



SILK

**SOCIAL SOLIDARITY ECONOMY INTERNATIONAL
LEARNING AND KNOWLEDGE COMMUNITY OF PEERS**

Peer Learning Partnership outcome report: SSE Internationalisation for more resilient ecosystems

SILK – Social Solidarity Economy International Learning and Knowledge community of peers – focuses on internationalisation for SSE organisations. This report is a product of the peer learning partnership, coordinated by Diesis Network, aimed at facilitating a significant step forward in building more resilient SSE ecosystems; it brings together a consortium of important SSE organisations, policy-makers and practitioners from the EU, The United States, Canada, Brazil, Mexico, India and Korea.

The consortium looks at internationalisation as a set of processes involving multilateral flows of goods, services and financial resources as well as “intangible assets” (information, skills, business models, knowledge, etc.) within and between organisations, and across countries.

A peer learning exercise which includes practical and targeted research, activities to foster organisational learning geared for key stakeholders (public authorities, individual organisations and networks, etc.) and the development of a community of peers around this topic can facilitate a significant step forward in building more resilient SSE ecosystems.

Gianluca Pastorelli

luca.pastorelli@diesis.coop

Foreword

The last couple of years have laid bare the limits of doing business as usual. These months of suffering due to the global pandemic and the constant trickle of evidence of an environmental crisis have shown the need for proactivity to address the change of path humanity needs. In this context, social and solidarity economy (SSE) has demonstrated its capacity to offer hope in addressing social challenges and transformations. It has offered wit, commitment, empathy, solidarity, boldness and a series of other human features which are much needed in moments of crisis.

Thus, it is no surprise that a growing number of initiatives and actors include SSE as a pillar to address the huge challenges ahead. More and more countries and territories are looking at the pioneering examples which built responses to human and environmental needs around SSE. Examples such as France, Spain, Korea, Quebec, Italy, Scotland, South Africa and Mexico have been analysed to extract fruitful lessons in the form of policy innovations, new business models, collaborative initiatives, new financial mechanisms, etc.

That is also why in 2020 the OECD launched the Global Action “Promoting Social and Solidarity Economy Ecosystems”, funded by the European Union’s Foreign Partnership Instrument, that will cover more than 30 countries over a period of three years. This work targets all EU countries as well as non-EU countries such as Brazil, Canada, India, Korea, Mexico and the United States.

As part of the OECD and EU strategic objectives to promote inclusive, smart, resilient and sustainable growth, this project aims to:

1. Support the SSE, including social enterprise development and internationalisation;
2. Raise awareness and build capacity to create national and local ecosystems which are conducive to SSE development;
3. Promote knowledge-sharing and other exchanges at the international level.

The peer learning partnerships (PLPs), one of the initiative’s most important dimensions, seek to create opportunities to share knowledge and experience sharing. The objective of the PLPs is to provide a peer-learning platform upon which stakeholders and organisations with relevant experience and expertise can develop activities of mutual interest.

The consortium led by DIESIS looked at the issues related to the internationalisation of SSE organisations and companies. The need to fill this gap is even more pressing in a context where the traditional ways of addressing internationalisation have demonstrated their severely negative impact in the above-mentioned crisis.

The project aimed to avoid the use of loose definitions of the SSE which would lead to undesirable outcomes such as policy recipes with clearly defined targets which would not address the needs for truly transformative action. For this reason, our learning action has been firmly based on two clear definitions, that of SSE and that of internationalisation. In the first case the consortium has decided to follow the efforts of the ILO and the United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE): SSE is understood as the “concept designating enterprises and organisations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity” (ILO 2011). In the second case, the consortium proposes to see internationalisation as a set of processes

involving multilateral flows of goods, services, financial resources and intangible assets (information, skills, business models, knowledge, etc.) within and between organisations and countries. These are better seen as flows and for that reason the direction of the flow may be also relevant: “outward” by exporting goods or services into foreign markets, facilitating access to software, managerial tools, etc., or “inward” by receiving foreign investment or acquiring know-how from international sources.

