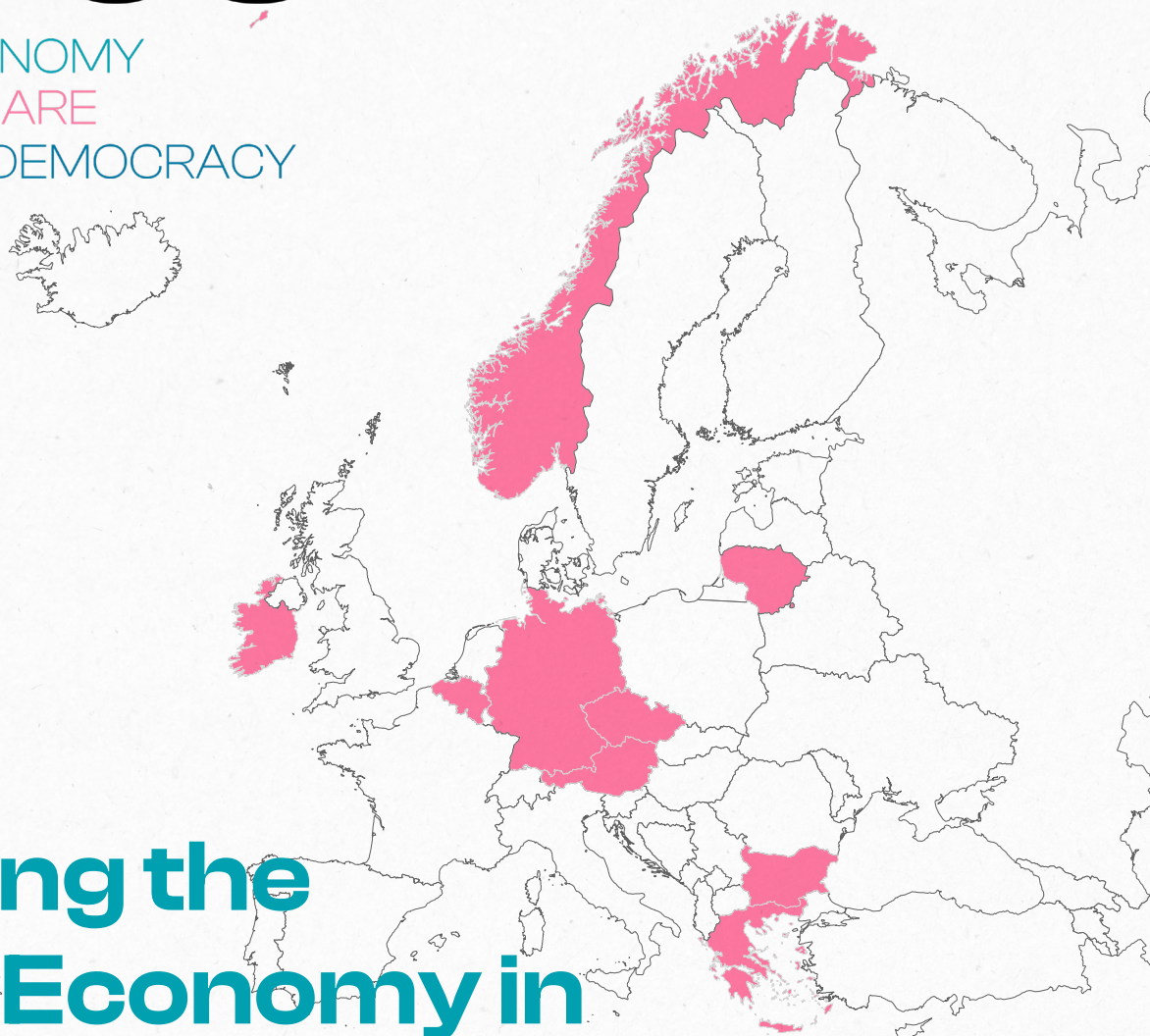




SOCIAL ECONOMY
INCLUSIVE CARE
ECONOMIC DEMOCRACY



Mapping the Social Economy in Nine European Countries

Austria, Belgium, Bulgaria, Czech Republic,
Germany, Greece, Ireland, Lithuania and Norway

Summary of country findings from DICES D2.1
«Conceptual framework and Mapping
of the Social Economy in Europe»



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Introduction

Overview of the DICES project

This document features the mapping findings from Work Package 2 (WP2) of the **DICES project: “Driving inclusive care: economic democracy and social economy”**. The overarching mission of DICES is to explore how the social economy strategically addresses challenges related to social exclusion through democratic and participatory workplace organisation and multi-level governance frameworks. To achieve this, the project addresses two primary questions:

1. **How do social economy organisations approach social inclusion?**
2. **To what extent are they integrated into multi-level governance structures, and how do these structures shape their inclusive approach?**

To approach these questions, a mapping (D2.1 Part II) was designed to capture the national trajectories, size and composition of the social economy, focusing on how different legal forms (such as cooperatives, associations, mutual benefit societies and foundations) respond to social exclusion within their respective cultural and political contexts. This integrated approach provides the empirical groundwork for [subsequent project activities](#). This short report provides a concise overview of the main findings of this mapping, highlighting the key characteristics of the social economy, its contribution to addressing social exclusion and the principal policy demands identified.

