NATIONAL STRATEGY

FOR THE SOCIAL AND SOLIDARITY ECONOMY & SOCIAL INNOVATION



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère du Travail

foreword

For over two decades, I have worked at the intersection of labour and enterprise, fighting for fair wages, dignified working conditions and an economic future that benefits everyone. I saw firsthand how systemic inequalities erode trust and hold back entire communities. That experience shaped my conviction: real progress can only be made if there is collaboration between workers and employers.

Persistent inequalities, rising poverty, fraying social cohesion and the climate crisis are real threats to our economies. As artificial intelligence reshapes jobs overnight, we face another harsh truth: our labour market struggles to attract and retain the talent we need to thrive. Young professionals seek purpose, skilled workers demand fairness and too many feel excluded.

The social and solidarity economy and social innovation are more than abstract concepts: they are powerful drivers of inclusive growth, quality employment and sustainable development in Luxembourg and beyond. Through innovative approaches, they contribute significantly to our efforts aimed at improving labour market access and bridging the skills gap, reducing social disparities, combating poverty or mitigating climate change.

Since 2009, Luxembourg has turned its commitment into concrete action. Through targeted measures, supportive legislation and active engagement, we have laid the foundations for a thriving ecosystem encompassing a wide range of legal forms, ranging from non-profit associations and foundations to social enterprises.

Developed through extensive stakeholder dialogue, this strategy reflects the diverse perspectives and needs of the various actors involved. It is more than a new policy document: it embodies a shared ambition and sets a clear, forward-looking course by addressing current challenges while preparing for future opportunities.

We align national priorities with international frameworks, further strengthening our role as a trusted partner.

Together, let us shape a future where no one is left behind. Social justice does not happen by chance: it is built.



Marc SPAUTZ
Minister of Labour

context & rationale

Pursuant to the United Nations Resolution on promoting the social and solidarity economy for sustainable development, the social and solidarity economy encompasses enterprises, organisations and other entities that are engaged in economic, social and environmental activities to serve the collective and/or general interest, which are based on the principles of voluntary cooperation and mutual aid, democratic and/or participatory governance, autonomy and independence and the primacy of people and social purpose over capital in the distribution and use of surpluses and/or profits, as well as assets.

The social and solidarity economy includes cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups and other entities operating in accordance with the values and principles of the social and solidarity economy.

Despite its potential in supporting labour market access, social inclusion, skills development, social cohesion and sustainable economic development, social and solidarity economy actors often face fragmented policies, limited visibility and unequal access to finance compared to mainstream businesses.

On 27 November 2023, the Council of the European Union adopted a Recommendation on developing social economy framework conditions. It urged Member States to develop and implement comprehensive strategies that recognise and stimulate the social and solidarity economy and social innovation in accordance with the European Union Social Economy Action Plan.

The national strategy for the social and solidarity economy and social innovation aims at ensuring policy coherence and is anchored in core principles that shape its design, implementation and evaluation.

The strategy has been developed through inclusive and transparent dialogue, engaging the social and solidarity economy actors, social innovators, civil society, public authorities and private stakeholders. Its implementation over the coming years will further strengthen this sense of collective ownership.

vision

Let’s combine our efforts for a just, inclusive and sustainable future for all

The aim is to build a social and solidarity economy, rooted in values of solidarity, human dignity and social progress. This vision can only be achieved if all economic and social actors pool their resources and skills to build a more resilient and inclusive society, capable of fostering innovation, and adapting swiftly to global social, economic and environmental change.

Creating synergies between public and private actors, at both local and national levels, will be essential for developing new forms of social cohesion and strengthening cooperation. This collective effort will support entrepreneurial and societal initiatives that drive economic growth while responding to the challenges our society faces.

STRATEGIC OBJECTIVES

The following strategic objectives provide a clear framework for action, guiding efforts across different pillars and contributing to the overall vision:

1. Promote the recognition and visibility of the social and solidarity economy, its core principles and values, and its potential for the future
2. Foster a legal environment conducive to the development of the social and solidarity economy and social innovation
3. Structure dialogue among stakeholders to support the co-creation of solutions tailored to the needs of the ecosystem
4. Strengthen the role of the social and solidarity economy and social innovation as drivers for a sustainable change through partnerships and synergies among stakeholders
5. Develop the skills of current and future players in the ecosystem

The following objectives will be achieved through five key pillars, which will guide action according to a clear timeline and measurable performance indicators.

PILLAR 1:

visibility, data and evidence

Despite their proven social and environmental impact, the social and solidarity economy and social innovation remain underrepresented in public discourse, policy narratives and economic statistics. Their contributions are often overlooked: existing datasets are incomplete and lack comparability. This limits public and institutional understanding, reduces opportunities for growth and hinders informed decision-making.

