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**SECON: Social Economy -
Regional Policies for supporting
Social Economy Enterprises**

**Task A1.3. Field Research on regional needs,
attitudes, and perspectives**

Regional Needs Assessment Results Report

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KMOP Social Action and Innovation Centre



SECON: Social Economy - Regional Policies for supporting Social Economy Enterprises

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Contents

Introduction	4
Purpose of the Report.....	4
Overview of the SECON Project.....	5
1. Methodology.....	6
Field Research Methodology	6
2. Regional Online Survey Results.....	8
Number of Respondents & Target Groups	8
Findings	8
3. Focus Group Results	16
Stakeholders involved	16
Discussion Summaries.....	17
4. Official Assessments of Current Policies	24
Overview of Current Policies Supporting the Social Economy in Each Region.....	24
Main Outcomes of Policy Assessments	26
5. Comparative Analysis Across Regions	28
Common Themes & Similarities in Needs and Challenges	28
Regional Variations.....	31
6. Recommendations	35
Strategies & Initiatives to Overcome Identified Barriers & Strengthen Enabling Factors	35
Policy Recommendations.....	38
Stakeholder Collaboration Opportunities	40
Conclusion.....	41
Summary of Key Findings	41
Implications for Policy and Practice	43
Future Directions.....	44



Introduction

Purpose of the Report

The purpose of this transnational report is to synthesise the findings from regional needs assessments conducted across various SECON project regions. These assessments aim to identify the specific needs, attitudes, and perspectives towards the social economy within each region. By consolidating these insights, the report seeks to inform policy development, enhance interregional learning, and support the advancement of social economy initiatives across Europe.

Objectives of the Regional Needs Assessment

The regional needs assessment within the SECON project has the following objectives:

1. **Assess Specific Regional Needs:** To evaluate the unique requirements and challenges faced by each region in promoting and supporting the social economy.
2. **Inform Policy Development:** To provide evidence-based insights that will guide the creation and refinement of policies aimed at fostering the social economy.
3. **Support Interregional Learning:** To facilitate the exchange of best practices and innovative approaches between regions, enhancing collective knowledge and capabilities.
4. **Promote Future Initiatives:** To identify opportunities for new initiatives and strategies that can drive the growth and sustainability of the social economy in the participating regions.

Overview of the SECON Project

The SECON project, an Interreg Europe initiative, aims to improve regional policies for supporting social economy enterprises (SEEs) across Europe. The project responds to the increasing importance of the social economy in addressing societal challenges such as unemployment, social exclusion, and economic inequalities. By engaging citizens and promoting inclusive growth, the social economy can drive sustainable development, particularly in rural areas with limited access to markets and resources.

Key goals of the SECON project include:

- **Raising** awareness and visibility of the social economy.
- **Facilitating** access to responsible public procurement and funding.
- **Providing** business support and capacity-building opportunities.
- **Maximising** the contribution of the social economy to green and digital transitions.
- **Boosting** regional social innovation.

The project brings together nine public authorities and one civil society organisation from nine countries, working collaboratively to strengthen the social economy across Europe and serve as a model for sustainable economic and social progress.

For more details, please visit the

[SECON project page.](#)

1. Methodology

Field Research Methodology

The field research methodology for the SECON project is designed to gather qualitative data through online surveys and focus groups. These methods aim to assess regional needs, attitudes, and perspectives towards the social economy, providing a robust foundation for policy development and interregional learning.

Online Survey

The online survey targets stakeholders involved in or supporting the social economy sector within each region. The survey aims to:

- Capture a wide array of perspectives on the social economy.
- Identify challenges and potential initiatives affecting social economy promotion.
- Understand current attitudes and the effectiveness of existing policies.
- Gather insights on unmet needs and future perspectives.

Survey Process:

1. **Design and Distribution:** The survey is designed based on specific regional contexts and is distributed via email to a curated list of stakeholders.
2. **Data Collection:** Stakeholders complete the survey, which typically takes around 20 minutes. Responses are collected anonymously to ensure candid feedback.
3. **Data Aggregation:** The collected data is anonymised and aggregated for analysis, preserving the confidentiality of participants.

Survey Content: The survey includes sections on respondent information, understanding and attitudes towards the social economy, challenges and initiatives for promotion, and needs and future perspectives. It uses a mix of multiple-choice, Likert scale, and open-ended questions to gather detailed and nuanced responses.

Focus Groups

Focus groups are conducted during stakeholder group meetings, providing a platform for in-depth qualitative discussions on the social economy. The focus group sessions are designed to:

- Complement the findings of the online survey.
- Delve deeper into the nuances of regional needs and perspectives.
- Facilitate open dialogue among diverse stakeholders.

Focus Group Structure:

1. **Participant Selection:** 6-8 stakeholders representing various roles within the social economy are invited to participate.
2. **Session Facilitation:** A trained moderator guides the discussion, ensuring it remains participant-led and covers key topics such as attitudes, barriers, enabling factors, and future needs.
3. **Documentation:** Discussions are recorded (with consent) and supplemented by facilitator notes to capture all insights accurately.

Focus Group Content: The focus group sessions are structured to explore participants' definitions of social economy, their perceptions of current policies, barriers to growth, enabling factors, and future needs. Suggested questions are provided to guide the discussion, ensuring all key areas are covered.

Data Collection Process

The data collection process involves several key steps to ensure comprehensive and reliable data:

1. **Stakeholder Mapping:** Identifying and mapping relevant stakeholders within each region.
2. **Survey and Focus Group Execution:** Conducting the online survey and focus group sessions as per the guidelines.
3. **Data Compilation:** Compiling and anonymising survey responses and focus group discussions.
4. **Preliminary Analysis:** Conducting an initial analysis to identify major themes and insights.

Analysis Approach

The analysis approach for the SECON project involves both quantitative and qualitative methods to provide a holistic understanding of the regional needs and perspectives towards the social economy:

1. **Quantitative Analysis:** Statistical analysis of survey data to identify patterns, trends, and significant findings.
2. **Qualitative Analysis:** Thematic analysis of focus group discussions to extract deeper insights into stakeholder attitudes and experiences.
3. **Synthesis of Findings:** Integrating quantitative and qualitative findings to create a comprehensive regional profile.
4. **Reporting:** Drafting regional reports based on the synthesised data, highlighting key findings, recommendations, and potential policy implications.

2. Regional Online Survey Results

Number of Respondents & Target Groups

In total, across all SECON regions, there were several types of stakeholders who participated in the online survey. The distribution of respondents includes social entrepreneurs, policy makers, representatives of support organisations, and other key stakeholders involved in the social economy.

Total Respondents: There were approximately **181 respondents** in total across the regions (27 respondents, DE; 18 respondents, BG; 20 respondents, LV; 22 respondents, PL; 37 respondents, PT; 13 respondents, ES; 22 respondents, EL; 22 respondents, RO)

Stakeholder Groups involved:

- **Social Entrepreneurs/Social Enterprise Representatives:** These stakeholders represent a significant portion involved directly in social enterprises.
- **Policy Makers:** Stakeholders engaged in shaping and influencing policies related to the social economy.
- **Support Organisations:** Organisations that provide support to social enterprises, highlighting the role of intermediaries in the social economy.
- **Individuals Interested in Social Economy:** Individual respondents that indicated a general interest in the social economy but did not belong to the other predefined categories.

Findings

Understanding and Attitudes towards Social Economy

This section provides an analysis of survey respondents' understanding and perceptions of the social economy across various SECON project regions. The findings are drawn from responses to questions about how participants define the social economy, their perceived understanding of its role in regional development, and their evaluation of current policies supporting the sector. Additionally, this section covers respondents' views on the potential impact of the social economy on their regions, the effectiveness of current policies, and the primary sources of information they rely on for updates on social economy initiatives. Through these insights, the chapter highlights both the commonalities and regional variations in how the social economy is perceived and supported.

Defining Social Economy and its Role in Regional Development

Survey respondents across various regions provided their definitions of the social economy. Commonly, the social economy was described as an inclusive and multifaceted sector encompassing various types of organisations, including cooperatives, NGOs, social enterprises, and associations. Respondents emphasised its dual focus on social impact and economic sustainability. Key definitions across regions highlighted several recurring themes:

- **Economic and Social Inclusion:** Respondents consistently emphasised the role of the social economy in promoting the social inclusion of vulnerable groups and contributing to regional well-being.
- **Entrepreneurial Innovation:** Social enterprises were seen as drivers of innovative solutions to societal challenges, combining business models with social goals.
- **Cooperatives and Collaborative Models:** Many regions, particularly in rural areas like Spain and Portugal, pointed to cooperatives as critical actors in supporting community development, particularly in sectors like agriculture and local services.

Understanding of Social Economy's Impact on Regional Development

When asked to rate their understanding of the social economy's impact on regional development, the majority of respondents across regions reported moderate to high understanding. In Germany and Poland, respondents largely rated their understanding as "High" or "Very High." In Greece, respondents showed a balanced distribution between the high and low responses. In contrast, Romania reported lower levels of self-assessed understanding, with only a few participants indicating high levels of knowledge.

