



Exploring the building blocks of a social economy strategy

April 2024

Synthesis report

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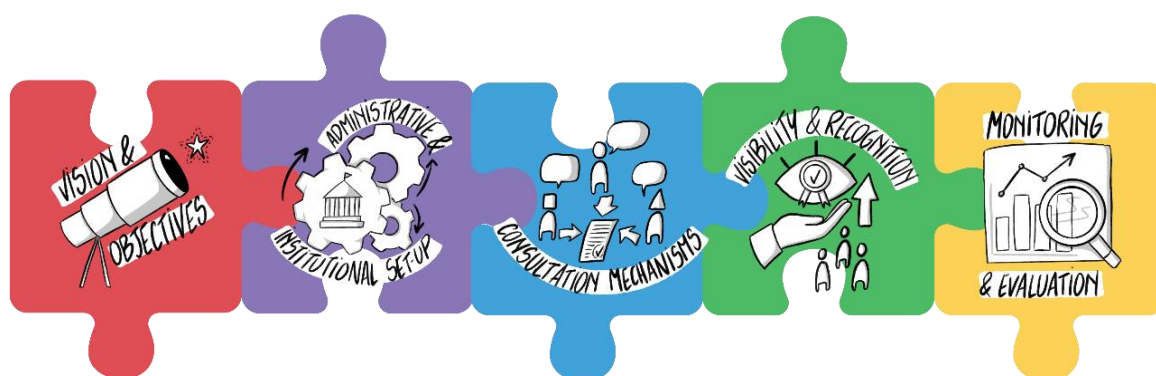
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1. Introduction

This report presents the key findings from the mutual learning workshop on ‘Exploring the building blocks of a social economy strategy’. The workshop was the second in a series of three mutual learning events organised by the European Commission’s Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) to support national and regional authorities in designing (or updating) and implementing their social economy strategy. The event was held in Brussels on 23-24 April 2024, bringing together 47 participants, including public officials from national administrations of 21 Member States.

The first workshop addressed the first two building blocks of a social economy strategy (vision and objectives, and administrative and institutional set-up), whereas the aim of this second workshop was to explore the three remaining building blocks (consultation and engagement, visibility and recognition, and monitoring and evaluation – see figure below). The event also provided space for Member States to exchange good practices and explore solutions to common challenges they face in their national and regional contexts.



Opening the event, the European Commission, recalled two key conclusions of the series’ first workshop of 6 March 2024:

- The importance of reskilling and upskilling for all social economy actors, and the need for building skills/capacity at all levels and in all professional domains, such as public services, financial intermediaries and individual enterprises.
- The necessity of having a broad political endorsement for the social economy strategy, which can either come from the top of the government or it can be granted more horizontally, by a number of ministries. Without political recognition and encouragement, strategy implementation remains challenging.

2. Policy context at the European level

The European Commission has demonstrated its commitment to support the development of the social economy landscape in Member States by setting up the [Social Economy Action Plan](#) (SEAP) in 2021. This Action Plan suggests concrete measures to help developing the full potential of the social economy. It uses a broad definition of social economy entities (SEEs) that includes cooperatives, mutual benefit societies, associations, foundations, and social enterprises with the aim to enable the social economy to thrive, for instance by enhancing social investment and support social economy actors to start-up, scale-up, innovate and create jobs. The SEAP recognises the social economy’s contribution to

achieving the objectives of the [European Pillar of Social Rights](#) and the EU's 2030 headline targets in employment, training and poverty reduction.¹

The Action Plan includes the set-up of the [EU Social Economy Gateway](#)² and the preparation of the [Council Recommendation on developing social economy framework conditions](#)³. The Council Recommendation, adopted in November 2023, aims to foster access to the labour market and social inclusion by guiding Member States in developing enabling frameworks and measures for the social economy. The recommendations cover a wide range of areas, including reviewing existing legal frameworks, designing targeted policies and setting up an institutional structure that can effectively collaborate with stakeholders in the ecosystem.

The Council Recommendation invites Member States to draw up or update strategies for the social economy within 24 months following its adoption, and to report on strategy implementation within four years thereafter. It aims to stimulate a coordinated approach towards the social economy across the EU, by encouraging Member States to align their national policies closer with the needs of the social economy.

