http://agora.mfa.gr/>

AGORA is an online platform designed and developed by the Greek Ministry for Foreign Affairs through which businesses can receive information about competition rules and business opportunities for over 50 international markets as well as receive information on events organised for the promotion and dissemination of Greek products in international markets.

Cross border support:

Provision of information on competition rules and business opportunities for over 50 international markets. The service is primarily developed for SMEs but SEs are also eligible to access and utilise it.

Enterprise Greece – Invest & Trade*Public*<https://www.enterprisegreece.gov.gr/>

The official investment and trade promotion agency of Greece, operates under the auspices of the Ministry of Foreign Affairs. The organisation aims to promote investment in Greece, exports from Greece, and make Greece more attractive as an international business partner. Enterprise Greece is designed to assist foreign investors and enterprises to do business in Greece, to attract foreign investment, to troubleshoot issues related to the public administration, and to provide key investment and business information.

Cross border support:

Provide key investment and business information to SMEs and SEs interested in pursuing international activities, as well as promote Greek products and services to the global marketplace.

Export Credit Insurance Organisation*Public*<https://oaep.gr>

ECIO insures against commercial and political risks of non-payment, the export credits granted by Greek exporters to foreign buyers abroad who buy Greek products, services, or projects. ECIO also insures, against political risks, Greek entrepreneurs' foreign investments.

Cross border support:

Financial support.

3.4.9. Italy

The concept of "social enterprise" was introduced in Italy in 1991 to designate the first "social solidarity cooperatives", which emerged from the voluntary initiative of groups of citizens to undertake economic activities that formed part of a social project¹⁷⁴. Other types of non-profit organisations (NPOs) also appeared with the same purpose, which was appealing to pre-existing organisations at that degree that resulted in their transformation into social enterprises (e.g., voluntary associations). For this reason, the legal category of "social enterprise" was introduced in 2005-2006, by creating a more general framework which acted as the baseline

¹⁷⁴ European Union Programme for Employment and Social Innovation "EaSI" (2014-2020), 'Social Enterprises and Their Ecosystems In Europe, Country report ITALY'. Luxembourg: Publications Office of the European Union, 2020, p. 19

for some key changes later in 2016 regarding the establishment of a common framework for both the third sector and social enterprises¹⁷⁵.

The Italian social enterprises encompass diverse evolutionary trends across the various organisational types that make up the social enterprise spectrum:

- social cooperatives
- associations and foundations
- mutual aid societies
- joint-stock and limited liability companies
- traditional cooperatives (e.g., community cooperatives)¹⁷⁶

The instruments, initiatives, and actors presented below outline the overall framework of support mechanisms currently aimed to enhance the internationalisation process of the Social Economy in Italy. The majority of the enterprises which are eligible for applying to the mechanisms presented hereunder are related to innovation and ICT fields. However, there are also social organisations which deliver digital technologies for communication actions, cultural activities, and social and health services.

According to the current analysis, Italian social enterprises seem to receive support in terms of transforming their business idea into a realistic plan via the development of a prototype. In this framework, the mechanisms outlined below often provide social enterprises with recommendations on how to create a product that is appealing to customers.

Moreover, the initiatives presented can even be indicative of how training the personnel may offer successful results in the field of digital transition of such enterprises. Being large in scale, the supporting mechanisms in Italy finally contribute to the enrichment of the ecosystem of social innovation, connecting different actors from the public administration with private incorporations committed to fund social entrepreneurship. Accelerator programmes and business incubators are included in this national context of scaling up the social impact of investment markets

Invitalia (National Agency for Inward Investment and Economic Development)

Public

<https://www.invitalia.it/eng>

Invitalia targets self-employed people who wish to start their own company in Italy by promoting the creation of small businesses and start-ups based on innovative initiatives. Invitalia assists foreign companies in maintaining relationships with recruitment agencies and local placement agencies. Furthermore, Invitalia supports businesses in the search for local opportunities and national partners, both in the company start-up phase and in the employment plan, while ensuring a collaborative relationship with government bodies via liaison activities with the Public Administration.

¹⁷⁵ bid

¹⁷⁶ European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2016): 'Mapping study on Social Enterprise Eco-systems – Updated Country report on Italy <http://www.aeidl.eu/docs/bsi/index.php/country/52-ec-se-country-report-it/file>, p. 11

Cross border support:

Invitalia offers services related to the creation of collaborations between businesses (including social economy ones) and research, providing a foreign company with a package of information that is essential for transforming the business idea into a practical project.

Voucher per la Digitalizzazione

Public

<https://www.mise.gov.it/index.php/it/incentivi/impresa/voucher-digitalizzazione>

This facilitating measure provides micro, small and medium-sized enterprises a contribution, through the granting of a "voucher", for an amount not exceeding 10 thousand euros. This measure aims at the adoption of digitisation interventions for business processes and technological modernisation.

Cross border support:

Financial support, for SMEs and SEs, which can be used for sourcing.

Fertilit  national 'project' (initiative)

Public

<https://ec.europa.eu/social/BlobServlet?docId=13026&langId=en>

The initiative supports the starting up of social cooperatives or consortia of cooperatives in the southern regions through the provision of training, consultancy services and coaching by established social cooperatives and consortia.

Cross border support:

Training, consultancy services and coaching for cooperatives or consortia of cooperatives.

Intervento 18

Public

<https://www.consolida.it/news/rilancio-dellintervento-18/>

The initiative is aimed at supporting the employment and social inclusion of disadvantaged people and people with disabilities (PwDs) through the provision of subsidies to social cooperatives. The subsidies take the form of partial coverage of the costs borne to pay disadvantaged workers or workers with disabilities and trainers and to promote workers' inclusion in the labour market.

Cross border support:

Financial support.

Avanzi Etica SICAF EuVECA (aimpact)

Public

<https://www.aimpact.org/>

An investment vehicle that supports the development and growth of SMEs and innovative startups that have the mission of generating a positive social, environmental, and cultural impact on the community. It is authorised by the Bank of Italy and is therefore a company subject to the joint supervision of the Bank of Italy and Consob.

Cross border support:

It contributes to bridging the gap between supply and demand in the impact investing market and integrates the ecosystem of social innovation, which includes the Public Administration, incubators, accelerators and large companies and foundations.

Servizi Assicurativi del Credito all'Esportazione (SACE)

Public

<https://www.sace.it/>

SACE is the Italian export credit agency, controlled by Italian Ministry of Economy and Finance^[24]. SACE Group offers a wide range of instruments for credit insurance, investment protection, the provision of sureties and financial guarantees for companies as well as for banks for their daily business in Italy and abroad.

Cross border support:

Financial instruments.

AICS - the Italian Agency for Development Cooperation

Public

<https://www.aics.gov.it/language/en/>

The Agency acts as a hub connecting national and local institutions, plus no-profit and profit organisations. The Agency's mission is to perform technical and operational activities associated with the examination, development, financing, management, and control of cooperation initiatives.

Cross border support:

The Agency enables the participation of public or private, profit or no-profit or profit players in the field of international cooperation, thus facilitating a permanent connection among stakeholders.

FabriQ - Social Innovation Incubator of the Municipality of Milan

Public

<http://www.fondazionebrodolini.it/en/projects/fabriq-social-innovation-incubator-municipality-milan>

The service aims to offer to start-ups an incubation path of nine months made of training, workshops, meetings with entrepreneurs and experts. The objective of the service is to use a working method which involves sharing, discussion and networking.

Cross border support:

Incubation, training and mentoring.

Banca Etica

Private

<https://www.bancaetica.it/>

Banca Etica is a cooperative bank that operates in Italy and Spain. Banca Etica funds projects aimed at welfare, social economy, environmental protection, innovation, international cooperation and culture. The bank offers banking products and services, and a different banking experience founded on relationships: the focus on people and organisations is guaranteed by a network of bank branches and financial advisors all over Italy, in addition to complete online service accessible to all clients.

Cross border support:

Financial support to projects having a social impact.

3.4.10. The Netherlands

In the absence of a specific legal form for social enterprises, the Dutch national policy measures for general enterprises apply also to social enterprises¹⁷⁷. However, it is not always clear how easy it is for other than normal, for-profit SMEs to apply and receive the support and to what extent the support is specifically relevant for them.

¹⁷⁷ European Commission (2019) Social enterprises and their ecosystems in Europe. Updated country report: The Netherlands. Author: Niels Bosma. Luxembourg: Publications Office of the European Union. Available at <http://ec.europa.eu/social/main.jsp?advSearchKey=socenterfiches&mode=advancedSubmit&catId=22>

RVO stands for the Netherlands Enterprise Agency that supports: “entrepreneurs, NGOs, knowledge institutions and organisations. We aim to facilitate entrepreneurship, improve collaborations, strengthen positions and help realise national and international ambitions with funding, networking, know-how and compliance with laws and regulations” (<https://english.rvo.nl/about-us>). Originally the agency supported (for-profit) companies only, but this has broadened. RVO is a government agency which operates under the Ministry of Economic Affairs and Climate Policy. Its activities are commissioned by the various Dutch ministries. Advice from experts is available for: those looking for financing to expand their business or get a project off the ground; and those in need of advice on how to further develop ideas and realise ambitions? They also organise events for those that want to meet other entrepreneurs, find partners abroad or expand their network. They also organise international trade missions, which can be joined by social economy entities.

Within the Ministry of Foreign Affairs there is a Directorate-General for International Cooperation (DGIS). DGIS is responsible for development cooperation policy and for its coordination, implementation and funding. On the website it is stated that “Civil society is another important source of partners”, which include non-governmental organisations (NGO’s such as Novib and interest groups such as the employers’ confederation, VNO/NCW, and the small and medium-sized enterprise lobby group, MKB-Nederland). DGIS themes include gender, AIDS, education, sustainable economic development and the environment. DGIS works with certain priority countries. Mainly large NGOs seem to serve as partners in certain projects. Smaller social economy entities may benefit from excess to certain information and contacts internationally, but there are no basic support or funding instruments. Dutch Embassies abroad provide advice and are for instance accessible for what is referred to as “third sector, civil society or non-government organisations”.

Beside the programmes of the national agency RVO, there are relevant private, intermediary initiatives. The ones specifically relevant for social economy entities are funds to support international development projects. Examples are Oxfam Novib and Wilde Ganzen (Wild Geese), and the Amsterdam Impact Hub that provides ‘soft landing’ support to social enterprise.

DGGF (Dutch Good Growth Fund)

Public

<https://english.dggf.nl/finance-opportunities>

By doing business in developing countries and emerging markets, entrepreneurs contribute to economic and social improvements in these countries. By providing finance and insurance through the DGGF-programme, the Dutch Ministry of Foreign Affairs encourages these developments.

Cross border support:

DGGF targets Dutch SMEs that do business abroad and Intermediary Funds that invest in local SMEs. SMEs include social enterprises and NGOs.

DHI subsidy scheme (demonstration-feasibility-investment)*Public*<https://english.rvo.nl/subsidies-programmes/dhi>

This subsidy scheme for SMEs with international ambitions is implemented by the Netherlands Enterprise Agency (RVO) supporting demonstration projects, feasibility studies and investment preparation projects. The funding scheme is designed for those SMEs that want to invest in a foreign company or carry out a project abroad; or that wants to convince international potential customers. With the DHI scheme, the Ministry of Foreign Affairs wants to increase and strengthen the number of Dutch companies successfully doing business in foreign markets. DHI also aims to make a positive contribution to sustainable local development in developing countries. According to the agency: “The subsidy scheme also contributes to the United Nations' Sustainable Development Goals (SDGs).” It is aimed at SMEs/entrepreneurs with international ambitions (not for large organisations); Not excluding social enterprises.

Cross border support:

- Demonstration projects: presentation of technology, capital goods or service in one of the DHI countries;
- Feasibility studies: assessment of the profitability of a foreign investment in a product or service;
- Investment preparation projects: assessment of the technical and commercial profitability of an investment in a company in one of the DHI countries.

Starters International Business programme (SIB) Mission voucher*Public*<https://english.rvo.nl/subsidies-programmes/sib/sib-mission-voucher>

To promote internationalisation of SME entrepreneurs, not excluding social enterprises. This instrument is part of the package of instruments of the Netherlands Enterprise Agency to promote internationalisation. It is to support those that like to improve their chances in a new or foreign market, those that are looking for new networks and customers abroad. And for those that want to grow their international activities. The SIB Mission voucher is an online voucher that they can use to pay for a trade mission or exhibiting at a trade fair. The voucher is worth 50% of the participation costs:

- up to a maximum of €1,500 (excluding VAT) for a trade mission, or
- a maximum of €2,500 (excluding VAT) for a joint trade fair exhibit.

Cross border support:

SIB provides a voucher to pay for international trade missions or fairs.

Fund against Child Labour - FBK*Public*

<https://english.rvo.nl/subsidies-programmes/fbk>

Entrepreneurs that actively want to end child labour in their international value chain, can get support from the Fund against Child Labour (FBK) programme that is implemented by the Netherlands Enterprise Agency. The value chain of international operations is not always transparent. International operating (social) entrepreneurs may not be aware of child labour in your production chain. In order to end child labour, the costs to address this aspect of cross-border activities can be funded.

Cross border support:

FBK helps Dutch entrepreneurs that want to: research the root causes of child labour in their production chains; take actions to prevent child labour at a local level; take measures to prevent child labour in their businesses. The agency can support projects with a subsidy and/or knowledge/advice. FBK is a five-year subsidy programme (2018 – 2022) with several opportunities to apply. In 2021, the budget is 5.5 million euros, divided into 2 openings. Applicants may apply for a subsidy of no more than €475,000 for each project, representing a maximum of 70% of the total project costs. FBK will subsidise at least 11 projects each year.

Wild Geese Foundation*Private*

<https://www.fundsforngos.org/water-2/wild-geese-foundation-2/>

Wild Geese Foundation supports people in their efforts to achieve a better future for their community in developing countries. Wild Geese Foundation (Wilde Ganzen) provides funds for projects but on the condition that there is already a Dutch fundraising partner to support. The Dutch partners are the schools and foundations in the Netherlands that raise funds for the development project. Together with these partners they could approach Wild Geese and the Foundation will add up to 55% of bonus to the total fund raised by the Dutch partner.

Cross border support:

As the support is aimed at tangible, small-scale projects for and by the people themselves, without discrimination, every year, Wild Geese support about 350 projects worldwide

Amsterdam Impact Hub soft Landing services*Private*

<https://amsterdam.impacthub.net/startups/join-an-accelerator/>

The impact Hub in Amsterdam provides soft landing services to outgoing and incoming internationalisation. They support the cross-border ambitions of both Dutch initiatives that want to go abroad, as well as foreign initiatives that want to 'land' in Amsterdam.

Cross border support:

Soft landing services to outgoing organisations.

FVO Partnerships

Public

<https://english.rvo.nl/subsidies-programmes/fvo-partnerships-pillar-1>

For entrepreneurs that operate internationally it is important to have a clear insight into all aspects of their value chain relating to Responsible Business Conduct (RBC). In case an entrepreneur suspects there may be RBC risks or misconduct, and they wish to boost the sustainability of their international value chains they can apply for a subsidy from the Fund for Responsible Business (FVO). The programme is implemented by the RVO (Netherlands Enterprise Agency). Pillar 1 supports partnerships between companies and civil society organisations. FVO aims to set up multi-stakeholder projects to identify and stop RBC risks or misconduct in international value chains.

Around the world, numerous RBC risks and misconducts can be found in the value chains of Dutch companies. Such as harm to the natural environment through pollution or reduction of biodiversity, human rights violations during land acquisitions and poor working conditions in factories in producer countries. Misconduct in international value chains cannot be tackled by individual companies or civil society organisations working alone. Collaboration is required to amplify the impact on and leverage in the value chains. Joint efforts such as these facilitate better implementation of due diligence (appropriate care in relation to RBC issues) into the business processes of Dutch companies. This has a positive impact on local manufacturing conditions in producer countries.

FVO supports Dutch partnerships that wish to:

- conduct local or regional research into the underlying causes of RBC risks and misconduct in their value chains and implement measures to address them;
- implement RBC into their business processes in a more effective manner, including measures to end RBC risks and misconduct in their own company;
- set up a multi-stakeholder project that addresses RBC risks and misconduct, with a positive impact on manufacturing conditions in their producer countries.

The agency supports three steps: Orientation and application; Research (Project A); Implementation (Project B).

Cross border support:

Networking.

Partners for International Business - PIB

Public

<https://english.rvo.nl/subsidies-programmes/partners-international-business-pib>

Partners for International Business (PIB) is a programme that allows Dutch businesses to enter into a public-private partnership to realise their international ambitions. Doing business abroad is not always easy. One may be confronted with trade barriers, a lack of knowledge among local government bodies and businesses or restrictive local laws. Joining forces with other organisations and with the Dutch government can move the project further.

Cross border support:

Together with clusters of Dutch businesses and knowledge institutions, the Dutch government is developing a 2-year or 3-year action plan. This will list strategic activities to provide the best possible platform abroad for a Dutch industry or sub-industry in general, and the specific clusters in particular. To promote the interests of the Dutch business sector and implement the PIB programme, the government relies on resources such as its foreign network. The Netherlands Enterprise Agency has access to a global network of embassies, consulates and Netherlands Business Support Offices (NBSOs).

They will work with the partnership/cluster/group to develop a tailor-made multi-year programme. All activities within the programme will fall within the scope of 1 of 3 modules:

- Promotion and matchmaking through NL Branding, mission & fairs (in Dutch) and seminars & workshops;
- Within the Knowledge Exchange and Networks module, activities are developed in Government-to-Government (G2G), Knowledge-to-Knowledge (K2K) and Netherlands Management Training Programme (NMTP);
- The Economic diplomacy module covers activities aimed at market organisations, market access and solving specific issues for the business cluster. These activities are carried out by the Dutch representation in the relevant country and the relevant ministries.

Social Enterprise NL

Private

<https://www.social-enterprise.nl/english>

Social Enterprise NL is a national membership body that represents, connects and supports the growing community of social enterprises in The Netherlands. They started as a membership body so that social enterprises can work together towards a better ecosystem. They aim to provide support to their members through programmes and events, facilitate a favourable business environment by persuading authorities and private actors to open up to social enterprise, and inspire more social entrepreneurship through more research and education.

Cross border supports:

The organisation's support to members, especially the direct support services in specific areas such as access to finance, impact measurement, positioning and marketing, sales and acquisition, and legal support, can be crucial to a social enterprise wanting to scale and establish cross-border actions.

3.4.11. Portugal

Portugal has specific funding instruments for social economy entities, such as Social Innovation Fund (SIF) and SPGM Investment Society. Although these funding instruments are not exclusively for internationalisation, its resources might be applied for the internationalisation of Social Economy actors.

The Portuguese Companies Association does not support exclusively social economy entities but has a funding instrument for internationalisation that can be used by them. Regarding the initiatives, Social Innovation Portugal and AICEP Portugal Global have a vast portfolio to help social actors in their internationalisation. Capacity-building for social economy entities' internationalisation seems to be lacklustre in Portugal. The Social Investment Capacity-Building Programme covers internationalisation in its topics but does not focus only on the matter.

Fundo Para a Inovação Social (FIS) | Social Innovation Fund (SIF)*Public*<https://www.fis.gov.pt>

The Fund for Social Innovation (FIS) intends to enhance and support Social Innovation and Entrepreneurship Initiatives (IIES) that develop innovative, impactful and sustainable responses to the resolution of social problems. The FIS is one of the instruments within the scope of the Portugal Social Innovation initiative, which aims to foster Social Entrepreneurship and Impact Economy. It is guaranteed by funds from the European and National Social Fund and operates in the Credit and Capital areas.

Cross border support:

Financial support.

SPGM Sociedade de Investimentos | SPGM Investment Society*Private*<https://www.spqm.pt>

SPGM is the coordinating entity of the Portuguese Mutual Guarantee System whose mission is to provide financial guarantees in favour of national companies. The support for social

actors, the “Social Investe”, aims to encourage the development of activities of a social and solidarity nature by entities operating in the social sector.

Cross border support:

The channelled investment can be used for all types of activities related to social actors, including but not limited to marketing, growth, internationalisation, consulting and others.

Associação Empresarial de Portugal (AEP) | Portuguese Companies Association

Private

<https://www.aeportugal.pt>

The AEP supports the Portuguese companies with the purpose of expanding the number of new exporting companies or increasing the volume of international sales by companies that are already exporting, through the granting of financial incentives to projects that reinforce the SME business capacity for internationalisation.

Cross border support:

The financing might be used for the development and application of new business models and SMEs qualification processes for internationalisation, valuing in particular the adoption of electronic commerce as an internationalisation tool based on solid and integrated e-commerce and digital transformation strategies.

Portugal Inovação Social | Social Innovation Portugal

Public

<https://inovacaosocial.portugal2020.pt>

Aims to promote Innovation and Social Entrepreneurship in Portugal as a way to generate new solutions to social problems. It creates financing instruments that are better suited to the specific needs of the social economy sector and social innovation and entrepreneurship projects. Social Innovation Portugal has a diverse portfolio to support internationalisation including financing, events, partnerships and capacity building.

Cross border support:

The Fund For Social Innovation (FIS) supports – among others – innovation and social entrepreneurship initiatives including an international aspect.

AICEP Portugal Global*Public*<http://www.portugalglobal.pt>

AICEP Portugal Global is a public entity of a business nature dedicated to the development of a competitive business environment that contributes to the globalisation of the Portuguese economy. AICEP's main duties are to promote the internationalisation of Portuguese companies and support their export activity, attract investment, structuring and promoting the image of Portugal with initiatives that create value for the country.

Cross border support:

AICEP offers different types of support for internationalisation, such as: consulting, seminars, network meetings, international missions and partnerships.