This disparity in understanding suggests varying degrees of exposure to social economy practices and policies in different regions. Despite differences in self-assessed knowledge, respondents across all regions recognised the critical role of the social economy in fostering sustainable development, reducing inequality, and supporting marginalised communities.

Perceived Potential Impact of Social Economy

Regarding the potential impact of the social economy on regional development, respondents demonstrated strong support for its role as a key driver of positive change. In Latvia and Greece, around 70% of participants rated the potential impact as "High" or "Very High," reflecting a widespread belief in the social economy's capacity to address pressing regional challenges. Similarly, in Spain and Poland, over 50% of respondents considered the social economy's impact to be substantial, particularly in promoting job creation and social cohesion in rural and economically marginalised areas.

Conversely, in Bulgaria and Romania, a significant portion of respondents rated the potential impact as "Moderate," indicating a need for greater awareness and stronger policy frameworks to fully harness the potential of the social economy.

Support for Existing Social Economy Policies

The survey also explored respondents' levels of support for existing social economy policies. Support varied significantly across regions. In Germany and Portugal, respondents expressed high levels of support, particularly for initiatives such as social enterprise networks and regional cooperation programmes. In contrast, in Romania and Bulgaria, many participants indicated that existing policies were not sufficiently effective, citing issues such as limited government support, bureaucratic hurdles, and insufficient financial incentives.

Effectiveness of Current Policies

The perceived effectiveness of current social economy policies also varied across the regions. In Portugal and Spain, policies supporting social economy development, particularly cooperative models, were rated as relatively effective by a majority of respondents. However, in Romania and Latvia, many respondents expressed concerns about the bureaucratic complexity of existing policies, which they felt hindered the growth of social enterprises. Respondents from rural regions were particularly critical, noting that policies often lacked the flexibility to address local needs and challenges.

Sources of Information on Social Economy Initiatives

Survey respondents identified several key sources of information about social economy initiatives in their regions. In most regions, local government publications, social economy networks, and conferences were the most frequently cited sources. For instance, in Bulgaria, over 75% of respondents indicated that they relied on government websites and publications for information, while online forums and social media were also popular, particularly in Latvia and Greece.

Perceived Barriers to Growth

Across the SECON project regions, survey respondents consistently highlighted several barriers to the growth of social economy enterprises (SEEs), with certain challenges being shared across all regions.

The lack of **sufficient support and resources** was a major concern in most regions. In Greece 100% and in Germany 95% of respondents, indicated that SEEs did not receive adequate support. Similarly, in Latvia, 85% of participants felt that support and resources were insufficient, a sentiment mirrored by 86% of respondents in Poland and Romania. These findings reflect a general perception of insufficient systemic backing for the sector across the SECON regions.

Access to finance was frequently cited as one of the most significant barriers. In Bulgaria, 67% of respondents identified access to finance as a key issue, with similar concerns echoed by 65% of respondents in Latvia, 55% in Spain, and 68% in Greece, where funding and investments were highlighted as critical obstacles. In Portugal and Belgium, access to finance was similarly a major concern, limiting the ability of enterprises to scale up and develop.

Regulatory and legal challenges were another common theme across the regions. In Belgium, respondents identified strict legal frameworks as a primary obstacle, while in Romania, regulatory complexity was seen as a barrier to both growth and innovation. Similarly, 62% of Bulgarian respondents and 35% of Latvian respondents cited legal and regulatory difficulties as key impediments. In Greece, 54% of respondents also pointed to outdated regulations as hindering the sector's potential for expansion.

Lack of public awareness and understanding also surfaced as a widespread issue, affecting the sector's visibility and support. In Spain, 55% of respondents felt that the general public's knowledge of the social economy was insufficient, while in Greece 40%, in Bulgaria 50%, and in Latvia 70% of respondents respectively identified a lack of awareness as a major challenge. This sentiment was reflected across all regions, with respondents in Romania and Poland also highlighting the need for better public outreach.

Other significant barriers mentioned across the regions included challenges in **scaling up operations**, cited by respondents in Spain, Latvia, and Poland, as well as **limited access to markets**, particularly in Belgium and Spain, where reaching potential customers or expanding into new markets was seen as difficult. **Lack of leadership** was noted in Belgium, Greece, and Romania, where respondents emphasised the need for stronger, more coordinated leadership within the social economy sector to drive growth and innovation.

Enabling Factors

Across the SECON project regions, several key enabling factors have emerged as crucial for fostering the growth and sustainability of SESs. While these factors vary somewhat in prominence across regions, common themes include **access to funding, strong networks and partnerships, supportive legal and regulatory frameworks, and training and capacity-building programmes.**

Access to funding and investment was highlighted as a critical enabler across many regions. In Bulgaria, 55% of respondents identified access to finance as a key factor for promoting the social economy, a sentiment echoed in Romania, Latvia, and Poland. Respondents in these regions emphasised that financial resources are necessary to support the startup and growth phases of social enterprises, as well as to provide the stability needed for long-term sustainability. In Spain, financial support was also seen as necessary, although the perception was that it remains insufficient in many cases.

The **role of strong networks and partnerships** was another recurring theme. In Germany, over 50% of respondents pointed to the importance of networks such as the Centre for Open Social Innovation (S-Hub Mannheim) and other university initiatives in supporting the social economy. Similarly, in Latvia and Poland, respondents considered strong partnerships between SESs, government bodies, and other stakeholders to be vital in facilitating collaboration, resource sharing, and mutual support. This view was also shared in Belgium, where partnerships were seen as essential for overcoming challenges related to finance and regulatory issues.

Supportive legal and regulatory frameworks were mentioned in several regions as enablers of social economy growth, though their effectiveness was perceived differently across countries. In Bulgaria and Latvia, the legal and regulatory environment was seen as generally supportive, helping to promote SESs. In Poland, respondents noted that the regulatory framework provided crucial backing for the sector, especially in the areas of public procurement and financial incentives. However, in regions like Portugal and Greece, the effectiveness of legal frameworks was more contested, with some respondents feeling that further reforms were needed to reduce bureaucracy and make regulations more favourable for social enterprises.

Training and capacity-building programmes were highlighted as essential in regions such as Romania, Latvia, and Bulgaria. Respondents in these areas pointed to the importance of educational initiatives that build the skills and knowledge of social entrepreneurs, enabling them to better navigate the challenges of starting and growing a social enterprise. These programmes also help raise awareness about the social economy, making it more accessible to new participants. In Greece, training and capacity-building were also seen as crucial, particularly for expanding the sector and improving its visibility among both entrepreneurs and the general public.

Finally, **public awareness and support** were identified as enabling factors in several regions. In Latvia, Romania, and Belgium, respondents noted that raising public awareness of the social economy helps to create a more supportive environment for social enterprises. This includes not only public perception but also the engagement of local communities, businesses, and governments in supporting social economy initiatives. Public awareness campaigns were particularly emphasised in Bulgaria and Spain, where they have been instrumental in increasing visibility and fostering community support for the sector.

Unmet Needs & Future Perspectives

The survey results provide a comprehensive overview of the unmet needs and future perspectives for the social economy across the SECON project regions. While there are clear challenges in terms of education, community engagement, and policy support, the optimism expressed by respondents suggests that with the right interventions, the social economy has the potential to play a transformative role in regional development.

- Unmet Needs in the Promotion and Education of Social Economy

Across the SECON project regions, a clear and consistent theme emerged from the survey results: a significant unmet need for greater promotion and education about the social economy. A large majority of respondents across all regions, particularly in Spain, Bulgaria, and Romania, highlighted the lack of awareness and understanding of the social economy as a barrier to its development. In Spain, for instance, over 65% of respondents stressed the importance of integrating social economy concepts into educational programmes, starting at the primary level and continuing through university and vocational training. Respondents from Bulgaria echoed this sentiment, emphasising the need for professional training and the creation of networks to facilitate knowledge sharing and collaboration within the sector.

This widespread recognition of the need for education and awareness campaigns was further reinforced by respondents from Belgium and Germany, who called for efforts to reduce fragmentation between different social economy initiatives through more consistent communication and consultation processes. Similarly, in Latvia, a lack of accessible information was cited as a key challenge, with many participants suggesting that more direct communication through social economy networks and associations could improve public understanding and engagement.

- Need for Greater Community Engagement

The survey results also revealed a strong consensus on the importance of engaging local communities in the development of the social economy. In Romania, nearly all respondents expressed the belief that the local community should play a more active role in shaping the future of the social economy. Similar views were shared by participants in Greece and Germany, where respondents emphasised the value of local knowledge and community-driven initiatives in fostering sustainable development.

One particularly notable finding from Spain was the call for initiatives that would integrate the social economy more deeply into regional policies, including rural development, public procurement, and support for social enterprises. These respondents pointed to the need for stronger community involvement in policy design and implementation, which would help to ensure that social economy activities are aligned with local needs and priorities.

- Policy Improvements and Future Actions

When asked how existing policies could be improved to better promote the social economy, respondents from all regions consistently highlighted the need for more supportive regulatory frameworks. In Poland and Belgium, many participants called for the simplification of legal and bureaucratic procedures to reduce barriers to entry for social economy entities. Respondents from Germany and Romania echoed these concerns, advocating for clearer guidelines and more flexible funding mechanisms that would make it easier for social enterprises to access resources and support.