The “care” lens

The mapping is guided by one of the project’s central bridging concepts: the use of care as an analytical lens. Drawing on [the work of Joan Tronto](#), DICES moves beyond a narrow understanding of care as a function of the healthcare sector and instead conceptualises it as a fundamental mode of organising economic and social life. From this perspective, care is closely intertwined with democratic participation, mutual responsibility and engagement in fostering more inclusive societies and territories.

Viewing the social economy through this lens makes it possible to analyse not only the services that social economy organisations provide, but also how they are organised. In particular, it highlights how organisational democracy can foster a socio-moral climate of mutual support that underpins well-being, inclusion and sustainable forms of economic activity. In doing so, the project contributes to a growing “science of the social economy” that understands economic activity as democratically embedded in social relationships rather than governed solely by impersonal market forces.

Country syntheses

1. Austria

Understanding the social economy and economic democracy

Social economy

The term “social economy” is not widespread in Austria and – when it is used – it is not always in line with the EU definition (Social Economy Action Plan – SEAP 2021). There is neither a comprehensive national (legal) framework nor a national strategy. Legal frameworks focus on specific social economy families: associations, cooperatives, mutual insurance companies or public benefit foundations.

The term social economy gained limited traction when a “Social Economy Conference” took place in 2022 and a “Social Economy Deklaration” was published by around 80 social economy (and other) actors in 2023. The EU translates social economy as “Sozialwirtschaft” in German but the term “Sozialwirtschaft” is well established in Austria as a notion addressing social service provision by both non-profit and for-profit entities. Rather than “social economy”, the notion of “solidarity economy” (Solidarische Ökonomie) has been used by social movements and certain practitioners, popularised by major congresses.

The term NPO (non-profit organisation) is dominant in the academic and statistical debate on the third sector. Although a universal legal definition of NPO does not exist, the term is of relevance at the political level, just like volunteering (Freiwilligenengagement) which is recognised by law.

Public benefit (Gemeinnützigkeit) is also of importance. An alliance (Bündnis Gemeinnützigkeit) stresses public benefit as the purpose of organisations from the non-profit and voluntary sector. The tax law regulates the public benefit status of associations (which is the precondition to receive tax benefits). Public benefit-oriented housing entities – so-called limited-profit housing associations – are regulated by law (Wohnungsgemeinnützigkeitsgesetz WGG).

Economic democracy (ED)

While democracy and/or participation are described as key criteria of the social economy (according to the SEAP 2021, mainly referring to the organisational level), democratic and participatory practices on the ground remain diverse and putting democracy into action largely depends on the willingness of individual organisations (be it associations,



cooperatives or mutual insurers). The “independent living movement” has pushed forward the case of self-representation of disabled persons (with a user-run cooperative, advisory boards in welfare organisations and specific laws on the federal state level allowing for (self-)representation of persons with disabilities). In the housing sector there exist self-managed projects (cooperatives, associations) as well as limited-profit housing associations with advisory boards of tenants. Trade unions and the chamber of labour associate the term ED mainly with the representation and co-determination of employees. There is no unified understanding of ED in Austria and it is not widely used. “Democratisation” of the economy and of the social economy in particular, of care and social services (regardless of whether provided by the public or by the social economy), plays an increasing role in social movements and in academia.

The social economy and social inclusion

The social economy is a vital pillar for social inclusion in terms of access to and provision of social services, particularly through its presence in the care and social work sectors, such as in services offered to victims, offenders and ex-prisoners, for homeless people or for the long-term unemployed. “Arriving home” is a strategic model to end homelessness. The project connects two social economy actors – BAWO (the Austrian umbrella organisation of homeless support services) and GBV (the Austrian Federation of Limited-Profit Housing Associations) – and the Ministry of Social Affairs. Social economy organisations are important with regard to the economic dimension of social inclusion, e.g. offering (transitional) jobs and (professional) training opportunities. Austria’s approximately 200 WISEs (Work Integration Social Enterprises) play a central role in fighting long-term unemployment and re-integrating disadvantaged persons into the labour market. Peer work is of importance in services for persons with mental illnesses or for homeless persons: persons having experienced mental illness (former users) share their experiences with clients or employees. Social economy organisations establish employment opportunities for former users who receive occupational training that turns them into professionals in order to work with clients. Organisations also provide for cultural inclusion, e.g. through anti-discrimination works agreements or disabled persons’ representatives.