EFFECTIVE COMMUNICATION, STRATEGIC VISIBILITY AND ROBUST DATA COLLECTION

This strategy commits to raising awareness among citizens, businesses and policymakers, ensuring that social and solidarity economy and social innovation are recognised as key pillars of the national economy. Communication efforts will focus on developing a shared narrative that clearly reflects the guiding principles and values of the social and solidarity economy and social innovation, as well as the vision and mission of the various actors. Communication campaigns will be impact-oriented, showcasing tangible results and success stories to demonstrate value, inspire action and build trust.

To effectively engage a wide range of audiences, a multi-channel approach will be adopted, leveraging traditional media, digital platforms, events and publications to reach diverse audiences. Accurate data and statistics are equally important for understanding social economy business models and supporting evidence-based policymaking. Efforts will therefore focus on strengthening the collection, management and analysis of data related to social and solidarity economy and social innovation. Improved data practices will enhance the accuracy, consistency and accessibility of data, enabling informed decision-making and effective impact monitoring.

Purpose	Actions	Indicators and outcomes	Timeline
Effective communication	Launch of dedicated communication campaigns using traditional and social media channels	Media mentions Reach and visibility of communication activities Engagement rate Increase in awareness using a pre/post survey	Continued action
	Review and enhance the current social and solidarity economy gateway to provide a centralised and user-friendly social and solidarity economy and social innovation access point	Website traffic growth Average session duration Number of resources published Number of downloads	2027-2028
Strategic visibility	Organise social and solidarity economy Discovery and Engagement Days	Number of social and solidarity economy entities registered Number of visitors	Continued action
	Host regularly social and solidarity economy and social innovation forums to foster awareness, collaboration and knowledge sharing between all stakeholders	Number of participants Number of exhibitors Number of workshops	2030-2035
Comprehensive data collection framework	Explore the possibility of establishing a mandatory social and solidarity economy data collection mechanism via satellite accounts for the social and solidarity economy, to be compiled at least every three years, and of developing a national registry of recognised social and solidarity economy entities in collaboration with competent authorities	Report release Update frequency	Continued action
	Assess how the existing national observatory for entrepreneurship and innovation could support enhanced social and solidarity economy data collection and analysis	List of specific indicators that could be developed and monitored through the national observatory	2027-2030

PILLAR 2:

legal and regulatory frameworks

An ineffective legal and regulatory framework can significantly hinder the success of the social and solidarity economy and social innovation. Without clear legal recognition, social and solidarity economy entities face uncertainty and eventually limited opportunities. Complex and fragmented regulations increase administrative burdens, while lack of transparency undermines trust and accountability. Inadequate alignment with international standards further restricts scaling and cross-border collaboration. These gaps hinder innovation, reduce competitiveness and weaken the overall impact of the social and solidarity economy actors.

AN ENABLING LEGAL AND REGULATORY ENVIRONMENT

The existing legal and regulatory framework will be reviewed and strengthened to ensure that it effectively supports the diverse realities of social and solidarity economy entities and social innovators. Building on existing foundations, this process will enhance legal certainty, transparency and coherence while fostering trust and alignment with international standards.

In addition, the digitalisation of administrative procedures and forms will improve efficiency by reducing manual data entry, minimising errors and shortening processing times.

Purpose	Actions	Indicators and outcomes	Timeline
A clear, coherent and inclusive legal and regulatory environment	Strengthen the existing legal basis for the social and solidarity economy and social innovation, including the modernisation of the current social impact company framework	Date of adoption Percentage increase of registered social impact companies	2027-2028
Simplified processes and procedures	Simplify and digitalise the accreditation and supervision process	Accreditation/Annual supervision processing time Percentage of forms converted to digital format and available online via MyGuichet.lu	Continued action

PILLAR 3:

consultative mechanisms

The absence of structured consultative mechanisms between public authorities and social and solidarity economy stakeholders may hinder effective policy development and implementation.

Social and solidarity economy actors lack opportunities to communicate their needs and share their expertise, resulting in policies that do not adequately reflect real-life circumstances, potentially leading to mistrust. This disconnect can lead to limited recognition, inadequate resource allocation and fragmented legal frameworks.

NEW FORMS OF DIALOGUE

Strengthening dialogue between stakeholders and public authorities is essential to ensure inclusive, transparent and evidence-based policymaking in an environment of mutual trust. Establishing structured and institutionalised mechanisms such as consultative platforms or advisory councils facilitates the continuous exchange of information, the alignment of priorities and the co-creation of solutions.