Programma de Capacitação para o Investimento Social | Social Investment Capacity-Building Programme*Public*<https://inovacaosocial.portugal2020.pt/financiamento/capacitacao-para-o-investimento-social>

It aims to support the development of organisational and management skills of teams of social economy entities, that are involved in the implementation of Innovation and Social Entrepreneurship Initiatives (IIES).

Cross border support:

The capacity-building can be of any type relevant for social economy, including internationalisation.

3.4.12. Slovenia

Although Slovenia has a long history of cooperative movements (more than 150 years) and a considerable number of NGOs with a long history of civil action, the concept of social enterprise is very new within the borders of the country. The last 10 years though, interest and activity in the social enterprise space has grown¹⁷⁸. There are also two important facts which drove the recent development of social economy in Slovenia. One is a strong community and solidarity inclination of inhabitants. And the other is strongly present left or middle left political parties

¹⁷⁸ European Commission (2019) Social enterprises and their ecosystems in Europe. Updated country report: Slovenia. Authors: Tatjana Rakar and Zinka Kolarič. Luxembourg: Publications Office of the European Union. Available at <https://europa.eu/Qq64ny>

that are in one way supportive of the idea of social economy and are on the other hand using social economy as a political object¹⁷⁹.

Only in 2011 Slovenia adopted the Social Entrepreneurship Act which provided definition of social entrepreneurship and social enterprise. Recently the Social Entrepreneurship Act is under novelisation (should pass the parliament at the end of 2017 / beginning of 2018) and will for the first time use the term “social economy” in legal sense. Social economy is defined as an umbrella concept that includes: 1. social enterprises, 2. non-for-profit non-governmental organisations - NGOs (associations, foundations, institutes, economic interest societies), 3. companies for employment of disabled people and employee-rehabilitations centres, 4. Cooperatives¹⁸⁰.

In terms of globalisation, Slovenia performs broadly in line with the EU average on this SBA principle¹⁸¹. In this context, the country has adopted various policy measures to upscale the internationalisation of its national businesses. Some of them support SMEs’ participation in trade fairs, exhibitions and business missions, and the setting-up of Slovenian business clubs abroad. Grants have been introduced for international marketing and market research. Nevertheless, there is no specialised support service for SEs if they would like to internationalise. SEs organisations can benefit though from the incentives intended for other types of organisations such as instruments targeted for SMEs.

Financial Support powered by SID Bank

Public

<https://www.sid.si/>

SID Bank (*SID – Slovenska izvozna in razvojna banka, d.d.*) is a promotional development and export bank 100% owned by the Republic of Slovenia. With its banking and insurance services, it promotes sustainable development with a mind to improving the competitiveness of the Slovene economy.

Cross border support:

- [Export Credit and Investments Insurance](#): Assisting Slovenian companies in insuring commercial and non-commercial export risks for which financial institutions and private reinsurance markets are not willing or have limited capabilities to cover.
- [Funding of Foreign Subsidiaries](#): Slovene companies, including SMEs and SEs, contemplating the expansion of activities to foreign countries or with already active foreign subsidiaries pursuing investments, can apply and receive SID Bank’s long-term loans to fund the related costs.

¹⁷⁹ Interreg CE SENTINEL project (2020), D. T1.1.2: Country Report on SE Support Services and Networking Initiatives in Slovenia, Available at: <https://www.interreg-central.eu/Content.Node/documents/Summary-report-Slovenia.pdf>

¹⁸⁰ Babič, K. & Dabič Perica, S. (2018) *Applicative Analysis of the Conditions in the Field of Social Economy in Slovenia* (Aplikativna analiza stanja na področju socialne ekonomije v Republiki Sloveniji). Ljubljana: (MGRT). Available at: http://www.mgrt.gov.si/fileadmin/user_upload/Analiza_stanja_na_podrocju_socialne_ekonomije_v_Sloveniji.pdf.

¹⁸¹ EC (2019), 2019 SBA Fact Sheet Slovenia, available at: <https://ec.europa.eu/docsroom/documents/38662/attachments/26/translations/en/renditions/native>

- [Financial Services for Exporters](#): Specialised financing services for SMEs (incl. SEs) are offered, such as: (i) Post-shipment financing of export transactions, and financing of outward investment; and (ii) On-lending by commercial banks - credit lines, to support internationalisation.

Trade Finance Products powered by NLB Group

Public

<https://www.nlb.si/en>

NLB Group, largest Slovene international financial group, 100% owned by the Republic of Slovenia, provides support to facilitate export companies acquiring business in their key markets and, if required, insures or undertakes the risks of such business.

Cross border support:

NLB offers a range of trade finance products: irrevocable letter of credit, bank guarantee, documentary collection, bank payment obligation, buyer's credit.

Slovene Enterprise Fund (SEF)

Public

<https://podjetniskisklad.si/en>

Slovene Enterprise Fund (SEF), a public financial fund, owned by the Republic of Slovenia, financially supports internationalisation of SMEs with seed capital and venture capital. Seed capital is for young enterprises in the second development phase (from Minimum Viable Product to market).

Cross border support:

Financial support for internationalisation activities. SMEs are targeted by SEs may benefit also.

Go Global Slovenia

Public

<https://www.interregeurope.eu/policylearning/good-practices/item/488/go-global-slovenia/>

Go Global Slovenia start-up accelerator offers companies that have already found their product-market fit, all elements they need to successfully embark on rapid global growth in the form of capital, know-how and international connections.

Cross border support:

Mentoring and training.

Styrian Technology Park (daughter institution of Maribor Development Agency)

Public

<https://www.stp.si/about-us.html>

Styrian Technology Park (STP), daughter institution of Maribor Development Agency, pursues the goal to boost regional entrepreneurial competitiveness and readiness of SME internationalisation.

Cross border support:

STP implements customised support activities such as: tailor-made consulting, interlinking with foreign SME support environments and networks, informing SMEs about foreign business opportunities, direct transnational business partnerships and other related institutions for creation of new joint innovative products and services. SEs may benefit from the organisation as part of the overall SME population.

Maribor's regional Chamber of Craft and Small Business (RCCSB)

Public

<http://www.ooz-maribor.si/>

Maribor's regional Chamber of Craft and Small Business (RCCSB) offers a one-stop shop providing legal advice to its SME members, especially focused on the neighbouring Austrian market.

Cross border support:

Support consists of: Legal and financial advice about doing business in Austria, support in establishing first business contacts (entering fairs, B2B meetings, linguistic support), providing pre-entry information, updated news with tenders and business opportunities, etc.

Ministry of Economic Development and Technology

Public

<https://www.gov.si/en/state-authorities/ministries/ministry-of-economic-development-and-technology/>

Linked to OP for the Implementation of the EU Cohesion Policy 2014 – 2020, Ministry of Economic Development and Technology is upgrading existing support system to companies, in order to: Provide comprehensive support and individual treatment of individual exporters and investors; reduce operating costs for investors; Reduce risk of entering foreign markets for companies and investors.

Cross border support:

One-stop shop providing comprehensive support and individual treatment of individual exporters, potential investors and other interested entities.

International Trade Management, Education Training (ITM)

Public

<https://www.interregeurope.eu/policylearning/good-practices/item/575/international-trade-management-itm-education-training/>

ITM Worldwide Concept is a vocational training programme in trade, designed to build export competences of SMEs (including social enterprise), providing expertise, knowledge and networks needed to help business grow internationally. It offers academic and practical training in a total of 14 days in 6 months. SPIRIT Slovenia is a local partner who recruits participants, arranges local seminars in trade regulations and ITM Worldwide delivers the trade training locally and abroad. Participants are invited to apply through annual invitations published by SPIRIT Slovenia.

Cross border support:

Capacity building services offered.

Izvozno okno (export window)

Public

<https://www.izvoznookno.si/>

Online portal Izvozno okno (export window) aims to enable efficient support environment for Slovene companies which would like to expand their operations to global markets. Partners involved in practice implementation: SPIRIT, Ministry of Economic Development and Technology, Foreign Ministry, Ministry of Agriculture.

Cross-border support:

This online portal provides useful up-to-date information, consultations and access to foreign databases to exporters in all phases of export trading.

3.4.13. Romania

For the past decade, the social economy sector has been developing steadily in Romania. This was possible thanks to the relevant EU funding opportunities. The precondition to applying to such funding was to register either a limited company or an association. Under the Romanian law no. 219 on social economy, which was adopted on 23 July 2015, social enterprises were

finally recognised as legal formats. The National Agency for Employment is responsible to issue a legal certificate for being a social enterprise or work-integration social enterprise¹⁸².

In 2018 there were registered 102 of such organisations¹⁸³ acting as¹⁸⁴:

- Specific types of NGOs, but only the associations and foundations providing social services;
- The companies with special status, such as the protected workshops, which provide jobs for the people with disabilities;
- The mutual aid cooperatives for employees and pensioners, which are mutual organisations;
- The cooperatives of any kind (consumption, craftsmen, agricultural, transportation etc.); and
- Associations of pensioners which also provide social services.

The operation of the Romanian SEs is mainly based on provision of the services such as education, training and skills development; social care; and work integration (micro and small SEs) and cultural activities and financial services (middle-sized SEs)¹⁸⁵.

The cooperation is usually initiated for the purpose of establishing cross-sector partnerships with public authorities, private firms and SEs; social and relational capital exchanges; and clustering/networking with other actors. One of the distinguished drivers for cooperation among SEs are 'to ensure sustainability and future legacy of the activity'¹⁸⁶.

Besides the foremost funding coming from public funding, there is a financial dependency on other types of sources such as the crowdfunding and support measures and incentives provided by the institutional investors and banks¹⁸⁷.

Consequently, Romania has been providing funding opportunities to support SMEs, including social economy entities, to develop their exports (programme support to export) and develop and implement marketing strategies on the foreign markets, as well as to attend training in developing new products and services abroad (support programme to internationalisation). The main reasons why Romanian SEs act more at the regional and national level and not so much at the international level is due to the lack of opportunities and incentives and public policies¹⁸⁸.

The Agency for Small and Medium-sized Enterprises, Investment Attraction and Export Promotion, managed by the *Ministry of Business Environment, Trade and Entrepreneurship*,

¹⁸² Heimer, T., Warta, K., Muths, A. G., Allison, R., Naumanen, M., Rilla, N., & Lima-Toivanen, M. (2018). *Social Business Initiative (SBI) follow up: Cooperation between social economy enterprises and traditional enterprises*. Technopolis group.

¹⁸³ *ibid*

¹⁸⁴ Corina, C. A. C. E., Sorin, C. A. C. E., COJOCARU, S., & Sfetcu, L. (2013). *Social economy in Romania-challenges and perspectives*. *Transylvanian Review of Administrative Sciences*, 9(40), 5-21.

¹⁸⁵ Heimer, T., Warta, K., Muths, A. G., Allison, R., Naumanen, M., Rilla, N., & Lima-Toivanen, M. (2018). *Social Business Initiative (SBI) follow up: Cooperation between social economy enterprises and traditional enterprises*. Technopolis group.

¹⁸⁶ *ibid*

¹⁸⁷ *ibid*

¹⁸⁸ *ibid*

is a key initiative for developing the support programmes for internationalisation of the Romanian SMEs and their products and services.

Finally, the existing offer of the capacity-building opportunities for the purpose of internationalisation of the Romanian SMEs, including social economy entities, is still modest.

BCR Social Finance

Private

<https://www.bcr-socialfinance.ro/>

BCR Social Finance (part of the strongest financial group in Romania (BCR) and in Central and Eastern Europe (Erste Group) aims to make a positive impact in local communities and abroad by supporting entrepreneurs, social enterprises and non-governmental organisations, providing them with flexible and accessible financial services to successfully develop their business.

Cross border support:

[Credit loans](#) provided to social economy actors

AFIN (Finance for doing good)

Public

<https://www.afin.org.ro/>

AFIN is the first non-bank financial institution (IFN) in Romania, with Romanian capital, which offers alternative financial solutions dedicated to the social economy sector. The institution aims to facilitate access to finance for economic operators with social impact in Romania who have passed the start-up phase and need capital resources to develop.

Cross border support:

Financing

Export Promotion Programme

Public

<http://www.imm.gov.ro/ro/mmaca-etichete/directia-instrumente-si-programme-promovare-export/>

This programme supports participation of the economic operators in the international fairs and exhibition, the organisation of the business missions abroad and the implementation of the market and product research. The total budget approved in the Budget Law for 2020 is 50 million lei.

Cross border support:

Financing of SMEs' networking activities (SEs included).

Programme to Support the Internationalisation of Romanian Companies

Public

<https://www.finantare.ro/programmeul-national-pentru-internationalizare-2020.html>

This programme financially supports the national and international training of the entrepreneurs and companies providing them with tools and techniques for promoting the products and services in foreign markets, as well as stimulating communication and business partnership for internationalisation. In 2020, the programme has allocated a budget of 24 million lei.

Cross border support:

The programme aims to facilitate the promotion of SME (SEs included) products and services in the foreign markets; stimulate communication and business partnership; and prepare the entrepreneurs in the field of promotion techniques in the new markets. Together with national and international training of entrepreneurs (SEs included).

3.4.14. Spain

Spain has a long tradition in social economy. The country has more than 65,000 Social Economy Enterprises¹⁸⁹. The ecosystem of the social economy in Spain is mature and is a role model for other countries. In 2011 the country approved the first European national law on the social economy, making Spain the pioneer in terms of regulation of the sector. In addition, in 2014 the National Programme (2014-2020) was established to foster the social economy.

Spain has many funding instruments that social economy entities can use for internationalisation. However, these instruments focus on SMEs and are not specific for social economy entities. The same pattern is seen for the initiatives and capacity building. While they support internationalisation, in a broad spectrum, they do not focus on social economy entities, but rather on SMEs and other types of organisations.

Fondo para la Internacionalización de la Empresa (FIEM) | Internationalisation Fund

Public

<https://www.ico.es/web/ico/fondo-para-la-internacionalizacion-de-la-empresa>

The fund's purpose is to promote the export operations of Spanish companies, as well as those of direct Spanish investment abroad, by financing operations and projects of special interest in line with the internationalisation strategy of the Spanish economy. Likewise, the technical assistance that these operations and projects require both in developed and developing countries may be financed.

¹⁸⁹ Technopolis (2018). Social Business Initiative (SBI) follow up: Co-operation between social economy enterprises and traditional enterprises

Cross border support:

Financing operations and projects of special interest in line with the internationalisation strategy of the Spanish economy

Fondo para Inversiones en el Exterior (FIEX) | Fund for investments abroad

Public

<https://www.cofides.es/financiacion/instrumentos-financieros/fondo-para-inversiones-exterior-fiex>

The fund aims to support viable private projects abroad in which there is particular Spanish interest.

Cross border support:

The Fund has direct temporary and minority participation in the social capital of companies for their internationalisation.

Fondo para Operaciones de Inversión en el Exterior de la Pequeña y Mediana Empresa (FONPYME)

Public

<https://www.cofides.es/financiacion/instrumentos-financieros/fondo-para-operaciones-inversion-exterior-pequena-mediana>

The initiative aims to promote the internationalisation and foreign activity of small and medium-sized Spanish companies.

Cross border support:

Temporary and minority investments in the equity of companies that want to operate outside the country.

Pyme Invierte| Pyme Invest

Public

<https://www.cofides.es/financiacion/internacionalizacion/pyme-invierte>

The programme aims to provide comprehensive support to small and medium-sized companies looking to invest abroad, with the goal of improving their competitiveness and meeting their implementation needs in third countries.

Cross border support:

Pyme Invest facilitates access to financing and advice to the companies throughout their internationalisation process.

Economía social y cooperativa | Social Economy and Cooperatives

Public

<http://www.icf.cat/es/productes-financers/prestecs/economia-social-cooperativa>

The programme held by Insitut Català de Finances that provides loans for social economy and cooperative enterprises for finance investments, working capital needs. This funding aims to support the Sustainable Development Programme (SDGs) on decent work and economic growth (no. 8), reduced inequality (no.10) and sustainable cities and communities (no.11).

Cross border support:

Financial support.

España Exportación e Inversiones (ICEX) | Spanish Investment and Exporting Agency

Public

<https://www.icex.es>

ICEX is a Spanish public entity that aims to promote the internationalisation of Spanish companies and the promotion of foreign investment.

Cross border support:

ICEX provides market reports, funding, capacity-building, partnerships and visiting missions to help the Spanish companies in the process of internationalisation.

ICEX Next

Public

<https://icexnext.es>

The purpose of ICEX Next is to promote the internationalisation of Spanish companies, contribute to their competitiveness and add value to the economy as a whole. The programme provides its services through a network of 31 Provincial and Territorial Directorates of Commerce in Spain and almost 100 Economic and Commercial Offices abroad.

Cross border support:

Financial support.

Ashoka Spain

Private

<https://spain.ashoka.org/>

The purpose of Ashoka Spain is to support social entrepreneurship overall.

Cross border support:

Mentoring and training for the internationalisation of SE actors in Spain.

La Caixa Foundation International cooperation programme

Private

<https://fundacionlacaixa.org/en/international-cooperation>

"la Caixa" Foundation offers help and resources to improve the health and development of people living in developing countries in Africa, Asia and Latin America.

Cross border support:

- Employment: Boosting employment for women and young people by promoting enterprising projects and job placements in the target countries.
- Education: they aim to offer educational programmes to children living in vulnerable environments
- Emergencies and humanitarian aid.

Triodos Bank

Private

<https://www.triodos.es/es>

Triodos Bank was established in 1980 and since then it aims to provide people, companies and institutions with an ethical and sustainable use of money that generates benefits for society and nature. That is why they offer financing to companies and initiatives aimed at generating a positive social impact.

Cross border support:

- Employment: Boosting employment for women and young people by promoting enterprising projects and job placements in the target countries.
- Education: they aim to offer educational programmes to children living in vulnerable environments

Emergencies and humanitarian aid.

ACCIÓ / International Social Economy Service

Public

<https://www.accio.gencat.cat/en/serveis/internacionalitzacio/serveis-sectorials-i-especialitzats/aracoop/>

ACCIÓ is the Catalan Government's agency for business competitiveness. Belonging to the Spanish Ministry of Business and Employment, it is the public facing organisation working to contribute to the transformation of Catalan companies. It has a network of 40 offices worldwide, 7 regional offices in Catalonia, and collaborates with public and private institutions in building tomorrow's company, today.

ACCIÓ works so that enterprise can identify the changes in its environment, take advantage of them and transform, enhancing everything that can set it apart and stimulate competitiveness. This differentiation occurs primarily through the key combination for business competitiveness: innovation + internationalisation.

Cross border support:

The International Social Economy service (a continuation of Aracoop Internacional) facilitates the internationalisation of cooperatives and third social sector foundations and associations, following the export dynamics that have already been adopted by many of the country's companies. In further detail, the services offered, among others, may include:

- Identification and selection of the most appropriate marketing channels.
- Preparation of product suitability market studies.
- Search for distributors and partners in the new market.
- Detection of end customers.
- Personnel selection at destination.
- Support and guidance in the processes of accessing European (European Union) and multilateral funding (IDB and World Bank) to increase international competitiveness.
- Roll-out abroad.

Places are limited and each company can enjoy a maximum of 120 hours of consulting.

Socialnest Foundation

Private

<https://socialnest.org/>

Socialnest mission is to inspire, educate and connect entrepreneurs, corporates, governments and investors to the resources they need so as to achieve social and environmental impact.

Cross border support:

They are a global platform supporting entrepreneurs, corporates, governments and investors with needed resources, opportunities and tailored guidance so they can create solutions to the world's most pressing challenges. They run innovative programmes, activities, events and communities with a global focus to facilitate the journey to those seeking to have a positive social and environmental impact through their startup or their capital.

3.5. Non-EU COSME Countries

3.5.1. Albania

Albeit that social enterprises in Albania have started their activity in a democratic context before the 2000s, their development remains nascent, while ‘Social enterprise’ is a relatively unfamiliar term. At the moment, Albanian social enterprises exist in various legal forms: non-profit organisation, associations, centres and foundations, agricultural cooperatives, and limited liability companies¹⁹⁰. The majority of these social enterprises focus on social service delivery and inclusion, filling the gap in public service delivery.

From a legal point of view, in 2016, the Albanian government approved the Law No.65/2016 “For Social Enterprises in the Republic of Albania” (Ligj nr. 65/2016 Për ndërmarrjet sociale në Republikën e Shqipërisë)¹⁹¹. According to the law, only non-profit organisations providing goods and services in the sector of development of local communities, social services, promotion of health, education services, culture and cultural heritage, promotion of tourism, environmental protection, employment mediation, and youth employment can opt-in for the social enterprise statute. Consequently, the Albanian legal framework on social enterprises excludes several legal forms which operate based on social entrepreneurship principles. During a period of 3 years, the legal package has been completed with the approval of several bylaws¹⁹². Due to the delays in completing the legal framework, the law has not been implemented in practice, and no organisation has received the “Social enterprise” status so far.

In terms of the state supporting mechanisms, the Decision No. 789/2018 “For the establishment of the fund for the support of social enterprises and support forms by subsidiaries for social enterprises” has approved the establishment of a fund with a total value of ALL 249,760,000 for the period 2019-2021. Although the fund covers a wide broad range of activities, the internationalisation aspect is missing. However, as Albania continues to make progress in its transition from a closed planned economy to an open market economy, a number of public financial and non-financial measures exist with a view to globalise Albanian firms. Moreover, various public and private institutions and initiatives have been established which support Albanian business to compete in the foreign markets.

Competitiveness Fund | Fondi i Konkurrueshmërisë

Public

<http://aida.gov.al/fondi-i-konkurrueshmerise/>

The Competitive Fund aims to support and improve the capacity of Albanian companies so that they can respond to requests of international markets, as well as increase employment. To prove this commitment, the Albanian Government has foreseen an overall budget of ALL 84,000,000 to assist Albanian companies penetrate their exports to foreign markets by

¹⁹⁰ Partners Albania (2019), Overview of Social Enterprises Eco-system in Albania

¹⁹¹ Law No. 65/2016 “On Social Enterprises in the Republic of Albania”, dated on June 9th, 2016. Available at: http://www.qbz.gov.al/botime/fletore_zyrtare/2016/PDF-2016/118-2016.pdf

¹⁹² Partners Albania (2019), Analysis of the Legal Framework on Social Enterprises in Albania

providing the necessary financial support for activities that will help implement their export marketing plan.