Political priorities and policy demands

The Social Economy Deklaration (2023) – initiated by the first Austrian Social Economy Conference – and the Zukunftsprogramm (programme for the future, 2024) – initiated by Armutskonferenz (Austrian anti-poverty network) – are the results of participatory processes. These documents include key political priorities and policy demands for the social economy, e.g.:

- The criteria of democracy and/or participation should be placed at the centre of development and support measures targeting social economy organisations.



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- Competence centres promoting the establishment of and the transformation of mainstream businesses into social economy organisations (e.g. in the context of business succession) need to be established and supported.
- Political initiatives (such as a national social economy action plan) should be based on broad and inclusive co-determination of both employees and users, especially of groups that are usually under-represented in decision-making processes, of those marginalised, vulnerable or oppressed.
- Political initiatives need to be shaped in a way that they effectively contribute to enhancing the working conditions within the social economy where there are deficits and backlogs. Therefore, the strong involvement of representatives of the employed is required.
- A transformative social economy requires adequate frameworks such as the reduction of direct and indirect subsidies for non-social economy enterprises, expansion of women's empowerment programmes or the extensive expansion of childcare.

2. Belgium

Understanding the social economy and economic democracy

Belgium does not possess a single national definition of the social economy; instead, meanings and policy approaches are shaped by distinct regional regulations in Wallonia, Brussels-Capital and Flanders. In Wallonia and the Brussels-Capital Region, the social economy is understood through a “broad” perspective, encompassing cooperatives, associations, mutual societies and foundations that prioritise social utility and democratic governance. These regions define the sector by four founding principles: service to members over profit, the primacy of people and labour over capital, management independence from public authorities, and democratic decision-making based on the “one person, one vote” rule. Conversely, the Flemish region adopts a “narrow” focus primarily centred on work integration (WISE), supported by frameworks like *collectief maatwerk* and *individueel maatwerk* for people distanced from the labour market.

While economic democracy is often described as the “soul” of the social economy in French-speaking Belgium, framing both the internal management of organisations and their external relationships with workers and users, practices on the ground remain diverse and largely depend on the willingness of individual organisations.

The social economy and social inclusion

The social economy is a vital pillar for social inclusion in Belgium, particularly through its dominance in the healthcare and social work sectors, which account for nearly 70% of social economy jobs. Work Integration Social Enterprises (WISEs) emerged in the 1980s in Wallonia to contain rising unemployment by providing training and integration pathways for vulnerable groups. In Flanders, maatwerk programmes specifically target individuals with work-limiting disabilities or low education levels, significantly enhancing their self-reliance and social networks. Beyond labour integration, social economy entities provide inclusive, community-based care models, such as the self-managed and non-hierarchical *maisons médicales* (medical centres) which promote health equity through flat-rate funding systems. Notably, the sector is also a significant driver of gender inclusion, as women constitute over 71% of the social economy workforce.

Political priorities and policy demands

Belgian social economy stakeholders have articulated a set of strategic priorities aimed at protecting the social economy’s transformative potential and securing its future. A primary

defensive demand is to prevent the social economy from being reduced to a “remedial economy” focused exclusively on the professional integration of the most vulnerable. Proactive claims include the maintenance of fiscal incentives, (re)activating public support to ensure long-term structural financing, and enhancing the visibility of the sector under slogans like “people before profit”.

In the care sector in particular, political demands focus on addressing severe personnel shortages and burnout by increasing wages and improving work-life balance. Federations such as Concertes and SAW-B continue to advocate for a co-construction model with public authorities to ensure the sector remains an equal partner in addressing societal challenges.

3. Bulgaria

Understanding the social economy and economic democracy

The National Concept for the Social Economy (2012) and the Act on Social and Solidarity Economy Enterprises (2019 – SSEE Act) define Bulgaria's social economy as an umbrella term for enterprises and organisations (cooperatives, foundations, associations, cultural centres) with a social purpose that reinvest profits to achieve social objectives, combining economic self-sufficiency, social expenditure and solidarity. Its business model rests on economic democracy: democratic member control, the "one person, one vote" principle and voluntary, autonomous participation. In practice, however, this democratic dimension is narrowly interpreted. Legislation requires members, workers or employees to participate in internal governance but does not extend to relations with clients, and there is no deliberate effort to secure members' ownership or control over economic outcomes. Studies note that democratic principles are increasingly neglected within cooperatives, being replaced by conventional enterprise practices. Yet, traditional social economy entities such as cooperatives, specialised enterprises for people with disabilities and cultural centres (chitaliste), traditional for Bulgaria, do not recognise the concept of social economy enterprise as it is introduced by the SSEE Act and do not register as social enterprises. Last but not least, the SSEE Act defines the social economy as a specific business model that invests income in sustainable development by promoting social and environmental causes that benefit members and society. However, there is a risk of overestimating environmental aspects and neglecting social ones. The two do not always go hand in hand.