In addition to regulatory changes, participants from Spain and Greece stressed the importance of creating financial incentives, such as grants, preferential loans, and tax breaks, specifically tailored to the needs of social enterprises. These respondents argued that the current lack of targeted financial support is a major obstacle to the growth of the social economy, particularly in economically disadvantaged areas.

Several regions also noted the need for stronger networking and partnership opportunities. In Belgium, for instance, respondents called for more formalised cooperation between different social economy actors, including businesses, civil society organisations, and government bodies. This emphasis on collaboration was echoed by participants from Latvia, who pointed to the importance of experience exchange, peer learning, and capacity-building initiatives as essential components of a thriving social economy ecosystem.

- Optimism About the Future Growth of Social Economy

Despite the challenges identified in terms of unmet needs and policy gaps, respondents across all regions expressed a generally optimistic outlook on the future growth of the social economy. On a scale of 1 to 5, with 5 being the most optimistic, the majority of respondents in Spain and Germany rated their optimism between 3 and 5. Participants from Greece and Romania also showed moderate optimism, with most respondents rating their outlook at 3 or 4.

While there was some variation in levels of optimism between regions, with a few participants expressing more cautious or neutral views, the overall sentiment was one of cautious optimism. This suggests that while significant challenges remain, there is a strong belief among stakeholders in the potential for the social economy to grow and play a more central role in regional development.

- Additional Suggestions and Comments

In the final open-ended question, several respondents provided further suggestions for enhancing the development of the social economy. A recurring theme across regions was the need for more visibility and recognition of the sector's contributions to social and economic well-being. In Spain and Belgium, respondents called for public campaigns to raise awareness of the benefits of the social economy, particularly in rural areas where the sector is less well-known. Similarly, in Greece, Spain, and Romania, participants suggested that educational initiatives and workshops could help to dispel misconceptions about the social economy and encourage more widespread participation.

Additionally, respondents from Spain emphasised the importance of fostering a supportive policy environment, including the creation of dedicated social economy observatories to monitor and evaluate the impact of policies and initiatives. These observatories would help to ensure that future policies are evidence-based and responsive to the evolving needs of social enterprises and communities.

Last but not least, respondents from Poland suggested consultation processes that involve local communities and representatives of social economy as well as creation of cooperation strategies attentive to the needs of people at risk of social exclusion to enhance effectiveness of social economy activities.

3. Focus Group Results

Stakeholders involved

In the focus groups conducted across the SECON project regions, diverse stakeholders participated, representing various sectors of the social economy.

Region of Peloponnese, Greece	The focus group conducted in the Peloponnese region included a diverse set of 11 stakeholders from various sectors of the social economy. These participants represented different organisations, including cooperatives, cultural institutions, social services, and environmental protection initiatives.
Riga Planning Region, Latvia	Participants included representatives from social enterprises, a municipality representative, a representative from the Association of Social Entrepreneurship of Latvia, and representatives of regional institutions, with a total of 12 participants.
Haskovo Municipality, Bulgaria	Stakeholders comprised SECON project stakeholders and staff members responsible for project implementation, totalling 7 participants.
Extremadura, Spain	The focus groups involved representatives from social economy entities, public administration, and NGOs, with a total of 10 participants.
Rhine-Neckar, Germany	Participants included representatives from social enterprises, regional institutions, and policy makers, with a total of 11 participants.
Mazowieckie Region, Poland	Stakeholders were representatives from social economy entities, NGOs, and local government. The session was attended by 8 participants.
Province of Flemish Brabant, Belgium	Participants included representatives from social enterprises, regional institutions, and NGOs, with a total of 8 participants.
Oliveira do Hospital, Portugal	The focus groups involved representatives from social enterprises, community organisations, and local government, totalling 10 participants.
Harghita County, Romania	Participants included 9 representatives from 7 organisations active in the social economy sector within the county, including social enterprise leaders, local government officials, and representatives from NGOs. These stakeholders represent a broad spectrum of the social economy, ensuring that diverse perspectives and experiences were included in the discussions.

Discussion Summaries

Understanding and Attitudes

Across the regions, participants share a positive attitude towards the social economy, recognising its potential to address social, economic, and environmental challenges. Common themes include the need for improved public awareness, better regulatory frameworks, and increased financial support. There is a shared emphasis on the importance of collaborative networks, educational initiatives, and supportive policies to foster the growth of the social economy. However, regional variations highlight specific challenges and enabling factors unique to each context. In more detail, participants in Oliveira do Hospital (PT) recognise the social economy's potential for community development. There is a strong emphasis on the sector's role in promoting social inclusion and addressing local challenges. Access to funding and regulatory challenges are significant barriers. Participants highlight the importance of strong community networks, supportive policies, and educational programmes. There is a call for increased financial support and better regulatory frameworks to enhance the sector's growth. Participants in Riga Planning Region (LV) perceive social entrepreneurship as a mission-driven initiative focused on public benefit, promoting important values, and supporting vulnerable groups. They emphasise the need for social enterprises to be aware of regulatory frameworks and support opportunities. Participants also highlight the necessity of changing attitudes to view social enterprises not as charities but as investments addressing social problems. This shift is crucial for fostering support from the public sector and ensuring sustainable development.

In Peloponnese (EL), the social economy is regarded as a vital driver of regional development, fostering community cohesion, supporting local businesses, and addressing social challenges. Initiatives such as community-supported agriculture and environmental projects have played an essential role in improving both local sustainability and economic resilience. However, there is a consensus that policy changes are necessary to enhance the effectiveness of these initiatives. The discussion emphasised the importance of increased financial support and the creation of more favourable conditions for social enterprises to thrive, particularly through direct incentives and targeted programmes. In Harghita County (RO), stakeholders expressed a consensus on the challenges faced by social enterprises, particularly regarding the legal and bureaucratic hurdles imposed by national legislation. While the participants acknowledged the potential of the social economy to contribute to regional development, they emphasised that the current policy environment is not sufficiently supportive. The understanding of the social economy among stakeholders varied, with some participants viewing it narrowly as employment for disadvantaged groups, while others recognised a broader role in fostering community development and social inclusion. Despite these differences, there was a shared belief that the social economy's potential in Harghita County is underutilised.

Further, in Extremadura (ES), the social economy is highly valued for its potential to address regional challenges such as depopulation and unemployment. Participants highlighted the cooperative model's significance, particularly in the agro-food sector, and its role in fostering regional development. The social economy is seen as essential for promoting inclusive growth and social justice. Participants also stress the need for improved recognition and support from public institutions, along with financial incentives to enhance the sector's development. Participants in the Rhine-Neckar (DE) region view social economy positively, recognising its contribution to sustainable development. There is a strong emphasis on the sector's role in promoting social inclusion and addressing environmental challenges. However, participants note significant bureaucratic hurdles and the need for increased public awareness and support. They call for more streamlined administrative processes and enhanced funding mechanisms to support social enterprises.

In the Mazowieckie (PL) region, there is a varied understanding of the social economy, with some seeing it broadly while others focus on social entrepreneurship. Participants emphasise the community benefits of the social economy and its role in addressing local needs. However, regulatory challenges and limited financial resources are significant barriers. There is a call for a cohesive policy framework and better coordination among stakeholders to support the sector's growth. In Haskovo Municipality (BG), there is a recognition of the moderate understanding of the social economy's impact on regional development. Participants acknowledge its importance for sustainable regional growth. The focus group noted a significant lack of social enterprises in the municipality, emphasising the need for developing social economy initiatives in smaller communities. They also pointed out the necessity of educational and promotional activities to raise awareness among children, students, and policymakers.

Finally, in the Province of Flemish Brabant (BE), the social economy is seen as vital for inclusive growth. Participants highlight the sector's role in fostering social cohesion and economic development. Financial constraints and bureaucratic complexities are noted as significant barriers. The importance of collaborative networks and supportive local policies is emphasised. Participants call for improved funding mechanisms and enhanced public-private partnerships to support social enterprises.

Barriers to Growth

In Rhine-Neckar (DE), significant administrative challenges in establishing and running social enterprises were noted. Participants also highlighted the lack of adequate funding opportunities and insufficient public understanding and recognition of the roles and benefits of social enterprises. In the Mazowieckie region (PL), complex legal frameworks and the lack of cohesive policies were identified as barriers. Participants also pointed out the insufficiency of funding opportunities and low levels of understanding and recognition among the general public and

policymakers. In Peloponnese region (EL), a range of challenges was identified including securing stable and long-term funding that could ensure projects' sustainability, regulatory hurdles, complex legal frameworks, and administrative burdens that impede the establishment and expansion of social enterprises. In rural areas, the lack of adequate infrastructure was noted as a major constraint, limiting the potential for development in these regions.

In the Province of Flemish Brabant, Belgium, participants highlighted financial constraints and difficulties in navigating administrative processes. They also noted the lack of specific support mechanisms tailored to the needs of social enterprises. In the Riga Planning Region (LV), focus group participants identified high labour taxes as a significant barrier that increases operational costs for social enterprises. They also highlighted the lack of municipal support due to limited budgets and insufficient decision-making freedom. Additionally, the complex regulatory framework with unclear roles and budgets among state institutions was noted, alongside the limited practice of socially responsible procurement despite political support.