Cross border support:

The main areas covered by the fund are, amongst others: (i) Product certification; (ii) Participation in fairs abroad (Eligible costs: rent payment of the stand, payment for the organisation and furnishing of the stand, travel costs and accommodation for 1 person representative of the participating subject); (iii) Advisory services (In this case costs that can be co-financed cannot be more than 50% of the total project cost). Main sectors addressed: (i) Active processing industry sector; (ii) Light industry sector; (iii) Agro-processing sector; and (iv) Research and development sector.

Innovation Fund | Fondi i Inovacionit

Public

<http://aida.gov.al/fondi-i-inovacionit/>

The purpose of the fund is to serve as an incentive for Albanian companies to explore their innovation and technology needs, identify technology suppliers and partners in other countries, assist and facilitate promotion and licensing or patenting SME innovations enabling the beneficiary SMEs to achieve more than they could achieve by their own means. The total budget of this fund amounts ALL 45,000,000 (or ALL 15,000,000 every year from 2018 to 2020).

Cross border support:

The main areas covered by the fund are, amongst others: (i) the internationalisation of technology, which aims to enable applicant companies to identify and inspect the technology they seek to adapt; (ii) participation in innovation, technology and promotion fairs abroad and within the country related to enterprise innovation; (iii) licenses or patents (software or hardware).

Democracy Commission Small Grants Programme powered by US Embassy in Albania

Public

<https://concoursn.com/u-s-embassy-in-albania-announces-democracy-commission-small-grants-programme/>

The United States Embassy in Tirana has announced a Democracy Commission Small Grants Programme which is administered by the Public Affairs Section, supports initiatives of local non-governmental organisations (NGOs) engaged throughout Albania. The small grants programme is for non-governmental activities that promote grassroots democracy. The programme intends to award grants in the amount starting from \$30,000 to \$50,000. This grant programme, amongst others, financially supports the stimulation of trade activities implemented by Albanian NGOs.

Cross border support:

Financial support.

Albanian Investment Development Agency- AIDA | *Agjencia Shqiptare e Zhvillimit të Investimeve*

Public

<http://aida.gov.al/>

The Albanian Investment Development Agency (AIDA) was established and operates under Law No. 10303/ 2010 “*On the Establishment and Organisation of the Albanian Investment Development Agency*”. AIDA is a subordinate institution of the Ministry of Finance and Economy. The Agency focuses on increasing the competitiveness of the private sector, enhancing the export potential of the country and promoting/supporting foreign direct investments in Albania, as well as promoting the touristic potential of the country. As a governmental institution, all services of the Agency are provided free of charge.

Cross border support:

Training, information and networking services offered.

Partners Albania

Private

<https://partnersalbania.org/>

Partners Albania is an Albanian NGO working, amongst others, on enhancing the networking of the Albanian social enterprises with other socially driven organisations and entrepreneurs, investors and private sector at national as well as international level.

Cross border support:

The organisation provides both financial and non-financial support to Albanian social enterprises.

Capacity building activities from the Albanian export centre | *Qendra e eksporteve shqiptare*

Public

<http://albania-export.com/>

The Albanian export centre aims to create the favourable export environment and strengthen the capacities of Albanian companies, including social ones, in order to develop national exports in a sustainable manner, and raise the international profile of Albanian products/services via advocacy activity and public private dialogue, professional services,

capacity building projects, facilitation a more decent business agenda, productivity and sustainable development.

Cross-border support:

One of its core activities is to support Albanian businesses with educational and networking events, provide professional consultancy and services on turn-key base.

3.5.2. The Republic of Serbia

The social economy sector is still emerging in the Republic of Serbia. With an introduction of social cooperatives in the legislative framework and recognition of the social enterprises as service providers in social work and care, the social economy sector is entering its institutionalisation phase¹⁹³. This is an outcome of decade-long continuous provision of EU funding, opportunities for capacity-building of the relevant Serbian stakeholders and decision-makers, as well as application of the best foreign practices in social economy in the context of the Republic of Serbia.

So-far experience showed that networks are an important instrument to support SEs as their members can obtain 'high-quality information on various business topics, acquire knowledge and learn faster'¹⁹⁴. The Republic of Serbia already has few networks which support development of SEs by offering its members education, expert advice and promotion in all stages of business development. The good examples are the Network of social economy of Serbia (SENS) which currently counts 38 members in total¹⁹⁵, and Association Coalition for Solidarity Economy Development (CoSED)¹⁹⁶ which acts on contributing to the public policies development, such as the draft of the Law on Social Entrepreneurship under consideration by the relevant Ministry¹⁹⁷.

In addition, the Republic of Serbia has been increasing the capacity of SMEs and of other economic operators in the area of internationalisation. In the past years, the *Serbian Development Agency* has been developing and implementing support programmes to boost the competitiveness of Serbian SMEs in the foreign markets. This implied the participation and networking in international fairs and exhibitions, market research and development of new products and services whose quality corresponds to the standards of the foreign markets (e.g., European Union's), among others. Currently, there are no open calls at the national level for this type of support. Conversely, the European funds became more accessible to the Serbian SMEs, including SEs. The participation of Eastern Europe countries is highly encouraged in the Horizon Europe programme (2021-2027). At the national level, there are still few capacity-building opportunities oriented towards the internationalisation of the Serbian SMEs, including SEs.

¹⁹³ Mirić, A. A., & Krstić, G. (2017). *Social enterprises in Serbia: Analysis of key development factors, major actors and their relationships*. Management: Journal of Sustainable Business and Management Solutions in Emerging Economies, 21(81), 47-57.

¹⁹⁴ ibid

¹⁹⁵ SENS Network (Retrieved 30 November 2020). See: <https://idcserbia.org/en/sens-network/>

¹⁹⁶ CoSED Network (Retrieved 30 November 2020). See: <https://solidarnaekonomija.rs/en/main/>

¹⁹⁷ Draft of the Law on Social Entrepreneurship (Retrieved 30 November 2021) See: http://www.parlament.gov.rs/upload/archive/files/lat/pdf/predlozi_zakona/1688-13Lat.pdf

Serbian Development Agency | Razvojna Agencija Srbije

Public

<https://ras.gov.rs/>

The Serbian Development Agency, state-owned and state-managed, is established to foster business activities, encourage and realise direct investments, promote and increase exports and develop and improve the competitiveness of SMEs in the fields of economy and regional development, including internationalisation of private businesses and attraction of investments projects with greater impact on the Serbian economy.

Cross border support:

Financial support through direct investments.

The Sector for International Economic Relations of the Chamber of Commerce of Serbia |

Sektor za Međunarodne Ekonomske Odnose Privredne Komore Srbije

Public

<https://pks.rs/strana/internacionalizacija>

The Sector conducts activities aimed at developing the economy and foreign trade position of the Republic of Serbia, strengthening the export potential and performance of the SMEs in the Republic of Serbia, with a special emphasis on supporting the placement of Serbian goods and services into modern world trade flows. The growth of Serbia's foreign trade, especially its export component, should enable continuous investments, employment growth, GDP growth and public revenues.

Cross border support:

The initiative supports cross-border networking, promotion and visibility of the new products at the international scale, enhancement of export based on the knowledge transfer between foreign and domestic organisations, among others.

Belgrade Centre for Social Entrepreneurship | Gradski Centar za Socijalno
Preduzetništvo Beograd

Public

<https://www.gradskicentar.rs/web/>

The Belgrade Centre for Social Entrepreneurship exists since 2013 and aims to provide educational and training programmes to social enterprises at the local level. This implies the monitoring and implementation of the best practices from the foreign models of development and encouragement of social entrepreneurship.

Cross border support:

Educational and training programmes.

3.5.3. Turkey

There are 26 Regional Development Agencies in Turkey, which support various accelerator programmes for the internationalisation of businesses in their respective regions. Every city has a Chamber of Commerce or Chamber of Industry, and they offer those services to businesses in their respective cities. They also have an umbrella body “The Union of Chambers and Commodity Exchanges of Turkey (TOBB)” which supports internationalisation. There are public agencies such as KOSGEB or TIM that support Turkish SMEs in entering foreign markets. However, their support offers, and general focus still seems to be limited to “traditional” SMEs.

Turkey has an existing ecosystem for the promotion and support of social enterprises. Not all relevant ecosystem functions are “fulfilled” as shown by a recent report published by the British Council. While there seems to be high interest by universities to move into the area of social enterprises and social impact, accessible and targeted funding for scale for social enterprises is not provided¹⁹⁸.

In recent years, there has been increased interest in the social enterprise sector amongst universities in Turkey, and some include social enterprise or social entrepreneurship in their programmes through both curricular and extracurricular activities.

There are few intermediary organisations offering incubation, acceleration, co-working or lab facilities specifically targeting social entrepreneurs in Turkey. Even so, incubators and accelerator programmes targeting start-ups and technology entrepreneurs serve the needs of social enterprises to some extent.

Financing opportunities for scaling social enterprises in Turkey are limited. Most of the funding schemes are addressing small-scale social enterprises and do not provide sufficient funding for internationalisation. There is for instance only one crowdfunding platform exclusive to social enterprises, and all other existing crowdfunding platforms are technology focused. Existing angel investor networks or venture capital firms may offer support in the form of socially responsible investments in an unstructured and case-specific way. There is no impact

¹⁹⁸ British Council Turkey, (2019). ‘The State of Social Enterprise in Turkey’. Available at: <https://www.britishcouncil.org.tr/en/programmes/education/social-enterprise-research>

investment fund, although there are funds that could be categorised as socially responsible investment funds.

KOSGEB (Small and Medium Industry Development Organisation)

Public

<https://en.kosgeb.gov.tr/site/tr/genel/destekler/6310/enterprise-development-growth-and-internationalisation-supports>

KOSGEB (Small and Medium Industry Development Organisation) is the primary SME support agency that has different types of support programmes for internationalisation.

Cross border support:

Training, networking, mentoring services offered.

Mikado Sustainable Development Consulting

Private

<http://www.mikadoconsulting.com/en/sayfa/18/sosyal-inovasyon>

Mikado Sustainable Development Consulting serves the social innovation space through crafting innovative solutions to social problems and through supporting the social entrepreneurship ecosystem in Turkey.

Cross border support:

The support entails creation of social impact and innovation centres at academic institutions, mentoring young social entrepreneurs and contributing to competitions and training. It supports investment ready Social Enterprises through a Capacity Building Programme (in collaboration with Koç University Social Impact Forum (KUSIF) and Ashoka (Turkey) providing training and mentorship to social enterprises. The programme was funded by the Employment and Social Innovation Programme (EaSI).

Turkish Exporters Assembly (TİM)

Public

<https://tim.org.tr/en/default>

The primary mission of the institution is to achieve the goals of Turkey, by generating foreign trade surplus, increasing the volume of sustainable foreign trade, developing bilateral trade, social and cultural relations with the commercial partner countries they cooperate with, and to serve as a bridge between the private sector and the public in the activities to be held in line with this goal.

Cross border support:

Apart from strategic advice to the Government the TIM is offering and innovation and entrepreneurship academy and establishes Turkish Trade Centres with its offices and showrooms to be the introduction centre of Turkish exporters and their products in other countries, to assist them in warehousing and logistics, to provide services legally and financially and to help them enter new markets.

Accelerate2030

Public

<https://accelerate2030.net/>

Programme co-initiated by Impact Hub Istanbul and UNDP with the mission to internationally scale the impact of entrepreneurs working towards achieving positive social and environmental change contributing to the SDGs.

Cross border support:

In 2019 Accelerate2030 is being implemented across 16 countries: Brazil, Colombia, Mexico, Costa Rica, El Salvador, Venezuela, Zimbabwe, Nigeria, South Africa, Serbia, Turkey, Armenia, Malaysia, Cambodia, Philippines, Indonesia.

Ashoka Turkey

Private

<https://www.ashoka.org/en-us/country/turkey>

Ashoka Turkey is part of the Global Ashoka network. It offers a Fellowship programme to advanced social entrepreneurs (“Ashoka Fellows”) and ecosystem building activities ranging from supporting young potential social entrepreneurs with micro acceleration programmes to events facilitating knowledge exchange and funding for social entrepreneurs.

Cross border support:

Connects Ashoka Fellows to European Ashoka offers connected to internationalisation (e.g., Replication & Transfer Module of the Europe Fellowship Programme)

Start-up accelerators

Private

Cross border support:

Accelerator Programmes focusing on internationalisation or involving internationalisation, these programmes are open to social enterprises as well but most of them are focused on tech start-ups

- **Starcamp** – Silicon Valley focused support - <https://starcampsv.com>

- **SDG Impact Accelerator Programme** <https://www.sdqia.org>
- **Accelerate2030** <https://turkey.accelerate2030.net>
- **Endeavor ScaleUp** <http://scaleup.endeavor.org.tr> supported by Istanbul Development Agency
- **Innagate International Online Acceleration Programme** run by Istanbul Technical University (ITU) and supported by Istanbul Development Agency: <https://innogate.org/en/homepage/>
- **Winglobal International Acceleration Programme** <https://www.winglobal.org/en/homepage-2/>
- **Sabancı University's Inovent** <http://inovent.com.tr/en>
- **Growth Circuit** <https://www.gcaccelerator.co>

TURKONFED & UNDP

Private

<https://www.business4goals.org/>

Established by TURKONFED, TUSIAD and UNDP in 2019, the Business for Goals Platform serves as a platform open to all large-, medium- and small-sized enterprises willing to integrate the Sustainable Development Goals into their corporate policies and strategies, all public agencies keen on public-private partnership, local governments, academia, international organisations and non-governmental sector. The Business for Goals Platform is a joint action platform established by the private sector to promote the Sustainable Development Goals and forge new partnerships. The Platform fosters joint learning, development and work with its stakeholders. It takes steps to strengthen all stakeholders so that all can participate in the economy of the future working towards the Sustainable Development Goals in a sustainable development perspective.

Cross border support:

Training activities.

4. Conclusions and Recommendations

The internationalisation of social economy entities and their activities has only recently attracted growing interest among practitioners and scholars, while related factors, conditions and challenges have been largely understudied. Our analysis shows that cross-border activities of SE organisations follow pathways that are in many ways different from the SME internationalisation process. Exploring these pathways and related barriers and mitigation strategies extensively in this study, we would wish for two general outcomes: First, a better understanding of and response to the internationalisation support needs of SE organisations. And second, an acknowledgement of the unique potential and value of the social economy not only in terms of scaling social impact cross-border, but also in introducing new paradigms and practices that can enable policy makers and for-profit companies to find better responses to global societal and environmental challenges.

Before presenting our conclusions, we provide the reader with an overview on the 12 cross-border activity pathways of SE organisations we identified based on a comparative analysis of 52 case studies (see chapter 2).

Our conclusions are then organised according to the four analytical dimensions we applied in this study: business, legal, spatial, sectoral. Our conclusions result from relating assumptions taken from the expert interviews, the expert survey, two stakeholder workshops, and the literature (see chapter 1) to findings from the pathway analysis (see chapter 2).

Finally, we present our recommendations that mainly address policy makers, SE intermediaries and SME support organisations.

4.1. Description of Cross-Border Pathways

We identified 12 cross-border pathways for social economy entities. We structured the pathways according to the dominant type of cross-border activity: Replication, Distribution, Sourcing, Collaboration and Collective Impact (see chapter 1.4.).

REPLICATION PATHWAYS

SE organisations use different cross-border replication strategies. Replication is the process that enables SE organisations to spread their impact and business models to other regions or countries. Replication enables affiliates, partners, or adopters to implement the offer of the SE organisation (programmes, services/products, methods, collaboration processes, etc.). SE organisations use a wide range of replication strategies. The main difference between them is the amount of control the SE organisation has over the delivery of their products, services or programmes and the generated impact or revenue.

Pathway 1: Setting up a replication partner network to scale social impact

Social economy entities on this pathway developed a clear and standardised “offer” that usually consists of a programme or structured activity that partners can implement. Depending on the type of activity, the social economy entity may choose more structured (e.g. social franchising) or less structured (partnership) replication strategies. Replication models also differ in terms of their relevance for accessing new markets or generating additional revenue. If the SE organisation has such aims, replication models will tend to be more formalised (social franchising) to protect the brand, the intellectual property, and to enable revenue generation for the organisation.

Case studies: Atempo, Cycling Without Age, Designathon Works, Gelecekdaha, Irrsinnig Menschlich (Madly Human), Jumpmatch, Simplon, Team U, YouthBank International, Zeitpolster

Pathway 2: Integrating strong partners into one legal entity to coordinate and align activities in different countries

This pathway has been chosen by two cooperatives in our sample and shows a process of “integration” of separated legal entities into single legal entities that operate cross-border. This pathway is based on strong, value-based partnerships and long histories of collaboration and alignment. SE organisations aim for more integrated governance structures and/or better access to markets through a common brand and offer.

Case studies: Banca Etica, Ikastolen Elkarte

Pathway 3: Establishing a strong presence in new markets through branching to deliver high quality programmes and services

Branching is much more common in the for-profit sector than it is for social economy entities, in particular when the branching is organised cross-border¹⁹⁹. The reasons are evident: Social economy entities often lack the investment capital and capacity to setup new branches. SE organisations on this pathways managed to successfully set up branches in other countries to provide their programmes and services.

Case studies: Acker (Formerly Ackerdemia), EPEKA

DISTRIBUTION PATHWAYS

The cross-border distribution of products and services is of course a relevant cross-border activity for social economy entities, although it is not as dominant as for for-profit organisations. Distribution activities of social economy entities are clearly shaped by their impact models and goals. We identified five such pathways.

Pathway 4: Innovating products to make them accessible to disadvantaged groups

Whereas consumer products are often innovated to increase their price and to address customers with high purchasing power, social economy entities on this pathway innovate to decrease the price to address customers with low purchasing power. This pathway is often referred to as a “bottom of the pyramid” approach. If successful, it can create new mass markets, particularly in developing countries.

Case studies: Eyes for the World

Pathway 5: Collaborating with key sector players as customers to sell products and services

SE organisations on this pathway use partnerships with large companies or organisations to get access to their “internal markets” (e.g. offers for employees, offers for branches). This is a powerful cross-border strategy as it allows the SE organisation to expand its services to branches of their key corporate key partners. Expanding together with corporate partners helps SE organisations to access new countries more easily. It enables them to generate revenue from the start without having to build the market first.

Case studies: Tabit, AfB, YAPS, MyAbility, Qlu

Pathway 6: Selling locally produced goods internationally to support local communities

SE organisations on this pathway find ways to connect local communities and locally produced goods with international markets. They create e-commerce and distribution partnerships to market products cross-border. They are mission driven and attempt to preserve local communities, environments and traditional crafts while improving working and living conditions of their employees.

¹⁹⁹ Scaling Social Impact in Europe: Quantitative Analysis of National and Transnational Scaling Strategies of 358 Social Enterprises. (2015) Bertelsmann Foundation. Accessible online [here](#).

Case studies: Colive, Klabu, Lygo, Made in Rosia Montana, Progetto Quid, WISE Greece

Pathway 7: Professionalising dissemination of know-how to spread it cross-border

This pathway is chosen by SE organisations that primarily monetise the dissemination of know-how through consulting and training. The cases show a step-by-step professionalisation of cross-border service provision.

Case studies: Alaturi de Voi Foundation, Citizens in Power (CIP), IES Business School, IPOP, Rádio Miúdos, SEAL CYPRUS

Pathway 8: Leveraging digital platforms to reach large groups of customers and beneficiaries

For-profit online platforms for consumers dominated the platform sphere for many years. They often follow a “growth before profit” strategy that is possible due to large private investments. Eventually, such platforms monopolised the access to markets (e.g. AirBnB, Spotify). In contrast, social economy entities started to utilise the power of online platforms to spread practices that create social and environmental impact, to bring professional know-how into remote regions, or to make services more accessible

Case studies: Be My Eyes, Echo Project, FairBnB, FLOW2, MyMind, Smart, The Mobility Factory, Too Good To Go

SOURCING PATHWAYS

Sourcing refers to cross-border activities that aim to source necessary resources for delivering services or producing goods. It comprises resources such as staff, know-how, finance or materials for production. We identified one pathway where sourcing is an important cross-border activity that has implications for the impact and business models of SE organisations.

Elements of sourcing are however present in other pathways too. Replication networks, for instance, include a strong element of sourcing competences, resources and networks provided by partner organisations from other countries (see cases in chapter 2.2.1). We identified practices of sourcing knowledge through EU projects and partnerships (see cases such as Epeka in chapter 2.2.1), or also sourcing employees through exchange traineeships within EU programmes such as Erasmus for Young Entrepreneurs (See Citizens in Power in chapter 3.1). A further example are SE organisations that introduced online platforms for providing services. These are exploring if legal regulations would allow cross-border sourcing of professionals enabling them to provide services through online platforms irrespective of their location (see case on MyMind in chapter 2.2.1).

Pathway 9: Building partnerships to establish sustainable value chains

In this pathway new paradigms in production and value chain management are introduced via social economy activities. We used Fairphone as a case to illustrate this specific pathway and respective barriers and mitigation strategies.

Case studies: Fairphone

COLLABORATION & COLLECTIVE IMPACT PATHWAYS

SE organisations in many cases engage in cross-border activities together with partners to exchange and to achieve collective impact.