The social economy and social inclusion

Social economy organisations are formally represented in numerous consultative councils and, indirectly, in tripartite social dialogue, yet their actual influence on policymaking often remains superficial, particularly regarding labour relations. Economically, inclusion is undermined by widespread temporary, project-funded employment, which limits skills development and job security, especially in the heavily feminised and precarious care sector. Evaluation data show that EU-funded programmes have most improved employment, social capital and income, while contributing far less to confidence, integration and professional skills. Cultural inclusion remains largely undocumented, though people with disabilities and pensioners appear comparatively well integrated. Internal organisational democracy within social enterprises is rarely studied, and existing impact assessments focus almost exclusively on benefits to users rather than on inclusive governance. Benefits and inclusion do not always go hand in hand.

Political priorities and policy demands

The mainstream political understanding of the development of the social economy in Bulgaria, as represented by the policies developed by the Ministry of Labour and Social Policy, is that it is a well-structured sector. This begins with the National Concept (2012), which establishes strategic objectives, and continues with the SSEE Act (2019), which defines specific boundaries and requirements. The Ministry is currently adopting a regional approach to promote social entrepreneurship by establishing six regional SE hubs. However, many civil initiatives are critical of this approach, highlighting weak incentives for the organisations to register as social enterprises, an overly narrow definition of vulnerable groups, sporadic inter-ministerial coordination and a lack of information on support measures at regional and municipal level, despite the Act's stated territorial development goals. Poor coordination between state bodies, unclear rules on combining minimum social benefits with employment support, and low visibility of the free social-enterprise trademark are also flagged. Recommendations for the sector include introducing tax incentives for both social enterprises and their business partners, promoting a systematic "social audit" of impact and, for the care subsector specifically, raising wages, setting contracting and qualification standards and strengthening cross-sectoral union dialogue.

4. Czech Republic

Understanding the social economy and economic democracy

The social economy in the Czech Republic remains only partially institutionalised. While social enterprises and selected organisational forms such as social cooperatives, associations, foundations, institutes and public-benefit organisations are recognised, the country still lacks a comprehensive legal framework and an overarching national strategy for the social economy. Legal regulations and state strategies exist only in the field of Integrative Social Enterprises targeting the work integration of disadvantaged groups. As a result, development is not coherent and has largely been driven by EU initiatives, specific public programmes and umbrella organisations such as TESSEA rather than through a state-led approach.

Economic democracy is a less prominent concept in public debate. Historically it has been associated with worker participation, collective ownership and the traditions of workplace self-management linked to Czech reform thinkers such as Tomáš Baťa or Ota Šik. Current discussions link questions of economic democracy to questions of socio-ecological transformation, social enterprises or the cooperative movement which rests on economic participation and concern for community needs.

The social economy and social inclusion

The Czech social economy contributes primarily to labour-market integration and the inclusion of disadvantaged groups through social enterprises and work-integration initiatives. Social enterprises are increasingly viewed as tools for addressing unemployment, regional inequalities and the integration of vulnerable populations. At the same time, their role in care and social services remains relatively limited compared with the overall size of the sector. Research highlights significant untapped potential for social economy organisations to expand their contribution to long-term care, elderly care and broader social inclusion. This challenge is becoming increasingly important in the context of population ageing and a shrinking workforce. Emerging studies also point to the potential of social economy organisations to support the social and labour-market inclusion of migrants. However, further empirical research is needed to better understand the sector's impacts on inclusion, democratic participation and care provision.

Political priorities and policy demands

A central demand of Czech social economy actors is the creation of a comprehensive legal framework for the social economy, accompanied by stronger integration of the sector into political, economic and social planning. Stakeholders argue that clearer legislation would facilitate dedicated funding schemes, improve data collection and measurement, strengthen research capacities and increase governmental commitment to the sector. The adoption of the Integrative Social Enterprise Act (No. 468/2024 Coll.), effective from January 2025, and the forthcoming Strategic Framework for Social Entrepreneurship 2026–2030 are viewed as important steps in this direction. Additional efforts of umbrella organisations such as TESSEA include strengthening dialogue between public authorities and social economy actors, improving recognition of worker participation and democratic governance, and better assessing the extent to which social enterprises embody economic democracy principles. Looking ahead, social economy organisations are expected to play a growing role in long-term care, elderly care, regional development and migrant inclusion.

