



Assessment of policy and regulatory framework shaping the social economy in Europe

Deliverable 3.1

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**Funded by
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Abstract

This working paper examines the policy and regulatory ecosystems shaping the role of social economy actors in care service provision across Europe. It integrates two macro perspectives: welfare state regime typologies and social economy policies at different governance levels, highlighting how these frameworks jointly constitute opportunity structures for social economy organizations. Using a narrative literature review, the paper synthesizes academic and institutional sources to develop a conceptual framework for understanding regulatory clustering and its implications for social economy development. The report also maps emerging policy efforts to strengthen the social economy, noting variation in maturity and institutionalization across countries. These efforts, often supported by EU-level soft steering and funding mechanisms, may foster convergence across welfare regimes. The analysis reveals that normative perceptions of service provision and the penetration of market-oriented governance tools—such as New Public Management—significantly influence the positioning and adaptation of social economy actors across different welfare contexts. However, intrastate variation—especially across policy fields—underscores the limitations of regime-based classifications and calls for more detailed analysis. To enable more granular analysis of the care field, the report uses Long Term Care and Services for Refugees as case examples to demonstrate the role of the social economy in care. While welfare regimes offer explanatory power in understanding the role of the social economy in long-term care, they are less predictive in refugee services, where political dynamics and international obligations introduce additional complexity. Ultimately, the study argues for combining large-scale comparative approaches with detailed, field-level assessments to fully grasp the democratic, economic, and social inclusion potential of the social economy in Europe.

1. Introduction

An omnipresent challenge in Western societies is to identify fruitful approaches to address social exclusion, provide quality jobs and advance societal sustainability (Böhnke & Silver, 2023). Despite a multitude of public sector approaches and programs, the issue of combating social exclusion and providing high quality jobs, seems to meet persistent challenges and constitute wicked issues where singular solutions are difficult, if not impossible, to identify (Rittel & Webber, 1973). However, one approach that has recently been hailed with optimism is to exploit the capabilities of the social economy. By unleashing the potential of this sector, one can spur a plurality of approaches that combined can have positive outcomes (Bonnici & Klijn, 2023; Spear, Defourny, Favreau & Laville, 2018). In this working paper, we will delve into the issue of the social economy and their operations in the care field. More precisely, we will review the literature on how the policy and regulatory framework shape the ability of the social economy to contribute to the colossal challenges related to social exclusion and providing high quality jobs.

This publication is part of the DICES-project¹, and for a more thorough discussion, definition and operationalization of the social economy, we refer to the forthcoming project publication “report on the conceptual framework and mapping of the social economy” which will deal more in depth with the definition of the Social Economy and will be published in 2025. For our purposes, it suffices to rely on the understanding advanced by the European Union in the 2021 Action Plan for the Social Economy (European Commission, 2021a, p. 3) which refers to “entities sharing the following main common principles and features”:

the primacy of people as well as social and/or environmental purpose over profit, the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users (“collective interest”) or society at large (“general interest”) and democratic and/or participatory governance.

The types of entities singled out as holding these features include, according to the Action Plan, cooperatives, mutual societies, associations, foundations, and social enterprises. Furthermore, there are also other concepts used that cover some of the same organizational forms such as “the third sector” and “social and solidarity enterprises”. The definition is thus functional and not tied to a single legal form reflecting a tradition for combining institutional and normative criteria in defining the social economy (Defourny & Develtere, 2009). In this report we refer to the social economy, but also apply overlapping concepts such as the social and solidarity economy when we describe a local context where this is appropriate.

¹ DOI: [10.3030/101178982](https://doi.org/10.3030/101178982)

Importantly, while we need a working definition to analyse the policy and regulatory framework, the conceptual discussion is not at the core of this working paper. Rather, we focus on the organizational and institutional characteristics of the ecosystem where social economy actors operate. Indeed, the impact of social economy organizations is conditioned upon the institutional and regulatory framework that encapsulate their activities.

The ecosystem where the individual actor in the social economy operates is constituted by a varied set of institutional features stemming from a multilevel governance structure ranging from the supranational to the local level. To understand how social economy actors' approach to care is anchored in a particular regulatory regime, we need to understand how the governing bodies at each level apply a varied set of hard governance tools like formal rules and regulations and softer governance tools like information, norm formation and handbooks (Blomqvist, 2022).

There are primarily two sets of policy and regulatory approaches at the national level that together constitute a national ecosystem for the social economy. First, different countries have different policies directed at the social economy, creating conditions for scaling and development for the social economy. Second, countries implement different welfare policies and regulate the provision of welfare services in various ways. These policies affect all actors in the welfare fields, including the social economy actors. These national policies work in conjunction with supranational, regional and local approaches. Moreover, for different policy fields within the welfare area, each of the different governance levels may have different approaches. The effects of these policies thus vary according to country, governance level and policy fields. Taken together, social economy ecosystems at the national levels and specific regulative frameworks afferent to diverse policy fields constitute different *opportunity structures* for social economy organizations and impact on their resources and modes of operation. In turn, this can help explain the scope of the social economy in the different countries.

This working paper provides an assessment of the policy and regulatory framework that shapes the opportunity structure for the social economy actors in Europe. Given the complex structure of the regulatory framework shaping the ecosystem for each social economy actor, we structure the working paper by combining two macro perspectives. First, we discuss the welfare state regimes based on the classical typologies, but demonstrating the implications these regimes have for social economy actors, a topic that is not sufficiently addressed in most welfare regimes debates. Second, we map the social economy regulation conducted at EU and national level, and here we develop typologies of such regulations that complement the welfare state structures.

Perspectives of welfare state regimes and social economy ecosystem have wide application and represent general features that are important parts of the context for practically all social economy actors in Europe. Nevertheless, we recognize that there is important intrastate variation both in terms of welfare state tools applied and approaches to social economy regulation. Much of this variation is structured along different welfare fields. To be able to better grasp the regulatory context

for social economy actors, we accordingly also need more granular analysis that encapsulates this variation. Consequently, we also include an analysis of two policy fields that represent important subfields of care: long-term care and services for refugees. In this analysis, we provide an overview of the fields' specific characteristics and then move on to compare the context for the social economy actors in the field across the countries involved in the DICES project.

Methods and scope of the review

The working paper encompasses a vast variety of literature, including welfare regimes, discussions of social economy actors and regulation and issues related to care and particular care fields. Furthermore, given our topic, it is instrumental to combine peer-reviewed literature and reports, statistics and information from sources such as the EU, the OECD, etc. To add further complexity, the geographical component demands attention to both Europe-wide analysis and literature that primarily present one country case or a smaller number of cases. By having this broad scope in literature, we seek to make inferences that give new insights into the issue of regulation and steering of the social economy in the care sector in Europe and that can inform the later work in the DICES project.

By applying a literature review in the form of a narrative review (Grant & Booth, 2009), we identify the most relevant literature through a combination of searches in research databases and active examination of the databases of scholarly bodies that typically conduct European cross-country comparisons (EU, OECD, ILO, etc.). The goal is thus to be able to give descriptions of the ecosystem of social economy actors in the care sector in Europe, and to contribute to our understanding on how these countries cluster through developing a conceptual understanding of the core features that make regulatory practices belong to the same group.

Perspectives and definitions on “care”

The concept of "care" has increasingly become a central organizing principle across multiple disciplines, from ethics, to feminist economics, to practical clinical ethics to social welfare policy, representing far more than a simple act of assistance or medical intervention. Contemporary scholarship reveals care as a complex, multifaceted phenomenon that encompasses philosophical frameworks, practical service delivery models, and fundamental approaches to human relationships and moral responsibility. Indeed, according to Tronto (2013) care is not just a private or moral concern but a central democratic value. She contends that when care is unequally distributed or undervalued, it creates social injustices and limits genuine participation in democratic life.

Therefore, a robust democracy must integrate care into its institutions and policies to ensure equality, inclusion, and the well-being of all citizens, and the social economy can arguably play a key role in embodying such a link between care and policy development (Sacceti & Salvatori, 2023).

From the practical point of view, healthcare systems have increasingly adopted care-oriented language and frameworks. Yet, the practical implementation of care principles within clinical settings has revealed significant gaps between rhetoric and reality. Clinical services, traditionally focused on consultation with medical professionals and institutional decision-making, have been challenged to become "more patient-centred" through expanded consultation with families and education sessions (Lukich & Honan, 2024). This reframing involves "clarifying the role of ethics within a healthcare organization, making services more accessible to patients, families and the community, as well as engaging with other disciplines to provide well-rounded patient care" (Lukich & Honan, 2024).

Within welfare services, social care services represent a distinct domain of care practice that explicitly focuses on supporting individuals' daily living needs and social participation rather than addressing acute medical conditions. Yet, the complexity and diversity of conceptions of the notion of "care" across social services is challenging. Social care encompasses "employment, rehabilitation, carers support, safeguarding, personal care, statutory mental health assessment" among many other roles (Miller, 2016), delivered by organizations ranging "from small volunteer run entities that work in a single locality and rely on charitable donations of time and money, up to national or indeed international social enterprises that draw on multiple and sophisticated funding streams" (Miller, 2016). This diversity is "undoubtedly one of the sector's strengths" but can make it challenging to gain a grasp of what actually is 'social care' (Miller, 2016).

According to Baumol's law (Baumol, 1967; Hartwig, 2008), care services exhibit lower productivity growth than more technology-intensive sectors, largely because of their relational and labour-intensive nature. As wages rise across the economy, the relative cost of care increases, creating challenges for sustainable financing and exerting pressure to downgrade job quality. This dynamic makes the care sector particularly susceptible to marketization, which may generate organizational innovation but does not necessarily improve service quality (Goodair & Reeves, 2024). For the social economy, this presents a dilemma: value-driven organizations often view high-quality employment as essential, yet they also struggle to secure adequate funding (Smith & Lipsky, 2009). Nevertheless, the diversity and adaptability of the social economy can position this sector to develop constructive responses to these structural challenges. By placing social objectives ahead of purely economic imperatives, social economy actors may discover ways to pursue their mission without eroding job quality.

Empirical approach of the working paper

For this review, we focus on two domains of care belonging to the broader category of welfare services: Long-term care (LTC) and care for refugees. LTC represents a particularly important dimension of social care, defined as "part health care and part social service" that "encompasses a wide array of primarily low-tech services provided in home, community and institutional settings by paid professionals and paraprofessionals and unpaid family members and other informal helpers" (Kodner, 2004). This definition highlights the hybrid nature of long-term care, which addresses needs that span traditional boundaries between medical treatment and social support. Such services are provided "to individuals who need assistance on a prolonged basis with personal care, household chores, and life management in order to minimize, restore or compensate for the loss of physical, cognitive and/or mental functioning" (Kodner, 2004).

The notion of "care" for refugees within welfare services encompasses a complex interplay of ethical and legal obligations, service integration, and culturally responsive practices addressing both immediate and long-term needs. Services to refugees ideally prioritize care as a multidimensional intervention that combines healthcare access, social support, and legal advocacy, often delivered through collaborative networks involving state agencies, non-governmental or social economy organizations, and refugee-led initiatives (Betts, Easton-Calabria, & Pincock, 2021; Harris et al., 2024; Ho et al., 2019). Such integrated service models aim at overcoming systemic barriers like fragmented care pathways and linguistic challenges (Khanom et al., 2021). However, ethical tensions persist between resource constraints and the principle of nonmaleficence, particularly when policies restrict entitlements to housing or healthcare based on immigration status (Androff & Mathis, 2022). The Refugee Convention's affirmation of social welfare rights underscores care as a legal and moral imperative, yet implementation gaps reveal disparities in service quality between host communities and asylum seekers (Androff & Mathis, 2022; Ho et al., 2019).

The two care areas are selected to secure extensive diversity within the care field. The two fields vary in institutionalization, as long-term care services have seen growing institutionalization over the last couple of decades (Ranci & Pavolini, 2015), and now the public sector in most countries takes extensive responsibility for regulation, financing and in some cases also in provision. Furthermore, despite variation, this is also an area where collective agreements are more widespread and have a long institutional history in all countries. By contrast, services for refugees have a less defined scope and the public sector willingness to institutionalize and assume responsibility varies but is generally weaker than for LTC. Furthermore, the social partners have less developed relationships, putting employees sometimes in a more precarious situation.

The service areas also differ in terms of political salience. The legitimacy of LTC services is seldom challenged and political contestation is more often about the organization and priority of LTC, while all agree that these are valuable services. Services for refugees are often treated differently, as these services can become engulfed in debates about migration and certain political forces will want to limit these services to make the country less attractive for refugees and other migrants. This makes the very nature of this service a more politically contested service where the user group, refugees, are sometimes considered less deserving than in the LTC field.

By comparing two case-fields of care service, we can explore a range of variation along the core dimensions relevant for understanding how the policy and regulatory framework influences the ability of the social economy to provide high-quality jobs and to pursue social inclusion (Gerring & Cojocaru, 2016; Seawright & Gerring, 2008). While “the diverse case method probably has stronger claims to representativeness than any other small-N sample” (Seawright & Gerring, 2008, p.301), there is a possibility that the selected case areas do not capture aspects of the entire care field. The inferences must therefore be made with caution in terms of generalizability. In the inherent trade-off between depth and width when examining such a comprehensive topic as care services across many countries, the diverse area approach gives the best prospect for valid inferences.

Given the scope of the task, the working paper consists of two parts. One part, Chapter 2 and 3, that discusses the ecosystem of the social economy at a more general level for the welfare and care fields. This enables us to grasp the general conditions for social economy actors and how they vary at a macro level. What this analysis reveals, however, is that there is important intrastate variation across different care subtypes. To demonstrate how this variation can give different conditions within one country, we include an analysis, Chapter 4 and 5, that delves deeper into the social economy ecosystem withing service for refugees and asylum-seekers and long-term care for the elderly.

For these two types of care services, the review will concentrate on the legal and regulative frameworks, the funding mechanisms and schemes, and the role and share of social economy actors in the provision of these care services. Chapter 2 of this report discusses the relationships between welfare regimes and regulatory frames. Since macro-institutional welfare regimes shape the opportunity structure in which social economy organizations operate across Europe, this part provides a map of these structures. Chapter 3 summarizes the available information (in English) relative to the policy and regulative frameworks that focuses specifically on the social economy and/or its components both at the European level and across European countries. The fourth chapter of this document provides an overview of the existing policies and regulations regarding long-term care services across various European countries that are involved in DICES. Similarly, Chapter 5 focuses on the relevant information for care services provided to refugees and asylum seekers within these same regions.

The countries selected for examination in Chapters 4 and 5 are covered by the DICES project, but also constitute an analytically sound selection of cases. They are purposely selected to cover the most important variation in terms of welfare state regimes and approaches to governance of the social economy. To assess the variation in social economy regulatory approaches we relied on the 2020 EU comparative synthesis report on social enterprises (European Union, 2020), differentiating the countries in three groups based on the durability of their policy frameworks for social economy ranging from 1) no policy framework, to 2) recent policy frameworks, to 3) longer terms established frameworks for social economy. However, the regulatory framework of the social economy is also highly dependent on the welfare regime where they operate. It is accordingly imperative also to cover important variation in welfare state organizations among the case countries. 1) Social Democratic, 2) Southern Europe, 3) Conservative/Christian democratic, 4) East European, 5) Liberal model.

2. Welfare regime and regulatory frames

Beyond the policies towards social economy regulation at different governance levels, several national aspects, arguably, play a more fundamental role in shaping the social economy ecosystems. The organization of the welfare state limits and enables social economy actors. Social economy actors operate in a space that to varying degrees is also occupied by public sector and commercial actors. The scope left for each of these groups of actors is formed in large part by the welfare state organisations. In much of the welfare state debate and classification of welfare states, attention is devoted to issues of social rights, criteria for eligibility and entitlements, financing mechanisms and management of the scheme (Esping-Andersen, 1990; Palier, 2010). For our purposes, we are concerned with the relationship between welfare state organization and frame conditions for social economy actors. Accordingly, we direct our attention to the service providing aspects of the welfare state. Put simply, we want to identify factors that inform us about who provides the services and under which conditions.

The identification of welfare regimes constituted by clusters of advanced welfare societies sharing important elements in how they are organized, usually takes the seminal work of Esping-Andersen (1990) on three worlds of welfare as a point of departure. This work was at its time biased by economic transfers as the prime dimension in identifying the level of decommodification. Decommodification relates to the extent to which a person can maintain a livelihood without reliance on the market. In decommodified welfare states, like the Nordic ones, citizens have access to generous social benefits that reduce their dependence on labour market participation for survival. In contrast, in liberal regimes, benefits are minimal and means-tested, encouraging market reliance.

Despite still being the baseline for welfare state typologies, developments in the 35 years since the publication of *The Three Worlds of Welfare Capitalism* (Esping-Andersen, 1990), newer publications have challenged both the original classifications and new developments have made other differentiations relevant. In the original work of Esping-Andersen and many of the later contributions, the role of the social economy receives limited attention. Nevertheless, the structural features that vary across welfare models also constitute enablers and limitations for social economy actors, making welfare regimes a crucial part of the social economy ecosystem.

Later meta-studies have come to somewhat varying results with Ferragina & Seeleib-Kaiser (2011) and Buhr & Stoy (2015) pointing in the same direction as Esping-Andersen, while Powell et al. (2020) find more hybridity and fewer countries belonging to clear categories. One important explanation for

the different results is the variation in what aspects are included in the classification and which measurements are used (Bertin et al., 2021). Welfare states are not monolithic entities and different policy fields have different development trajectories and approaches. For example, Bertin et al. (2021) find important variation within countries, with substantial differences between health care and social care, leading to conclusions that comparative approaches to welfare regimes should rather have a policy field approach than a welfare state approach. Nevertheless, for our purposes the regime approach serves as an analytic approach to understanding the social economy ecosystem. The combination of the welfare state institutions and social economy policies will together shape the social economy's room for manoeuvre. Accordingly, we will present the main welfare state features in continuation and then, in the subsequent chapters, move on to discuss social economy policies, before making comparisons across the two care sectors, LTC and services for refugees.

In the framework developed by Kuhlmann & Blum (2020) they identify certain dimensions as instrumental for understanding change in the welfare state. Based on the dimensions from Kuhlman and Blum we develop an analytic framework that enable us to analyse core institutional features that social economy actors face when establishing and developing their activities. The dimensions include laws and regulations, financing, ideas and welfare mix – the division of public provision, commercial provision and provision by the social economy.

First, the **regulative dimension** of public governance encompasses the institutional and procedural mechanisms through which rules, standards, and norms are formulated, implemented, and enforced to guide the behaviour of individuals and organizations within society. This dimension is central to the functioning of governance systems, as it ensures legal compliance, accountability, and the protection of public interests. It involves both formal regulatory frameworks—such as legislation and administrative procedures—and informal mechanisms, including self-regulation and co-regulation by non-state actors. It is the legal framework of the welfare state that formally decide which rights citizens have, but also how they should be fulfilled. This involves regulating who can establish services in each field and frames for their development. The content and organization of services have rules that actors must adhere to in order to be part of the welfare system. The mechanisms for assigning citizens to welfare providers is detailed in some form of welfare system; it can be a form of public procurement where that state has formal responsibility for the service, or it can be some form of service concession or user choice scheme where the citizens themselves can actively choose a social economy actor – or not a social economy actor.

Second, **financing** of provision is a core aspect of the opportunity structure for social economy actors. Different welfare state regimes have different sources of revenue and modes of financing provision as a result of path-dependent development from the origins as for example Bismarckian, Beveridgean or Nordic welfare model (Morel & Palme, 2012). A key difference for our purposes is if the financing is tax based, like in the Nordic – model, which entails that the state will have to decide how to allocate the fund to service provisions; either through in-house provision or through some

form of mechanism where it finances the services of non-public providers such as social economy actors.

Alternatively, the Bismarckian countries of Continental Europe have traditionally relied more on the insurance principle, with social contributions as the main source of funding. Although this is a general difference between the models, taxes are a source of income in all places. For example, Austria has tax-based funding of LTC, while Germany has compulsory long-term care insurance paid by employees and employers. When the financing is regulated by the welfare state, but not incorporated in state budgets, the social economy actors have different opportunity structures for securing funding for their activities.

With the advent of new public management and the market turn in western welfare fields, most European countries have over the last decades seen a growth in for-profit provision. This has involved a commodification of welfare, including care where one creates “market” for care where social economy or commercial actors are incentivized to provide care for the citizens (Pfau-Effinger & Rostgaard, 2011). This can arguably lead to some form of convergence across welfare regime as some core features increasingly align. For the opportunity structures for the social economy, it may be even more consequential as the inclusion of commercial actors in the welfare provision may inspire the use of new governance mechanisms for public contracts and a more competitive environment for the social economy. This can lead to changes within social economy actors that need to adapt to the new competitive context (Maier, Meyer & Steinbereithner, 2016) and it can reduce the space for the social economy in the welfare field as commercial actors use growth strategies to occupy territory once belonging to the social economy. Conversely, a reduced role for the public sector and more reliance on non-public provision can also open new opportunities for the social economy actors.

When services are subject to commodification, the incentives used by the state to involve the non-public providers constitute policy tools. What tools are perceived as available can vary according to the welfare regime, and also the consequences of the use of the different policy tools may differ accordingly. There is an important difference between supply-based and demand-based financing of non-public service providers (Ascoli & Ranci, 2002). Supply-based financing involves the privatization of the provision of services. The idea is that the state wants to change how services are supplied to the public by transferring management responsibility from a public agency to a non-public entity. This form of financing makes small alterations in the relationship between citizens and providers but enables the state to make demands of potential providers who are seeking to become suppliers of services. Demand based financing means that the state wants to change the demand structure of the provision by enabling citizens to act as market customers by selecting their own providers. The changes sought from this type of financing are thus intended to influence providers by making changes in the relationship between citizens and providers.

Supply-based privatization of the provision of services tends to weaken non-public distinctiveness. A particularly relevant example is public tenders. This form of provider privatization contributes to their commercialization and promotes innovation related to management and organization and not to the actual content of the service (Goodin, 2003 pp. 390-391). Tenders where social economy and for-profit providers compete on equal terms may lead the nonprofits to adapt the for-profit operational logic in order to remain competitive (Haugh & Kitson, 2007). Yet, the actual results of such reforms are highly dependent on the wider governance context where they are embedded. Indeed, public procurement, including the procurement of care services, is legislated at the EU-level through the directive 2014/24/on public procurement. The material consequences are, however, different across countries. In a comparative study of the directive's implementation across different countries, Seggaard, Brooks & Pahl (2020) find that while the process in Norway was marked by a strong sense of urgency and perceived stakes, the implementations in Germany and the United Kingdom proceeded with minimal national debate. This divergence is attributed to differing institutional contexts. In Germany, a corporatist mode of governance and a conservative welfare model—where social partners play a central role in the self-administration of the social security system—coexist with a social law regime characterized by a triangular relationship between the state, social service providers, and citizens in need. This regime is widely viewed as incompatible with procurement law. In England, the prevailing pro-market approach to procurement remained unchallenged throughout the implementation process. In contrast, in Norway, actors within the social economy perceived the proposed legislation as a direct threat to their established role within the welfare system.

Third, beyond the material aspects of regulation and financing, **ideas** can differently situate social economy actors in the welfare system. Ideas represent an embedded understanding of what are the challenges and scope of solutions in the welfare system and, by extension, the role of social economy actors in addressing contemporary challenges (Béland, 2016). Different welfare states may thus have different visions of what roles are appropriate for social economy actors (as well as for commercial and public sector actors) and can accordingly influence the space for social economy actors. Furthermore, the ideas are also subject to societal struggle where social economy actors can advance their interests in the welfare state, but also where commercial actors can advocate for less use of preferential treatment of social economy actors, and a more marketized care field.

Furthermore, ideas can also shape the view of social economy actors as instruments for collective action and thus be important for the extent to which these actors receive financial or in-kind contributions from the citizenry. For example, in the Anglo-Saxon world private philanthropy has been an important source of income for the social economy. In continental Europe citizen contributions have largely been as in-kind contribution, while in Scandinavia, public sector funding is instrumental also for the social economy actors.

Fourth, this brings us to the importance of **welfare mix**, which in this context concerns the division of public sector providers, commercial providers, providers from the social economy and informal care arrangements involving families or community groups (Evers, 2005; Evers & Ewert, 2015). While

the state most places have the authority in regulation and financing of welfare and care, welfare mix concerns the provisions of services; the aspects with most variety of actors involved (Rothstein, 1998). The different roles of the public sector, the commercial sector and the social economy can be ascribed to historical development paths involving the strength and struggles of institutional actors and classes such as the church, landowners, labour, business, and state in the phase of industrialization (Salamon et al., 2017). Countries with a more diverse population in terms of religion, language, or ethnicity may find that different groups prefer to organize their own welfare services rather than having one public solution for all, which results in “pillarization”, as for example in the Netherlands and Belgium (van den Bulk, 1992; Wintle, 2000), while the Nordic countries see more dominance by the public sector (Sivesind & Selle, 2009; Weisbrod, 1978). While the mix of providers in much of the post-war era in Europe was characterized by system-wide coordination via negotiated public–private partnerships, we now see more volatile and heterogeneous configurations both across countries and policy fields (Bode, 2006). An important element is the advent of marketization which has swept most western countries where the use of market emulating steering tools has advanced the position of commercial actors across the board. As new welfare actors expand their position in the welfare mix, they are also better positioned to seek improved conditions for themselves, creating feedback effects in the political system (Béland et al., 2022).

Indeed, in the seminal *The Tools of Government*, Salamon (2002) devotes considerable attention to the various forms of public-private relationships, rejecting a notion of a public or private divide and focusing attention on how the sectors interact under different institutional arrangements produced within a public governance umbrella, choosing different tools to facilitate different forms of relationships. This governance of relationships is not only functional or a neutral approach to problem-solving, rather it is based on “power relations associated to instruments and issues of legitimacy, politicization, or depoliticization dynamics associated with different policy instruments” (Lascoumes & Le Galès, 2007). This implies that the governance tools and thus regulation of the interaction between social economy actors and the states depend on historically developed patterns, but also that these relationships can be the subject of societal contestation and struggle as actors may want to change the use of particular tools or new actors enter the scene with a different agenda.

In practical terms, certain features are vital for determining the scope for social economy actors vis-à-vis the public sector and commercial providers:

- The mechanisms for allocating users to services providers
- The mechanisms for allocating public funding to social economy actors. This involves formal service contracts, grants to advance general interests, etc.
- If there are mechanisms that facilitate or subsidize citizen contributions to social economy actors such as tax deduction schemes etcetera
- Legal status of social economy actors and the extent to which a protected legal status comes with obligations and rights.

In addition to the institutional actors from the public sector, commercial sector and social economy, the role of the family and informal care arrangements also varies systematically across countries. While the Nordic countries have developed welfare states designed to liberate individuals from dependence on private relations (Trägårdh, 1997, 2010), the Mediterranean countries like Greece, Spain and Italy have traditionally reserved a more central role for family care and privately arranged care services, with the central European countries holding an intermediate position. Furthermore, as these informal care arrangements are gradually becoming more formalized, this also encompasses potential new roles for both the traditional family care and different forms of formal care arrangements, including care provided by social economy actors (Frericks et al., 2014).

This also has ramifications for gender issues in the welfare state. Women dominate in providing informal care and also as employees in formal care organizations. In a European comparative study Naldini et al. (2016) find that:

while the overall level of expenditure on long-term care is not influential, settings characterized by limited formal care services, and strong norms with regard to intergenerational obligations, have a negative impact on women's attachment to the labour market. Policies and cultural factors also influence the extent to which women are polarized: in more defamiliarized countries, regardless of their level of education, female carers rarely reduce their level of employment.

This means that for example LTC systems that provide “cash for care” contribute to refamilisation, while in systems that rely more on service provision, women have higher levels of participation in the labour market.

Furthermore, as formal care services face increasing constraints and the availability of informal care continues to decline, older adults and others in need of support are compelled to seek alternative strategies to meet their care needs. A growing response in several European countries has been the hiring of live-in migrant care workers. These arrangements occupy a semi-formal position: while live-in workers are usually contracted, they often lack the full labour rights and protections associated with formal employment (Hoens & Smetcoren, 2023; Leiber et al., 2019). This development carries important implications for the welfare state, as it reflects both unmet demand within public care provision and a shift of responsibility for care onto households. In effect, families address gaps in formal services through private solutions, thereby reproducing inequalities in access to quality care and eroding the universality that underpins welfare state principles.

The five fundamental European welfare regimes

There are currently numerous typologies of welfare state regimes. In the original approach, Esping Andersen (1990) identified three models, the liberal, corporatist and social democratic model. Later, other scholars have expanded the typology by introducing the southern European model (Ferrera 2021; Manow, 2021) and also eastern European countries have been including in the welfare state regime approach constituting one or more models (Fenger 2007; Lauzadyte-Tutliene, Balezentis & Goculenko, 2018). In our context, we thus find it fruitful to differentiate between five different European models: the liberal model, corporatist model, Social-democratic (Nordic) model, southern European model and the eastern European model. For the social economy, the aspects most central of the welfare regimes is how they govern the welfare field in terms of laws, regulation and steering of the sector, how the welfare sector is financed and who provides the services, that is the respective role of the public sector, commercial actors or the social economy in service provision. Furthermore, the role of family and gender aspects in the welfare model also has bearing for how the social economy can interact with other societal actors. Finally, marketization and the recommodification of welfare have consequences for the role of the social economy within the welfare model (Etxezarreta & Bakaikoa, 2012).

Liberal welfare regime

Liberal welfare regimes, prevalent in countries like the United States, United Kingdom, Canada, Australia, and Ireland, emphasize market-driven approaches. The regulatory framework is limited, with the state playing a restricted role in welfare provision giving space to non-public actors. Public procurement is often competitive, focusing on cost-efficiency and encouraging private sector participation in service delivery. Often there is no delineation between social economy and commercial actors, sometimes pushing social economy actors to operate in business like manners (Heins & Dukelow, 2022).

Funding in liberal regimes relies heavily on general taxation and private contributions. Social benefits are typically means-tested, targeting only the neediest, which results in limited redistribution. Private insurance schemes play a significant role in areas like healthcare and pensions.

Service provision is dominated by for-profit and social economy providers. The public sector also plays a role in provision, but even more so in regulation and oversight. Given that the social economy actors do not play a pivotal role in provision, the regulation will often not vary across ownership types of the providers.



Marketization reinforces these dynamics by promoting further privatization and competition, often embedding market logic into welfare delivery. This can pressure social economy actors to conform to business models, reducing distinctiveness and reshaping organizational missions toward efficiency over social goals and undermining the traditional advocacy role of the social economy actors.

Conservative/corporatist welfare regime

In conservative or corporatist regimes, such as those in Germany, France, Austria, and Belgium, the state collaborates closely with social partners like employers and trade unions. The regulatory framework supports occupationally segmented welfare provisions (Goodin, Headey, Muffels & Dirven, 1999). Public procurement is structured to reinforce existing employment-based social insurance schemes. Services are often provided through social economy embedded membership organizations that connect the individual citizen to the welfare state. A key feature is the principle of subsidiarity which means that responsibility for providing care and social services should rest primarily with families, where women normally assume the main burden of care, communities, and voluntary organizations, while the state intervenes only when these actors cannot adequately meet people's needs.

Funding is primarily through social insurance contributions linked to employment status. The system emphasizes status preservation, with benefits reflecting previous earnings. The system is highly institutionalized with insurance-based financing providing service access to citizens through the large welfare organizations as well as public service providers. General taxation plays a supplementary role.

Social economy providers dominate service delivery more than in any of the other welfare models. Particularly in healthcare and education, the social economy plays an important role, especially through the welfare associations. The for-profit providers play a secondary role. The family also plays a significant role, especially in care services.

Marketization has led to a weakening of the corporative pact that earlier prevailed and has led to the incorporation of new private actors in these welfare fields, which in turn get more characteristics of quasi-markets where the state must assume a greater role as quasi-market regulator.

Social-democratic (Nordic) welfare regime

Nordic countries like Sweden, Denmark, Norway, and Finland feature comprehensive regulatory frameworks that promote universal welfare provision. Public procurement is strategically used to achieve social goals, including equality and accessibility. The state ensures high standards and coordination across services (Greve 2007).



These regimes are characterized by high levels of general taxation, which fund universal and generous welfare services. Progressive tax systems support extensive redistribution and social investment.

The public sector is the primary provider of welfare services. However, there is also a significant presence of social economy organizations. For-profit providers operate within a regulated framework, ensuring alignment with public welfare objectives.

Marketization has arguably combined with the establishment of more demanding criteria concerning cost control and results in public welfare services, producing a loss of autonomy in the third sector and a reduction of its political power. A trust-based relationship has been replaced by a more contractual relationship.

Southern European (Mediterranean) welfare regime

Countries like Italy, Spain, Greece, and Portugal exhibit fragmented regulatory frameworks that historically included clientelist tendencies (Ferrera 1996; 2021). Public procurement processes are often inefficient and lack transparency, leading to uneven service provision.

Funding structures are mixed, combining contributory schemes with general taxation. There is a heavy reliance on family networks for care, compensating for gaps in public provision.

Service provision is a mix of public and private entities, with the family playing a central role in care services. The social economy sector is underdeveloped, and for-profit providers are present but not dominant.

“Market mechanisms have, to a certain extent, attenuated its particularism, thus introducing greater transparency in the relationship between buyers and providers, which has also signified a greater legal and institutional recognition of the third sector and has structured the relationship between these two sectors, providing the system with greater stability.” (Etxezarreta & Bakaikoa, 2012)

Eastern European (post-socialist) welfare regime

Eastern European countries, including Poland, Hungary, Romania, and Bulgaria, are transitioning from centralized socialist systems to more market-oriented models. Regulatory frameworks are evolving, with efforts to align with EU standards in public procurement and service delivery.

Funding is sourced from a combination of taxes, social insurance contributions, and contributions from the EU. The transition from socialist regimes was challenging with underfunded public services and challenges in ensuring comprehensive coverage.

The public sector remains a key provider, but there is a growing presence of for-profit and emerging social economy organizations. It seems, however, that spurring a new private commercial service providing sector is easier achieved than generating a new social economy to replace the dominance of state provision. The role of the family continues to be significant, especially in care provision Fenger 2007; Lauzadyte-Tutliene, Balezentis & Goculenko, 2018.

Marketization has been a key driver in the post-socialist transformation. It has fostered the growth of private providers more readily than social economy actors, who face institutional and capacity-related challenges. The result is often an uneven service landscape, where market mechanisms have outpaced the development of socially embedded alternatives.

Table 2.1. Welfare regimes and their core characteristics

Welfare regime	typical countries	Core characteristics	Regulation and policy framework & public procurement	Funding structures	Role of providers (public, for-profit, social economy)	Role of the state	Role of the market	Role of the family and gender
Liberal	US, UK, Canada, Australia, Ireland	Means-tested benefits, low decommodification, minimal redistribution	Market-driven, limited state regulation, competitive tendering in procurement	General taxation, targeted benefits, emphasis on private insurance	Dominated by for-profit and private non-profit providers	Minimal (residual support)	Dominant provider of welfare	Limited
Conservative/corporatist	Germany, France, Austria, Belgium	Employment-based social insurance, status-preserving, the principle of subsidiarity	Regulated markets, social economy actors mediating role. Public procurement tied to employment-related services	Social insurance contributions, some general taxation	Public and social economy providers dominate, with some for-profit involvement	Strong, but benefits depend on labour participation through social insurance schemes tied to employment status	Secondary role	Important role for the family, especially for care. Preserves traditional family roles
Social-democratic (Nordic)	Sweden, Denmark, Norway, Finland	Universal benefits, high decommodification, gender equality, generous services	Highly regulated, coordinated policies, strategic use of procurement for social goals	High general taxation, progressive taxes fund universal services	Strong public sector, well-developed social economy, some for-profit	Proactive and comprehensive	Subordinate to state	Citizens should be supported by the state and not depend on family

Welfare regime	typical countries	Core characteristics	Regulation and policy framework & public procurement	Funding structures	Role of providers (public, for-profit, social economy)	Role of the state	Role of the market	Role of the family and gender
Southern European	Italy, Spain, Greece, Portugal	Fragmented systems, clientelism, strong familialism, uneven coverage	Weak regulation, often clientelist, uneven public procurement systems	Mixed funding with reliance on contributory schemes and family support	Heavy reliance on family and informal care; public and private mix	Patchy and often inefficient	Limited	Family is central source of care/support
Eastern European	Czech Republic, Lithuania, Romania, Bulgaria	Post-socialist hybrid systems, diverse trajectories	Transitional regulatory systems, evolving procurement practices, influenced by EU norms	Mixed systems: state budget, insurance funds, international/EU support	Mixed: public, growing for-profit, emerging social economy actors	Mixed—reforming and transitional	Growing influence	Family is central source of care/support

In sum, albeit internal differences, the social economy have different roles and room to develop services within the five welfare regimes. In the corporatist model, the social economy is more institutionalized, integrated and plays a central role. In Nordic models, the social economy is integrated, but plays a less central role as the state assumes wide responsibility, while in liberal and post-socialist contexts, it is often marginalized or underdeveloped. Marketization trends across regimes tend to challenge the distinctiveness and advocacy potential of social economy actors, pushing them toward efficiency-driven models that may undermine their inclusive missions.

A shared feature across welfare regimes is that the social economy fulfils a role as gap-fillers where they provide services to people who would otherwise not have access to such services (Salamon & Toepler, 2015). Yet, regarding social inclusion, the different regimes have some deviating approaches. In the liberal regimes, the state often relies on means-tested benefits, which can stigmatize recipients and exclude those just above the eligibility threshold, leaving some marginalized individuals—such as low-wage workers, migrants, and single parents—without adequate support. The social economy exists but is pressured to adopt market behaviours, limiting its ability to advocate for or serve excluded populations effectively. In conservative regimes, inclusion is tied to employment and social status, which can marginalize those outside formal labour markets, especially women and informal caregivers. Here, the social economy plays a stronger role, but increasing marketization threatens its traditional, inclusive functions. Social-democratic regimes offer the most inclusive model, with universal access reducing exclusion risks for marginalized groups. However, recent shifts toward contractual relationships and performance metrics have constrained the autonomy of social economy actors, potentially weakening their role in representing vulnerable populations. In Southern European regimes, fragmented systems and reliance on family care often exclude those without strong kin networks—particularly women, migrants, and the elderly—while the social economy remains underdeveloped, though slowly gaining institutional support. Eastern European regimes, face high exclusion risks due to weak institutions and uneven service provision. Marginalized groups often fall through the cracks, and while the social economy has potential to address these gaps, it remains under-resourced and overshadowed by commercial providers.

Policy fields and care services

As mentioned, the debates about welfare regimes assume a macro perspective where certain overarching features enable the clustering of the welfare models in different countries. However, the core tenets of a welfare regime can be more and less present in different welfare fields. Indeed, in their review, Bertin et al. (2021) find that over time, there has been a degree of hybridization across regimes. For our purposes, it is important to note how the degree of hybridization, convergence and change is different across policy fields. This means that the traditional welfare regimes may be more relevant in some service areas than in others. For example, Bertin et al. (2021)

find the regimes to be more relevant in contemporary social care services than in health care. That means that the regulation of social economy actors may vary both across service areas within a country as well as across countries.

This entails that whereas the welfare state structure creates an overall ecosystem for social economy actors, there is still room for intra-state variation. To unpack the multilevel, multidimensional policy environments that affect many social economy actors, we also need to take into account the differences between different policy fields, which according to Stone & Sandfort (2009) can be defined as:

an identifiable set of elements in a specific environment that directly shape local public service provision. These elements include the structures created by institutions involved in the delivery of particular substantive programs and the ways in which state and local actors interact with these structures. Institutional relationships create structures that both shape how state and local actors work to solve public problems and, in turn, are shaped by the insight, innovation, and energy of these actors as they attempt to realize their programmatic and policy goals.

This means that within the welfare state regime of one country, different service areas will have different institutional setups, which in turn constitute different contexts for the social economy actors. Besides the context of each policy field, different policy fields have field-specific traits, including a historical, path-dependent trajectory, that can lead to different policy fields seeing different policy instruments as natural, even within the same welfare state (Trætteberg & Sivesind, 2025).

For our purposes, we are particularly interested in the care services. Care is a multifaceted concept that may be operationalized in a number of different ways and encompasses different service areas and policy fields. In the European Care Strategy from 2022, The European Commission directs attention to early childhood education and care (ECEC) and long-term care (LTC), focusing on improving conditions for care receivers and caregivers, both professional and informal (European Commission Employment Social Affairs and Inclusion, 2022a). LTC is the term usually used for non-health care that is provided to disabled and older adults in developed welfare states. Whereas the European Care Strategy and other EU-level initiatives such as The European Pillar of Social Rights attempt to create some sort of convergence by promoting certain national approaches to care, the field is fundamentally an object for national governance development.

Accordingly, we can observe fundamental variations across countries in terms of total spending on care services, the demand for services given the demography of the country (e.g. share of citizens older than 80 years old), formalization of care, mix of care in and outside of institutions, and financing of care services (tax-financed or social insurance schemes). When comparing European countries on key care dimensions, Rummery & Fine (2012, p. 332) find that there is “no direct correlation between potential demand and supply of formal long-term care”, suggesting that other

factors come into play. Underlying factors that underpin different patterns of care provision are ideological and normative frameworks. These differences take the form of issues like the role of women in families and the labour market and the scope of public sector responsibilities.

Still, certain tensions are apparent across policy regimes, and the ideological underpinning may be part of explaining why different policy countries choose different approaches to these tensions (Pavolini & Ranci, 2008). For our purposes, three such tensions are particularly relevant. First, the tension between social rights granted at the national level and local provisions of services that meet such rights or, alternatively, needs that are defined at the local level. Second, there is a push towards reduced use of hospitals and long-term care facilities towards home care and other forms of community-based care. Third, the commodification of care where one creates a “market” for care, where social economy or commercial actors are incentivized to provide care to the citizens (Pfau-Effinger & Rostgaard, 2011; Rummery & Fine, 2012). In Chapters 4 and 5, we will examine the policy fields of LTC and services to refugees in more detail, something that enables us to assess the scope for social economy actors in these care fields.

3. The social economy in the EU - A mapping of regulatory frameworks and dedicated policies at the EU and national levels

Policies specifically targeting the social economy actors supplement the welfare state organization in creating the social economy ecosystem. These policies towards the social economy are developed at different governance levels. At the EU level, several policy initiatives have been implemented to support and promote the social economy. A key development is the European Action Plan for the Social Economy, adopted in December 2021. This plan aims to enhance social investment, support social economy actors in starting up and scaling, and create jobs. Other significant initiatives include the Social Business Initiative of 2011 and the Start-up and Scale-up Initiative of 2016.

The social economy ecosystem varies across EU member states, with different levels of recognition and integration into policy frameworks. While social economy organizations are present in all EU countries, their visibility and understanding differ. Some countries have well-established frameworks for the social economy, while in others, the sector's role is less recognized. This diversity in ecosystem development presents both challenges and opportunities for the growth of the social economy across the EU.

The weight of the social economy in the European Union

As of 2021, the social economy in the EU27 demonstrates significant socio-economic weight (Carini et al., 2024). It comprises over 4.3 million entities, including cooperatives, mutual benefit societies, associations, foundations, and a growing number of social enterprises—estimated at more than 246,000, with approximately 43,000 established by law (*ex lege*) and over 203,000 recognized through their activities (*de facto*). The sector employs at least 11.5 million people, representing 6.3% of the total employed population in the EU. Of these, more than 6.2 million work in associations and 3.3 million in cooperatives, while social enterprises employ at least 3.9 million people. The sector also engages over 53 million volunteers and records membership figures of more than 135 million in associations and 95 million in cooperatives, though overlaps exist. Economically, the social economy generated at least €913 billion in turnover in 2021, with countries like France, Italy, Spain, and Finland leading in cooperative revenue, and France and Germany recording the highest turnover among associations, foundations, and mutuals. These figures underscore the sector’s vital role in employment, civic participation, and economic value creation across Europe. According to Carini et al. (2024), social economy entities are mainly cooperatives, mutual benefit societies, associations and foundations (4 231 055 entities²; see Table 3.1). Figure 3.1 illustrates the variation in the share of total employment that belongs to the social economy.