For all these reasons the consortium wants to acknowledge the importance of initiatives such as the OECD Global Action for “Promoting Social and Solidarity Economy Ecosystems” which offered the possibility to address this key building block in building an inclusive response to this challenge to humanity and the earth.

[JEL](#) reference codes: D2, D3, D6, D8, F1, F2, F3, F5, F6, L2, L3.

Keywords: Social Economy, Social and Solidarity Economy, Trade, Policy, Internationalisation, Social Enterprise.



Funded by
the European Union



OECD
Global Action

Promoting
Social & Solidarity
Economy Ecosystems

This document was prepared by Diesis Network as part of the OECD Global Action “Promoting Social & Solidarity Economy Ecosystems”. The opinions and arguments expressed herein are those of the authors and do not necessarily reflect the official views of the OECD or its member countries. Comments are welcomed, and may be sent to the Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), OECD, 2 rue André-Pascal, 75775 Paris Cedex 16, France

This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union.



Table of contents

Foreword	3
Executive summary	7
Chapter 1: Rationale	8
Chapter 2: Lessons learned and other outcomes	14
Chapter 3: Continuation	20
Annex A	23
Annex B	24
Annex C	
References	26

Executive summary

The SILK project aimed to facilitate a significant step forward in building more resilient SSE ecosystems by analysing a key relevant issue: the internationalisation of SSE organisations. The partnership, coordinated by DIESIS Network, brings together a consortium of important SSE organisations, policy-makers and practitioners from the EU, The United States, Canada, Brazil, Mexico, India and Korea.

The project is a peer learning exercise which includes practical and targeted research and activities to foster organisational learning geared to key stakeholders (public authorities, individual organisations and networks, etc). Another objective of the project is to develop a community of peers around internationalisation, which can facilitate a significant step forward in building more resilient SSE ecosystems.

An improvement in how internationalisation is understood and practised by and for SSE organisations can significantly accelerate development of the international ecosystem of the SSE. An improvement in both practices and specific knowledge can also unlock the potential of internationalisation in building more supportive local ecosystems, even beyond the SSE. Moreover, a more complex approach to internationalisation should help to diminish the tensions between the local and global dimensions in economic activities.

The consortium looks at internationalisation as a set of processes involving multilateral flows of goods, services, financial resources and intangible assets (information, skills, business models, knowledge, etc.) within and between organisations and countries. The multilateral nature of the internationalisation processes is worth emphasising, as internationalisation is not a one-way street. Indeed, Social and Solidarity Economy Organisations (SSEOs) can follow both an “outward” way of internationalising (by expanding in foreign markets) as well as an “inward” way (for instance importing from foreign markets, being exposed to new technologies or acquiring know-how from international sources). Among the different types of flows, the movement of intangible assets presents several highly interesting features for this project. In fact, intangible assets are more accessible to SSEOs and could be more effective in promoting internationalisation, especially for those organisations whose business strategy allows for unlimited flows of tangible assets.

The lessons learned and the findings reflect the two pillars around which the PLP revolves: public policies and SSEOs’ strategies. Some of these lessons learned are listed below (the full list and a more detailed explanation can be found in the corresponding section).

Lessons learned regarding policies:

- ▶ Policies need to focus on the needs and specificities of SSE organisations and their internationalisation process. A more supportive ecosystem to promote long-lasting internationalisation policies is needed.
- ▶ There is high potential for outward and inward internationalisation policies to be complementary, and this can be addressed both internally and through stronger collaboration at international level.
- ▶ External “collaborators” are key. These can be networks, funds, SSE organisations with technical expertise, etc.

Lessons learned regarding internationalisation strategies:

- Internationalisation is a win-win process for SSE organisations in both local and international markets.
- There is a need to develop specific management and leadership capabilities within SSEOs.
- Intangible assets are more relevant for SSEOs than for profit-maximising companies. There is a strong potential for innovation and impact in the combination of the three flows (goods/services, finance and intangible assets).