Moreover, in Haskovo Municipality (BG), the broad legal framework hinders effective targeting of incentives and support measures. Participants emphasised the need for sectoral reforms as social enterprises are mostly confined to traditional sectors. They pointed out the lack of consistent capacity-building programmes to enhance entrepreneurial skills and market recognition. Furthermore, insufficient financial support for the initial start-up phase of social enterprises makes sustainability challenging. In Extremadura (ES), a major barrier is the general lack of understanding and recognition of the social economy model. Focus group participants also mentioned difficulties in accessing broader markets and financial constraints as significant hurdles for the growth and sustainability of social enterprises.

The focus group in Harghita County (RO) identified key barriers to the growth of the social economy. Bureaucratic complexity under Law no. 219/2015 discourages potential social entrepreneurs due to the complicated registration and maintenance processes. Financial support is also lacking, particularly for startups, with European funds difficult to access due to stringent requirements. Additionally, a significant lack of public awareness and understanding hampers the sector, as the social economy is often misunderstood or undervalued by the public and policymakers. Last but not least, in Oliveira do Hospital, Portugal, securing necessary financial support was a primary obstacle for social enterprises. Participants also mentioned complicated legal and administrative frameworks and limited market access as significant hurdles.

Overall, focus groups across the regions highlighted common barriers, including high labour taxes, lack of municipal support, complex regulatory frameworks, and insufficient financial incentives. Unique challenges were also identified in each region, such as the need for sectoral reforms in Haskovo and bureaucratic hurdles in Rhine-Neckar. Addressing these barriers

through targeted policy interventions, improved funding mechanisms, and enhanced public awareness is crucial for fostering the growth of social enterprises.

Enabling Factors

Focus groups across the regions highlighted several common enabling factors for the growth of social economy, including supportive public resources, strong community networks, and the availability of grants and financial support. Training and capacity-building programmes, supportive policies, and public awareness initiatives were also emphasised as crucial enablers. Each region also identified unique enablers, such as the importance of cooperative models in Extremadura and the role of policy frameworks in Rhine-Neckar. Addressing these enabling factors through targeted interventions, improved coordination, and enhanced support mechanisms is essential for fostering the growth of social enterprises. More specifically, the enabling factors raised in the several regions can be described as follows:

The focus group in Harghita County (RO) identified several enabling factors that could support the growth of the social economy. Strong community networks were highlighted as a key asset, facilitating collaboration between social enterprises and local stakeholders. The importance of training and capacity-building initiatives was also emphasised, as these can enhance the skills and knowledge of social entrepreneurs, helping them overcome operational challenges. Additionally, while the current legal framework poses challenges, participants noted that policy improvements could unlock significant potential for growth, suggesting that more supportive and streamlined policies could greatly benefit the social economy in the region.

In the Riga Planning Region (LV), participants identified several enabling factors for the growth of social enterprises. Municipal support was highlighted as crucial, with municipalities providing various support mechanisms, maintaining contacts with social enterprises, and being aware of their performance and problems. Additionally, the availability of grants through local and regional competitions was noted as a significant enabler. Networking events and activities within the social entrepreneurship community were also seen as essential for promoting social entrepreneurship, providing information, and facilitating peer learning and exchanges. In Haskovo Municipality (BG), the focus group participants emphasised the importance of supportive public resources. They highlighted the need for public resources to support social enterprises' activities and the planning of objectives, order, and expected results when providing support. Ensuring equal treatment and reducing administrative burdens were also considered important, along with implementing programmes and measures based on needs analysis and the relevance of invested resources to the obtained results. Furthermore, participants called for better coordination and decentralisation, involving municipalities in the development of social entrepreneurship according to local needs.

In addition, in Extremadura (ES), the enabling factors identified include strong community networks and associations that support social enterprises. Participants emphasised the importance of cooperative models and highlighted the role of public institutions in providing recognition and support. Legal frameworks and public awareness initiatives were also seen as critical enablers for the social economy's growth. In Rhine-Neckar (DE), the focus group participants noted the supportive role of policy frameworks and the availability of training and capacity-building programmes as significant enablers. Strong networks and partnerships within the social economy sector were also emphasised, along with public awareness and support initiatives. In the Mazowieckie region (PL), enabling factors included government initiatives and support from NGOs. Participants highlighted the importance of community engagement and collaboration among stakeholders to promote the growth of social enterprises. The availability of financial support through various programmes was also seen as a crucial enabler.

What is more, in the Province of Flemish Brabant (BE), the focus group participants identified collaborative networks and supportive local policies as key enablers. Training initiatives and educational programmes were also highlighted as important for building capacity and promoting the social economy. Financial support mechanisms and public-private partnerships were considered essential for the sector's growth. In Oliveira do Hospital (PT), participants emphasised the importance of strong community networks and supportive policies. Educational programmes and public awareness initiatives were seen as crucial for promoting the social economy. The availability of financial support and better regulatory frameworks were also identified as significant enablers for the growth of social enterprises.

Lastly, several enabling factors were highlighted as critical to the growth of the social economy in the Peloponnese region's (EL) focus group. Strong community networks, supported by collaborations between local businesses and government bodies, were recognised as key drivers of success. Public-private partnerships were also seen as effective in advancing regional environmental and social projects, while cultural heritage initiatives, such as local festivals, have contributed significantly to both tourism and community pride. The region's agricultural sector, driven by cooperative models, has also benefited from the support and involvement of the local community.

Needs and Future Perspectives

Looking ahead, several areas for improvement were identified in all focus groups. In the region of Peloponnese (EL), access to long-term funding mechanisms was a recurrent theme, with a need for more sustainable financial support for social enterprises. Participants also called for simplified regulatory frameworks that would reduce the administrative burden on social economy initiatives. Additionally, there is a strong demand for expanded support for youth and cultural programmes, which have the potential to further enrich the social fabric of the region and foster local development. By addressing these needs, the social economy in the Peloponnese can be better positioned to continue its positive impact on the region.

In the Province of Flemish Brabant (BE), participants emphasised the importance of improved funding mechanisms and better regulatory frameworks to support social enterprises. They highlighted the need for strong public-private partnerships and collaborative networks. Participants also called for enhanced educational programmes and training initiatives to build capacity within the social economy sector. In Oliveira do Hospital (PT), participants identified the need for increased financial support and better regulatory frameworks to enhance the social economy. They emphasised the importance of strong community networks and supportive policies. Participants also highlighted the need for public awareness campaigns and educational programmes to promote the benefits of the social economy and its role in community development.

Moreover, in the Riga Planning Region (LV), focus group participants highlighted the need for more active cooperation between social enterprises and municipalities. They emphasised the necessity for municipalities to engage more proactively with social enterprises and for social enterprises to be more active in communication. Additionally, participants identified a need for increased socially responsible procurement practices, more diverse support mechanisms, and ongoing public awareness campaigns to change the perception of social enterprises from being seen as a cost to an investment. In Extremadura (ES), participants identified the need for more institutional support and financial incentives to enhance the social economy sector. They emphasised the importance of cooperative models and the need for increased recognition from public administration. Participants also called for improved public awareness campaigns and educational programmes to promote the social economy and its benefits for regional development.

The focus group in Harghita County outlined key needs and future perspectives for the social economy. Simplifying legal procedures was identified as crucial to encourage more organisations to engage in social economy activities. There is also a strong need for enhanced financial mechanisms, including easier access to European funds and local funding initiatives. Increasing public awareness through broad campaigns was emphasised as essential to shifting

perceptions and gaining support. Additionally, fostering stronger collaboration between social enterprises, local government, and other stakeholders was seen as vital for creating synergies and advancing social economy initiatives in the region. In Rhine-Neckar (DE), participants highlighted the need for more streamlined administrative processes and increased financial support for social enterprises. They emphasised the importance of public awareness initiatives and the need for strong networks and partnerships within the social economy sector. Participants also called for enhanced training and capacity-building programmes to support the growth of social enterprises.

In Haskovo Municipality (BG), participants stressed the need for sector-specific reforms and comprehensive strategies for the development of the social economy at the national level. They called for measures to reduce administrative burdens and ensure equal treatment for all social enterprises. The need for long-term public support programmes and financial incentives for social enterprises was also emphasised. Participants highlighted the importance of building capacity and recognition in the market for social enterprises to achieve sustainability. In the Mazowieckie region (PL), participants stressed the need for a cohesive policy framework and better coordination among stakeholders. They identified the necessity for increased funding opportunities and enhanced public awareness of the social economy. Participants also called for more support from NGOs and government initiatives to promote the growth of social enterprises.

Altogether, focus groups across the regions highlighted several common needs and future perspectives for the growth of the social economy, including the need for increased financial support, improved regulatory frameworks, and enhanced public awareness campaigns. The importance of strong community networks, supportive policies, and educational programmes was also emphasised. Each region identified specific needs, such as sector-specific reforms in Haskovo and the need for strong public-private partnerships in the Province of Flemish Brabant. Addressing these needs through targeted policy interventions and enhanced support mechanisms is essential for fostering the growth of social enterprises and promoting sustainable development.