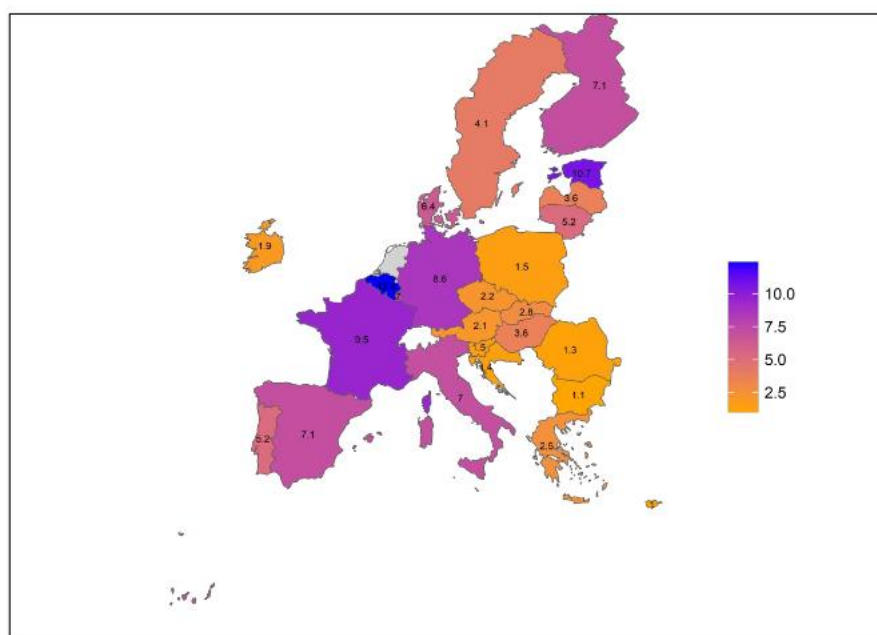
Table 3.1 The Social Economy in Member States (2021)

Country	Number of Entities	Employment	Turnover
Austria	62,483	253,310	€15.8 billion
Belgium	59,468	307,523	€36.8 billion
Bulgaria	7,994	7,542	€50.9 million
Croatia	21,686	19,647	€1.1 billion
Cyprus	142	1,006	€22.6 million
Czechia	7,754	23,222	€702.2 million
Denmark	16,263	118,016	€9.7 billion
Estonia	2,636	11,107	€141.4 million
Finland	36,184	166,702	€31.2 billion
France	273,084	2,870,000	€170 billion

² Data have limitations when it comes to excluding cooperatives and mutuals that mainly coordinate market-oriented interests of producers or consumers in certain areas of industry, service or agriculture. A more consistent use of criteria from the UN handbook for satellite account for nonprofit and related institutions would probably give lower estimates. However, there is only a small number of countries where statistical agencies have published such accounts.

Country	Number of Entities	Employment	Turnover
Germany	96,558	2,140,000	€145 billion
Greece	17,828	25,437	€659.6 million
Hungary	62,254	120,698	€1.9 billion
Ireland	12,283	56,432	€2.5 billion
Italy	376,648	1,507,761	€102 billion
Latvia	2,392	12,036	€132.4 million
Lithuania	12,946	27,062	€311.2 million
Luxembourg	3,252	17,782	€1.1 billion
Malta	Data not available	Data not available	Data not available
Netherlands	Data not available	Data not available	Data not available
Poland	126,168	372,907	€6.2 billion
Portugal	68,686	242,800	€13.5 billion
Romania	24,439	30,964	€425.3 million
Slovakia	9,091	30,132	€610.7 million
Slovenia	4,433	13,771	€331.9 million
Spain	43,192	1,384,358	€88.9 billion
Sweden	22,395	222,986	€30.7 billion

Figure 3.1: Persons employed in social economy organizations as a share of the employed population. Source: Carini et al. (2024)



Policy initiatives at the EU-level

The Union does not possess exclusive authority over most social-policy and welfare matters³; these remain chiefly the domain of Member States. The Treaties grant the EU a role in supporting, coordinating or supplementing national action on social and employment policy (shared or supporting competences under Articles 4 and 6 TFEU). Where appropriate, Commission and other institutions may employ internal-market powers, yet explicit limits are imposed on harmonising welfare systems across Member States. Consequently, the EU's involvement is largely confined to setting overarching frameworks, targets, funding streams and incentives—such as EPSR objectives, EU financial instruments, and guidance or recommendations—while the detailed design and day-to-day provision of benefits and services (pensions, health care, long-term care, etc.) remains within national jurisdiction.

The European Union's relationship with the social economy has evolved significantly over the past few decades. Initial recognition began in the 1980s, with the formal establishment of a Social Economy Unit within the European Commission in 1989 and the creation of the European Parliament's Intergroup on Social Economy in 1990. During the 1990s and early 2000s, EU attention focused on the role of the “third system” in job creation and democratic participation, particularly through programs like the Third System and Employment Program (TSEP)⁴ and the EQUAL Initiative⁵. A turning point came in 2009 with the European Parliament's Toia Report⁶, which recognized the social economy as a key partner in achieving the Lisbon Strategy's goals⁷. This was followed by the Social Business Initiative (2011)⁸, which aimed to enhance the visibility and development of social enterprises. A major step forward occurred with the launch of the Social Economy Action Plan (SEAP)⁹ in 2021, which marked a shift toward a more comprehensive approach, integrating both traditional and emerging social economy actors. In 2023, the Council adopted its first-ever recommendation on the social economy¹⁰, calling on Member States to actively support and recognize its role. This growing institutional support signals the EU's commitment to strengthening the social economy as a pillar of sustainable and inclusive development across Europe. However, in May 2025 the Commission announced that the Social Economy Unit in DG GROW would be disbanded¹¹ and certain responsibilities transferred to DG EMPL, a decision that ended a period in

³ <https://eur-lex.europa.eu/EN/legal-content/summary/division-of-competences-within-the-european-union.html>

⁴ https://ec.europa.eu/commission/presscorner/api/files/document/print/en/speech_98_181/SPEECH_98_181_EN.pdf

⁵ https://ec.europa.eu/employment_social/equal_consolidated/

⁶ https://www.europarl.europa.eu/doceo/document/A-6-2009-0015_EN.html

⁷ https://www.europarl.europa.eu/meetdocs/2009_2014/documents/empl/dv/lisbonstrategybn_/lisbonstrategybn_en.pdf

⁸ <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM%3A2011%3A0682%3AFIN%3Aen%3APDF>

⁹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52021DC0778>

¹⁰ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF>

¹¹ <https://www.socialeconomy.eu.org/2025/04/30/the-implications-of-dg-grow-abandoning-the-social-economy-at-a-critical-juncture/>; https://coopseurope.coop/news_article/why-dismantling-dg-grows-social-economy-unit-matters



which DG GROW had anchored the social economy within the internal-market and industrial policy architecture.

Social Business Initiative

Continuing the European Union’s emphasis on employment within the Lisbon/Europe 2020 agendas, the Toia report¹²—adopted by Parliament through a formal resolution—explicitly acknowledged the social economy as a legitimate policy actor capable of advancing employment and inclusion objectives. This recognition carried significant political weight, enabling a shift from peripheral policy debates to mainstream concerns about labour markets and social inclusion. The report’s framing aligns directly with welfare-oriented goals such as active inclusion, employability, and local job creation. In the wake of the 2008 financial crisis and an intensified push for social innovation and inclusive growth, the Commission turned its attention more specifically toward social enterprises. Its Social Business Initiative (SBI)¹³ was designed to deliver concrete benefits: improving access to finance, increasing visibility, and dismantling legal and administrative barriers that hinder the scaling of social enterprises and their capacity to provide social services or employ disadvantaged populations. By mobilising market-based finance and support mechanisms for organisations delivering social-inclusion and employment outcomes—particularly work-integration enterprises—the SBI aimed to complement national welfare programs and local service provision.

The European Commission launched the Social Business Initiative (SBI) in 2011 to create a favourable environment for social enterprises within the European Union. The SBI aims to support the development of social enterprises, which are key stakeholders in the social economy and social innovation (European Commission, 2015; Haarich et al., 2020). The SBI focused on improving access to financing, increasing visibility for social entrepreneurs, and enhancing the legal and regulatory environment for social enterprises. The initiative includes 11 priority measures organized around three main themes: Improving access to funding, increasing visibility of social enterprises, and optimizing the legal environment. The SBI covered various aspects of social entrepreneurship, including the creation of a European regulatory framework for social investment funds, the encouragement of microcredit development, the establishment of EU financial instruments for easier funding access, and the prioritization of investment in EU funds. The SBI has had significant effects on the development of social enterprises and their operating environments (Haarich et al., 2020). It has increased visibility, recognition, and understanding of social enterprises. It has facilitated social enterprises’ access to public and private funding, contributed to implementing mutual learning, research, and visibility measures, and helped develop ecosystems for social enterprises at national and regional levels.

¹² https://www.europarl.europa.eu/doceo/document/A-6-2009-0015_EN.html

¹³ <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM%3A2011%3A0682%3AFIN%3Aen%3APDF>

The 2021-2030 EU Social Economy Action Plan (SE-friendly procurement rules and tax regimes)

The green and digital transitions, together with an ambition to bolster resilience and social investment, have spurred the development of a more comprehensive and forward-looking EU strategy. The Social Economy Action Plan (SEAP)¹⁴ departs from piecemeal interventions and instead offers a coordinated suite of measures: regulatory guidance; mechanisms for improving access to finance; capacity-building initiatives; promotion of socially responsible public procurement; and tax or regulatory incentives. Building on the success of the SBI, the European Commission adopted the Social Economy Action Plan (SEAP) in December 2021 (European Commission, 2021a), a comprehensive framework to support and develop the social economy sector in the European Union from 2021 to 2030. This plan builds upon previous initiatives such as the 2011 Social Business Initiative and the 2016 Start-up and Scale-up Initiative (EU Social Economy Gateway, 2025). The plan focuses on three main areas: creating favourable conditions for the social economy to thrive, expanding opportunities and building capacity, and enhancing recognition of the social economy and its potential. It aims to support approximately 2.8 million social economy entities in Europe, including cooperatives, mutual benefit societies, associations (including charities), foundations, and social enterprises, which collectively employ around 13.6 million people. At the present time (October 2025), the Social Economy Action Plan has been operative for more than three years, and its mid-term evaluation is presently in progress. The plan proposes various initiatives, such as improving legal and policy frameworks, increasing access to funding and financial support, enhancing social innovation and entrepreneurship, promoting socially responsible public procurement, boosting skills development, and fostering international cooperation. The European Commission has been working closely with member states, local authorities, and stakeholders to implement these measures progressively, with the goal of enhancing social investment, supporting social economy actors in starting up and scaling up, creating quality jobs, and contributing to the green and digital transitions across the European Union.

European Social Entrepreneurship Funds (EuSEF) Regulation

The European Social Entrepreneurship Funds (EuSEF) Regulation (2013; amended 2017)¹⁵ sought to channel private investment into entities that produce measurable social outcomes (employment of disadvantaged groups, social services, inclusive business models). It was introduced by the European Union to create a favourable environment for social investment funds and promote the growth of social enterprises across member states. The primary legislation governing EuSEFs is Regulation (EU) No 346/2013, which was later amended by Regulation (EU) 2017/1991 to address initial challenges and improve the scheme's effectiveness (Official Journal of the European Union, 2013). EuSEFs are designed to channel funds into qualifying social enterprises, which are defined as

¹⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52021DC0778>

¹⁵ <https://eur-lex.europa.eu/eli/reg/2013/346/oj/eng>

undertakings that have a measurable, positive social impact as their primary objective. The regulation establishes a European label for these funds, allowing them to be marketed across the EU to eligible investors. Key features of the EuSEF scheme include a requirement for funds to invest at least 70% of their capital in qualifying social enterprises, restrictions on the use of leverage, and a focus on providing equity or quasi-equity financing. The regulation also sets out rules for fund managers, including registration requirements, conduct of business standards, and transparency obligations. By creating a harmonized framework for social investment funds, the EU aims to increase the availability of capital for social enterprises and support the development of the social economy sector.

European Pillar of Social Rights and action plan

The political desire to establish a common set of social principles and measurable targets for 2030 (employment, training, poverty reduction). The European Pillar of Social Rights (EPSR) Action Plan¹⁶ translates principles into targets and policy actions and becomes the social benchmark against which the Commission and Member States can justify social investments. The EPSR is a set of 20 key principles and rights aimed at building a fairer Europe in the areas of labour markets and welfare systems. Proclaimed at the Gothenburg Summit in November 2017, the EPSR is structured around three main chapters: equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion (European Commission, 2021b; European Commission Employment Social Affairs and Inclusion, 2025). The EPSR addresses a wide range of social issues, including education and lifelong learning, gender equality, equal opportunities, active support for employment, fair wages, work-life balance, social dialogue, and access to essential services. While not legally binding, the EPSR serves as a guiding framework for EU member states to improve their social and employment policies, with the goal of creating a more inclusive and equitable European Union.

To implement the EPSR, the European Commission adopted the European Pillar of Social Rights Action Plan in March 2021 (European Commission, 2021c). This plan outlines concrete initiatives and sets three ambitious targets to be achieved by 2030: at least 78% employment rate for those aged 20-64, at least 60% of adults participating in training annually, and a reduction of at least 15 million people at risk of poverty or social exclusion. The Action Plan emphasizes the need for joint efforts from EU institutions, member states, social partners, and civil society to turn these principles into reality. It also aligns with the UN Sustainable Development Goals, demonstrating the EU's commitment to a more global perspective in addressing social and economic challenges.

The European Care Strategy

Demographic ageing, labour-market and gender-equality concerns, and limited accessible care services in many Member States led the Commission to propose a strategic approach to childcare

¹⁶ https://commission.europa.eu/publications/european-pillar-social-rights-action-plan_en

and long-term care. The European Care Strategy¹⁷, launched by the European Commission on September 7, 2022, aims to ensure quality, affordable, and accessible care services across the European Union (European Commission, 2022). This comprehensive strategy addresses both early childhood education and care (ECEC) and long-term care (LTC), focusing on improving conditions for care receivers and caregivers, both professional and informal (European Commission Employment Social Affairs and Inclusion, 2022a). The strategy includes a Communication and two Proposals for Council Recommendations, aligning with the European Pillar of Social Rights principles on gender equality, work-life balance, childcare, inclusion of people with disabilities, and long-term care.

Key elements of the strategy include recommendations for Member States to develop national action plans to enhance care availability and quality. For long-term care, these plans should focus on ensuring timely, comprehensive, and affordable care, increasing the range of professional care services, and supporting informal carers (European Commission Employment Social Affairs and Inclusion, 2022a2). The strategy also emphasizes improving working conditions in the care sector, promoting collective bargaining, ensuring occupational health and safety standards, and addressing gender stereotypes (European Commission Employment Social Affairs and Inclusion, 2022a). To support implementation, the EU is rolling out various actions, including strategic partnerships with the WHO and OECD, skills partnerships, social dialogue initiatives, and financial support through EU funds (European Commission Employment Social Affairs and Inclusion, 2022b).

The Council Recommendation on developing social economy framework conditions in the European Union

The Council's Recommendation on developing social economy framework conditions in the European Union (European Commission, 2023)¹⁸ urges Member States to close implementation gaps by embedding social-economy considerations into national policy frameworks. It calls for the creation of enabling conditions—such as coherent legal regimes, accessible finance mechanisms, streamlined procurement procedures, and robust data-collection and monitoring systems—to facilitate the establishment, expansion, and contribution of social-economy entities toward shared social objectives. The Council Recommendation proposes a comprehensive approach to foster the growth and impact of social economy entities across member states. It aims to create enabling policy and regulatory frameworks that promote access to the labour market, social inclusion, and sustainable economic development. The recommendation emphasizes the importance of supporting social economy organizations integrating disadvantaged groups into the workforce, encouraging social entrepreneurship, and collaborating on the provision of social and care services. It also calls for improved access to funding, socially responsible public procurement practices, and the consideration of tax incentives to stimulate the sector's growth.

¹⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX%3A52022DC0440>

¹⁸ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ%3AC_202301344

This recommendation aligns closely with the European Pillar of Social Rights by supporting its implementation and contributing to the achievement of EU 2030 targets for employment, skills, and poverty reduction. It builds upon the EU Social Economy Initiative and Action Plan by providing a structured framework for member states to develop and update their social economy strategies. The document also touches on aspects of the European Care Strategy, particularly in its emphasis on collaborating with social economy entities to provide social and care services, thus addressing the growing demand for accessible and high-quality care across the EU. By promoting these initiatives, the Council Recommendation aims to harness the full potential of the social economy in driving inclusive growth, social innovation, and territorial cohesion throughout the European Union.

Together, these EU initiatives signal the recognition of social economy actors and their inclusion within more coherent strategy that seeks to mobilise them as partners in Europe's socio-economic development. These initiatives enhance sector visibility, open new financing streams (such as EuSEF), strengthen legal and procurement instruments, and invest in capacity building and peer learning—from the Social Business Initiative through SEAP to the Council Recommendation. In developmental terms, these policies aim to expand high-quality job creation—including for disadvantaged groups—broaden access to social and care services, foster territorial cohesion and social innovation, and channel social investment into the green and digital transitions—each avenue offering potential reductions in social exclusion. Yet, the Union's limited competence in social policy entails that the results of such initiatives are dependent on uneven national implementation.

The social economy ecosystem in the EU member-states and Norway

In this section, we present the overarching social economy ecosystem in each of the EU countries and Norway. Subsequently, we cluster the countries based on the scope of their policies for the social economy.

Austria¹⁹

Austria's social economy builds on long-standing cooperative and nonprofit traditions and combines strong associative activity with an emergent social-enterprise sector; this profile examines Austria's legal forms (associations, cooperatives, public-benefit regimes), tax and subsidy incentives, and the funding and organizational arrangements that enable work-integration and community services.

Legal Framework: Austria has no single law for the social economy; core components are governed by specific laws. Key forms include non-profit associations (Vereine) under the Associations Act 2002 and cooperatives under the Cooperative Societies Act (Genossenschaftsgesetz). Public-benefit status (Gemeinnützigkeit) is important: it is granted via tax law rather than a special legal form, allowing qualifying associations, foundations, and GmbHs with social aims to receive tax exemptions. There is no dedicated social enterprise legal status – social enterprises usually register as associations, cooperatives, or (non-profit) “Public benefit limited liability companies”. In 2022 Austria introduced a government backed “Verified Social Enterprise” label (administered by the AWS development bank) to formally certify enterprises that meet social impact criteria. While this label is not a legal form, it signals official recognition and can be used alongside existing legal structures²⁰.

Public Support and Funding: Social economy entities in Austria benefit from tax incentives and integration into mainstream funding programs. Public-benefit organizations enjoy broad tax relief – they are exempt from corporate tax and VAT on activities related to their social purpose. There is no specific support of the social enterprises in Austria, social businesses are an exception, but they are not important quantitatively. There are also issues related to the definitions and terminology related to the notions of “social enterprise” and “social business”. Work-integration social enterprises (WISE) can also tap Austria's labour market subsidies: for example, work-integration enterprises qualify for wage subsidies. Cooperatives dedicated to social or limited-profit objectives receive specific benefits (e.g. limited-profit housing co-ops are exempt from certain taxes and eligible for public housing subsidies). The federal bank AWS and municipalities provide grants/loans for social innovation – the AWS managed impact investment programs and social enterprise incubators as part of the government's 2020–2024 program. Yet foundations, cooperatives and associations are explicitly excluded from this type of funding²¹. In addition, Austria leverages EU funds for the sector: ESF-funded projects support social enterprise startups (through training and seed grants). Private

¹⁹ OECD. (2025). *Social economy and social innovation. Country fact sheets*. <https://www.oecd.org/en/topics/sub-issues/social-economy-and-social-innovation.html>, https://social-economy-gateway.ec.europa.eu/my-country/austria_en
<https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-austria.pdf#:~:text=added%20of%20SSE%20in%202020,well%20as%20on%20Astrid%20Pennerstorfer>

²⁰ <https://www.aws.at/en/verified-social-enterprise-label/#:~:text=Until%20now%2C%20it%20was%20not,specifically%20found%20as%20such%20there>

²¹ https://www.aws.at/fileadmin/user_upload/Downloads/Sonstiges/2024_Programmdokument__Preseed_Seedfinancing_en.pdf

donations to approved non-profits are encouraged via tax deduction (donors can deduct up to 10% of income for donations to listed public-benefit entities). In summary, Austria’s social economy is indirectly supported through a favourable tax regime, wage subsidy schemes, and inclusion in broader innovation funding channels rather than through a dedicated national fund.

Belgium²²

Belgium’s social economy is regionally diverse—federally framed but implemented through distinct Flemish, Walloon and Brussels regimes—and mixes historic cooperatives and mutuals with accredited insertion enterprises; this entry outlines Belgium’s multilayered legal recognition, regional support schemes, procurement practices and the sector’s role in social inclusion.

Legal Framework: Belgium’s social economy is defined by a mix of federal and regional regulations. At the federal level, there is no single social economy law, but the Companies and Associations Code (2019) provide mechanisms for social-purpose businesses. Notably, cooperatives can obtain a “social enterprise” recognition under Article 8:5 of that Code if they adhere to social purpose and profit cap criteria. Core legal forms include non-profit associations (ASBL/VZW) and foundations, governed by the Law of 1921 (as updated), and cooperatives, historically governed by the 1873 law (updated in the Company Code). In addition, each region has its own framework: the Walloon Region’s Decree on Social Economy (2008) formally defines and promotes social economy actors ²², the Flemish Decree (2022) supports entrepreneurship in the social economy (especially work-integration enterprises), and Brussels-Capital Region adopted an Ordinance (2018) on accrediting social enterprises. These regional laws target “*entreprises d’insertion*” (work integration firms) and other social businesses, offering recognition and support tools. Belgium’s mutual societies and friendly societies are governed by separate laws (e.g. the Law on Mutual Societies 1990) and considered part of the social economy. In sum, associations, foundations, cooperatives (including “*société à finalité sociale*” under the old law, now via the 2019 Code), and work-integration companies all form the legal tapestry of Belgium’s social economy, with strong regional competencies in this field.

The legal framework differs, however, between the northern and southern parts of the country, reflecting divergent regional policies. Three distinct bodies of law and regulation govern the social economy in Flanders, Wallonia, and the Brussels Capital Region—each region being administered by its own government and headed by different political parties.

In Wallonia (and to a lesser extent in Brussels-Capital), policymakers pursue an expansive vision of the social economy. They nurture what could be described as a “social-economy ecosystem,” wherein actors—from individual enterprises to federations—are deeply engaged and proactive. This

²² <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-belgium.pdf>, https://social-economy-gateway.ec.europa.eu/my-country/belgium_en

comprehensive approach contrasts with Flanders, where the focus is narrower: it canters on socially repairing specific societal issues such as disability support and the professional reintegration of individuals marginalised from the labour market. Flemish policy tends toward a public-administration-led, top-down model, supplemented by an established circular-economy agenda that prioritises reuse, repair, and recycling through local, bottom-up initiatives—often referred to as “short circuits” or local loops. Flanders hosts a dedicated public-administration service for the social economy (see <https://www.socialeconomie.be/>). Nevertheless, both policy breadth and financial support are comparatively modest when measured against those available in Wallonia or Brussels.

Public Support and Funding: Public support in Belgium combines tax incentives, subsidies, and procurement preferences. The federal government provides tax breaks to social purpose organizations: for example, approved work integration social enterprises (WISEs) can receive partial corporate tax exemptions if profits are reinvested into social objectives or reserves. WISEs also benefit from reduced VAT (often 0% or 6%) on certain social services and goods (e.g. resale of donated goods by social thrift shops is VAT-exempt). Individual donations to recognized NGOs and foundations yield a 45% personal income tax reduction (for gifts above €40), and companies can deduct charitable contributions up to 5% of their taxable income— incentivizing private funding of the social economy. Each region runs subsidy programs: in Flanders, the government subsidizes wages in “*maatwerkbedrijven*” (specialized WISE companies) that employ people with disabilities; in Wallonia, the “*Entreprise d’insertion*” status comes with wage subsidies and reduced social security contributions for hiring long-term unemployed. Brussels offers grants and zero-interest loans to social enterprises through its impulse programs. Public procurement is another lever: contracting authorities can reserve contracts for the social insertion sector or apply social clauses. This is widely used – e.g. local governments often reserve cleaning, catering, or green maintenance contracts for social economy firms, guaranteeing them income. Belgium also has mutualized funding mechanisms: pursuant to law, large cooperatives and mutuals contribute to solidarity funds (like the National Fund for Social Economy) which reinvest in new projects. Additionally, the three Regions co-fund financing instruments: for instance, Finance&Invest Brussels and Trividend in Flanders provide patient capital or loans to social startups, often backed by regional budget. Training and support are offered via networks like SAW-B (Wallonia) and Verso (Flanders), which receive public funding to assist social enterprises. In summary, Belgian social economy entities enjoy a supportive ecosystem – reduced taxes and contributions when they pursue approved social aims, direct subsidies (especially for employment of disadvantaged groups) from regional authorities ², and facilitated access to public contracts and ethical finance. These multifaceted supports help sustain a robust sector that in 2020 accounted for about 12% of Belgian employment (notably via non-profits in healthcare, education, and social services).

Bulgaria²³

Bulgaria's social economy is evolving under a recent SSE law and certification system that bring cooperatives, associations and social enterprises into a common policy orbit; this profile analyses the legal recognition, wage-subsidy and grant schemes, and how these instruments support work-integration and local service delivery.

Legal Framework: Bulgaria explicitly recognizes the social and solidarity economy through the Law on Enterprises of the Social and Solidarity Economy (2018). This law defines the social economy and creates a register for social enterprises. It covers cooperatives, non-profit associations and foundations operating for public benefit, and social enterprises (which can be companies meeting social criteria). Under the 2018 law, social enterprises are classified into two levels (Class A and A+) based on their social impact and are granted a certification by the Ministry of Labor and Social Policy. Core components of the social economy have their own longstanding laws: Cooperatives are governed by the Cooperatives Act 1999, and Bulgaria has a strong tradition of worker production cooperatives and cooperatives of people with disabilities (the latter regulated by a separate law for people with disabilities). Non-profit legal entities (NGOs) are regulated by the Non-Profit Legal Entities Act 2000, which distinguishes associations and foundations operating for public benefit. The 2018 SSE law essentially brings these diverse entities under a common policy umbrella when they pursue social objectives (employment of disadvantaged, provision of social services, etc.). It also established a Council for Social Economy and a dedicated department within the ministry to guide the sector. In addition, Bulgaria's government adopted a National Social Economy Concept in 2012 and subsequent Action Plans, which, while not laws, steer the implementation of the SSE framework. It's worth noting that some legal forms unique to Bulgaria contribute to the social economy: *Chitalishta* (community cultural centres) have a special status by law and often engage in social inclusion and education – they are considered part of the social economy by virtue of their community role. Overall, Bulgaria's framework since 2018 provides formal recognition – any cooperative or non-profit (or commercial entity) can be certified as a social enterprise if it meets the criteria (primarily a social aim and profit reinvestment), thereby integrating traditional cooperative/NGO structures into the social economy vision.

Public Funding and Support: Bulgaria provides targeted support mainly to work-integration social enterprises and public-benefit NGOs. A key support is wage subsidies and social insurance rebates for social enterprises that employ disadvantaged workers. For example, enterprises certified under the SSE law as “social integration enterprises” (often cooperatives of disabled persons) can receive a reimbursement of 30% of the employer's social security contributions for employees from vulnerable groups. They are also eligible for preferential procurement under the Public Procurement Act – contracting authorities may reserve contracts or apply social criteria favouring SSE entities

²³ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-bulgaria.pdf>, https://social-economy-gateway.ec.europa.eu/my-country/bulgaria_en

(this is encouraged in public tenders for cleaning, landscaping, etc., to benefit cooperatives of disabled workers). The state incentivizes these enterprises through corporate tax relief: certified social enterprises can assign the entire amount of their due corporate profit tax to a special fund for social investments in the enterprise (in effect, allowing them to retain what would be tax and use it for their social purpose). Additionally, under the Corporate Tax Act, companies (not just SSE entities) get a tax deduction (up to 10% of profits) for donations to certain vulnerable groups or via certified social enterprises, which indirectly supports those enterprises. Bulgaria also established a Social Economy Fund using EU resources: under the Human Resources Development OP, grant schemes have been launched to strengthen social enterprises – e.g. a 2019–2021 scheme provided BGN 15 million in grants to new social enterprises for equipment, staff training, and startup costs (each project up to ~€100k). In the new programming period, plans include micro-grants for community enterprises and a guarantee fund to improve their access to credit. The National Social Economy Action Plan (2022–2023) commits to setting up regional Social Entrepreneurship Incubators (with state budget support) and to offer vouchers for business development services to social economy entities. Traditional NGOs in Bulgaria rely on other funding streams that bolster the social economy: the state budget’s subsidy for registered public-benefit NGOs (like those delivering social services) and municipal contracting of social services (many municipalities outsource elderly care, disability services, etc., to NGOs and cooperatives, providing them sustained funding). For instance, municipal social patronage programs often partner with cooperatives of disabled persons to provide meal delivery or home assistance – the municipality pays for the service under contract, indirectly financing those SSE actors. International donors (EU, EEA/Norway Grants) also inject funds: a 2020 Norway Grants program awarded roughly €4 million to social enterprises and NGO-social partnerships in Bulgaria. Lastly, to encourage private and community financing, Bulgaria launched a national Social Entrepreneurship Competition with cash prizes, and some municipalities have started participatory budgeting where citizens can propose and vote on funding local social economy projects. While still developing, Bulgaria’s support system – particularly through tax breaks, wage subsidies, and EU-funded grants – is progressively enabling the growth of its social enterprise sector.

Croatia²⁴

Croatia’s social economy operates through a patchwork of association, cooperative and company law alongside ESF-funded initiatives and local incubators; the country profile examines how national legislation, EU grants, wage subsidies and municipal procurement shape opportunities for social economy organizations.

²⁴ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-croatia.pdf>, https://social-economy-gateway.ec.europa.eu/my-country/croatia_en

Legal Framework: Croatia does not have a stand-alone Social Economy Act, but social economy entities operate under general laws for associations, foundations, cooperatives, and companies. Associations (non-profits) are governed by the Associations Act 2014 and are the most common form for citizen initiatives and service-providing NGOs. Foundations are regulated by the Foundations Act 1995, though they are fewer in number. Cooperatives are governed by the Cooperatives Act 2011, which allows various types including some that pursue social goals (e.g. social cooperatives for marginalized groups). Notably, in 2011 Croatia recognized “social cooperatives” as a subtype – co-ops aimed at integrating disadvantaged persons can be established (this concept was introduced in a 2011 amendment to the Cooperatives Act). There is no explicit “social enterprise” legal status; however, many social enterprises register as companies (d.o.o.) or cooperatives and then might obtain not-for-profit status from the Tax Office if they reinvest profits. The government adopted a Strategy for Social Entrepreneurship Development 2015–2020, which provided a definition of social enterprises and an action plan (training, funding, legislative recommendations) [2]. This strategy defined social enterprises by criteria (social mission, limit on profit distribution, participatory governance) and laid groundwork for future legislation. A new Strategy 2021–2027 is in preparation, and a draft Social Entrepreneurship Bill has been discussed (but not yet passed as of 2022) (EU Social Economy Gateway, 2025). In practice, work integration social enterprises in Croatia often take the form of “employment for disabled” companies regulated by separate legislation (the Vocational Rehabilitation and Employment of Disabled Persons Act). These entities (some are companies, some NGOs) are certified to employ people with disabilities and benefit from specific support. So, while there isn’t an overarching Social Economy law, Croatia’s legal framework indirectly supports social economy activities through various laws (for NGOs, cooperatives, and special-status companies) and strategic documents acknowledge the sector’s role.

Public Funding and Support: Croatian social economy entities benefit from significant support via European funds and state incentive programs. A major source has been the *European Social Fund (ESF)*: through the Operational Program “Effective Human Resources”, Croatia launched calls specifically for social entrepreneurship. For example, from 2016–2020 the ESF allocated around €11 million in grants to support social enterprise projects – funding new social businesses in areas like green jobs, community services, and integration of disadvantaged people. Each awarded project (often an NGO or cooperative) could receive equipment and operating funds up to ~€200k. In addition, the government (Ministry of Labor) supports work integration enterprises by subsidizing salaries. Employers (including social cooperatives or companies) who hire persons with disabilities receive a reimbursement of a substantial portion of those wages (ranging from 50% to 75% of wage cost depending on disability category) and a refund of contributions, via the Fund for Professional Rehabilitation and Employment of Persons with Disabilities. Unemployed or hard-to-employ persons in other categories (long-term unemployed, youth) hired by social enterprises can also bring wage subsidies from the Croatian Employment Service (e.g. “Public Works” programs or self-employment grants channelled into cooperative start-ups). At the local level, some municipalities

and counties have started small grant schemes for social entrepreneurship – for instance, the city of Zagreb annually co-finance social enterprise incubator programs and the Osijek-Baranja County provides grants to family farms that introduce social farming for community benefit. Tax treatment of non-profits is also supportive: associations and foundations in Croatia are exempt from profit tax on income related to their statutory (non-commercial) activities, and they pay VAT only if revenue exceeds a threshold, which helps charitable and social organizations channel more resources to their missions. Furthermore, since 2019, social enterprises (as defined by the Strategy) have been able to use a new label and promotional support from the Ministry of Economy, which can improve their visibility and access to certain innovation grants. Another form of support is through public procurement quotas: Croatia’s Public Procurement Act allows contracting authorities to reserve contracts for businesses that employ disabled people. As a result, some public tenders (especially for services like cleaning or printing) are set aside for companies with a certain percentage of disabled workers – many of which are social enterprises – guaranteeing them business income. For capacity building, EU-funded projects have established several social enterprise hubs (e.g. ACT Group in Čakovec and local incubators in Rijeka and Split) offering mentorship, and these often receive municipal or state support in kind. Finally, the new 2021–2027 period promises expanded support: Croatia’s Recovery and Resilience Plan includes funding for social economy accelerators and an impact investment fund, which indicates that beyond grants, social enterprises may soon access loans or equity tailored to them, backed by the state. In essence, while direct national funding is limited, Croatian social enterprises have substantially benefited from ESF grants, wage subsidies, and favourable tax provisions, and ongoing EU and government programs aim to further strengthen the ecosystem.

Cyprus

Cyprus has a developing social economy sector that combines traditional cooperative and associative forms with emerging social enterprise models. This country profile presents Cyprus's social economy ecosystem, examining its legal frameworks, financial support mechanisms, and the various organizational components that constitute this sector.

Legal and Regulatory Framework: Cyprus does not possess a comprehensive legal framework that recognizes the social economy as a unified sector. Instead, the country has developed separate legislation for different components of the social economy ecosystem²⁵. According to the OECD's mapping of social and solidarity economy ecosystems, Cyprus lacks an official definition of the social and solidarity economy (SSE) as a cohesive concept²⁶. The absence of an overarching

²⁵ https://social-economy-gateway.ec.europa.eu/my-country/cyprus_en

²⁶ Mapping social and solidarity economy ecosystems around the world <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/Country-Fact-Sheets-SSE-Methodological-Note.pdf>

framework has led to a fragmented approach where each component is governed by distinct legal provisions.

Social Enterprises Legal Framework: Cyprus has recently strengthened its legal framework for social enterprises. The Social Enterprises Law 207(I)/2020 was passed in 2020 and amended in December 2023, this legislation establishes a registry for social enterprises and defines criteria for recognition²⁷. The law recognizes two categories: General purpose social enterprises that focus on cultural, social, and environmental activities and social inclusion enterprises that are required to employ at least 10% people with disabilities and at least 30% people from vulnerable groups. At least 70% of revenue must come from business activities. General purpose social enterprises must reinvest at least 80% of profits (reduced from the original requirement of 80% to 70% in the recent update). Social inclusion enterprises must reinvest at least 40% of profits. Cooperative societies, private limited liability companies (with shares or guarantee), and partnerships can register as social enterprises upon meeting the legal criteria.

Cooperative Societies Legal Framework: Cooperatives in Cyprus are regulated by Cooperative Societies Law (Cap 114 & Law 28/1959). This legislation established the foundation for cooperative activities in Cyprus²⁸. There are two types of Cooperatives in Cyprus. Primary cooperative societies where all members are natural persons and secondary cooperative societies where at least one member is another cooperative society. Currently, a primary cooperative society requires at least twelve people aged 18 or older for registration, though upcoming amendments will reduce this to three members. Cooperatives operate through a General Assembly (supreme body where all members have one vote) and a committee elected for three-year terms. As of 2017, Cyprus had 95 registered cooperative societies across various sectors, with approximately 3,076 employees²⁹.

Associations and Foundations Legal Framework Associations and foundations in Cyprus operate under the law 104(I)/2017 for Associations and Foundations. This legislation (with amendments through laws 76(I)/2018, 84(I)/2019 and 118(I)/2020) governs the creation, functioning, and dissolution of these entities³⁰. Three types of associations are recognized types: Societies (direct equivalent of associations), foundations and federations. To acquire legal status, associations must have their constitutive act and statutes notarized and register with the Public Registry of Associations. Associations are managed by a General Assembly and a Board of Directors (minimum

²⁷ EU Social Economy Gateway https://social-economy-gateway.ec.europa.eu/document/download/9fbb5c40-007b-4d71-9d1e-5ce0e9521a12_en?filename=Social+Economy+in+Cyprus_The+Legal+Framework_updated_01.05.2023.pdf

²⁸ National Report CYPRUS - coopilot-project.eu <http://www.coopilot-project.eu/wp-content/uploads/2017/10/National-Report-CYPRUS-COOPilot.pdf>

²⁹ National Report CYPRUS - coopilot-project.eu <http://www.coopilot-project.eu/wp-content/uploads/2017/10/National-Report-CYPRUS-COOPilot.pdf>

³⁰

https://rasinstitute.com/research/comparative_legal_analysis_of_associations_laws_and_regimes_in_the_EU/country_report_cy

five members), while foundations require at least three directors/commissioners who make decisions by simple majority³¹.

Mutuals Legal Framework. There is limited available information about mutual organizations in Cyprus, suggesting this component of the social economy may be underdeveloped or poorly documented compared to other elements.

National Public Funding Sources and Schemes. Cyprus offers limited dedicated national public funding for the social economy. An Annual Government Allocation (€300,000 maximum €15,000 per beneficiary) to help social enterprises cover initial costs³².

European Funding Sources. Cyprus relies heavily on European funding to support its social economy. The European Social Fund Plus (ESF+) is investing €222 million in ESF+ funds in Cyprus to improve labour market policies, increase skills development, and strengthen social cohesion³³. The European Regional Development Fund (ERDF) has provided support for the promotion and development of social enterprises in Cyprus during the 2014-2020 period and continues during the period 2021-2027³⁴. The “Strengthening New Entrepreneurship” Grant Scheme is a €20 million program co-financed by ERDF, ESF+, and Cyprus, offering funding rates of 60-70% depending on demographic categories, with a maximum eligible budget of €120,000 per company³⁵.

Size and Composition of the Social Economy. As of 2017, Cyprus's social economy sector consisted of approximately 2% of total employment (6,984 people) and 190 de facto social economy entities.³⁶

Czechia³⁷

Czechia’s social economy is growing around work-integration activities and service provision, relying heavily on EU funding and recent legal steps toward integration-focused enterprise status; this profile surveys the legal recognition, regional supports, and tax incentives that underpin inclusion efforts.

Legal Recognition of the Social Economy. There is no unified SSE framework in Czechia and no national law defining the social economy (SSE) as a distinct sector. Associations and Foundations

³¹ Dafne-FC 2020 Legal Environment for Philanthropy in Europe, Cyprus https://www.transnationalgiving.eu/wp-content/uploads/2022/09/Cyprus_2020LegalEnvironmentPhilanthropy.pdf

³² https://social-economy-gateway.ec.europa.eu/my-country/cyprus_en

³³ The ESF+ in Cyprus | European Social Fund Plus <https://european-social-fund-plus.ec.europa.eu/en/support-your-country/esf-cyprus>

³⁴ <https://fundatiadanis.ro/wp-content/uploads/2022/09/SELC-Social-Incubation-Cyprus-EN.pdf>

³⁵ <https://www.businessincyprus.gov.cy/news/strengthening-new-entrepreneurship-grant-scheme-2nd-announcement-2024/>

³⁶ https://social-economy-gateway.ec.europa.eu/my-country/cyprus_en

³⁷ https://social-economy-gateway.ec.europa.eu/my-country_en and <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-czechia.pdf>

are governed by the Civil Code (89/2012) and Act on Business Corporations (90/2012). Cooperatives are recognized but underdeveloped, with limited legal support beyond general corporate law. Social Enterprises have no dedicated legal status. Registered social enterprises operate under existing forms (e.g., limited liability companies - LLCs).

Social Enterprises are defined as entities providing jobs for disadvantaged groups (≥30% of employees with health/social disadvantages). According to the OECD fact sheet³⁸ there were 238 registered social enterprises in 2022, employing 5,106 people (61% women). 48% were LLCs, 39% associations, 6% cooperatives. For a long time there was no dedicated legal form for social enterprises—they typically operated under existing structures (e.g., LLCs, associations, cooperatives), especially when seeking public funding or tax benefits. However, in December 2024, the Czech Republic enacted a new Act on Integration Social Enterprises (ISP), along with related amendments. These laws establish criteria for obtaining ISP status—including the requirement to employ at least 30% of staff from disadvantaged groups—and define support mechanisms, procedural controls, and enforcement measures. In July 2025, the government approved the Strategic Framework for Social Entrepreneurship for the period 2026–2030, which aligns national priorities with EU strategies. It emphasizes inclusive employment, cross-sector collaboration, regulatory stability, innovation, and education—building upon the new ISP law³⁹.

Associations play a key role in public-benefit activities (e.g., education, health). *Cooperatives* have a minimal presence due to historical stigma and lack of awareness.

Mutuals are not formally recognized or tracked in Czechia’s SSE ecosystem.

Public Funding Schemes. Social economy organization receive EU Funding through ESF+, supporting labour market integration for disadvantaged groups and ERDF, funding green transitions and innovation. The Ministry of Labor and Social Affairs provides grants for social enterprises via the “Directory of Registered Social Enterprises”.

Regional Initiatives support SSE in regions like Pardubice and South Moravia.

Tax Incentives. Public-benefit entities (associations, foundations) are exempt from income tax on mission-aligned activities. Employers of disabled individuals receive tax reductions (up to €2,300 per employee). Corporations can deduct up to 10% of taxable income for donations to SSE entities. Individuals can deduct up to 5% for donations.

³⁸ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-czechia.pdf?>

³⁹ <https://ceske-socialni-podnikani.cz/zakon-o-isp/pravni-predpisy> and <https://ceske-socialni-podnikani.cz/socialni-podnikani/aktuality/6108-vlada-schvalila-strategicky-ramec-socialniho-podnikani-pro-obdobi-2026-2030?>

Denmark

Denmark's social economy ecosystem represents a mature yet evolving framework that blends historical cooperative and associative traditions with modern social enterprise models; this entry reviews the Registered Social Enterprise framework, local procurement practices, wage subsidy instruments and the sector's contribution to labour-market inclusion.