5. Germany

Understanding the social economy and economic democracy

To date, Germany has neither an official definition of the social economy nor a unified strategy. Instead, the German “social economy” is not a uniform undertaking but rather reflects in its diversity the variety of reasons for its establishment (Birkhölzer, 2016). The literal translation of social economy to German is “Sozialwirtschaft”. This term is used in Germany; however, it is understood as social services provided both by non-profit and for-profit organisations. Another term used in the German context is “Dritter Sektor” (third sector), which describes all organisations that are part of neither the public sector nor the private sector and includes all non-profit entities that are not oriented towards profit-maximisation but are economically active, striving for a social mission. The term is often used synonymously with “non-profit sector”. Another, rather new, term is “Sozialunternehmen” (social enterprises), which is understood as organisations trying to solve a social issue through market-oriented approaches. The current government strategies do not aim at supporting the social economy as a whole but instead want to foster entities that pursue economic activities, aligning with the EU definition of social enterprises (EU Social Economy Gateway; BMWK, 2023, p. 4).

The term “economic democracy” is not broadly used in Germany. Instead, terms like “employee participation” and “co-determination” (in German: “Mitarbeiterpartizipation” and “Mitbestimmung”) are used to describe democratic structures within organisations and are advertised especially by trade unions. Germany has a strong corporatist tradition of social dialogue between employees or trade unions and employer organisations. While different families of the social economy, such as cooperatives or associations, include different participatory elements, they also encounter different problems in the democratisation of their structures.

The social economy and social inclusion

The social economy sector is vital for the provision of care and the functioning of the welfare state in Germany. Social economy actors provide a wide range of offers and services, including long-term care for the elderly, care services for persons with disabilities, childcare services, including kindergartens, after-school activities and youth clubs, or legal counselling for refugees. Historically, most care services were provided by social economy and welfare actors, and the system has been designed and has grown in a way that relies on them as central actors. The big German welfare federations in particular continue to play a central role in the sector. However, there are also many smaller social economy actors

active and relevant for social inclusion. Due to the lack of a legal definition and of reliable quantitative data on the number of social economy organisations it is, however, difficult to assess or quantify their impact on social inclusion. The German government tried to improve the measurability of the social economy and developed a handbook on impact measurement of social innovations in 2023. However, this specifically targets social enterprises and not the social economy as a whole.

Political priorities and policy demands

Even though the social economy in Germany has a long tradition, the involvement of the federal government in the social economy is relatively recent, dating back only to the 2000s. This shift aligned with a renewal of the sector, characterised by the rise of more entrepreneurial and innovative types of social economy organisations (EU Social Economy Gateway, n.d.). Currently, the focus in policymaking lies on social innovation and the support of social enterprises and start-ups, for example through the National Strategy for Social Innovations and Social Enterprises of 2023. However, there is currently no official definition of the social economy or comprehensive strategy. Developing these is central to the further development of the social economy landscape in Germany.

6. Greece

Understanding the social economy and economic democracy

Greece's social economy legal framework evolved from Law 2716/1999 to Law 4019/2011, and finally Law 4430/2016, which established the Social and Solidarity Economy (SSE) as the dominant institutional term, formally recognising Social Cooperative Enterprises (Koin.S.Ep), Social Cooperatives of Limited Responsibility (Koi.S.P.E) and Workers' Cooperatives, alongside conditionally eligible entities like associations and foundations. The ecosystem also includes non-formally-recognised actors such as NGOs, mutual-benefit organisations and energy communities. Regarding economic democracy, stakeholders span the state, private sector, citizens, academic institutions and intermediaries like incubators. SSE structures specifically target integration of vulnerable groups (e.g. people with disabilities, ex-offenders) and special groups (e.g. domestic violence victims, refugees, long-term unemployed). Governance is fragmented across six ministries, with regional authorities also playing a growing role through EU-funded programmes. As a result, SSE entities often struggle to identify which agency is responsible for funding or regulatory issues. At the same time, the state plays a dual role in this sector – benefiting from the services SSE organisations provide while also acting as their partner.

The social economy and social inclusion

Greek legislation introduced formal measurement of SSE's "social impact" via a digital tool, requiring registered entities to report annually, though results have never been published in overview reports. Scholarly literature links SSE to evolving political engagement but often overlooks the state's regulatory role; some argue for democratic co-construction between state and grassroots actors, criticising weak implementation, monitoring and funding – leaving many entities (such as agricultural cooperatives in certain regions) unregistered and invisible. Post-crisis, the lack of public funding has pushed SSE organisations towards market financing, risking mission drift towards commercial priorities over social goals. Overall economic contribution remains limited: SSE turnover was about €44.9 million in 2020, down significantly from the previous year, with modest recovery the following year. Employment impact is similarly small – only around 1,500 Annual Work Units in 2021, with a small fraction involving vulnerable-group workers – undermining SSE's potential as a transformative economic alternative.