Box 1 – Supporting the implementation of the Council Recommendation through the Technical Support Instrument

The Technical Support Instrument (TSI) was established by Regulation (EU) 2021/240 as a continuation of its successor the Structural Reform Support Programme 2017-2020. The TSI's general objective is to promote EU's economic, social and territorial cohesion by supporting Member States' efforts to implement reforms. The instrument provides tailor-made and demand-based technical expertise to Member States to design and implement reforms and does not require co-financing from Member States.

The instrument covers a wide range of reform areas in any reform phase and currently 27 Member States are involved with over 1,200 reform projects underway. Requests can be submitted every year at the end of October (in coordination with the Commission) for tailor-made technical expertise. Countries can apply at national or regional level or through a coordinated submission between multiple countries.

The Commission will use the TSI to support Member States in implementing the Council Recommendation on developing social economy framework conditions in 2025. The main objectives of the TSI project are to support participating Member States in the following areas:

- Improving **knowledge** of national and regional social economy ecosystems, including potential gaps and areas for improvement in policy and legal frameworks.
- Designing, implementing, monitoring and evaluating **national and regional strategies** for the social economy, discussed and validated by relevant stakeholders.
- Developing **legal frameworks and targeted policies** for the social economy, including in areas such as the green and digital transition of the ecosystem, social innovation, business support, skills, taxation, State aid, and access to public and private procurement.
- Strengthening the **capacity** of civil servants to develop social economy strategies and policies.

¹ The three [EU-level social targets](#) to be achieved by 2030 are: 1) at least 78% of people aged 20 to 64 should be in employment; 2) at least 60% of all adults should participate in training every year; 3) the number of people at risk of poverty or social inclusion should be reduced by at least 15 million, including at least 5 million children compared to 2019.

² The EU Social Economy Gateway is an online one-stop-shop that offers up-to-date information about the concept and development of the social economy, relevant EU policies and funding opportunities as well as social economy ecosystems in the Member States.

³ [Council Recommendation on developing social economy framework conditions](#) (C/2023/1344).

- Facilitating collaboration and exchange of **good practice** between countries.

The TSI support multinational projects (multi-region or multi-country). More details on the practical use of this instrument will be presented in the third workshop of the series.

Source: Prepared by ICF based on the European Commission's presentation on the TSI.

3. Consultation and engagement

Stakeholder engagement and consultation mechanisms are essential building blocks throughout all the phases of social economy strategies. Involving a wide range of key actors from the ecosystem serves two main purposes: (1) to ensure buy-in and support, and (2) to gather feedback and information about needs, challenges and opportunities.

3.1. Ways of ensuring inclusive and effective consultation with all stakeholders

When discussing inclusive and effective consultation mechanisms with stakeholders in the social economy ecosystem, participants highlighted the need to ensure, as a first step, that a wide range of actors are reached. In this regard, it is essential to involve stakeholders at both the national and regional level, as well as to keep a close contact with local actors for several reasons:

- **Local level:** being the closest to underrepresented groups, this level is well-positioned to inform about their needs.
- **Regional and national level:** these should be aligned and well-coordinated, and tools should be provided to ensure that the levels communicate with each other.

The necessity of having a primary ministry in charge of creating the social economy strategy was also emphasised. This contributes to streamlining consultation activities across a variety of stakeholders, while avoiding working in silos. The creation of networks and umbrella organisations is also essential for supporting this process, since these bodies play a key role in representing the needs of diverse social economy actors. **France**, for example, has established the High Council of Social and Solidarity Economy, gathering key social economy stakeholders and ensuring that their voices are heard in the consultation process. **Portugal** has large consultation and engagement bodies to bridge the gap between the State and the social economy by strengthening their connection and cooperation (see box 2).

Box 2 – The Portuguese experience on consultation and engagement

Two of the key representative bodies for the social economy in Portugal include:

- **CASES** – the António Sérgio Cooperative for Social Economy is a public interest cooperative consisting of six entities⁴ representing the social economy. It aims to boost the social economy based on an effective partnership and cooperation with the State, while also promoting volunteering policies.
- **CNES** – the National Council for Social Economy is a consultation, monitoring and evaluation body of the government, set up to deal with issues related to the development

⁴ The Portuguese Association for Local Development (ANIMAR); the Portuguese Cooperative Confederation (CCRL – CONFECOOP); the National Confederation of Agricultural Cooperatives and Agricultural Credit of Portugal (CCRL – CONFAGRI); the National Confederation of Solidarity Institutions (CNIS); União das Misericórdias Portuguesas (UMP); and the Union of Portuguese Mutual Societies (UMP).

of the social economy ecosystem, bringing together ten entities⁵ (including the six organisations within CASES).