Pathway 10: Collaborating with key sector players to change sector practices and policies

SE organisations on this pathway setup collaboration with national and international institutions to influence a sector (space, pharmaceuticals, foresting, energy) by addressing the need to change sector practices. In doing so, they directly and constructively confront existing sector practices (e.g., the rejection of open-source technology due to perceived security risks in the space industry, or the pharmaceutical pricing practices that limited access to medicine). In

long-term efforts they aim to shift the discourse and introduce new principles and paradigms in a sector (e.g., the use of open-source technology in the space industry or the provision of affordable medicine). They do so by developing innovations and implementing programmes that demonstrate that new practices are actually feasible.

Case studies: Justdiggjit Naga Foundation, LibreSpace Foundation, Praksis Access, REScoop

Pathway 11: Collaborating with partners to innovate or improve products and services

In this pathway organisations utilise cross-border partnerships to innovate and improve (their) products and services.

Case studies: Care Innovation Centre (CrossCare), Naša Kuća, Sozialhelden (Wheelmap)

Pathway 12: Creating membership organisations to secure social mission

This pathway expresses the responsibility toward local communities and environments and the necessity for a long-term local engagement to achieve expected impact (regional economic development, land conservation)

Case studies: Helsinki Foundation, Regionalwert AG

4.2. Conclusions on business, legal, spatial and sectoral dimensions of cross-border activities

4.2.1. Conclusions on business dimension

CONCLUSION1: SE ORGANISATIONS' CROSS-BORDER PATHWAYS ARE OFTEN NOT FOLLOWING THE TYPICAL INTERNATIONALISATION LOGIC OF TRADITIONAL SMEs AND ARE MORE COMPLEX

The internationalisation of traditional SMEs is usually characterised by export, foreign direct investments, contractual partnerships and branching. Conventional SMEs usually aim at keeping control and ownership to generate revenue abroad.

While some of the identified cross-border pathways of SE organisations follow this logic, many deviate from it or at least adapt some of its elements significantly. A general conclusion from our pathway analysis is that cross-border activities of social economy entities can only be properly understood and supported when fully acknowledging their social missions and impact models. The business dimension is of course relevant, but it does not determine the pathway of SE organisations that engage in cross-border activities to the extent that we see for traditional SMEs. The prioritisation of social missions and impact models has different implications for cross-border activities that become evident when comparing cross-border activities of SE organisations with those of traditional SMEs.

SE organisations make strategic choices regarding their cross-border activities based on their social mission. On one hand, not being “tied” to the strategic objective to generate more revenue and profit through cross-border activities provides them with more options and – compared to conventional SMEs – leads to a higher diversity of cross-border pathways. SE organisations may decide to disseminate their know-how and share their “intellectual property” without gaining competitive advantages or generating profits. Or they may collaborate with other SE organisations cross-border to tackle societal challenges.

On the other hand, social missions and impact models can restrict cross-border activities or related business opportunities. Social economy entities may for instance address local societal challenges being committed to supporting specific communities. These specific commitments make them less flexible in adapting their cross-border activities to business opportunities. Social economy entities may also be concerned to keep their products and services accessible

to their beneficiaries which comes with restrictions on pricing models. We also identified social economy entities where internationalisation is hampered by the social or environmental standards they promote which leads to more complex processes (e.g., monitoring the supply chain, monitoring labour conditions, monitoring potential negative side-effects on communities)

Experts rated “lack of strategy” as a strong barrier. A lack of strategy could be simply interpreted as a shortcoming on the side of SE organisations. In our view, however, this perceived lack of strategy directly relates to the complexity of SE organisations’ cross-border pathway and the fact that there is no “template” similar to SME internationalisations. SE organisations need to take more factors into account when balancing impact and business goals. The perceived lack of strategy thus poses a challenge to support offers that first need to accommodate themselves to the complexity before supporting SE organisations to be more strategic.

CONCLUSION 2: SE ORGANISATIONS RECEIVE LIMITED OR INSUFFICIENTLY TAILORED SUPPORT FROM SUPPORT STRUCTURES FOR CONVENTIONAL SMES

While SE organisations experience many of the same problems as for-profit businesses during internationalisation, the support designed for SMEs does not take into account the special features of social economy entities and their cross-border pathways. This has been stated by experts and has also been addressed in the Social Economy Action Plan²⁰⁰.

We can validate this conclusion based on our case studies and our collection of internationalisation support offers (see chapter 3.2). Despite the presence of many barriers, we found little indication of a systematic use of SME support services by SE organisations. Instead, their mitigation strategies rely more on finding creative solutions on their own, sourcing knowledge and know-how from partners or members in other countries, utilising EU projects for initiating cross-border activities, and receiving support from SE intermediaries or SE pro bono platforms. Compared to support offers for traditional SMEs (business agencies, incubators, etc.) these offers are however 1) far less institutionalised, 2) have limited capacity, 3) may be connected to membership or fellowship affiliations with specific intermediaries, 4) are usually provided less regularly, for limited time frames (programme based), or only for specific thematic areas, and 5) rely on fundraising/are not funded publicly.

This can be explained by the assumption that SE organisations’ cross-border pathways are often not following the typical internationalisation logic of traditional SMEs (see conclusion 1) which is validated by the complexity and diversity of identified cross-border pathways. As a result, SE organisations’ cross-border activities may often not be identified – neither by themselves nor by relevant SME support agencies – as an “application case” for typical SME internationalisation support. This then leads to less awareness from both sides, less promotion and visibility, and eligibility criteria that may exclude certain types of SE organisations from support.

CONCLUSION 3: ALLIANCE BUILDING IS IMPORTANT IN CROSS-BORDER ACTIVITIES FOR BOTH, SE ORGANISATIONS AND SMES, BUT SERVE A DIFFERENT PURPOSE.

Traditional SMEs of course build alliances in their internationalisation process with supply chain partners, research and development partners, or business partners. Such alliances will usually have a clear goal connected to the development, production or marketing of products in new markets. The internationalisation of SE organisation also features many forms of alliances, partnerships and more loose forms of cooperation, which are however much more connect to the goal of achieving social impact.

As most of the 12 pathways feature alliances of some sort, we will only highlight one pathway per cross-border activity type.

²⁰⁰ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

REPLICATION: Replication networks for instance are sometimes setup for the primary purpose of scaling social impact by enabling partners or larger partnerships to implement programmes designed by SE organisations (see pathway 1). Even for more structured social franchising systems the focus seem to be on scaling impact, while revenues through franchising fees play a secondary role.

DISTRIBUTION: As this cross-border activity type follows the typical SME internationalisation logic a bit closer, it also features elements of business alliances. In addition, the SE organisations establish alliances for the purpose of promoting their impact models that often focus on increasing economic sustainability for local communities (see pathway 6).

SOURCING: Alliances are relevant for establishing new sourcing practices and standards and influencing whole sectors (see pathway 9).

COLLABORATION AND COLLECTIVE IMPACT: Alliances are particularly relevant when SE organisations aim to influence sectoral practices. SE organisations need to forge these alliances to effectively influence relevant sector players and convince other stakeholders to join their social mission (see pathway 10).

CONCLUSION 4: SE ORGANISATIONS NEED TO ACQUIRE SPECIFIC SKILLS FOR CROSS-BORDER ACTIVITIES DEPENDING ON THEIR CROSS-BORDER PATHWAY.

Recent studies explored the skills needed for successful internationalisation of SE organisations (Vandor et al.). These studies capture skills comprehensively, which however creates the impression that SE organisations need to achieve excellence in a vast number of areas. We would conclude that skill profiles would gain much more practical relevance when being related to specific cross-border pathways. We also missed considerations on how SE organisation could obtain these skills. The question refers to our statements on the limited accessibility of SME support services and the limited capacity of SE intermediary programmes. We would therefore recommend combining measures such as offering training, increasing access, making pro bono offers more visible, and setting up a specialised platform for matching SE organisations with needed experts/expertise.

CONCLUSION 5: DIGITAL PLATFORMS AND TOOLS ARE AN ENABLER FOR CROSS-BORDER ACTIVITIES OF SE ORGANISATIONS, BUT HIGHLY SCALABLE PLATFORM MODELS CAN ONLY BE APPLIED TO SPECIFIC IMPACT MODELS.

Digital platforms and applications have been discussed as a potential enabler and driver of cross-border activities, in particular when they are embedded in impact and business models from the start.

Pathway 8 (Leveraging digital platforms to reach large groups of customers and beneficiaries) combines different types of digital platforms. We found that the potential for speeding-up cross-border expansion of SE organisations and respectively the scaling of their social impact is strongest when a “platform logic” is applied. The platform logic (as exemplified by Airbnb or Spotify) enables a simple and convenient interaction (booking/renting accommodation, distributing/listening to music) and enables platform users to meet their needs in a convenient way. However, not all impact models are suitable for applying a platform model. We also saw that some online platform models who could potentially scale are limited by legal aspects (e.g. employment law). Other SE organisation combine platform models with governance and co-ownership models that add complexity and cause legal challenges.

In the following, we present our findings on the business dimensions per pathway:

Pathway 1 (REPLICATION): Setting up a replication partner network to scale social impact

- SE organisations successful on this pathway are characterised by well-developed offers. The offers usually consist of programmes that can be implemented by partner organisations after receiving training. They are innovative and based on consistent and tested impact and business models. Their implementation and impact assessment are

(often) standardised. SE organisations on this pathway (to be successful) thus need to achieve a high degree of professionalisation in programme development, implementation, and coordination which makes it not suitable for more ad-hoc exchanges like learning networks or projects without a more strategic focus and commitment. SE organisations on this pathway are therefore focused on one (or a small number) of flagship programmes they are replicating. A focused replication strategy is thus needed to embark successfully on this pathway.

- Replication models that include the replication of business models are based on more formalised relationships (e.g. social franchising agreements) compared to models that only focus on impact.
- SE organisations need to develop a partner profile, a value proposition for partners and partner selection criteria. Replication networks are driven by the partners' commitment and rely on their competences, resources and networks. Partner organisations also play a critical role in assessing and accessing markets and social systems in target countries.
- SE organisations on this pathway become network facilitators. New team competences come into play that include language skills (being able to communicate well with international partners) as well as the ability to create a network organisation and achieve long-term commitment by partners.
- Given their often-limited capacity, SE organisations need to transform their bi-lateral relationships to partners into a network structure where partners communicate with and support each other. This decreases the coordination and communication effort for the SE organisation.

Pathway 2 (REPLICATION): Integrating strong partners into one legal entity to coordinate and align activities in different countries

- Similar to the for-profit sector, mergers can lead to better integrated governance and business structures in the social economy sector. They also enable a more consistent approach to entering new markets. While Ikastolen Elkarte adopted the European cooperative society statute to improve the legal governance structure of entities in different EU countries, the merger of Banca Etica from Italy and FIARE from Spain was motivated to expand business activities under a common brand. In both cases we observed long term processes of trust building, alignment, and shared governance.

Pathway 3 (REPLICATION): Establishing a strong presence in new markets through branching to deliver high quality programmes and services

- The investment of setting up a branch is usually more difficult for SE organisations than for conventional SMEs. Reasons are that SE organisations in comparison to traditional SMEs have limited access to investment capital, may not generate sufficient profit to cover costs of branching and may have limited organisational capacity. Furthermore, the successful introduction, funding and implementation of SE programmes relies on competences that go beyond (but comprise) typical for-profit management competences. Therefore, the selection of branch managers poses a challenge to SE organisations. Internal recruitment can be a response to this challenge. If that is not a possibility, SE organisations should be able to rely on intermediaries that support them in the recruitment process.

Pathway 4 (DISTRIBUTION): Innovating products to make them accessible to disadvantaged groups

- Innovating products for lowering their price, improving their accessibility, and distributing them in formerly untapped markets can be extremely impactful. Although we may see similar pathways in the for-profit world, there are clear differences for SE organisations. Their aim is not to enter new markets aggressively, to be faster than the

competition, or to optimise profit. What we see instead are processes of impact-driven innovation, stakeholder involvement and partnership models. SE organisations also need to deal more consciously with potential unintended negative effects of introducing innovations into new markets. Based on their impact-driven vision and mission they need to make sure that innovations are embedded in local communities and economies. Initiating and successfully implementing such processes of stakeholder involvement, user participation, and impact assessment demand significant investments from SE organisations and may slow down cross-border activities.

Pathway 5 (DISTRIBUTION): Collaborating with key sector players as customers to sell products and services

- This pathway implies that SE organisations are able to offer a product/service with a clear value proposition for corporate partners. The value proposition addresses the core business of corporate partners (e.g., how to make services more accessible to address new customers groups) or relevant organisational aspects (e.g., using low-cost refurbished IT equipment or enabling reuse/refurbishing of IT equipment that is replaced) and in addition provides added value in helping companies with fulfilling their CSR goals.
- SE organisations can successfully leverage partnerships with multinational corporations to extend their cross-border activities by offering their services to subsidiaries or branches. We consider this to be a smart and strong growth strategy although it may come with certain dependencies. These dependencies may be counteracted by diversifying partners and may be mitigated by professional partnership management that ensures customer satisfaction and long-term business relationships. The approach can significantly ease the access to initial revenue in a new country.

Pathway 6 (DISTRIBUTION): Selling locally produced goods internationally to support local communities

- SE organisations on this pathway support local production and distribute locally produced goods on international markets. They are aware that the demand for specific local products in other countries is depending partly on cultural contexts. In some countries the attachment to specific local communities (and even social causes) can be more easily established and used for marketing products than in others. Thus, smart and targeted marketing strategies need to be in place to address customer groups within the right cultural context.
- SE organisations on this pathway are often strongly connected to local communities through the backgrounds and biographies of their founders. The founders sometimes started as activists (e.g., preserving natural environments, connecting communities across “conflict-lines”) and discovered only later that economic activities could not only strengthen communities, but also contribute to their activist cause (e.g., re-connecting divided communities through economic cooperation, protecting ecological environments by making traditional, local production economically viable). Although the economic function is more prioritised in this pathway, the responsibility towards local communities strongly influences general strategies and goals.

Pathway 7 (DISTRIBUTION): Professionalising dissemination of know-how to spread it cross-border

- SE organisations on this pathway aim to professionalise the dissemination of their core know-how. Some of them create business models based on training offers while others seem to focus more on the dissemination of knowledge to the broader public (e.g., youth) and specific thematic experts (e.g. on urban planning). In both cases, publicly funded projects (e.g., EU projects) can become enablers for future business development. These SE organisations often rely on partnerships to create and spread their offers across borders.

Pathway 8 (DISTRIBUTION): Leveraging digital platforms to reach large groups of customers and beneficiaries

- Platform models can be extremely powerful business models as demonstrated by internationally successful for-profit platforms (AirBnB, Spotify). We indeed see that some platform-based SE organisations manage to scale internationally much quicker than it would be possible with non-platform solutions. However, the platform model works best when it connects demand and offer (e.g., for accommodation), mobilises formerly untapped resources (e.g., private accommodation), engages people in new roles (e.g., renter) and processes a simple transaction (e.g., booking). The possibility of implementing a platform model successfully thus depends on the impact model and the main “transaction” a SE organisation wants to enable. For many SE organisations these “transactions” (e.g., supporting disadvantaged target groups) may be too complex to unfold the scaling potential of for-profit platform models.

Pathway 9 (SOURCING): Building partnerships to establish sustainable value chains

- A key challenge on this pathway concerns the development and cultivation of value-based partnerships with established suppliers while influencing their production practices. This poses a significant challenge to SE organisations when they need to monitor compliance to their standards. If production capacity is increased, partnerships with larger suppliers are unavoidable which comes with additional challenges in how to influence industry practices and effectively monitor them. The fact that FAIRPHONE managed to establish effective supply chain monitoring (while articulating this as a constant challenge) and successfully marketing their product in a highly competitive sector seems remarkable and should inform policy makers on how to influence sector practices.

Pathway 10 (COLLABORATION AND COLLECTIVE IMPACT): Collaborating with key sector players to change sector practices and policies

- SE organisations on this pathway setup collaboration with national and international institutions to influence a sector (space, pharmaceuticals, foresting, energy) by addressing the need to change sector practices. Their success depends on cross-border collaboration and their ability to connect to European and international policy agendas. Some SE organisations also set up cross-border membership organisations that collect know-how, support members in implementing new practices and advocate for improved policies, legal frameworks and funding opportunities. By doing so they can effectively challenge established sector practices.
- Through their advocacy and research & development work these SE organisations can be perceived as market builders who enable the introduction of innovative products/services and new business models into established markets.

Pathway 11 (COLLABORATION AND COLLECTIVE IMPACT): Collaborating with partners to innovate or improve products and services

- SEs on this pathway setup collaboration structures for innovating and improving products and services. The SEs in our case studies ultimately address the needs of vulnerable groups (people with disabilities, people in need of care) and aim to fundamentally improve services. Innovation and development are connected to business opportunities. However, the SE organisations usually aim for maximising accessibility to their services and only engage in “light” for-profit business practices. It is thus no surprise that fundraising remains a challenge for SE organisations on this pathway. These organisations therefore rely on a mix of different funding sources and request more public funding.
- What also seems quite unique is the ability of these organisations to combine the use of innovative technologies in the context of reintegrating vulnerable groups into the

labour market or in general producing high social impact. This approach challenges the image of the social sector as being less innovative or less technological and increases the economic value of resulting products and services.

Pathway 12 (COLLABORATION AND COLLECTIVE IMPACT): Creating membership organisations to secure social mission

- SE organisations on this pathway develop and implement innovative co-ownership structures that enable citizens to contribute to long-term goals such as regional development or protecting ecosystems. The Helsinki Foundation developed a model that allows “guardians” of conservation lands from other countries to become members. Their decision power over the use of lands owned by the Foundation creates barriers to any future attempts to use these lands for purposes other than land conservation. Regionalwert AG is a citizens' stock corporation that offers citizens the opportunity to take responsibility for positive regional development and a sustainable agricultural economy. By purchasing Regionalwert shares and participation rights, they support small and medium-sized biological farms and other companies in their region.

4.2.2. Conclusions on legal dimension

CONCLUSION 6: THE LEGAL, INSTITUTIONAL, AND CULTURAL DIVIDE BETWEEN THE FOR-PROFIT AND NON-PROFIT SECTOR POSES A GENERAL CHALLENGE TO SE ORGANISATIONS THAT ALSO AFFECTS THEIR CROSS-BORDER ACTIVITIES.

Experts observed low levels of understanding of the social economy and social enterprises in many countries. This is supported by the European Social Enterprise Monitor’s finding that a quarter of social entrepreneur’s experience “poor understanding/awareness of SEs among the general public/customers” as a barrier which hinders them much or very much. The European Commission also pointed to the public’s lack of understanding and public authorities’ failure to take full advantage of existing possibilities to promote the social economy in many countries as a barrier to realising its “social and economic transformative power²⁰¹”.

Social economy entities in particular when becoming more market oriented and providing professional services or products to attain their social mission, may start seeking more extended forms of support used by other successful businesses. However, instead of potentially benefitting from the full range of tax advantages available to other types of entities, or more flexibility in developing market activities due to their social mission. Some types of legal entities are excluded from traditional commercial support (business agencies, investment funds), and resultantly have to develop complex legal setups or encounter opposition from the traditional social sector because of their market-oriented activities.

This limited awareness, understanding and acknowledgement, thus translates into legal and institutional frameworks that limit cross-border activities of SE organisations instead of actively enabling them. The many barriers mentioned by experts and identified through our case studies (see pathway analysis in chapter 2) substantiate this conclusion.

The full appreciation of social economy organisations’ contribution to society and European policy goals and the specific impact, business and operational models that enable it, is thus key to promote their cross-border activities.

This contribution comprises the direct social impact they achieve next to their economic impact as well as their more “indirect” impact they achieve through their activities. The identified cross-

²⁰¹ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union. (page 4)

border pathways showcase how social economy organisations' contributions go far beyond the direct social and economic impact of their organisations. They support the development and dissemination of social innovations and paradigms (all pathways). They develop highly professional replication models and enable others to adopt and benefit from their social innovations (see pathway 1). They leverage partnerships with multinational corporations to introduce more social and sustainable business practices (see pathway 5). They challenge sector regulations by introducing new practices (see pathway 10). They develop and disseminate governance and ownership structures that contribute to regional development and environmental sustainability in the long term (see pathway 12).

CONCLUSION 7: THE CHOICE AND SETUP OF LEGAL FORMS POSES A CHALLENGE FOR CROSS-BORDER ACTIVITIES OF SE ORGANISATIONS

The State of Social Enterprise in Europe 2020-2021 Monitor (ESEM) report highlights the presence of 65 different legal forms for social enterprises. The multitude of legal forms is also explored by the OECD. Pertaining to legal aspects, the OECD currently conducts a research project entitled "Designing Legal Frameworks for Social Enterprises" in collaboration with the European Commission. In doing so, the researchers try to explore what drives the EU countries to legislate (or not) on social economy as well as identify the issues that aim to address these legislations in relation to types of legal forms that exist, tax related legislations and associated fiscal implications.

The choice of an adequate legal form for social economy entities thus remains a challenge considering the multitude of legal forms available across the EU. The lack of uniformity and common understanding of the different legal forms of SEs across the EU in many cases forces SEs to invest considerable resources in finding the right legal setup and thus slows down the establishment or extension of cross-border activities. Setting up legal entities concerns branches, but also partner organisations. SE organisations often draw on the knowledge of (potential) partners in other countries to solve these issues.

CONCLUSION 8: THERE IS INDICATION THAT SOME LEGAL FORMS ARE BETTER SUITED FOR CROSS-BORDER ACTIVITIES THAN OTHERS

The responses from experts and findings from case study suggest a differentiated and balanced assessment of the non-standardisation of legal forms as a barrier. When explicitly asked "Is the legal form a barrier for transnational activities? In what ways?" more than a quarter of survey respondents (12) did not consider the legal form a barrier for cross-border activities, which may partially explain why its average rating was weaker than the other barriers (3.4/5). This finding could be connected to the assumption that some legal forms are better suited for cross-border activities – within the current legal and institutional frameworks and based on the way respective SE organisations operate – than others.