The PLP was designed with a clear focus on achieving a sustained impact. This was the result of over a decade of experience on the part of DIESIS Network in peer learning as a powerful tool to improve SSE ecosystems in the EU and beyond. During that time, we had come to understand that the process initiated or fostered by such learning activities in many cases had not only an initial impact in many cases but also an influence that could be noticed over a longer period. Such slow-acting influences could benefit from a continuity of activities and from specific actions aimed at facilitating the transitions from individual to organisational learning. For this reason a series of activities were included in the project (such as the reinforcing lessons learned), key actors were invited to be part of the consortium (such as those holding iterative international events) and the idea of how to facilitate the continuation of collaborative activities beyond the official end of the project has been constantly communicated to partners since the design phase.

Chapter 1: Rationale

Background

The variety of societal challenges calls for a different type of internationalisation, which can be supported by the SSE. The neoliberal idea (Harvey 2005) that globalisation is a natural process which will automatically benefit all communities has already been challenged, even by institutions which had previously been vociferous supporters.¹ The many weaknesses of such theories have been made brutally evident in the last few years by the increasing signs of the environmental crisis and, even more, by the COVID-19 pandemic. However, this does not mean that another type of internationalisation is now needed. All efforts from actors willing to address global issues by taking different approaches to internationalisation have increasingly become central.

Moreover, there are several signs that point to the increasing relevance and opportunities of internationalisation of SSEOs. Thus, despite the widespread belief that SSEOs are less adept at acting within an international perspective due to their tendency to offer highly localised products and services, there are many examples of SSEOs that are fully internationalised. This has also been accompanied over the last years by an increasing interest in the international dimension of key social economy actors and institutions: clear examples of this are a dedicated chapter in the GECES report (GECES 2016), the creation of the UN Inter-Agency Task Force on Social and Solidarity Economy, the maturity of two international fora (GSEF with its 5th edition and SEWF with its 15th edition) or even the inclusion of SSE internationalisation within the G20 activities through the Inclusive Business Network. Similarly, many SSE networks have increasingly included internationalisation as part of their efforts. Internationalisation is thus not a field that is exclusive to for-profit organisations.

SSEOs have the right set of features to make internationalisation more sustainable and resilient. The main difference when it comes to the internationalisation of SSEOs compared to for-profit enterprises is that, given their specificities, SSEOs are driven by a mix of extrinsic and intrinsic, non-monetary motivations, which play an important role in determining the firm's activities and behaviour "over and above purely monetary objectives" (Borgaza, Depredi, and Galera 2012). Consequently, given the complexity of SSEO organisations in terms of their mix of economic and social goals, they are likely to display a greater heterogeneity both in terms of the drivers of internationalisation as well as in the ways in which internationalisation actually takes place compared to for-profit enterprises. What is even more important, this distinctive feature of SSEOs can be key in solving many of the problems of the failed internationalisation approach proposed by the neoliberal agenda in recent decades.

¹ Including media such as the *Financial Times* and international organisations such as the IMF.

Central to our approach to foster peer learning around internationalisation was the clarification of key concepts: SSE and internationalisation. While in many cases the consortium has witnessed the interest of some actors to use loose definitions, if we want to facilitate learning for both practitioners and governments, such loose definitions present a fundamental problem. Even more if it is considered that, in some cases, the use of such definitions hides the power struggle which is central in policy arenas.

First, the definition of Social and Solidarity Economy that will be used throughout this paper is the one proposed by the ILO (ILO 2011), i.e. a concept that refers to enterprises and organisations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which specifically produce goods, services and knowledge while pursuing economic and social aims and fostering solidarity. The social and solidarity economy thus includes private, formally organised entities with autonomy of decision and freedom of membership that produce market and non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them (EESC 2012). When analysing the social and solidarity economy it is important to note that while SSEOs can function as an efficient and effective way to solve social issues, they should not be seen as a mere palliative solution to manage the world's problems: these organisations offer instead a transformative approach to these issues and should not be discounted as stopgap institutions limited to areas of activity which the market or the public sector cannot reach.