Legal and Regulatory Framework. Denmark lacks a unified legal definition of the social economy but recognizes its components through sector-specific legislation^{40 41}. The 2014 Act on Registered Social Enterprises (*Lov nr 711 om registrerede socialøkonomiske virksomheder*) serves as the cornerstone for social enterprises, establishing criteria for registration and operational standards. While cooperatives and mutuals operate under general company law, their governance often reflects social economy principles such as democratic member control and profit reinvestment⁴².

Social Enterprises. The 2014 Act defines social enterprises as entities that must (i) pursue a social purpose (e.g., employment integration, environmental sustainability), derive ≥50% of revenue from commercial activities, (iii) maintain independence from public sector control, (iv) practice “inclusive governance” (e.g., involving beneficiaries in decision-making), and (v) reinvest ≥50% of profits into social missions or allied organizations⁴³. Registered Social Enterprises (RSVs) gain exclusive rights to use the designation in marketing and qualify for tax advantages, though registration remains voluntary. As of 2021, 951 RSVs employed 4,196 people, primarily in social services (53.6%) and civic advocacy (21.7%).

Cooperatives. Cooperatives in Denmark operate under the “Companies Act No. 546/1996”, which lacks specific provisions for cooperative principles but allows customization through articles of association⁴⁴. Key features include democratic governance (one member, one vote in most cases), profit distribution limits (surpluses typically reinvested or allocated to member benefits rather than shareholder dividends, and sectoral prevalence (strong in agriculture renewable energy, and housing).

Associations. Governed by the “Act on Associations”, they are tax-exempt if exclusively non-profit. Over 132,115 associations operate in Denmark, constituting 92.6% of SSE entities⁴⁵.

⁴⁰ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-denmark.pdf>

⁴¹ Denmark - OECD <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-denmark.pdf>

⁴² https://coopseurope.coop/wp-content/uploads/files/Country%20profiles_EN.pdf

⁴³ <https://legislation.coop/sites/default/files/2022-12/Denmark%20Law%20on%20Social%20Enterprises%20%20en-GB.pdf>

⁴⁴ https://coopseurope.coop/wp-content/uploads/files/Country%20profiles_EN.pdf

⁴⁵ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-denmark.pdf>

Foundations. They are subject to the “Foundation Act” and taxed on commercial income exceeding DKK 25,000 (≈€3,400). Public-benefit foundations receive tax-deductible donations up to €2,250⁴⁶.

Mutuals. Mutual societies remain underdeveloped compared to other SSE components. No dedicated mutual legislation exists; instead, they register as “limited liability companies” or “associations” under general corporate law⁴⁷. The pension sector contains mutual elements, such as labour-market supplementary funds (e.g., *Arbejdernes Landsbank*), but these lack formal mutual status.

National Public Funding Sources and Schemes National funding schemes include “RSV Grants” for social enterprises (Startup Support, up to €15,000 for initial operational costs and “Social Inclusion Premiums”, additional €4,000–12,000 per employee with disabilities or from vulnerable groups⁴⁸. 87% of municipalities offer tailored assistance, including incubation Services (reduced rents, mentoring) and procurement preferences (12% of municipalities prioritize SSE entities in public contracting). The Active Social Policy Act (2018) allocates €60 million annually to integrate marginalized groups into SSE workplaces through wage subsidies and training⁴⁹. Non-profit associations avoid corporate tax and VAT (exceptions apply). Donor benefits 25% tax deduction for contributions to registered SSE entities.

European Union Funding. ESF+⁵⁰ contributes with €222 million (2021–2027) for SSE skills development and labour market inclusion.

Estonia

Estonia’s social economy ecosystem is characterized by grassroots initiatives and evolving institutional recognition, though it lacks a unified legal framework; the country profile examines sectoral legislation, targeted incentives for hiring disadvantaged workers, and the role of ESF/ERDF funding in scaling social innovation.

Legal and Regulatory Framework. Estonia does not have a national legal framework defining the social economy as a distinct sector⁵⁰. The concept is instead recognized through sector-specific laws governing its components

Associations are governed by the Non-Profit Associations Act (1996), which allows tax exemptions if ≥90% of activities serve public benefit. *Foundations* are regulated by the Foundations Act (1995),

⁴⁶ <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-denmark.pdf>

⁴⁷ https://coopseurope.coop/wp-content/uploads/files/Country%20profiles_EN.pdf

⁴⁸ https://social-economy-gateway.ec.europa.eu/my-country/denmark_en

⁴⁹ <https://nyidanmark.dk/uk-UA/Words-and-concepts/F%C3%A6lles/Active-social-policy-act>

⁵⁰ <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-estonia.pdf> and https://social-economy-gateway.ec.europa.eu/my-country/estonia_en

taxed on commercial income exceeding public-benefit activities. *Cooperatives* operate under the Commercial Code, with no dedicated cooperative law, leading to fragmented governance and tax uncertainties⁵¹.

Social Enterprises have no specific legal status, but are entities self-identify based on social missions. They register as non-profits (68.1%), private limited companies (26.9%), or foundations (5%).

Public Funding Sources and Schemes. Tax Incentives exist for organizations hiring disadvantaged workers (≥30% of workforce) receive social security cost exemptions, and non-profits and foundations enjoy income tax reductions if approved by the Tax and Customs Board. The Ministry of Social Affairs, Ministry of Finance, and Ministry of Interior allocate funds to SSE entities, though coordination remains fragmented⁵².

The European Social Fund+ (ESF+) supports skills development and labour market inclusion, though Estonia's allocation specifics are not detailed and the European Regional Development Fund (ERDF) co-finances green transitions, such as renewable energy projects in rural areas⁵³.

Finland

Finland's social economy ecosystem blends deep-rooted cooperative traditions with modern social enterprise models, supported by evolving legislative frameworks and strategic funding mechanisms; this profile outlines the legal instruments, certification schemes, public support and EU co-funding that sustain work-integration and social-innovation actors.

Legal and Regulatory Framework. Finland does not have a unified legal definition of the social economy but recognizes its components through sector-specific laws. The "2022 Strategy for Social Enterprises" marks the government's commitment to fostering social entrepreneurship, particularly to employ marginalized groups. However, traditional SSE entities like cooperatives and associations operate under distinct legal frameworks established in the early 20th century⁵⁴.

⁵¹ https://www.oecd.org/content/dam/oecd/en/publications/reports/2022/06/legal-frameworks-for-the-social-and-solidarity-economy_e33debad/480a47fd-en.pdf

⁵² https://www.oecd.org/content/dam/oecd/en/publications/reports/2020/03/boosting-social-entrepreneurship-and-social-enterprise-development-in-estonia_5b1c9531/8eab0aff-en.pdf

⁵³ https://www.oecd.org/content/dam/oecd/en/publications/reports/2020/03/boosting-social-entrepreneurship-and-social-enterprise-development-in-estonia_5b1c9531/8eab0aff-en.pdf

⁵⁴ <https://ec.europa.eu/social/BlobServlet?docId=21573&langId=en> ; <https://tem.fi/en/centre-of-expertise-for-social-enterprises> ; <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-finland.pdf>; <https://tem.fi/en/social-entrepreneurship>; [https://emes.net/icsem-working-papers/Finland - Kostilainen et al.pdf](https://emes.net/icsem-working-papers/Finland_-_Kostilainen_et_al.pdf) https://social-economy-gateway.ec.europa.eu/document/download/009d0f8c-4f7b-46e3-86d8-e1f87bf28085_en?filename=WS2_Discussion_Paper_Finland.pdf

Finland's social enterprise landscape is shaped by two key mechanisms, the repealed Act on Social Enterprises (1351/2003)—initially regulated work integration social enterprises (WISEs) but was abolished in 2023— and the Social Enterprise Mark (SEM), a voluntary certification introduced in 2019, aligning with the EU's operational definition. To qualify, entities must prioritize social or environmental missions, reinvest ≥50% of profits into their social goals, and maintain transparency and inclusive governance, such as employee participation in decision-making. As of 2022, over 1,700 social enterprises operate in Finland, generating €5.8 billion in revenue and employing 50,000 individuals.

Governed by the Cooperatives Act (421/2013), Finnish cooperatives emphasize democratic governance (one member, one vote) and mutual benefit. Key provisions include flexibility in profit distribution, typically reinvested into member services, no minimum capital requirement, encouraging grassroots initiatives, and recognition of "general interest cooperatives" that serve public welfare beyond member interests⁵⁵.

Associations are regulated by the Associations Act (1/1919) and are tax-exempt if non-commercial. Over 70,000 associations operate nationally, many delivering welfare services. Foundations are subject to the Foundations Act (109/1930), taxed on commercial income exceeding €25,000. Public-benefit foundations receive tax-deductible donations. Mutuels remain underdeveloped compared to other SSE components. Limited to niche sectors like insurance, they lack dedicated legislation and often register as associations or cooperatives.

National Funding Programs. The Centre of Expertise for Social Enterprises (CESE) received €3 million (2021–2023) and an additional €10 million from the European Social Fund+ (ESF+) to enhance business conditions and employment for marginalized groups.

European Union Funding. The European Regional Development Fund (ERDF) supports green and digital transitions in SSE sectors like circular economy and renewable energy⁵⁶.

As of 2022, Finland's SSE sector comprises 1,700 social enterprises (48% of which are SEM-certified) and 95,000 entities, including cooperatives (12%), associations (78%), and foundations (7%)⁵⁷.

France

France operates one of Europe's most advanced social economy ecosystems, combining robust legal frameworks, diverse organizational forms, and substantial public-private funding

⁵⁵ <https://ec.europa.eu/social/BlobServlet?docId=21573&langId=en>

⁵⁶ <https://valtioneuvosto.fi/en/-/1410877/social-economy-can-create-sustainable-wellbeing-in-finland-and-throughout-europe>

⁵⁷ <https://ec.europa.eu/social/BlobServlet?docId=21573&langId=en>

mechanisms. This report examines France's SSE landscape through its legislative architecture, financial support systems, and institutional networks.

Legal and Regulatory Framework. France established a unified legal framework for the SSE through the “2014 Framework Law on the Social and Solidarity Economy” (Law No. 2014-856). This legislation defines the SSE as entities pursuing social utility goals with democratic governance and profit reinvestment principles. The law explicitly recognizes associations (governed by the 1901 Law on Associations), cooperatives (under the 1947 Law on Cooperatives, including *Sociétés Coopératives d'Intérêt Collectif* (SCIC— Collective Interest Cooperative Societies), mutuals (regulated by the Mutual Insurance Code), foundations (subject to the 1987 Philanthropy Law), and commercial companies meeting SSE criteria, such as the “Solidarity Enterprise of Social Utility (ESUS)” accreditation⁵⁸.

The ESUS designation, introduced in 2014, aligns with the EU’s operational definition of social enterprises. To qualify, entities must allocate $\geq 50\%$ of profits to social missions, restrict shareholder dividends to $\leq 33\%$ of total profits and employ inclusive governance models (e.g., worker participation)⁵⁹. The 1947 *Cooperatives* Law mandates democratic governance (one member, one vote) and reinvestment of surpluses. SCICs, established in 2001, allow multi-stakeholder governance involving employees, users, and public authorities. *Associations* are tax-exempt if non-commercial but required to pay corporate tax on revenue from economic activities exceeding €63,000 annually.

Mutuals provide health insurance and pension schemes to 38 million citizens, governed by strict solidarity principles under the Mutual Insurance Code.

National Funding Mechanisms. Urgenc’ESS Emergency Fund is a €30 million grant program targeting SSE entities with ≤ 10 employees, offering €5,000–€8,000 per beneficiary to address cash flow crises⁶⁰. The “90/10 Rule” mandates that pension funds and employee savings plans invest 5–10% of assets into SSE projects. This mechanism mobilized €20 billion for SSE between 2011–2020, primarily through solidarity-based savings accounts and equity investments⁶¹. Companies deduct up to 60% of donations to SSE entities (capped at 0.5% of turnover)⁶².

European Structural Funds. The European Social Fund+ (ESF+) allocates €222 million (2021–2027) for SSE skills development and labour market integration and the European Regional Development Fund (ERDF) supports social innovation via regional programs.

⁵⁸ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-france.pdf> and https://www.rtes.fr/system/files/inline-files/SSE_Law.pdf

⁵⁹ <https://betterentrepreneurship.eu/en/case-study/law-social-and-solidarity-economy-france> and <https://ec.europa.eu/social/BlobServlet?docId=16378&langId=en>

⁶⁰ <https://www.socialeconomynews.eu/en/france-urgences-a-fund-to-help-associations-and-small-structures-in-sse/>

⁶¹ <http://aak.slu.cz/pdfs/aak/2023/01/06.pdf>

⁶² <https://taxsummaries.pwc.com/france/corporate/tax-credits-and-incentives>

As of 2022, France’s SSE comprises 212,000 entities, including 78.6% associations, 12.1% cooperatives, and 5.3% mutuals, representing 2.6 million jobs (10.4% of national employment), with women representing 66.9% of SSE workers⁶³.

Germany

Germany’s social economy ecosystem operates without a unified legal framework but demonstrates significant scale and diversity, comprising associations, cooperatives, foundations, and social enterprises. Germany lacks a national definition or overarching legislation for the social economy. Instead, its ecosystem comprises distinct legal forms governed by sector-specific laws⁶⁴.

Social enterprises in Germany operate under general corporate law but can adopt specialized designations, including gGmbH (*gemeinnützige Gesellschaft mit beschränkter Haftung*), non-profit limited liability companies, comprising 6,584 entities in 2017. These must reinvest profits into social objectives and maintain tax-exempt status for public-benefit activities. Work Integration Social Enterprises (WISEs) that focus on employing disadvantaged groups, including workshops for people with disabilities. These operate under the “Social Code Book IX”, which mandates equal employment opportunities. No dedicated social enterprise law exists, though the 2023 “REACT with Impact” program (funded by the EU) aims to standardize support for social enterprises across regions.

Governed by the Cooperatives Act (1889, revised 2006), German cooperatives prioritize democratic governance (one member, one vote) and reinvestment of surpluses. Key features include no minimum capital requirements, enabling grassroots initiatives.

In 2015, cooperatives and similar entities employed 860,000 people, representing 32.6% of SSE employment. Associations (e.V.) are regulated by the German Civil Code (2002) and constitute 67,746 entities (59.4% of SSE organizations). They are tax-exempt if non-commercial, but economic activities exceeding €45,000 annually face corporate tax.

Foundations are subject to the Foundation Act, and 2,620 foundations operated in 2015. Public-benefit foundations receive tax-deductible donations up to 20% of taxable income. Mutuals remain underdeveloped, often registering as associations or cooperatives. The Mutual Insurance Code governs niche sectors like health insurance, but mutuals lack formal recognition as a distinct SSE component.

⁶³ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-france.pdf> and https://www.rtes.fr/system/files/inline-files/SSE_Law.pdf

⁶⁴ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-germany.pdf> and https://social-economy-gateway.ec.europa.eu/my-country/germany_en

National Funding Mechanisms. Germany allocated €6.56 billion (2021–2027) for SSE initiatives, prioritizing labour market inclusion, digital transition, and climate resilience. The “ESF+ Federal Program” targets youth employment, social innovation, and upskilling marginalized groups⁶⁵.

European Union Funding. The European Regional Development Fund (ERDF) supports green transitions in SSE sectors like circular economy and renewable energy.

As of 2017, the social economy in Germany comprised 113,963 SSE entities, employing 6.7% of Germany’s workforce (2.6 million jobs). Social enterprises represented 77,458 entities, dominated by associations (67,746) and gGmbHs (6,584). Over 31.6% employ ≤5 people, reflecting a micro-enterprise structure.

Greece

Greece’s social economy ecosystem has evolved significantly since the 2010s, driven by legislative reforms and EU funding amid economic crises.

Legal and Regulatory Framework. Greece introduced its first comprehensive social economy legislation through Law 4019/2011, which formalized the concepts of social economy and social entrepreneurship. This was replaced by Law 4430/2016, which redefined the sector under the umbrella of the “Social and Solidarity Economy (SSE)”. The key components of the SSE include *Social Cooperative Enterprises (SCEs)*, divided into Collective Benefit SCEs that provide social, cultural, or environmental services and *Inclusion SCEs* that focus on integrating vulnerable groups (≥30% of workforce must be from marginalized populations)⁶⁶. *Workers’ Cooperatives* have been introduced in 2016; these prioritize democratic governance and job retention during economic crises⁶⁷. The law abolished prior regulations from 2011 and established a “Social Economy General Registry” to track SSE entities. However, Greece still lacks a unified legal definition of the SSE, leading to fragmented governance.

Social enterprises operate primarily as “Social Cooperative Enterprises (Koin.S.Ep)” under Law 4430/2016, which mandates ≥50% of profits reinvested into social missions, transparent governance structures with beneficiary participation, eligibility for public procurement preferences

⁶⁵ <https://www.esf.de/portal/EN/Home/home.html>

⁶⁶ The Greek Law 4430/2016 on Social and Solidarity Economy: https://www.ess-europe.eu/sites/default/files/publications/files/policy_briefs_2_-_ioannis_nasioulas.pdf, <https://emes.net/content/uploads/ESCP-8EMES-6-Sofia-Ifigeneia-1.pdf>, and <https://iuscooperativum.org/wp-content/uploads/2018/10/Geormas-Konstantinos-New-legal-environment-of-the-Greek-Social-and-Solidarity-Economy-Impediments-and-opportunities-for-the-development-of-the-sector.pdf>

⁶⁷ SOCIAL ECONOMY IN GREECE, 2010-2020 https://www.u-picardie.fr/eastwest/stat_doc.php?doc=262

and tax incentives⁶⁸. As of 2023, ~1,700 SCEs operate in Greece, focusing on social services (39%), environmental initiatives (25%), and cultural activities (18%)⁶⁹.

Cooperatives are governed by the Commercial Code and lack dedicated legislation. Key forms include *Agricultural Cooperatives* that are dominant in rural economies, *Workers' Cooperatives* that emerged post-2016 to address unemployment, with legal provisions for employee ownership transitions.

Associations are regulated under customary law, tax-exempt if ≥90% of activities serve public benefit. *Foundations* are subject to the Foundations Act, taxed on commercial income exceeding public-benefit activities. *Mutuals* remain underdeveloped, with no specific legal framework. Most operate as associations or cooperatives.

Public Funding Sources and Schemes. TOPSA and TOPEKO Programs allocated €120 million (2014–2020) to create SCEs, offering training and startup grants for unemployed individuals. SCEs enjoy reduced corporate tax rates (9% vs. standard 24%) and VAT exemptions for social services. Donations to SSE entities qualify for a 20% tax deduction. Within the “Recovery and Resilience Facility (RRF)” €30 billion (2021–2026) have been allocated to Greece, with portions earmarked for SSE digitalization and green transitions⁷⁰. The European Social Fund+ (ESF+) supports labour market integration, co-financing 60–70% of SCE operational costs and the European Regional Development Fund (ERDF) funds renewable energy cooperatives and circular economy projects.

Hungary

Hungary’s social economy ecosystem operates without a unified legislative framework but demonstrates significant activity through associations, foundations, and cooperatives.

Legal and Regulatory Framework. Hungary lacks a national framework defining the social economy as a distinct sector. However, components of the SSE are recognized through sector-specific laws. The Act 141 on Cooperatives (2006) governs social cooperatives, including school cooperatives and employment cooperatives. The Act CLXXV on NGOs (2011) regulates civil organizations engaged in economic activities, granting non-profit status under specific conditions. The Business Associations Act (2006) provides general corporate governance rules applicable to SSE entities⁷¹.

⁶⁸ Social Cooperatives in Greece: https://base.socioeco.org/docs/nasioulas_-_social_cooperatives_in_greece.pdf, https://social-economy-gateway.ec.europa.eu/my-country_en, New legal environment of the Greek Social and Solidarity Economy: <https://iuscooperativum.org/wp-content/uploads/2018/10/Geormas-Konstantinos-New-legal-environment-of-the-Greek-Social-and-Solidarity-Economy-Impediments-and-opportunities-for-the-development-of-the-sector.pdf>

⁶⁹ The ecosystem for social enterprise in Greece - <https://ideannovaship.eu/wp-content/uploads/Greece.pdf>

⁷⁰ OECD Economic Surveys: Greece 2024 https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/12/oecd-economic-surveys-greece-2024_26a6b3e5/a35a56b6-en.pdf

⁷¹ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-hungary.pdf>

Social Enterprises have no dedicated legal status. Entities self-identify based on social missions and operate under existing frameworks. Non-profit enterprises constitute 5.9% of SSE entities (3,610 in 2021) and focus on education, social services, and health. Social cooperatives are governed by Act 141/2006, these prioritize job creation and community development but lack specific fiscal incentives beyond general tax exemptions.

Cooperatives are a recognized SSE component but face data gaps. The Ministry of Interior's Social Cooperatives Coordination Department oversees their development, though employment and revenue statistics are not systematically tracked.

Associations and Foundations are dominant in Hungary's SSE landscape. Associations represent 57% of SSE entities (34,780 in 2021), primarily engaged in culture, education, and social services. Foundations constitute 32.3% of SSE entities (19,710 in 2021), often involved in public-benefit activities such as healthcare and housing⁷². *Mutual* societies are not formally recognized or tracked in Hungary's SSE ecosystem.

Public Funding Sources and Schemes. Entities with ≥15% revenue from public-benefit activities qualify for income tax exemptions. VAT exemptions apply to associations and foundations engaged in education, sports, and social care. Corporate donations are tax-deductible for contributions to public-benefit associations under Act CLXXV/2011.

Managed by the Ministry of National Economy, EU co-funded programs support social enterprises and cooperatives, though specific budget allocations are not detailed⁷³. The European Social Fund+ (ESF+) supports labour market integration and skills development, though Hungary's allocation is unspecified.

Ireland

Ireland's social economy ecosystem blends traditional cooperative structures with modern social enterprise models, supported by evolving policy frameworks and targeted funding mechanisms.

Legal and Regulatory Framework. Ireland lacks a comprehensive legal framework for the social economy but recognizes its components through sector-specific legislation. The *National Social Enterprise Policy 2019–2022* defines the SSE as including cooperatives, mutuals, non-profits, foundations, and social enterprises, with a focus on social impact over profit. Key legislative instruments include the "Cooperative Societies Bill (2022)", aiming at modernizing cooperative governance and align with EU standards, though progress remains ongoing; the Companies Act (2014) governing entities like the Company Limited by Guarantee (CLG), the most common legal

⁷² Ibid

⁷³ Ibid

form for social enterprises, and the Charities Act (2009) that regulates charitable activities, relevant as many social enterprises hold charitable status⁷⁴.

Social enterprises in Ireland are defined as entities that trade to achieve social/environmental goals, reinvest surpluses, and operate independently of the public sector⁷⁵. However, no dedicated legal form exists, leading to reliance on existing structures like CLGs or cooperatives. *Work Integration Social Enterprises (WISEs)* are the dominant model, supported by historical programs like the “Social Economy Program (SEP)” and “Community Services Program (CSP)”⁷⁶. 68% operate as non-profits (CLGs), 26% as private companies, and 5% as cooperatives. The 2019–2022 National Policy aimed to build awareness, strengthen growth, and align policies. The 2024–2027 “Trading for Impact” policy expands focus to circular economy and renewable energy funding⁷⁷.

Cooperatives are governed by the “Cooperative Societies Act (1893)”, pending modernization via the 2022 bill to enhance governance and member participation. They are common in agriculture (e.g., dairy cooperatives) and renewable energy but underutilized compared to EU peers⁷⁸. *Associations* are tax-exempt if ≥90% of activities serve public benefit, regulated under the “Companies Act” and “Charities Act”⁷⁹.

Foundations are subject to the “Charities Act” and taxed on commercial income exceeding public-benefit activities. *Mutuals* are minimally present, with no dedicated legislation. Most operate under general corporate law or as associations.

Public Funding Sources and Schemes. The Social Enterprise Development Fund (2018–2020), a €1.6 million fund co-financed by IPB Insurance and the “Dormant Accounts Fund”, provided grants and accelerator programs to scale social impact⁸⁰. The “Dormant Accounts Fund” allocates €2 million annually to social enterprises, focusing on disadvantaged groups. The “Community Services Program (CSP)” supports employment in local services, with over 430 organizations funded

⁷⁴ <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-ireland.pdf>, OECD <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-ireland.pdf>, and National Social Enterprise Policy for Ireland 2019-2022: <https://assets.gov.ie/19332/2fae274a44904593abba864427718a46.pdf>

⁷⁵ <https://rethinkireland.ie/wp-content/uploads/2021/12/Research-on-Legal-Form-for-Social-Enterprises.pdf>

⁷⁶ https://emes.net/icsem-working-papers/Ireland_-_O'Hara_&_O'Shaughnessy.pdf, https://social-economy-gateway.ec.europa.eu/document/download/6f77134c-6d96-47c3-a798-56bfbfd12c4ec_en?filename=WS2_Discussion_Paper_Ireland.pdf, and <https://assets.gov.ie/300271/af4e54b0-e73a-4b2a-a01e-5ddee64dce88.pdf>

⁷⁷ Ibid

⁷⁸ <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-ireland.pdf> and National Social Enterprise Policy for Ireland 2019-2022: <https://assets.gov.ie/19332/2fae274a44904593abba864427718a46.pdf>

⁷⁹ Ibid

⁸⁰ The Social Enterprise Development Fund <https://www.localenterprise.ie/News-and-Events/The-Social-Enterprise-Development-Fund.html>, https://social-economy-gateway.ec.europa.eu/document/download/6f77134c-6d96-47c3-a798-56bfbfd12c4ec_en?filename=WS2_Discussion_Paper_Ireland.pdf

annually⁸¹. The European Social Fund+ (ESF+) funds skills development and labour market integration, though specific allocations to Ireland are unspecified and the European Regional Development Fund (ERDF) supports green transitions in sectors like renewable energy⁸².

Charitable tax exemptions apply to entities with ≥15% revenue from public-benefit activities. Corporate donations are tax-deductible up to 20% of taxable income.

Italy

Italy hosts one of Europe's most mature and institutionally recognized social economy ecosystems, characterized by a rich legal framework, diverse organizational forms, and robust public-private funding mechanisms.

Legal and Regulatory Framework. Italy lacks a unified legal definition of the social economy but recognizes its components through sector-specific laws and frameworks. The “2016 Reform of the Third Sector” (Law No. 106/2016) marks the most comprehensive attempt to integrate SSE entities under a coordinated framework. The reform produced three key legislative decrees. The Third Sector Code (Legislative Decree 117/2017) defines the Third Sector as private entities pursuing civic, solidarity, and socially useful purposes without profit distribution. It includes associations, foundations, social enterprises, and certain cooperatives⁸³. Social Enterprises Regulation (Legislative Decree 112/2017) establishes criteria for social enterprises, requiring ≥70% of revenues from activities of general interest and prohibiting profit distribution⁸⁴.

Italy's social enterprises operate under distinct legal categories. The Social Cooperatives (Law 381/1991) are divided into two types—“the Type A”, provides social, health, or educational services, while the “Type B” is oriented towards integration of disadvantaged workers (≥30% of workforce), with exemptions from social security contributions⁸⁵. “Registered Social Enterprises” are governed by Legislative Decree 112/2017, these entities must reinvest profits and adopt inclusive governance models. Over 12,000 such enterprises were registered by 2023⁸⁶.

Cooperatives in Italy are governed by the Civil Code and sector-specific laws. General cooperatives operate under democratic governance (one member, one vote) and profit reinvestment principles.

⁸¹ Social Enterprise in Ireland: - WISE, the Dominant Model of Irish SE https://emes.net/icsem-working-papers/Ireland_-_O'Hara_&_O'Shaughnessy.pdf and National Social Enterprise Policy for Ireland 2019-2022 <https://assets.gov.ie/19332/2fae274a44904593abba864427718a46.pdf>

⁸² Trading for Impact National Social Enterprise Policy 2024 – 2027 <https://assets.gov.ie/300271/af4e54b0-e73a-4b2a-a01e-5ddee64dce88.pdf>

⁸³ Labour and social economy in Italy: a composite legal framework <https://journals.openedition.org/rdctss/4686> and <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-italy.pdf>

⁸⁴ Social Enterprise (Italian Law) - [https://wiki.fintechlab.unibocconi.eu/wiki/Social_Enterprise_\(Italian_Law\)](https://wiki.fintechlab.unibocconi.eu/wiki/Social_Enterprise_(Italian_Law))
The new regulation of the “social enterprise”: <https://thephilanthropist.ca/2018/08/a-spotlight-on-italy-the-new-regulation-of-the-social-enterprise/>

⁸⁵ https://social-economy-gateway.ec.europa.eu/my-country/italy_en

⁸⁶ <https://euricse.eu/en/social-economy-in-italy/>



“Community Cooperatives” focus on local development and resource management, particularly in rural areas⁸⁷. Associations are regulated by the Civil Code and are tax-exempt if non-commercial. Over 350,000 associations operate nationally, constituting 78.6% of SSE entities. Foundations are subject to the Philanthropy Law (1987) and taxed on commercial income exceeding €25,000. Public-benefit foundations receive tax-deductible donations. Mutuels remain underdeveloped compared to other SSE components. Limited to niche sectors like insurance, they lack dedicated legislation and often register as associations or cooperatives.

National Funding Mechanisms. The National Operational Program on Social Inclusion (2014–2020) allocated €1.238 billion from the European Social Fund (ESF) to combat poverty and improve social services. Key initiatives included a Minimum Income Support, targeted 260,000 disadvantaged individuals with activation measures for employment⁸⁸ as well as Social Economy Initiatives that funded cooperative networks to reduce service fragmentation. “Incentives for Social Economy Expansion”, managed by the Ministry of Enterprises and Invitalia, this scheme provides grants to social enterprises and cooperatives for scaling operations. Funding prioritizes projects in structurally weak regions⁸⁹. The “Nuova Marcora Program” offers subsidized loans to small and medium-sized cooperatives, supporting job retention in crisis-hit industries⁹⁰.

European Union Funding. The ESF+ (2021–2027) allocates €6.56 billion to Italy for labour market inclusion, digital transition, and social innovation⁹¹. The ERDF supports green transitions in sectors like renewable energy and circular economy, co-financing 60–70% of project costs⁹². Non-profit entities are exempt from corporate tax on mission-aligned activities. Social enterprises benefit from VAT reductions and procurement preferences.

As of 2024 Italy had 398,000 SSE entities, including 350,000 associations, 12,000 social enterprises, and 95,000 cooperatives. The SSE employed 1.5 million paid workers and 4.66 million volunteers, representing 6.7% of Italy’s workforce. Social cooperatives alone employ over 480,000 people, with Type B cooperatives integrating 30–50% disadvantaged workers.

Latvia

Latvia’s social economy ecosystem is characterized by evolving legislative frameworks, EU-aligned funding, and a growing emphasis on social enterprises.

⁸⁷ https://social-economy-gateway.ec.europa.eu/my-country/italy_en

⁸⁸ https://ec.europa.eu/regional_policy/in-your-country/programmes/2014-2020/it/2014it05sfop001_en

⁸⁹ <https://www.mimit.gov.it/en/single-digital-market/funding-a-business-access-to-finance>

⁹⁰ Ibid.

⁹¹ <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-italy.pdf>

⁹² <https://euricse.eu/en/social-economy-in-italy/>

Legal and Regulatory Framework. Latvia lacks a unified legal definition of the social economy. However, specific components are recognized through sector-specific laws. The Social Enterprise Law (2017) defines social enterprises as limited liability companies (LLCs) that prioritize social impact, reinvest profits, and employ marginalized groups or address societal challenges (e.g., environmental protection, cultural diversity)⁹³. The Law on Associations and Foundations (2003) governs non-profits, requiring ≥15% of revenue from public-benefit activities for tax exemptions⁹⁴. The Public Benefit Organization Law (2004) regulates entities providing social services, education, and healthcare, with VAT exemptions for qualifying activities⁹⁵.

To register as a *social enterprise*, entities must pursue a primary social/environmental mission, reinvest ≥50% of profits into their mission, employ at least one paid staff member, secure approval from two-thirds of shareholders⁹⁶. Registered social enterprises increased from 27 in 2018 to 193 in 2021, employing 1,080 individuals⁹⁷.

Cooperatives are governed by general commercial law, with 440 active cooperatives as of 2020. No dedicated cooperative law exists, leading to fragmented governance. *Mutuals* are underdeveloped, with no specific legislation. Most operate as associations or LLCs⁹⁸. *Associations* represent 18,528 entities (2020) and are tax-exempt if ≥90% of activities serve public benefit. *Foundations* represent 312 public-benefit foundations in 2021, taxed on commercial income exceeding mission-aligned activities.

Public Funding Sources and Schemes. The “ESF+ Project “Support for Social Entrepreneurship” is co-funded by the EU, providing grants for startup costs, skills training, and wage subsidies for marginalized employees⁹⁹. Social enterprises reinvesting profits are exempt from corporate income tax. VAT Exemptions apply to social services like care, rehabilitation, and education. The European Social Fund+ (ESF+) supports labour market integration and skills development, though exact

⁹³ <https://www.lm.gov.lv/lv/social-entrepreneurship>, OECD <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-latvia.pdf>, and Social entrepreneurship in Latvia: https://sua.lv/wp-content/uploads/2019/04/LSUA_report_2-ENG.pdf

⁹⁴ Law on Social Services and Social Assistance - FAOLEX <https://faolex.fao.org/docs/pdf/lat196556.pdf>, OECD <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-latvia.pdf>

⁹⁵ Ibid.

⁹⁶ How to get social enterprise status? - SUA <https://sua.lv/en/how-to-get-social-enterprise-status/>

⁹⁷ SSE CFS_Latvia <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-latvia.pdf>, Social Entrepreneurship - Labklājības ministrija <https://www.lm.gov.lv/lv/social-entrepreneurship>, Latvia - OECD <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-latvia.pdf>

⁹⁸ https://social-economy-gateway.ec.europa.eu/my-country/latvia_en, OECD <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-latvia.pdf>

⁹⁹ Social Entrepreneurship - Labklājības ministrija <https://www.lm.gov.lv/lv/social-entrepreneurship>, Latvia - OECD <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-latvia.pdf>, Social entrepreneurship in Latvia: https://sua.lv/wp-content/uploads/2019/04/LSUA_report_2-ENG.pdf

allocations to Latvia are unspecified, and the European Regional Development Fund (ERDF) funds green transitions, such as renewable energy projects in rural areas¹⁰⁰.

As of 2021, there were 193 registered social enterprises, contributing 1.6% of total employment (14,005 jobs). Social services (39%), environmental initiatives (25%), and cultural activities (18%) dominate. 68% of social enterprises are non-profits, 26% are LLCs, and 5% are foundations¹⁰¹.

Lithuania

Lithuania's social economy ecosystem is characterized by incremental legislative developments, EU-aligned funding mechanisms, and a growing focus on social enterprises. While lacking a unified legal framework for the social economy, Lithuania recognizes components such as associations, cooperatives, and social enterprises through sector-specific laws and policies.

Legal and Regulatory Framework. Lithuania does not have a comprehensive national framework defining the SSE but recognizes its components through sector-specific laws. The Law on Social Enterprises (No. IX-2251, 2004) defines Work Integration Social Enterprises (WISEs) and grants tax benefits to entities employing marginalized groups ($\geq 40\%$ of workforce)¹⁰². The Conception of Social Business (2015) ministerial decree provides a broader definition of social enterprises as entities blending profit with social goals through market mechanisms¹⁰³. The Law on Associations (2004) and Law on Cooperative Societies (1993) govern non-profits and cooperatives, though no dedicated SSE status exists¹⁰⁴.

Social Enterprises in Lithuania operate under two primary frameworks. WISEs are governed by the 2004 Law on Social Enterprises, these entities focus on integrating disadvantaged workers (e.g., disabled individuals, long-term unemployed). To qualify for tax exemptions, they must reinvest profits and meet employment quotas. Social Businesses, broadly defined under the 2015 Conception combine market activities with social missions but lack a distinct legal form¹⁰⁵.

¹⁰⁰ Supporting the social economy in 2023: Key learnings <https://www.interregeurope.eu/policy-learning-platform/news/supporting-the-social-economy-in-2023-key-learnings>

¹⁰¹ Social entrepreneurship in Latvia: a brief overview of the current ... https://sua.lv/wp-content/uploads/2019/04/L SUA_report_2-ENG.pdf

¹⁰² Comparative Analysis of the Regulatory Framework for Social Enterprise Regulation (2015). ECNL. <https://ecnl.org/sites/default/files/files/ECNL-Comparative-analysis-on-regulation-of-SE-Eng-2015.pdf>; Social Enterprises and Their Ecosystems in Europe (2019). European Commission. <https://ec.europa.eu/social/BlobServlet?docId=20565&langId=en>

¹⁰³ *Boosting Social Entrepreneurship and Social Enterprise Development in Lithuania* (2019). OECD & EC <https://eimin.lrv.lt/uploads/eimin/documents/files/OECD-EC-Review-Lithuania-FINAL.pdf>, *Pathways for Development of Social Economy Ecosystem in Lithuania* (2023). Diesis & LISVA. <https://www.diesis.coop/wp-content/uploads/2023/03/Feasibility-Study-Diesis-LISVA-02032023.pdf>

¹⁰⁴ Lithuania – OECD Country Fact Sheet (2023). OECD. <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-lithuania.pdf>

¹⁰⁵ Comparative Analysis of the Regulatory Framework for Social Enterprise Regulation (2015). ECNL. <https://ecnl.org/sites/default/files/files/ECNL-Comparative-analysis-on-regulation-of-SE-Eng-2015.pdf> Social Enterprises and Their Ecosystems in Europe (2019). European Commission.

Cooperatives are governed by the Law on Cooperative Societies (1993), which emphasizes democratic governance and profit-sharing. However, they remain underdeveloped compared to EU peers, with only 440 active cooperatives as of 2020¹⁰⁶.

Associations constitute 56.6% of Lithuania's non-profits. Tax-exempt if ≥90% of activities serve public benefit. *Foundations* are regulated by the Law on Charity and Sponsorship Foundations (1996), taxed on commercial income exceeding public-benefit activities. *Mutuals* are not formally recognized, with no dedicated legislation or data tracking their activity¹⁰⁷.

Public Funding Sources and Schemes. Social enterprises with ≥40% marginalized employees and ≤20% non-supported activities are exempt from income tax. VAT Exemptions apply to public-benefit services like healthcare and education. The European Social Fund+ (ESF+) supports labour market integration and skills development for marginalized groups. Lithuania's 2015–2017 Action Plan allocated funds to WISEs, though bureaucratic hurdles limited impact. The European Regional Development Fund (ERDF) funds green transitions, including renewable energy cooperatives.

122,166 people work in 15,791 non-profits (2020), with social services (39%) and environmental initiatives (25%) as dominant sectors. ~100 entities in 2020, contributing <1% of GDP. WISEs employ ~1,080 individuals, primarily in urban areas¹⁰⁸.

Malta

Malta hosts a nascent yet promising social economy ecosystem, marked by recent legislative strides and growing attention to social enterprises. While fragmented in its legal approach, Malta's SSE draws from a handful of sector-specific laws and benefits from both national tax incentives and EU funding instruments.

Legal and Regulatory Framework. Malta does not have a unified legal definition of the social economy but acknowledges various components through sector-specific regulations. The Social Enterprise Act (2022) defines social enterprises as organizations (companies, partnerships, or cooperatives) established with a social purpose, independent of government control, and formally

<https://ec.europa.eu/social/BlobServlet?docId=20565&langId=en>
Boosting Social Entrepreneurship and Social Enterprise Development in Lithuania (2019). OECD & EC.

<https://eimin.lrv.lt/uploads/eimin/documents/files/OECD-EC-Review-Lithuania-FINAL.pdf>

Pathways for Development of Social Economy Ecosystem in Lithuania (2023). Diesis & LISVA.

<https://www.diesis.coop/wp-content/uploads/2023/03/Feasibility-Study-Diesis-LISVA-02032023.pdf>

¹⁰⁶ <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-lithuania.pdf>

¹⁰⁷ <https://interreg-baltic.eu/project-posts/resist/lithuanian-partners-held-first-strategy-lab/>, Lithuania A – Economy and Finance (2024). European Commission. https://economy-finance.ec.europa.eu/document/download/b2eea0d9-a516-4153-82ac-66d150d1ce7e_en?filename=SWD_2024_615_1_EN_Lithuania.pdf, Lithuania – OECD Country Fact Sheet (2023). OECD.

<https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-lithuania.pdf>

¹⁰⁸ <https://www.oecd.org/cfe/leed/social-economy/oecd-global-action/country-fact-sheet-lithuania.pdf>

registered with the Regulator¹⁰⁹. *The Voluntary Organizations Act (2007)* covers non-profits operating in Malta, mandating their enrolment under the Office of the Commissioner for Voluntary Organizations. *Cooperatives Societies Act (2002)* governs cooperatives through the Cooperatives Board, although cooperatives remain underdeveloped and lack comprehensive data on membership and revenues.

This statutory patchwork underscores Malta's emerging SSE framework—composed of associations, foundations, cooperatives, and social enterprises—but leaves notable gaps. *Mutuals*, for instance, are neither explicitly recognized nor monitored as part of Malta's SSE ecosystem.

With 187 entities documented in 2021, *associations* constitute the lion's share of the SSE, provided they align with public benefit aims to qualify for tax exemptions¹¹⁰. Numbering 14 in 2021, *foundations* pay taxes on any commercial income that surpasses their charitable activities. While limited in quantity, they often serve philanthropic or capacity-building roles. Though regulated by the Cooperatives Board, *cooperatives* remain underdeveloped. Limited employment and revenue data reflect their marginal economic role. Enshrined in law by the 2022 Social Enterprise Act, *social enterprises* concentrate on community welfare and labour market inclusion of disadvantaged groups. They must reinvest profits and maintain open governance structures. *Mutuals* are not subject to formal legislation, in Malta they have no distinct legal identity and are generally absent from official SSE records.

Funding Mechanisms. Public Benefit Organizations pay a corporate tax of 15–35%, contingent on their stated objectives. Voluntary Organizations with annual turnover under €50,000 remain tax-exempt, making them attractive vehicles for civic and grassroots activities. Donor Benefits grant tax deductions (capped between €50,000 and €100,000) for those who invest in SSE causes, incentivizing philanthropic engagement¹¹¹. The Social Enterprise Act (2022) grants *social enterprises* access to public procurement contracts and targeted grants, aiming to stimulate social entrepreneurship across diverse sectors. Though these tools provide a degree of financial support, Malta's SSE remains characterized by fragmented oversight. Multiple ministries (Economy, Social Policy, Inclusion, Environment) administer separate segments of SSE policy, creating potential overlaps and gaps.

Malta benefits from EU Structural and Investment Funds, notably the European Social Fund+ (ESF+) bolsters labour market integration, upskilling, and social inclusion measures, vital for smaller organizations focused on community welfare. The European Regional Development Fund (ERDF) targets environmental innovation, climate resilience, and green transitions. While the ERDF co-finances Maltese projects, concrete allocations specific to SSE initiatives remain unspecified.

¹⁰⁹ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-malta.pdf>, https://social-economy-gateway.ec.europa.eu/my-country_en

¹¹⁰ Ibid

¹¹¹ Ibid

In 2021, 187 associations, 14 foundations, and a yet-to-be-quantified number of cooperatives and social enterprises operated within Malta's SSE¹¹². Their collective share of GDP is minimal, with the predominant sectors including social services, environmental initiatives, and cultural activities. The absence of robust data for cooperatives and social enterprises hampers a precise estimation of their economic weight.