Political priorities and policy demands

Political priorities for Greece's social economy centre on reforming and clarifying the fragmented legal and institutional framework, including updating the national SSE registry for a unified overview of the sector. Key demands include improving access to finance through national, European and private funding tools, and encouraging greater involvement from banks and financial institutions. Building stakeholder capacity is a major priority, given limited public-sector knowledge of social entrepreneurship and gaps in business expertise within SSE organisations themselves. Strengthening networking and collaboration – through physical or online spaces for partnership-building – is also emphasised, alongside raising public awareness of SSE's value and functioning. Broader demands call for moving beyond a strict state/market divide towards a flexible mix of public funding and private-led initiatives, establishing dedicated training programmes linked to employment schemes, and pursuing democratic co-construction between the state and SSE actors, requiring genuine political commitment, intergovernmental coordination and long-term consultation rather than fragmented, top-down reforms.

7. Ireland

Understanding the social economy and economic democracy

From its historically religious and philanthropic roots, the modern understanding of social economy in Ireland has evolved to incorporate purpose-driven organisations that work for public benefit and are led by a voluntary board or a volunteer-run committee. Since the 1990s, social enterprises have grown as an organisational model within the social economy, supporting work integration and service provision in rural or disadvantaged areas with limited markets, including on behalf of the public sector. Within the care sector, the social economy is particularly active in day services for people with disabilities and older people, plus community childcare. Organisations are most commonly incorporated as Companies Limited by Guarantee; other familiar legal forms are cooperatives, mutual societies, non-profit associations and foundations.

Aside from cooperatives, economic democracy is not generally understood as a key feature of the social economy as evidenced by its low union representation. While organisational beneficiaries or members may be considered for voluntary boards of directors or specific sub-committees, the national definition for social enterprises mandates accountable and transparent governance rather than democratic management. Umbrella organisations represent sub-sectoral interests. Social partnership, including collective pay bargaining, involving the state, employer organisations and trade unions operated from 1987 until 2009 but only belatedly included the social economy sector in a manner critiqued for its tokenism. National alliances strengthen sectoral advocacy with the government for reforms to improve funding, regulation and collaboration (contingent on an enabling public service system). State and sectoral collaboration during the Covid-19 pandemic demonstrated how coordinating structures for partnership could enable more integrated working.

The social economy and social inclusion

Social inclusion is a significant focus of the social economy with long-established support for marginalised target groups and disadvantaged communities to address exclusion on the grounds of poverty, disability, age, educational disadvantage and intergenerational unemployment, along with newer areas including migration.

Despite strong identification with the 2019 national social enterprise definition, lack of any specific legal or company form or accreditation inhibits understanding of the scale, scope and impact of the social economy sector. Organisations employ charity registration and independent evaluations to evidence public benefit and impact, respectively. A 2022 survey of self-identified social enterprises found that 60% employed staff in operational roles



through work integration programmes that particularly increased the female workforce, and that of the over-50s in rural areas. In strategic volunteering roles, women and young people remained under-represented.

Political priorities and policy demands

Social economy organisations combine funding from diverse public programmes for enhancing social inclusion, work integration and social care provision, but face encroachment from for-profit providers due to public sector austerity and efficiency measures ushered in by the 2008 recession, which favoured outsourcing of care services through competitive tendering. Social lenders and a national social innovation fund offer low-interest finance, grants and business supports, while a blended social finance model is being piloted. Health and social care sector-specific calls seek to address the threat to service provision and staff retention/recruitment caused by Ireland's two-tier resource allocation and pay approach between the social economy and public sector by advocating for multiannual funding, streamlined administrative reporting and regulatory oversight, and equitable terms and conditions.

Policy priorities specifically related to social enterprise are to increase awareness, foster its growth and spread, alongside multi-level policy development and coordination, plus data collection and research for impact measurement. This will be supported when social clauses and impact assessment are incorporated into public procurement.

8. Lithuania

Understanding the social economy and economic democracy

Lithuania has no unified legal or policy definition of the social economy, though several organisational forms and statuses perform its functions, mainly in care, education and employment integration: associations, foundations, public [interest] institutions and “social business” status. Cooperatives carry a contentious, Soviet-era reputation and remain largely agricultural, while social enterprise law was scrapped in 2022, leaving the WISE legal form obsolete as of 2023. Public awareness of the social economy and of social economy organisations is low, and policy remains fragmented across ministries, treating the sector as a funding category rather than a distinct governance model. Economic democracy is similarly peripheral: although legal frameworks permit participation, they rarely mandate it. Service beneficiaries or users, e.g. the unemployed, migrants or refugees, persons with disabilities, the elderly etc., are typically treated as beneficiaries rather than stakeholders, with participation often symbolic and decision-making concentrated among founders, professionals (experts, consultants) or municipalities. EU-funded programmes increasingly encourage co-design and participatory governance, but implementation is uneven and largely project-based, requiring legal incentives and cultural change.