CASES serves as an important bridge between the State and the social economy. An example is their creation of the Satellite Account on the Social Economy through a participatory process, by developing a partnership with the National Statistics Office. CASES also created an internal working group to contribute to the preparation of the Social Enterprises Statute, in which all working documents were circulated to gather feedback. Additionally, an international conference was organised to promote discussions on the Statute among the key stakeholders.

The **CNES** has the competence of providing opinions on the development of the social economy and on legislative initiatives affecting it, including proposing legislative initiatives. To this end, it sets up working groups to discuss various themes linked to the social economy and supports their work through a website with reserved access for different groups. The CNES also served as an important platform used by the Ministry of Labour, Solidarity and Social Security to analyse the impacts of the Covid-19 pandemic and the needs of the social economy in this context. As a result of this work, measures to tackle the pandemic were introduced, such as the Economic and Social Stability Programme.

A **future National Strategy for the Social Economy** in Portugal could build on these already established consultation bodies and communication channels.

Source: Prepared by ICF based on the presentation of CASES on Portugal's experience on consultation and engagement.

Raising awareness of the social economy and deepening the understanding of it can also contribute to the self-identification of actors. In concrete terms, the more aware SEEs become of the social economy and its key features, the more able and encouraged they may be to recognise themselves as part of the ecosystem.

3.2. Methods for the active involvement of stakeholders

Ongoing dialogue between key stakeholders through various consultation methods is important for developing successful social economy strategies and their joint implementation in the medium and long term.

Identifying the main stakeholders in the social economy is a first step towards ensuring their engagement. Several participants highlighted that academics and experts may be best placed to systematically map the ecosystem. There is a plethora of methods that can be used for consulting them, such as:

- Government-led working groups – see Box 3 for an example from **Slovakia**;
- Inter-ministerial meetings;
- The establishment of focal points with advisory function, and advisory bodies;
- Public consultations and open public debates;
- Online surveys; and
- External focus groups.

Box 3 – Slovakia's Action plan to support the social economy and social enterprises

⁵ Additional to the entities of CASES, CNES also includes the following: the National Association of Parishes (ANAFRE); the National Association of Portuguese Municipalities (ANMP); the Portuguese Confederation of Culture, Recreation and Sports Collectives (CPCCRD); and the Portuguese Foundations Centre (CPF).

The Ministry of Labour, Social Affairs and Family established a working group in 2021 to provide a platform for key stakeholders to work together on the design, implementation, monitoring and review of active labour market policies, the Youth Guarantee and the social economy. The working group brings together four ministries, a variety of interest groups, umbrella organisations for the social economy, as well as youth organisations and the academic sector. Through ongoing consultations, the group has produced several strategic documents. One of these is **Slovakia's Action plan to support the social economy and social enterprises**, providing a key strategic framework for boosting these entities and job creation. Key goals of the Action plan include among others:

- Increasing the quality and societal benefits of social entrepreneurship;
- Strengthening the necessary business competences and skills, as well as the economic sustainability of SEEs;
- Encouraging effective networking across the actors of the sector;
- Increasing the awareness of the social economy;
- Leveraging the potential of social entrepreneurship in the field of agriculture; and
- Expanding international cooperation and the exchange of good practices.

As next steps, the working group will aim to provide a platform for social dialogue, strengthen the voice of main actors, create an enabling environment for and increase the visibility/recognition of the social economy and the Action plan. It will also collect and assess data about the ecosystem to support the monitoring and evaluation of its conditions, while showcasing the importance of the social economy in the society.

Slovakia's **Mission 2030** is to contribute to Europe and the country's development by increasing their competitiveness, cohesiveness, and resilience, while leaving no one behind and focusing on both people and the planet.

Source: Presentation on the Action plan to support the social economy and social enterprises in the Slovak Republic with a view to 2030 by the Ministry of Labour, Social Affairs and Family of Slovakia.