Netherlands

The Netherlands boasts a historically rooted yet evolving social economy. Building upon a cooperative tradition that dates back to the 19th century, it has expanded into diverse modern forms of social enterprises, associations, and foundations. Although no single, unified SSE law exists, the Netherlands has seen incremental legislative updates—most notably the proposed BVm (*maatschappelijke BV*)—aimed at strengthening social entrepreneurship. The *maatschappelijke BV* (BVm) represents a novel, purpose-driven version of the Dutch private limited company, created expressly for social entrepreneurs. Legally it retains the status of a standard BV (*Besloten Vennootschap* or BV is the standard Dutch private limited company); however, its bylaws must explicitly state a social or public-interest aim, and the entity is listed in the commercial register under the “BVm / B.V.m” designation, thereby enabling external parties to discern its mission.

Legal and Regulatory Framework. The Dutch legal system does not provide a standalone statute for the social economy. Instead, SSE entities operate under a range of sector-specific rules.

Associations and Foundations are governed by the Dutch Civil Code, these forms dominate the social economy, with associations constituting the bulk of SSE employment¹¹³. *Cooperatives* have long been established in agriculture, healthcare, and renewable energy. Cooperatives are regulated under the Cooperatives Act, revised in 2017 to modernize governance practices¹¹⁴. As of 2016, 7,969 cooperatives and mutuals were registered across the Netherlands¹¹⁵. Although no formal legal status currently exists for *Social Enterprises*, the proposed BVm (*maatschappelijke BV*) would grant such entities an official designation that mandates mission-driven operations, profit reinvestment,

¹¹² Ibid.

¹¹³ Netherlands - European Commission - EU Social Economy Gateway https://social-economy-gateway.ec.europa.eu/my-country/netherlands_en, The boom of cooperatives in the Netherlands – IRU https://www.iru.de/wp-content/uploads/2020/06/RaiffeisenToday_Chapter12_Netherlands.pdf

¹¹⁴ Setting up a cooperative in the Netherlands – Business.gov.nl <https://business.gov.nl/running-your-business/legal-forms-and-governance/cooperative/>

¹¹⁵ The boom of cooperatives in the Netherlands – IRU https://www.iru.de/wp-content/uploads/2020/06/RaiffeisenToday_Chapter12_Netherlands.pdf, Legal frameworks for the social and solidarity economy – OECD (2022) https://www.oecd.org/content/dam/oecd/en/publications/reports/2022/06/legal-frameworks-for-the-social-and-solidarity-economy_e33debad/480a47fd-en.pdf

and transparent reporting¹¹⁶. Meanwhile, many social enterprises follow self-regulatory standards such as the Code Social Enterprises, overseen by the Social Enterprises Code Foundation¹¹⁷.

The Public Procurement Act (2012) allows “reserved contracts” for companies employing ≥30% individuals with work limitations, a provision that often benefits work integration social enterprises (WISEs). A voluntary guide defines best practices—mission focus, stakeholder engagement, transparency—for social entrepreneurs. Registering with this code can boost reputational credibility¹¹⁸.

Funding Mechanisms. Non-profits are exempt from corporate tax if at least 90% of their activities serve the public benefit. Social Enterprises may receive VAT exemptions or reduced VAT on specific social/health/education services, or different corporate-tax treatments where the legal form and purpose qualify. Income-tax deductions for charitable gifts apply to donors who give to qualifying public-benefit organisations (ANBI / *Algemeen Nut Beogende Instelling*) or to donations routed via an eligible intermediary. The Dutch Good Growth Fund co-finance SMEs and social enterprises focused on development and sustainability, aligning with broader ESF+ and ERDF objectives¹¹⁹. Sustainable Energy Investment Subsidy encourages cooperatives and other SSE entities to pursue green innovations, often complementing EU climate targets. Local Initiatives such as Amsterdam Impact offer co-financing, investor matchmaking, and workshops, aiming to position Amsterdam as a major social enterprise hub.

The EU programs bolster Dutch SSE entities, primarily through the ESF+ (European Social Fund+) that strengthens labour market inclusion and social innovation—particularly relevant for WISEs, cooperative start-ups, and mission-driven SMEs, and the ERDF (European Regional Development Fund) that focuses on sustainability, digital transformation, and regional cohesion. Dutch SSE entities tap into these funds for green initiatives and circular economy projects. While robust, EU co-financing carries risks: over 60% of social enterprises in the Netherlands rely on EU grants, raising concerns about post-2027 funding stability¹²⁰.

¹¹⁶ New legal entity for social entrepreneurs to be introduced in the Netherlands – De Brauw (2022)

<https://www.debrauw.com/articles/new-legal-entity-for-social-entrepreneurs-to-be-introduced-in-the-netherlands>

¹¹⁷ The Code Social Enterprises – Amsterdam Impact (2023) <https://www.iamsterdam.com/en/business/amsterdam-impact/features-and-insights/the-code-social-enterprises-a-guide-for-dutch-impact-enterprises>

¹¹⁸ Ibid.

¹¹⁹ Boosting Social Entrepreneurship and Social Enterprises– OECD (2019)

https://www.oecd.org/content/dam/oecd/en/publications/reports/2019/01/boosting-social-entrepreneurship-and-social-enterprise-development-in-the-netherlands_ea1358a7/4e8501b8-en.pdf

¹²⁰ Impact-Investor.com (2023) <https://impact-investor.com/viewpoint-last-call-for-the-netherlands-to-board-train-towards-a-more-sustainable-europe/>, Cooperatives Europe and the Action Plan on Social Economy – SocialEconomyNews.eu <https://www.socialeconomynews.eu/en/cooperatives-europe-and-the-action-plan-on-social-economy/>

An estimated 5,000–6,000 SSE entities employ around 80,000 workers (2015 data)¹²¹. The top 100 cooperatives generate approximately €107 billion in annual turnover and employ over 140,000 individuals—testament to the Netherlands’ deep-rooted cooperative tradition.

Diverse Sectors: From work integration (WISEs) and circular economy to healthcare and international development, Dutch SSE organizations address a wide array of social and environmental needs¹²².

Poland

Poland has undergone a profound transformation of its social economy since the early 2020s. Driven by the Act on Social Economy (August 2022) and boosted by significant EU financing, Poland has placed labour market integration, community development, and social inclusion at the core of its policy agenda.

Legal and Regulatory Framework. After years of fragmented policies, Poland introduced its first comprehensive SSE legislation through the Act on Social Economy (2022). This law defines the social economy as activity that prioritizes social goals and community services above profit-making, with particular emphasis on employment for individuals at risk of social exclusion.

Social Enterprises. To qualify as a social enterprise, entities (social cooperatives, NGOs, labour cooperatives, agricultural production cooperatives) must hire ≥30% of their workforce from marginalized populations (e.g., disabled, long-term unemployed). Any surplus must be reinvested in social missions or organizational development, disallowing profit distribution to shareholders¹²³.

Cooperatives. While social cooperatives (often smaller and mission-focused) enjoy prioritized status under the 2022 Act, older, large-scale cooperatives—particularly those dating to communist times—are excluded if they fail to meet democratic governance criteria¹²⁴.

¹²¹ Netherlands - European Commission - EU Social Economy Gateway https://social-economy-gateway.ec.europa.eu/my-country/netherlands_en

¹²² The boom of cooperatives in the Netherlands – IRU https://www.iru.de/wp-content/uploads/2020/06/RaiffeisenToday_Chapter12_Netherlands.pdf, Setting up a cooperative in the Netherlands – Business.gov.nl <https://business.gov.nl/running-your-business/legal-forms-and-governance/cooperative/>, Legal frameworks for the social and solidarity economy – OECD (2022) https://www.oecd.org/content/dam/oecd/en/publications/reports/2022/06/legal-frameworks-for-the-social-and-solidarity-economy_e33debad/480a47fd-en.pdf

¹²³ The Sejm Passed the Act on Social Economy – Gov.pl <https://www.gov.pl/web/family/the-sejm-passed-the-act-on-social-economy>

Supporting the Development of Social Economy – Gov.pl <https://www.gov.pl/web/family/supporting-the-development-of-social-economy--consultation-on-the-draft-act>

POLAND – Diesis network (2023) https://www.diesis.coop/wp-content/uploads/2023/12/Diesis-Mesmer-Poland_FINAL.pdf

¹²⁴ Ibid.

Associations and Foundations are regulated under Poland’s general non-profit legislation; these organizations benefit from tax exemptions when pursuing public-benefit activities. *Mutuals* remain unrecognized in formal SSE law, leaving a legislative gap for future expansion of mutual societies¹²⁵.

Funding Mechanisms. “It’s Worth Being a Social Enterprise!” Program (2023–2025) offers grants for job creation, social reintegration, and professional training. The 2024 call allocated roughly PLN 22 million (~€5 million) from the Labor and Solidarity Funds, supporting childcare, eldercare, and other deinstitutionalized social services¹²⁶. The National Fund for Social Entrepreneurship (NFSE) is a soft loan mechanism providing some €37 million over 2014–2020, financed largely by European Social Fund (ESF) resources. Managed by Bank *Gospodarstwa Krajowego* (BGK), Poland’s national promotional bank, it offers preferential interest rates and grace periods for SSE entities¹²⁷. Corporate Tax Relief is available for SSE entities delivering public-benefit services may be exempt from corporate tax. Private contributions to social enterprises or non-profit organizations are tax-deductible, promoting individual and corporate philanthropy¹²⁸.

A key pillar sustaining Poland’s social economy is its strong reliance on EU financing. The European Social Fund+ (ESF+) prioritizes labour market inclusion, youth employment, and green transitions. Poland’s 2021–2027 allocation reserves significant resources for social integration and upskilling programs¹²⁹. Within Poland’s €30 billion Recovery and Resilience Facility (RRF) plan (2021–2026), specific funding lines target social enterprises to combat post-pandemic inequalities and promote sustainable development.

Poland counts over 780 social enterprises, employing ~210,000 workers (~1.8% of the national workforce). The *Podkarpackie* region leads in regional numbers, with 105 social enterprises¹³⁰. Most social enterprises concentrate on social services, including labour market reintegration, childcare, eldercare, and disability support, while others address environmental and rural development issues¹³¹. SSE activity skews toward urban areas, but there is growing intent—backed by EU cohesion funds—to expand operations in rural and economically lagging regions¹³².

¹²⁵ Ibid.

¹²⁶ <https://www.gov.pl/web/family/pln-22-million-for-social-enterprises2>

¹²⁷ <https://www.ficompass.eu/sites/default/files/publications/Financing%20social%20economy%20in%20Poland%20%E2%80%933%20updated%20case%20study.pdf>

¹²⁸ https://social-economy-gateway.ec.europa.eu/my-country_en, <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-poland.pdf>

¹²⁹ <https://www.gov.pl/web/family/supporting-the-development-of-social-economy--consultation-on-the-draft-act>
<https://www.gov.pl/web/family/the-call-for-applications-under-the-its-worth-being-a-social-enterprise-programme-for-the-2023-2025-period-has-been-launched-edition-2024>

¹³⁰ <https://www.gov.pl/web/family/supporting-the-development-of-social-economy--consultation-on-the-draft-act>

¹³¹ <https://www.ficompass.eu/sites/default/files/publications/Financing%20social%20economy%20in%20Poland%20%E2%80%933%20updated%20case%20study.pdf>

and https://www.diesis.coop/wp-content/uploads/2023/12/Diesis-Mesmer-Poland_FINAL.pdf

¹³² https://economy-finance.ec.europa.eu/system/files/2023-06/ip245_en.pdf

Portugal

Portugal stands out with one of Europe's most established social and solidarity economy (SSE) ecosystems, guided by progressive legislation and extensive institutional backing.

Legal and Regulatory Framework. Portugal's Social Economy Framework Law (Law 30/2013) underpins its SSE, articulating core principles such as democratic governance, social mission, and reinvestment of surpluses. The law encompasses a variety of legal entities:

Cooperatives. Governed by the Cooperative Code (2015), emphasizing member control and mutual benefits. Specific cooperatives (e.g., agriculture, housing) enjoy targeted tax advantages¹³³. *Mutual Societies* are regulated under Decree-Law 190/2015, focusing on solidarity-based healthcare and insurance. Typically smaller in membership, mutuals represent a niche but vital element of Portugal's SSE. *Foundations*, operating under the Framework Law on Foundations (24/2012), benefit from corporate tax exemptions for public-benefit work. Foundations often act as philanthropic engines in culture and education. *Associations*, encompassing cultural, sports, or local development associations, make up the bulk of SSE organizations, each recognized by the Social Economy Framework Law for pursuing altruistic objectives¹³⁴. The Holy Houses of Mercy (Misericórdias), a uniquely Portuguese institution dating back centuries, specialize in health and social services under historic charters. Often among the country's largest SSE employers, they combine tradition with broad service delivery. Private Institutions of Social Solidarity (IPSS) overlap with several of the above categories, offering welfare services in alignment with Portugal's SSE principles. Social enterprises, while not codified as a separate legal form, typically operate as IPSS, cooperatives, or associations, relying on the Social Economy Framework Law for guidance¹³⁵.

Public Funding Sources and Schemes. IPSS and cooperatives may be exempt from corporate tax, VAT, and property taxes for mission-related activities. Individuals can deduct up to 25% of donations to SSE entities; corporations also receive deductions for funding foundations, IPSS, or cooperatives.

The European Social Fund+ (ESF+) is essential for labour market integration programs, including those assisting marginalized workers and boosting in-work training. The European Regional Development Fund (ERDF) targets innovation and green initiatives (e.g., renewable energy projects) that often involve cooperatives and other social ventures.

¹³³ Social Economy Gateway: Portugal https://social-economy-gateway.ec.europa.eu/my-country_en
OECD Country Fact Sheet: Portugal (2023) <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-portugal.pdf>

¹³⁴ Ibid.

¹³⁵ The Portuguese Law on Social Economy <https://base.socioeco.org/docs/wp14-12.pdf>,
https://www.oecd.org/content/dam/oecd/en/publications/reports/2022/06/legal-frameworks-for-the-social-and-solidarity-economy_e33debad/480a47fd-en.pdf, The Social Economy in Portugal: legal regime and socio-economic characterization
https://ciriec-revistaeconomia.es/wp-content/uploads/CIRIEC_106_04_Monteiro.pdf

The Social Economy Satellite Account (SESA) is jointly maintained by António Sérgio Cooperative for Social Economy (CASES) and Statistics Portugal, SESA gathers granular data on the SSE's contribution to GDP and employment, supporting evidence-based policymaking.

In 2020, Portugal recorded 73,851 SSE entities, collectively employing 241,371 people—around 5% of the national workforce. Women form about 72.5% of this labour force, underscoring the SSE's role in female employment. Human Health Services represented 33.1% of SSE employment, Social Services (childcare, eldercare), 29.4%, Education and Culture: 12.7%. Associations constituted 93.4% of SSE entities (over 69,100 organizations, cooperatives, though only 2.9% of SSE entities, represented 9.9% of the sector's employment. The Holy Houses of Mercy constituted a mere 0.8% of SSE entities but 17% of total SSE employment—indicative of their large scale and operational depth. Over 516,000 volunteers supported SSE organizations in 2018, further highlighting civil society's robust engagement with social causes.

Romania

Romania has propelled its social economy forward through a structured legal framework, notably the Law on Social Economy (219/2015). Spurred by European Union (EU) funding and a national focus on labour market integration, Romania's SSE encompasses a variety of organizational forms—social enterprises, associations, cooperatives, and mutual societies—united under principles of democratic governance, solidarity, and surplus reinvestment.

Legal and Regulatory Framework. Romania's Law on Social Economy (2015) formally defines the SSE as collective or individual initiatives aimed at prioritizing social objectives over profit. This entails democratic decision-making, organizational autonomy from public authorities, and obligations to reinvest revenue into community-based missions¹³⁶.

Social Enterprises must maintain at least 30% of their workforce from vulnerable groups if registered as insertion enterprises, reinvest most or all profits into social objectives, and operate with transparent and participatory governance models.

Associations and Foundations are regulated under Government Ordinance 26/2000, these not-for-profits often enjoy tax exemptions when delivering public-benefit activities. They engage in social services, education, culture, and community development projects.

Cooperatives are governed by Law on Cooperatives (1/2005) yet remain underrepresented (only nine cooperatives officially registered in 2022). *Mutual Societies* are encompassed by Law 540/2002 for

¹³⁶ OECD Country Fact Sheet: Romania (2023) <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-romania.pdf>
EU Social Economy Gateway: Romania https://social-economy-gateway.ec.europa.eu/my-country_en

mutual aid associations (mainly for retirees), with only a small footprint in the social economy landscape.

There were 2,816 Registered Social Enterprises as of 2022, with 213 designated as insertion enterprises focusing on labour integration for disadvantaged populations. The legal forms span from private-law entities (89.3%) to associations (9.7%), plus a small slice of cooperatives, foundations, and mutual aid houses (1.1%). Insertion enterprises employed 1,006 individuals in 2022, primarily through associations (208 jobs) and private law entities (753 jobs). 272 associations registered in 2022, frequently involved in community development and social services. 13 foundations, targeting domains such as healthcare and poverty reduction. Around 0.3% of the country's social enterprises were Cooperatives, most remain small and face low levels of recognition. Six Mutual Societies in 2022 offer limited social protection benefits.

Public Funding Sources and Schemes. Income from public-benefit activities is often tax-exempt for SSE entities. Individuals can write off up to 20% of taxable income; corporations may sponsor SSE entities up to 0.75% of turnover. The European Social Fund+ (ESF+) supports job training and social inclusion initiatives—particularly essential for insertion enterprises. A Social Economy Community of Practice (SECoP) fosters dialogue between government bodies, NGOs, and the private sector to address emerging challenges in SSE implementation.

Slovakia

Slovakia features a growing social economy underpinned by comprehensive legislation and bolstered by European Union (EU) funds¹³⁷. Although the country's Act on Social Economy and Social Enterprises (112/2018) and national initiatives provide a relatively coherent framework, challenges persist in cooperative growth, rural outreach, and reliance on EU grants¹³⁸.

Legal and Regulatory Framework. Slovakia's Act on Social Economy and Social Enterprises (112/2018) offers a unified definition of the SSE, describing entities that prioritize social impact over profit, adopt democratic governance, and reinvest surpluses into socially beneficial activities. The act mandates transparency in governance and excludes entities under direct state control¹³⁹.

¹³⁷ Slovakia's social and solidarity economy has expanded in recent years around a formal legislative backbone and substantial EU-funding support: the national Act on Social Economy and Social Enterprises (Act No. 112/2018) established a register of social enterprises and a legal framework to recognise and support a wide range of social-economy actors: https://base.socioeco.org/docs/act_on_social_economy_and_social_enterprises_slovakia.pdf.

¹³⁸ EU structural and employment funds have been a central source of finance and programme support for the sector: <https://www.fi-compass.eu/sites/default/files/publications/ESF%20financial%20instruments%20in%20the%20Slovak%20Republic.pdf>

¹³⁹ https://social-economy-gateway.ec.europa.eu/my-country/slovakia_en, <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-slovakrepublic.pdf>

Social Enterprises must employ $\geq 30\%$ of their workforce from disadvantaged groups (e.g., disabled individuals, long-term unemployed), are required to reinvest any profit into social missions, and benefit from VAT reductions if they commit 100% of profits to social objectives.

Associations are governed by the Act on Public Association (83/1990) and are exempt from income tax on public-benefit or non-commercial activities.

Foundations operate under Act on Foundations (34/2002) and are taxed on commercial income that exceeds their public-benefit scope.

Cooperatives are legally recognized through the Commercial Code (513/1991). There were only nine registered cooperatives in 2022, indicating an underdeveloped sector often overshadowed by other forms of social enterprises.

Mutual Societies are mentioned in Law 540/2002 for retirees' mutual-aid associations. There is no separate legislation establishing mutuals as a prominent SSE form.

Public Funding Sources and Schemes. Social Enterprises: May benefit from VAT reductions if they reinvest all earnings into social objectives. Public Benefit Organizations are exempt from income tax on non-commercial activities. Firms hiring individuals from vulnerable groups can receive reduced social insurance payments¹⁴⁰. The European Social Fund+ (ESF+) primarily targets labour market integration and workforce development. The European Regional Development Fund (ERDF) promotes innovation and green transitions (e.g., renewable energy), often accessible to social enterprises. The Institute of Social Economy offers technical support, funded by ESF+.

The Public Procurement Act (343/2015) reserves certain contracts for social enterprises and sheltered workshops, boosting SSE participation in public tenders.

As of 2022, 540 social enterprises operated in Slovakia, employing a total of 6,149 workers, including 4,236 individuals from vulnerable backgrounds. Limited Liability Companies (LLCs) dominated new registrations (84 in 2022).

Slovenia

Slovenia boasts a budding social economy supported by contemporary legislation and a cooperative tradition dating back to the early 20th century. Although its Social Entrepreneurship Act (ZSocP) and EU-aligned funding streams have stimulated growth, challenges remain – particularly around cooperative revitalization and securing diversified financing.

¹⁴⁰ <https://vaia.gov.sk/wp-content/uploads/2024/03/RTDI-in-Slovakia-AS-IS-report.pdf>,
<https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-slovenia.pdf>

Legal and Regulatory Framework. Slovenia's primary SSE legislation is the Social Entrepreneurship Act (ZSocP), introduced in 2011 and amended in 2018. It defines social enterprises as entities that place social objectives above profit, reinvesting earnings into mission-related activities and ensuring stakeholder participation in governance¹⁴¹.

Social Enterprises encompass associations, institutes, cooperatives, foundations, and limited liability companies (LLCs). They must reinvest all their surpluses¹⁴² to further their social or environmental objectives. They are subject to a registration process eased by 2018 amendments, although implementation hurdles persist.

Cooperatives are historically significant, with the Cooperatives Act tracing its roots back to 1937. They focus on democratic governance and profit-sharing among members. While cooperatives exist in agriculture, energy, and service sectors, they remain comparatively underdeveloped today.

Mutual Societies are acknowledged by Sector-specific laws (e.g., Law on Mutual Health Insurance Companies). Only one major mutual organization operates: *Vzajemna zdravstvena zavarovalnica* (Mutual Health Insurance Company)¹⁴³.

Associations and Foundations are governed by the Associations Act (2006) and Foundations Act (1995); they receive tax exemptions for public-benefit activities.

Associations are prominent in sports, culture, and social services, while foundations often focus on education, healthcare, or philanthropic endeavours¹⁴⁴.

Social Enterprises includes NGOs, sheltered workshops, employment centres, and specialized companies for people with disabilities. Certain enterprises must employ a set percentage of vulnerable or disabled individuals ($\geq 40\%$ in the case of disability companies). Over 200 registered social enterprises as of 2022, mostly operating in social services, environmental sustainability, and cultural activities.

Cooperatives were historically rooted yet smaller in number and influence compared to other SSE forms. There is an increasing interest in cooperatives focusing on renewable energy and community-based agriculture¹⁴⁵. Associations and foundations dominate Slovenia's non-profit sector. An

¹⁴¹ EU Social Economy Gateway: Slovenia https://social-economy-gateway.ec.europa.eu/my-country/slovenia_en, Slovenia – Rights to Grow (R2G) <http://r2g.diesis.coop/2019/06/23/slovenia/>

¹⁴² Under Slovenia's Social Entrepreneurship Act (as amended) social enterprises are defined as non-profit legal entities and may not distribute assets or the generated surplus (excess of revenues over expenditures); in other words, surpluses must be retained and used to further the social enterprise's public-interest objectives (a de-facto 100% reinvestment requirement): <https://www.gov.si/en/topics/social-entrepreneurship/>

¹⁴³ Slovenia – Rights to Grow (R2G) <http://r2g.diesis.coop/2019/06/23/slovenia/>
Social Enterprises and Their Ecosystems in Europe (2019): Slovenia – European Commission <https://ec.europa.eu/social/BlobServlet?docId=21575&langId=en>

¹⁴⁴ https://www.oecd.org/content/dam/oecd/en/publications/reports/2010/12/improving-social-inclusion-at-the-local-level-through-the-social-economy-report-for-slovenia_g17a2084/5kg0nvfx2g26-en.pdf

¹⁴⁵ Social Enterprises and Their Ecosystems in Europe (2019): Slovenia – European Commission <https://ec.europa.eu/social/BlobServlet?docId=21575&langId=en>

estimated 25,000+ NGOs operate across diverse areas, from sports to social welfare¹⁴⁶. Mutuals are limited to *Vzajemna zdravstvena zavarovalnica*, providing health coverage under a solidarity model.

Public Funding Sources and Schemes. The European Social Fund+ (ESF+) invests in labour market access and the upskilling of marginalized communities while the European Regional Development Fund (ERDF) encourages environmental initiatives, such as rural renewable energy projects and eco-tourism. The Public Procurement Act reserves certain contracts for social enterprises, particularly in sheltered employment and social services. Public-benefit services benefit from VAT exemptions, and SSE nonprofits often enjoy corporate tax breaks on mission-aligned activities. Administered by SPIRIT Slovenia, the Public Agency for Entrepreneurship, Internationalization, Foreign Investments and Technology public subsidies support organizational development, innovation, and scaling of social enterprises¹⁴⁷.

Around 6,000 workers in registered social enterprises, of which ~1,500 are in companies serving people with disabilities. Social Services represented 45%, Environmental Initiatives 25%, Culture: 15% and Healthcare: 10% of SSE organizations¹⁴⁸. Approximately 70% of Slovenia's social enterprises are situated in larger urban centres, notably Ljubljana and Maribor¹⁴⁹.

Sweden

Sweden hosts a dynamic social economy shaped by a rich civil society tradition, yet it lacks a unified national framework that specifically governs SE activity. Although social enterprises, cooperatives, and associations operate successfully within general laws, fragmentation and limited long-term financing remain pressing concerns. The government defines social economy organizations as “organized businesses that primarily pursue societal aims and have organizational autonomy from the public sector.”

*Legal and Regulatory Framework*¹⁵⁰. Sweden does not recognize the social economy as a discrete legal category. Instead, SSE entities fall under various legislative umbrellas.

Civil Society Organizations (CSOs) are dominant in Sweden's SSE and organized with the legal form of associations. *Associations* and foundations maintain tax exemptions if at least 90% of activities

¹⁴⁶ Slovenia – Rights to Grow (R2G) <http://r2g.dices.coop/2019/06/23/slovenia/>

¹⁴⁷ Social Enterprises and Their Ecosystems in Europe (2019): Slovenia – European Commission <https://ec.europa.eu/social/BlobServlet?docId=21575&langId=en>

¹⁴⁸ EU Social Economy Gateway: Slovenia https://social-economy-gateway.ec.europa.eu/my-country/slovenia_en

¹⁴⁹ https://www.oecd.org/content/dam/oecd/en/publications/reports/2010/12/improving-social-inclusion-at-the-local-level-through-the-social-economy-report-for-slovenia_g17a2084/5kg0nvfx2g26-en.pdf

¹⁵⁰ <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-sweden.pdf>, https://social-economy-gateway.ec.europa.eu/my-country_en

serve public-benefit goals. Associations¹⁵¹ are the predominant form of CSOs, especially in social services, education, sports, and healthcare. *Foundations*¹⁵² are regulated under the Foundations Act (1994), taxed on income exceeding public-benefit thresholds

Social Enterprises have no dedicated legislation. They were recognized by the 2018 Strategy for Social Enterprises, which supports social innovation across multiple legal forms (e.g., limited liability companies, economic associations¹⁵³, non-profits). They operate under general corporate or non-profit law, emphasizing social aims over profit.

Cooperatives are governed by the Economic Associations Act (1987, revised 2018). It mandates democratic governance, one member/one vote, and profit reinvestment. Common sectors include housing, agriculture, and renewable energy.

Mutuals do not have a sector-specific regulatory framework. Insurance and financial mutuals exist under general corporate law without targeted incentives.

Public Funding Sources and Schemes. The 2018 Social Enterprise Strategy provided €1.8 million per year (2018–2021) via the Swedish Agency for Economic and Regional Growth and the Swedish Innovation Agency (*Vinnova*). The funding focused on labour market integration, green transition, digital innovation, and capacity-building for social enterprises. Non-profits receive exemptions if at least 90% of their activities are public-benefit, and 80% of turnover is reinvested for mission-related purposes. Wage subsidies are given to organizations employing individuals with “reduced working ability.” The European Social Fund+ (ESF+) constitutes a channel for labour market inclusion, skill development, and social innovation while the European Regional Development Fund (ERDF) supports green and digital transitions in key sectors (e.g., renewable energy).

Public Procurement: Roughly 13.7% of Sweden’s GDP is allocated to social protection services, but no SSE-specific procurement law exists. There exist Regional Incubators dedicated to the social

¹⁵¹ Non-profit association (*ideell förening*) are created by at least three persons adopting statutes at a constituent meeting; the association is governed primarily by its statutes and general civil-law principles rather than a single “Associations Act.” After the constituent meeting (and written minutes/statutes) the association is formed and acquires legal capacity; it can (and normally should) obtain an organisation (registration) number from the Swedish Tax Agency when it needs to open a bank account, apply for grants, etc. Registration with a public register is not a formal prerequisite for formation in all cases, but many practical steps (banking, grants) require an org-number.
<https://www.skatteverket.se/servicelankar/otherlanguages/englishengelska/businessesandemployers/nonprofitassociations.4.569165a01749e7ae7891106.html>

¹⁵² Foundations (*stiftelse*): Foundations are governed by the Foundations Act (Stiftelselagen SFS 1994:1220); a foundation is created when assets are set aside to be managed permanently for a stated purpose, and foundations have specific supervisory and reporting rules under that Act. https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/stiftelselag-19941220_sfs-1994-1220

¹⁵³ Economic association / cooperative (*ekonomisk förening*): Economic associations (commonly used for cooperatives) are regulated by the Economic Associations Act (Lag (1987:667) om *ekonomiska föreningar*). They must be registered with the Swedish Companies Registration Office (*Bolagsverket*), have at least three members, keep accounting, and comply with statutory governance rules (statutes, board, auditors where required). Registration gives the association full corporate capacity (rights/obligations, standing in court, etc.). <https://webfiles-sc1.blackbaud.com/files/support/helpfiles/npconnect/content/resources/attachments/sweden-law-667-1987-economic-associations-act.pdf>

economy¹⁵⁴ such as local hubs in Stockholm, Gothenburg, and other cities offer ad-hoc support, though no uniform nationwide structure is in place.

In 2020, 260,506 CSOs employed around 188,100 people—with women forming 60.9% of this workforce. CSOs accounted for nearly 3% of Sweden’s GDP, especially through education (20.4% of CSO employment), social protection (13.1%), and recreation/culture (17.2%). Non-profit associations make up 62.1% of the SSE, while limited liability companies (19.3% of employment) and economic associations (15.6%) also feature prominently.

Norway

Norway features a robust welfare state in which cooperatives, associations, and emerging social enterprises all play a role, even though the country lacks a comprehensive legal framework for the social economy. Traditional cooperative models date back to the 19th century, while modern social ventures are finding footing in a decentralized environment.

Legal and Regulatory Framework. Norway does not recognize the social economy under a single legislative umbrella. Instead, the sector comprises distinct legal forms that operate under specific laws and regulations

Cooperatives are governed by various acts, including the Cooperatives Act (revised 2018). Cooperatives prioritize democratic governance (one member, one vote) and profit reinvestment. Common in agriculture, housing, and energy¹⁵⁵.

Social Enterprises have no dedicated statute for social enterprises. Entities are identified by their social objectives rather than their legal structure. They are typically formed as non-profits or limited liability companies (AS), focusing on labour integration or community services¹⁵⁶.

¹⁵⁴ Impact-focused incubators such as Impact Hub Stockholm deliberately cast themselves as catalysts for social innovation, offering programmes for social entrepreneurs, forging partnerships with public actors, and delivering acceleration services tailored to mission-driven organizations (<https://stockholm.impacthub.net>). Specialist entities like Reach for Change run targeted incubator/accelerator cohorts—particularly for children and youth—that provide coaching, seed financing, and scaling support (<https://reachforchange.org/programs>). At the regional level, established incubator networks (e.g., Drivhuset (<https://drivhuset.se/en/>)) in Stockholm, Göteborg, Malmö, and its campus sites) deliver broad start-up assistance while embedding sustainability and social-impact. Although these are not exclusively “social-economy” incubators, they serve as critical entry points for social entrepreneurs. Finally, intermediary organisations—including the Social Impact Hub network and local Impact Hub chapters—act as ecosystem builders through networking, impact-capital brokering, and capacity building. Commercial partnerships (for example IKEA’s collaboration with Reach for Change) have recently expanded resources available for social-enterprise incubation in Sweden (<https://www.socialimpacthub.org>).

¹⁵⁵ <https://scandinavianlaw.se/pdf/45-7.pdf>, <https://coops4dev.coop/sites/default/files/2021-05/Norway%20Legal%20Framework%20Analysis%20Report.pdf>

¹⁵⁶ Social Enterprise in Western Europe; Theory, Models and Practice: Norway – <https://www.kbtfgaskole.no/wp-content/uploads/2023/10/SocialenterpriseinNorway-1.pdf>

Associations operate under customary law, tax-exempt if at least 90% of activities support public benefit aims. Foundations are subject to the Foundations Act (1994) and taxed on commercial activities exceeding mission-related purposes¹⁵⁷.

Mutuals are not explicitly recognized by Norwegian legislation. Insurance and financial mutuals exist but are regulated under general corporate or cooperative laws. The transparency Act (2022) imposes human rights and due diligence requirements on larger enterprises to boost social and environmental accountability – though it does not specifically target SSE organizations¹⁵⁸.

Public Funding Sources and Schemes. Financial Social Assistance support is available at the Municipal level for basic needs¹⁵⁹. Housing Support is available in the form of subsidies and grants via the State Housing Bank for low-income residents. NAV (Norwegian Labor and Welfare Administration) offers employment measures, wage subsidies, and training for individuals with barriers to work. Non-profit tax exemptions are available if 90%+ of activities are public benefit. Individuals and companies can deduct a portion of donations to SSE-eligible organizations.

Norway is part of the European Economic Area (EEA), so it aligns with ESF+ priorities on labour market inclusion. The European Regional Development Fund (ERDF) co-finances renewable energy, green transitions, and regional development, although Norway does not receive direct EU funding in the same way as EU member states. There is no nationwide SSE preference in tendering, though some municipalities incorporate social clauses for labour integration. Incubators are concentrated in urban areas (Oslo, Bergen), focusing on social innovation and small-scale cooperative ventures.

Over 260,000 Civil Society Organizations (CSOs) operate in Norway, employing around 188,000 people – many in education, culture, and social protection. There are approximately 1,700 Social Enterprises identified by mission rather than structure that are split between publicly funded non-profits and market-based for-profit¹⁶⁰. Cooperatives are predominant in agriculture (dairy, fishing) and housing. They are estimated at 0.4% of newly registered enterprises, indicating slow growth.

Cross-country analysis

In Table 3.2, we summarize data about the countries along core dimensions: the extent to which they formally recognize components of social economy, have dedicated national strategies, public funding approaches, tax incentive schemes and social enterprise status.

¹⁵⁷ Foundations in Norway – Lottstift.no <https://lottstift.no/en/foundations-in-norway/>

¹⁵⁸ The Norwegian Legislation on Social Sustainability: An Overview of the Transparency Act- <https://juridika.no/tidsskrifter/oslo-law-review/2024/2/artikkel/stubholt>

¹⁵⁹ Welfare schemes to prevent poverty in Norway <https://www.regjeringen.no/en/topics/pensions-and-welfare/innsikt/innsats-mot-fattigdom/id2009662/>

¹⁶⁰ Social Enterprise in Western Europe; Theory, Models and Practice: Norway – <https://www.kbtfagskole.no/wp-content/uploads/2023/10/SocialenterpriseinNorway-1.pdf>

Table 3.2 Overview for the 27 EU Member States plus Norway

Country	Recognition of Components	Dedicated National Strategies	Public Funding Schemes	Tax Incentives	Social Enterprise Status
Austria	No single SSE law; nonprofit associations under Associations Act; cooperatives under Coop Act. “Public-benefit” status is key for tax/exemptions.	No single national “SSE strategy”.	Wage subsidies for work integration	Public-benefit orgs get corporate tax & VAT exemptions for mission-related revenue; donations deductible.	No dedicated legal form for social enterprise; but the state-endorsed “Verified Social Enterprise” label certifies qualifying businesses.
Belgium	Federal & regional frameworks (Wallonia, Flanders, Brussels) for social economy. Associations/foundations under 1921 law, cooperatives recognized, WISEs regulated regionally.	Varies by region; Wallonia has Decree on Social Economy (2008), Flanders has WISE decrees, Brussels has an Ordinance.	Wage subsidies for WISEs, direct grants, zero-interest loans (regional programs), procurement reservations for insertion enterprises.	Tax exemptions on reinvested profits for recognized WISEs; philanthropic donations 45% tax credit.	Various forms: nonprofit (ASBL/ VZW), foundation, coop with social purpose. “Social enterprise” recognised regionally (e.g. accreditation in Brussels).
Bulgaria	2018 Law on Enterprises of the Social & Solidarity Economy (SSE) defines social enterprises & sets up a register. Cooperatives and public-benefit NGOs can qualify.	National Social Economy Concept (2012) & SSE Action Plans. A Council for Social Economy was established.	Wage subsidies, EU-funded grants (ESF), favourable procurement for SSE entities, plus a Social Economy Fund.	Certified social enterprises can redirect corporate tax due toward social investments; donors get tax relief for donations to SSE.	Yes. Social enterprises are officially registered under the 2018 SSE law (Class A / A+). Cooperatives & nonprofits can get this certification if they meet criteria.
Croatia	No single SSE law; associations under Associations Act, cooperatives (including “social cooperatives”) under Coop Act, nonprofits under separate statutes.	Strategy for Social Entrepreneurship Development 2015–2020 (renewal in progress). Discussion of a dedicated Social Entrepreneurship Bill.	Significant ESF grants for social entrepreneurship startups; wage subsidies for hiring disabled/unemployed; local grants from municipalities.	Nonprofits are tax-exempt if non-commercial; social cooperatives benefit from some tax relief & wage subsidies.	No single “social enterprise” legal form; many are NGOs or co-ops meeting “social enterprise” criteria (defined by national strategy).
Cyprus	No unified SSE framework; separate laws for cooperatives, associations, foundations. New Social Enterprises Law (2020, amended 2023) defines criteria for social enterprises.	There is no single overarching SSE strategy, but the 2020 law established a registry and the government supports social enterprise promotion.	Small annual government allocations (~€300k total), plus heavy reliance on EU (ESF, ERDF) co-financed grants for startup support.	Limited direct tax incentives. Social enterprises can receive partial profit exemptions if they meet reinvestment thresholds; donors get modest deductions.	Yes. Social Enterprises Law 207(I)/2020 + 2023 amendment introduced two categories (General purpose & Social inclusion). Registration is overseen by the Ministry.



Country	Recognition of Components	Dedicated National Strategies	Public Funding Schemes	Tax Incentives	Social Enterprise Status
Czechia	No umbrella SSE law; associations & foundations (under Civil Code), cooperatives (special law). Social enterprise mostly recognized through practice, not codified.	Social entrepreneurship is referenced in policy documents, but no comprehensive national strategy specifically for SSE.	ESF-funded pilots to support social entrepreneurship projects; scattered regional or municipal grants.	Associations/foundations tax-exempt for main mission; limited specific incentives for social enterprises.	Not a dedicated legal form; “social enterprise” is used de facto for organizations meeting reinvestment & social mission criteria.
Denmark	No single SSE law; wide tradition of associations, co-ops, and “registered social enterprises” recognized under the 2014 Act on Social Enterprises.	Mostly policy-level support for labour market inclusion. The 2014 law encourages “Registered Social Enterprises,” but not a formal “SSE strategy.”	Municipal-level support is strong (incubation, subsidized rents); wage subsidies for hiring disadvantaged. Some direct national grants for social inclusion.	Tax exemptions for nonprofits if purely non-commercial. Donations to recognized SSE entities partially deductible. “RSV Grants” for social enterprises.	Yes. The 2014 Act established “Registered Social Enterprises” (RSV) that must reinvest at least 50% of profits, involve beneficiaries, and remain independent from govt.
Estonia	No overarching SSE law; nonprofits under Non-Profit Associations Act, cooperatives under Commercial Code. “Social enterprise” unregulated but recognized in practice.	No dedicated strategy. Some references to social enterprise in labour market & regional development policies.	Limited direct national grants. ESF programs, small government or municipality-level support. Some wage subsidies for inclusive employers.	Nonprofit associations can get tax exemptions. Entities hiring ≥30% disadvantaged sometimes get social security breaks.	No official status; most social enterprises operate as nonprofits or limited companies.
Finland	No unified SSE law, but strong cooperative & nonprofit traditions. Old Act on Social Enterprises (2003) repealed; emphasis on WISEs & new “Social Enterprise Mark.”	A 2022 Strategy for Social Enterprises aims to boost employment of marginalized groups. Broad government support for cooperatives.	National labour-market subsidies for WISEs, plus significant ESF & ERDF support. The Centre of Expertise for Social Enterprises (CESE) is publicly funded.	Public-benefit nonprofits get tax relief. Cooperatives can distribute limited surplus but often get beneficial treatment. Donations partially deductible.	No single legal form; “Social Enterprise Mark” is a voluntary accreditation for entities meeting reinvestment & social goals.
France	Comprehensive 2014 SSE Law defines scope (associations, cooperatives, mutuals, foundations, ESUS companies). Recognizes “SCIC” co-ops, etc.	Yes. The 2014 SSE Law + national SSE policy. ESUS accreditation is the formal status for social enterprises.	Substantial public & quasi-public funding (Bpifrance, public banks, region-level grants), plus “90/10” solidarity-based savings.	Generous tax breaks for donations; recognized SSE entities can get corporate tax reductions if profits reinvested.	Yes. ESUS (Entreprise Solidaire d’Utilité Sociale) status for businesses meeting SSE criteria (profit cap, social mission).

Country	Recognition of Components	Dedicated National Strategies	Public Funding Schemes	Tax Incentives	Social Enterprise Status
Germany	No single SSE law. Nonprofits (associations/foundations) under Civil Code, cooperatives under Coop Act. Social enterprises mostly use gGmbH or WISE model.	No unified strategy, but “social economy” is recognized in labour, regional dev. policies. Some states (Länder) have targeted strategies.	Federal & state-level grants, ESF co-funding for social innovation and WISE. “REACT with Impact” to harmonize social enterprise support across regions.	Public-benefit (gGmbH, e.V.) tax exemptions on mission-related revenues. Donor deductions up to certain limits.	No single status, but “gemeinnützige GmbH” (gGmbH) widely used. WISE recognized under Social Code (for integration of disabled, unemployed).
Greece	Law 4430/2016 on Social & Solidarity Economy (SSE) replaced older frameworks. Defines Social Cooperative Enterprises (Koin.S.Ep).	SSE recognized in national legislation (4430/2016). National Registry of SSE; references in Recovery/Resilience Plan.	ESF-funded programs (TOPEKO, TOPSA) for SCE creation; wage subsidies for hiring vulnerable groups; public procurement preferences.	Social Cooperative Enterprises get reduced corporate tax (9% vs. 24% standard), plus partial VAT exemptions.	Yes. Koin.S.Ep (Social Cooperative Enterprises) are the main recognized form, plus “Workers’ Cooperatives.”
Hungary	No single SSE law; nonprofits under Civil Act (2011), cooperatives under Coop Act. Limited formal recognition of SSE as an umbrella.	Some references to social cooperatives and WISE in national strategies (esp. labour market programs).	EU Structural Funds for social cooperatives & WISE, wage subsidies for employing disabled/unemployed. Limited direct national grants.	Public-benefit orgs have partial corporate tax & VAT exemptions. Donors can get small deductions.	Not a special “social enterprise” law. “Social cooperatives” recognized by law for labour integration.
Ireland	No dedicated SSE law; charities regulated by Charities Act, co-ops under Industrial & Provident Societies Act. “Social enterprise” recognized in policy.	National Social Enterprise Policy (2019–2022, extended) aims to develop the sector. Government and local enterprise offices support.	Some direct funding (Dormant Accounts Fund) plus ESF for labour inclusion; local councils often provide grants.	Charities have significant tax exemptions. Some partial relief for “companies limited by guarantee.” Donor tax relief for charities.	Not an official legal form; social enterprises typically register as charities, co-ops, or CLGs. Supported under the National Social Enterprise Policy.
Italy	Dedicated legislative frameworks: Law on Social Cooperatives (1991), “Social Enterprise” status (Legislative Decree 112/2017). Associations/foundations recognized.	Social Enterprise reform under Third Sector Code (2017). Region-level strategies also exist.	Some direct national funds (e.g. Fondo per le imprese sociali), regional grants, wage subsidies for social co-ops employing disabled.	Social cooperatives & social enterprises enjoy corporate tax reductions, partial VAT exemptions, plus individual donation deductions.	Yes. “Impresa Sociale” recognized by law; must reinvest profits & have a social mission. “Social Cooperatives” also explicitly recognized.