In order to better clarify the scope of this paper it is important to also define the concept of internationalisation, as it applies in particular to social economy organisations: in the case at hand, we look at internationalisation as a set of processes involving multilateral flows of goods, services and financial resources as well as intangible assets (information, skills, business models, knowledge, etc.) within and between organisations, and across countries. The multilateral nature of the internationalisation processes is worth emphasising, as internationalisation is not a one-way street. **Indeed,** SSEOs can follow both an “outward” way of internationalising (by expanding in foreign markets, such as is the case of Mondragon) as well as an “inward” way – for instance importing from foreign markets, being exposed to new technologies or acquiring know-how from international sources, such as is the case of BiciMensajeros from Mexico (Welch and Luostarinen 1993). As a matter of fact, any internationalisation activity can be defined as outward or inward depending on where we focus and quite often, we find an SSEO on both ends of the exchange.

Intangible assets also play an important role in the internationalisation. Traditionally, these are assets that are not physical in nature, such as goodwill, brand recognition, software, licences and intellectual property (patents, trademarks, copyrights, etc.). However, in our case, and given the set of features of SSEOs mentioned above, there are other intangible assets which could be included here such as non-patented business models, management strategies or social intervention methodologies. Furthermore, it is important to note that of the different types of flows mentioned above, the movement of intangible assets presents several highly interesting features for this project. In fact, intangible assets are more accessible to SSEOs and could be more effective in promoting internationalisation, especially for those organisations whose business strategy allows for unlimited flows of tangible assets.

Peer learning approach and its objectives

According to our decades-long experience, peer learning which includes practical and targeted research, activities to foster organisational learning geared to key stakeholders (public authorities, individual organisations and networks, etc.) and the development of a community of peers around this issue could facilitate a significant step forward in building more resilient SSE ecosystems.

The consortium has an objective of creating a better understanding of internationalisation.

An improvement in how internationalisation is understood and practised by and for SSE organisations can lead to a significant acceleration in the development of the international ecosystem of SSE. Also, an improvement in both practices and specific knowledge can unlock the potential of internationalisation in building more conducive local ecosystems, even beyond SSE. Moreover, we understand that a more complex approach to internationalisation that includes the three flows and two directions mentioned above should help to reduce the tensions between the local and global dimensions in economic activities.

A PLP on this issue, designed according to our unique approach, can have an impact on the OECD Global Action by providing support to other PLPs addressing other issues such as legal framework or impact measurement from a methodological point of view.

Peer learning activities were articulated around the following peer learning approaches:

- Background research aimed at producing the Scoping Paper and two Background Papers. The Scoping Paper provided a “state-of-the-art” analysis of the policy issues on internationalisation. This paper helped to create a common understanding for the two Peer Reviews to be conducted in our PLP (the practitioner-led and policy-maker ones. The Background Papers aimed to provide a background to the 11 cases the consortium selected. These comprised six addressing internationalisation strategies of SSEOs and five addressing policies supporting internationalisation of SSEOs.
- Three Peer Review Cycles (PRCs) per cluster, where two peer-learning clusters focused on concrete peer learning through webinars. This approach helped to address the challenge of delivering results in such a short time while not being able to meet physically due to the pandemic. Each cluster was led by one type of key stakeholder (practitioner or policy-maker). However, this does not mean that participants in each cluster were only of one type: on the contrary there always participants of three types (experts, practitioners and policy-makers). This approach allowed the project to gather practitioner-specific learnings related to case studies of internationalisation strategies and policy instruments.
- Identification and analysis of six cases of SSEOs going international. The criteria have been to have a balanced representation of sizes, types, geographical origins and times when such a process started.
- Identification of five examples of different types of policy instruments. In this case they included examples from regional, municipal and national governments, but also included different tools such as projects, programmes, missions and general strategies.
- Accelerated learning phase (or Phase 3 on reinforcing the lessons learned). In our experience, following a well-established Knowledge Management idea, Peer Reviews aimed at providing Policy Learning could strongly benefit from an extra effort addressed at further facilitating the organisational “intake” of what has been analysed. For this reason, the consortium has included two different tasks aimed at producing ad hoc tools, one for



practitioners and the other for policy-makers. The first has produced five practical tools and the second has produced a detailed policy brief.