The legal barrier's impact seems to vary between legal forms, as shown by our expert survey. For example, cooperatives were most frequently cited as a legal form that favours internationalisation. One expert with deep experience in the area did not see many barriers for cooperatives to cross borders, although they do need to be aware of national legal formats. Mutual benefit societies, on the other hand, were, in the survey, the least frequently cited legal form that favours internationalisation. One expert said they "want but can't go transnational because the legislation is completely different from country to country." Another agreed that the legal form itself is a major barrier for mutuals to cross borders. According to the Social Economy Action Plan, "existing rules do not take sufficiently into account their not-for-profit nature."²⁰²

²⁰² European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

CONCLUSION 9: SE ORGANISATIONS ARE OFTEN SUBJECT TO THE SAME TAX REGULATIONS AS TRADITIONAL SMEs WHILE FACING ADDITIONAL COSTS DUE TO THEIR SPECIFIC IMPACT MODELS, OPERATING MODELS AND SOCIAL/ENVIRONMENTAL STANDARDS

This study did not aim to provide an in-depth analysis or comparison of tax types and regulations and their effect on cross-border activities. The identified cross-border pathways nevertheless brought some insights on specific contexts where certain tax types and regulations can become a barrier for cross-border activities.

Export taxes: SE organisations that sell locally produced goods internationally to support local communities (pathway 6) often experience taxation as an additional challenge. They need to compete with industry products on international markets, but also need to stay committed to specific local communities and respective products and production processes. These commitments may cause additional costs or may make them less agile in adapting to market opportunities. Not having any tax advantages thus has a direct impact on their competitiveness. Corporate taxes: Corporate taxes have been expressed as more minor challenge. There are however cases of SE organisations that changed their original legal form (in their country of origin) so that their subsidiaries in other countries become entitled to tax benefits.

We can conclude that taxation poses a challenge for specific pathways, in particular those where SE organisations enter into competition with traditional SMEs. The taxation barriers thus play into our assumptions and conclusion on the for-profit/non-profit divide and the diversity of legal entities.

CONCLUSION 10: STATUTES FOR EUROPEAN LEGAL FORMS (EUROPEAN COOPERATIVE SOCIETY, EUROPEAN ASSOCIATION) CAN HAVE A SUPPORTIVE FUNCTION FOR CROSS-BORDER ACTIVITIES OF SE ORGANISATIONS ALTHOUGH ADOPTION RATES ARE LOW.

While over the course of this study, inferences were gained regarding the importance of having certain legal forms defined by common European statutes, there were some elements which raised questions for their practical utility. Namely, it seems as though their practical effect is limited, and there have been low levels of adoption (European Cooperatives are only two of our cases), signalling more towards the statutes symbolic value. That being said, they are important political and recognition milestones, showing a receptiveness on a European level to the legal needs of important SE organisations.

However practically, although Ikastolen Elkartea found the European Cooperative statute very useful, this contrasts directly with some expert opinions we received, which put in doubt its utility especially for transnational activities. Overall, it can be concluded that it represents a step in the right direction for SE legislation, however it cannot be regarded as a panacea and needs to be accompanied by measures which will build capacity in and create an enabling environment for SEs.

CONCLUSION 11: LEGAL BARRIERS OFTEN TRANSLATE INTO FINANCIAL BARRIERS FOR CROSS-BORDER ACTIVITIES

The different legal frameworks have implications for financing cross-border activities. Many social economy entities rely in part on philanthropic funding, but cross-border donations are complicated in practice. Foundations suffer legal challenges due to the lack of harmonised organisational forms and legal frameworks across the EU as well as the impossibility of cross-border mergers, funding, and tax barriers for donors. Still there are foundations that provide funding for cross-border resp. “scaling” activities such as the contributors to the “Social Catalyst Fund” (a joint initiative by Bosch Foundation, Baudouin Foundation, European Commission, and Genio, see chapter 3.2), a dedicated instrument to support social enterprises in improving their scaling strategies.

Private impact investors are confronted with similar complexity. In addition to the difficulty of generating trust between investors and investees in a cross-border setting, due diligence processes become more time-consuming and complex as they involve the assessment of legal documents often only provided in national language and different legal forms.

Another example is public procurement, which represents 14% of European GDP. Despite a 2014 overhaul of EU public procurement rules, which since then allow social and environmental responsibility as award criteria, most public tenders are still awarded based only on price. In one study, a fifth of social entrepreneurs described disadvantages concerning public procurement offerings as ‘much’ or ‘very much’ of a hindrance to them.²⁰³

Ethical banks play an important role, but there is still, according to the social economy action plan, a “persisting mismatch between the demand and supply of repayable finance for social enterprises in Europe, both in terms of access to debt and equity.”²⁰⁴ In a study of 930 social enterprises, the European Social Enterprise Monitor identified financial barriers as the most obstructive.²⁰⁵

We identified several cross-border programmes developed and implemented by SE intermediaries that also mobilise limited funding for cross-border activities. These programmes – while often providing professional strategic and implementation support that is tailored to SE organisation – do not have sufficient capacity or funds to compensate for the limited availability of other funding sources.

Another source of funding for cross-border activities are EU projects (please see our compilation of EU projects in chapter 3.2). Several of the SE organisations in our case analysis managed to use EU funds strategically to extend their partner network, build relationships with organisations that may become replication partners, or even fund replication pilots.

We conclude that the specific funding sources that are essential to SE organisations and that they can usually access in their country of origin, are currently very limited in providing financial support for their cross-border activities. Workshop participants called for funding dedicated specifically to cross border activities, funding for the exploratory stage of cross-border scaling, and financial instruments focused on the different life cycles of a social economy entities, among other ideas.

In the following, we present our findings on the business dimensions per pathway:

Pathway 1 (REPLICATION): Setting up a replication partner network to scale social impact

- SE organisations on this pathway use different types of cross-border partnerships and enable their partners to “replicate” their programmes and services in another country. This means that the SE organisation does not need to set up its own branches, it will however need to assess whether the legal form of partner organisations is appropriate for offering the services. The general degree of legal formalisation of partnerships varies. If the SE organisations aims to replicate a business model, the relationship with partners (e.g., franchisees) will be more formalised. Partnership contracts will define financial returns (e.g., franchising fees), intellectual property rights, or guarantees for

²⁰³ Dupain, W., Pilia, O., Wunsch, M., Hoffmann, P., Scharpe, K., Mair, J., Raith, M., Bosma, N. (2021),

“The State of Social Enterprise in Europe – European Social Enterprise Monitor 2020-2021”. Euclid Network.

²⁰⁴ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

²⁰⁵ Dupain, W., Pilia, O., Wunsch, M., Hoffmann, P., Scharpe, K., Mair, J., Raith, M., Bosma, N. (2021),

“The State of Social Enterprise in Europe – European Social Enterprise Monitor 2020-2021”. Euclid Network.

being the sole provider for a specific country/region. In contrast, replication models that focus on spreading the impact can be set up with a minimum amount of legal formalisation (e.g., a simple partnership contract that clarifies commitment to specific values, work principles, and responsibilities).

Pathway 2 (REPLICATION): Integrating strong partners into one legal entity to coordinate and align activities in different countries

- Legal forms (such as the European Cooperative Society) can help to express a shared identity and can simplify the governance of entities located in different EU countries. In the case of Ikastolen Elkartea, the setup as a European Cooperative Society made it possible to establish a single legal framework under which all (Spanish and French) Basque schools could start to operate according to the same principles and systems, creating a unified Basque educational offer across the two countries.
- FIARE Banca Etica is the first credit cooperative with branches in two European countries. The two cooperatives FIARE and Banca Etica established close cooperation before bringing their offers to the Spanish market. After years of stable collaboration between the two entities, FIARE merged into Banca Etica in 2013. A year later, in 2014, FIARE obtained the formal authorisation of the Spanish regulator (Bank of Spain) to operate as a bank under the Spanish legislation.

Pathway 3 (REPLICATION): Establishing a strong presence in new markets through branching to deliver high quality programmes and services

- SE organisations on this pathway face similar legal challenges as traditional SMEs when setting up new legal entities in other countries. The processes are however less standardised and routine for SE organisations and demand a careful step-by-step assessment and execution. Furthermore, SE organisations might not be fully aware of or might not have full access to SME support services.

Pathway 4 (DISTRIBUTION): Innovating products to make them accessible to disadvantaged groups

- SE organisations on this pathway usually need to export their products to markets in developing countries. Import restrictions were reported as a challenge in this regard. To resolve such restrictions direct negotiations with ministries in these countries were necessary.

Pathway 5 (DISTRIBUTION): Collaborating with key sector players as customers to sell products and services

- The SE organisations we assigned to this pathway involve disadvantaged groups in their business models (e.g., person with disabilities, long-term unemployed persons). Their offer appeals to corporate partners one hand as a useful service, and on the other hand as a contribution to their CSR objectives. The organisations therefore need to assess legal frameworks and the availability of employment subsidies for their specific employee groups in other countries. To receive these subsidies in a new country where they want to offer their services to corporate partners is often a precondition for covering their costs.

Pathway 6 (DISTRIBUTION): Selling locally produced goods internationally to support local communities

- SE organisations on this pathway are “bound” to specific production locations and are committed to high employment and environmental standards. These practices – that are rooted in their social impact vision and model – can create additional costs that make it difficult to compete with industry products in foreign markets. In this context, SE organisations become highly sensitive to import regulations and taxation that put additional pressure on their pricing models.

Pathway 7 (DISTRIBUTION): Professionalising dissemination of know-how to spread it cross-border

- If the knowledge programmes and products have a business component, the SE organisations face challenges in setting up operations in a new country. Some reported they needed to redesign their legal setup to reduce tax obligations before setting up branches in new countries.

Pathway 8 (DISTRIBUTION): Leveraging digital platforms to reach large groups of customers and beneficiaries

- One SE organisations on this pathway (The Mobility Factory) combines a B2B online platform with a membership model. Members become part of the governance structure and can further develop and adapt the platform to their specific needs. For organisations to become new members, they are required to get a Belgium registration number. TMF shared the difficulty to obtain legal documents in Belgium to register new members from other European countries. Even with the European Cooperative Society legal form, registration of foreign members comes with considerable administrative effort.

Pathway 9 (SOURCING): Building partnerships to establish sustainable value chains

- SE organisations on this pathway may face legal challenges when legal and institutional frameworks do not support paradigms or practices that are new to a sector (e.g., circular economy). Fairphone, for instance, tries to extend the life of each phone as long as possible. Each part can be replaced and repaired, software can be up-dated, parts are upgraded, long warranty is provided, and old phones are taken back and refurbished. Legal and taxation problems arose when used phones were treated as waste at EU borders, and not as material for new phones. Due to different legal and tax related challenges, Fairphone decided to keep its focus on the European market and did not expand to the US. Currently, Fairphone is advocating at European Union level to improve trade conditions for circular economy initiatives.

Pathway 10 (COLLABORATION AND COLLECTIVE IMPACT): Collaborating with key sector players to change sector practices and policies

- Challenging sector practices often means to address legal frameworks and the limitations they impose on the introduction of new paradigms and practices (e.g., open-source technology for the space industry). Cross-border cross-sector collaboration and advocacy is therefore a necessity.

Pathway 11 (COLLABORATION AND COLLECTIVE IMPACT): Collaborating with partners to innovate or improve products and services

- We did not identify specific legal barriers or mitigation strategies for this pathway. The reason could be that the featured collaboration processes do not necessarily rely on setting up legal structures and do not involve complicated legal processes. What seems to be more important is the aspect of setting up and maintaining networks capable of innovating and providing inputs (information, resources) to improve products and services.

Pathway 12 (COLLABORATION AND COLLECTIVE IMPACT): Creating membership organisations to secure social mission

- SE organisations on this pathway set up legal entities with more complex ownership and governance structures (e.g., stock companies, cooperatives, etc.) and aim to achieve long-term impact (e.g., in the area of regional development or environmental protection). Their experience and expertise enable them to find or adapt legal forms in their country of origin that fit their purpose. Their main legal challenge is that their legal structure cannot be easily replicated by partners in other countries. The SE

organisations therefore rely on pro bono legal support or the commitment of partners to undertake similar efforts to find and adapt an appropriate legal form. "Adaptation" means that legal forms – while respecting legal boundaries – are repurposed and interpreted in a new way. Regionalwert AG, for instance, uses the legal form of joint stock company to support regional development.

4.2.3. Conclusions on spatial dimension

CONCLUSION 12: THE DIVERSITY OF CROSS-BORDER PATHWAYS SHOWS THAT A WIDE RANGE OF DIFFERENT TYPES OF SE ORGANISATIONS ENGAGES IN CROSS-BORDER ACTIVITIES WITH A STRATEGIC INTENTION.

Some experts shared the observation that social economy entities are often locally embedded and implement context-specific activities addressing specific local social problems or target groups. One expert concluded that there was a lack of desire to move beyond the local context and/or identification with the non-profit sector and therefore a distaste for the idea of scaling to increase revenue. We think that this assumption needs to be carefully evaluated.

Two studies/surveys featuring insights on internationalisation can serve as a starting point: The European Social Enterprise Monitor reported that 67% of surveyed social enterprises operate solely in the country where they are based; 15% of the responding SE operate at the European level and 20% operate internationally beyond Europe. 7% operate at all three levels: nationally, European and internationally beyond Europe" (ESEM 2021, p. 48). A majority of social enterprises thus operates locally, but there is also a significant number of social enterprises that operates in EU or internationally.

Bretos et al. explored the internationalisation of cooperatives and came to the conclusion that cooperatives have a quite strong tendency towards cross-border activities. This is in line with the expert opinion from our survey that rated cooperatives as the legal form most suitable for internationalisation.

The 12 identified pathways show that there are numerous opportunities to engage in cross-border activities for a wide range of different types of SE organisations and legal forms. Even if they show a strong local focus (see pathway 6) they may discover that cross-border activities may help them to better support local communities. Also most SE organisations would benefit from collaboration and collective impact activities in pursuing their local social and environmental missions.

The pathway analysis shows that SE organisations – despite all barriers – do successfully engage in cross-border activities. Being driven by their social mission many of them seem to accept the complexity of cross-border activity and show a high degree of persistence in tackling barriers. Thus, similar to Bretos et al., we would question the general statement that SE organisations are not aiming for cross-border activities due to being locally embedded. It is true that depending on the type of SE organisation the local focus can vary in strength. The solutions that SE organisations provide locally are however often adaptable to other contexts. Tackling current societal challenges necessitates to bridge local and global contexts (e.g., mainstreaming climate change solutions) more than ever which creates momentum and relevance for encouraging and supporting SE organisations in their cross-border activities.

We conclude that "local embeddedness" should not simply be regarded as a general characteristic of (most) SE organisations or an expression of their strategic orientation. Our question would rather be if and how the current SE ecosystem is enabling cross-border activities and specific pathways for SE organisations. The many identified barriers – and the complexities involved in many cross-border pathways – bring considerable risk to cross-border activities. There is a financial risk and certainly a capacity risk as SE organisations need to

invest strongly in operational processes as well as mitigation strategies. Reducing these risks (see recommendations) may open up cross-border pathways to more SE organisations.

CONCLUSION 13: SPATIAL STRATEGIES ARE INFLUENCED BY SPECIFIC ELEMENTS OF THE IMPACT MODEL AND OPERATIONAL MODEL OF SE ORGANISATIONS.

We identified different spatial strategies depending on impact models and cross-border pathways chosen. Impact models that are more sensitive to language and demand personal presence of an SE organisation to follow a spatial strategy where cross-border activities are in a first step undertaken in neighbouring countries (e.g., the D-A-CH region). Spatial proximity is also relevant if cross-border activities depend on strong integration between organisations that eventually merge. In contrast, SE impact models that are adopted in many different countries quickly are usually characterised by digital components (e.g., platforms) or “simple” impact models that can be adopted easily.

CONCLUSION 14: THE SELECTION OF TARGET AREAS IS BASED ON MULTIPLE FACTORS IN ADDITION TO RESPONDING TO A PREVALENT SOCIAL NEED.

Cross-border activity of social economy entities is not necessarily directed towards low-cost or high-revenue destinations (like SMEs counterparts) but may be focused on underdeveloped markets, disadvantaged communities and beneficiaries, remote communities, or may apply higher social and environmental standards when screening for target locations. We found this assumption in the literature (Kusa, R. & Debkowska, K.)²⁰⁶ which refers to general differences of the internationalisation logic between traditional SMEs and SEs.

It is certainly true that a SE organisation’s impact model may direct cross-border activities to countries or locations that are more severely affected by a social or environmental problem irrespective of the availability of funds or market opportunities. Judging from the pathway analysis, we would however conclude that SE organisations – particularly regarding their cross-border activities – in most cases will need to balance both perspectives: Identified need and financial feasibility. This is necessitated by the high efforts of setting up cross-border activities and the associated risks.

We see many other factors that influence the choice of target countries: The availability of partners (see pathway 1 or 7), the spatial proximity and similarity in culture and language (some of the cases in pathway 1 or 3), the availability of specific legal forms, the availability of purchasable land (see pathway 12), the location of key sector players (see pathway 10), the locations of key corporate partners (see pathway 5) the existence of specific customer groups (see pathway 6), and more.

This means that a constant balance between an orientation towards existing needs and other factors will be necessary. The additional factors show however that they indeed do not primarily relate to commercial advantages, but prerequisites for setting up the impact model of an SE organisation (see conclusion 1).

In the following, we present our findings on the business dimensions per pathway:

Pathway 1 (REPLICATION): Setting up a replication partner network to scale social impact

- The spatial strategy that SE organisations apply (which regions and countries they target) is related to their impact and replication model. Language of target countries is relevant when impact models are specifically sensitive to language (e.g., when specific beneficiaries or communities are addressed, when the impact models involve interaction on sensitive topics).
- Shared language also simplifies the initial assessment of market opportunities, sectors and legal frameworks. The D-A-CH region is a good example (see case studies on

²⁰⁶ ibid

Atempo, MyAbility, Acker) for intensified cross-border replication due to spatial proximity, language and culture.

- We also discussed replication models that achieve a surprisingly fast replication at international level. These replication models are based on simple impact models (that do not need a lot of control) and partner networks that are constituted by shared values with little need to formalise relationships or setup new legal entities.

Pathway 2 (REPLICATION): Integrating strong partners into one legal entity to coordinate and align activities in different countries

- Spatial proximity in the form of cross-border activities in neighbouring countries seems to be characteristic for this pathway as it allows the establishment of regular and long-term relationships and provides a certain familiarity with cultural contexts.

Pathway 3 (REPLICATION): Establishing a strong presence in new markets through branching to deliver high quality programmes and services

- Proximity can be essential when setting up a first branch and experimenting with the branching model. Neighbouring countries that share some cultural/ethnic/legal/socio-economic context or language make it easier to assess all relevant legal aspects and to recruit and support branch managers.

Pathway 4 (DISTRIBUTION): Innovating products to make them accessible to disadvantaged groups

- Innovation and distribution are in several of our cases spatially separated. Typically, the sometimes better developed R&D infrastructures in North American or European countries are utilised for innovation and development while the resulting products are distributed in developing countries. Bringing the innovation capacities to developing countries could be a further evolution of SE organisations on this pathway.

Pathway 5 (DISTRIBUTION): Collaborating with key sector players as customers to sell products and services

- Multi-national corporations can become a driver for extending cross-border activities, e.g., when there is demand from branches in other countries or if they extend their business operations to other countries. The SE organisations on this pathways thus shape their spatial strategy to some degree according to the locations and spatial strategies of key partners.

Pathway 6 (DISTRIBUTION): Selling locally produced goods internationally to support local communities

- Generally, this pathway demands a process of professionalisation from SE organisations that relates to spatial aspects of marketing and production. International marketing: SE organisations need to gain knowledge on foreign markets, need to find distribution partners, and need to upskill their staff for handling international business relationships. Supporting local production: SE organisations need to find and train local workforce, improve production processes, and extend the product palette.

Pathway 7 (DISTRIBUTION): Professionalising dissemination of know-how to spread it cross-border

- SE organisations on this pathway have in common that they often utilise existing networks or public agencies to establish their knowledge dissemination and training programmes in other countries. They manage to use EU or regional projects to create partnerships that can later be used to start pilots of their programmes in new countries. Their spatial expansion seems to be more driven by the geographic structure of their evolving partner network than by spatial proximity.

Pathway 8 (DISTRIBUTION): Leveraging digital platforms to reach large groups of customers and beneficiaries

- Some SE organisations have impact models that allow them to apply the platform model and indeed achieve international scale very fast (“Too Good To Go” case is an impressive example). If a platform model can be applied, spatial proximity usually becomes a less relevant factor for cross-border activities. Successful internationalisation of platform models will however still depend on the organisation’s ability to design processes on how to enter new markets (similar to the for-profit sector). In the case of Too Good To go this includes a process for recruiting a start-up team in a new country.

Pathway 9 (SOURCING): Building partnerships to establish sustainable value chains

- The spatial dimension is strongly at play for SE organisations on this pathway. Raw materials are for instance sourced from the African countries, whereas production facilities will be available in Asian countries. The manufacturing of mass market technology, such as smartphones in the case of Fairphone, demands an international scope of activities from the start. The spatial strategy is thus determined partly by the available of raw materials and production capacities that allow competitive pricing. At the same time the spatial scope becomes a big challenge for assuring compliance of supply chain partners to social and environmental standards.

Pathway 10 (COLLABORATION AND COLLECTIVE IMPACT): Collaborating with key sector players to change sector practices and policies

- Spatial strategies on this pathway are connected to the identification of influential sector players and their locations. If an SE organisation for instance promotes the use of open-source technology in the space industry, it will need to establish connections and partnerships with stakeholders in the US that have a strong influence on global sector paradigms and practices.