Purpose	Actions	Indicators and outcomes	Timeline
A better interministerial coordination	Develop and promote a structured dialogue at ministerial level by the creation of a new coordinating body for the social and solidarity economy and social innovation	Number of members appointed List of stakeholder groups included Number of meetings per year	2028-2030
Innovative mechanisms for stakeholder engagement	Develop and promote a structured dialogue framework to facilitate stakeholder engagement, collaboration, consultation and knowledge exchange across the social and solidarity economy ecosystem involving all the stakeholders and their representative networks	Number of stakeholder consultations List of stakeholder groups and their representative organisations involved Topics discussed	2028-2030

PILLAR 4:

financing, partnerships and growth opportunities

Social and solidarity economy entities frequently encounter significant obstacles in mobilising adequate financing. Limited access to traditional credit, a shortage of financial instruments tailored to their specific needs and low levels of investor awareness can constrain their growth and long-term sustainability. Complex administrative requirements and insufficient capacity to demonstrate social and environmental impact further restrict their ability to secure funding.

In parallel, social and solidarity economy entities often face barriers to expanding their market presence due to weak integration into mainstream value chains and insufficient recognition of the social and environmental values they create. As a result, they struggle to scale operations, diversify revenue streams and compete on equal terms with traditional businesses.

STRONGER COLLABORATION, INCREASED RESOURCES AND MARKET ACCESS

Creating an enabling environment for the social and solidarity economy and social innovation requires multi-stakeholder and cross-sector collaboration, additional resources as well as greater economic participation. This involves diversifying funding sources through public programs, private investment and blended finance mechanisms.

Furthermore, promoting the systematic integration of social and solidarity economy entities into value chains, fostering partnerships with conventional businesses and facilitating access to public procurement can unlock new market opportunities and strengthen their financial sufficiency. These measures can also amplify their social and environmental impact and enhance their resilience and competitiveness.

Purpose	Actions	Indicators and outcomes	Timeline
Diversification of funding and investment opportunities	Mapping of relevant national and European Union funding opportunities	Summary report outlining key findings and identified gaps	2028-2030
	Explore measures to strengthen the social and solidarity and social innovation by enhancing access to finance and developing targeted support mechanisms	Catalogue of new and existing financial instruments and support mechanisms	2030-2035
	Promote impact investment matchmaking opportunities	Number of matchmaking events held Number of participants Number and diversity of stakeholders	Continued action
Expanded market opportunities	Explore ways to facilitate the integration of social and environmental considerations into procurement procedures	Compilation of good practices in socially responsible public procurement	2030-2035

PILLAR 5:

education and capacity-building

Many social and solidarity economy entities face limited access to specialised training and knowledge resources, constraining their capacity to innovate, grow and adapt to changing market conditions and regulatory requirements. Skills gaps in areas such as business development, leadership, strategic planning and digitalisation can undermine operational effectiveness, resilience and long-term competitiveness.

Moreover, the absence of structured educational programs and lifelong learning opportunities hinders the dissemination of social and solidarity economy principles and values, limiting broader understanding and engagement.

ADVANCING SKILLS AND KNOWLEDGE

Strengthening capacities and expertise across the social and solidarity economy and social innovation ecosystem is essential for long-term sustainability, resilience and impact. Equipping social and solidarity economy entities and social innovators with the necessary knowledge, competencies and tools can enhance organisational effectiveness, support innovation and enhance their capacity to address emerging social, economic and environmental challenges.

At the same time, education, training and skills development initiatives should advance social and solidarity economy principles and values, foster entrepreneurial and leadership capabilities, and promote a culture of innovation and active engagement among future generations.

Purpose	Actions	Indicators and outcomes	Timeline
Youth empowerment through the social and solidarity economy and social innovation	Enable young people to develop the knowledge, skills and mindset to contribute to social innovation, social entrepreneurship and the social and solidarity economy	Gap analysis report on existing educational offerings related to social and solidarity economy, social entrepreneurship and social innovation	2028-2030
Enhanced public sector competence	Explore the possibility of developing a public sector training offer on social innovation, social entrepreneurship and the principles and values of the social and solidarity economy	Number of training sessions per year Number of public servants trained	2030-2032
A knowledge hub for social and solidarity economy and social innovation	Launch a national competence centre for the social and solidarity economy and social innovation	Number of national/ international partners Number of training sessions conducted per year Number of participants trained per year Number of trainers and consultants in the expert pool Number of networking events List of topics covered	Continued action

monitoring, evaluation & reporting

The strategy will be overseen by the Ministry of Labour to ensure effective coordination and accountability. Progress in the implementation of the measures will be monitored and reported through the ministry's annual activity report, providing a comprehensive overview of achievements and areas requiring further action.

Regular stakeholder consultations will help ensure that implementation remains inclusive, responsive and aligned with the evolving needs of the ecosystem.