For optimal results, the methods applied must be aligned with (1) the purpose of the consultation and (2) the size and nature of the target group. It is also key to consider the timing of the consultation, as certain methods may be a better fit for a particular phase of the strategy preparation. For instance, online consultation may be adequate for the initial phase of designing the strategy, whereas regular meetings of focused working groups could be an adequate mechanism during subsequent stages and implementation. In certain contexts, it can be useful to establish a neutral digital space, such as an online platform – as created by the CNES in **Portugal** (see example in Box 2) – which can serve as a tool for submitting and gathering feedback.

Participants also highlighted the need to combine bottom-up and top-down approaches in stakeholder engagement. However, the integration of these methods remains an open discussion. In certain contexts, such as in **Poland**, the preparatory work started with the mapping of the actors' needs, which was then translated into a strategy. In other countries, however, the authorities may first propose a strategy and request the inputs of stakeholders afterwards.

As a final point, it was noted that quantity is relevant in consultation as well. In other words, having multiple rounds of discussions can validate and further define the responses of SEEs.

3.3. Stakeholders' roles during the different phases

Participating countries emphasised the importance of knowing which type of stakeholders to involve in the lifecycle of a social economy strategy.

During the design and implementation phase, the stakeholder groups that were proposed to be engaged include ministries of labour, economy, finance, education; regional

authorities, academia, networks of social economy entities, umbrella organisations, non-governmental organisations, as well as data collection entities. Participants agreed that having regular meetings during the implementation phase is crucial.

Concerning the stage of monitoring and evaluation, it emerged that monitoring is best done by the coordinating ministry, whereas evaluation should be done by an independent body. The coordinating body should be responsible for data collection and organising the evaluation process. Depending on the time span, it may also be useful to have a mid-term review by an independent body. Stakeholders should be given the opportunity to provide their feedback.

4. Visibility and recognition

The visibility and recognition building block plays an important role in Member States' social economy policies, as it helps social economy entities to get greater attention, attract resources, and thrive in a supportive environment. It can also help to raise the visibility of these policies. Many Member States have considered this building block a strategic axis or objective in their social economy strategies.

Member States employ a wide range of measures to improve the recognition of SEEs, such as information campaigns and events. Public sector awareness can also be increased by collecting better statistics and data and improving access to and presence of social economy representatives in State structures.

4.1. Acknowledging and promoting social economy entities' achievements to increase community support and engagement

As summarised in the visual below, participants outlined the strengths, weaknesses, opportunities and threats in effectively acknowledging and promoting the achievements of SEEs to increase the support and engagement of the community.

Working Group discussion #2	
STRENGTHS - SE entities are diverse and inclusive - Proximity to people - Creating mission-driven jobs with great potential to create more jobs	WEAKNESSES - Lack of: - awareness of what social economy is - human and financial resources - self-recognition of social economy entities - promotion of social entrepreneurship in education and curricula - political will to endorse investments - Diversity can make mapping difficult
OPPORTUNITIES - Shifted mindset in Europe towards SE-momentum for social economy - Cross-cutting nature promotes intergovernmental cooperation - Traditional and social entrepreneurs can complement each other	THREATS - Changing political environment – prevents long-term political endorsement - Misinterpretation of the “social” component of SE that might discourage certain social economy organisations - Risk of corporate Green and Social washing

Source: Results of the SWOT exercise analysing ways to acknowledge and promote the achievements of SEEs to increase community support and engagement.

Capturing the diversity of SEEs

One of the key strengths of SEEs is their diversity, which allows them to reach various groups of stakeholders and expand the scope of the social economy. Due to their cross-cutting approach, by addressing challenges and opportunities across different areas

simultaneously, SEEs are demonstrating their significant value in essential sectors such as care, health and social services.

However, the limited data available on the number and size of SEEs, the number of workers they employ and their overall economic contribution, hinder the ability to fully understand their impact on the economy and on society. The OECD notes that impact areas which are particularly important for the social economy such as ‘economic prosperity, employment, social inclusion, well-being, and community-building’, are often challenging to translate into quantitative metrics.⁶ Having access to data on impact is also significant in the pursuit of scaling-up projects and organisations. In **Belgium**, the regions of Wallonia and Brussels have provided qualitative analyses and studies, and quantitative data and statistics on social economy actors in its [social economy observatory](#) since 2014. The database aligns with the [OECD guidelines](#) on designing and carrying out social impact measurement and impact management.