- Other cross-cutting efforts around dissemination and collaboration with other PLPs and Management and Coordination.

Case studies identified by the PLP

In the two peer learning clusters mentioned above the consortium has analysed the following eleven cases: six internationalisation strategies of SSEOs and five policies supporting the internationalisation of SSEOs:

1. Policies supporting internationalisation:²
 - a. [Scotland Strategy and Action Plans \(Scotland\)](https://uploads-ssl.webflow.com/60d987f78d9ed06c92421a68/61547da78bf7064ca2ae9c5a_Scottish%20Internationalisation%20for%20SILK%2025_06_21%20(1).pdf) [https://uploads-ssl.webflow.com/60d987f78d9ed06c92421a68/61547da78bf7064ca2ae9c5a_Scottish Internationalisation for SILK 25_06_21 \(1\).pdf](https://uploads-ssl.webflow.com/60d987f78d9ed06c92421a68/61547da78bf7064ca2ae9c5a_Scottish%20Internationalisation%20for%20SILK%2025_06_21%20(1).pdf), [UK](#). A brief summary of this best practice has been included in the box below.
 - b. [Rodando Juntas and Rodando Ayuda from Mexico \(INAES, Mexico\)](#).
 - c. ["International Social Economy" Service \(Economia Social Internacional\) from ACCIÓ \(Catalunya, Spain\)](#).
 - d. ["In & outgoing impact trade missions in combination with conferences" from the Netherlands](#).
 - e. [Creative Technology Solution Program \(CTS program\) from KOICA \(Korea\)](#).
2. Internationalisation strategies
 - a. [Mondragon from Spain](#).
 - b. [CoopCycle Federation, initiated in France but with members in several EU and non-EU countries](#). A brief summary of this best practice has been included in the box below.
 - c. [Development Alternatives/TARA from India](#).
 - d. [MCE Conseils from Canada \(Quebec\)](#).
 - e. [Equal Exchange from The United States](#).
 - f. [Social Enterprise Academy from UK \(Scotland\)](#).

The cases were selected in three stages. After sharing the scoping paper, we asked the members of the consortium to share with us examples of cases, then a list of all shared cases was drafted (including those already mentioned in the scoping paper). Finally, the members were asked to state their preferences and we selected those with most preferences while trying to have a geographical balance and to choose a diversity of types (as regards both policies and strategies). The members of the consortium come from 14 countries in Europe, Asia and the Americas, but

² All cases can be found on the project webpage, in the 'stories' section: <https://www.silk-project.info/stories>

the geographical scope of those members with a multinational presence adds another 37 countries to the list.

Box 1. Scotland's comprehensive policy framework in support of internationalisation for SSEOs

In recent years Scotland has developed a unique case of a holistic policy framework with internationalisation at its core.

Over the last five years Scotland has designed and implemented a series of policies to support SSEOs. The policy environment has 4 elements:

- The 10-year Social Enterprise Strategy (2016-2026) with Internationalisation occupying an important place;
- Two Action Plans to underpin the first periods of the strategy (2017-20 and 2021-24) with operational policies adequately transferring strategic goals into specific programmes;
- A complementary 2016 strategy “Internationalising Social Enterprise, A Strategy for Scotland”.

The overarching policy, the International Strategy for Scotland, identified four action areas:

- A. Global Citizenship
- B. Trade
- C. Investment
- D. Education

Furthermore it includes an interesting institutional innovation (the Observatory) as a key element in delivery with a strong focus on the flow of intangible assets (and also regarding inward flows). This has five objectives:

Objective 1 – To build a pipeline of social enterprises with global potential through overseas trade.

Objective 2 – Visibility and Influence: to enhance Scotland's social enterprise leadership reputation.

Objective 3 – International development: to mobilise Scotland's social enterprises to support Scotland's international development initiatives.

Objective 4 – Visitors and Investment: to create the conditions needed to attract visitors, global start-ups and investment to Scotland.

Objective 5 – Learning, Education and Research: to realise opportunities for learning, education, research and knowledge transfer.