Pathway 11 (COLLABORATION AND COLLECTIVE IMPACT): Collaborating with partners to innovate or improve products and services

- This pathway is rather broadly defined and thus features different spatial strategies. Collaborative innovation processes can be focused on neighbouring countries or cross-border regions which is close to a regional innovation cluster strategy. Other SE organisations will collaborate internationally to adopt and adapt innovations for their purposes. An intriguing example for international collaborative innovation and product development is Wheelmap. The project is coordinated by a German SE organisation that managed to design an open-source platform providing a global map with information on wheelchair accessibility that brought together many different small providers of similar maps around the world. As a result, the platform can provide the user with “crowd sourced” information on locations all around the world.

Pathway 12 (COLLABORATION AND COLLECTIVE IMPACT): Creating membership organisations to secure social mission

- SE organisations on this pathway develop co-ownership and governance structures to achieve long-term goals such as regional development or environmental protection. Their spatial strategies are therefore focused on specific regions where the model can be applied. There are of course other “spatial” criteria that come into play as for instance the socioeconomic context or the availability of land. Generally, these SE organisations are thus focused on maintaining their presence in a region rather than expanding quickly. They need to carefully assess where their model finds the right conditions to succeed on the long-term.

4.2.4. Conclusions on sectoral dimension

CONCLUSION 15: CROSS-SECTOR ACTIVITIES OF SE ORGANISATIONS RELATE TO ECONOMIC SECTORS IN VERY DIFFERENT WAYS

Survey respondents rated “Lack of understanding of how the sector works in other countries” as the highest barrier to transnational activities (4/5).

Most of the barriers discussed under other dimensions also apply to a single sector or compound the problems presented by a lack of sectoral understanding. Therefore, this is the barrier most intertwined with all the others, hence it is analysed last as many of the pertinent elements are already covered by the preceding discussions.

The term “sector” is used in different contexts that relate to cross-border activities. In the business dimension we already discussed the still existing divide between the for-profit and non-profit sector and its effects on cross-border activities (see conclusion 1). Another context is the differentiation between primary (agriculture and raw materials), secondary (industry) and tertiary sector (service). This context – being very broad – will however tell us little about specific barriers or mitigation strategies for cross-border activities. The third context defines more narrow business sectors and is more suitable for our study (as for instance in a recent EURICSE study that differentiates between agriculture and food; industry and utilities; wholesale and retail trade; insurance; banking and financial services; health and social care; education; and other social services.)

CONCLUSION 16: SE ORGANISATIONS ARE SPECIFICALLY SENSITIVE TO SECTOR REGULATIONS BECAUSE THEY OPERATE ACROSS THEMATIC SECTORS, ARE MORE CHALLENGED BY UNDERSTANDING SECTOR DYNAMICS, MAY FACE MORE SYSTEMIC BARRIERS DUE TO THEIR SPECIFIC SOCIAL INNOVATION (IN COMPARISON TO STANDARD BUSINESS ACTIVITIES), AND MAY BE CHALLENGED BECAUSE OF THEIR LEGAL FORM OR HYBRID SETUP

Finally, a “Lack of understanding of how the sector works in other countries” was considered the highest barrier to transnational activities (4/5) by the experts surveyed. This dimension offers insight into the ways in which barriers interact. Within any one sector, there may be specific regulations, which, like the legal systems themselves, vary between countries. A lot of information may be available only in the national language, and other spatial barriers like geographic distance may make it challenging to build the networks. That can, in turn, make it difficult to gain knowledge and build business functions like marketing, which for some modes of scaling may have to be built largely from scratch.

In the following, we will highlight different ways in which SE organisations on specific cross-border pathways relate to economic sectors.

Pathway 1 (REPLICATION): Setting up a replication partner network to scale social impact

Sector definitions are based upon economic activities and depict societal functions primarily from this perspective. Although SE organisations can be assigned to and compared by such economic sectors, this will not tell us much about the actual social need or social or environmental problem an SE organisation aims to tackle. This focus is however specifically important for SE organisations that aim to replicate their impact models.

Their social impact missions and models relate to the level of social systems. A social system is defined here as a set of resources, roles, relationships, rules that produces specific results²⁰⁷. An example would be the “mobile care system” or the “homeless support system”.

²⁰⁷ https://usaidlearninglab.org/sites/default/files/resource/files/5rs_techncial_note_ver_2_1_final.pdf

These social systems are of course structured differently depending on the national (or sometimes even regional) context.

SE organisations, particularly on this pathway (see also collaboration and collective impact pathways), engage with social systems in more complex ways than traditional SMEs. Instead of focusing primarily on business activities, SE organisations aim to introduce specific social innovations, to generate a specific social impact, or to challenge and change the ways social systems function.

When we interpret the mentioned barrier “Lack of understanding of how the sector works in other countries” we see the actual challenge for SE organisations on this pathway. An SE organisation working in the social system of mobile care where it introduced new paradigms and practices will have to understand how the mobile care system works in other countries and whether the same paradigms and practices have a chance to be implemented. This is particular relevant for SE organisations on pathway 1 that replicate their impact models.

Pathway 5 (DISTRIBUTION): Collaborating with key sector players as customers to sell products and services

Some SE organisations become sector specialists in providing specific services to corporate partners in a specific business sector. The case MyAbility for instance showed that their diversity consulting offer worked well in the banking sector as it combined different perspectives relevant to this sector (accessibility of banking services to persons with disability, workplace accessibility for persons with disability, some firms with high CSR/social responsibility standards, diversity benchmarking with other banks, etc.) and identified a customer profile that supported the business models (larger companies, long-term contracts, etc.)

Pathway 4 (DISTRIBUTION): Innovating products to make them accessible to disadvantaged groups

This pathway shows another remarkable connection between SE organisations activities and specific sectors. SE organisations on this pathway design innovations that introduce new market dynamics in a specific sector by accessing customer groups that were formerly excluded from markets due to low purchasing power (“Bottom of the pyramid). As organisations on this pathway usually address needs of developing countries and are usually focused on sectors such as health (health devices for households and individuals) or energy (sustainable energy production for households and individuals). In some case, such SEs even team up with larger companies from the same sector. In the best case, this creates a win-win situation where the SE organisation receives support for distributing its products and the corporations co-learns about bottom of the pyramid approaches with the perspective to engage in similar processes. Of course, SE organisations will need to reflect such partnerships based on their social mission and impact models.

Pathway 6 (DISTRIBUTION): Selling locally produced goods internationally to support local communities

This pathway often puts SE organisations in direct competition with traditional SMEs and large companies operating in the same sector. The SE organisations on this pathway often operate in the textile or food retail sector because of the products that are typically produced by local communities. “Understanding how a sector works in another country” therefore gains a specific meaning again, in this case the need to understand competitive dynamics and in particular to understand markets and customer profiles. To be economically successful these SE organisations often depend on specific customer groups that are willing to pay higher prices because of the added social or environmental value of the product.

Pathway 8 (DISTRIBUTION): Leveraging digital platforms to reach large groups of customers and beneficiaries

The case of Too Good To Go shows how SE organisations can manage to adapt their impact and business models to specific challenges and needs of a sector (in this case the food retail sector). TGTG tackles the omnipresent problem of food waste that nearly all businesses in this sector experience to some degree regardless of their country. The value proposition and platform model that helps companies to solve this problem is therefore universally applicable in the food retail sector. The effort to “understand how the sector works in another country” is therefore minimised.

Pathway 9 (SOURCING): Building partnerships to establish sustainable value chains

On this pathway, SE organisations undertake a “deep” journey into the supply chain structure of a sector (in our case the mobile communication sector) and all its complexities. Examples outside of our pool of cases would for instance be SE organisations from the fair-trade movement in the food sector. They face the challenge to adapt to and use existing supply chain structures while at the same time changing embedded practices. Their cross-border activities are often not only designed to setup their impact and business models, but also to influence sector practices at large by showing viable alternative practices, raising awareness of customers and thus increase customer pressure on dominant sector players.

Pathway 10: Collaborating with key sector players to change sector practices and policies

The aim to influence sector practices is prioritised on this pathway. Activities are addressing directly key sector players. Although lobbying plays an important part on this pathway, the SE organisations are characterised by a “practice-driven” approach. They promote and experiment with new practices within a sector as a means to influence sector dynamics and actors.

4.3. Recommendations on promoting cross-border activities of the social economy

Whereas the above-mentioned recommendations refer to the SE actor’s process and progress towards the uptake of cross-border activities, the recommendations hereunder depict the suggestions towards the policy side at national, European, and SE intermediary level. There are considerable synergies between the below recommendations and the EU Social Economy Action Plan²⁰⁸, which sets out a pathway to boost the social economy and instigates a certain level of homogeneity and agreement on the concept of SE. The SEAP’s action points aim to support the SE as a means to address societal challenges and the 2030 headline targets in Europe. The Action Plan comes after the Manheim Declaration on Social Economy²⁰⁹ that was signed in May 2021 by more than 3,000 representatives of the social economy sphere in Europe and identified key actions necessary to strengthen it.

As such, SEAP offers several policy action points to be undertaken by the EC. As both this study and the SEAP focus on largely the same topic of interest, a critical part of our recommendations converge. In the meantime, we can also offer additional perspectives based on our primary data gathering. Taking both into account also provides an effective opportunity to understand whether we can expect timely concrete action by the EC on the recommendations of this study.

²⁰⁸ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10117&furtherNews=yes#navItem-1>

²⁰⁹ <https://www.euses2020.eu/mannheim-declaration/#:~:text=THE%20MANNHEIM%20DECLARATION%20ON%20SOCIAL%20ECONOMY&text=The%20event%20brought%20together%20more,the%20Social%20Economy%20in%20Europe.>

Therefore, below we first tackle the convergent recommendations, going on to expand into those that are related to, yet offer additional perspectives to SEAP points, and ending with unique recommendations based upon insights gathered from this study.

At **national / European level**, in convergence with SEAP action points, it is suggested:

- **Transfer of good policy practices and mutual learning is always valuable.** Yet, the analysis and consideration of the local context is crucial before any transfer of knowledge / practices is attempted.
- At national / regional level, **more coordination and exchange among ministries, SE actors and stakeholders** would facilitate the improvement of policies designed for SEs.
- **Funding and acceleration programmes** are needed that will help social economy actors assess whether they are ready/capable/mature to go international as well as receive funding to experiment with such endeavours, while being supported through capacity building and networking in target countries. To this end, the Action Plan proposes the integration of social entrepreneurship into the scope of a new Youth Entrepreneurship Policy Academy to be set up under ESF+ in 2022. While further alignment can be seen in SEAP's commitment to further promote Erasmus for Young Entrepreneurs programmes amongst potential SE entrepreneurs²¹⁰.
- The practical and economic feasibility of **cross-border investment partnerships** should be thoroughly investigated and supported on a policy level. Especially in regions where the scope for cross-border cooperation is high (due to shared language, for example), and historical investment relations exist. This could tie in with the investEU Advisory Board's idea of cross-border investment platforms that group together partners looking to invest in SEs²¹⁰.
- **Increasing the supply side through policy initiatives supporting SE should go hand in hand with increasing the demand through public procurement.** In this regard, getting inspired by the suggestions and approaches included in the 2nd edition of the "Buying Social Guide"²¹¹ promoting Socially Responsible Public Procurement can be a step in the right direction. Which the EC plans to supplement through awareness raising, exchange of good practices and training by means of workshops organised per member state²¹⁰.
- **The role of the Enterprise Europe Network (EEN)**, whose scope is to support SMEs with international ambitions, **could be leveraged to support SEs internationalisation.** However, an appreciation of SEs peculiarities and distinctive characteristics is needed. To this end, more systematic communication, interaction and training, and possibly creation of specialised units within EEN, will facilitate a more effective collaboration. The EC also foresees the EEN as a platform that should support the internationalisation of SE. Together with the network's utility as a site for inter rural-SE networking, and support for circular economy partnerships²¹⁰.

National / European level recommendations, broadly aligning with EC future action points, yet offering additional perspectives:

- **Homogeneity needs to be established in the common legal forms that currently exist, while any legal forms not being common across countries need to be accepted as valid forms of SE actors.** This will help alleviate some of the current

²¹⁰ European Commission (2021). Building an economy that works for people: an action plan for the social economy. European Union.

²¹¹ Buying Social is a Guide developed by the EC to facilitate the uptake and inclusion of social considerations in public procurement. The Guide is available at <https://ec.europa.eu/docsroom/documents/45767>

issues SEs face, e.g., the legal business form of a mutual is not recognised in all EU countries. The homogeneity and acceptance of the diversity of social enterprises' legal forms among the EU member states could stimulate the collaboration between actors pursuing common goals even though not necessarily sharing the same legal form. The common EU SE statute can be the right framework to develop commonly agreed definitions of SE legal forms just like the SMEs definition in the long run has created a common understanding of this type of business across the EU. The SEAP acknowledges that the lack of homogeneity in common legal forms is an impediment, especially in the case of mutuals and associations enacting cross-border activity. Resultantly, it proposes support for mutual learning amongst member states through the creation of a guide on appropriate legal frameworks for SE²¹⁰. In compliment to this study's recommendation, such a guide could be the first step towards homogenising common legal forms.

- **Harmonisation across regulations of EU countries on taxation and tax incentivisation, as well as in the definitions regarding special categories** such as 'disadvantaged / disabled person', etc. The difficulties in the operationalisation of **preferential tax treatment for SEs** should also be addressed. Similarly, to the above recommendation, the SEAP opts to tackle taxation issues through mutual learning by way of 2 guides. The first of which will set out relevant taxation frameworks for SE, based upon pre-existing member state legislation, and a second guide clarifying the rules on tax for cross-border donations²¹⁰. These actions will not tackle the operational issues regarding SE taxation at this stage, however, may proliferate good tax practices across the single market.
- **Private funding should also be supported, and within this context private investors and investment funds should better understand, possibly through training, the differentiations of social economy and SEs** from traditional for-profit businesses before proceeding with funding support. At the same time, specialised funding instruments can be developed in countries that are less developed in this regard taking after good practice that exist elsewhere, while respecting local context. SEAP's action points broadly align with this recommendation, while going above and beyond in terms of practical support for private SE funding. The Action Plan focuses on launching new financial products in 2022 under the InvestEU programme designed specifically for SE needs. With support for financial intermediaries (which could be in the form of training), being organised alongside the financial products as a secondary activity. Similarly, the EC envisages grant-based assistance for building of social enterprise finance markets and complementing equity investment in SEs²¹⁰.
- **Stimulation of engagement of foundations in impact investments and more missions-related cross-border investments.** Some national laws require a preservation of the value of the endowment – and mission related investment or investment in social enterprises do not always generate the required returns (or are considered too risky). Other national laws do not permit the provision of loans by public benefit organisations or any other programme activity that generates income on the programme side. EU and national policies could review the role of foundations in cross-border impact investments and identify measures to ease and/or stimulate the engagement of foundations in such activities. Such as infringement procedures opened by the EC, when cross-border activity (including mission-related investments) is blocked due to violation, wrongful or non-application of EU law²¹⁰.

At the level of **SE intermediaries**, converging with a key SEAP action point, it is suggested:

- There is, overall, a strong need to **make SE support services - public and private - more visible and accessible to the EU social economy ecosystem, as well as increase their capacity - both in terms of financial as well as human resources.** Such important actions need to be well-supported by effective dissemination,

communication and awareness raising activities complemented by trainings and mutual exchange programmes may pave the way towards this end. Hopefully these needs can be to an extent addressed by the EU Social Economy Gateway due to be launched in 2023, that will provide a repository of necessary information and simplify access to support²¹⁰.

At the level of **SE intermediaries**, broadly aligning with SEAP, it is suggested:

- Overall, **the SE ecosystem at European level is quite fragmented**. A number of actors, intermediaries, agencies, and supporting mechanisms exist in the different countries. Activities have started being performed to **map** them, yet more activities are needed in order to identify the **networking** (or lack of) among them and their role in the ecosystem (on regional, national and cross-border level). The European Commission aligns with this view, as highlighted by its future action point to better support the development of SE representative networks²¹⁰. Exploration and mapping of networking within the SE ecosystem will facilitate the design of policies that will help towards the better functioning of the ecosystem on overall EU level as well as help cultivate more cross-border activities among them.
- **Mapping of available funding instruments across the EU, with particular attention to be paid to microfinance and fintech solutions**. The fragmentation of the SE ecosystem is also reflected in the dispersion of funding instruments / incentives / practices across the EU. As per the recently released action plan, leveraging networks providing microfinance is also a priority of the EC²¹⁰. Highlighting the need for a collective and systematic mapping and exploration of these instruments, the context within which they are provided, the outcomes achieved, and the lessons learnt. This will allow the design of new financing initiatives – funded individually or jointly by various (across the EU) SE Intermediaries – that will further support SE development and can be also targeted towards the adoption of cross-border activities by SEs.

Finally, **SE intermediaries-level** recommendations originating from unique inferences of this study:

- **Mutual learning and collaboration among SE intermediaries, to avoid the existing fragmentation and facilitate exchange of practices and experiences**. This may be facilitated by cooperation platforms that will offer opportunities for building partnerships among SE peers and help them exchange experiences and know-how, and lessons learnt to minimise resource duplication. The European Cluster Collaboration Platform on Social Economy²¹² may be an inspiration, facilitator and enabler in this regard.
- **It is important to analyse successful cases, but even more important to study the less successful ones to understand the challenges and hurdles they faced**. In addition, it is also key to learn from the non-mainstream cases in relation to how they managed to uptake cross-border activities and overcome the difficulties they faced.
- **SE actors need to be regularly updated and supported in building internal capabilities** to take advantage of the offered opportunities for cross-border activities. This can be one of the responsibilities of the Social Innovation Competence Centres that exist or are currently being created in a number of countries.

²¹² <https://clustercollaboration.eu/>

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Annex I - Thomson Reuters Web of Science Core Collection

Query:

Topic=

(("social economy" OR "third sector" OR "social business" OR "social enterprise" OR "social entrepreneur*" OR "non-profit" OR "nonprofit" OR "civil society organisation*" OR Mutual* OR "Mutual Association*" OR "cooperative*" OR "association*" OR "foundation*" OR "non-profit association*" OR "nonprofit association*")

AND

("Internal market" OR "single market" OR "Interregional cooperation" OR "cross-border cooperation" OR "cross border cooperation" OR "crossborder cooperation" OR "transnational cooperation" OR "Social franchis*" OR internationalisation OR internationalization))

OR

Title=

(("social economy" OR "third sector" OR "social business" OR "social enterprise" OR "social entrepreneur*" OR "non-profit" OR "nonprofit" OR "civil society organisation*" OR Mutual* OR "Mutual Association*" OR "cooperative*" OR "association*" OR "foundation*" OR "non-profit association*" OR "nonprofit association*")

AND

("Internal market" OR "single market" OR "Interregional cooperation" OR "cross-border cooperation" OR "cross border cooperation" OR "crossborder cooperation" OR "transnational cooperation" OR "Social franchis*" OR internationalisation OR internationalization))

Indexes=SCI-EXPANDED, SSCI, A&HCI, CPCI-S, CPCI-SSH, ESCI Timespan=All years
1589 Scientific publications as of November 28, 2020

Table Annex 1- Selected Literature Social Economy and Social Enterprises and Internationalisation

Web of Science Category	Research Field	Keywords Web of Science	Keywords Authors	Literature
				CpY: Citation received per year
Business	Business & Economics	MANUFACTURING FIRMS; PERFORMANCE; INNOVATION; BEHAVIOR; INTERNATIONALIZATION; SMES	Export; cooperatives	Suarez et al. (2016) ~0 CpY
Business	Business & Economics	FIRMS; ORIENTATION	Social enterprises; internationalisation; cluster analysis; multidimensional correspondence analysis	Kusa and Debkowska (n.d.) ~0 CpY

Business	Business & Economics	HYBRID ORGANISATIONS; ENTREPRENEURSHIP; MICROFINANCE; PERFORMANCE; PARADOX; IMPACT; ENTRY; FIRM; GLOBALIZATION; STRATEGY	Social enterprises; Social entrepreneurship; Internationalization	Alon et al. (2020) ~1 CpY
Business	Business & Economics	FOREIGN DIRECT-INVESTMENT; SOCIAL ENTREPRENEURSHIP; LOCATION CHOICE; AID ALLOCATION; FIRM SIZE; PERFORMANCE; GOVERNANCE; INSTITUTIONS; EXPERIENCE; ENTERPRISE	Cross-border investments; Internationalization; Social enterprises; International market selection; Macroeconomic factors; Hybrid organisations	Mersland et al. (2020) ~2 CpY
Business	Business & Economics	ENTREPRENEURSHIP RESEARCH; INDUSTRIAL PARK; FAMILY FIRMS; PERFORMANCE; ENTERPRISE; SUZHOU; CHINA; MOTIVATION; CONTEXT; MODEL	International SMEs; Social SMEs; Local government support; Emerging countries; Behavioural theory; International growth	Veronica et al. (2020) ~2 CpY
Business	Business & Economics	ENTREPRENEURSHIP; EMBEDDEDNESS	Internationalization; social enterprise; entrepreneurship	Yang and Wu (2015) ~1,5 CpY
Business; Development Studies	Business & Economics; Development Studies	ORGANISATIONS	Russian civil society; social economy; cross-border co-operation; Finnish-Russian co-operation; social entrepreneurship; post-Soviet transformation	Scott and Laine (2012) ~0,56 CpY
Business; Economics	Business & Economics	STRATEGIC ALLIANCES	Cross-Sector Collaboration; Work Integration Social Enterprise; Creating Shared Value; Outsourcing; People with Disabilities	Lam (2016) ~0 CpY
Business; International Relations	Business & Economics; International Relations	ENTREPRENEURIAL IMPACT; DRIVERS	social entrepreneurship; internationalization; scaling; SCALERS	Cwiklicki (2018) ~0 CpY