Lack of awareness and political endorsement

Several participants noted that SEEs are often unaware that they fulfil the conditions qualify as part of the social economy. This relates to the lack of education about the social economy and a lack of promotion of social entrepreneurship in school curricula. To remedy this situation, in **Croatia**, for example, a university has introduced a course on social economy in its Faculty of Law. In **Ireland**, [social innovators programmes](#) empower young people between 13 and 18 years old to get involved in social entrepreneurship. It is also worth noting that in post-communist countries, the ‘social’ component of social economy may be misinterpreted, which might discourage certain social economy organisations from labelling themselves as being part of the social economy.

The lack of awareness can also be linked to a lack of political endorsement for supporting the social economy. As mentioned previously, a stable political endorsement is essential to the long-term development of the social economy. A change in political orientation may thus be a threat to promoting the work and recognition of SEEs.

Momentum for the social economy

In the aftermath of the Covid-19 pandemic, the mindset is changing in Member States and many actors are recognising that SEEs fulfil an important function in the so-called ‘[essential sectors](#)’. There is currently a momentum for the social economy in Europe, with several Member States increasingly investing in developing social economy strategies or action plans, and international actors such as the European Commission, the OECD and the UN producing guidelines and policy recommendations on how to recognise and how to increase SEEs’ visibility.

4.2. Strategies and tools to enhance the understanding of the social economy’s impact and value

Participants explored what tools and strategies could be put in place to enhance the visibility and understanding of the social economy’s impact and value. There was a wide consensus that having a legal framework in place is a key instrument to recognise and increase the visibility of social economy actors. For instance, public bodies can support the accreditation and recognition of SEEs, by providing them with a clear framework and methodology. Member States have also tried to map SEEs and **Slovakia**, for example, included them in an online catalogue. Nevertheless, while such a catalogue increases visibility and recognition, and makes consumers more aware, this can become both a complicated and costly process. Therefore, the data should be used for additional purposes, such as the inclusion into online guides or into applications that show the social economy businesses in

⁶ For more information visit <https://www2.oecd.org/regional/measure-manage-and-maximise-your-impact-2238c1f1-en.htm> last accessed on 5 May 2024.

the country or region. See as an example the [Annuaire de l'Économie Sociale \(economie.sociale.be\)](https://economie.sociale.be/).

Regarding the lack of political endorsement, one suggestion was to bring in a politically 'neutral' ambassador to promote the social economy development. For instance, in **Luxembourg**, the Hereditary Grand Duke visited the Social Business Incubator⁷, the incubator for companies with societal impact. However, these actors must let the SEEs decide how to use and communicate this information.

Another participant raised that start-ups are better placed to promote the social economy as they are 'new' and 'interesting', while for State representatives it is harder to effectively reach target groups. Direct interventions from the social economy actors also tend to have significant impact. For instance, representatives from CASES in **Portugal** found presenting real cases of social economy actors more impactful than just spreading the message of the value of the social economy in social economy conferences. **Ireland** tried to involve SEEs to raise awareness of their impact on the economy by making funds available for SEEs to carry out their own awareness campaigns (see Box 4 below).

Another way to increase visibility by showcasing good examples is to annually designate a city to be the social economy capital. **Spain**, for example, designated Donostia-San Sebastián as the [Social Economy Capital of Spain in 2023](#).

Box 4 – Funding awareness campaigns in Ireland

Although Ireland does not have a social economy strategy in place, the country established its National Social Enterprise Policy in 2019. To oversee its implementation, the national social enterprise policy implementation group was created, including an awareness raising subgroup tasked with developing a strategy to raise awareness and visibility of SEEs.

One of the outcomes was the [ARISE scheme](#), which aimed to foster a common understanding of the value of social enterprise by increasing awareness of social enterprises and their potential. This was facilitated through making funds available for SEEs to create campaigns aimed to raise awareness about their work and their impact. In the first strand of the project, EUR 10,000 was made available for SEEs, under the second strand EUR 50,000 for social enterprise stakeholders, and over EUR 500,000 was made available for 64 projects over the lifetime of the project.

One of the campaigns was the [#BuySocialIRL campaign](#), which aimed to promote social enterprises selling products and services. This campaign did not only raise awareness about the social economy, but also encouraged businesses to buy from SEEs and integrate them into the supply chain for mutual benefits.

Source: Presentation on Ireland's Social Enterprise Strategy by the Irish Social Enterprise Network.