Country	Recognition of Components	Dedicated National Strategies	Public Funding Schemes	Tax Incentives	Social Enterprise Status
Latvia	No single SSE law; associations, foundations, cooperatives have separate acts. “Social enterprise” recognized in the Social Enterprise Law (2017).	Social Enterprise Law (2017) introduced a policy framework. A Social Entrepreneurship Association fosters development.	State grants financed by ESF; specialized Social Enterprise Fund that issues grants & support. Municipal support is limited.	Nonprofits with public-benefit status get certain tax benefits. Social enterprises can receive corporate tax relief if meeting criteria.	Yes. The 2017 Social Enterprise Law sets criteria (social aim, profit reinvestment) + official registry.
Lithuania	No overarching SSE law; nonprofits under Civil Code, cooperatives under separate law. “Social enterprise” recognized with special WISE focus.	The Law on Social Enterprises (2004) focuses primarily on labour integration. Additional references in strategic documents.	Public Employment Service grants wage subsidies for WISEs; ESF co-financed projects for new social businesses.	Social enterprises employing disabled/unemployed can get partial tax exemptions. Nonprofits with “public benefit” status also get benefits.	Yes, but limited to WISE. “Social enterprise” is a legal category if ≥40% employees are from vulnerable groups, with strict rules on profit use.
Luxembourg	No single SSE framework, but “SIS” (Société d’Impact Sociétal) law (2016) recognizes social impact companies. Associations & foundations also recognized.	SIS framework (2016) is effectively the national approach to social enterprise. A 2019 strategy on social & solidarity economy was announced.	Some direct support from the Ministry of Labour; new “One-Stop Shop” for SSE. Wage subsidies for inclusive hiring.	SIS can access corporate tax breaks if they meet social impact metrics. Donors to recognized nonprofits get deductions.	Yes. “Société d’Impact Sociétal” is a recognized legal form with binding social mission & profit distribution constraints.
Malta	Limited recognition: cooperatives under the Coop Societies Act, voluntary orgs under Voluntary Organisations Act, no formal “social economy” law.	Social enterprise framework adopted in 2022 (Social Enterprise Act) for registration & accreditation.	Very modest direct public funding; ESF grants for social inclusion. Some schemes from Malta Enterprise for social startups.	Charitable/voluntary orgs get partial tax exemptions. The 2022 Social Enterprise Act may introduce further incentives.	Yes, newly introduced Social Enterprise Act (2022) defines social enterprises, requiring partial profit reinvestment.
Netherlands	No umbrella SSE law; nonprofits under Civil Code Book 2, cooperatives recognized, “social enterprise” concept widely used but not legally codified.	Growing momentum; “Code Sociale Ondernemen” is a voluntary code of conduct, not a formal law. Govt exploring official status.	Wide variety of local/ municipal grants, national funds for labour integration. Impact investing is fairly robust.	Public-benefit (ANBI) status grants tax breaks for charities and donors. No special nationwide social enterprise tax break.	Not yet. Many adopt the “BVM” brand (social enterprise brand) voluntarily. Government is considering a legal form for “maatschappelijke BV.”
Poland	No single SSE law; nonprofits under the Public Benefit and Volunteer Work Act (2003), cooperatives under Coop Act. “Social enterprise” concept recognized in practice.	The National Program for Social Economy Development (KPRES) updated in 2019, fosters SSE & social enterprises.	ESF-financed “Social Economy Support Centres” provide grants/loans, plus wage subsidies for employing disadvantaged.	Public-benefit organizations have CIT exemptions; donors get partial deductions. Social co-ops get partial tax relief.	Not a dedicated legal form, but “social cooperatives” recognized by law (2006). The KPRES sets criteria for “social enterprise,” overseen by regional centres.

Country	Recognition of Components	Dedicated National Strategies	Public Funding Schemes	Tax Incentives	Social Enterprise Status
Portugal	SSE recognized in Basic Law on the Social Economy (2013). Cooperatives, mutuals, charities, mercies, foundations included. Social enterprise is less codified.	Yes. The 2013 Basic Law + multiple national & regional strategies. The Social Economy Sectoral Program fosters development.	Portugal Social Innovation initiative (EU-funded) offers grants/loans, plus public co-financing for social ventures. wage subsidies for inclusive hiring.	Public-benefit entities can receive corporate tax & VAT reductions. Individual donors get partial tax relief.	No single “social enterprise” legal form, but recognized in practice and supported via public programs.
Romania	Law on Social Economy (219/2015) recognizes cooperatives, NGOs, credit unions if they meet SSE principles. “Social insertion enterprises” defined.	The 2015 law sets a framework for SSE, plus national strategy & dedicated departmental structure at the Ministry of Labor.	ESF-funded calls for social enterprise creation; some wage subsidies for insertion enterprises.	SSE entities get partial tax exemptions and donors can deduct up to 5% of taxable income for recognized NGOs.	Yes, “social insertion enterprise” is certified under Law 219/2015 if it employs ≥30% from vulnerable groups & reinvests profits.
Slovakia	No single SSE law; nonprofits under Civil Code, cooperatives recognized. Act on Social Economy & Social Enterprises (2018) introduced partial recognition.	Act 112/2018 on Social Economy provides a framework, referencing WISEs and “registered social enterprises.”	ESF support, wage subsidies for hiring disadvantaged. The “Slovak Business Agency” offers some grants.	Certified social enterprises can get CIT exemptions on reinvested profits; partial VAT reduction for certain activities.	Yes. 2018 law introduced “registered social enterprise” status with reinvestment & inclusive governance requirements.
Slovenia	Social Entrepreneurship Act (2011, amended 2018) recognizes social enterprises. Cooperatives, associations, institutes can apply.	Yes. The Social Entrepreneurship Act sets strategy details; national action plans. Emphasis on labour integration.	Public Employment Service funds, ESF grants, small-scale municipal support. “Fund 05” for social entrepreneurship financing.	Some tax relief if employing disabled or other vulnerable groups. Donations to public-benefit orgs partially deductible.	Yes. “Social enterprise” is a legal status (2011 Act) requiring limited profit distribution & social mission.
Spain	Strong SSE tradition: Law 5/2011 on Social Economy recognizes cooperatives, mutuals, associations, foundations, work-integration co’s.	Yes. Law 5/2011 is an SSE framework. Regions also have their own laws & strategies. National Strategy for the Social Economy 2017–2020 (extended).	Public funds at both national & autonomous community levels. Specialized bodies like CEPES coordinate. Generous ESF & ERDF usage.	SSE entities can receive reduced corporate tax rates, e.g. co-ops at 20%. Donors to foundations, associations can deduct.	Many recognized forms. “Work integration social enterprises” are regulated regionally; co-ops & labour societies widely considered SSE.
Sweden	No specific SSE law; nonprofits under general rules, co-ops recognized under Coop Societies Act, but “social enterprise” typically means WISE.	Generally no formal SSE strategy, though government invests in WISE development & social innovation.	Municipal support, wage subsidies for WISE. Some national grants for social innovation. Swedish Inheritance Fund supports civil society.	Nonprofits are tax-exempt for non-commercial activities. Limited special tax relief for social enterprises.	No dedicated legal form. Many WISE operate as cooperatives, associations, or “economic associations.”

Country	Recognition of Components	Dedicated National Strategies	Public Funding Schemes	Tax Incentives	Social Enterprise Status
Norway	No overarching “social economy” law. Associations & foundations recognized via general laws; cooperatives under Coop Act. “Social entrepreneurship” recognized in policy docs.	No single strategy. The Ministry of Labour and Social Inclusion references “social entrepreneurship” for labour market measures.	Grants from Innovation Norway for social entrepreneurship; municipal wage subsidies for hiring disadvantaged; philanthropic & lottery funds.	Nonprofits with public-benefit aims get partial tax exemption. Donors can deduct limited amounts.	No official legal form. “Social entrepreneurship” often operates via AS (limited company) with special clauses or foundation status.

Most countries recognize the social economy through a patchwork of existing legal forms (cooperatives, associations, foundations, etc.). Fewer have a *single, unified law* covering all SSE aspects (France, Spain, Portugal, Romania, Slovakia do, in varying degrees). Dedicated *national strategies* exist in several countries (France, Italy, Portugal, Spain, Romania, Slovakia, Slovenia, Latvia, etc.), though in others (Germany, Sweden, Netherlands) support is more decentralized or integrated into labour/innovation policies. *Public funding* often relies strongly on *EU structural funds* (ESF, ERDF) for grants and wage subsidies. Many also provide direct subsidies or have specialized funds (Belgium’s regional subsidies, France’s Bpifrance, etc.). *Tax incentives* typically involve partial or full exemptions for nonprofits or recognized public-benefit entities; many countries also encourage philanthropic donations with personal or corporate tax deductions. *Social enterprise status* is formalized in a growing number of Member States (e.g. Italy’s “Impresa Sociale,” Greece’s “Koin.S.Ep,” France’s “ESUS,” Slovakia’s “Registered SE,” Luxembourg’s “SIS,” Malta’s 2022 law, etc.). Others use *voluntary certification* of social enterprises (Denmark, Finland, Austria) or have no fully binding form (Germany, Netherlands).

It is possible to group (or “cluster”) EU Member States (plus Norway) based on the main indicators in the table—namely legal recognition, existence of dedicated strategies, availability of public funding and tax incentives, and the presence (or absence) of a formal social enterprise status. While there are multiple ways to cluster countries, this summary focuses on broad patterns in how comprehensively and cohesively the social economy is recognized and supported. Four clusters may be distinguished:

- *Cluster 1* (Comprehensive) countries have long-standing or well-harmonized social economy laws and cohesive strategies, pairing strong public funding with explicit social economy recognition.
- *Cluster 2* (Dedicated law but maturing) countries have some legal anchor and often a registry/certification yet still rely heavily on EU funds and are building out robust support systems.
- *Cluster 3* (Decentralized recognition) countries show strong social economy traditions but lack single unified social economy legislation—the environment is shaped by long-standing cooperative/NGO frameworks and local-level policies.

- *Cluster 4* (Nascent/patchwork) are marked by recent or voluntary policy frameworks, with less centralized support, though some have burgeoning social enterprise laws or strategies on the horizon.

These clusters aren't absolute. Individual countries might straddle categories depending on which specific dimension—law, policy, funding, or tax—in question. However, the grouping provides a broad typology of how social economy is recognized and supported across the EU27 plus Norway.

1. Countries with Comprehensive Frameworks and Well-Established SSE

- **Examples: France, Spain, Italy, Portugal, Belgium (Wallonia and French-speaking Brussels)**
- **Legal recognition:** Each has an overarching or dedicated SSE law (e.g. France's 2014 SSE Law; Spain's Law 5/2011 on Social Economy; Italy's framework for social cooperatives and social enterprises; Portugal's Basic Law on the Social Economy of 2013).
- **National strategies:** Strong national policies and strategies, updated over time (Spain's National Strategy for the Social Economy; Italy's Third Sector Code and reforms; Portugal's Sectoral Program).
- **Public funding:** Substantial direct national funding in addition to EU Structural Funds; well-developed ecosystems (public investment banks, specialized funds, etc.).
- **Tax incentives:** Generous tax benefits for recognized social economy organizations, plus donation-related deductions.
- **Social enterprise status:** Formal designations (e.g. ESUS in France, "*Impresa Sociale*" in Italy) backed by detailed legal criteria and accreditation procedures.
- **Key Trait:** These countries are often viewed as "leaders" in SSE policy. They pair strong institutional frameworks with integrated strategies and well-developed funding/tax measures.

2. Countries with a Dedicated Legal or Policy Framework, but Still Maturing

- **Examples: Belgium (Flanders)¹⁶¹, Romania, Slovakia, Slovenia, Greece, Bulgaria, Latvia**
- **Legal recognition:** Typically have a social economy or social enterprise law but not always as comprehensive or historically entrenched as in cluster 1. Belgium combines multiple regional decrees; Romania's Law 219/2015; Slovakia's Act 112/2018; Slovenia's Social Entrepreneurship Act (2011); Greece's Law 4430/2016; Bulgaria's 2018 SSE law; Latvia's 2017 Social Enterprise Law.
- **National strategies:** Usually exist (sometimes in the form of an action plan); many established them relatively recently (post-2010).

¹⁶¹ Belgium /be placed in cluster 1 if we look at the maturity and scale of its social economy. However, because it has fragmented regional laws rather than one national SSE law, many observers place it in the "developing" category legislatively—yet in practice, Belgium has a very robust social economy.

- *Public funding:* Substantial reliance on EU funds (ESF, ERDF) for start-up grants, wage subsidies, and other programs. Some direct government subsidies or region-specific instruments.
- *Tax incentives:* Generally, include certain exemptions or reduced rates for recognized social economy / public-benefit status, along with donor deductions.
- *Social enterprise status:* Most have a formal status or registry (e.g. “Class A/A+” in Bulgaria, “Koin.S.Ep” in Greece, “Registered Social Enterprise” in Slovakia, certification in Latvia), but the ecosystem is still taking shape.
- *Key Trait:* They have a distinct legal recognition of the social economy and/or social enterprise, but institutions, funding, and public awareness are still consolidating.

3. Countries with Strong Traditions but Decentralized or Sector-Specific Recognition

- Examples: **Germany, Austria, Poland¹⁶², Finland**
- *Legal recognition:* No single “social economy law,” but social economy (legal) forms (cooperatives, associations) are deeply embedded historically. Poland has a strong cooperative legacy but only partial unifying frameworks; Germany has large, well-established nonprofits and cooperatives; Austria integrates social economy via existing association/cooperative laws; Finland has a strong co-op tradition and voluntary “Social Enterprise Mark.”
- *National strategies:* Often policy references or partial frameworks (e.g. Germany’s regional approaches; Poland’s National Program for Social Economy Development), but not a single, all-encompassing social economy law or strategy. Finland recently introduced a strategy for social enterprises focusing especially on work-integration.
- *Public funding:* Significant public or quasi-public funding but often channelled through labour-market or economic-development programs rather than a single SSE policy. Heavier reliance on local/regional structures (e.g. the Länder in Germany).
- *Tax incentives:* Generally robust for public-benefit entities (e.g. Germany’s “*gemeinnützig*” status, Austria’s “public benefit” status).
- *Social enterprise status:* Tends to be either voluntary (e.g. Finland’s “Mark,” Austria’s “Verified Social Enterprise”) or absent as a standalone legal form (Germany typically uses *gGmbH*).
- *Key Trait:* These countries have longstanding cooperative/nonprofit traditions, strong local ecosystems, and robust welfare states, but an SSE “umbrella” approach is more fragmented or decentralized.

¹⁶² Poland (Wallonia and French-speaking Brussels) are placed in cluster 1.

4. Countries with Nascent or Patchwork Frameworks

- Examples: Ireland, **Netherlands, Denmark¹⁶³, Sweden, Czechia, Estonia, Hungary, Malta, Cyprus, Norway (non-EU)**
- *Legal recognition*: Typically, no overarching social economy law, although some have partial recognition or newly introduced legislation. For instance, Malta's 2022 Social Enterprise Act, Cyprus's 2020 law, Denmark's 2014 Act on Registered Social Enterprises.
- *National strategies*: Often no single social economy strategy; social economy or social enterprise is referenced in labour-market or innovation agendas (Ireland's National Social Enterprise Policy is an exception).
- *Public funding*: Reliance on scattered grants, local/municipal-level support, plus EU funds (for EU states). Norway, outside the EU, primarily uses national or philanthropic funding.
- *Tax incentives*: Generally minimal or limited to standard nonprofit frameworks (charity laws, partial VAT/corporate tax relief).
- *Social enterprise status*: Often optional or newly formed. Denmark has the "Registered Social Enterprise" label, Ireland uses the "company limited by guarantee" for charities, Malta just introduced a formal registration in 2022, Netherlands is discussing a formal "BVM," Norway and Sweden have no designated legal form.
- *Key Trait*: The social economy is present and often quite vibrant at grassroots or local level, but national legal frameworks tend to be recent, partial, or voluntary. Formal SSE or social enterprise policies are only now developing.

Social economy in the global South — Policies, regulations, and funding

To give context to our European findings, we explore the social economy in parts of the global south. Here the term social and solidarity economy (SSE) dominates parlance, and it encompasses cooperatives, mutuals, associations, foundations, non-profits, and social enterprises that prioritize social purpose and democratic governance over profit ¹⁶⁴. Globally, SSE accounts for roughly 7% of

¹⁶³ Nordic countries like Denmark, Finland, Norway and Sweden share strong cooperative traditions and well-funded welfare states, but they each vary in how formally SSE is recognized. Finland is sometimes considered more advanced because it had a (now-repealed) Social Enterprise Act and continues to refine its approach, whereas Norway, Denmark and Sweden rely primarily on local approaches.

¹⁶⁴ https://www.un.org/sites/un2.un.org/files/social_and_solidarity_economy_29_march_2023.pdf

GDP and up to 12% of employment in some countries (OECD, 2024; World Economic Forum, 2022). Over the last two decades, governments across Latin America, Sub-Saharan Africa, Asia, and MENA have increasingly integrated SSE into policy frameworks, legal systems, and funding architectures (International Labour, 2018). A 2023 UN General Assembly resolution¹⁶⁵ further legitimizes and encourages national SSE strategies. Across regions, governments are experimenting with a mix of legal recognition, institutional coordination, public finance, social procurement, and hybrid investment models, while grappling with implementation capacity, cross-ministerial coordination, political continuity, and the balance between social mission and market pressures.

Latin America: Deep legal roots, institutionalization, and procurement leverage

Legal frameworks and constitutional recognition have proven particularly robust across Latin America (Heras Monner Sans, 2014). Early adopters include Colombia's Law 454 (1998)¹⁶⁶, Venezuela's popular-economy law (2008)¹⁶⁷, Ecuador's comprehensive LOEPS (2011)¹⁶⁸ aligned with Buen Vivir, Bolivia's constitutional embrace of Vivir Bien and a plural economy¹⁶⁹, and Mexico's 2012 SSE law that established the National Institute of Social Economy (INAES)¹⁷⁰. Uruguay¹⁷¹ and Argentina¹⁷² have also joined this broad legislative wave. Dedicated institutions and participatory governance mechanisms underpin the delivery of policy. Brazil's National Secretariat for Solidarity Economy (SENAES) co-constructed policy with civil society through financed incubation (International Labour Organization, 2017).

Funding mechanisms intertwine direct public support, social procurement, and development aid; typical instruments include grants, subsidized credit, and national funds (International Labour Organization, 2017). A salient illustration is Brazil's 2009 regulation mandating that at least 30 % of school-food purchases be sourced from family farms¹⁷³, thereby directing several hundred million Brazilian reais each year to cooperative producers. Political will remains the decisive factor.

¹⁶⁵ <https://docs.un.org/en/A/RES/79/213>

¹⁶⁶ <https://www.alcaldiabogota.gov.co/sisjur/normas/Norma1.jsp?i=3433>

¹⁶⁷ https://www.sumate.org/Especiales/LeyesHabilitantes/Ley_Fomento_Desarrollo_Economia_Popular.pdf

¹⁶⁸ <https://www.seps.gob.ec/wp-content/uploads/Ley-Organica-de-Economia-Popular-y-Solidaria.pdf>

¹⁶⁹ https://www.oas.org/dil/esp/constitucion_bolivia.pdf

¹⁷⁰ <https://www.gob.mx/inaes/documentos/ley-de-la-economia-social-y-solidaria-36064>; <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/social-economy-and-social-innovation/country-fact-sheets/country-fact-sheet-mexico.pdf>

¹⁷¹ <https://www.impo.com.uy/bases/leyes/19848-2019>

¹⁷² <https://coops4dev.coop/sites/default/files/2020-01/Legal%20Framework%20Analysis%20-%20Argentina.pdf>

¹⁷³ <https://globalfoodlaws.georgetown.edu/documents/law-no-11-947-school-meals-pnae>



Sub-Saharan Africa: Rapid legislative uptake and continental strategy

A recent wave of framework legislation—Cabo Verde (2016)¹⁷⁴, Cameroon (2019)¹⁷⁵, Djibouti (2019)¹⁷⁶, Tunisia (2020)¹⁷⁷, and Senegal (2021)¹⁷⁸—signals increasing policy interest in the social-economy sector (SSE). In Senegal, the Orientation Law explicitly integrates SSE into national planning and establishes a Higher Council for SSE. The African Union’s Ten-Year Strategy for SSE (2023–2033)¹⁷⁹ offers a continental framework that aligns the sector with inclusive growth, youth employment, and resilience objectives. Institutional arrangements differ across states as the SSE is frequently distributed among ministries such as agriculture, trade, SMEs, and youth affairs, although some countries are moving toward dedicated coordination mechanisms—for instance, South Africa’s Green Paper on the Social Economy¹⁸⁰ and multi-stakeholder councils are emerging to bridge government, cooperative federations, NGOs, and donors.

Funding for impact initiatives is a hybrid mix of public subsidies, development bank loans, and donor programs (Dembele et al., 2022). Early experiments in procurement set-asides and impact investment have been piloted, yet access to finance remains constrained (Global Impact Investing Network, 2020); Africa continues to attract only a modest fraction of global impact capital. The principal challenges are institutional fragmentation, deficiencies in governance and management capacity, limited financial sustainability, and the risk of corruption or elite capture (International Labour Organization, 2019).

Asia: Plural ecosystems combining cooperatives and social enterprise

East and Southeast Asia exhibit robust public frameworks that nurture social enterprise and cooperative development. In South Korea, the Social Enterprise Promotion Act (2007)¹⁸¹ and the Cooperatives

¹⁷⁴ <https://base.socioeco.org/docs/lei-cabo-verde-es-1.pdf>

¹⁷⁵ <https://www.prc.cm/en/news/the-acts/laws/3558-law-n-2019-004-of-25-april-2019-framework-bill-governing-social-economy-in-cameroon>

¹⁷⁶ <https://base.socioeco.org/docs/loi-ess-djibouti.pdf>

¹⁷⁷ <https://www.ilo.org/fr/resource/news/le-parlement-tunisien-adopte-le-projet-de-loi-sur-leconomie-sociale-et>

¹⁷⁸ <https://base.socioeco.org/docs/loi-dorientation-ess-promulguee.pdf>

¹⁷⁹ <https://sewfonline.com/wp-content/uploads/2023/10/SSE-in-the-African-Union.pdf>

¹⁸⁰ https://base.socioeco.org/docs/draft_green_social_economy-2.pdf;
https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@africa/@ro-abidjan/@ilo-pretoria/documents/publication/wcms_840980.pdf

¹⁸¹ https://elaw.klri.re.kr/eng_mobile/viewer.do?hseq=24346&key=6&type=sogan



Framework Act (2012)¹⁸²—backed by Korea Social Enterprise Promotion Agency (KoSEA)¹⁸³ and municipal initiatives—illustrate continuity at a large scale. Thailand’s Social Enterprise Promotion Act (2019)¹⁸⁴ established a registry, dedicated fund, procurement preferences, and tax incentives. Vietnam incorporated social enterprises into its Company Law (2014)¹⁸⁵. Malaysia rolled out a Social Enterprise Blueprint¹⁸⁶. Indonesia¹⁸⁷ and the Philippines rely on well-established cooperative systems and microfinance mechanisms; Philippine¹⁸⁸ policies such as Barangay Micro Business Enterprises (BMBE) tax relief facilitate formalisation.

South Asia is characterized by extensive cooperative networks that rely on policy signals rather than a cohesive legal framework for social and sustainable enterprises (SSEs). In India, the establishment of a Ministry of Cooperation in 2021 has harnessed corporate social responsibility mandates and directed priority-sector lending toward cooperatives and microenterprises¹⁸⁹. Nepal’s constitution formally recognizes cooperatives as a foundational pillar of its economy¹⁹⁰. Financial and institutional support is multifaceted: grants, wage subsidies, procurement preferences, development-bank facilities, impact-investment clusters, pilots for social bonds, and robust community finance infrastructures—including cooperative banks, credit unions, and savings groups—collectively sustain the sector (International Labour Organization, 2019). Nonetheless, significant gaps persist. Legal uncertainty surrounding hybrid social businesses continues to expose them to absorption within generic SME policy regimes (Phan & Phan, 2018). Measurement of social impact remains inadequate, (OECD, 2023) while access to investment outside major urban hubs is unevenly distributed (International Labour Organization, 2019).

MENA: Early-stage systems with North African pioneers

Tunisia’s 2020 Social and Solidarity Economy (SSE) Framework Law¹⁹¹—the first such legislation in the Arab world—seeks to formalise a vast informal sector by promoting a people-centred economy, social

¹⁸² https://elaw.klri.re.kr/eng_mobile/viewer.do?hseq=44518&key=24&type=part

¹⁸³ <https://www.socialenterprise.or.kr/enHomepage/contents/contents.do?cidx=10050&menuId=906>

¹⁸⁴ https://www.britishcouncil.org/sites/default/files/state_of_social_enterprise_in_thailand_2020_final_web.pdf;
<https://www.osep.or.th/en/elementor-2866/>

¹⁸⁵ https://www.vietnamtradeportal.gov.vn/kcfinder/upload/files/68_2014_QH13%20EN.pdf;

<https://www.unescap.org/resources/social-enterprise-vietnam>

¹⁸⁶ <https://mymagic-misc.s3.amazonaws.com/SE%20BLUEPRINT.pdf>

¹⁸⁷ <https://www.lekslawyer.com/cooperative-law-in-indonesia>

¹⁸⁸ <https://bulacan.chamber.ph/images/downloads/RA%209178%20BMBE%20Handbook.PDF>

¹⁸⁹ https://www.cooperation.gov.in/sites/default/files/2025-03/Annual%20Report%202023-24_English.pdf

¹⁹⁰ <https://www.nefscun.org.np/cooperatives-in-nepal/>

¹⁹¹

https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_emp/%40emp_ent/%40coop/documents/legaldocument/wcms_750308.pdf; https://www.oxfamitalia.org/wp-content/uploads/2022/12/MedUp-Tunisia-Report_FINAL_ok.pdf

utility, and inclusion. The law establishes a Supreme Council, an SSE Authority, and regional councils; pilot programs supported by the ILO and the EU are in development. In Morocco¹⁹², SSE has been integrated through sustained ministerial backing and a suite of national strategies that reinforce cooperatives and microfinance, offer tax incentives, create marketing platforms, and gradually favour cooperatives in public procurement. Women's cooperatives have expanded markedly, particularly in rural areas¹⁹³. Across Jordan, Lebanon and Egypt, SSE activity remains vital¹⁹⁴ yet fragmented, dispersed among cooperatives, NGOs, and micro-finance institutions. Incremental policy references to social enterprise appear, accompanied by a rise in donor-backed incubation programs. Funding for these initiatives is predominantly derived from microfinance, philanthropy (including Gulf-based foundations), and early-stage impact funds that align with Islamic finance instruments such as *waqf* and *zakat* (OECD, 2020). Core constraints persist, including limited governmental capacity, gaps in legal recognition (OECD/ILO/CAWTAR, 2020), and the destabilising effects of regional conflict¹⁹⁵.

¹⁹² https://south.euneighbours.eu/wp-content/uploads/2022/07/emnes_wp_050_sse_morocco-1.pdf

¹⁹³ <https://www.ijih.org/volumes/article/668>

¹⁹⁴ https://www.oxfamitalia.org/wp-content/uploads/2022/12/MedUp-Tunisia-Report_FINAL_ok.pdf;
https://www.britishcouncil.org/sites/default/files/social_enterprise_scoping_report_in_jordan_yemen_iraq_and_palestine_final_0.pdf

¹⁹⁵ <https://english.legal-agenda.com/implementing-social-solidarity-economy-in-tunisia-is-difficult>; <https://o4my.org/wp-content/uploads/2021/11/MedUp-Story-Report-FINAL.pdf>

4. Long term care

Differences in legal and institutional frameworks shape the way the social economy contributes to welfare services. Defourny and Nyssens (2008) demonstrate that national laws and procurement policies generate uneven opportunities for social enterprises across Europe. Where specific legislation exists—such as provisions for social cooperatives in Italy, Belgium, Portugal, and the United Kingdom—social enterprises are more fully integrated into welfare provision. In particular, Italy and France embed social enterprises both in work-integration schemes and in direct service delivery, reflecting broader strategies of social investment. Thus, variation in the social economy’s role reflects not only disparate spending patterns but also the degree to which novel organizational forms are incorporated into existing welfare regimes.

Analysing the “welfare mixes” through the policy instruments that governments deploy— laws and regulations, contracts, financing and tax-expenditures—illuminates how regulatory frameworks evolve over time (Salamon, 2002). When the state is conceptualised as a “tool user,” it becomes evident that enabling legislation, fiscal incentives, and procurement rules are not merely neutral mechanisms; they actively shape the distribution of welfare services. By orchestrating these instruments in concert, governments can lower entry barriers, bestow legitimacy, and nurture the expansion of social-economy organisations—or, conversely, limit their influence.

As European societies face unprecedented demographic shifts, ensuring access to high-quality, sustainable long-term care (LTC) has become a pressing policy challenge. The increasing proportion of elderly populations—particularly those over 80—combined with changing family structures, urbanization, and evolving labour markets, places growing pressure on care systems across the continent. In this section we examine the welfare mixes that characterize long-term care across European countries, clarifying how regulatory frameworks shape opportunities for social-economy development. By comparing how these welfare mixes are configured across national contexts, we aim at identifying the policy tools, incentives, and constraints that enable or constrain the entry, scaling, and integration of social-economy organisations in long-term care.

This section, thus, provides a comparative review of the institutional frameworks, governance structures, and care delivery models that underpin long-term care in selected European countries participating in the DICES project. The countries covered—Austria, Belgium, Bulgaria, the Czech Republic, Germany, Greece, Ireland, Lithuania, and Norway—represent a spectrum of LTC regimes, ranging from Nordic universalism and Bismarckian insurance-based models to more residual, market-oriented, and informal-care-dominated systems. Each country profile is structured around key dimensions: institutional governance, division of labour in care provision, financing mechanisms, individual rights and entitlements, and regulatory frameworks for providers. Special attention is given to the role of informal care and the involvement of nonprofit and social economy

actors. The typology presented at the end of the chapter offers a concise classification of LTC regimes based on their core structural features and is meant to serve as a foundation for further comparative analysis within the DICES project.

Austria

Austria's long-term care (LTC) framework is a hybrid construct that combines universal, tax-funded benefits—such as the LTC allowance—with regionally flexible service delivery and both familial and market-based provision. A hallmark of this system is its regulated live-in model: roughly 60 000 self-employed migrant caregivers, predominantly women, reside with clients for two to four-week rotations, commuting from neighbouring countries (Trukeschitz et al., 2022). Enshrined in the 2007 Home Assistance Act, the arrangement is subject only to minimal regulation (social insurance, basic training, and quality standards) and receives modest subsidy support. Yet it remains largely unintegrated, precarious, and governed by self-employment, which perpetuates equity concerns and threatens workforce sustainability. The origins of this hybrid model lie in 1990s reforms that shifted emphasis toward cash-for-care allowances and decentralized delivery. While these changes expanded access to care, they also entrenched disparities, facilitated caregiver exploitation¹⁹⁶, and left the informal yet indispensable live-in pillar poorly integrated with the formal sector. Consequently, Austria's LTC system still wrestles with inequities, a fragmented regulatory environment, and broader challenges that affect both informal and formal care providers alike.

Austria's LTC system exemplifies a tax-funded, decentralized model that prioritizes familial and nonprofit care while integrating market solutions. Despite universal needs-based cash benefits¹⁹⁷ and robust nonprofit participation, regional disparities and reliance on informal carers threaten sustainability. The 2021–2024 reforms, including the “Task Force Pflege” and formalized employment pilots, signal efforts to modernize care delivery. However, addressing workforce gaps, standardizing provincial services, and enhancing carer support remain critical as the population over 80 is projected to double by 2050 (Federal Ministry of Social Affairs, 2024). Austria's experience underscores the tensions between local autonomy and equitable care in federated welfare states.

Institutional framework and governance

Austria's LTC system operates under a multi-level governance structure, split between federal and provincial (*Bundesländer*) authorities (Famira-Mühlberger & Österle, 2025; Trukeschitz et al., 2022). The federal government administers the “universal LTC allowance (*Bundespflegegeld*)”, a tax-funded cash benefit distributed based on care needs (Trukeschitz et al., 2022; Vilans, 2023). Managed by social insurance bodies, this allowance covers 5.3% of the population (467,752 recipients in 2019), with monthly payments ranging from €165.40 (Level 1) to €1,776.50 (Level 7).

¹⁹⁶ <https://d21zrvtktd6ae.cloudfront.net/public/uploads/2021/07/Austria-Care-Workers-REPORT-01062021.pdf>

¹⁹⁷ <https://golte.org/system-profile/austria/>

The Ministry of Social Affairs also regulates support for informal carers and 24-hour migrant care. Provinces oversee LTC service provision, including home care, residential care, and day centres, under the 1993 constitutional agreement (Trukeschitz et al., 2022). This decentralization results in significant regional disparities (Vilans, 2023)

Division of labour in care provision

Family Caregivers. Informal care remains the backbone of Austria's LTC system, with 801,000 family carers supporting home-based care recipients and 146,000 assisting in residential settings (Trukeschitz et al., 2022). Despite policy measures like pension credits and respite care, only 50% of carers qualify for support due to stringent eligibility criteria (e.g., ≥ 120 care hours/month) (Federal Ministry of Social Affairs, 2024; Trukeschitz et al., 2022). Recent pilot programs in Burgenland and Upper Austria formalize family care through employment contracts, offering wages and social security—a novel approach in Europe (Radlherr & Österle, 2024).

Public Services. Municipalities and provinces deliver most formal care through public and nonprofit entities:

- Residential care: 70,312 users in 858 facilities (91% public/nonprofit) (Famira-Mühlberger & Österle, 2025; Federal Ministry of Social Affairs, 2024; Trukeschitz et al., 2022).
- Home care: 98,589 users served by 12,654 full-time workers, predominantly via nonprofits (Famira-Mühlberger & Österle, 2025; Trukeschitz et al., 2022).

Social Economy Organizations. Nonprofit organizations occupy a central position in Austria's long-term-care ecosystem: many residential facilities (nursing homes) are managed by religious or community-based entities. Prominent welfare agencies—Caritas, the Red Cross, and Diakonie—account for roughly sixty to seventy per cent of home-care provision. In contrast to the cooperative models that underpin nursing-home operations in several other nations, Austrian cooperatives presently play a minor role in this sector. A noteworthy example of a cooperative initiative is WAG Assistenzgenossenschaft¹⁹⁸. Established in Vienna and governed by people with disabilities, WAG is a nonprofit co-operative that coordinates personal assistance services and serves as the legal employer for assistants, thereby delivering flexible, user-controlled support.

Market. Austria's long-term care (LTC) market has historically been dominated by public and non-profit providers, but for-profit providers hold a meaningful minority share of residential care and their presence has been increasing (Famira-Mühlberger & Leoni, 2024). According to WHO (2024d) the share of the public sector providing residential care was about 50%, while it was about 25% for the private non-profit sector and 25% for the for-profit sector in 2022. For-profit involvement is limited but growing in some areas:

¹⁹⁸ <https://zeroproject.org/view/project/a67c2a45-8aa3-4383-9c19-88cf3c969bba?>

- For-profit agencies are organizing “24-hour migrant care”: 60,123 workers support 30,000 recipients, subsidized by federal allowances (Trukeschitz et al., 2022; Vilans, 2023).
- Private insurance covers only 3% of the population, mainly for co-payments or private room upgrades (Vilans, 2023).

In *residential care*, nonprofits operate 25% of Austria's 858 residential LTC facilities (~215 institutions) (Trukeschitz et al., 2022). Public entities manage 50%, and for-profits account for the remaining 25%.

In *home care*, nonprofits deliver 60–70% of home care services, serving ~69,000–69,500 of the 98,589 home care users (Trukeschitz et al., 2022; Vilans, 2023). Major providers include Caritas and the Austrian Red Cross.

Austria hosts 295 social enterprises, with 15–20% operating in health and social care (Vandor et al., 2022). 46.9% of social enterprises are registered associations, 35.3% limited companies (GmbHs), and 12% individual enterprises. Only 3 social enterprises are structured as cooperatives.

Financing mechanisms

Austria spent €5.4 billion on LTC in 2019, funded through (Famira-Mühlberger & Österle, 2025; Federal Ministry of Social Affairs, 2024) taxation (85% via federal and provincial budgets, user co-payments, and LTC Fund).

Individual rights and entitlements

The long-term care allowance in Austria is conferred irrespective of a beneficiary's income, age, or familial circumstances, thereby allowing care needs to be satisfied through cash benefits calibrated to an assessed level of need (e.g., care levels)¹⁹⁹. Legal entitlement to needs-based care is preserved under the “service guarantee,” yet waiting times—particularly for access to nursing homes—remain problematic. Additional assistance directed at family caregivers comprises:

- Subsidized substitute care (“Ersatzpflege”): Families may receive €1,200–2,200 annually, contingent upon the recipient's care level; an extra €300 supplement is available when dementia or minors are involved. This aid is means-tested and disbursed only when formal substitute care arrangements have been secured²⁰⁰.

¹⁹⁹ <https://www.sozialministerium.gv.at/en/Topics/Care/Care-and-Support.html>

²⁰⁰ <https://www.sozialministerium.gv.at/Themen/Pflege/Betreuende-und-Pflegende-Angehoeerige.html>

- Care-training subsidies (“Pflegekurse”): Up to €200 per care recipient per year can be granted to enable family caregivers to attend professional caregiving or support courses, provided they satisfy the requisite income eligibility criteria²⁰¹.

These targeted supports aim to supplement informal caregiving and encourage temporary professional or private substitution where needed. (Federal Ministry of Social Affairs, 2024; Trukeschitz et al., 2022).

Regulatory Framework for Providers

Quality Standards. There exists staffing ratios (≥ 0.7 FTE nurses/resident) and mandatory dementia training for residential care (Federal Ministry of Social Affairs, 2024).

Oversight Mechanisms. At the federal level the Ministry of Social Affairs sets minimum service standards while at the provincial level, the *Laender* governments license providers and manage regional needs assessments (Vilans, 2023).

Belgium

Belgium’s long-term care (LTC) system combines federal oversight with regional autonomy, strongly characterized by nonprofit sector involvement. Fragmentation across regions, workforce shortages, and heavy reliance on migrant labour represent significant challenges. Policies include universal cash benefits and caregiver support. Continued harmonization and investment in workforce sustainability are essential to address the projected doubling of the elderly population by 2050 (OECD, 2021). Belgium’s long-term care (LTC) system reflects its complex federal structure, balancing public, private, and social economy actors. Governed by a mix of federal and regional authorities, the system emphasizes universal access, decentralized service provision, and a strong reliance on informal caregivers. Belgium’s LTC system represents a decentralized, hybrid model with significant nonprofit sector involvement. Regional autonomy allows tailored services but also generates equity concerns across the country. As the population ages, harmonization of standards, improved workforce planning, and sustainable financing mechanisms will be necessary to ensure long-term resilience.

Institutional framework & governance

Multi-level system since the 6th State Reform (2014): federal National Institute for Health and Disability Insurance (NIHDI) funds medical LTC, regions fund non-medical supports and Flemish social insurance (*Zorgverzekering*).

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https://www.sozialministeriumservice.gv.at/Angehoerige/Pflege_und_Betreuung/Pflegende_Angehoerige/Unterstuetzung_fuer_pflegende_Angehoerige.de.html

Federal Level. Oversees health insurance (via the National Institute for Health and Disability Insurance, NIHDI), covering medical LTC (e.g., nursing homes, home nursing). The universal LTC allowance ((Dutch: *Tegemoetkoming voor hulp aan bejaarden* / French: *Allocation pour l'aide aux personnes âgées*) is administered federally, providing cash benefits to ~467,752 recipients (2019) based on Activities of Daily Living/ Instrumental Activities of Daily Living (ADL/IADL) assessments (Pacolet & De Wispelaere, 2018; Willermé, 2010). However, Belgium's LTC architecture is mixed: regions/communities also run important cash schemes. For example, Flanders operates a compulsory Flemish Social Protection²⁰² (*Vlaamse Sociale Bescherming*) which includes a care budget (*zorgbudget*, sometimes referred to in policy literature as the Flemish care insurance or *zorgverzekering*) that provides a lump-sum monthly allowance for non-medical care to people with significant care needs. Brussels residents may opt in to the Flemish scheme under certain conditions.

Regional level. Flanders, Wallonia, Brussels, and the German-speaking Community manage non-medical care (e.g., home help, social services). Flanders established a compulsory social insurance scheme (*Vlaamse Zorgverzekering*) in 2018, financed through regional taxes and user contributions (Gateway to Global Aging Data, 2024; Pacolet & De Wispelaere, 2018; Willermé, 2010). This decentralization has led to regional disparities in service availability and costs. For example, residential care costs range from €90/day in Wallonia to €223/day in Brussels (Pacolet & De Wispelaere, 2018; Willermé, 2010).

Division of labour in care provision

Informal Care: Over 801,000 family caregivers provide ~80% of home-based care, saving the system €2.1 billion annually (Pacolet & De Wispelaere, 2018). Federal measures include “care leave” (up to 3 months for palliative care) and tax credits for hiring private caregivers. However, only 50% qualify due to strict eligibility criteria (e.g., ≥120 care hours/month) (Gateway to Global Aging Data, 2024).

Within residential care 91% of 858 facilities are public or nonprofit, serving 70,312 residents. Federal health insurance covers medical costs, while regions fund infrastructure (Gateway to Global Aging Data, 2024). Regarding *home care* 5.7 % of the population aged 65+ received long-term care services at home in 2021 (Gerkens et al., 2024); 60–70% are delivered by nonprofits like Caritas and Red Cross. Home nursing remains federally funded, while regions manage non-medical support (Gateway to Global Aging Data, 2024).

For-profit entities deliver 20–30% of home care via voucher systems (e.g., *dienstencheques*). Private LTC insurance covers only 3% of Belgians, mainly for co-payments (Gateway to Global Aging Data, 2024). 60,123 self-employed caregivers (mostly from Eastern Europe) support 30,000 households, subsidized by federal allowances (Gateway to Global Aging Data, 2024).

²⁰² <https://www.vlaanderen.be/en/joining-the-flemish-social-protection>

Nonprofits dominate service provision, operating 31–32% of residential facilities and 60–70% of home care. Associations (94.8% of social economy entities) employ 583,209 workers, with 69% in health/social services (OECD, 2021).