Finally, it is worth mentioning that social enterprises are included in general policy documents regarding trade and foreign policy such as “Global Scotland: trade and investment strategy 2016-2021”.

Box 2. CoopCycle's internationalisation strategy

Internationalisation of platform cooperatives fighting precariousness, exploitation and informality

CoopCycle was founded by former workers of a French private food delivery platform after its closure in 2016.

CoopCycle is a cooperative born in 2017 with an economic model of federated growth and progressively decentralised governance consistent with the principles of democracy, participation and collaboration. Its internationalisation strategy is aimed at sharing key assets in an "outward" flow of intangible assets (brand, software, management models, international support networks etc.) with the capacity to adapt to other socio-economic and cultural contexts. It can be considered a born global SSE organisation.

It is present in 12 European countries and is currently developing new nodes in Eastern Europe, North America (Canada, United States, and Mexico), Latin America (Argentina) and Australia.

It is based on a model where 2% of its income is mutualised in exchange for a series of services, including, among other things:

1. a software platform;
2. a smartphone application;
3. commercial prospecting;
4. visibility and branding;
5. consolidated purchasing;
6. legal assistance and accounting services; and
7. incubation of nascent local delivery cooperatives.

Its internationalisation process is the natural extension of the reason why it was born in the first place: to fight precariousness, exploitation and informality within the new gig/platform economy.

International members are required to adopt a cooperative model and employ their workers, while aligning themselves with the values and principles of the SSE in general and of cooperatives in particular.

The SILK project also analysed the internationalisation process from the point of view of a start-up being created in Mexico. There, a group of bike messengers is funding a cooperative with the support of the Rodando Juntas pilot action from INAES (Mexican government). This initiative responds to the highly precarious reality of this sector in Mexico. Rodando Juntas is an international project which involves a multilateral alliance with a wide range of national actors (government led by the Ministry of Labour and Employment Promotion and INAES, universities, cooperatives and collectives) and international actors (CoopCycle, ITDP, IDB and IDB LAB).

Thus, this case shows the confluence and synergies of an "inward" approach of the Mexican SSE start-up and CoopCycle's "outward" internationalisation strategy.

It is also important to notice the different challenges faced by this internationalisation strategy, which include the legislative difference in relation to cooperatives in comparison with France; the informal nature of the bicycle messaging sector in many countries; the lack of knowledge of economic issues in an organisation and of financial education of the people involved; and finally, sustainability over time, which implies developing the self-management capacity of the bicycle messaging collectives so as not to depend on

government support.

Chapter 2: Lessons learned and other outcomes

The lessons presented here reflect the two pillars around which the PLP revolved: public policies and SSEO strategies. As mentioned above, each cluster analysed the internationalisation of SSE from a different perspective: in one case the participants analysed different policies supporting internationalisation of SSEOs with examples selected from different levels of government (regional, national, municipal), different continents and representing different types of interventions (strategies, specialised services, cooperation for development programmes, etc.). In the second case, the members of the consortium analysed different strategies pursued by SSEOs in their internationalisation processes. Again, examples of cases were selected so as to provide a varied set of strategies coming from different types of SSE companies (cooperatives, social businesses, SMEs and big companies, etc.) and continents.

LESSONS LEARNED REGARDING PUBLIC POLICIES FOR INTERNATIONALISATION

In this paper we have tried to produce a brief analysis of the main lessons learned during the SILK project. Nevertheless, policy learning usually takes much more time and requires a continuous intervention to produce results in the form of new policies or even in setting up the conditions for such new policies. In this case we have tried to synthesise a series of lessons which could serve to engage in either advocacy programmes or in the process of policy innovation. Such lessons are not the fruit of the of an individual analysis by a member of the consortium but represent an effort to extract some elements from the examples analysed, the discussion prior, during and after the webinars and an effort to assess the process on behalf of the coordinators. Such lessons have, then, been agreed with the members of the consortium. The 11 lessons set out below should also be read in conjunction with another of the deliverables of the project: the policy brief which will be further described in another section.