Member States have increased awareness through publicity campaigns. Wallonia in **Belgium**, for example, set up a communication plan and publicity campaign between 2020 and 2024 to increase SEEs' visibility in Wallonia and Brussels. For more information, see Box 5. Various participants noted that campaigns should address specific groups, as otherwise the message risks becoming vague and less effective.

Box 5 – Raising awareness of the social economy among young adults in Wallonia

The Wallonian approach to promote the recognition and visibility of SEEs included both legal frameworks to define and recognise SEEs as well as rolling out campaigns to promote and raise awareness of SEEs.

In 2008, Wallonia adopted its first legal decree on social economy, which defines the scope of the social economy and includes mechanisms which boost the social economy both at regional and local level.

⁷ For more information visit <https://chronicle.lu/category/innovation/48415-hereditary-grand-duke-visits-social-business-incubator> last accessed on 5 May 2024.

The region promotes the social economy in Wallonia through the “Alternativ’ES Wallonia” strategy. As part of this strategy a communication campaign took place during 2021, called ‘Notre futur, justement’, which targeted young adults between 18 and 35 years old and aimed to raise awareness about the social economy in Wallonia and Brussels. The campaign consisted of sharing a promotional video on social media and on TV (RTBF), as well as the distribution of flyers including the mocking tag line of ‘be unfaithful’ in the streets to inspire young people to consume and do business in a more equitable and environmentally friendly way.

Another initiative was a communication tool to make SEEs aware of their inclusion in the social economy. The campaign offered social economy actors to make visible their social economy status through stickers with a social economy actor logo.

Source: Presentation on Wallonia’s practice to design measures to improve the visibility and recognition of the social economy by the Social Economy Department of Wallonia.

Other participants flagged that in more traditional business structures, smaller and innovative enterprises may be seen as a threat. On the other hand, if the more traditional and the innovative structures are brought together, they can exchange expertise and learn from each other. While young enterprises generally need financial support, professional ‘know-how’ and access to infrastructure, traditional businesses are more likely to seek methods for further innovation. The realisation that innovative and traditional enterprises have different strengths, has the potential of broadening the scope of funding and resources available for SEEs.

5. Monitoring and evaluation

Monitoring and evaluation aim to measure progress towards the objectives of the social economy strategy in the short and long term. One way of doing this is through an action plan with relevant targets and indicators, including on social and environmental impact. The plan should also include a data collection and analysis system, feedback loops to integrate lessons learned and regular reports to share findings. In **Spain**, for example, the building block on monitoring and evaluation includes such targets and indicators (see Box 6).

Box 6 – Continuous and targeted evaluation in Spain

In Spain, the Technical Monitoring Committee is responsible for the monitoring and evaluation of the social economy strategy. The committee collaborates with various stakeholders to cover the full scope of the social economy and identify priorities to ease the tracking.

The strategy is evaluated annually through reports to help feed in the mid-term and final evaluations. The annual reports are living documents, flexible enough to respond to new challenges facing the social economy, when they arise. The action plan details SMART monitoring indicators for each specific action assigned to every organism.

Tools for the evaluation of the strategy include interviews with stakeholders, documentary analysis by the monitoring team, basic statistics and in-depth interviews and small groups with experts and political and administrative representatives.

Source: Presentation on developing strategies for the social economy in the Member States: monitoring and evaluation in Spain by the Spanish Ministry for Labour and Social Economy.

5.1. Considerations for selecting adequate indicators

Indicators need to be well connected to and included in the social economy strategy, with a focus on the strategic goals and the necessary changes. In **Finland**, the impact value chain – described below in Box 7 – has been used to connect indicators and the strategy.

Box 7 – Finland’s Strategy for Social Enterprises monitoring and evaluation tools

The Finnish Strategy for Social Enterprises, adopted in 2021, has various goals including to strengthen the operating conditions of social enterprises, as well as to increase the number of new social enterprises and the employment of persons with partial work abilities.