Financing mechanisms

LTC in Belgium is financed through a combination of public taxation, compulsory health insurance contributions, regional social insurance (particularly in Flanders), and user co-payments. Public expenditure accounted for approximately 2.3% of GDP in 2022. Regional funding disparities and user co-payment burdens remain key issues in terms of access and equity (OECD, 2021).

Individual rights & entitlements

Belgian residents have access to LTC entitlements based on care dependency assessments. Individuals receive universal cash benefits or in-kind services depending on regional policies. Legal entitlements to care are accompanied by caps on waiting times and income-tested co-payment ceilings (European Commission, 2022).

Regulatory framework

Quality and licensing standards are defined by both federal and regional authorities. At the federal level, staffing ratios and mandatory training programs are implemented. Regional agencies are tasked with monitoring and quality assurance, including the enforcement of audit and inspection protocols (WHO, 2020).

Bulgaria

Bulgaria's LTC system is decentralized, governed by a fragmented mix of health and social care services. Reliance on informal caregiving is pronounced due to underdeveloped formal care infrastructure. Workforce shortages, especially among nurses, persist due to low wages and emigration. Recent legislative frameworks like the 2019 Social Services Act aim to standardize services. Continued EU-aligned reform and stronger social economy involvement are vital for future sustainability (European Observatory on Health Systems and Policies, 2024; OECD, 2021). Bulgaria's LTC system continues to rely heavily on informal caregivers, with formal service provision constrained by financial and institutional limitations. Despite legislative efforts to develop community-based care, challenges persist in funding, workforce retention, and regional equity. Strengthening the role of the social economy and enhancing public investment are critical for the system's evolution.

Institutional framework & governance

Bulgaria's LTC system is governed through a fragmented arrangement involving the Health Act and the Social Assistance Act. The 2019 Social Services Act sought to harmonize governance by

introducing a national regulatory framework for licensing, service quality, and individualized care planning (OECD, 2021).

Division of labour in care provision

Informal care remains the primary form of LTC in Bulgaria, with family members delivering the majority of services. Public provision is limited to municipal-level services and a constrained network of institutional facilities. The social economy is still in its early stages, with limited nonprofit and cooperative participation in direct service delivery. Private LTC providers are scarce and concentrated in urban areas (Health System in Transition, 2024).

Financing mechanisms

LTC in Bulgaria is underfunded relative to EU averages. Expenditure stood at 0.4% of GDP in 2016 and is projected to rise to 0.6% by 2030. Funding sources include municipal budgets, national social assistance allocations, and European Social Fund (ESF) contributions. Out-of-pocket payments account for a high proportion of care costs (OECD, 2021).

Individual rights & entitlements

LTC access is based on assessed disability levels and is often conditioned by income and resource testing. Individuals may receive disability pensions and care supplements. The 2019 Social Services Act introduced a legal right to individualized care plans, although implementation remains inconsistent (Health System in Transition, 2024).

Regulatory framework for providers

The 2019 legislation introduced provider licensing and mandated regional service planning. Quality assurance mechanisms remain underdeveloped, and national staffing standards are lacking. Efforts to professionalize the workforce have been hindered by low wages and high emigration of care workers (OECD, 2021).

Czech Republic

Institutional framework and governance

The Czech long-term care (LTC) system is marked by a fragmented institutional architecture that divides responsibility between the health-care and social-care sectors. Vertically, authority for LTC is shared among the state, regions, and municipalities. The Ministry of Health supervises medical and nursing aspects, primarily financed through public health insurance, whereas the Ministry of Labour and Social Affairs (MLSA) governs social-care services.

This division has fostered coordination difficulties and cost shifting: hospitals or nursing units frequently admit patients whose needs are predominantly social because health insurance subsidizes their stay, while social-care facilities depend on user payments. A significant reform in 2007—the Social Services Act—modernized the social-care sector by expanding the scope of services and decentralizing funding to local providers. Nonetheless, governance remains divided, and an inter-ministerial working group has explored integrating health and social LTC services to enhance coherence; progress to date has been modest (EU, 2020).

Division of labour in care provision

Czechia exemplifies a “family-based” long-term care (LTC) model in which informal caregiving predominates. Care is largely supplied by relatives and friends, reflecting cultural norms that view LTC as a family affair; no legal mandate obliges kin to provide such support. Roughly half to three-quarters of the assistance required by dependent individuals—ranging from 52 % to 75 %, depending on dependency level—is rendered by informal carers²⁰³. Formal services are available in both institutional and home settings: about 15 % of those needing LTC receive care in health or social care facilities, while the remainder rely on domiciliary or day-care arrangements. These formal provisions involve a blend of public entities and non-state actors.

Regions and municipalities operate numerous social-care facilities—such as care homes—while a sizable contingent of nonprofit or faith-based organizations also deliver services, particularly in community settings. Providers within the “social economy” (charities, NGOs, private entities) may supply care either through public registration or contractual arrangements. Formal providers that register with the state are eligible for public funding and must comply with price caps; unregistered actors exist as well, but their clients pay entirely out of pocket. In practice, almost half of those entitled to a care allowance do not engage any formal services. Consequently, the cash benefit tends to subsidize informal family care rather than stimulate demand for formally registered providers. Although policymakers are gradually promoting deinstitutionalization and home-based care—thereby shifting the balance—the reliance on informal carers remains a central feature of long-term care in the Czech Republic²⁰⁴.

Financing mechanisms

Multi-source financing underpins long-term care (LTC) in the Czech Republic. No dedicated LTC insurance exists; instead, resources derive from a blend of public health insurance, state budgets and private contributions. Health-insurance funds cover virtually all costs associated with long-term nursing and medical care delivered by health-sector facilities or home-nursing agencies. In the social-care arena, the flagship instrument is the “care allowance”—a cash benefit introduced in

²⁰³ <https://eurocarers.org/country-profiles/czech-republic/#:~:text=According%20to%20the%202015%20National,proportion%20of%20men%20is%20highern>

²⁰⁴ <https://eurocarers.org/country-profiles/czech-republic/#:~:text=With%20the%20focus%20of%20institutional,disabilities%20or%20requiring%20psychiatric%20care>

2007 that is disbursed to individuals according to an assessed level of dependency. The allowance is non-means-tested (with the exception of minors) and can reach roughly half the average wage for those at the highest dependency tier. Its purpose is to facilitate the purchase of services or otherwise support the care recipient's needs (EU, 2019a).

In practice, this allowance—alongside any supplementary private contributions—constitutes the backbone of user fees, which comprise almost half of total social-care financing. The residual service costs are subsidized by the MLSA through earmarked grants to regional and local authorities. In institutional settings (for example, residential homes), residents remit up to 85 % of their income toward accommodation and meals; the care allowance may be applied against service fees, with any remaining shortfall borne by the individual or their family. Where a client's means are insufficient for necessary care—such as nursing—a public top-up from state or municipal budgets is sometimes provided. Overall, public outlays on long-term care (health and social combined) represented approximately 1.3 % of GDP in 2016, below the EU average (EU, 2019a).

Individual rights and entitlements

Czech law does not establish a subjective entitlement to on-demand formal long-term care (LTC) services; instead, it provides a set of benefits and leave provisions that constitute the legal framework for support rights. The care allowance entitles eligible individuals to financial assistance, contingent upon a needs assessment that assigns one of four dependency levels. In 2018, this scheme was complemented by an expanded provision for family caregivers: a long-term carer's benefit. This benefit operates as paid caregiving leave within the sickness insurance system; an employed or self-employed person who must care for a relative following hospital discharge may receive up to 90 days of income replacement at the sickness benefit rate, with accompanying job protection during the leave period²⁰⁵.

Regulatory framework for providers

The Czech Republic regulates long-term care (LTC) providers through distinct frameworks for health and social services. Social-care entities—home-care agencies, day centres, residential homes, and the like—must register under the Social Services Act and satisfy stipulated standards to qualify for public funding. Registered providers are subject to routine quality inspections and price caps on user fees imposed by authorities, thereby safeguarding both affordability and care quality in the social sector. Unregistered operators may function privately; however, users bear full out-of-pocket costs, and such entities fall outside formal MLSA regulation. Supervision is jointly carried out by the Ministry of Labor and Social Affairs (MLSA) and regional authorities, while a National Register of Social Services Providers monitors capacity and utilization (EU, 2019a).

²⁰⁵ <https://eurocarers.org/country-profiles/czech-republic/#:~:text=Multi,cover%20almost%20all%20the%20costs>

In the health sector, long-term care hospitals, nursing units, and home-health agencies are governed by national healthcare legislation and overseen by the Ministry of Health. These medical long-term care (LTC) providers must secure licensure as health institutions and enter contracts with public insurance funds. Yet, empirical reports consistently highlight that coordination between medical and social service providers remains suboptimal under existing regulatory frameworks (EU, 2019a).

Germany

Germany's long-term care (LTC) system integrates public, private and informal care within a formally mandated insurance framework. Formal care is provided by institutions—public agencies, and private providers that may be for-profit or not-for-profit. These formal services are predominantly in-kind, often more generous than the cash transfers earmarked for informal carers (Kesternich et al., 2025). Informal care, delivered by family members or friends, receives comparatively modest lump-sum payments but remains a vital, albeit under-compensated, component of the overall provision. The nonprofit sector exerts considerable influence in Germany: Caritas alone employs roughly 700 000 people at some 25 000 facilities, thereby providing a substantial proportion of care services delivered by nonprofit organizations. In contrast, the home-care market is dominated by for-profit providers, yet non-profits maintain a presence across many regions. LTC financing rests on mandatory Long-Term Care Insurance (LTCI), which supplies partial cost coverage according to assessed need—i.e., the care degree (Geyer et al., 2023). Benefits may be provided as cash for informal caregiving or as in-kind services, yet co-payments are the norm. In institutional settings, residents typically pay between €1 800 and €2 400 per month²⁰⁶, while reimbursements for informal or home care rarely compensate fully for out-of-pocket expenses²⁰⁷. The monthly amounts (e.g. €1,800–€2,400) are the resident's *Eigenanteil* — i.e. the part of nursing-home costs not covered by the statutory *Pflegeversicherung* and comprising remaining care costs, accommodation and board, and facility investment charges. These co-payments vary by *Bundesland* and facility and have tended to increase in recent years; where the insured person cannot pay, means-tested social assistance (*Hilfe zur Pflege*) may step in.

Germany confronts systemic challenges even within this framework: an ageing population, uneven geographic distribution of services, and a workforce that relies heavily on migrant and part-time workers. Ensuring quality, affordability, favourable working conditions, and equitable access—particularly for those who must shoulder substantial private costs—remains urgent. Recent reforms target the professionalization of care staff, the integration of digital processes, and the reinforcement of quality controls.

²⁰⁶ <https://www.bundesgesundheitsministerium.de/themen/pflege/online-ratgeber-pflege/leistungen-der-pflegeversicherung/vollstationaere-pflege-im-heim.html>

²⁰⁷ <https://gesund.bund.de/en/long-term-care-insurance>

Institutional framework & governance

Germany's LTC system is embedded in the German federalist system. This means that both the national level and the individual federal states as well as districts and municipalities have different competences. On national level, the federal ministry for health is responsible for long-term care with a special Federal Commissioner for Long-Term Care (Bevollmächtigte(r) der Bundesregierung für Pflege) assigned to the ministry.

The German federation entrusts its Länder with the authority to license and oversee care facilities, set provider standards, and deliver workforce training. They also co-design infrastructure planning and play a pivotal role in quality assurance. At the local level, municipalities and districts complement this framework by coordinating neighbourhood services, providing social assistance to those who cannot afford care through insurance or personal income, and supporting family caregivers. This tiered governance (Theobald & Hampel, 2013) mirrors Germany's welfare federalism more broadly. The federal government delineates the insurance framework and funding mechanisms, while Länder and municipalities are indispensable for service planning, authorization, and delivery. The design allows adaptation to regional conditions but simultaneously introduces coordination challenges and potential disparities in service quality.

The German system is underpinned by mandatory Long-Term Care Insurance (LTCI), introduced in 1995. It functions within the broader social insurance system and covers nearly the entire population. It can be either covered by statutory long term care funds (quasi-public corporations) or a private insurance. Federal law (i.e. Social Code Book – SGB XI) defines benefit levels and entitlements, while service delivery is decentralized to municipalities and provider networks (Gerlinger, 2018).

Division of labour in care provision

Informal carers, particularly relatives, are the primary care providers for a majority of LTC recipients (in 2018, 3,1 mil.). Public and nonprofit organizations historically played a central role, although for-profit providers have grown in both home and institutional care. The nonprofit sector, particularly large welfare organizations, continues to serve vulnerable populations. At the same time, the German LTC system has become increasingly dependent on migrant workers—not only in live-in household care arrangements but also as employees in formal LTC facilities and home care services. This has raised debates about working conditions, labour rights, and sustainability (Gerlinger, 2018; Health systems in transition, 2020a).

In Germany, the long-term care (LTC) system is shaped by the interaction of informal family provision, nonprofit and for-profit providers, and an increasingly internationalized workforce. Recent policy initiatives have broadened support for informal carers: counselling centres, respite services, targeted training programs, and pension contributions for qualifying family caregivers are now

available (Health Systems in Transition, 2020a, pp. 182–182). These measures recognize the central role of family caregiving while seeking to alleviate its burdens.

Financing mechanisms

LTC is funded through compulsory contributions from employers and employees. As of 2025, the contribution rate stands at 3.4% of gross income. Public funds subsidize dementia care and other reforms. Users may choose between cash benefits and in-kind services, and co-payments are capped for residential care.

Long-term care insurance (LTCI) benefits are capped and consequently fail to cover the full spectrum of care costs. This shortfall is particularly pronounced in residential settings, where user co-payments have risen steadily despite policy initiatives aimed at curbing them. In 2023, the average out-of-pocket expenditure for nursing-home residents surpassed €2 400 per month, encompassing accommodation, food, and investment costs. The escalating private co-financing burden has thus emerged as a central issue in German policy discourse, provoking concerns about affordability, equity, and system sustainability (Geyer et al., 2023; Lorenz-Dant, 2020). In 2018, long-term care represented 14.8 % of total health expenditure, reflecting both the growing demographic demand and the mixed financing structure.

Individual rights & entitlements

All insured individuals are legally entitled to receive LTC benefits upon qualifying under five established care levels. Beneficiaries may opt for either direct cash allowances or professional services, fostering flexibility. Legal frameworks ensure access, although regional service disparities exist (Gerlinger, 2018; Health systems in transition, 2020a).

Regulatory framework for providers

Quality standards are regulated at the federal level by statutory bodies such as the Federal Joint Committee and enforced by the Medical Service. Provider inspections and care evaluations are standardized nationally (Health systems in transition, 2020a).

Greece

Greece relies heavily on informal family caregiving, with social economy organizations playing a small but significant role. Fragmentation in governance, high nurse emigration rates, and uneven regional service distribution complicate LTC provision. Recent efforts focus on increasing social enterprise involvement and EU-funded initiatives to stabilize service delivery. Further investment in cooperatives and nonprofit sectors is essential as demographic pressures grow ((GOLTC, 2022; Health systems in transition, 2017; WHO, 2024a). Greece’s LTC system remains reliant on informal care, with weak institutional structures and underdeveloped formal care infrastructure. Expanding

the role of social economy actors and improving regulatory oversight will be critical for future development.

Institutional framework & governance

Greece's LTC system is fragmented, with overlapping responsibilities among the Ministry of Health, Ministry of Labor, and municipal governments. Formal services are limited and often delivered through municipally funded programs like Help at Home (WHO, 2024a).

Division of labour in care provision

Family caregivers provide the bulk of LTC. Public services are mainly limited to urban centres, while rural areas face significant service gaps. Social economy actors remain small in scale, with minimal cooperative or nonprofit service provision. Private LTC services are expanding but remain unaffordable for many (GOLTC, 2022).

Financing mechanisms

Public expenditure on LTC remains below the EU average, accounting for less than 0.3% of GDP. Funding is fragmented across central and municipal budgets. EU funds have supported pilot programs, but national investment remains low. Out-of-pocket costs are significant, especially for institutional care (WHO, 2024a).

Individual rights & entitlements

Entitlements are means-tested and vary by region. There is no national LTC insurance or universal cash allowance. Access to services is generally limited to those qualifying for disability or social assistance benefits (GOLTC, 2022).

Regulatory framework for providers

There is no unified national quality framework. Licenses are issued by the Ministry of Health, but inspection and monitoring remain inconsistent. Recent efforts to support social economy involvement have yet to result in substantial policy reforms (WHO, 2024a).

Ireland

Ireland's LTC system features significant reliance on private and nonprofit residential care facilities. Workforce shortages, significant home care waitlists, and regional service inequalities challenge system efficiency. Recent strategies emphasize cooperative care models and social enterprise growth. Continued financial investment and addressing workforce sustainability through improved wages and conditions remain critical (GOLTC, 2024; WHO, 2024b). Ireland's LTC system is

characterized by mixed public-private provision, reliance on informal carers, and evolving social enterprise participation. Legislative developments to strengthen home care access and address workforce shortages will be crucial for achieving system sustainability.

Institutional framework & governance

LTC policy in Ireland is set by the Department of Health and implemented by the Health Service Executive (HSE). The system is characterized by a mix of public, nonprofit, and private providers. The Nursing Home Support Scheme (Fair Deal) provides subsidies for residential care (WHO, 2024b).

Division of labour in care provision

Family caregivers remain central to the provision of LTC, supported by means-tested Carer's Allowance. Public services deliver a minority of residential beds, while the nonprofit and private sectors dominate. Cooperative initiatives like the Great Care Co-op are emerging within the social economy. Home support is primarily publicly funded but faces long waiting lists (GOLTC, 2024).

Financing mechanisms

LTC is financed through general taxation. Under Fair Deal, users contribute 80% of their income and 7.5% of their assets, with the state covering the remainder. Home care is funded by the HSE, though it lacks a statutory right. Total LTC expenditure is rising, requiring ongoing budget expansion (WHO, 2024b).

Individual rights & entitlements

Users have a statutory right to residential care support through Fair Deal, though access to home care remains discretionary. Pending legislation aims to create a statutory home support scheme. Financial support is also available to caregivers through various allowances (GOLTC, 2024).

Regulatory framework for providers

Residential care providers are regulated by the Health Information and Quality Authority (HIQA), which enforces staffing standards, dementia care protocols, and facility inspections. Home care providers are subject to voluntary regulation, although this may change under upcoming reforms (WHO, 2024b).

Lithuania

Institutional framework and governance

Lithuania's long-term care (LTC) system is governed jointly by the health and social sectors, yet it lacks a single, cohesive LTC statute. The Ministry of Social Security and Labor handles social-care provisions—personal assistance, help with daily living activities—whereas the Ministry of Health

administers medically oriented services such as nursing and palliative care. Central authorities formulate overarching strategies, standards, and programs for LTC, but the execution is delegated to municipalities. Local governments evaluate community needs, organize and deliver social services, and even oversee certain primary-healthcare facilities, including nursing hospitals (EU, 2019b).

In practice, long-term care (LTC) governance remains fragmented, rendering the integration of health and social services a persistent challenge. The necessity for a unified legal framework that coherently merges these services has been underscored, particularly given that older adults frequently require simultaneous medical and social support. In 2014 Lithuania launched a deinstitutionalization reform aimed at relocating care for specific groups—namely children and persons with disabilities—from large institutions to community- and home-based settings (EU, 2019b).

While progress has been made—particularly in the reduction of institutionalized children—the integration of adults with disabilities and mental-health conditions lags behind. Governance reforms are underway: municipalities are piloting integrated home-care models, and amendments to the Law on Social Services (2006) together with related regulations are clarifying responsibilities. Nevertheless, this fragmentation necessitates robust coordination among ministries and subnational authorities (EU, 2019b; OECD, 2022; WHO, 2024c).

Division of labour in care provision

Informal caregiving—by relatives, neighbours, friends, or volunteers—is the cornerstone of long-term care in Lithuania. Most older adults and people with disabilities receive their daily support from family members or community helpers, an arrangement deeply rooted in a cultural expectation of filial duty. The persistence of this model is furthered by two structural constraints: a limited supply of formal care services and the prohibitive cost of private options, which render institutional care inaccessible to many households (EU, 2019b).

Formal long-term care (LTC) is delivered through two complementary modalities: institutional settings—such as residential care homes and nursing hospitals—and home- and community-based services—including home help and day centres. In a majority of municipalities, public home-care agencies and social service centres constitute the core providers of these services. The participation of non-state actors has increased markedly in the residential sector; a growing share of care homes for older adults and people with disabilities is now operated by nonprofit organizations through public tenders. In contrast, private providers have begun to emerge in the home-based arena, yet municipal services still dominate this field. Despite recent progress, a pronounced gap remains between the need for formal long-term care (LTC) and the supply available to meet it. This shortfall, reinforced by entrenched cultural norms that entrust caregiving duties to families, places an overwhelming burden on informal carers (EU, 2019b; WHO, 2024c).

Financing mechanisms

Public in-kind services—home care, residential care, day-care, and nursing—receive financing from national and municipal budgets as well as the Compulsory Health Insurance Fund. The latter covers up to 120 days of inpatient nursing care; stays that exceed this threshold are financed either by local authorities or paid directly by patients. Users of social-care services contribute a co-payment that is proportional to their income: for instance, residents in care homes may be required to pay as much as eighty percent of their earnings, with the remainder subsidized publicly (EU, 2019b; WHO, 2024c). To support home care, Lithuania offers cash benefits to dependent individuals. Two main schemes—“compensation for care” and “compensation for attendance”—have existed since 2007 and are paid to individuals, not caregivers. These payments help cover care needs or informal family support. Some municipalities offer a Social Care Benefit, a cash substitute for direct services, though it is rarely used.

Lithuania supports home-care recipients through monetary assistance directed to the individuals themselves rather than to their caregivers. Since 2007 two principal schemes have been in operation: “compensation for care” and “compensation for attendance”. These payments are intended to offset the costs associated with personal care or to compensate family members who provide informal support. In addition, a handful of municipalities offer a “Social Care Benefit”, a cash alternative to direct services; however, uptake of this option remains limited. Overall, these benefits function as Lithuania’s analogue of “cash-for-care.” Yet informal carers receive little direct support: there are no specific caregiver allowances, paid leave, or substantial tax incentives. Consequently, families absorb a considerable portion of long-term care costs through co-payments, unpaid caregiving, or by hiring private assistance (EU, 2019b; WHO, 2024c).

Individual rights and entitlements

Lithuania does not provide a universal entitlement to long-term care; nevertheless, specific entitlements are codified in law. Individuals who receive a formal needs assessment may obtain either publicly funded services or monetary assistance, although the actual provision of these benefits frequently depends on the resources available at the municipal level. The Law on Social Services mandates that every claimant undergo a needs evaluation, and, upon eligibility, grants access to essential care—such as home-help arrangements or institutional accommodation. However, limited capacity often results in waiting lists that delay service delivery (EU, 2019b; WHO, 2024c). Cash benefits for dependency—commonly referred to as care-and-attendance compensations—constitute statutory entitlements that are awarded on the basis of medical and functional assessments. The funds conferred by these benefits are entirely discretionary, enabling beneficiaries to direct the resources either toward professional service providers or toward remunerating informal carers.

Family caregivers receive limited institutional support. Their status is not legally acknowledged, and no dedicated allowances exist; the modest respite-care scheme introduced in 2007 has seen

limited uptake. While employed carers enjoy generic labour entitlements—such as unpaid leave and flexible work arrangements—no provisions specifically address the demands of elder care (EU, 2019b; WHO, 2024c). Lithuanian legislation affirms a moral obligation for adult children to care for aging parents; however, this duty remains unenforced in practice. Public sentiment is evolving, with an increasing expectation that full-time caregivers should receive compensation. While individuals are entitled to assessment and limited financial assistance, actual service provision is restricted, and statutory support directed at family carers remains limited.

Regulatory framework for providers

In Lithuania, regulation of long-term care (LTC) providers is divided along the health-versus-social care line. Social-care services—such as elder-care homes and home-based support—are governed by the Law on Social Services (2006). That statute establishes quality benchmarks and requires licensing for a subset of providers. Residential institutions must adhere to nationally prescribed standards and are subject to inspection by the Social Services Supervision Department. Municipalities, meanwhile, serve as the primary financiers, managers, and overseers of these services (EU, 2019b; WHO, 2024c).

Private providers—including nonprofits and private firms—may deliver services through municipal contracts that subject them to the same quality standards as public entities, with selection typically via open tenders. This arrangement has expanded nonprofit participation while simultaneously imposing contractual oversight by local authorities. Health-related long-term care (LTC) providers—such as nursing hospitals, LTC units, and home-based nursing services—fall under health legislation; they must hold medical licenses, obtain additional accreditation, and undergo supervision to guarantee compliance in specialized domains such as palliative or geriatric care. Enforcement in social-care provision remains uneven because of limited resources, while the fragmented regulatory framework hinders coordination across sectors. Recent reforms seek to remedy these shortcomings by integrating services—combining home nursing with personal care within unified teams—and by upgrading data systems to enable more effective monitoring (EU, 2019b; OECD, 2022; WHO, 2024c).

Norway

Norway's LTC system operates under a universal, tax-funded model emphasizing public service delivery complemented by nonprofit providers. Workforce stability and high-quality care are maintained through robust training programs and regulatory frameworks. However, increasing care demands due to demographic changes necessitate continuous workforce investment and enhancement of digital care solutions. Balancing regional disparities and enhancing informal care support are ongoing priorities (Health Systems in Transition, 2020b). Norway's LTC system is a publicly funded, municipally managed model. The Municipal Health and Care Services Act ensures

universal access to necessary health and care services. Municipalities are primarily responsible for financing and service delivery, with supplementary funding from central government (Tikkanen et al., 2020).

Division of labour in care provision

Public services dominate LTC provision, including 91% of nursing home care and 88% of home care. The nonprofit share of expenses is 7.5% and 4.5% respectively (NOU 2024: 17, page 305). Informal caregivers are supported through carer strategies and workplace protections. Cooperatives such as Uloba²⁰⁸ exemplify user-directed care models. For-profit actors in nursing homes are almost extinct, while there is a very small but increasing share in homebased care.

Financing mechanisms

LTC is financed through a combination of municipal taxes, central government grants, and user co-payments. Co-payments are income-based and capped to ensure affordability. The attendance allowance supports family caregivers, but it is scarcely implemented by the municipalities. Overall LTC spending amounted to NOK 155 billion (€13.3 billion) in 2022 (Skevik Grødem, 2018).

Individual rights & entitlements

All residents are entitled to needs-based services under municipal assessment. Co-payments must leave users with a guaranteed minimum disposable income. Rights to carer leave and respite care are legally defined (Health Systems in Transition, 2020b).

Regulatory framework for providers

The Norwegian Board of Health Supervision monitors quality indicators and compliance. National standards prescribe staffing ratios and dementia training. Provider licensing and municipal inspections ensure regulatory enforcement (Skevik Grødem, 2018).

Typologies

In Table 4.1, we provide a typology of how the different countries cluster in different LTC regimes. Furthermore, we demonstrate how these regimes are linked to the broader welfare state regimes that we discussed in Chapter 2. What we see is considerable alignment in the LTC regimes with the broader welfare regimes.

²⁰⁸ <https://www.uloba.no/om-uloba/>

Table 4.1 Typology of long-term care regimes

Regime	Countries	Key features	Linkage to welfare regime
1. Nordic universal, service-oriented • Tax-financed, universal right to in-kind services provided mainly by municipalities • Small commercial sector, generous carer supports, strict quality regulation	Norway	Municipalities deliver > 90 % of nursing-home beds and almost all homecare; entitlement anchored in the Municipal Health and Care Services Act; spending ≈ NOK 155 bn (€ 13.3 bn) in 2022; co-payments capped to protect income	Scandinavian model: the state takes primary responsibility, with informal care only complementary.
2. Continental/Bismarckian social-insurance hybrids • Compulsory social-insurance (or universal cash allowance) as the main entitlement • Mix of public, nonprofit and for-profit providers; strong nonprofit legacy, based on subsidiarity policy, corporatist relations or pillarization • Users may choose cash or services; decentralized governance	Germany	Mandatory LTCI since 1995 covering almost the whole population; users choose cash vs services; market share growing but nonprofits still central	Social-insurance with regulated competition.
	Belgium	Health-insurance (NIHDI) pays medical LTC nationwide; regions fund non-medical services and, in Flanders, a compulsory care-insurance scheme; nonprofits deliver 60–70 % of home care	Federal insurance logic plus strong regional layer.

Regime	Countries	Key features	Linkage to welfare regime
	Austria	Universal, tax-financed cash allowance + provincial responsibility for services; nonprofits dominate home care; families still main carers	Public support for LTC provision in Austria uses a combination of cash-for-care provision and a range of services: residential care settings, community-based care services, live-in care arrangements and support for informal care provision
3. Liberal/market-oriented, means-tested • General-tax funding but benefits heavily means-tested • Large private and nonprofit residential sector, growing home-care market • Entitlements narrower (residential care guaranteed, home care not yet)	Ireland	“Fair Deal” subsidises nursing-home fees but requires users to contribute 80 % of income + 7.5 % of assets; home-support scheme still discretionary and subject to long waiting lists; private & nonprofit providers supply the majority of beds	Liberal type where the state caps prohibitive cost but relies on market provision and family resources.
4. Familistic / Mediterranean (informal-care dominated) • Very low public spending (< 0.3 % GDP) • Fragmented governance, no universal insurance or cash-allowance • Heavy reliance on kinship, limited formal services concentrated in cities	Greece	Care mainly delivered by families; no national LTC insurance; municipal ‘Help at Home’ patchy; out-of-pocket costs high; governance fragmentation across ministries	Characteristic Southern European model that presumes family responsibility.
5. Post-socialist / residual-informal • Very low spending and under-developed infrastructure • Fragmented governance both horizontally and vertically • LTC still provided mostly by relatives; small, urban-centred private sector	Bulgaria, Czech Republic, Lithuania	LTC remains “informal-first”; municipal services scarce; high out-of-pocket payments; workforce drained by emigration.	Shares traits of many Central- and Eastern-European systems in early transition.

Combined typology of care provision by social economy

Our interest in LTC is particularly directed at the role of the social economy actors. In Table 4.2, we therefore create a combined typology which also included the role of the social and solidarity economy actors. The *vertical dimension* shows *how long-term care (LTC)* is organized and financed (six regime types). The *horizontal dimension* shows how fully the social and solidarity economy (SSE) is recognized and supported (four clusters). Crossing the two dimensions produces 24 possible cells. In practice, EU (and Norwegian) countries concentrate in six recurring **regimes of LT care provision by the social economy**:

- *Where the state is the main provider (Regime 1) the social economy is complementary and often experimental.*
- *In insurance-based systems (Regimes 2 & 3) the social economy is already an institutional co-provider.*
- *Mediterranean countries split in two: leaders with strong cooperative traditions (Regime 4) versus systems where both care and social economy are still consolidating (Regime 5). Here EU Structural Funds are important.*
- *Liberal regimes (Regime 6) rely on social economy organizations as a community safety-net when means-tested schemes fall short.*

Table 4.2 Combined typology of long term care provision by social economy

No.	Combined regime	LTC logic	Social economy ecosystem	Typical role of social economy in care	Illustrative countries
1	Universal-statist with nascent social economy	Nordic universal, service-oriented	Cluster 4 (nascent/patchwork)	Small but growing complementary provider; innovation niches (e.g. home-help co-ops) alongside dominant municipal services	Norway, Denmark, Sweden

No.	Combined regime	LTC logic	Social economy ecosystem	Typical role of social economy in care	Illustrative countries
2	Insurance-pluralist with decentralised social economy	Continental / Bismarckian	Cluster 3 (decentralised recognition)	Long-established nonprofits deliver a large share of both home and residential care under service contracts; social economy co-governs at Länder/Länder-equivalent level	Germany, Austria
3	Insurance-pluralist with comprehensive social economy	Continental / Bismarckian	Cluster 1 (comprehensive frameworks)	Social economy actors are fully integrated partners of statutory insurance, often with their own sector funds and tax incentives; they shape quality standards	France (via its 2014 social economy law) and, to a degree, Luxembourg and the Netherlands
4	Familistic-bridging with cooperative social economy leaders	Familistic / Mediterranean	Cluster 1 (comprehensive frameworks)	Large networks of social cooperatives/social-enterprise consortia substitute for limited public home-care supply and organize domiciliary, day-care and respite services	Italy, Spain, Portugal
5	Familistic/residual with maturing social economy	Familistic or post-socialist residual	Cluster 2 (dedicated law but maturing)	Emerging social economy organizations and associations fill gaps left by family care; strong reliance on EU funds and pilot projects; coverage still patchy	Greece, Bulgaria, Romania, Slovakia, Latvia

No.	Combined regime	LTC logic	Social economy ecosystem	Typical role of social economy in care	Illustrative countries
6	Liberal–market with community social economy safety-net	Liberal, means-tested	Cluster 4 (nascent/patchwork)	Community and charitable social economy organizations provide home-support, volunteer befriending and advocacy to offset long waiting lists and high co-payments	Ireland , parts of England/Scotland (non-EU reference)

5. Services for refugees and asylum seekers

Migration policies in Europe are shaped by a complex interplay of demographic, economic, humanitarian, and political factors. Demographic trends have pushed many European governments to view immigration as a means of sustaining labour markets and welfare systems (OECD, 2023). At the same time, humanitarian considerations, including obligations under international asylum law, influence the development of refugee and protection frameworks, especially during crises such as the 2015 refugee influx (European Commission, 2024). The 2015 refugee crisis exposed gaps in national and EU-level preparedness and highlighted the need for alternative responses. As a result, social economy and migrant-led organizations stepped into key roles, shaping a new dynamic in the integration landscape (Kalogeraki, 2020). Social economy actors frequently step in to fill critical gaps left by public services, particularly where state institutions are unable or unwilling to meet the needs of migrants. They take different roles, acting as uncritical implementers of national integration policies, pro-active service providers relying on state support, autonomous co-producers, advocates who view migrants as capable agents of social and economic transformation, and opponents of public authorities who challenge dominant integration agendas (Bagavos & Kourachanis, 2022). CSOs provide essential services such as legal aid, housing, language classes, and psychological support. Many organizations also campaign for improved rights and protections for migrants, while actively countering anti-immigration narratives (European Economic and Social Committee, 2020). The availability of public and EU-level funding—such as through the Asylum, Migration and Integration Fund (AMIF)—also incentivizes and structures some of their activities. In parallel, some CSOs are founded by migrants themselves, driven by the need for self-representation and empowerment (Usherwood, Middleton, Caruso, 2022). While integration of migrants remains primarily the competence of Member States, the European Union has increasingly played a coordinating and supportive role (European Commission, n.d, a), aiming to promote common principles and facilitate convergence among countries, through e.g. The Action Plan on Integration and Inclusion (2021–2027).

To analyse the role of social economy actors' role in refugee services in Europe, it is useful to distinguish between key concepts (see European Commission-Migration nd; Caritas-Refugees and Asylum, nd). Migration is defined as the relocation of individuals for more than a year, irrespective of motive or method. Within this broad category, refugees are those forced to flee their country due to persecution or serious harm, while an asylum seeker is someone requesting protection whose claim is still pending. If successful, the person becomes a recognized refugee, with legal rights under refugee law. Finally, integration refers to the process by which newcomers participate fully in their

host society, including through legal status, employment, language acquisition, and civic engagement. In what follows, the focus will be on refugees and asylum seekers.

Below, we examine the institutional framework, governance structure, division of labour between state, social economy and private actors, financing mechanisms, individual rights and entitlements, and the regulatory framework for providers – for nine European countries. The country chapters conclude with standardized summary tables that distil the main features of each national system. Taken together, these summaries provide the basis for the comparative typology developed in this study, allowing us to classify refugee reception and integration regimes across Europe.

Austria

As of January 2024, other EU citizens made up around 10% of Austria's population, and third-country nationals slightly over 12% (Eurostat, 2023). By the end of January 2025, Austria also counted a total of 85 135 non-EU citizens who had fled the war and were under the temporary protection (Eurostat, 2025). Austria's integration system is state-led and built on the 2017 Integration Act. Integration measures are mandatory for certain migrant groups and accompanied by targeted support, aiming to promote self-sufficiency and social cohesion. The model combines legal obligations with services, aiming for structured and results-oriented integration.

Institutional framework and governance

Austria's migrant integration system operates within a multi-level governance framework that allocates responsibilities across federal, provincial, and municipal levels (Schnelzer et al., 2023). This structure is anchored by the Integration Act of 2017 (Integrationsgesetz), which serves as the primary legal framework for the integration of long-term residents, including refugees and third-country nationals. The Federal Ministry of the Interior (BMI) oversees immigration, asylum, border control, and citizenship. It supervises the Federal Office for Immigration and Asylum (BFA), responsible for asylum applications (European Committees of the Regions, n.d; AIDA Austria, 2025). The Federal Ministry for Women and Integration manages integration policy, supported by the Austrian Integration Fund (ÖIF), which implements core integration measures such as language courses, civic education, and personalized consultations (European Commission, 2024). Austria's nine federal states are responsible for social assistance and housing, essential for integration, and help implement federal integration policy (European Committees of the Regions, n.d). While municipalities are not legally required to provide integration services, many do so voluntarily through local self-administration (Gruber & Rauhut, 2023), offering intercultural events, language classes, and community support. The Advisory Committee on Integration, created in 2010, coordinates across federal, provincial, and local levels, including UNHCR, social partners, and five major NGOs (Caritas, Diakonie, Hilfswerk, Austrian Red Cross, Volkshilfe). Meeting biannually, it

submits annual data to the Federal Chancellery's Research Coordination Office, monitoring asylum, education, labour market participation, and social benefits (European Commission, n.d).

The decentralized nature of service provision leads to regional disparities in access and quality of integration measures. Rural areas, in particular, may lack sufficient infrastructure and resources to support comprehensive integration programs. Ensuring consistent standards and equitable distribution of services across all provinces remains an ongoing concern (Schnelzer et al., 2023).

Division of labour

Austria's integration system operates through a collaborative framework involving federal, regional, and local authorities, supported by social economy actors and the private sector. NGOs play a critical role in providing counselling, welfare services, and support programs such as voluntary return and housing assistance. In addition to well-established organizations like Caritas, Diakonie, and Volkshilfe, advocacy and public discourse are shaped by groups such as Asylkoordination Österreich and Integrationshaus. These organizations often respond to restrictive asylum contexts and help address gaps in service delivery, particularly in cultural and social integration (Bernhardt, 2024).

The market sector, while relatively limited in scope, contributes to integration by offering language instruction, vocational training, and job placement services. Certified private providers deliver German and values courses, while staffing agencies and social enterprises assist migrants entering the labour market (Ortlieb et al. 2025). Legal advice and housing support, however, remain predominantly within the public and nonprofit sectors.

Financing mechanisms

Austria's migrant integration efforts are funded through a mix of national, regional, and EU-level sources.²⁰⁹ The Austrian Integration Fund (ÖIF) receives federal budget allocations to support services such as language instruction, orientation programs, and individualized consultations. At the EU level, the Asylum, Migration and Integration Fund (AMIF) and the European Social Fund Plus (ESF+) provide critical financial backing for integration programs, particularly those focused on employment and social inclusion. Provincial and municipal authorities supplement this funding through local project support, often in partnership with social economy actors. NGOs and community-based actors further contribute by securing grants, donations, and institutional partnerships to deliver targeted services in areas such as housing, legal support, and psychosocial care.

Individual rights and entitlements in Austria's migrant integration system

Access to public services — such as healthcare, education, and housing support — varies significantly based on a migrant's legal status. While refugees and protection beneficiaries have

²⁰⁹ [Migrant integration in Austria - European Commission](#)

relatively comprehensive rights, asylum seekers, labour migrants, and undocumented individuals often face restricted or conditional access (OECD, 2018; Gonzales & Collado, 2024). In practice, undocumented migrants are often served primarily through municipal or NGO-level initiatives. Migrants who meet integration requirements can access additional services, including support in recognizing foreign qualifications, career-matching platforms, and tailored programs for women and youth.

Regulatory framework for providers

Austria's integration services are delivered within a nationally coordinated but regionally implemented regulatory system. The Austrian Integration Fund (ÖIF), under the Federal Chancellery, oversees service quality and ensures compliance through mandatory standards. Language courses must align with the Common European Framework of Reference for Languages (CEFR) and are subject to regular audits. Values and orientation courses must cover topics such as the rule of law, gender equality, and democracy, and be delivered by certified facilitators.

Integration providers — including NGOs and private education centres — must be formally recognized by the ÖIF to receive public funding. This includes meeting strict registration, content, and instructor qualification requirements. The ÖIF carries out inspections, collects learner feedback, and monitors outcomes to assess program effectiveness (ÖIF, 2023; Bundeskanzleramt, 2024).

Summary Austria

Austria is categorized as a **conservative activation regime**. Integration measures are legally mandated with access to rights and benefits conditional on participation in language, civic, and labour market programs. Governance is centralized, while NGOs deliver services under contract with limited influence on policy. Local and provincial actors provide supplementary support within a nationally defined framework.

Table 5.1 Main features of the system for services for refugees and asylum seekers in Austria

Dimension	Austria
Type of Regime	Continental conservative, conditional activation ²¹⁰
Governance Structure	Centralized design with multi-level implementation; ÖIF coordinates under federal law (Integration Act, 2017)
Reception System	Reception managed by BFA; asylum housing outsourced, with some municipal or NGO involvement

²¹⁰ Activation in migration and integration policy means that access to rights and services is tied to fulfilling certain duties. Migrants, especially refugees and asylum seekers, are required to take part in measures such as language classes, civic education, or job training in order to maintain residence status or receive welfare benefits.

Dimension	Austria
Integration Delivery	Integration courses (language, values) are mandatory under federal law; ÖIF runs delivery via certified providers
Funding Mechanism	Mix of national and EU funds; ÖIF funded by BMI; penalties for non-compliance with integration duties
Role of the social economy	NGOs centrally involved in delivery (e.g., Caritas, Diakonie); state-funded but not involved in policy design
Local Discretion	Medium: municipalities can offer support but not legally obliged; provinces handle social services and housing
Conditionality of Rights	Conditional: integration duties required for continued residence and benefits; non-compliance affects status renewal
Link to Welfare State	Continental model: central state defines pathway, NGOs deliver under state oversight, market plays minor role

Belgium

Since 2000, Belgium has experienced two major waves of refugee arrivals, placing growing structural pressure on its asylum system (AIDA, Country Report Belgium, 2024). The first surge occurred at the start of the decade, prompting a rapid expansion of the national reception system and the establishment of the Federal Agency for the Reception of Asylum Seekers (Fedasil). Application numbers later declined and remained relatively stable for over a decade. The outbreak of the Syrian civil war triggered a second significant increase in asylum requests, which once again strained the reception infrastructure and led to the creation of temporary accommodations. From 2020 onwards, the number of applications grew sharply, significantly surpassing previous levels. In recent years, Fedasil has struggled to keep pace, resulting in a persistent shortage of shelter capacity (Beekmans & Geldof, 2024).

Institutional framework and governance

Belgium's institutional structure for asylum and refugee integration is divided across federal, regional, and local levels (See AIDA Country Report, Belgium, 2025). The federal government is responsible for asylum applications and reception, while regional and local authorities manage integration, housing, and welfare support for recognized refugees. At the federal level, the Immigration Office (IO) handles registration, Dublin assessments, and initial vulnerability screenings. The Commissioner General for Refugees and Stateless Persons (CGRS) makes decisions on asylum claims. The Federal Agency for the Reception of Asylum Seekers (Fedasil) manages reception, which includes providing accommodation, food, medical care, and access to legal and social support. Most reception is in collective centres; many housed in repurposed buildings. Vulnerable applicants may be transferred to specialized facilities, and reception assignments are coordinated using a digital system, although implementation challenges persist. Asylum seekers retain freedom of movement while in reception, but conditions are often basic and

restrictive. Structural shortcomings, particularly in recent years, have led to legal actions against the state and the ad hoc use of hotel shelters for families (AIDA Country Report, Belgium, 2025).