The social economy and social inclusion

The social economy’s impact on inclusion in Lithuania varies markedly across target groups, service types and legal forms or statuses, assessed through four dimensions: access, participation, representation and empowerment. Access is uneven: public sector and large NGOs ensure baseline eldercare, provision of services to persons with disabilities and refugees, but rural areas are underserved and migrants face legal, linguistic and institutional barriers. Participation remains mostly service-level rather than organisational; users can access programmes but rarely shape their structure or priorities, though EU-funded schemes (notably AMIF) embed stronger inclusion criteria. Representation in governance is rare across all groups, with boards dominated by professionals or founders and no mandated user-voice mechanisms. Empowerment outcomes are strongest for persons with disabilities, while elderly users receive care focused on safety over autonomy, and migrants face precarity that limits sustainable inclusion. Throughout the Lithuanian care sector, persons with disabilities are the most integrated group, and rural residents the most excluded.

Political priorities and policy demands

Political demands regarding Lithuania's social economy remain fragmented and have yet to coalesce into a unified strategy. EU and OECD sources note that social economy policy is scattered across ministries with limited structured support across party lines. Civil society actors (especially in the disability, youth and refugee sectors) are pressing for structural reforms: multiannual funding to reduce project fragmentation, integration of user voices in programme design and evaluation, legal recognition of new forms, labels or statuses, e.g. social cooperatives, fiscal incentives tied to impact and governance quality, and improved public procurement rules for care contracts. The green movement and feminist networks add calls for expanded community-based services and recognition of unpaid care work. Advocacy by the Lithuanian Social Business Association has raised the profile of social business. Currently, in recognition of the need for a legislative coalition to reconcile these overlapping demands, a working group is endeavouring to develop a consolidated political vision for the sector.

9. Norway

Understanding the social economy and economic democracy

The term “social economy” is largely unknown in Norway. As a non-EU country tied to the internal market through the EEA agreement, Norway takes little part in EU policy debate, and the operative national category is instead “idealistic organisations” (*ideelle organisasjoner*), i.e. non-profit welfare providers identified by the absence of profit distribution rather than by legal form. The term has no legal status but was institutionalised through a compact signed in 2012 between the government, the association of local authorities (KS), the sector umbrellas *Frivillighet Norge* and *Ideelt Nettverk*, and two employers’ federations, renewed since by shifting governments. There is no legal category for social enterprises, non-profit cooperatives or non-profit limited companies. A government-appointed committee (NOU 2024:1) has, however, proposed a statutory definition and register of non-profit welfare providers open to all ownership forms that permanently lock profit and capital to social purposes.

Economic democracy is seldom named as such, yet is substantively present in three registers: co-determination anchored in the Working Environment Act and near-universal collective agreement coverage in care services, largely secured in the 1970s (Norway did not follow Sweden into wage-earner funds); member governance in associations and cooperatives, where the general assembly elects the board and one member holds one vote; and what Stein Rokkan called the corporate channel, i.e. the consultation of social economy actors in policymaking processes as well as their representation in public councils and committees dealing with social policies.

The social economy and social inclusion

Norway’s dense civic infrastructure sustains high social capital and institutional trust: 63% of the adult population volunteers, contributing around 142,000 volunteer full-time equivalents, and roughly one in three Norwegians is a member of a cooperative. The social economy counts about 151,000 entities and 216,000 employees, with a marked dual structure where associations represent 84% of legal units but 31% of employment, while cooperatives (38%) and foundations (21%) concentrate paid work. Its role in care is real but bounded, at some 9.7% of employment in health and social work and 8.2% in education, since around 80% of welfare services remain publicly provided, as elsewhere in Scandinavia.

Inclusion operates through provision and through voice. Diaconal foundations and national associations such as the Norwegian Red Cross, Blue Cross and the Women’s Public Health



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Association run nursing homes, kindergartens, crisis centres and addiction services, and have historically pioneered provision for people poorly served by standardised public or commercial offers, such as undocumented migrants, homeless people, victims of trafficking and people with dementia. Cooperatives operate kindergartens and primary schools and sustain small producers in remote regions while foundations fund social innovation that neither markets nor public budgets would risk. The sector's policy influence often exceeds its economic weight, resting on the trust it enjoys among political and administrative decision-makers, and user participation in shaping services is legally mandated across all publicly funded provision, irrespective of whether the provider is public, non-profit or commercial.