Lesson Learned 1: Taxonomy of internationalisation policies varies depending on the context

There exist a series of policies which play a role in fostering the internationalisation of SSE organisations. Such policies can be summarised as follows:

- A specific action (for example a mission to an international event or an initiative to import a business model or another relevant intangible asset).
- A set of specific actions in the form of a programme (for example ACCIÓ's or KOICA's programmes).
- A general internationalisation strategy including programmes and institutional innovation (like Scotland's *Internationalising Social Enterprise*).
- A general strategy for the development of SSE including a relevant pillar supporting the internationalisation of SSE companies.

All these policies show the need for specific intervention tailored to the needs of SSE companies and respond to requests from SSE organisations. We refer in this case to SSE companies because in order to be the beneficiaries of public policies SSEOs need to be constituted formally (or to be in the process of becoming so) and in this case they can be considered to be companies and/or enterprises.

Besides these existing policies, there are significant gaps in the area of internationalisation policies. The most relevant among these gaps remain the absence of SSE from trade and/or association agreements. The inclusion of SSE would be a first step in the process to make all trade policy really sustainable.

Lesson Learned 2: Internationalisation is as a long-term process

Internationalisation should be understood as a long-term process, with a steep learning curve that requires a firm commitment to a culture of learning that is shared, valued and understood by all key actors. To this end, it is important to consider two very important factors: A) the building of specific permanent interinstitutional resources; B) the role of standing capacity building initiatives.

Lesson Learned 3: SSE is important stakeholder for policies design

SSE organisations often play a relevant role in different phases of the policy process, from design through till evaluation and follow-up, including implementation. In the cases analysed we saw how this collaboration was considered important, for instance in the Dutch trade missions, Scottish policies and even to a certain degree ACCIÓ's.

Lesson Learned 4: Building capabilities within public and private actors to address key issues

In many cases these policies show the importance of building capabilities within both public and private actors addressing key issues such as awareness raising, development of both individual and organisational learning within key departments, development of tools (such as internationalisation assessments, improved surveys or operational definitions), increased social capital (through links and collaboration with foreign actors and networks), etc. Such capabilities can also assume an institutional dimension, for instance through the creation of new bodies/organisations (for example the observatory in Scotland). The collaboration with

international networks and the participation in missions can also be tools to address such issues. There are two ways to address the issue of institutional capacity-building of specialised agencies: either through developing it internally in the general international trade agency (such as ACCIÓ) or through specialised bodies (such as the observatory in Scotland). Finally, public policies focused on the internationalisation of SSE benefit from collaboration with other specialised agencies on issues such as trade (Catalunya), international cooperation (Korea), and labour and social protection (Mexico).

Lesson Learned 5: Focus on the needs and specificities of SSE organisations and their internationalisation process

Successful policy interventions focus on the needs and specificities of SSE organisations. When designing a new policy in this area the best examples show that it is important to start by assessing the needs of the target SSEOs. This is even more relevant considering that knowledge about how and why SSEOs internationalise is clearly insufficient and capabilities within public bodies to effectively assess such needs are often missing. A couple of examples of this specificity is the role of values and principles in the decision and implementation process and the relevance of intangible assets in many internationalisation strategies.

Lesson Learned 6: The high potential for complementarities between outward and inward internationalisation policies

There exists a high potential for complementarities between outward and inward internationalisation policies, as the examples of Rodando Juntas and Rodando Ayuda in Mexico show. Here we see how a policy supporting inward-led internationalisation process from a European-led federation of SSEOs has successfully been implemented benefiting both the federation and the Mexican social entrepreneurs. Moreover, the peer learning process has also found a relevant mix of both “directions” in most of the cases so it is important to be aware of this when designing, implementing and evaluating policies. Such complementarities can be also assessed at international or at least bi-national level producing win-win situations in communities of both origin and destination.

Lesson Learned 7: The role of “collaborators” is fundamental

Collaborators external to the agency, department or body designing/implementing the policy play a relevant role. Such a role can be in the form of international/local funds, through networks such as DIESIS, MCE, GSEF or through other types of support organisations such as the consortium in the Dutch case. By collaborators we mean third party organisations which are neither the public agency designing/implementing the policy nor the SSEOs being targeted by it.