Integration policy is highly decentralized. In Flanders, civic integration is mandatory and includes Dutch language courses, social orientation, career guidance, and volunteer-based “participation and networking” work (Agentschap Integratie & Inburgering) as a component of integration (Breyne, 2024). https://libstore.ugent.be/fulltxt/RUG01/003/213/911/RUG01-003213911_2024_0001_AC.pdf?utm_source=chatgpt.com Wallonia introduced a comparable civic integration pathway via a 2014 decree, implemented from 2016. In Brussels, integration programs are administered separately through the Flemish and French Community Commissions (Xhardez, 2020).

Upon recognition, refugees must exit reception centres within 2 to 4 months and find independent housing. This transition is supported by Public Social Welfare Centres (PCSWs), which manage Local Reception Initiatives and provide post-recognition welfare. However, the absence of a national dispersal policy and a severely limited social housing stock—especially in Flanders—leave many refugees reliant on the private rental market, where they face affordability issues and discrimination (Beekmans & Geldof, 2024; Xhardez, 2020).

Division of labour

The responsibility for refugee reception and integration in Belgium is distributed across multiple levels of government (federal, regional, and local), in addition to significant contributions from social economy actors and, to a lesser extent, for-profit actors. Federal authorities manage the asylum procedure and initial reception, while regional and local governments are responsible for post-recognition integration and housing (Beekmans & Geldof, 2024).

NGOs and voluntary organizations play a crucial and often compensatory role due to policy gaps and insufficient government support, particularly in assisting with the transition from shelter to housing and ongoing integration needs for recognized refugees. They provide aid such as assistance in searching for work or housing, mediation with landlords, and broader integration support. Citizen-led initiatives, such as “Bxl Refugees,” emerged during the 2015 reception crisis to offer informal support and reception services. Organizations like Vluchtelingenwerk Vlaanderen operate legal helpdesks and provide vital information to asylum applicants. Buddy projects, where local volunteers interact with refugees, have been incorporated into Flanders’ mandatory civic integration program. However, volunteers often face pressure as refugees rely on them for administrative and legal issues that ideally should be handled by formal state institutions. The reliance on volunteers can lead to “extreme work overloads” and frustration due to a lack of government support (Vescan, et al. 2023).

The private rental market is the primary housing option for recognized refugees due to the limited social housing stock. This market is characterized by a shortage of affordable units and challenges

such as high prices and discrimination against refugees. While Fedasil is the main agency, it signs contracts with local authorities and private partners for managing reception centres. Some emergency reception places, such as hotels for families, are managed by private operators (Aida, Belgium Country Report, 2025).

Financing mechanisms

Belgium's refugee financing model is structured by phase: the federal government covers the cost of asylum procedures and reception, while regional and local authorities assume responsibility for post-recognition integration and housing. The system is supported by a mix of national, regional, and EU-level funding (AMIF, 2025).

The Asylum, Migration and Integration Fund (AMIF) plays a central role in co-financing Belgium's refugee infrastructure. Fedasil receives both national and AMIF resources to manage reception services, voluntary return programs, and emergency accommodations, often in partnership with organizations such as the Belgian Red Cross and Caritas. Additional EU funding supports related efforts: the CGRS uses AMIF to improve interpretation services and digital systems, while the Immigration Office implements EU-backed border and migration initiatives. Other instruments, including ESF+ and internal security funds, contribute to vocational training and social inclusion.²¹¹

At the municipal level, Public Social Welfare Centres (PCSWs) run Local Reception Initiatives (LRIs), offering small-scale housing and assistance. These centres sometimes absorb overflow during reception shortages, increasing financial pressure on local budgets. Regional governments in Flanders, Wallonia, and Brussels supplement federal and EU contributions with their own integration budgets, often drawing on EU cohesion policy funds.

Though some mechanisms exist for cost-sharing, the absence of a coordinated national housing or dispersal policy places a heavy burden on local authorities and newly recognized refugees alike. During periods of acute demand, the government has relied on short-term private contracting—such as hotel accommodations—while employed asylum seekers may be required to contribute up to 75% of their income toward reception costs.

Individual rights and entitlements in Belgium's migrant integration system

While awaiting a decision on their asylum application, individuals in Belgium are entitled to material assistance provided by Fedasil, which includes accommodation, meals or kitchen access, sanitation, clothing, healthcare, and a modest daily allowance. Legal aid is available at all stages of the procedure, with additional support from organizations like Vluchtelingenwerk Vlaanderen. Children aged 6 to 18 must attend school, and educational costs are covered; preschool (ages 3–5) is optional. Asylum seekers may work after four months, though up to 75% of their earnings may be

²¹¹ [Migrant integration in Belgium - European Commission](#)

redirected to cover reception costs. They have freedom of movement but cannot choose their reception location (UNHCR, 2025a).

Once granted refugee status or subsidiary protection, individuals are required to exit reception facilities within two months (extendable by two more). Public Social Welfare Centres (PCSWs) provide access to social welfare allowances and health insurance. Recognized refugees gain full access to the labour market and can apply for Belgian citizenship after five years of legal residence, subject to integration criteria. Family reunification rights and travel documents (the “blue passport”) are also available. However, language proficiency in Dutch or French remains a major barrier to employment and integration.

Despite these legal entitlements, ongoing structural problems—particularly in housing—undermine effective inclusion. The lack of state-provided housing and limited availability in the social sector leave many newly recognized refugees dependent on an overstretched private rental market. Legal and humanitarian organizations have criticized the government’s failure to provide adequate reception. In late 2024, reception facilities were at 94% occupancy, with over 3,000 single men waiting up to four months for a place.²¹² NGOs such as Caritas, MSF, and CIRE have reported widespread homelessness, with the crisis also affecting families and unaccompanied minors.

Regulatory framework for providers – Belgium’s migrant integration system

Belgium’s federal reception system is regulated by the Reception Act (Law of 12 January 2007, reformed in 2017), which incorporates the EU Reception Conditions Directive (2013/33/EU). Accommodation standards are further detailed in the Royal Decree of 2 September 2018, while internal protocols are issued by Fedasil. Despite this framework, the lack of publicly binding national quality standards has led to variability in practice across reception centres. Article 36 of the Reception Act affirms the right of vulnerable persons to receive tailored support, and Fedasil has developed a vulnerability identification tool to guide service delivery. However, the system faces criticism for inconsistent application, translation gaps, and weak coordination. All asylum seekers are entitled to free legal aid, with reception facilities responsible for ensuring access, often in collaboration with NGOs. Fedasil staff operate under a code of ethics emphasizing non-discrimination, privacy, and cultural sensitivity.

Integration responsibilities lie with Belgium’s regional and community governments, producing distinct approaches in Flanders, Wallonia, and Brussels. This decentralized structure contributes to a fragmented policy landscape, particularly in the handover from federal reception to regional integration. No single authority is responsible for managing the transition from asylum to autonomy,

²¹² [BELGIUM: New government presents ‘strictest migration policy ever’ — Highest number of asylum applications for a decade — Reception crisis continues amid decrease in local accommodation initiatives — Legal Helpdesk assists 10,000th asylum applicant — Planned reduction in housing for Ukrainian refugees in Wallonia | European Council on Refugees and Exiles \(ECRE\)](#)

leaving a gap frequently filled by social economy actors. While some NGOs are project-funded through sources like AMIF, many operate with limited public support, relying heavily on volunteers.

Belgium's 2005 Law on Volunteers legally defines volunteering as a non-compulsory, unpaid contribution to the public good through non-profit entities. Asylum seekers have been permitted to volunteer since 2014, and volunteer-led initiatives—such as buddy programs—play a visible role in integration. However, many volunteers are burdened with bureaucratic tasks that exceed their mandate, reflecting broader capacity gaps in formal institutional support.

Summary Belgium

Belgium follows a **conservative activation model** with pronounced regional variation. Each region designs and implements its own integration programs, which include compulsory language and civic training. Conditionality is central, as access to services and status is tied to compliance. NGOs and local actors deliver many services, but the system remains fragmented due to Belgium's federal structure.

Table 5.2 Main features of the system for services for refugees and asylum seekers in Belgium

Dimension	Belgium
Type of Regime	Continental conservative, fragmented activation
Governance Structure	Fragmented multi-level governance: federal level handles asylum and reception; regions manage integration; municipalities provide housing and welfare; no single authority ensures transition between stages
Reception System	Fedasil manages reception, mostly in large collective centres, often repurposed facilities; LRIs for vulnerable cases; reception crisis since 2021 has left many—especially single men—without shelter; emergency hotels used for families
Integration Delivery	Integration is regionally designed and implemented: Flanders mandates Dutch, civic education, career coaching, and volunteering; Wallonia and Brussels run separate, non-harmonized systems; implementation varies greatly
Funding Mechanism	Federal funding covers asylum and reception (via Fedasil); integration and housing financed by regional and municipal budgets; AMIF, ESF+, and cohesion funds support projects; PCSWs manage welfare post-recognition; NGOs often fill gaps with project-based or volunteer support; some private providers (e.g., hotels) used during crises
Role of social economy actors	Essential, often compensatory role: NGOs support legal aid, housing, and integration; volunteer-driven support due to state gaps; NGOs not structurally included in policy design; organizations like Vluchtelingenwerk, CIRÉ, MSF active in advocacy and direct service provision; social economy actors also help address structural housing barriers

Dimension	Belgium
Local Discretion	Medium: municipalities (PCSWs) responsible for Local Reception Initiatives and social welfare; no obligation to provide housing; practices vary; limited social housing stock and no dispersal system mean access depends on local conditions
Conditionality of Rights	Mixed: asylum seekers entitled to "material assistance" during procedure; recognized refugees must leave reception quickly (2–4 months), and find housing independently; full labour access and benefits require registration; integration tied to regional participation (e.g., civic integration in Flanders); failure to meet obligations may delay naturalization or access to services
Link to Welfare State	Continental hybrid: federal state ensures reception, regions manage integration, but lack of coordination creates policy gaps; municipalities and civil society compensate for state limits; private rental market dominant for refugee housing; high reliance on fragmented, decentralized welfare support

Bulgaria

Bulgaria’s refugee reception and integration system is marked by a fragmented legal and institutional framework, with rights for asylum seekers and refugees often undermined by weak implementation. Despite formal alignment with EU and international standards, the absence of a coordinated, state-funded integration policy—described as a “zero integration policy”—has left social economy actors and international actors as the primary service providers (Ivanova, 2025). Political resistance, chronic underfunding, and minimal municipal involvement have stalled progress. As an EU border state, Bulgaria faces pressure from high transit flows and limited support from the Common European Asylum System (CEAS), leading to restrictive practices and a reluctance to invest in long-term integration (AIDA, Bulgaria, 2025; Erolova 2017).

Institutional framework and governance

Bulgaria’s asylum and migration system operates through a centralized governance model involving several national-level institutions, with minimal engagement from local authorities. The State Agency for Refugees (SAR), under the Council of Ministers, is the primary body managing asylum applications, reception conditions, and basic services such as healthcare and accommodation. The Ministry of Interior (Moi) supports this system by overseeing residence permits, border control, and returns. It also chairs the National Council on Migration, Borders, Asylum and Integration, intended to coordinate cross-sector efforts. Other ministries, including Labour and Education, contribute support services, though integration responsibilities have shifted inconsistently between agencies, weakening accountability (AIDA, Bulgaria, 2025).

Bulgaria’s legal framework draws on national and EU law, with the Law on Asylum and Refugees (2002) at its core. This law, aligned with the Geneva Convention and EU directives, defines asylum

procedures, protection statuses, and associated rights. Despite this, Bulgaria has lacked a functional integration policy since discontinuing its National Program for Integration in 2013. Refugees receive minimal support post-recognition, often leaving reception centres without coordinated follow-up for housing, education, or employment. While legal provisions for municipal integration agreements exist, uptake has been low. As a result, integration largely depends on NGOs and international organizations, with EU funds like AMIF filling systemic gaps.²¹³

Division of labour

In Bulgaria, refugee reception and integration are governed by a centralized yet fragmented system involving state agencies, social economy actors, and international organizations. The State Agency for Refugees (SAR), under the Council of Ministers, is the main authority responsible for registering asylum applications, conducting status determination procedures, and managing reception facilities, which include transit and registration centres. The Ministry of Interior (Mol), through its Migration Directorate, oversees legal residence, returns, and border control, and since 2025, has also taken over the security of major reception centres, reflecting a growing securitization of the asylum system.

Integration remains the weakest link (Ilieva, 2022; Dimitrova & Ozdora-Aksak, 2023). Although legal provisions exist and Bulgaria's framework aligns with EU standards, the Ministry of Labour and Social Policy—nominally responsible for integration since 2013—has consistently declined to implement a national integration strategy. This has created a longstanding responsibility vacuum where, despite refugees receiving protection, there is little to no state support for long-term housing, employment, language learning, or education. Municipalities, though formally involved, are rarely included in decision-making, lack resources, and often report unfamiliarity with refugee legislation, further limiting their role.

In practice, NGOs and international actors like UNHCR, IOM, the Bulgarian Red Cross, and Caritas Bulgaria have stepped in to deliver critical services. These include legal assistance, language instruction, psychosocial support, job placement, and emergency aid. Smaller grassroots organizations also offer education support, housing assistance, and community-based activities. During the Ukrainian refugee response, private citizens and diaspora groups played an important role in hosting and supporting displaced persons, though without a formal state framework to manage or sustain these efforts.

Despite EU funding—particularly through the Asylum, Migration and Integration Fund (AMIF)—chronic underfunding, limited political will, and public narratives framing refugees as a threat have prevented the development of a coherent integration system. As a result, Bulgaria is widely perceived as a transit country, and long-term integration remains more theoretical than real.

²¹³ [Migrant integration in Bulgaria - European Commission](#)

(Dimitrova & Ozdora-Aksak, 2023; Otova, 2020). Social economy actors fill crucial gaps, but without coordinated state action, sustainable refugee integration continues to be structurally undermined.

Financing mechanisms

Bulgaria's refugee system is defined by chronic underfunding, fragmented governance, and an absence of sustained state-led integration. SAR's limited budget cannot cover critical infrastructure repairs or implement a legally foreseen financial allowance for asylum seekers.

In practice, integration is outsourced to NGOs and international agencies. UNHCR funds legal and social aid and supports networks like the Compass inclusion centres. IOM provides safe zones and voluntary return assistance. The Bulgarian Red Cross and Caritas offer language training, job assistance, and basic services through mobile units and integration centres. Other NGOs, including the Bulgarian Helsinki Committee and Multi-Kulti Collective, fill critical gaps, often relying on project-based EU or UNHCR funding. These actors jointly advocate for reform, highlighting the state's "zero integration policy" (Ivanova, 2023).

Private sector involvement remains low. Refugees must independently secure housing and employment post-recognition, often without adequate support. Many landlords refuse address registration, impeding access to documents. While some employers express willingness to hire refugees, obstacles like language, credential recognition, and limited state support hinder uptake. In contrast, Ukrainians under temporary protection benefit from a targeted government scheme covering basic needs and offering rental subsidies. Yet, for most refugees, integration depends on overstretched NGOs and short-term donor funding, with municipalities playing only a minor role despite formal responsibilities (UNHCR, 2025b).

Individual rights and entitlements in Bulgaria's migrant integration system

While their asylum applications are pending, asylum seekers are entitled to basic material reception conditions, though these are often minimal and inconsistently applied. Asylum seekers are housed in State Agency for Refugees (SAR) reception centres. They may opt to live outside these centres at their own expense. Conditions within SAR facilities have been criticized as deteriorating due to underfunding, leading to substandard hygiene and overcrowding. Daily meals are provided in SAR centres, with catering costs. Asylum seekers are entitled to free medical care, with SAR covering health insurance. However, access remains limited due to systemic weaknesses in the national healthcare system. Asylum-seeking children are entitled to free public education and vocational training. In practice, enrolment may be delayed by administrative hurdles or language barriers. Asylum seekers may legally work three months after lodging their application. In 2024, SAR issued over 1,000 work permits. They may also access vocational training programs. Free legal assistance is guaranteed during the asylum procedure, including representation in appeals. However, access is limited in practice, often reserved for vulnerable applicants and dependent on NGO support due to underfunding. Though legally eligible for support on par with Bulgarian nationals, in reality,

assistance is limited to shelter, food, and basic healthcare. A legally stipulated monthly financial allowance has not been implemented since 2015. Movement may be restricted to designated “zones” around reception centres. Non-compliance can result in placement in closed facilities (AIDA, Bulgaria, 2025).

Once an individual is granted refugee or subsidiary protection, their legal status entitles them to broad rights. However, the lack of state-led integration support severely limits the practical realization of these rights. Refugees enjoy rights nearly equal to Bulgarian citizens, except in areas like voting, political participation, and military service. The state has no responsibility for housing once status is granted. Beneficiaries must secure private accommodation without state support. A 2020 amendment formally removed provisions for housing assistance. Vulnerable individuals may be permitted to stay temporarily in reception centres, but this is rare. Beneficiaries may work freely and access public employment programs. Bulgaria does not implement a dispersal policy, meaning individuals may settle where they choose.

In contrast to the general refugee population, Ukrainians granted temporary protection have benefited from a targeted support framework: The Humanitarian Aid Program (March 2022) funded accommodation and meals in licensed facilities. Those in private accommodation received financial assistance for rent and utilities. Employers hiring Ukrainian beneficiaries received wage and insurance subsidies. EU-funded vouchers for essential needs were also distributed through the Agency for Social Assistance.

Regulatory framework for providers – Bulgaria’s migrant integration system

Bulgaria’s refugee integration system is shaped by a mix of national laws, EU obligations, and international commitments. Bulgaria’s core asylum laws include the Law on Asylum and Refugees (LAR) and the Law on Foreigners, which define the rights, obligations, and procedures for international protection. The legal framework is aligned with international standards through Bulgaria’s ratification of the 1951 Geneva Convention and the 1967 Protocol and harmonized—at least formally—with the Common European Asylum System (CEAS). Although Bulgaria’s legislation grants asylum seekers and recognized refugees a range of rights, implementation is uneven: Provided in SAR centres for asylum seekers; post-status housing support was abolished in 2020, leaving beneficiaries to secure private accommodation without state assistance. In the absence of consistent state integration efforts, NGOs and international actors provide essential support: UNHCR, IOM, Bulgarian Red Cross, Caritas Bulgaria, and others deliver legal aid, social counselling, language classes, job support, and humanitarian relief—often funded through EU instruments (e.g., AMIF) or direct UNHCR grants. NGOs have open access to reception centres and coordinate efforts through forums such as UNHCR’s “Working Group for Integration.” UNHCR’s Compass Network, launched in 2025, has taken over direct support services from SAR sites. Advocacy and monitoring—especially by the Bulgarian Helsinki Committee—support accountability and rights enforcement.

Summary Bulgaria

Bulgaria also reflects a **security-oriented residual model**, where refugee and asylum policies prioritize border control and deterrence over integration. Rights and services are minimal, and support structures are weak. NGOs fill critical gaps but face political resistance. Conditionality exists, but in practice many refugees and asylum seekers lack access to stable pathways for integration.

Table 5.3 Main features of the system for services for refugees and asylum seekers in Bulgaria

Dimension	Bulgaria
Type of Regime	Centralized, security-oriented with residual rights and fragmented implementation
Governance Structure	Centralized: State Agency for Refugees (SAR) and Ministry of Interior (MoI) control asylum and reception; minimal local government involvement; no national integration strategy since 2013
Reception System	State-run SAR centres offer basic services (shelter, food, medical care); quality criticized due to chronic underfunding; no allowance since 2015; option to live privately at personal cost
Integration Delivery	No coherent national integration program: responsibilities formally lie with Ministry of Labour but are largely unimplemented; NGOs and international organizations deliver core services (language, legal aid, housing assistance)
Funding Mechanism	Underfunded state budget; heavy reliance on EU instruments (e.g., AMIF); project-based NGO support; no financial support for recognized refugees; housing and services post-status must be self-funded
Role of social economy actors	Central to service delivery and advocacy; NGOs and UN agencies fill structural gaps in housing, employment, language training, and psychosocial support; Compass Network (UNHCR) leads integration coordination from 2025
Local Discretion	Very limited: municipalities have legal capacity to enter integration agreements but rarely do; most are uninvolved or unfamiliar with refugee governance
Conditionality of Rights	Rights formally guaranteed but poorly implemented; minimal material support; work permitted after 3 months but hindered by language and admin barriers; housing assistance removed in 2020
Link to Welfare State	Weak linkage: minimal integration into national welfare system; recognized refugees must rely on market and NGO support; no dispersal policy; Ukrainians under temporary protection benefit from exceptional targeted state programs

Czech Republic

Historically, the Czech Republic has been reluctant to accept refugees, reflected in consistently low numbers of asylum applications and grants compared to Western European countries. Czech society has exhibited a strong negative opinion towards refugees, often viewing them as a security threat and an administrative burden. The "refugee crisis without refugees" is a term that has been used to describe the period between 2014 and 2016, where despite extremely low numbers of asylum seekers, the issue was immensely present in public and media debates, often framed as a security threat (Jelínková, 2019). The Syrian refugee crisis had a detrimental effect on the trust and reputation of refugee-serving NGOs in Czech society, as politicians questioned their legitimacy (Bureš, & Stojanov, 2023). The Russian invasion of Ukraine in February 2022 triggered a humanitarian refugee crisis of unprecedented scale and speed in the Czech Republic. Since February 2022, over 420,000 refugees entered the Czech Republic. The response to Ukrainian refugees stood in stark contrast to that during the Syrian crisis, with widespread solidarity. This empathy is attributed to geographical proximity, the resulting fear of danger for Czechs, reminiscences of the 1968 Soviet invasion of Czechoslovakia, and an unacknowledged assumption of shared skin colour and culture. However, while the Czech Republic initially responded to the Ukrainian refugee crisis with significant public support and more liberal policies, there is a tendency towards a return to more restrictive approaches and a focus on temporary integration rather than permanent settlement, particularly as the immediate emergency wanes (Gheorghiev, 2025).

Institutional framework and governance

The Czech Republic's refugee integration framework is highly centralized, with the Ministry of the Interior (MI) and its Department of Asylum and Migration Policy leading migration and integration policy. Since 2009, Regional Integration Centres have provided services like language courses, some run by NGOs or regional authorities, but mostly under MI's Refugee Facilities Administration. Early policies, shaped by the 1999 Asylum Act, focused on housing and language training, later adding employment support (AIDA, Czech Republic, 2025).

Public administration is fragmented: municipalities oversee education and social services but historically had little role in integration. The Ukrainian crisis forced them into frontline reception and accommodation, creating opportunities for stronger local involvement, though often ad hoc and temporary. NGOs are crucial service providers and first responders, especially during the Ukrainian influx, but they face limited resources, political mistrust, and are treated as subcontractors rather than policy partners. The Consortium of Migrants Assisting Organizations coordinates NGO efforts (Stojanov et al. 2022). Overall, the Czech approach is criticized as reactive and security-oriented, with weak coordination, uneven service quality, and a reliance on temporary measures. While solidarity with Ukrainians was strong initially, policies are tightening, raising concerns about long-term inclusion and sustainability.

Division of LABOUR

The division of labour in refugee integration in the Czech Republic is structured around a strong state lead, heavy reliance on NGOs, and more recent but uneven involvement of local governments. The Ministry of the Interior directs migration and integration policy, supported by the Ministry of Education, which oversees Czech-language training (often outsourced to NGOs), the Ministry of Labour and Social Affairs, which provides employment assistance, and the Refugee Facilities Administration, responsible for accommodation and detention (Gregorová et al. 2024).

NGOs remain front-line actors, delivering housing, language, education, and job support. During the early months of the Ukrainian crisis, they acted as first responders before state systems were in place. While they also engage in advocacy through the Consortium of Migrants Assisting Organizations, they are still largely treated as subcontractors and face funding instability, capacity limits, and political mistrust (Gregorová et al. 2024).

Regional and local governments, traditionally marginal in integration policy, assumed key roles during the Ukrainian influx, offering accommodation and services. However, their involvement is highly uneven, often dependent on individual mayors and political conditions, and risks fading once the immediate crisis subsides. Coordination between different levels of government also remains weak.

The private sector plays a central but informal role. Temporary agencies act as gatekeepers to the labour market, while private landlords dominate housing provision, with agreements often negotiated directly with refugees. The government introduced a “solidarity allowance” to incentivise hosting, and businesses and civic groups contributed funding and material aid (Macková et al., 2024).

Financing mechanisms

Refugee integration in the Czech Republic is financed through a mix of state, EU, NGO, local, private, and international contributions. The state budget is the main source, with the Ministry of the Interior allocating funds for integration centres, language exam vouchers, and subsidies to municipalities. It also introduced solidarity allowances for households hosting Ukrainians. The Ministry of Education funds language training, while the Ministry of Labour and Social Affairs supports employment programs. Ukrainian refugees received direct financial aid, later reduced, alongside temporary free health insurance and access to schooling.

EU funds, particularly AMIF, are crucial for projects and integration centres, while NGOs depend on EU grants, state subventions, donations, and fundraising. During the Ukrainian crisis, NGOs and citizens raised significant resources and acted as first responders, though their financial stability remains fragile.

Municipalities became more active after 2022, offering accommodation and services, but reimbursements from the state have often been delayed. The private sector also plays a major role: landlords and agencies mediate access to housing and jobs, while businesses and individuals provide sponsorship and aid.

International organizations provided additional support: UNICEF financed integration centres and coordinators, UNHCR supported municipal activities, and IOM contributed with training, data collection, and housing pilots. Overall, financing is fragmented, heavily reliant on EU and NGO contributions, and tends to be reactive, with gaps in sustainability once emergency solidarity wanes (Smejkalová, 2025).

Individual rights and entitlements in Czech's migrant integration system

Individual rights in the Czech Republic vary by legal status, with significant differences between recognized refugees and beneficiaries of temporary protection (TP), especially Ukrainians.

For Ukrainians under TP, rights were expanded under the Temporary Protection Directive. They gained access to social welfare, accommodation through private landlords and solidarity allowances, and temporary free public health insurance (150 days for adults, longer for children and vulnerable groups). They also enjoy free access to the labour market, unemployment benefits, retraining, and compulsory schooling, with simplified university admissions and added psychological and language support. However, cuts in financial aid and housing dependence on private landlords have created new vulnerabilities.

Recognized refugees are entitled to free Czech language courses, retraining, and employment assistance, with requirements for A2-level Czech for permanent residence. They no longer receive segregated housing but still face shortages. Integration centres, supported by EU funds, NGOs, and the state, provide socio-cultural orientation.

Despite these frameworks, challenges remain: Ukrainians often work below their qualifications, Roma refugees face discrimination in housing, and non-Ukrainian third-country nationals encounter more restrictive treatment. NGOs fill critical service gaps, but policies tend to be reactive and increasingly security-oriented, raising concerns about long-term inclusion (Nisbet, 2021).

Regulatory framework for providers in Czech's migrant integration system

The Czech Republic's provider framework for migrant integration is highly centralized under the Ministry of the Interior (MI), particularly its Department of Asylum and Migration Policy. While other ministries handle aspects such as employment or language training, overall coordination remains with the MI, which has been criticized for limited cooperation with experts and for prioritizing security over integration. NGOs are key service providers, often described as "flexible subcontractors" rather than policy partners. They deliver language courses, housing, and employment support, and acted as first responders during the Ukrainian crisis, frequently ahead of

state action. Despite their importance, NGOs face unstable funding, limited influence in policymaking, and occasional political distrust (Gregorová, 2024). Regional Integration Centres, created between 2009 and 2019 with EU support, form a nationwide network. Most are managed by the MI's Refugee Facilities Administration, a few by NGOs, and only one by a regional authority—illustrating continued central dominance. Their cooperation with municipalities remains limited and ad hoc. Private actors also play a role, particularly labour agencies and landlords. Agencies—sometimes run by Ukrainians—facilitate migrant employment but often under precarious conditions. Refugees must meet language and civic requirements for residence and citizenship, with courses offered by NGOs or commercial providers. Funding comes mainly from the state budget and EU funds such as AMIF, which have shaped policy direction. However, persistent challenges include weak coordination, non-transparent procedures, unstable financial support for providers, and the absence of a coherent long-term integration strategy.

Summary Czech Republic

The Czech Republic combines restrictive policies with a **residual approach** to refugee reception. Rights and services are limited, with integration framed narrowly around labour market participation. NGOs provide some support, but access is uneven and dependent on project funding. Conditionality is present but with low levels of state investment in integration.

Table 5.4 Main features of the system for services for refugees and asylum seekers in Czech Republic

Dimensions	Czech Republic
Type of Regime	Security-oriented, restrictive-leaning; reactive crisis response; temporary integration focus rather than long-term settlement
Governance Structure	Highly centralized under Ministry of the Interior (Dept. of Asylum and Migration Policy); some regional/local involvement since 2022, but ad hoc and uneven
Reception System	State-run through Refugee Facilities Administration and Regional Integration Centres; mix of state, NGO, and private provision; solidarity allowance for hosts after 2022
Integration Delivery	Early focus on housing and Czech language; employment support added 2004; Regional Integration Centres provide language and socio-cultural orientation; fragmented and uneven implementation
Funding Mechanism	Primarily state budget and EU AMIF; NGOs rely on grants, donations, and self-funding; municipalities reimbursed for refugee housing costs but delays common; private landlords and agencies significant
Role of social economy actors	NGOs central as service providers and first responders, but treated as subcontractors not policy partners; Consortium of Migrants Assisting Organizations as umbrella body; legitimacy questioned in politics

Dimensions	Czech Republic
Local Discretion	Historically weak; municipalities engaged reactively during Ukrainian crisis; involvement varies by mayor/local climate; limited long-term resources or autonomy
Conditionality of Rights	Access depends on legal status (recognized refugee vs. temporary protection); Ukrainians had broad entitlements initially (housing, health, welfare, education), later scaled back; strict language/civic requirements for permanent residence and citizenship
Link to Welfare State	Partial: formal access to health, education, welfare; but structural shortages, reliance on NGOs, and heavy use of private housing/labour intermediaries limit real access

Germany

Germany's refugee system is decentralized, involving multiple levels of government and various actors. It has undergone significant changes over time, particularly in response to the refugee crisis of 2015–2016 and the arrival of Ukrainian refugees in 2022. Social economy actors play a vital role. A wave of solidarity and thousands of volunteers contributed to local initiatives in 2015, and this engagement has supported successful integration. NGOs work closely with government agencies to deliver services such as psychosocial support, language education, and employment initiatives. They also provide information and guidance, particularly at the regional level. Refugees in rural areas are especially dependent on volunteers, as these regions often lack counselling centres and have underdeveloped public transport (AIDA, Country Report, Germany, 2025). Since June 2022, individuals fleeing Ukraine under the Temporary Protection Directive (TPD) have received immediate access to Germany's mainstream welfare and labour systems. This has led to faster inclusion outcomes than for other groups, contributing to discussions about unequal legal pathways within the refugee protection system.

Institutional framework and governance

German asylum law is based on international standards, including the 1951 Geneva Convention and Article 16a of the Basic Law. Applications are submitted to the Federal Office for Migration and Refugees (BAMF), which may reject claims if the applicant comes from a "safe" country, poses a security threat, or if another EU state is responsible under the Dublin Regulation. Germany implemented the EU's Temporary Protection Directive (2001/55/EC) for Ukrainians following Russia's invasion. This gave them a very different experience in the German system compared to e.g. Syrian people who fled the war about a decade ago now.

New arrivals are distributed across Germany's 16 federal states using the EASY system and Königstein Key, which considers population and tax revenue. Refugees are initially placed in state-

run reception centres (EAEs), where BAMF processes claims, and basic needs are met. After a first stay—typically up to 18 months—they are reassigned to local municipalities based on state-level allocation rules.

Germany’s 2016 Integration Act formalised access to language training, vocational education, and employment support. Asylum seekers no longer need permits for vocational training, and those with temporary protection (*Duldung*) can complete their education and transition into employment with extended residence rights. Language instruction is often mandatory, and integration services are delivered through public, volunteer, and private networks.

Accommodation is primarily provided in reception centres and emergency shelters, though overcrowding is common. Private housing is used when available, but asylum seekers often face barriers to accessing it. Private hosting initiatives (e.g., #Unterkunft Ukraine) are not state compensated. Unaccompanied minors fall under child welfare laws and are placed in supported housing or foster care (see (AIDA, Country Report, Germany, 2025)).

Division of labour

Germany’s refugee governance is decentralized, with responsibilities divided across federal, state, and municipal levels. The federal government defines asylum and integration policy through agencies such as the Federal Office for Migration and Refugees (BAMF) and the Ministry of Labour and Social Affairs, while the Federal Commissioner for Integration provides coordination. The 16 federal states oversee reception conditions, residence restrictions, and benefit structures, applying region-specific rules and models. After the initial federal reception phase, refugees are assigned to municipalities using the EASY system, where they access services like housing, childcare, and welfare. Variability in local resources leads to uneven support across regions.

Social economy actors remain central, with major welfare organizations like Caritas and Diakonie partnering with public institutions to provide housing support, education, and employment pathways. Volunteers continue to play a critical role, especially in rural areas with limited infrastructure, although their efforts are often constrained by funding and coordination challenges. NGOs also advocate for refugee rights, though they have limited influence in formal policy processes (Aydar, Z., & Plöger, J. 2023; Barreto et al. 2022).

The private sector primarily supports refugee inclusion through housing and labour market access. While private actors rarely deliver integration services, employers participate in job fairs and training programs (Schwenken, 2021). During the arrival of Ukrainian refugees, many households hosted newcomers without public compensation—highlighting the informal but important role of solidarity. Some businesses also co-fund NGO-led initiatives, reinforcing the broader ecosystem of refugee support.

Financing mechanisms

Funding for Germany's refugee response is shared across federal, state, and municipal levels, with each level assuming different financial and administrative responsibilities. The federal government covers asylum-related healthcare and reception-phase services, funds integration courses and employment programs, and supports refugee students and entrepreneurs. Ukrainian refugees receive federal Bürgergeld under regular welfare law, while others fall under the more limited Asylum Seekers' Benefits Act (AsylbLG). The Federal Ministries of Labour and Education oversee related initiatives, including training access, scholarship schemes, and anti-trafficking programs linked to private hosting. States are tasked with reception and accommodation during the asylum procedure, covering roughly 40% of AsylbLG costs and managing healthcare delivery. Housing models differ: some states emphasise decentralised placements, while others rely on large collective centres. In the absence of binding national protocols, vulnerability assessments vary significantly by region (see AIDA Country Report, Germany, 2025).

Municipalities, which cover around 60% of AsylbLG expenditures, are the primary providers of services such as housing, social welfare, and childcare. They also coordinate local job centres, especially for Ukrainian refugees under the Temporary Protection Directive (TPD). These centres often integrate housing, educational, and employment services. As demand rises in urban areas, municipalities have flagged increasing financial and administrative strain.

Social economy actors remain essential partners. NGOs provide legal aid, counselling, and language instruction—sometimes outsourced by job centres or independently funded through private donations and coalitions like Alliance4Ukraine. Many organisations operate under funding constraints, with limited capacity for long-term planning.

The private sector contributes mainly through housing and labour market access. While hosts of Ukrainian refugees generally receive no direct compensation, some rent may be covered through welfare schemes. Businesses have taken active roles in hiring efforts, often participating in job fairs facilitated by chambers of commerce. However, disparities in legal status and benefit access have raised concerns about the emergence of a two-tier protection system, particularly under the TPD. In fact, the reception of Ukrainians differed markedly from how other asylum seekers in Germany have historically been processed: while previous groups often faced lengthy procedures and limited rights, Ukrainians were granted simplified access to residence, welfare, and employment, highlighting unequal approaches within the asylum system (see e.g. Drewski & Gerhards 2025).

Individual rights and entitlements in Germany's migrant integration system

Rights and entitlements in Germany's refugee system vary significantly based on legal status. Asylum seekers and those with a Duldung (temporary suspension of deportation) receive lower-level support under the Asylum Seekers Benefits Act (AsylbLG), including limited healthcare and social benefits. After 18 months of residence and cooperation, they may qualify for expanded

(“analogous”) benefits. In contrast, recognised refugees and individuals under subsidiary protection receive full access to the regular welfare system under the Social Code (SGB), including Bürgergeld, child benefits, job support, and childcare services (AIDA, Country Report, Germany, 2025).

Healthcare access is also status dependent. Asylum seekers are limited to emergency and essential health care in the first 18 months, often filtered through non-medical gatekeepers. Psychotherapy requires special approval. After this period, access aligns with the public insurance system. Recognised refugees gain full health coverage immediately upon recognition and may choose their providers.

Integration and labour access are tiered accordingly. Recognised refugees can participate in state-funded integration and language courses, often mandatory for benefit recipients and a requirement for permanent residence. Vocational access was expanded in 2015 through the “3+2” scheme, which allows individuals to stay for the duration of vocational training and work for two additional years. Additional programs support apprenticeships and career transitions.

For asylum seekers, access to the labour market is restricted and requires a permit after three months, subject to additional conditions such as residence outside of reception centres. Those from designated “safe countries” or under Duldung may face rejections. In contrast, recognised refugees benefit from full access, supported by job placement services and employer engagement.

Unaccompanied minors (UMAs) are protected under child welfare law, receiving access to guardians, education, and tailored support. Deportation is generally suspended. Ukrainian refugees, protected under the Temporary Protection Directive (TPD), bypass many procedural hurdles and gain immediate access to full welfare and labour rights. While this facilitates faster integration, it has also contributed to concerns about a two-tier protection regime among refugee groups.

Regulatory framework for providers – Germany’s migrant integration system

Germany’s refugee policy operates under a regulatory framework shaped by both domestic and EU law. The Asylum Act (AsylG) governs procedures at the national level, while European instruments such as the Dublin Regulation and EURODAC determine responsibility-sharing and identity management across member states. The Federal Office for Migration and Refugees (BAMF) oversees asylum processing and defines eligibility for federally funded integration measures, including access to language instruction and employment pathways.

Within this structure, responsibilities are distributed across federal, state, and municipal levels. Federal states manage reception centres (Erstaufnahmeeinrichtungen) and apply state-specific allocation and housing rules. Municipalities implement core services—such as social assistance, accommodation, and integration programs—within their legal competencies. This multilevel setup results in regional variation in benefit models (cash or in-kind), service quality, and housing types.

Rights and entitlements vary by legal status. Asylum seekers and individuals with Duldung are subject to the Asylum Seekers' Benefits Act (AsylbLG), which limits healthcare and social support during the initial 18 months. Recognised refugees fall under the Social Code (SGB), granting them access to full health insurance, social benefits, and the labour market.

Summary Germany

Germany is also a **conservative activation regime**, combining mandatory integration courses and employment measures with access to welfare. Federal authorities set the framework, but Länder and municipalities play key roles in delivery, producing a multi-level governance structure. NGOs are significant in implementation but remain heavily dependent on state funding. Conditionality is strong, with benefits linked to participation in integration pathways.

Table 5.5 Main features of the system for services for refugees and asylum seekers in Germany

Dimension	Germany
Type of Regime	Continental/Bismarckian hybrid; social insurance-based with conditional activation
Governance Structure	Federalized; asylum law and integration policy set nationally, but implementation is split across federal, state, and municipal levels
Reception System	Mixed system: initial reception in state-run centres, followed by distribution to municipalities; varying accommodation types (shared housing, private flats)
Integration Delivery	Integration courses and job market programs coordinated by federal agencies; vocational access expanded; implementation varies by state and locality
Funding Mechanism	Shared across federal, state, and municipal levels; integration courses federally funded; municipalities cover large share of reception/integration costs; AMIF and national funds support NGOs
Role of social economy actors	Central to service provision and crisis response; NGOs and volunteers deliver key services (housing aid, language classes, job support); strong during 2015 and Ukrainian responses
Local Discretion	Moderate to high: municipalities deliver key services but must follow federal/state allocation and law; discretion in how integration is implemented locally
Conditionality of Rights	Strongly status-based: limited support under AsylbLG for asylum seekers; full social rights for recognised refugees; immediate access for Ukrainians under TPD creates a two-tier system
Link to Welfare State	Bismarckian welfare model: access linked to insurance status and legal residence; integration tied to labour market participation and social contributions; civic actors fill service gaps

Greece

Historically, Greece has been a country of emigration, which partly explains the absence of a formal immigration policy until the early 1990s (Tsitselikis, 2019). Its policies were largely characterized by a reactive approach to irregular migration, focusing on arrests, deportations, and regularisation, with minimal integration measures (Bolani et al., 2016). Since the 2000s, while reforms made the policy less restrictive, Greece maintained a largely securitized asylum policy, making it one of the least welcoming EU states (Stivas, 2023). The “refugee crisis” of 2015, which saw over one million arrivals to Europe by sea—80% of them to Greece—placed immense pressure on the country’s existing systems, exposing structural weaknesses in governance, humanitarian capacity, and infrastructure (Dimitriadi & Sarantaki, 2018; Cabot, 2019).

Institutional framework and governance

Greece’s refugee governance system has evolved under the combined influence of domestic politics, EU-level agreements, and international actors (Keridis, 2018). Between 2012 and 2015, under the rule of the liberal-conservative New Democracy party, migration was framed primarily as a security issue, leading to restrictive control measures (Stivas, 2023). A shift occurred in 2015 with the election of Syriza, which rolled back some punitive policies. However, the EU–Turkey Statement of 2016 fundamentally changed Greece’s role by halting transit migration and transforming the country into a frontline containment zone (Alexandridis et al., 2024; Tsourapas & Zartaloudis, 2022). In response, Greece began detaining new sea arrivals and passed Law 4375/2016, aligning asylum procedures with EU directives but also introducing new restrictions on movement (Karamanidou, 2021). The Ministry of Migration and Asylum leads national asylum and reception policy, with the Asylum Service and the Reception and Identification Service (RIS) handling claims and intake, though both have faced political interference and operational bottlenecks (Saranti, 2024). The current framework is set by the Asylum Code (Law 4939/2022), which regulates asylum, reception, and temporary protection, consolidating a system increasingly centred on securitized Closed Controlled Access Centres (CCACs) (Sletbak, 2024).

Reception facilities quickly became overwhelmed after 2015, leading to overcrowding, confinement, and unsanitary conditions (Skleparis, 2018). The transformation of many centres into CCACs since 2021 reinforced a containment-based model criticized for detention-like conditions (Chtouris & Miller, 2017). On the mainland, camp-based accommodation dominates, while the closure of the ESTIA urban housing program in 2022 marked a major regression in housing policy and access to education (Kourachanis, 2024). Greece still lacks a comprehensive integration strategy, with the HELIOS program offering only limited, conditional support such as temporary rent subsidies, language training, and employability guidance (Mantzouri et al., 2025). Refugees are required to leave state accommodation within 30 days of recognition, contributing to homelessness and prompting EU member states to suspend Dublin returns to Greece.

Social economy actors, including NGOs, grassroots groups, and volunteers, have long filled service gaps, particularly in legal aid, healthcare, psychosocial support, and food provision. International organizations such as UNHCR and IOM remain central, but since 2017 EU funding has been channelled through Greek authorities, weakening cooperation and reducing NGOs' autonomy (Bagavos & Kourachanis, 2022). The 2020 NGO registration law imposed burdensome requirements and increased state control, leading to reduced access to camps and narrowing civic space (Saranti, 2024). While NGOs continue to advocate for migrant rights, many now operate independently of the state, focusing on humanitarian relief in increasingly hostile conditions.