4. Official Assessments of Current Policies

Overview of Current Policies Supporting the Social Economy in Each Region

A detailed analysis of the Social Economy Policies in the SECON regions is presented under the published report “Analysis of social economy policies in SECON regions – Unified Report” that is available publicly in the [SECON project digital library](#). A brief overview is provided below:

Province of Flemish Brabant, Belgium

Belgium supports social economy through collaborative networks and local policies. The region emphasises financial support mechanisms, public-private partnerships, and educational initiatives to foster social enterprises. Bureaucratic complexities and financial constraints are notable challenges.

Haskovo Municipality, Bulgaria

In Bulgaria, the Law on Enterprises of the Social and Solidarity Economy (2019) provides the framework for social enterprises, focusing on social activities and goals in collaboration with state or local authorities. The Integrated Development Plan (IDP) of Haskovo Municipality (2021-2027) aligns with EU cohesion policy but lacks specific social economy policy instruments at the regional level. The municipality has developed a social enterprise funding scheme to facilitate employment and social inclusion of vulnerable groups.

Rhine-Neckar, Germany

Germany's policies support social enterprises through both national and regional frameworks. The Rhine-Neckar region benefits from strong networks, policy support, and capacity-building programmes. The focus is on promoting social inclusion and sustainable development, although bureaucratic hurdles and funding constraints remain significant challenges.

Region of Peloponnese, Greece

In the Region of Peloponnese, social economy policies are aligned with the National Action Plan for Social Economy (2023), which aims to support over 120 social solidarity economy (SSE) entities across sectors like agriculture, eco-tourism, and cultural heritage. These policies focus on modernising the local economy and promoting community resilience. However, challenges such as bureaucratic barriers, complex legal frameworks, and a lack of long-term financial support hinder growth. Efforts are underway to improve access to finance, streamline regulations, and foster public-private partnerships to enhance the social economy's role in sustainable regional development.

Riga Planning Region, Latvia

The policy framework in Latvia is primarily defined by the national “Law on Social Enterprise” (2018), which outlines the status and activities of social enterprises. The Riga Planning Region Development Programme and Action Plan (2022-2027) supports social economy under the area of "Social planning and capacity building of society." However, no specific regional budget is allocated for these activities, relying instead on national and municipal regulations and initiatives

Mazowieckie Region, Poland

Poland's policies for social economy involve national frameworks with support from local governments and NGOs. The region highlights the need for cohesive policies and better coordination among stakeholders to enhance the social economy sector. Financial resources and public awareness are critical areas for improvement.

Oliveira do Hospital, Portugal

Portugal's policies focus on supportive community networks and regulatory frameworks. The region stresses the need for increased financial support and public awareness campaigns to promote the social economy. Educational programmes are also crucial for the sector's development.

Harghita County, Romania

In Harghita County, social economy policies are shaped by Law no. 219/2015, which provides the legal framework for social enterprises. However, the complex certification process and bureaucratic hurdles have limited the law's effectiveness. While European funds are available, accessing them is challenging due to stringent requirements. Overall, the current policies lay a foundation but need simplification and better support to effectively promote the social economy in the region.

Extremadura, Spain

Extremadura's policies support social economy through various regional initiatives. The region emphasises the importance of cooperative models, particularly in the agro-food sector, to address regional challenges like depopulation and unemployment. The Directorate-General of Cooperatives and Social Economy leads these efforts, with a focus on democratic management and social inclusion.

Main Outcomes of Policy Assessments

The evaluations of current policies across the SECON project regions underscore the need for enhanced financial support, improved regulatory frameworks, and increased public awareness. While there are strengths in existing policies, targeted interventions and strategic adjustments are essential to address the specific needs and challenges of each region. This comparative analysis highlights the importance of coordinated efforts to foster the growth of the social economy across Europe.

In the Province of Flemish Brabant, Belgium, evaluations highlight the necessity for better regulatory frameworks and improved funding mechanisms. Collaborative networks and educational programmes are identified as key strengths, but these need to be complemented by more effective regulatory support and financial aid to foster the growth of social enterprises. Regulatory frameworks and funding mechanisms need improvement. Collaborative networks and educational programmes are crucial for fostering the social economy.

In Haskovo Municipality, Bulgaria, the broad legal framework and sectoral limitations restrict the growth of social enterprises. The volatile economic and political environments further complicate sustainability efforts. Financial tools are available but often inadequate for smaller NGOs, limiting their capacity for long-term operations. The evaluations show that while financial tools are available, they are often insufficient for smaller NGOs. Sectoral reforms and targeted support for specific vulnerable groups are necessary for sustainable development.

In Rhine-Neckar, Germany, evaluations emphasise the need for streamlined administrative processes and enhanced funding mechanisms. While there is substantial support for capacity-building programmes and policy frameworks, public awareness and recognition of social enterprises remain inadequate, limiting the overall impact of existing policies. Policies support social inclusion and sustainable development but face challenges with bureaucracy and funding. Enhanced public awareness and streamlined processes are necessary to improve effectiveness.

The policy assessments for the Peloponnese region, Greece reveal both progress and challenges. While SSEs in sectors like agriculture and eco-tourism receive support, financial sustainability remains a key issue, with reliance on short-term funding. Bureaucratic hurdles, especially for small SSEs, and low public awareness, particularly in rural areas, hinder growth. Infrastructure deficiencies, such as limited transportation and digital connectivity, further restrict scalability. To fully unlock the potential of SSEs, improvements in regulatory frameworks, financial support, and public-private partnerships are essential.

In the Riga Planning Region, Latvia, evaluations indicate systemic support at the national level, but municipal support and non-financial assistance are lacking. Administrative barriers and project-based support systems limit effectiveness. Policies need diversification and better-defined roles for public institutions to enhance support mechanisms. The policies are somewhat effective but require improvement in municipal support and non-financial assistance.

In the Mazowieckie Region, Poland, assessments point to complex legal frameworks and insufficient funding as major barriers. There is a critical need for cohesive policy frameworks and better coordination among stakeholders to create a supportive environment for social enterprises. Public awareness of the social economy is also low, requiring targeted efforts to improve understanding and support. Policies are hampered by complex legal frameworks and limited funding. Better coordination among stakeholders and cohesive policy frameworks are essential for supporting social enterprises.

In Oliveira do Hospital, Portugal, assessments reveal that increasing financial support and improving regulatory frameworks are crucial for the social economy's growth. Strong community networks and public awareness campaigns are vital, but existing policies need to be bolstered to provide comprehensive support for social enterprises. Policies need to focus on increasing financial support and improving regulatory frameworks. Strong community networks and public awareness campaigns are vital for promoting the social economy.

The policy assessments in Harghita County, Romania, reveal that while the legal framework for social enterprises, established by Law no. 219/2015, is a significant step forward, its complexity has hindered broader participation in the social economy. The bureaucratic challenges and difficult access to European funds have limited the effectiveness of these policies. Despite these obstacles, there is potential for growth if the policies are simplified and better aligned with the needs of social enterprises. The assessments highlight the need for more supportive measures to enhance the impact and sustainability of the social economy in the region.

In Extremadura, Spain, policy assessments highlight the importance of public recognition and support for the social economy. Cooperative models are highly valued, especially in the agro-food sector. However, significant gaps in financial incentives and public awareness need to be addressed to enhance policy effectiveness. Public recognition and financial incentives are critical for enhancing the social economy. Cooperative models are highly valued, but better institutional support and public awareness are needed.

5. Comparative Analysis Across Regions

Common Themes & Similarities in Needs and Challenges

The SECON project's regional needs assessments revealed several recurring themes that highlight the structural barriers and challenges faced by Social Economy Enterprises (SEEs) across Europe. Despite the diversity in regional contexts and economic environments, these common challenges suggest that systemic issues are at play, which need to be addressed through targeted policy interventions and cross-regional collaboration. Below, we summarise the most significant common themes and challenges encountered by SEEs.

Financial Barriers

One of the most prominent and shared challenges across all SECON regions is the lack of adequate financial support for SEEs. Across multiple regions, respondents indicated that current funding mechanisms, both public and private, are insufficient to support the growth, sustainability, and scaling of SEEs. In Latvia, Portugal, and Bulgaria, stakeholders identified a persistent gap in financial resources, with many social enterprises struggling to secure start-up capital, operating funds, or expansion loans.

In many cases, public funding is either limited or difficult to access due to bureaucratic complexity. For example, in Romania, stakeholders noted that the stringent requirements for accessing European funds create significant barriers, particularly for smaller enterprises that lack the administrative capacity to navigate complex application procedures. Greece and Germany reported similar issues, with enterprises facing hurdles in securing financial support from national programmes or private investment.

Regulatory Hurdles

A second common challenge is the complex and often restrictive regulatory environments that SEEs must navigate. In regions such as Germany, Poland, and Belgium, social enterprises face bureaucratic hurdles related to registration, compliance, and ongoing regulatory requirements. Stakeholders across regions reported that these regulatory frameworks are often not tailored to the unique needs of SEEs, making it difficult for them to operate efficiently or grow.