Business; Management	Business & Economics	E-COMMERCE; POVERTY ALLEVIATION; BUSINESS LEADERS; ENTREPRENEURSHIP; INTERNATIONALIZATION; FRAMEWORK; LANGUAGE; GLOBALIZATION; COMMUNICATION; PERSPECTIVE	Social enterprises; E-commerce; Internationalization; Web globalization; Localization; Standardization	Benmamoun et al. (n.d.) ~0 CpY
Business; Management	Business & Economics	ENTREPRENEURSHIP RESEARCH; REFUGEE-ENTREPRENEURSHIP; OPPORTUNITY RECOGNITION; PRODUCT INNOVATION; INTERNATIONALIZATION; ENTERPRISES; CHALLENGE; CONFLICT; EFFECTUATION; METHODOLOGY	Entrepreneurship; Social entrepreneurship	Cheung et al. (2019) ~0,5 CpY
Business; Management	Business & Economics	ENTREPRENEURSHIP RESEARCH; INTERNATIONALIZATION PROCESS; ASIA-PACIFIC; OPPORTUNITIES; PERFORMANCE; CHALLENGES; CAPABILITIES; PERSPECTIVE; STRATEGIES; EXPANSION	Social capital; service-oriented firms; internationalization; social enterprises; public policy programmes; Asia Pacific	Suseno and Rowley (2018) ~0,67 CpY
Business; Management; Regional & Urban Planning	Business & Economics; Public Administration	ALLOCATION; DISTANCE; AID	Social Enterprise; Market Selection; Internationalization; Location Strategy; Microfinance; Country Risk	Sirisena (2015) ~0 CpY
Computer Science, Theory & Methods; Engineering, Multidisciplinary	Computer Science; Engineering			Wu and Duan (2019) ~0 CpY
Economics	Business & Economics	FIRM PERFORMANCE; INTERNATIONALIZATION; INTENSITY; BEHAVIOR;	Export; Innovation; Cooperatives; Labour Societies; Andalusia	Suarez et al. (2017) ~0 CpY

STUDY ON PROMOTING CROSS-BORDER ACTIVITIES FOR SOCIAL ECONOMY

		INNOVATION; DECISIONS; STRATEGY; SIZE		
Economics	Business & Economics		Shift-share; cooperatives; regional development; employment	Canto (2017) ~0 CpY
Economics	Business & Economics	ENTREPRENEURIAL IMPACT; NETWORKING; DRIVERS	social entrepreneurship; internationalisation; scaling; SCALERS	Cwiklicki (2019) ~0 CpY
Economics	Business & Economics		Social entrepreneurship; Creation of sustainable value; Entrepreneurship Ecosystem; Social Economy	Espada et al. (2018) ~1,33 CpY
Economics	Business & Economics	LABOR-MANAGED FIRMS; ENTRY; FOREIGN; DIVERSIFICATION; SUBSIDIARIES; PERFORMANCE; GOVERNANCE; OWNERSHIP; SERVICE; MODEL	Cooperatives; economic crisis; Social economy; employment; multinational company; globalization; internationalization; foreign market entry mode	Bretos et al. (2018) ~2 CpY
Economics	Business & Economics	LABOR-MANAGED FIRMS; PRODUCER COOPERATIVES; WORKERS COOPERATIVES; ENTERPRISES EVIDENCE; SOCIAL ENTERPRISES; MONDRAGON; PARTICIPATION; GOVERNANCE; INTERNATIONALIZATION; ENTREPRENEURSHIP	Economic globalization; internationalization; cooperatives; local development	Bretos and Marcuello (2017) ~7 CpY
Education & Educational Research	Education & Educational Research		Managerial accounting; Vocational colleges; Talent training; Innovation; Practice	Wang (2017) ~0,25 CpY
Education & Educational Research; Social Sciences, Interdisciplinary	Education & Educational Research; Social Sciences - Other Topics		Zhuhai; Downtown business district; Public facilities; Design	Liu and Chen (2014) ~0 CpY
Education & Educational	Education & Educational		universities; teaching staff; internationalization	Yuan et al. (2015)

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Research; Social Sciences, Interdisciplinary	Research; Social Sciences - Other Topics			-0 CpY
Education & Educational Research; Social Sciences, Interdisciplinary	Education & Educational Research; Social Sciences - Other Topics		internationalization; talents' cultivation; multi-level; multi objectives	Pi (2015) ~0 CpY
Education & Educational Research; Social Sciences, Interdisciplinary	Education & Educational Research; Social Sciences - Other Topics		cross border E-commerce; human resources; development status; countermeasures	Nan (2017) ~0 CpY
Energy & Fuels; Engineering, Environmental	Energy & Fuels; Engineering		Energy; Finance; oil prices; Kazakhstan	Li (2015) ~0 CpY
Green & Sustainable Science & Technology; Environmental Sciences; Environmental Studies	Science & Technology - Other Topics; Environmental Sciences & Ecology	SUSTAINABLE DEVELOPMENT GOALS; COOPERATIVES; CHALLENGES; GLOBALIZATION; OPPORTUNITIES; STRATEGIES; INSIGHTS	cooperatives; international expansion; organisational growth; scaling; social economy; social enterprise; social entrepreneurship; social impact; sustainable development	Bretos et al. (2020) ~0 CpY
Humanities, Multidisciplinary; Business; Management; Social Sciences, Interdisciplinary	Arts & Humanities - Other Topics; Business & Economics; Social Sciences - Other Topics		Logistics legal system; Analysis of the current situation; Development	Liu et al. (2014) ~0,14 CpY
Law	Government & Law		benefit corporation; societa benefit; sociedades de beneficio e interes colectivo; B Lab; social enterprise; shareholder primacy; dual purpose companies; triple bottom line; hybrid entities; SDGs	Ventura (2020) ~0 CpY
Management	Business & Economics	UPPSALA MODEL; NATIONAL CULTURE; EXCHANGE THEORY; ENTREPRENEURSHIP; FIRMS; ORGANISATION; COMMITMENT;	Social exchange theory; Reciprocity; Small business internationalization; Social enterprise internationalization; Uppsala Internationalization Model	Evans et al. (2020) ~1 CpY

		EVOLUTION; TRUST; BEHAVIOR		
Management	Business & Economics	INTERNATIONAL ENTREPRENEURSHIP; INFORMATION-TECHNOLOGY; KNOWLEDGE MANAGEMENT; INNOVATION; TRUST; PERFORMANCE; STRATEGY; CREATION; NETWORK; SMES	Social entrepreneurship; Digital intervention and ICTs; Virtual social enterprise	Javed and Yasir (2019) ~1 CpY
Management; Social Sciences, Biomedical	Business & Economics; Biomedical Social Sciences		The Belt and Road; cross-border e-commerce; talent training model; innovation research	Yang (2018) ~0 CpY
Mathematics	Mathematics	CORPORATE GOVERNANCE; SOCIAL ENTERPRISE; DIRECTORS; DELEGATION; TAIWAN; AGENCY	Size of business; Business lines; Ownership concentration; Operating performance; Financial industry	Yao and Huang (2018) ~0,33 CpY
Political Science	Government & Law			Tremblay (2005) ~0 CpY
Psychology, Multidisciplinary; Social Sciences, Interdisciplinary; Sociology	Psychology; Social Sciences - Other Topics; Sociology		social innovation; sustainable globalization; sustainable development; social economy; innovation process	Anghel (2014) ~0 CpY
Social Sciences, Interdisciplinary	Social Sciences - Other Topics		architecture and civil engineering; global vision; innovative graduate students; training mode	Chen et al. (2017) ~0 CpY
Social Sciences, Interdisciplinary	Social Sciences - Other Topics	INTERNATIONALIZATION	Input-output matrix; Economic globalization; Mondragon; Cooperativism; Corporate social responsibility	Arzadun (2019) ~0 CpY

Annex II – Experts /Stakeholders consultation

No	Organisation
1	Accio
2	CECOP-CICOPA
3	Cooperatives Europe
4	DG GROW - EEN Services.
5	EcoTransFaire
6	EURICSE
7	European Network of Cities and Regions for the Social Economy (REVES)
8	European Parliament
9	FEBEA
10	GECEs
11	Impact Finance / La Bolsa Social
12	Impact Hub
13	King Baudouin Foundation
14	Philanthropy Advocacy (DAFNE – Donors and Foundations Network in Europe & EFC - European Foundation Centre)
15	Social Good Accelerator
16	Social Impact Award
17	The Swedish Confederation of Professional Employees
18	Up-social
19	International Cooperative Alliance
20	Social Economy Europe
21	Slovak Academy of Sciences
22	Finnish Ministry of Economic Affairs and Employment
23	Ateliere Fara Frontiere
24	University of the Basque Country
25	Council of Europe Development Bank
26	Social Entrepreneurship Akademie (SEA)
27	The Euro-Mediterranean Network of Social Economy Network (ESMED Network)
28	TESSEA ČR
29	Groupe VYV
30	Ministerium der Deutschsprachigen Gemeinschaft
31	Development Agency of Karditsa
32	Greek Ministry Of Labour And Social Affairs Special Service, Executive NSRF Structure Employment and Social economy Sector
33	CODEX società cooperative

34	Luxembourgish Ministère du Travail, de l'Emploi et de l'Economie sociale et solidaire
35	Mgen groupe vyv
36	Social and Economic Investment Company TISE S.A. / Permanent conference of social economy
37	Dublin City Council
38	AIM
39	Coompanion
40	Government of Navarra
41	ESADE Business School, Universitat Ramon Llull
42	Social Enterprise NL
43	ENSIE - European Network of Social Integration Enterprises
44	ULESS
45	ConcertES
46	Erste Group Bank AG
47	TESS GEIE
48	Alaturi de Voi Romania Foundation
49	Torres Vedras Municipality
50	LAZ Lateinamerika-Zentrum e.V.
51	Fédération Nationale de la Mutualité Française (FNMF)
52	Montepio
53	ART-ER Attractiveness Research Innovation
54	Etika d.o.o., Združenje Socialna ekonomija Slovenije, so.p.
55	FairBnB
56	Danish Technological Institute
57	University of Padua
58	Libre Space Foundation
59	Atempo
60	Danish Rootzone Technology & Baccess A/S
61	Banca Etica
62	P3 - People, Planet, Profit, o.p.s.
63	FI-Compass
64	MyMind
65	King Baudouin Foundation
66	UNIBO
67	APRE
68	Thompson-Reuters Foundation/Trustlaw
69	European Centre for Social Finance
70	EVPA
71	Catalan Agency for Business Competitiveness
72	Belgian Federal Administration

The questions asked during the interviews and used with the online survey are presented hereunder:

Participants contact information

Q1 Interviewee's Name/Surname

Q2 Representing organisation

Q3 Interviewee's role in promoting SEs transnational activities

- Policy maker
- Intermediary in the SE area
- Business agency
- Intermediary organisation
- Researcher
- Manager/Employer of SE
- Other

Q4 Interviewee's country of residence

Views on transnational activities of Social Economy actors

Q5 Please rank the following types of transnational activities of Social Economy actors (including social enterprises) (SEs) from the most widely used (=1st) to the least widely used (=5th).

- Replication (SE replicate their activities in other countries by branching, affiliation or dissemination)
- Distribution (SE distribute and sell products and services transnationally (e.g., digital solutions, digital platforms))
- Sourcing (SE that engage in transnational activities to gain access to new resources (knowledge, funding, volunteers & contributors, products & production facilities, etc.))
- Collective Impact (SE that scale their impact or tackle global challenges by engaging in transnational movements, networks, or other relationships that focus on exchange and mutual support (without replicating))
- Please add any other relevant transnational activity and rank it

Q6 Which trends do you see in the development of transnational activities of SEs?

Q7 Please rate the importance of the following motives for transnational activities (*not at all important – extremely important*).

- Generating more impact
- Generating more revenue
- Becoming more attractive to donors
- Sourcing innovative approaches
- Growing the organisation
- Building alliances & networks

- Please add here any other relevant motive and rate it

Q8 Please rate the importance of the following barriers SE face in transnational activities (*no barrier – very strong barrier*).

- Lack of organisational capacity
- Lack of seed funding for starting transnational activities
- Lack of professional support from intermediaries (business agencies, SE intermediaries, etc.)
- Lack of strategy (opportunity driven transnational activities that lack focus)
- Lack of understanding of how the sector works in other countries
- Limitations of the legal form available for SE
- Please add here any other relevant barrier and rate it

Q9 Which kind of legal form favours the internationalisation of SEs? Please briefly explain why.

- Association
- Foundation
- Mutual
- Social Enterprise
- Cooperative
- Other

Q10 Is the legal form a barrier for transnational activities? In what ways?

Q11 Did the statute on the European Cooperative Society lead to more transnational activities of the social economy?

- To considerable extent
- To some extent
- A bit
- Not at all

Q12 Would EU conformity on the other legal forms remove barriers for transnational activities?

- To considerable extent
- To some extent
- A bit
- Not at all

Q13 Please explain briefly why EU conformity on the other legal forms would remove/not remove barriers for transnational activities.

Q14 Are existing support infrastructures for "traditional" SMEs accessible by SEs (e.g., export promotion, internationalisation services, business agencies)?

- To considerable extent
- To some extent
- A bit

- Not at all

Q15 Which existing support infrastructures did your organisation already use?

Q16 Do you have any suggestions on how SEs could benefit more from the existing support infrastructures for "conventional" SMEs?

Q17 Which regional/national legislation or policy instruments do you know of that support SEs in undertaking transnational activities?

Q18 What would be most relevant information you would like to obtain from a study on transnational activities of SEs?

Q19 What would be most relevant information for your partners / "clients"

Suggestions on cases/initiatives to be interviewed

Q20 Which cases of SEs involved in transnational activities can you recommend? (We look for cases that show success in internationalisation, used interesting ways to remove/go around barriers)

Annex III – SE cases involved in cross-border activities interviewed in our study

No	Name of case study	Country
1	Ackerdemia	Germany
2	AfB France	France
3	Atempo	Austria
4	BANCA ETICA	Italy
5	BE MY EYES	Denmark
6	Citizens in Power	Cyprus
7	Care Innovation Center in CrossCare	Netherlands
8	COLIVE OIL	Cyprus
9	Cycling Without Age	Denmark
10	Designathon	Netherlands
11	ECHO by Hospice UK	United Kingdom
12	EPEKA	Slovenia
13	EUSKAL Herriko Ikastolak Europar Kooperatiba	Spain
14	eyesfortheworld	Belgium
15	FAIRBNB	Italy
16	Fairphone	Netherlands
17	Fédération Nationale de la Mutualité Française (FNMF)	France

No	Name of case study	Country
18	FLOOW2	Netherlands
19	Fundatia Alaturi de Voi	Romania
20	GELECEKDAHA NET	Turkey
21	HELSINKI FOUNDATION	Finland
22	IES-Social Business School	Portugal
23	IPOP	Slovenia
24	Irrsinnig Menschlich	Germany
25	JUMPMATH	Spain
26	KLABU	Netherlands
27	LIBRE SPACE FOUNDATION	Greece
28	LYGO	France
29	Mobility Factory	Belgium
30	Montepio	Portugal
31	Myability	Austria
32	mymind	Ireland
33	Nasa Kuca	Serbia
34	PRAKSIS	Greece
35	PROGETTO QUID	Italy

No	Name of case study	Country
36	Qlu Ltd.	Finland
37	Rádio Miúdos	Portugal
38	Regionalwert AG	Germany
39	REScoop	Austria
40	Rosia Montana	Romania
41	SEAL CYPRUS	Cyprus
42	Simplon.co	France
43	SMART	Belgium
44	Stichting Justdiggitt Foundation	Netherlands
45	TABIT	Turkey
46	TEAM U	Germany
47	Too Good To Go	Denmark
48	WHEELMAP	Germany
49	WISE GREECE	Greece
50	YAPS	Albania
51	YouthBank International	Ireland
52	Zeitpolster	Austria

Annex IV – Co-creation Policy Workshops (digital)

Two co-creation policy workshops were organised and held digitally on 15/06/2021 and 17/06/2021 in the context of the study. The **objective** of the workshops has been to collectively produce recommendations on how social economy business models, strategies, policies, and intermediaries can stimulate cross-border activities and overcome the obstacles associated with such endeavours.

In total 43 participants took part in both days, coming from academia, research, policy and SE intermediary side.

The agendas of both days are presented hereunder:

Agenda of Co-Creation Workshop of 15/06/2021

14.00 – 14.05	Welcome & introduction
14.05 – 14.15	Presentation of the study
14.15 – 14.45	The internationalisation of social economy: challenges and opportunities faced by social economy actors <i>Representatives of social economy will present their own experiences in pursuing international endeavours</i>
14.45 – 15.15	Co-creation session (breakout rooms): <ul style="list-style-type: none"> • What kind of policies should be designed or continued to improve the funding, regulation, and adoption of internationalisation strategies by SE? • At what level should these policies be (regional, national, EU) and which would be the key stakeholders to be involved?
15.15– 15.35	Presentation of the key points reached during the co-creation per breakout room
15.35– 15.55	Panel discussion on the role of intermediaries in supporting and promoting the internationalisation of Social Economy <i>Representatives to discuss on the role, challenges and future in supporting the internationalisation of Social Economy</i>
15.55 – 16.00	Closure and final remarks

Agenda of Co-Creation Workshop of 17/06/2021

14.00 – 14.05	Welcome & introduction
14.05 – 14.15	Presentation of the study

14.15 – 14.35	The internationalisation of social economy: challenges and opportunities faced by social economy actors <i>Representatives of social economy will present their own experiences in pursuing international endeavours</i>
14.35 – 15.10	Co-creation session (breakout rooms): <ul style="list-style-type: none"> • What kind of programmes or activities could be designed or continued by intermediaries to improve cross-border activities of SE? <i>In relation to (i) funding, (ii) capacity building / strategy development of SEs, (iii) networking / matchmaking / assessing social systems in host countries</i>
15.10 – 15.20	Presentation of the key points reached during the co-creation per breakout room
15.20 – 15.55	Panel discussion on the collaboration between EU/national policy and social economy intermediaries and enterprise support intermediaries in general
15.55 – 16.00	Closure and final remarks

As observed, the workshops were **organised** in three parts: in the first, the key findings of the study were presented, to familiarise participants with the notions and topics explored. Following a short introduction of the objectives and a brief description of the methodology, we highlighted the main outcomes obtained so far. Then representatives of social economy actors involved in cross-border activities from different countries presented their social initiatives, why and how they engaged in cross-border activities, what issues they encountered and mitigation strategies they used and what lessons were learnt from engaging in cross-border activities.

The second part focused on co-creation, seeking for ideas and recommendations on how to improve uptake of cross-border activities via relevant policies with a focus on funding, regulation, and adoption of internationalisation strategies by SE (co-creation workshop of 15/6), and the role of social economy intermediaries, while focusing on the specific aspects of funding, capacity building, networking/ matchmaking / assessing social systems in host countries (co-creation workshop of 17/6).

The final part of the co-creation workshops involved a panel discussion aiming to bring the view of social / for-profit economy intermediaries on the topic so as to explore their role, challenges and future in supporting the internationalisation of Social Economy as well as how to improve collaboration between social and for-profit supporting initiatives.

The overall discussion and key takeaways are presented in the section hereunder.

Discussion overview

The Co-Creation Workshop of the study “Promoting Cross-Border Activities for Social Economy, Including Social Enterprises” took place online on the 15th and the 17th of June 2021. The two-day workshops achieved to gather stakeholders from various sectors, such as academic representatives, researchers, policymakers from the European Commission as well as national / regional level, public authorities, SE intermediaries and social entrepreneurs.

The participants were welcomed by the project officers of the Study, Mr. Karel Vanderpoorten, from the European Commission, DG for Internal Market, Industry, Entrepreneurship and SMEs and Mr Artur Benedyktowicz from the European Innovation Council and SMEs Executive Agency (EISMEA).

A short presentation of the study was made, to set the discussion going. The presentation involved a short overview of its objectives and methodology followed, some key outcomes reached, and some preliminary areas of recommendation identified to date through the conduct of literature review, experts/stakeholders' interviews and case studies formulation. The presentation of the study is available in Annex 1 of the present document.

Regarding the cases of social enterprises that participated and presented their internationalisation experiences, these included, for the 15th of June, Libre Space Foundation, PRAKSIS, and Atempo, and for the 17th of June, MyMind, and Fairbnb. Some of the key points highlighted in their stories included, among others, the prerequisites of replicating a social enterprise into other countries as well as the factors that affect the replication process such as the share of a common language and culture across borders. The presentations of all cases are also available in Annex 1 of the present document.

The co-creation sessions that followed the introductory notes, were implemented in three break-out rooms. The points / sticky notes of these discussions are available in Annex 2 of the present document. The participants had the opportunity to brainstorm ideas that promote the development of transnational activities among social entrepreneurs and co-produced policy recommendations for local, regional, national, and EU level as well as about the role of intermediaries in this process. All ideas discussed in the rooms were then presented in the plenary sessions, to allow for information and cross-fertilisation. Finally, during the panel discussion, participants had the opportunity to reflect on the topics of funding opportunities, taxation, legal formation, stakeholder engagement, as well as the ecosystem of social enterprises in each national context.

In the discussions held, participants emphasised that social enterprises need a clear definition of Social Enterprises and Social Economy overall across the EU. The definition is not restricted to legal forms, but to a more general appreciation and understanding of Social Economy, its constructing elements, the mission and vision it aims to serve and the various forms it may take. The cultivation of a common view will help Member States appreciate and acknowledge Social Economy as a distinctive economic actor in the economic eco-system. Also, it will help alleviate some current issues SEs face, e.g., the legal business form of a mutual is not recognised in all EU countries.

The homogeneity of social enterprises' legal forms among the EU member states could stimulate the collaboration between actors pursuing common goals but not necessarily sharing the same legal form. Nevertheless, as it currently stands, SEs tend to collaborate with the same type/legal forms of organisations in other countries and also tend to choose countries in which they find similar legal frameworks to operate in.