Division of labour

While asylum policy is centralized under the Ministry of Migration and Asylum, service delivery involves multiple institutions, NGOs, and international organizations. The shift from informal camps to CCACs reinforced a containment model and limited NGO access (Stivas, 2023). NGOs and grassroots actors remain essential, providing legal aid, healthcare, and psychosocial support (Skleparis & Armakolas, 2016; Das & Rani, 2024). However, since EU funding was routed through Greek authorities in 2017, cooperation has weakened, and NGOs now operate under stricter oversight, including the 2020 NGO registry law that restricted access to camps (Saranti, 2024). The private sector's role is marginal, limited to landlords in HELIOS and ESTIA or firms contracted for camp security (Bagavos & Kourachanis, 2022).

Financing mechanisms

The asylum system is heavily dependent on EU funds. The Asylum, Migration and Integration Fund (AMIF) supports programs such as HELIOS, while the Internal Security Fund (ISF) and the Emergency Support Instrument have financed healthcare, reception, and unaccompanied minor services (Alexandridis et al., 2024). National fiscal constraints make Greece reliant on these instruments. The closure of ESTIA and the end of cash assistance in 2022 worsened housing and social protection gaps (Papatzani et al., 2022).

NGOs previously received money straight from Brussels or major donors—e.g., direct European Commission or UNHCR sub-grants—without going through Greek ministries. Now most AMIF/ISF money is “shared management,” routed via national calls, tenders, or contracts, so access is controlled by the state NGOs. As a consequence, NGOs have faced financial precarity since 2017 (Skleparis, 2016). Larger NGOs aligned with government contracts continue to operate, while smaller groups often rely on donations or avoid registration to preserve independence (Saranti, 2024). Private sector financing is peripheral, mainly through rental subsidies under HELIOS or outsourced security contracts (Bagavos & Kourachanis, 2022).

Individual rights and entitlements in Greece's migrant integration system

Under EU and international law, refugees, asylum seekers, and people with subsidiary or temporary protection have broad rights; in practice in Greece, access to these rights is limited. Asylum seekers

on islands face geographical restrictions and long confinement in CCACs (Stivas, 2023; Sletbak, 2024). Reception aid, including food, shelter, and cash transfers, is tied to residence in official facilities and was cut further after ESTIA’s closure (Papatzani et al., 2022). Healthcare is formally guaranteed but remains inaccessible due to staff shortages and language barriers.

Education for children has expanded, yet attendance is inconsistent, while adult training is rare. Legal access to employment exists, but non-recognition of qualifications, bureaucracy, and labour market fragility push many into precarious work (Bagavos & Kourachanis, 2022). Recognized refugees must leave state accommodation within 30 days, contributing to homelessness and inequality in access compared with other EU states (Vergou et al., 2021).

Regulatory framework for providers – Greece’s migrant integration system

Greece’s migrant integration system is governed by a mix of national legislation, EU directives, and regulatory frameworks that shape who can deliver services—and how. The Asylum Code (Law 4939/2022) consolidated earlier laws on reception, asylum, and temporary protection, centralizing oversight under the Ministry of Migration and Asylum. The Reception and Identification Service (RIS) continues to manage intake at island “hotspots” like Lesbos and Chios, though operational bottlenecks persist.

While NGOs have historically delivered essential services—including legal aid, healthcare, and integration support—the 2020 NGO registry law has restricted their access to reception and detention sites. Many NGOs report a climate of intimidation and legitimacy challenges driven by political pressure. International organizations such as UNHCR, IOM, EUAA, and Frontex remain active. UNHCR provides legal support and housing coordination; IOM runs the HELIOS integration and return programs; EUAA supports asylum processing, while Frontex focuses on border control. Despite their formal presence, freedom of movement and program access have narrowed significantly due to the closure of ESTIA and the shift to a camp-centric model. Oversight remains weak, with national monitoring bodies facing questions about their independence and effectiveness, particularly in the context of alleged rights violations and pushbacks (Karamanidou, 2021; Stivas, 2023).

Summary Greece

Greece is categorized as a **security-oriented residual regime**. Policies focus on control and containment, with minimal and often temporary support for refugees and asylum seekers. NGOs and international organizations deliver many services due to weak state capacity, but their role is contested and frequently restricted by authorities. Conditionality is high, while rights and protections remain limited.

Table 5.6 Main features of the system for services for refugees and asylum seekers in Greece

Dimension	Greece
Type of Regime	Mixed; containment and humanitarian; rights-based in law, but securitized and camp-centric in practice
Governance Structure	Centralized; Ministry of Migration and Asylum leads policy and implementation; limited and uneven local authority engagement
Reception System	State-administered; dominated by island CCACs and mainland camps; limited freedom of movement; urban housing phased out (e.g., ESTIA ended 2022)
Integration Delivery	Minimal state-led integration; IOM's HELIOS program offers time-limited housing and training; participation conditional on prior camp residence
Funding Mechanism	Heavily EU-funded (AMIF, ISF); national ministries channel funds; NGOs historically funded directly by EU, now dependent on state-controlled access
Role of social economy actors	Central role in service provision; constrained by 2020 NGO registry laws; limited access to camps; vital for health, education, legal aid
Local Discretion	Low to moderate; some municipalities active, but local capacity and engagement vary; no formal resettlement autonomy
Conditionality of Rights	Legal entitlements exist but are undercut by administrative barriers and geographic restrictions; asylum seekers face limited access to services
Link to Welfare State	Weak; refugees formally entitled to public services, but under-resourced systems and bureaucratic barriers result in exclusion and reliance on NGOs

Ireland

Ireland's institutional framework and governance structure for refugee reception and integration have evolved significantly, particularly in response to increased migration flows and humanitarian crises in Europe. Traditionally a country of emigration, Ireland experienced rapid inward migration from the late 1990s, leading to increased diversity. While Ireland's direct impact from the EU refugee and migrant crisis in 2014-2016 was limited compared to other Member States, it prompted legislative and policy changes. Ireland decided to opt into the recast EU Reception Conditions Directive on November 21, 2017, having initially opted out of both the original and recast directives. More recently, Ireland officially opted into the EU Asylum and Migration Pact on June 27, 2024 (AIDA, Country Report, Ireland 2025).

Institutional framework and governance

Ireland's asylum and refugee governance involves multiple state and community actors but remains fragmented and reactive. The Department of Justice leads coordination through the Irish Refugee



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the European Union

Protection Program (IRPP), manages AMIF funding, and oversees the Migrant Integration Strategy. The International Protection Office (IPO) handles claims, with appeals by the International Protection Appeals Tribunal. Accommodation is managed by the International Protection Accommodation Service (IPAS), which oversees Direct Provision and Emergency Reception and Orientation Centres (EROCs). Since 2024, IPAS also hosts temporary protection beneficiaries for up to 90 days, though prolonged stays are common due to housing shortages.

Local authorities facilitate resettlement — the voluntary transfer of refugees from a first country of asylum to another state that agrees to admit them and grant permanent residence²¹⁴ — through initiatives such as the “Offer a Home” scheme.” Tusla, the Child and Family Agency, cares for unaccompanied minors, the HSE provides health screenings, and the Department of Social Protection manages welfare and housing supports. Community Sponsorship Ireland (CSI), launched in 2018, enables direct civic involvement. Ireland opted into the Temporary Protection Directive after the Ukraine war, granting access to services but limiting state accommodation from 2024.

Key legal instruments include the International Protection Act 2015 and Reception Conditions Regulations 2018. While resettled refugees benefit from stronger support, spontaneous arrivals face greater barriers. Direct Provision, Ireland’s state-run system providing accommodation, food, and basic services to asylum seekers while their claims are processed, remains criticized for exclusion and institutionalization. Service access is hampered by housing shortages, staffing gaps, and delays, while restrictive policies hinder labour market integration. Despite reforms, the system is overstretched, inconsistently applied, and overly reliant on emergency responses (AIDA, 2025).

Division of labour

Ireland’s refugee reception and integration system is structured through a multi-actor framework involving public authorities, social economy actors, and private stakeholders. Social economy actors fill critical service gaps. Organizations such as the Irish Red Cross and Irish Refugee Council deliver housing support, legal aid, and advocacy. Groups like Helping Irish Hosts and MASI coordinate grassroots support, offering essentials like transport and food. Many initiatives rely on fundraising due to limited public resources. Private actors also contribute: landlords and citizens provide housing through state-supported schemes, while private companies manage many Direct Provision centres under government contracts. Interagency groups help coordinate efforts locally (Arnold et al. 2021; AIDA 2025).

Persistent challenges include unequal support for different refugee groups—resettled refugees receive more structured assistance than those in DP. The housing crisis strains accommodation capacity, prolonging stays in reception centres. Volunteers risk burnout, and NGOs face chronic underfunding. Despite these obstacles, the resilience of social economy actors remains central to the functioning of Ireland’s system.

²¹⁴ <https://help.unhcr.org/ireland/where-to-look-for-help/resettlement/>

Financing mechanisms

Ireland's refugee reception and integration system is primarily funded by the public sector, with significant support from EU sources and contributions from social economy actors and private actors. The Department of Justice and Equality coordinates funding through the Irish Refugee Protection Program (IRPP) and manages AMIF allocations. The International Protection Accommodation Service (IPAS) oversees the Direct Provision system, while the Department of Social Protection issues welfare payments and compensates host households through the €800 Accommodation Recognition Payment. The Health Service Executive (HSE) provides healthcare access via medical cards.

Local authorities play a key role in integration and resettlement, receiving targeted funding to support programs like "Offer a Home." EU funds—especially AMIF—remain critical for co-financing relocation, resettlement, and integration. Additional EU sources like the European Social Fund (ESF) have supported employment initiatives, suggesting potential for more locally driven innovation.

Social economy actors bridge service gaps, delivering housing, legal aid, and mental health support, often through a mix of state funds, donations, and fundraising. Private actors also contribute: many DP centres are privately operated under government contracts, and interpreting services are often outsourced. Host families offer accommodation to Ukrainians under temporary protection, receiving state compensation.

Persistent problems include unequal support between refugee groups, bottlenecks caused by housing shortages, and over-reliance on emergency measures. Funding gaps remain in language instruction, healthcare interpreting, and mental health care. The system continues to depend on social economy actors' flexibility to make up for state limitations, but fragmented financing and under-resourcing threaten long-term sustainability (AIDA, 2025).

Individual rights and entitlements in Ireland's migrant integration system

In Ireland, individuals granted refugee status or subsidiary protection are legally entitled to residence, healthcare, education, employment, and social welfare—largely on par with Irish citizens. However, access to these rights is often hindered by structural issues, particularly housing shortages and uneven support systems.

Refugees can apply for naturalisation after three years; for subsidiary protection, the wait is five. While they may live anywhere, securing housing is challenging, especially in urban centres. Resettled refugees typically start in Emergency Reception and Orientation Centres (EROCs), whereas spontaneously arriving refugees face longer delays and fewer supports.

Beneficiaries can access full public healthcare via the medical card scheme and standard social welfare entitlements. However, those in state-run accommodation may receive reduced

allowances. NGOs like SPIRASI provide specialized services such as trauma support, though interpreter access remains limited.

Labour market access is unrestricted, but entry into regulated professions may require retraining. Education access is broad: children are entitled to public schooling, and adults may pursue further education, though barriers such as qualification recognition persist. Tailored supports, like pre-school childcare and structured integration, are generally stronger for resettled refugees than for others.

Regulatory framework for providers – Ireland’s migrant integration system

Ireland’s refugee integration system is shaped by a layered legal and policy framework, combining national legislation with EU obligations. The International Protection Act 2015 introduced a single asylum procedure and clarified rights for both asylum seekers and temporary protection beneficiaries. The Reception Conditions Regulations 2018 transposed the EU Directive into Irish law, formally codifying the Direct Provision model and minimum material conditions. In 2021, the government introduced National Standards for Accommodation, aiming to improve quality and oversight across reception facilities, though enforcement remains inconsistent (Department of Children, Equality, Disability, Integration and Youth, 2021).

Policy coordination is guided by the Migrant Integration Strategy 2017–2021, which promotes a cross-governmental approach to inclusion. However, the strategy has been widely critiqued for its lack of measurable targets and limited implementation of targeted support for refugees and asylum seekers (McMahon, 2015; IHREC, 2022).

Key public actors include the International Protection Accommodation Service (IPAS), responsible for housing and material support—largely outsourced to private contractors. The Health Service Executive (HSE) delivers healthcare access, including medical cards and screenings. Tusla, the Child and Family Agency, supports unaccompanied minors, while Education and Training Boards (ETBs) provide English language and integration training. Legal assistance is offered through the Legal Aid Board. Oversight is carried out by bodies such as HIQA, the Ombudsman, and the Irish Human Rights and Equality Commission (IHREC), though monitoring remains fragmented and reactive.

Despite advances in regulation, persistent gaps undermine effective implementation. Reliance on private providers continues to raise concerns about transparency, accountability, and quality control—particularly within Direct Provision centres. The housing crisis has further delayed exits from reception facilities, limiting refugees’ ability to transition to independent living. Additionally, language services and interpreter access remain inadequate, particularly for trauma and healthcare contexts. Vulnerability assessments are applied unevenly, and service quality varies significantly by location and protection pathway. While Ireland’s legal and institutional frameworks have expanded, the gap between policy intent and implementation remains a central challenge.

Summary Ireland

Ireland represents a **liberal-fragmented model**. While rights to services are broadly recognized, delivery is uneven and often reliant on NGOs and community groups. Integration policy is weakly institutionalized, with ad hoc governance and limited coordination. Conditionality is relatively low compared to continental systems, but access gaps are common due to fragmented service provision.

Table 5.7 Main features of the system for services for refugees and asylum seekers in Ireland

Dimension	Ireland
Type of Regime	Liberal, reactive welfare mix; rights-based in law, but practice leans toward containment and emergency response
Governance Structure	Centralized with multi-agency coordination; Department of Justice leads; local authorities involved in resettlement and housing under national strategy
Reception System	State-run via Direct Provision and Emergency Reception Centres (EROCs); increased reliance on private providers; 90-day cap for new arrivals under TPD (since 2024)
Integration Delivery	Fragmented; stronger for resettled refugees via IRPP; HELIOS-like programs (e.g. CSI, REALT); little tailored support for spontaneous arrivals
Funding Mechanism	Mixed: public sector, AMIF, and private contributions; local governments bear additional costs; NGOs heavily underfunded
Role of social economy actors	Central in service delivery, legal aid, housing, and advocacy; key NGOs include Irish Refugee Council, MASI, Helping Irish Hosts; often plug state gaps
Local Discretion	Moderate; local authorities implement national policy (e.g., “Offer a Home”); some innovative practices but limited autonomy or sustained resources
Conditionality of Rights	Legal entitlements are broad (e.g., Stamp 4, access to welfare and jobs), but constrained by housing shortages, inconsistent implementation, and slow processes
Link to Welfare State	Partial: beneficiaries entitled to key services (health, education, welfare), but parallel systems (e.g., DP) and structural shortages limit actual access

Lithuania

Lithuania has shifted from being mainly a country of emigration and transit to becoming a destination for migrants, especially since 2015. Flows have been shaped by crises: a small intake during the Syrian refugee crisis, a surge in irregular crossings during the 2021 Belarus border standoff, and an unprecedented inflow of Ukrainians after Russia’s 2022 invasion, with over 85,000

now residing in the country. While Ukrainians were received with broad solidarity, non-European refugees often face more negative public attitudes (Dapkūnaitė, 2022). Lithuania ratified the 1951 Refugee Convention in 1997 and offers refugee status, subsidiary protection, and, since 2022, temporary protection. Challenges remain in housing, healthcare, employment, and language acquisition (Genys, 2024).

Institutional framework and governance

The Ministry of Social Security and Labour leads integration policy and manages EU funds, while the Interior, Education, and other ministries oversee migration control, schooling, and labour. Implementation is carried out by the Migration Department, the State Border Guard, the Refugee Reception Centre (soon to become the Reception and Integration Agency), and the Employment Service. Municipalities provide housing, healthcare, and education but their roles are weakly defined and unevenly resourced. NGOs—such as the Lithuanian Red Cross, Caritas, Save the Children, and the Order of Malta—play indispensable roles, offering housing, case management, legal aid, and language support, often stepping in during crises (Acus & Fotindong, 2024). Yet they remain financially dependent on EU projects and face unstable long-term support. Despite progress since 2014, Lithuania’s system remains fragmented and reactive, with gaps in coordination and persistent negative attitudes toward non-Ukrainian migrants (Ališauskienė et al., 2025).

Division of labour

National ministries set the policy framework, while the Migration Department and Refugee Reception Centre provide frontline services. Municipalities are responsible for housing, healthcare, and education but vary in capacity. NGOs fill systemic gaps, provide advocacy, and mediate between migrants and institutions, though they rely on unstable funding (Masiulytė, 2023). The private sector contributes mainly through jobs and housing, but migrants often face underemployment and discrimination from landlords. Civic initiatives like *Strong Together* temporarily supported Ukrainians, showing how community mobilization can complement state efforts.

Financing mechanisms

Integration is financed by the state, municipalities, EU funds, NGOs, and international organizations. The Ministry of Social Security and Labour administers the Asylum, Migration and Integration Fund (AMIF), while municipalities provide limited housing and social support. EU funds play a central role in co-financing integration centres, training, and employment programs. NGOs rely on EU projects and private fundraising, sometimes providing direct aid through allowances or humanitarian cards. International actors such as IOM and UNHCR support legal, housing, and psychosocial services. Despite diverse funding streams, financial instability limits long-term integration efforts, especially for Belarusians and third-country nationals (Skučienė et al., 2022).

Individual rights and entitlements in Lithuania's migrant integration system

Rights vary by status. Asylum seekers are entitled to emergency healthcare immediately upon arrival, with access to the labour market only after six months. Recognized refugees access staged integration support—initially at the Refugee Reception Centre, then up to three years at municipal level, with housing, allowances, language courses, and health insurance. Ukrainians under temporary protection benefit from simplified residence, equal access to benefits, direct labour market entry, and schooling for children (Pivorienė et al., 2023). Still, barriers remain in housing, employment matching, and bureaucracy.

Regulatory framework for providers in Lithuania's migrant integration system

Lithuania's system is centralized under the Ministry of Social Security and Labour but depends heavily on NGOs for direct services. Municipalities became central during the Ukrainian influx, though gaps in resources persist. NGOs like the Red Cross and Caritas provide housing, case management, and legal and psychosocial support, often compensating for weak state capacity (Masiulytė, 2025). Private actors contribute mainly through employment and housing, but access is constrained by language barriers, qualification recognition, and discrimination (Deimantas & Şanlıtürk, 2023). Overall, the framework relies on a patchwork of state, local, and NGO actors, but remains underfunded and lacks a coherent long-term integration strategy.

Summary Lithuania

Lithuania illustrates a **reactive mixed system**. The state has provided generous protection and support to Ukrainian refugees, while asylum seekers from other backgrounds face more restrictive conditions and limited access to services. Governance is centralized, with NGOs stepping in to fill service gaps. The dual approach highlights uneven rights and outcomes across refugee groups.

Table 5.8 Main features of the system for services for refugees and asylum seekers in Lithuania

Dimension	Lithuania
Type of Regime	Evolving, mixed; shift from emigration to destination; reactive crisis management (2015, 2021, 2022) with dual treatment (favourable for Ukrainians, restrictive for others)
Governance Structure	Multi-level, multi-actor; Ministry of Social Security and Labour leads integration since 2014; Interior handles migration control; municipalities key in service delivery; EU obligations shape policy
Reception System	Refugee Reception Centre (RRC) as main hub (becoming Reception and Integration Agency); municipal housing (often short-term, rent-free up to 6 months); NGOs and community initiatives (e.g. Strong Together) fill gaps

Dimension	Lithuania
Integration Delivery	National integration program (two stages: RRC then municipality with NGO case management); language, employment, housing, and allowances; fragmented implementation, uneven across municipalities
Funding Mechanism	State budget plus EU funds (AMIF central); municipalities cover housing/education/social services; NGOs rely on EU projects, donations, fundraising; citizen initiatives (e.g. housing Ukrainians) significant
Role of social economy actors	NGOs central in humanitarian aid, case management, language, housing, legal/psychological help (e.g. Lithuanian Red Cross, Caritas, Save the Children); seen as “tools” by state but also advocates
Local Discretion	Significant; municipalities coordinate housing, education, and social support; roles often unclear and funding inconsistent; strong ad hoc role during Ukrainian influx
Conditionality of Rights	Status-dependent: asylum seekers have limited rights; refugees get integration support, housing, full healthcare, work rights; Ukrainians under TPD receive simplified access to welfare, work, and education, but support often temporary
Link to Welfare State	Partial: beneficiaries entitled to welfare, education, healthcare; access constrained by bureaucracy, housing shortages, and uneven local capacity; stronger provisions for Ukrainians than for other groups

Norway

Norway’s institutional framework and governance structure for refugee reception and integration have developed within a long-standing humanitarian tradition, reinforced by Norway’s strong welfare state and decentralized governance model. As a non-EU member but part of the Schengen Area and the Dublin system, Norway aligns closely with EU asylum norms while retaining policy autonomy. The country experienced a marked increase in asylum arrivals during the 2015–2016 refugee crisis, receiving over 31,000 asylum applications in 2015 alone (UDI, 2016). This prompted a tightening of asylum legislation and the introduction of more conditional integration measures. In response to Russia’s full-scale invasion of Ukraine, Norway applied the EU Temporary Protection Directive in 2022, offering immediate protection and access to services for over 70,000 displaced Ukrainians by 2024 (UDI, 2025). This marked one of the most significant expansions of Norway’s protection system, highlighting both the system’s flexibility and its reliance on local implementation. As of 2024, immigrants make up approximately 17 percent of Norway’s total population. Roughly one-third of this group are refugees and asylum seekers, accounting for a significant share of the 315,200 third-country nationals residing in the country (SSB, 2024). The largest refugee populations originate from Syria, Somalia, and Eritrea.

Institutional framework and governance

Norway's refugee reception and integration system operates through a multi-level governance structure involving national ministries, directorates, municipalities, and social economy actors. Though not an EU member, Norway aligns with EU asylum standards through Schengen and Dublin cooperation. Norway's system operates on a decentralized, rights-based model, with the Introduction Program—created under the 2003 Introduction Act—at its core. This program—implemented by municipalities—offers structured support including Norwegian language training, civic orientation, and education or employment pathways. National coordination is led by the Directorate of Integration and Diversity (IMDi), while key ministries—including Justice and Public Security, Education and Research and Health and Care Services—contribute to policy design. Asylum seekers are housed in reception centres operated under UDI oversight. The Directorate of Immigration (UDI) manages asylum procedures, reception, and resettlement. Municipalities voluntarily participate in resettlement (Brekke et al. 2021).

Refugees granted protection enter the Integration Program under the 2021 Integration Act, which is tailored by individual background. Resettlement is coordinated with UNHCR and follows political quotas set by Parliament, prioritizing group-level integration potential while still assessing individual alignment with national values.

Division of labour

Although not an EU member, Norway aligns its asylum policies with EU frameworks through Schengen and Dublin cooperation. The system is built on multi-level governance involving national authorities, municipalities, civil society, and private actors. Norway's refugee reception and integration system combines centralized policy direction with decentralized implementation. The Ministry of Justice and Public Security leads national policy, while the Directorate of Immigration (UDI) manages asylum procedures and oversees reception centres, many run by private or municipal operators. The Directorate of Integration and Diversity (IMDi) coordinates refugee settlement and supports municipalities, which choose voluntarily how many refugees to host. This decentralized model allows municipalities to tailor services but also leads to variation in financial aid and support quality.

Social economy actors and volunteer groups provide critical humanitarian and integration support, especially in times of high arrivals. Organizations like the NRC, NOAS, and the Red Cross offer legal aid and aid services, while grassroots efforts such as Refugees Welcome Norway emerged to fill early-stage gaps. Religious groups and individuals also contribute housing, mentoring, and social support, though their role remains largely informal. Civil society, including the Norwegian Refugee Council and Red Cross, plays a supportive role in legal aid and crisis response but remains marginal to formal asylum governance. Private actors such as Hero and Link operate reception centres under UDI contracts. Some also provided hotels during surges. Some refugees, particularly Ukrainians, opt for private housing with family or host networks (Hernes et al. 2021). Refugees staying with hosts

or relatives may receive informal care but often lack integration support or legal clarity—raising concerns over uneven access and protection.

Financing mechanisms

In Norway, refugee reception and integration are primarily financed by the public sector, with funding and responsibilities shared between national authorities and municipalities. The Ministry of Justice and Public Security sets immigration policy and allocates the refugee quota, while the Directorate of Immigration (UDI) manages reception centres and also oversees the Alternative Reception Placement system, which allows municipalities to host refugees outside formal centres, with state grants covering average costs and leaving room for local discretion.

The Directorate of Integration and Diversity (IMDi) coordinates refugee settlement in municipalities and oversees funding for integration programs. Municipalities organize the Introduction Program, funded through a five-year grant scheme that covers housing, education, and welfare. Additional subsidies are available for unaccompanied minors and those with health needs, but funding is not earmarked—resulting in local variation and perceived inequality. Municipal cost-sharing remains contentious. Though the state provides per-refugee grants, municipalities debate whether this funding covers high-cost cases, particularly those involving health. Participation remains voluntary, and IMDi negotiates each settlement. Policy shifts toward temporary protection have narrowed eligibility for integration benefits and permanent residence, especially for groups like Ukrainians. These changes, aimed at aligning refugee entitlements with other limited-residency categories, may worsen economic insecurity and affect family reunification rights. Social economy actors play a complementary role, supported by IMDi grant schemes. Religious institutions and informal volunteers continue to support Ukrainians and others living privately, though such arrangements can limit awareness of entitlements.

Individual rights and entitlements in Norway's migrant integration system

In Norway, refugee rights and entitlements depend on legal status and phase in the asylum process. The overall system aims to promote integration and self-sufficiency, though recent shifts toward temporary protection have introduced greater conditionality and insecurity.

During the asylum phase, applicants are entitled to free accommodation in UDI-run reception centres, usually operated by private or municipal actors. Most centres provide basic facilities, though services vary. The AMOT scheme allows asylum seekers—especially Ukrainians—to live privately with host families, with municipalities responsible for financial aid. Applicants are entitled to a free health check within three months. Children have full rights to healthcare and schooling. Access to legal aid is limited, though NGOs like NOAS offer basic legal information. Ukrainians benefit from relaxed integration requirements during reception, with language and civics training made optional. Once granted protection, refugees are settled through IMDi-municipality agreements or may self-settle. They are enrolled in the Introduction Program, a municipally

delivered course tailored to education and employment goals. Participation is typically mandatory. Refugees gain access to broader welfare benefits, but many—including pensions and child allowances—now require five years of residence and annual re-application, reflecting a shift toward means-tested support. Housing, a municipal responsibility, may be subsidized if the stipend is insufficient. Family reunification is available but often costly and bureaucratically burdensome. NGOs play a minimal formal role in the asylum system, limiting early-stage support. The growing emphasis on temporary protection and tighter welfare rules has created legal and economic uncertainty, slowing integration and deepening inequality across refugee groups.

Regulatory framework for providers – Norway’s migrant integration system

Norway’s refugee integration system operates under a multi-level regulatory framework led by the Immigration Act and Integration Act, which define legal status, entitlements, and institutional responsibilities. The Directorate of Immigration (UDI) oversees asylum reception, including housing, allowances, and application processing. While UDI manages policy and supervision, many reception centres are operated by private firms or municipalities. The Directorate of Integration and Diversity (IMDi) coordinates refugee settlement, assessing municipal capacity and providing guidance and funding. Municipalities play a central role in integration under Norway’s voluntary settlement model. They choose how many refugees to accept, arrange housing, and implement the Introduction Program. State grants are provided for five years per refugee, with additional funding for vulnerable groups.

Summary Norway

Norway represents a **universalist model**. Refugees receive broad rights and access to services within a strong welfare state framework. Municipalities play a central role in delivering integration programs, supported by predictable funding. Participation in introduction programs is mandatory, but conditionality is embedded within a rights-rich environment, making the balance distinct from activation regimes in continental Europe.

Table 5.9 Main features of the system for services for refugees and asylum seekers in Norway

Dimension	Norway
Type of Regime	Nordic universal, rights-based activation (with some conditionality?)
Governance Structure	Decentralized; municipalities lead settlement and integration under national policy (Integration Act, 2021)
Reception System	State-administered by UDI; basic support in reception centres or private housing with forfeited benefits
Integration Delivery	Introduction Program run by municipalities, tailored by education/employment profile; mandatory for most refugees

Dimension	Norway
Funding Mechanism	Fully tax-financed; 5-year per-refugee block grants to municipalities
Role of social economy actors	Limited in formal reception; strong voluntary and NGO role in crisis support and local integration
Local Discretion	High: municipalities voluntarily agree to resettle and design local services
Conditionality of Rights	Rights-based: broad access for recognized refugees; fewer benefits for humanitarian or temporary status (with increased conditionality?)
Link to Welfare State	Scandinavian model: strong municipal role, state responsible, civic support complementary

Typologies

A comparison of these nine European states shows that while welfare regime theory offers useful entry points for understanding national approaches to refugee reception and integration, it does not fully explain the variation observed. Refugee services are shaped not only by broader welfare traditions but also by field-specific dynamics—such as tensions between asylum policies (informed by political framings like the need to limit “pull factors”) and the obligation to meet international protection standards. They are also highly sensitive to fluctuations in refugee numbers, which put pressure on systems and reveal institutional resilience or fragility. Moreover, national political debates, shifting problem framings, and the rise of far-right parties have increasingly influenced how refugee policies are formulated and implemented. Finally, the degree of reliance on social economy actors—ranging from complementary roles in universalist settings to compensatory or marginalized roles in restrictive regimes—emerges as a key axis of divergence. The typology in table 5.1 captures these dimensions.

Table 5.10 Typology of Refugee Reception and Integration Regimes

Axis	Nordic universalist	Continental	Liberal-fragmented	Reactive mixed	Security-oriented residual
Countries	Norway	Austria, Germany, Belgium	Ireland	Lithuania	Czech Republic, Greece, Bulgaria
Governance	Decentralized, municipal-led	Multi-level but structured; federal/state coordination	Centralized but fragmented	Multi-level, reactive, uneven	Centralized, state-dominant
Rights & Conditionality	Broad rights-based, universalist	Conditional: access tied to language, work, civic duties (dual track, Ukrainians)	Broad in law but bottlenecked in practice	Dual track: strong for Ukrainians, weak for others	Minimal, residual rights; often status-dependent



Axis	Nordic universalist	Continental	Liberal-fragmented	Reactive mixed	Security-oriented residual
Role of Social Economy Actors	Complementary, voluntary, advocacy	Subcontractors/service providers; limited policy role	Essential gap-fillers, advocacy central	Indispensable but underfunded; crisis responders	Restricted, mistrusted, delegitimized
Integration Orientation	Long-term, structured (Introduction Program)	Long-term managed (Integration Act, courses, quotas)	Reactive, uneven; resettled > spontaneous	Crisis-driven, temporary vs. permanent duality	Containment-focused; ad hoc or minimal
Welfare Linkage	Strong universal welfare	Conservative/insurance-based activation	Liberal mix, high NGO reliance	Partial, favourable for Ukrainians	Weak; exclusion from mainstream welfare
Refugee Numbers & System Pressure	Moderate (steady inflows; 2015 and 2022 tested system)	High (2015 crisis, large Ukrainian inflows)	Relatively low, but housing shortages magnify stress	Smaller overall, but 2021 Belarus crisis + 2022 Ukraine inflow exposed fragility	Low during Syrian crisis, high during Ukraine, but system highly restrictive
Field-specific Dynamics	Migration policies partly decoupled from welfare universalism; focus on activation/self-sufficiency	Integration field more conditional than general welfare; policy logic of “duties for rights”	Refugee services more restrictive than Ireland’s general welfare model	Strong divergence: generous to Ukrainians, restrictive for others	Asylum/migration field driven by security logics, weaker alignment with welfare system
Social Economy Engagement	Strong in crisis moments but complementary	Embedded but instrumentalized as service contractors	Central compensatory role; essential gap-fillers	Indispensable, often first responders; fragile funding	Marginalized, politically restricted, or delegitimized

6. Conclusions

In this review, we have explored the literature on how different welfare states to a different degree take responsibility for the various facets of people's life and that the varied approach to who should be responsible for providing care services give a different scope for social economy actors to play a role in providing care to the people. The variation in this role is partly due to variation in what the state does itself, and partly it is a matter of financing and how social economy actors can access funds. Where the state takes broad responsibility for providing services and public funds are channelled to public sector providers, there is less room for social economy actors. Where the state takes a less comprehensive responsibility for services, there is more room for social economy actors to assume an important role in complementing the state. A core issue in all these countries is how the social economy can acquire funding for providing care services that the state finds outside of its scope of responsibility.

Two governance factors modify this relationship between the state and the social economy. First, we see variation in the normative perceptions about who should provide services. Different welfare states have different ideas about the role of the actors in the welfare mix – the division of public, for-profit and social economy welfare providers. Where the Nordic countries see the public sector as the natural service provider, countries in the south find it appropriate for the social economy to play a more central role. In the Bismarckian countries, the principle of subsidiarity assures that the social economy can somehow keep its historically important role in providing core care services. In liberal countries, commercial actors play an important role.

Second, the commercial actors seem to play an increasing role across welfare states as New Public Management and market-inspired governance tools have penetrated welfare states across Europe. This has markedly affected the role of the social economy as these actors need to adapt to commercial service providers seeking a growing role in the European welfare systems. At the same time as public sector governance tools are adapted to also encompass a commercialized care market.

Despite common trends like marketization and an adaptation to a reality with more limited public funds, the traditional welfare state typologies still seem able to explain a considerable part of the variation we identify among the countries. This demonstrates how the basic organization of the welfare state in terms of formal regulation, funding structure, normative perspective and welfare mix, is instrumental for understanding the role assumed by the social economy.

Nevertheless, we see increasing initiatives to develop policies aimed at advancing the role of the social economy in Europe (see also Chaves-Avila & Gallego-Bono, 2020). This is evident at the EU-level, but also in the different national contexts. These attempts consist of policies directed at the

social economy to help these actors overcome challenges related to issues such as access to funds, legal roles, tax incentives, etc. These policies are developed across welfare states and could potentially spur convergence across welfare state regimes. Especially as these policies are often grounded in soft steering from the EU, but also economic incentives as public funding to varying degrees relies on *EU structural funds* (ESF, ERDF) for grants and wage subsidies.

However, albeit not fully, the development of specific policies to a certain degree overlaps with welfare state regimes. As we demonstrate in Chapter 3, the different states cluster in how they approach policies for the social economy. While southern European countries have Comprehensive Frameworks and Well-Established SSE, the EU countries from the former Soviet bloc are still maturing in their approach to the SE, but have dedicated legal and policy frameworks, whereas the Scandinavian countries have less developed policy strategies for the social economy. Additionally, countries like Germany and Austria have strong traditions for policies addressing the social economy, but develop these policies at the subnational or policy field level. Yet, there are notable exceptions to this broad picture, demonstrating the non-deterministic nature of welfare state typologies, especially as new parameters enter the analysis.

Furthermore, our analytic emphasis also makes us aware of different aspect of the welfare societies than the more state-centric typologies. The social economy played a negligible role in the original work of Esping-Andersen (1990)), who considered foundations and nonprofit actors that got state funding, as part of the state in his categorization which involved the market, state, and family as the main actors. This conception is arguably still worth being discussed since there are social economy entities– especially in the provision of social services in the social and health care sector - that fully or to a large degree depend on state funding

The discussion of two service areas reveals some interesting features regarding the interplay of welfare state regime, social economy policies and intrastate variation. Welfare state typologies tend to regard welfare states as one unit across all the activities of the welfare state, and the social economy policies are mainly directed towards the whole set of social economy actors or subgroups based on ownership structures. When investigating long-term care and services for refugees, we reveal, however, that there are important intrastate variations.

The intrastate variation indeed illustrates both the potential and the limitations of classifying countries according to welfare regimes. When assessing variation in the role of social economy actors in the LTC sector, it is evident that the classical welfare state typologies have considerable explanatory power. Indeed, the role of the social economy nicely fits with the expectations from the different regulatory regimes in the welfare state. This suggests that profound welfare state structures may be a more central explanation for social economy development than what we trace back to social economy policies.

Nevertheless, the investigation of services for refugees reveals that using the welfare regime as an explanatory has limitations, as the countries do not fit as easily into the same typology. There are at

least two possible explanations that are at play. First, the literature on welfare regime typology tends to treat countries as unitary cases. When there are differences in policy and regulatory approaches in different policy fields, we can expect only one of these fields to fit with the overall regime category of the country. Services for refugees is a more novel care field than LTC and has other dynamics at play such as the tensions between the political goals of reducing the number of refugees and/or immigrants and securing acceptable conditions for refugees in line with requirements formulated in international treaties.

Second, while the regulatory regime has explanatory power, there are also other aspects that can explain developments in a care field. While LTC may be influenced by demographic changes that, despite variations, take place all over Europe, the services to refugees see important variation as the number of refugees varies across both time and across countries. Furthermore, the level of care services for refugees can also be scaled as decision makers pursue the politics of deterrence to limit the number of refugees seeking to the country (Sandberg, Schultz & Kohl, 2025). However, we do not have a firm basis to make inferences about this relationship, and more detailed examinations of the variation in social economy engagement across service areas and countries are needed to address this issue. Taken together, our analysis thus confirms the view that the policy field level is a constructive level of analysis when comparing countries, depending on the level of abstraction one seeks to make (Grønbjerg & Smith, 2021).

Potentially, services for refugees constitute a field where the interests of the states and the social economy do not always align. Social economy actors are autonomous actors that pursue their own agenda, and where this does not square with the state's, the social economy can pursue its own interests. In this situation, states can have neutral policies that give a stable ecosystem where ideological or practical disagreements do not impact how the state and social economy actors interact. It is also a possibility that the state adapts its social economy policies to make these policies coherent with state goals, potentially at the detriment of the autonomy of social economy factors.

The agency from social economy actors will also vary across countries and policy fields. Where social economy actors have institutional strength, an insider role in policy formulation and operate in a context where they are perceived to have a special legitimacy, it is easier to advance their interests than in fields and countries where they have traditionally had a more marginal role or in newer fields – like services for refugees – that lacks historic roots and thus a natural place for the social economy (Trætteberg & Sivesind 2025).

The role of social economy in advancing a form of economic democracy is a product of the extent to which social economy actors advance labour ownership rights, facilitate participation in economic decision making and channels interests into the political system. The logic of these roles may vary across countries, as insider and outsider roles are assumed in the political system, the share of the social economy varies, and the extent to which social economy actors have structures for collective

decision-making varies. The role of social economy as services provider and employer is linked to its role as infrastructure for economic democracy. Inferences about regulating the social economy and social economy policies, should therefore also consider the democratic aspects of social economy practices.

Lastly, the role of the social economy in driving social inclusion and advancing high-quality jobs is dependent on its ability to develop care services within the state-manufactured, multi-level governance structure of European states. While this working paper demonstrates how different regulatory and policy approaches can explain country variation in the role of the social economy at an aggregate level, more detailed analysis is needed to grasp the role of individual regulatory and policy instruments and how these approaches interact with other, non-state driven aspects that are part of the context where social economy actors contribute to care services. At the same time, detailed analysis of the operations of the social economy, must be interpreted in light of the ecosystem where they operate. For a holistic understanding of the role and potential of the social economy, large scale studies like this one must be combined with detailed assessments at the regional, case and institutional levels to grasp the true nature of the social economy. The working paper is thus a part of the wider understanding of the social economy developing in the DICES project.

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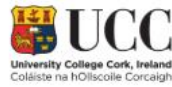
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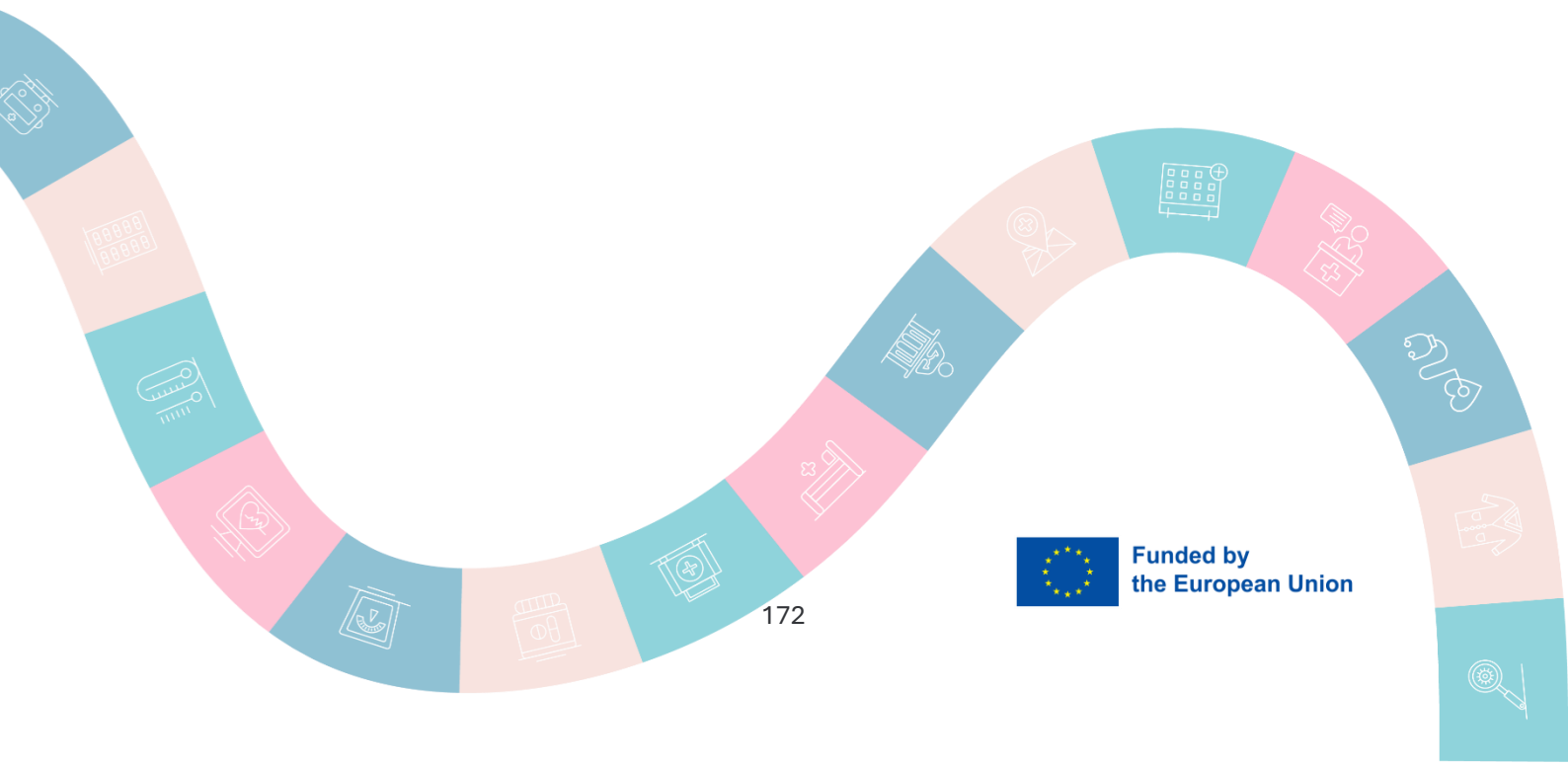
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