Political priorities and policy demands

The central demand is legal recognition. A government-appointed committee (NOU 2024:1) has proposed a statutory definition and public register of non-profit welfare providers, open to associations, foundations, cooperatives and limited companies that permanently lock profit and capital to social purposes, and the hearing process revealed little political opposition, including from commercial providers' interest groups. The model follows Sweden's 2023 register and Italy's Code of the Third Sector. Such a register would stabilise the use of contracts reserved for non-profit providers under the EU Procurement Directive (currently applied case by case, leaving cooperatives in an ambiguous position) and could open the way to partnership-based rather than purely contractual governance.

Beyond recognition, recurring demands concern funding stability, entailing increasing the share of funding schemes that prioritise multiannual core support rather than project-based grants, as well as relieving social economy organisations from documentation and compliance burdens that weigh most heavily on small, volunteer-run associations. Cooperatives seek policy awareness and support schemes adapted to their form, and mutual organisations a modern legal framework in place of fragmented sectoral laws. Social enterprises press for legal status, since without a lasting profit lock they are excluded from reserved contracts and VAT compensation, while parts of the sector and of the political spectrum remain sceptical of any profit distribution from publicly funded welfare. In housing, rent-to-own and shared-ownership models are advanced to widen affordable cooperative supply.

Conclusion

Understanding the social economy and economic democracy

The mapping shows that the social economy is recognised and organised in markedly different ways across the countries studied. In some contexts, it is supported by dedicated legislation or national strategies. In others, it is structured around established organisational families, such as associations, cooperatives, foundations and non-profit welfare providers, without a common overarching framework. Decentralised responsibilities and differences between legal definitions and organisational practice further complicate the identification of the social economy. These variations limit its visibility, make cross-country comparisons difficult and contribute to fragmented policy support.

Economic democracy is less clearly recognised than the social economy itself. It is generally addressed through related concepts such as employee participation, co-determination, social partnership, member control or accountable governance. While democratic principles are formally embedded in some organisational forms, formal voting or consultation rights do not necessarily result in meaningful influence. Workers, service users and communities may remain weakly represented in decisions concerning organisational priorities and service delivery. The mapping therefore points to a continuum of democratic practices, ranging from information and consultation to representation, shared decision-making and collective ownership. From a care perspective, economic democracy should be understood not only as a governance structure, but as an ongoing practice that recognises different forms of knowledge, addresses unequal power relations and enables those affected by decisions to influence them.

The social economy and social inclusion

Across the countries studied, social economy organisations make an important contribution to inclusion by providing care and social services, creating employment opportunities and responding to needs that are not adequately addressed by public or commercial providers. However, their role differs according to national welfare systems. In some contexts, they are structurally integrated into care and welfare provision. In others, they primarily complement public services, address gaps in provision or focus on the labour-market integration of disadvantaged groups.

The mapping also demonstrates that inclusion has several dimensions. Social economy organisations can promote economic inclusion through employment and access to services, social inclusion through community support, and political and cultural inclusion through

advocacy, representation and anti-discrimination initiatives. Their proximity to communities often enables them to identify emerging needs, develop tailored responses and reach people overlooked by standardised services.

Nevertheless, access to employment or services does not automatically lead to empowerment. Service users may have limited influence over organisational decisions, while employment opportunities may be poorly paid, insecure or dependent on temporary projects.

The sector's capacity for inclusion is also constrained by unstable funding, competitive procurement, administrative burdens and insufficient data. Assessments of its contribution should therefore go beyond the number of services delivered, beneficiaries reached or jobs created. They should also consider employment quality, user autonomy, democratic participation and the continuity of relationships of care.

Political priorities and policy demands

The mapping identifies several common priorities. First, stronger recognition is needed through clearer and more inclusive definitions, coherent legal and policy frameworks, and improved data collection. Recognition should encompass the diversity of social economy organisations rather than focusing narrowly on social enterprises, innovation or work integration. It should also be accompanied by accessible support measures.

Second, the sustainability of the sector requires a shift from fragmented and short-term project funding towards more stable and multiannual financing. Public procurement should give greater weight to social value, service quality, democratic governance and working conditions, rather than price alone. Reporting and impact-measurement requirements should remain proportionate, particularly for smaller and community-based organisations.

Third, decent employment and care conditions must be treated as central components of social economy policy. The sector's social mission should not depend on low-paid, insecure or unpaid work. Better wages, professional development, staff retention, collective representation and recognition of unpaid care are essential to its credibility and long-term sustainability.

Finally, democratic participation should shape both organisational governance and policymaking. Social economy organisations, workers, trade unions, service users and under-represented groups should be meaningfully involved in the design, implementation and evaluation of policies. This requires durable consultation mechanisms and stronger coordination between policy areas and levels of government.

Overall, **the social economy is not necessarily democratic or inclusive simply because it pursues a social purpose**. Its transformative potential depends on the conditions in which organisations operate and on their capacity to translate care, solidarity and democracy into everyday practices.



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