For example, in Greece, respondents emphasised that regulatory processes are time-consuming and complex, particularly for enterprises seeking to expand or scale up their operations. In Belgium, stakeholders pointed to the lack of regulatory flexibility as a key obstacle, limiting innovation and adaptation in response to changing market or community needs. Simplifying these regulatory frameworks and creating more adaptive policies could significantly enhance the growth prospects of SEEs across regions.

Public Awareness and Recognition

A third critical challenge shared across SECON regions is the lack of public awareness and recognition of the social economy. Despite its potential to drive inclusive growth, foster social innovation, and address community needs, SEEs remain relatively unknown in many regions, both to the general public and policymakers. In Spain, Romania, and Greece, stakeholders highlighted that low public visibility prevents SEEs from gaining the necessary support from consumers, investors, and local governments.

Respondents across these regions stressed the importance of raising awareness about the social economy's benefits, particularly in rural areas where SEEs have the potential to address social exclusion and economic marginalisation. Awareness campaigns, educational programmes, and broader visibility initiatives are seen as essential steps toward creating a more supportive environment for SEEs.

Capacity-Building Needs

There is a widespread need across SECON regions for capacity-building programmes aimed at strengthening the skills, knowledge, and operational capabilities of social entrepreneurs. In regions like Romania, Latvia, and Bulgaria, respondents emphasised the critical need for training programmes that can help SEEs navigate financial, managerial, and regulatory challenges.

Capacity-building is especially important for newer or smaller SEEs that may lack the resources to develop internal expertise in key areas such as business development, financial planning, and compliance. Across the board, stakeholders called for targeted initiatives that would provide social entrepreneurs with the tools they need to grow and succeed, including workshops, mentorship programmes, and peer learning opportunities.

Collaborative Networks

The importance of strong networks and partnerships was another theme that emerged consistently across regions. In regions such as Germany and Spain, the existence of collaborative networks between SEEs, government bodies, and private sector actors was cited as a critical enabler of growth. These networks provide platforms for knowledge-sharing, collaboration, and mutual support, helping SEEs navigate challenges such as market access, funding gaps, and regulatory compliance.

However, in many regions, these networks are either underdeveloped or fragmented. Stakeholders in Latvia and Romania called for more formalised collaborations between SEEs and government agencies, as well as greater engagement from the private sector in supporting social economy initiatives. Strengthening these networks could foster a more supportive ecosystem for SEEs, facilitating innovation, resource-sharing, and coordinated action across sectors.

Administrative Burdens

Many regions also reported that administrative burdens pose significant challenges for SEEs. In Greece, Germany, and Poland, the complexity of administrative processes—whether related to funding applications, legal compliance, or operational reporting—was frequently cited as a barrier to growth. Small and medium-sized SEEs, in particular, often lack the resources to deal with these administrative demands, which can divert attention and energy away from core operations and social impact.

Simplifying these processes through policy reforms, such as reducing paperwork requirements, digitising application processes, or providing dedicated administrative support for SEEs, would reduce this burden and allow social enterprises to focus more on their social missions.

Rural and Urban Differences

While rural and urban areas face distinct challenges, there are shared needs across both contexts for policies tailored to local conditions. Across both rural and urban settings, stakeholders emphasised the need for policies that address local needs, whether through targeted financial support, infrastructure development, or tailored capacity-building programmes. Creating region-specific strategies would ensure that both rural and urban SEEs have the resources and support they need to thrive.

Regional Variations

Beyond common challenges in the development and growth of social economy enterprises (SEEs) across the SECON regions, each region operates in a unique socio-economic, institutional, and cultural context that shapes how these challenges manifest. This section highlights variations in public awareness, regulatory environments, and economic disparities, particularly between urban and rural areas. Understanding these variations is critical to developing tailored policy interventions and support mechanisms that are responsive to regional realities.

Public Awareness and Engagement

One of the key variations across regions is the level of public awareness and engagement with the social economy. Public awareness plays a significant role in determining the success of SEEs, as it influences consumer behaviour, investor interest, and institutional support. Regions with higher levels of awareness tend to have more favourable conditions for the growth of social enterprises, while regions with lower awareness struggle with visibility and community engagement.

In Rhine-Neckar (DE), public awareness of the social economy is relatively high. This can be attributed to a long history of social enterprise activity and strong government involvement in promoting the social economy. SEEs in this region benefit from a well-informed public that recognises the value of social enterprises in addressing social challenges. As a result, SEEs in Rhine-Neckar (DE) are more likely to receive support from both consumers and local governments, which facilitates their growth and sustainability.

Conversely, in Harghita County (RO) and Riga Planning Region (LV), public awareness of the social economy is much lower. In these regions, social enterprises are often misunderstood or viewed as charitable organisations rather than viable business models that combine social impact with economic sustainability. This lack of understanding limits the engagement of key stakeholders, including local governments and the private sector, making it more difficult for SEEs to gain the visibility and support they need to thrive. Stakeholders in these regions have emphasised the need for public education campaigns to raise awareness about the potential of SEEs to address regional challenges, particularly in underserved communities.

These variations in public awareness highlight the importance of context-specific outreach and engagement strategies. Regions with lower levels of awareness will require more intensive efforts to educate the public and promote the benefits of the social economy, while regions with higher awareness can focus on expanding support structures and scaling successful initiatives.

Regulatory Environment

The regulatory environment is another area where significant differences emerge across SECON project regions. Supportive legal frameworks can enable SEEs to operate more efficiently, while restrictive or complex regulations can create barriers that hinder their growth.

In Latvia, the regulatory framework for social enterprises is relatively supportive, thanks to the Law on Social Enterprise (2018). This law provides a clear legal definition for social enterprises, outlining their activities and offering tax incentives and other forms of support. Stakeholders in Riga Planning Region (LV) have noted that this framework has been instrumental in promoting the growth of social enterprises, providing a degree of legal certainty that enables SEEs to operate more confidently and attract investment.

In contrast, Romania presents a more challenging regulatory environment for SEEs. Under Law no. 219/2015, social enterprises must navigate a complex and bureaucratic process to become certified and maintain their status. This law, while providing a legal foundation for the social economy, imposes cumbersome requirements that discourage participation, particularly among smaller enterprises with limited administrative capacity. Stakeholders in Harghita County (RO) have emphasised the need for regulatory reform to simplify certification processes and reduce administrative burdens, which currently stifle innovation and limit the sector's growth potential.

In Peloponnese (EL), the regulatory environment is similarly complex. Social enterprises are subject to the same administrative and regulatory requirements as traditional businesses, despite their different operational models and missions. This creates significant barriers for SEEs, particularly those in rural areas, where administrative capacity is often limited. Stakeholders have called for a more flexible and adaptive regulatory framework that recognises the unique characteristics of social enterprises and provides tailored support.

These regulatory variations demonstrate the need for tailored legal reforms that take into account the specific needs of SEEs in different regions. While some regions, like Riga Planning Region (LV), benefit from clear and supportive legal frameworks, others, like Harghita County (RO) and Peloponnese (EL), require significant reforms to reduce bureaucratic hurdles and create a more enabling environment for social enterprises.

Access to Finance

Access to finance is a critical issue for SEEs across all regions, but the severity of this challenge varies significantly depending on local economic conditions, the availability of funding mechanisms, and the strength of financial institutions.

In Rhine-Neckar (DE) and Province of Flemish Brabant (BE), SEEs benefit from relatively robust financial support systems. These regions have access to a variety of funding sources, including public grants, private investment, and social impact bonds. In Rhine-Neckar (DE), strong networks like the Centre for Open Social Innovation (S-Hub Mannheim) provide social enterprises with access to funding opportunities and partnerships that help them scale their operations. The presence of well-established financial ecosystems in these regions facilitates the growth of SEEs, allowing them to access the capital they need to expand their impact.

In contrast, regions like Haskovo Municipality (BG) and Harghita County (RO) face more severe financial constraints. In Haskovo Municipality (BG), the available financial tools, such as grants and loans, are often insufficient to meet the needs of social enterprises, particularly smaller organisations and start-ups. The financial infrastructure in these regions is underdeveloped, with limited access to investment capital and few opportunities for social enterprises to secure long-term funding. In Romania, stringent requirements for accessing European funds further exacerbate the financial challenges faced by SEEs, making it difficult for them to scale and achieve sustainability.

The disparity in access to finance highlights the need for region-specific financial mechanisms. Regions with more developed financial ecosystems, like Rhine-Neckar (DE) and Province of Flemish Brabant (BE), can focus on expanding existing funding streams, while regions like Haskovo Municipality (BG) and Harghita County (RO) will require targeted interventions to improve access to capital, such as the development of local investment funds or the introduction of more flexible funding programmes.

Institutional Support and Capacity Building

Institutional support and capacity-building programmes are essential for the growth of SEEs, but the availability and quality of these programmes vary widely across regions.

In Rhine-Neckar (DE) and Extremadura (ES), SEEs benefit from strong institutional support, including government-backed capacity-building initiatives and access to well-established networks. In Extremadura (ES), for example, cooperative models play a significant role in the local economy, and there are numerous programmes in place to support the development of these enterprises. This institutional support helps SEEs navigate challenges related to business development, financial management, and regulatory compliance, allowing them to focus on their social missions.