SEs should not be seen only as actors of SE but also as intermediaries, as they tend to work with other SEs to achieve greater impact, etc. Hence, their role in the SE ecosystem – and the overall economy ecosystem – is not as straightforward as the SMEs is.

With respect to social franchising, it was discussed that it may not be that easy of an option due to differences in the regulatory regimes of each EU country concerning employment and taxes.

The common EU SE statute was not considered the remedy to all problems, however in the long run it may solve many issues, just like the SMEs definition in the long run has created a common understanding of this type of business across the EU. In the meantime, what was considered urgently needed is harmonisation across regulations of EU countries on taxation and tax incentivisation, what is considered a disadvantaged / disabled person, social procurement, etc.

The participants validated the point identified in the study that funding programmes are needed that will help social economy actors assess whether they are ready/capable/mature to go international as well as experiment/try-out such endeavours. In Austria there are some small social entrepreneurship funding programmes, but nearly all of them are “de minimis”. This is a big hurdle, because under this framework SEs are only allowed to get max. €200 000 within 3 years. Many Social Enterprises cannot start useful projects because of this limit. There is a European directive which allows a higher limit of €500,000 for “services of general interest” – and they think that Social Enterprises should be included in it.

Apart from public funding, private funding was considered important. Private investors and investment funds need to better understand the differentiations of social economy and SEs before proceeding with funding support, so as to be able to analyse their impact (not only in economic KPIs).

Besides funding, acceleration programmes would be very helpful for preparing SEs for internationalisation by building capacity, improving knowledge and networking in host country, etc.

Another point raised concerned the funding towards mainstream SEs, e.g., digital ones. Indeed, these are important, yet it is also important to support other types of SEs as – maybe through this support – they also become mainstream.

On policy level, the attitude of local and national authorities to become more social economy-friendly and be better prepared to provide transnational activities for SEs is needed. Governments mostly try to copy best practices, but national context needs to be analysed, comprehended and acknowledged beforehand.

In the same direction, participants discussed the role of tax incentives for SEs who are willing to invest in other countries, but also for donors who want to support relevant initiatives on cross-border scale. There might be EU regulatory instruments for social enterprises which are not as convergent as the laws related to the traditionally commercial enterprises across EU regions. As a result, there is a lack of mutual learning that may help the convergency of legislation among social enterprises operating in EU members states. This can also become evident from the fact that social enterprises often face difficulties in exchanging good practices with their peers in other EU states.

There is a need for the creation of cooperation platforms that will offer opportunity for building partnerships among SE peers and help them exchange experiences and know-how, lessons learnt and minimise resources duplication.

Regarding the exchange of experiences and lessons learnt, it is not only the successful cases that are important to be analysed and explored but also the unsuccessful ones so as to understand what hurdled them. Also, it is important to learn from the non-mainstream cases, how they managed, how they experimented.

Exchange was also discussed on Member States level, as some countries are more advanced than others and it would be important to facilitate exchange of experiences and lessons learnt on this level also.

The SE ecosystem on a European level is quite fragmented. A number of actors, intermediaries, agencies, supporting mechanisms exist in the different countries. Activities have started being performed in order to map them, yet more activities need in order to identify the networking (or lack) among them and their role in the ecosystem (on regional, national and cross-border level) so as to accordingly design policies that will help towards the better functioning of the ecosystem on overall EU level as well as help cultivate more cross-border activities among them.

On national / regional level, more coordination and exchange among ministries, actors, stakeholders would support the more effective and efficient collaboration and networking.

The Enterprise Europe Network is making steps towards the inclusion of SE, through its new call on Competence Centres for Social Innovation, and an open invitation was made to all SE participants to explore the call and participate. The participants were quite interested to know more about it, and overall, it is considered an interesting experiment on the topic.

Apart from this new call, the local EEN agencies that are active in all EU member states as well as in the COSME countries, can provide business support to help SEs operate beyond their national borders. However, a point made during the discussion concerned the difference between the SMEs and the SEs, as SEs may go on an international journey to achieve exchange & collective impact – a prospect not directly related to prosperity, sustainability or growth in sheer economic terms. Hence, an appreciation of SE peculiarities and distinctive characteristics is needed by EEN (and other respective SME support initiatives) and to this end, more profound, systematic and systemic communication and interaction between the two sides will be assistive and hopefully influential for both. Moreover, the SE participants stressed the importance of EEN as a contact point not only for SMEs but also for social economy overall and the importance of capitalising on their experience and networks developed to date. In other words, SE and for-profit economy should learn from each other, and EEN could help in this respect through the exchange of experiences among the two.

Annex V- Third country-focused instruments and initiatives

EU SME Centre in China

Link: <https://www.eusmecentre.org.cn/>

The EU SME Centre is an EU initiative that provides a comprehensive range of hands-on support services to European SMEs, preparing them to do business in China. The Centre includes a team of experts that provides advice and support in four areas, namely: business development, law, standards and conformity, and human resources.

The EU SME Centre offers services through the following centres/platforms:

- Knowledge Centre including multiple market reports, guidelines, and case studies;
- Advice Centre, which provides information to support business decisions;
- Training Centre, which plugs the knowledge and skills gaps of SMEs entering the China market; and
- SME Advocacy Platform, which provides a coherent and consistent voice for European Small Businesses.

Cross-border support:

EU SME Centre in China offers a comprehensive range of support services for SMEs looking to export to China or invest in the market, including business advice, technical assistance, market studies, training workshops, networking, and B2B matchmaking.

European Business Organisations (EBO) Network

Link: www.linkedin.com/company/ebo-worldwide-network-asbl/about/

The EBO Network represents European business interests in markets outside the EU. It represents an active network in more than 35 key markets that serves European multinationals, as well as micro, small, medium and large companies. The EBO Network is composed of chambers of commerce and business associations, which represent primarily big companies operating in manufacturing, commerce, banking, etc.

The EBO Network mission is to provide a platform for European Business Organisations at global and regional levels to share best practices and to advocate for European Business in third markets.

Cross-border support:

The EBO Network expert group provides an official forum for companies to tell the EU which issues they would like the EU to lobby third country governments about, in order to gain more favourable business conditions.

EU-Japan Centre for Industrial Cooperation

Link: <http://www.eu-japan.eu/>

The EU-Japan Centre for Industrial Cooperation was established in 1987 to facilitate industrial cooperation between the EU and Japan. The Center supports all EU SMEs seeking to do business with or in Japan.

The EU-Japan Centre for Industrial Cooperation aims to:

- Promote all forms of industrial, trade and investment cooperation between Japan and the EU; and
- Strengthen the technological capabilities and the competitiveness of the European and Japanese industrial systems.

Through its online portal, the EU-Japan Centre offers information on a wide range of Japanese business sectors, from nanotechnology to forestry; practical information on overcoming various legal, regulatory and financial obstacles to the Japanese market; guidelines on Japanese business meeting etiquette; and broader cultural practices. The Centre also offers an online library of expert publications, e-learning resources and webinars, as well as information on upcoming trade fairs and other public events.

Cross-border support:

EU-Japan Centre for Industrial Cooperation manages policy-related and business support activities such as managerial training courses, cluster missions, information seminars, student placement programmes, a business forum, an info & help desk service, as well as various other services designed to help bring European and Japanese businesses together.

European Chamber of Commerce in Myanmar

Link: <https://eurocham-myanmar.org/>

The European Chamber of Commerce in Myanmar (EuroCham Myanmar) serves as the voice of European business in Myanmar. Its main mission is to advocate member interests with organisations in Myanmar, the ASEAN region and the EU.

Eurocham Myanmar's main mission is to significantly increase the presence of European business in Myanmar and facilitate market access for Europeans.

Cross-border support:

EuroCham Myanmar offers various activities to its members and supports the commercial goals of European companies, in particular SMEs, in Myanmar and vice versa. These activities mainly include services such as:

- Advocacy and lobbying for the interests of EU companies and EU economic diplomacy;
- Publication of investment guides and market studies; and
- Organisation of economic visits and fairs.

In addition, EuroCham Myanmar also provides business incubator space to European companies aiming to venture into the Myanmar market.

Eurocham Malaysia

Link: <https://www.eurocham.my/>

Eurocham Malaysia aims to facilitate trade and investment between Europe and Malaysia. Its main goal is to foster business alliances for a prosperous EU-Malaysia partnership.

Eurocham Malaysia's mission is to:

- Promote, support, and develop EU business interest in Malaysia; and
- Facilitate two-way trade, commerce and investments between EU and Malaysia.

Cross-border support:

Eurocham Malaysia portfolio of services includes:

- Advocacy: Promoting ease of doing business together;
- Visibility: Strengthening European brand visibility and brand presence in Malaysia/ ASEAN;
- Networking: Connecting European and Malaysian business communities for business opportunities; and
- Opportunity Activation: Realising business opportunities.

EuroCham Laos

Link: <https://eccil.org/>

The main purpose of EuroCham Laos is to represent the European business community in Laos and to advocate interests of members in Laos. Its principal objective is to promote and increase business between Lao PDR and the European Member States for their mutual benefit and for the benefit of its members. This includes:

- Promoting investment;
- Raising the profile of the Lao PDR in the European business community and vice versa;
- Promoting linkages between Laos and European SMEs;
- Facilitating the entry of European Companies into the Lao market.

Overall, EuroCham Laos aims to make Europe the preferred business partner of Lao PDR.

Cross-border support:

With an extensive knowledge about Laos and an impressive network, EuroCham Laos is able to provide trade and business support services, including:

- Advocacy: EuroCham Laos acts as a “single business voice” to advocate on behalf of members’ interest;
- Contacts & business matching: identifying business matching opportunities;
- Trainings and Seminars: communication, leadership, finance, negotiation training opportunities; and
- Recruitment services: assistance in the recruitment process.

EuroCham Cambodia

Link: <https://www.eurocham-cambodia.org/>

EuroCham Cambodia was created in 2011 by the existing French, German and British business associations to act as the official chamber of the European business community in

the Kingdom. Since then, it has grown to over 330+ members and 6 national chapters, comprising 11 European countries.

EuroCham Cambodia's core activities are to promote, support and represent its members and European business interests in dialogue with the Royal Government of Cambodia, with the aim of developing a more efficient and fertile business and investment environment.

Cross-border support:

EuroCham Cambodia has a dedicated Business Services team that offers a wide range of services, such as:

- Assistance to individuals or companies with an interest in investing in Cambodia;
- Business development;
- Technical support;
- Communication & Human Resources; and
- Professional training.

EuroCham Indonesia

Link: <http://www.eurocham.id/>

EuroCham Indonesia is the principal voice of European business interests in Indonesia. EuroCham Indonesia maintains close working relationships with the EC, the EU Delegation, and all of the existing European bilateral chambers of commerce, and European embassies in Indonesia.

The main objectives of EuroCham Indonesia are:

- Developing dialogue and maintaining contact with high-ranking officials in Indonesia;
- Providing members with recent developments and fluctuations regarding business in Indonesia;
- Harmonising the national chambers and business associations of the EU;
- Enlarging the European community spirit in Indonesia; and
- Organising strategic events and seminars.

Cross-border support:

Currently, EuroCham Indonesia possesses a service portfolio that includes:

- Policy Advocacy: The Research and Advocacy team conducts policy meetings and dialogues with relevant government agencies on laws and regulations. The work includes but is not limited to draft or issued law/regulations, and their amendments.
- Knowledge Centre: To learn best practices, research, and discover relevant studies about Indonesia.
- Working Group Resources: For members only, to support the advocacy work within each industry covered by EuroCham Indonesia.
- Other materials: Regulatory and Policy Updates, Legal Briefs, Market Access Updates.
- Advertising & Sponsorship Opportunities.

- **Networking:** EuroCham Indonesia maintains close working relationships with the Government of Indonesia and other local stakeholders, such as the Indonesian Chamber of Commerce and Industry (KADIN), the Indonesian Employers' Association (APINDO) and other Indonesian sectoral associations. EuroCham works closely with the EC, the EU Delegation in Indonesia, all the local European embassies, bilateral chambers of commerce in Indonesia and European chambers of commerce globally through the EBO Worldwide Network. All these organisations contribute to an ongoing dialogue with the Government of Indonesia, ultimately aiming to improve the investment climate and business environment in the country.

EU-Indonesia Business Network (EIBN)

Link: <https://www.eibn.org/>

EU-Indonesia Business Network (EIBN) is a partnership project between five European bilateral chambers of commerce in Indonesia and two counterparts in Europe.

EIBN acts as a first entry point for European businesses, providing accurate and in-depth information on market potential, while supporting companies with market research and their establishment in the country.

EIBN aims to promote Indonesia and ASEAN as high potential trade and investment destinations among companies from all EU28 member states (especially SMEs) and support them in their endeavours to partner with Indonesia.

Cross-border support:

EIBN offers a set of services designed to assist EU companies in identifying and seizing business opportunities in Indonesia. The services offered include:

- Specialised information and market entry recommendations;
- Accompaniment in all corporate and commercial law matters; and
- Investment advisory.

EU4Business Initiative

Link: www.eu4business.eu

This initiative provides EU support to SMEs from the 'Eastern Partnership', namely Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine. The initiative brings together previously separate regional and bilateral actions, to streamline the support offering and concentrate on tackling key issues faced by SMEs. Namely, limited access to finance, difficulty to conquer new markets, lack of business skills and a difficult business climate.

Through its interventions and projects, the programme has managed to support over 70,000 SMEs in the abovementioned countries, generating over 50,000 new jobs. The initiative operates at several levels, offering capacity building in terms of policy making, business support through intermediaries and trade and direct investment into SMEs. Of course, SEs may be either direct or indirect beneficiaries of EU4Business projects, yet they can also find a place as partner organisations involved in project and programme implementation.

Cross-border support:

Being a direct beneficiary may well help an SE in expanding its cross-border reach. However, because they are usually implemented by groups of partners from different countries, projects conducted by the initiative are by definition cross-border. Therefore, participating in such a project can improve the capacity of an SE to operate beyond the borders of its original country. Moreover, a cornerstone of their activities is communication with the goal of raising awareness of the impact of EU SME support across borders.

European and Latin America Technology based Business Network (ELAN Network)

Link: <https://www.elannetwork.org/>

The ELAN Network is a network composed of European and Latin American organisations. The Network was born in January 2015 within the framework of a EuropeAid project financed by the EC. The mission of the Network is to link and foster collaboration between the innovation ecosystems of the EU and Latin America and the Caribbean, as well as to promote processes of transformation and economic growth in the technological field in both regions.

The ELAN Network is a Triple Helix network formed by key actors from the innovation ecosystems of both regions: business support organisations, knowledge and technology-based organisations and public sector actors.

Cross-border support:

The ELAN Network provides the following support to SMEs from both continents:

- Identification of technology-based business opportunities;
- Identification of the partners, technologies and funding sources needed to develop specific business opportunities;
- Access to a consolidated network of intermediate organisations that represent the most relevant agents of their regional innovation ecosystem who can offer their knowledge and experience in the co-generation of technology-based businesses.
- Identification of initiatives, existing projects promoted by international funding entities that contribute to meeting the challenges through innovative and/or technological initiatives;
- Design of innovative and/or technological proposals among one or more network members that respond to the country's challenges and seek financing for its implementation; and
- Foster alliances between innovation ecosystem agents from both regions with similar priorities within their smart specialisation strategies.

Low Carbon Business Action in Mexico

Link: <https://low-carbon-business-action-mexico.converve.io/>

The Low Carbon and Circular Economy Business Action in Mexico is an EU funded initiative that aims to facilitate the commercialisation of green low-carbon technologies and circular economy solutions of European SMEs and small Mid-Caps in Mexico.

This business-driven initiative aims to reduce carbon emissions, promote the principles of the EU Green Deal and support the implementation of the Paris Agreement on Climate Change. It will focus on concretising business opportunities in sectors that can generate high sustainable impact.

Cross-border support:

The Low Carbon and Circular Economy Business Action in Mexico provides the following services:

- Market intelligence: Learning opportunities about sectors with high growth potential for sustainable technologies.
- B2B matchmaking & lead generation: Power business growth with AI-driven lead generation tool and dedicated business matching team.
- Virtual events & trade missions: Organisation of virtual, physical and hybrid community activities to support learning, networking, and business traction.
- Business support network: Support the collaboration with organisations that can refer business, provide in-country information and additional support on objectives.
- Tailored technical assistance: Provision of specialised assistance for business collaboration. This service includes, amongst other assistance, trade orientation, identification of co-financing opportunities, product to market adaptation and legal advice.

European ASEAN Business Centre (EABC)

Link: <https://www.eabc-thailand.org/>

The European ASEAN Business Centre (EABC) is part of a strategy of the EU to support the internationalisation of European SMEs and other European enterprises in enhancing market access in emerging and fast-growing markets such as Thailand as well as ASEAN markets (in Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam). It aims to increase and further diversify investment, market opportunities and access for European companies in Thailand and to promote Thailand as a high potential trade and investment market for European business. EABC also acts as the European chamber of commerce in Thailand, covering all EEA (European Economic Area) states, and the UK not just EU states.

Cross-border support:

The EABC is committed to working closely with European businesses, the Royal Thai Government, the EU Institutions, and the Chambers of Commerce as well as counterparts in Thailand, in ASEAN, and in Europe.

EABC's main activities include:

- Carrying out policy and advocacy dialogues;
- Building consensus;
- Providing support to European businesses about trade and investment; and
- Organising key events to foster opportunities for European businesses in Thailand.

EU GATEWAY | BUSINESS AVENUES

Link: <https://www.eu-gateway.eu/>

EU Gateway | Business Avenues is an instrument that fosters thousands of European companies that aim to establish business collaborations in Asia. It organises EU-funded business missions to Asia to gradually help European companies either set foot or consolidate their businesses in Asia in crucial sectors for the EU. Each mission brings selected companies a pipeline of new partnerships and deals from newly encountered clients in Asia.

Cross-border support:

EU Gateway | Business Avenues offers:

- Strategic and logistic services;
- Tailored coaching and preparation on business culture and opportunities in the target markets;
- Scheduling of individual B2B meetings with Asian companies;
- Advice on legal issues, certification, and intellectual property rights;
- Logistical support for the business exhibitions in Asia, including a booth at the EU pavilion;
- Interpretation services;
- Targeted promotion in Asia; and
- Networking events hosted by the EU Delegation for facilitating dialogue with the Asian business communities.

Access2Market Portal

Link: <https://trade.ec.europa.eu/access-to-markets/en/content/welcome-access2markets-market-access-database-users>

The online portal Access2Markets offers detailed trade information on tariffs, rules of origin, taxes, and additional duties, import procedures and formalities, product requirements, trade barriers and trade flow statistics to EU exporters and importers on country-by-country level.

Access2Markets provides trade information in order to:

- Support companies in their efforts to internationalise their business;
- Inform about trade agreements and support their implementation;
- Explain the benefits of the EU's trade agreements beyond tariff elimination;
- Make it easier to assess export opportunities & chances to access foreign markets;
- Provide a single online tool for export, import and intra-EU trade;
- Provide necessary trade information for each product, agreement and over 120 export markets;
- Break down the legal language into practical information;

- Serve information easy to access online, multilingual, on-the-go.

Cross-border support:

Access2Markets includes information for both importers and for exporters: all tariffs, import procedures and formalities as well as product specific requirements for more than 120 export markets outside the EU. Representing over 90% of the total value of the exports to non-EU countries.

In addition to key country-by-country information about export and import conditions, Access2Markets has new information, namely:

- Step-by-step guides into exporting/importing goods and services;
- Detailed guidance on rules of origin;
- A tool to assess a product's origin;
- Trade terminology explained along the way;
- Information on how tariffs under trade agreements will be dismantled over time; and
- Trade flows statistics with graphs.

Access2Markets is available in all 24 official EU languages and in a responsive and mobile-friendly layout.

Local Economic Development Agencies (LEDAs)

Link: <https://www.ilsleda.org/en/>

Since 1990, International Links and Services for Local Economic Development Agencies (ILS LEDA) has been working in 31 countries and 79 local territories around the world through several programmes funded by the EU, the United Nations (UN), the Italian Cooperation and the private sector, supporting more than 2000 stakeholders in promoting their sustainable territorial development.

Under this framework, the development of 41 territorial value chains has been facilitated in 16 countries. Within these 16 countries, 53 self-sustained LEDAs or similar participatory structures have been established. Supported by a global LEDA network that has backed and trained over 1,000 institutions on local/territorial approaches to economic development.

ILS LEDA functions as a “clinic” for the territory, a centre that addresses its key contemporary problems and challenges, by analysing, diagnosing, and resolving them. Furthermore, ILS LEDA supports local, national and international organisations in improving territorial economies, with the aim of achieving competitive, inclusive, resilient, cohesive, and sustainable development, in accordance with the Sustainable Development Goals (SDGs) of the United Nations.

Cross-border support:

ILS LEDAs provides several services to the population and institutions of the many countries in which these agencies are allocated, such as territorial promotion, economic dynamisation, access to credit, technical assistance, and training. More specifically, the services offered include:

- Building governance: build solid public-private partnerships for managing economic development processes at local level;

- Facilitating strategies: support actors in formulating bottom-up and participatory strategies addressed to economic and human development at local level;
- Implementing strategies: support local actors in designing customised comprehensive systems for implementing the shared development strategies and plans at local level;
- Supporting LEDAs: provide technical assistance to the LEDA members of the network, to improve their performances;
- Territorial Marketing: support local actors in identifying the personality of their places and designing territorial marketing strategies and brands; and
- Training operators: provide customised courses - also online - and support universities in designing masters and specialised courses on Local economic development.

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For access to legal information from the EU, including all EU law since 1952 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

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The EU Open Data Portal (<http://data.europa.eu/euodp/en>) provides access to datasets from the EU. Data can be downloaded and reused for free, for both commercial and non-commercial purposes.