The Centre of Expertise for Social Enterprises was established to implement the Strategy for Social Enterprises and conduct monitoring and evaluation through five tools:

- **Impact value chain:** the centre elaborated short-term results, medium-term outcomes and long-term impacts to which the activities of the strategy will lead. For instance, the activity to support the social economy in the implementation of new employment models and foster the collaboration of work integration social enterprises should lead to: i) implement models for employing persons with partial employability and strengthen networks of social enterprises integrating people into the workforce; ii) increase the employment of persons with partial employability; and iii) increase employment rate.
- **Monitoring progress and performance indicators:** the metrics monitored are divided into three levels: output indicators and monitoring of activities, short-term results metrics and medium-term outcome, and long-term impact metrics. For instance, a survey was carried out in 2022 to measure the level of awareness of social enterprises.
- **Internal developmental evaluation:** the internal evaluation is performed on an ongoing basis, using data collected on the outcomes and interim reports being sent every four to six months to the ministry. It appears that the Centre advised 160 businesses on social economy and 80 different employment models were registered.
- **External evaluation:** the external evaluation allows to assess the connection of the work of the Centre to the goals of the government's working capacity programme. The evaluation demonstrated for instance that social enterprises are significant employers of persons with partial employability.
- **Data platform to monitor long-term trends and impacts:** the Centre was tasked to identify social enterprises from different registries and develop methods to collect data (e.g., revenue and average revenue, employment, and average full-time employment) to feed in a data platform. The data platform enables monitoring of long-term trends and is aimed at researchers, policymakers, and social enterprise developers.

Source: Presentation on evaluation and monitoring in the strategy for social enterprises in Finland by the Finnish Association for Social Enterprises.

There are two main ways to monitor and evaluate the effectiveness of social economy strategies:

- Asking for input from stakeholders and the general public, which calls for developing a methodology and can require important resources.
- Observing externally measurable effects of the strategy over time, such as the increase of employment. This second method depends on the time frame of the strategy, as most outcomes can be measured in the mid or long term only. It also requires an assessment of attribution criteria, as outcomes could be linked to reasons unrelated to the strategy (e.g. the impact of the Covid-19 crisis).

When it comes to the selection of indicators, there is a need to first carry out desk research and map the already available data to avoid duplicating work and to better manage resources. In **Portugal**, for example, CASES monitors the contribution of SEEs to the United Nations' Sustainable Development Goals (SDGs).

Once gaps are identified, a survey can be sent out to cover additional data required for the monitoring. An initial data collection can target academics, with a second round to reach out to the general public. Some participants stressed the need to have an independent evaluator carrying out the monitoring and evaluation, as otherwise there is a risk to jeopardise the objectivity of the assessment. In **Poland**, for example, efforts are made to monitor the ecosystem, including cooperation with the national statistical office in the

framework of ESF+ to create new research and methods. Making the results accessible to the public remains a challenge, however.

It is important to have both quantitative indicators to capture what is happening compared to the initial situation, and qualitative indicators, as the social economy has societal or environmental objectives.

The cost of monitoring and evaluation at a large scale was flagged as a major challenge in several countries. Some participants suggested to pilot indicators on a small scale at local level first.

5.2. Ways of encouraging social economy entities to measure social impact

It is important to demonstrate the interests and benefits of measurement to SEEs to help them understand the objective of the exercise and encourage them to get involved. Member States need to actively promote the added value of measuring social impact by SEEs. SEEs need to be equipped with tools to measure social impact and training to explain the tools. Currently, in **Portugal**, for example, only 3% of SEEs carry out impact assessments.

Measurement can also be used as a marketing tool and strategy. SEEs can gain a competitive advantage by showing their social impact, which can increase their potential for partnerships with other organisations or for accessing public or private funding.

Indicators used for measurement should remain simple, specific to SEEs and limited to the most relevant ones, to avoid an increase in administrative burden on SEEs and to ensure a high data collection rate. Building on existing mechanisms can help to achieve this. The measurement could also be partly based on client satisfaction. The theory of change may be a useful exercise, which can help produce case studies and indicators.

Different incentives can help SEEs to get engaged, including:

- Social economy labels can be given for a limited period to recognise SEEs and avoid social washing. For instance, in Lithuania SEEs are granted a label, but within one year they have to show that they measure social impact.
- Grants could be delivered for piloting social impact measurement projects.

Different measurement methods may not always produce comparable data. This can be problematic if not thought through from the start. The development of specific guidelines, including examples of good practice, can act as a compass in this process.