In regions like Riga Planning Region (LV) and Haskovo Municipality (BG), however, capacity-building support is less developed. In Riga Planning Region (LV), stakeholders have identified a lack of structured training programmes for social entrepreneurs, which limits their ability to build the skills necessary for sustainable growth. Similarly, in Haskovo Municipality (BG), there is a significant gap in capacity-building initiatives, leaving social enterprises without the guidance and support they need to scale their operations.

These variations in institutional support underscore the importance of investing in capacity-building programmes. Regions with established support structures, like Rhine-Neckar (DE) and Extremadura (ES), should continue to expand these programmes, while regions like Riga Planning Region (LV) and Haskovo Municipality (BG) will need to prioritise the development of training and mentorship initiatives to help social enterprises overcome operational challenges.

Urban vs. Rural Challenges

The challenges faced by SEEs differ significantly between urban and rural regions. Urban areas tend to have better access to infrastructure, markets, and support networks, while rural regions face unique barriers related to isolation, limited market access, and infrastructural deficits.

In urban regions like Rhine-Neckar (DE), social enterprises benefit from close proximity to financial institutions, government agencies, and potential customers. These regions also tend to have stronger support networks, with established incubators and accelerators that help SEEs navigate challenges and grow their operations. As a result, SEEs in urban areas are often better positioned to scale and achieve sustainability.

In contrast, rural regions like Oliveira do Hospital (PT) and Extremadura (ES) face significant infrastructural challenges. In Oliveira do Hospital (PT), for example, the lack of transportation and communication infrastructure creates significant barriers to market access, limiting the ability of social enterprises to reach customers and scale their operations. Rural regions also tend to have fewer institutional resources, making it more difficult for SEEs to access the support and guidance they need.

Despite these challenges, rural regions also offer unique opportunities for SEEs, particularly in sectors like agriculture and tourism, where cooperative models can play a central role in fostering sustainable development. However, addressing the specific needs of rural SEEs will require tailored policy interventions, including investments in infrastructure and the development of region-specific support networks.

6. Recommendations

Strategies & Initiatives to Overcome Identified Barriers & Strengthen Enabling Factors

To address the barriers to growth identified in the focus groups and surveys, targeted strategies must be implemented. As well as this, strengthening enabling factors is crucial for the growth of the social economy. Each region can implement specific initiatives based on their unique needs and strengths:

REGION	Proposed Strategies & Initiatives
Province of Flemish Brabant, BE	<ul style="list-style-type: none"> • Improve regulatory frameworks and funding mechanisms. • Foster collaborative networks and supportive local policies. • Enhance financial support mechanisms and public-private partnerships. • Enhance educational programmes and training initiatives to build capacity within the social economy sector.
Haskovo Municipality, BG	<ul style="list-style-type: none"> • Increase financial support and create long-term public support programmes. • Improve the legal framework to better define and support social enterprises. • Implement needs-based programmes and measures to ensure coherence and adequacy of goals. • Build mechanisms for the participation of social enterprises in policy planning and evaluation. • Develop sector-specific reforms to support vulnerable groups and smaller NGOs.

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<p>Rhine-Neckar, DE</p>	<ul style="list-style-type: none"> • Support policy frameworks. • Streamline administrative processes to reduce bureaucratic hurdles. • Enhance funding mechanisms. • Support capacity-building programmes to improve the operational capabilities of social enterprises. • Foster strong networks and partnerships within the social economy sector. • Increase public awareness and support initiatives.
<p>Region of Peloponnese, EL</p>	<ul style="list-style-type: none"> • Expand funding opportunities through grants and public-private partnerships and boost support for youth and cultural initiatives with targeted funding. • Simplify regulations to reduce administrative burdens. • Improve rural infrastructure to support social enterprises. • Strengthen local networks between businesses, government, and social enterprises. • Increase public awareness through campaigns and educational programmes.
<p>Riga Planning Region, LV</p>	<ul style="list-style-type: none"> • Reduce administrative barriers and simplify procedures for social enterprises. • Enhance municipal support through training and capacity-building initiatives. • Increase funding and investment opportunities. • Promote socially responsible procurement to encourage public sector engagement with social enterprises. • Foster strong networks and partnerships among social enterprises.
<p>Mazowieckie Region, PL</p>	<ul style="list-style-type: none"> • Simplify legal frameworks and increase funding opportunities and financial support. • Improve community engagement and coordination among stakeholders.

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	<ul style="list-style-type: none"> • Support government initiatives and NGO collaboration. • Enhance public awareness. • Develop cohesive policy frameworks that support the growth of social enterprises.
Oliveira do Hospital, PT	<ul style="list-style-type: none"> • Increase financial support and improve regulatory frameworks. • Strengthen community networks and supportive policies. • Promote public awareness campaigns. • Develop educational programmes to support sustainable development and capacity building.
Harghita County, RO	<ul style="list-style-type: none"> • Streamline the certification and registration processes for social enterprises to reduce bureaucratic burdens. • Develop local funding initiatives and simplify the process for accessing European funds. • Launch public awareness campaigns about the benefits and importance of the social economy. • Foster partnerships between social enterprises, local government, and NGOs to enhance resource sharing. • Implement training programmes to improve the skills and knowledge of social entrepreneurs.
Extremadure, ES	<ul style="list-style-type: none"> • Enhance public recognition and support from institutions for the social economy through awareness campaigns. • Increase financial incentives and support for cooperative models. • Strengthen institutional support and create policies that recognise the unique contributions of the social economy • Strengthen community networks and associations that support social enterprises. • Develop public awareness initiatives.

Policy Recommendations

By implementing integrated policy recommendations and proposed programmes and interventions, the growth and sustainability of the social economy across the SECON project regions can be significantly enhanced.

In the Province of Flemish Brabant, BE, it is crucial to improve and revise regulatory frameworks to facilitate social enterprises' growth by reducing bureaucratic complexities and enhance funding and support mechanisms. Collaborative networks and educational programmes, identified as strengths, should be further developed. Public-private partnerships should be fostered to support social economy initiatives through collaborative projects.

In Haskovo Municipality, BG, a comprehensive national strategy for social economy development is necessary and should be formulated. This should include sector-specific reforms in education, healthcare, and social services, targeting vulnerable groups effectively, and enhanced financial tools and support programmes, especially for smaller NGOs. A cohesive policy framework that aligns with local needs and regional development goals is essential. Targeted financial instruments should be created to provide initial start-up funding and ongoing support for social enterprises, particularly smaller NGOs.

For Rhine-Neckar, DE, streamlined administrative processes to simplify bureaucratic procedures for establishing and running social enterprises and enhanced funding mechanisms are vital. Policies should focus on promoting social inclusion and sustainable development, with prioritised public awareness campaigns and capacity-building programmes to increase the recognition and impact of social enterprises. Capacity-building programmes should be expanded for social enterprises and public sector employees to enhance understanding and support for the social economy.

In the Riga Planning Region, LV, policies should be diversified with increased municipal involvement. Support mechanisms should be implemented, including financial and non-financial support tailored to social enterprises' needs, such as grants, low-interest loans, and business advisory services. Municipal engagement programmes should be developed to enhance support, including training for local government officials on the importance and benefits of social economy initiatives. Administrative barriers need to be reduced, and non-financial support mechanisms should be enhanced. The roles of public institutions must be better defined, with clear responsibilities and support systems established at local and national levels.

The Mazowieckie Region, PL, requires better coordination among stakeholders and cohesive policy frameworks that integrate social economy initiatives across different levels of government, ensuring better coordination among stakeholders. Legal frameworks should be

simplified, and funding opportunities must be increased. Public awareness of the social economy needs significant improvement to garner more support and engagement.

For the Peloponnese region, EL, the focus should be on creating a supportive policy environment that addresses both financial and regulatory barriers while capitalising on existing enabling factors. Policies should aim to simplify the legal framework, making it easier for social enterprises to operate and scale, particularly in rural and underserved areas. Furthermore, targeted financial instruments, including grants and subsidies, should be developed to provide long-term support for social economy projects. Enhancing community engagement through educational programmes and public awareness campaigns will be essential in promoting the social economy's role in addressing regional challenges. Additionally, fostering partnerships between the public and private sectors can drive innovation and create more sustainable opportunities for growth in sectors such as agriculture, cultural tourism, and youth empowerment.

In Oliveira do Hospital, PT, better regulatory frameworks and increased financial support through grants, loans, and other funding mechanisms are critical. Strong community networks and public awareness campaigns are needed to promote the social economy, and educational programmes should be developed to build capacity within the sector and to raise awareness about the benefits of the social economy.

In Harghita County, RO, simplifying the legal framework for social enterprises is essential to reduce bureaucratic hurdles and encourage broader participation. This should involve streamlining certification and registration processes to make them more accessible. Enhanced financial support mechanisms are also necessary, including easier access to local and European funds, to provide critical funding for both new and existing social enterprises. A targeted public awareness campaign should be implemented to educate the public and policymakers about the value and impact of the social economy. Strengthening collaboration between social enterprises, local government, and NGOs is crucial to creating a supportive environment for social economy initiatives. Additionally, capacity-building programmes should be developed to equip social entrepreneurs with the skills needed to navigate challenges and drive sustainable regional development.

Finally, in Extremadura, ES, there should be greater public recognition and financial incentives for social economy entities. Public recognition campaigns should be launched to increase awareness and recognition of the social economy's role in regional development, particularly emphasising cooperative models. Enhanced financial incentives, such as tax breaks and subsidies, should be provided to encourage the establishment and growth of social enterprises. Cooperative models, especially in the agro-food sector, must be supported and promoted, with strengthened public awareness initiatives and institutional support to improve policy effectiveness.

Stakeholder Collaboration Opportunities

Effective collaboration among various stakeholders is crucial for the successful development and sustainability of the social economy across all regions. The following opportunities can work universally to enhance stakeholder collaboration:

Multi-Stakeholder Forums: Establishing regular forums for dialogue and collaboration among social enterprises, government agencies, regional institutions, private sector companies, and NGOs. These forums can facilitate the sharing of best practices, coordination of efforts, and identification of common goals.

Public-Private Partnerships: Encouraging partnerships between public institutions and private enterprises to support social economy initiatives through joint projects and funding opportunities. Such partnerships can leverage the strengths of both sectors to foster innovation and resource sharing.

Collaborative Networks: Developing collaborative networks that include social enterprises, local businesses, academic institutions, and community organisations. These networks can promote mutual support, knowledge exchange, and collective problem-solving, thereby strengthening the social economy ecosystem.

Joint Capacity-Building Programmes: Implementing joint capacity-building programmes involving multiple stakeholders to enhance the skills and knowledge of social entrepreneurs and public sector employees. These programmes can focus on areas such as management, finance, marketing, and legal compliance to support the growth and sustainability of social enterprises.

Policy Advocacy Groups: Forming advocacy groups comprising various stakeholders to influence policy changes that support the social economy. These groups can work together to lobby for regulatory reforms, increased funding, and other supportive measures at the local, regional, and national levels.

Educational Collaborations: Partnering with educational institutions to integrate social economy topics into curricula and promote research on social entrepreneurship. These collaborations can help build a pipeline of knowledgeable and skilled individuals ready to contribute to the social economy sector.

Regional Consortia: Forming regional consortia that include social enterprises, local governments, academic institutions, and private companies to collaborate on social economy projects and initiatives. These consortia can coordinate efforts, pool resources, and drive large-scale social economy initiatives that benefit the entire region.

7. Conclusion

Summary of Key Findings

The SECON project's regional needs assessments across nine European regions revealed both commonalities and regional variations in the challenges and opportunities faced by social economy enterprises (SEEs). The following key findings emerged:

Common Barriers Across Regions:

- **Access to Finance:** A recurring challenge was the lack of adequate financial support for social economy enterprises (SEEs). In *Riga Planning Region* (Latvia), *Oliveira do Hospital* (Portugal), and *Haskovo Municipality* (Bulgaria), stakeholders identified limited access to finance as a significant constraint on SEE development and sustainability. Insufficient funding mechanisms were also highlighted in *Harghita County* (Romania), where complicated procedures further exacerbated the challenge.
- **Regulatory Complexity:** In *Rhine-Neckar* (Germany) and *Mazowieckie Region* (Poland), social entrepreneurs reported bureaucratic hurdles and complex legal frameworks as major barriers to their operations. In *Peloponnese* (Greece) and *Province of Flemish Brabant* (Belgium), similar regulatory challenges were noted, particularly around administrative burdens for social enterprises.
- **Public Awareness:** A lack of public understanding and recognition of the social economy was a widespread issue across multiple regions. *Extremadura* (Spain) and *Peloponnese* emphasised that the general public, as well as local governments, often lack knowledge of the social economy's benefits, which hampers support and engagement. This issue was also highlighted in *Riga Planning Region* and *Harghita County*.

Enabling Factors:

- **Strong Networks and Partnerships:** In regions such as *Rhine-Neckar* and *Extremadura*, stakeholders emphasised the role of strong networks and partnerships in supporting SEEs. In *Peloponnese*, local collaborations between businesses, social enterprises, and government bodies were seen as key enablers, particularly in sectors like agriculture and cultural tourism.
- **Municipal Support:** *Riga Planning Region* and *Province of Flemish Brabant* emphasised the importance of municipal support for SEEs. In *Riga Planning Region*, municipalities actively engaged with social enterprises to provide guidance and financial aid, fostering collaboration between SEEs and local governments.
- **Cooperative Models:** In *Extremadura*, cooperative models were highlighted as a critical enabler, particularly in the agro-food sector, where they have contributed significantly to social inclusion and regional economic growth.

Regional Variations:

- Understanding of Social Economy: Self-reported understanding of the social economy varied significantly across regions. In *Rhine-Neckar*, *Peloponnese*, and *Masowieckie Region*, stakeholders reported moderate to high levels of understanding of social economy concepts. Conversely, *Harghita County* and *Riga Planning Region* saw lower levels of self-assessed knowledge, indicating a need for greater awareness and educational initiatives in these regions.
- Perception of Impact: In *Riga Planning Region*, *Rhine-Neckar*, and *Extremadura*, participants expressed high optimism about the potential impact of SEEs on regional development. However, in *Haskovo Municipality* and *Harghita County*, there was a more cautious outlook, with stakeholders citing a need for more supportive policies and better infrastructure to realise the potential of SEEs.

Unique Needs:

- In *Peloponnese*, participants stressed the importance of improving rural infrastructure to support SEEs, particularly in agriculture and tourism. Similarly, *Oliveira do Hospital* stakeholders emphasised the need for better regulatory frameworks and financial incentives to boost local social enterprises.
- In *Harghita County*, simplifying legal procedures and making European funds more accessible were seen as crucial to fostering the growth of the social economy. Participants in *Haskovo Municipality* called for educational and promotional activities to raise awareness and improve market access for social enterprises, particularly in smaller communities.

Optimism for Growth:

- Despite the challenges, stakeholders in most regions expressed optimism about the potential of the social economy. Regions like Germany, Spain, and Greece noted that with stronger regulatory frameworks, financial incentives, and increased public awareness, the social economy could play a transformative role in addressing unemployment, social inclusion, and regional economic disparities.

Implications for Policy and Practice

The findings from the SECON project highlight several critical implications for policy and practice:

- **Targeted Policy Support:** Governments and regional authorities must simplify the legal frameworks and regulatory processes surrounding SEEs. Streamlined administrative procedures and flexible regulatory frameworks, particularly for rural areas, are essential to unlock the sector's potential, as evidenced by feedback from Poland, Romania, and Greece.
- **Financial Mechanisms and Support:** Access to finance emerged as one of the most pressing barriers for SEEs. Policymakers should develop financial instruments such as grants, low-interest loans, and tax incentives specifically aimed at supporting social enterprises, particularly in economically disadvantaged regions like Bulgaria and Romania.
- **Capacity-Building and Education:** Across regions, stakeholders emphasised the need for more educational initiatives focused on social entrepreneurship. Governments and social economy organisations should prioritise training and capacity-building programmes, which are essential to equipping social entrepreneurs with the skills they need to grow and sustain their enterprises. These initiatives are particularly important in regions with low levels of awareness about the social economy, such as Latvia and Romania.
- **Strengthening Networks and Partnerships:** Collaboration between public authorities, social enterprises, and private sector actors is critical for creating sustainable social economy ecosystems. Interregional partnerships, as seen in Germany and Spain, can foster knowledge exchange, innovation, and shared resources, benefiting all stakeholders involved.

Future Directions

Building on the insights gained from the SECON project needs assessment, several future directions should be considered to strengthen and expand the social economy across Europe:

- **Development of Comprehensive Policy Frameworks:** Policymakers should consider creating comprehensive, cross-sectoral policy frameworks that incorporate social economy principles into broader regional development strategies. Such frameworks should align with EU-wide goals on social inclusion, green transitions, and economic innovation, ensuring that the social economy is fully integrated into regional growth models.
- **Long-term Financial Strategies:** Beyond short-term funding, regions need long-term financial strategies that provide stable and predictable funding streams for social enterprises. Regions like Greece and Portugal will benefit from exploring innovative financial tools such as social impact bonds or blended finance models, which combine public and private investment to support the scaling of SEEs.
- **Increased Public Awareness and Engagement:** Future efforts should include public awareness campaigns aimed at educating both policymakers and the general public about the social economy's benefits. By highlighting success stories and the positive social impacts of SEEs, such campaigns could foster greater public support and engagement, particularly in regions where awareness remains low, such as Bulgaria and Romania.
- **Support for Innovation and Digitalisation:** To remain competitive and sustainable, social enterprises need to embrace innovation and digitalisation. Future policies should include dedicated funding for digital capacity-building and innovation-driven projects, helping SEEs navigate technological changes and tap into emerging markets, particularly in rural or underserved regions.
- **Enhancing Cross-Regional Learning:** Finally, interregional learning and cooperation should be further enhanced. The SECON project has already demonstrated the value of shared knowledge and best practices between regions. Future initiatives could include the creation of interregional observatories or platforms where regions can continuously exchange experiences, resources, and innovations to support the ongoing development of the social economy across Europe.



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