5.3. Feeding evaluation data into setting strategic objectives

Data collection should be established early on to help inform long-term objectives of the social economy strategy. The purpose of the evaluation should also be set out very clearly. Baseline figures should be provided on which the strategy can build on to record changes, to assess and evaluate and to add adequate new objectives, as an ongoing process. Data from the evaluation can also serve as a risk management tool, helping to plan future steps in the strategy and avoid pitfalls. The data can be used for evidence-based policymaking, to identify trends and targets. An ex-ante evaluation to the strategy can also help identify gaps. In **Croatia**, for example, an independent evaluation of the previous strategy was conducted before the design of a new one.

The evaluation process should be inclusive and involve all stakeholders, who are the best placed to explain the results. At first, research institutes can intervene to identify and elaborate data. In **Czechia**, for example, surveys are carried out every year to identify the needs of the SEEs, while in the **Netherlands**, municipalities developed questions to assess the effectiveness of their local strategy.

Data should be contextualised. It is important to explain why data has been collected and how it will be used to avoid misrepresentation. Publishing data will help in this matter by allowing interpretation and making them available to the public. Communication is thereby an important part of the process. In **Finland**, for example, the data, auditing and evaluations reports are accessible freely to the public online.

Some participants stressed the need to differentiate between evaluation at macro and micro levels, as well as to include regional differences in the evaluation. Comparisons could be carried out across countries. One solution could be to have a working group at EU level to discuss common indicators.

Different financial resources are available to support data collection, including EU funds when projects require reporting. Data on public procurement can also be used for evaluation purposes. In **France**, 10% of public procurement should be dedicated to sustainable projects.⁸

6. Conclusions and next steps

As noted by the thematic expert as part of their concluding remarks, the five building blocks of social economy strategies resonate well with the participants at both the regional and national level. The building blocks can serve as a useful tool to structure Member States' thinking and work on their respective strategies for the social economy. The key conclusions on the three building blocks discussed during the event can be summarised as follows:

- **Consultation and engagement:** the majority of Member States reported that they are at an advanced stage concerning this building block. Several countries have identified the key stakeholders in their national contexts that need to be regularly engaged and involved in the design, implementation and monitoring and evaluation of their social economy strategies. Various methods are used to ensure the active involvement of stakeholders, including combinations of bottom-up and top-down approaches, online and face-to-face solutions, as well as a variety of tools, working group and focus group set-ups. To ensure inclusive and effective ongoing consultation with stakeholders, it is important to create representative networks and umbrella organisations that can be consulted by the (ideally one) leading national body that is in charge of the social economy strategy. The method of consultation should be aligned with its purpose and carried out by the appropriate stakeholders. For instance, civil society organisations are often well-placed to conduct focus group discussions, allowing for in-depth discussions. Ministries, on the other hand, are better positioned to run larger-scale public consultations. If all stakeholders cannot be engaged from the start, reaching them gradually, beginning with those easiest to involve and adding further actors over time, can also be a good strategy.
- **Visibility and recognition:** participating countries have shared a variety of ongoing activities and tools for strengthening this building block. Having a legal framework in this regard emerged as an important instrument to recognise and enhance the visibility of SEEs. Dedicated catalogues, labels and certificates were also noted as useful tools, besides long-term campaigns addressed at specific target groups. Identifying politically neutral ambassadors can be an effective way to raise awareness of the social economy ecosystem, for instance, by drawing attention to its positive social impact.
- **Monitoring and evaluation:** this building block seemed to be the most challenging for Member States, as many of them have just started to develop their strategy and

⁸ See for more information the Discussion Paper on the Social Economy Strategy in Ile-de-France Region (France)

have not yet reached the stage of monitoring and evaluation. Where monitoring and evaluation is already in place, there is often room for improvement, with a need to shift the focus from input to results and outcomes to build effective monitoring systems that will provide leverage to Member States to go forward with their strategy. Member States should include relevant indicators into their strategy to assess its performance, inform their policymaking and help take the strategy forward. Securing sufficient financial and human resources remains a major challenge to develop monitoring and evaluation tools, but creative solutions also exist to accommodate the lack of resources and data collection (such as the use of existing data sources). Several countries are currently setting up SEEs databases, but the data use is still limited. There is a need to communicate more extensively about the benefits of social impact measurement to encourage SEEs to do their part.

The European Commission invited participants to make use of a new upcoming initiative funded by the TSI which will be launched in June. The immediate next step will be the third workshop in the series, which will focus on the added value of legal frameworks for social economies and social impact measurement practices.

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