Lesson Learned 8: The key role of international events and exchanges is not fully understood

Participation in international projects, events, activities and exchanges helps the internationalisation of SSEOs. Nevertheless, some more tools to make the best use of this in policies are still missing. This is also related to a lesson learned in the area of strategies. One way

to address it is to develop indicators to guide the decisions of SSEOs to participate in such events and also guidelines to be included in policies which involve participation of SSEOs in such events.

Lesson Learned 9: Competitive advantages in local market: gap in research and policies

As signalled by a lesson learned in relation to SSEOs' internationalisation strategies, by going international SSE enterprises seem to gain advantages also in their market of origin, which go beyond financial returns. This may also be related to the flow of "intangible assets" but for the time being this is not sufficiently captured by policies or even research.

Lesson Learned 10: The overcoming of the paradox of proximity: how to go international in a re-localised world

SSE enterprises going international and those pioneering policies supporting such process show that internationalisation does not necessarily need to result in exploitation of local resources and zero-sum processes. Key to this is the proposed approach to internationalisation as flows, the relevance of both directions in such flows, the importance of intangible assets in these flows and the role of SSE values and principles in the internationalisation policies and strategies.

Lesson Learned 11: A supportive ecosystem to promote long-lasting internationalisation policies

In order to guarantee long-term internationalisation policies able to meet the specific needs of social enterprises, the entire ecosystem must be involved. Such involvement needs to be addressed in the light of the previous lessons learned. For example, it needs to be borne in mind that this is a long-term process, where capabilities need to be built within key actors (such as government, policy-makers, SSE networks and SSE companies) but also at ecosystem level (such as awareness raising, widening the knowledge base, developing social capital, etc.). Thus, from government to civil society, all the relevant stakeholders should contribute through participative processes to all stages of policy process from design and implementation to follow-up and evaluation. Such collaboration will facilitate policies adapted to the needs of the territories and SSEOs, the identification of the main barriers to be overcome and the ownership of such policies.

LESSONS LEARNED REGARDING INTERNATIONALISATION STRATEGIES

In this section we concentrate on the lessons learned in the Peer Learning cluster addressing internationalisation strategies. Thus, we have tried to synthesise a series of lessons which could serve first senior management in SSEOs at any stage of the internationalisation process (initial decisions, design, evaluation, implementation, etc.). They can also be of help to policy-makers and advocacy actors when designing, implementing or evaluating support policies in this area. They are extracted from the work carried out with the help of the scoping paper and the six cases showing examples from different types of SSE companies, geographical origins, strategies, etc. In this paper we have tried to produce a brief analysis that summarises the main lessons learned

during the SILK project. However, as we mentioned in the case of policies, such lessons have been agreed with the members of the consortium. The eleven lessons described below should also be read in relation with other deliverables of the project, the five tools for internationalisation assessments of SSEOs which are described below in another section of this paper.

Lesson Learned 1: Proximity as a challenge: addressing re-localisation by SSE organisations

The relevance of proximity is a challenge for SSEOs that wish to internationalise. Not all SSE enterprises go international, but many do, like profit-maximising companies. Moreover, many of them engage in international flows without loosening their deep roots in local communities. On the contrary, most cases analysed in this PLP have shown that SSEOs that go international also improve their impact in their homeland communities. This is obvious in the case of inward flows (which in most cases are present even in processes where outward flows are prevalent) and in those “born global”³ SSE companies which address international social problems. However, even in more traditional sectors such as industry, SSE enterprises demonstrate that the trend to re-localise can be combined with internationalisation processes. What would be the finding for the policy-maker and why do you call it in the title as a “challenge” if many actually improve their input?

Lesson Learned 2: Variety of strategies with values as guiding principles

SSE organisations can internationalise using a great variety of strategies, even traditional ones such as foreign direct investment or import of goods/services, but keeping their values as guiding principles. This peculiarity offers them, as well as both homeland and foreign communities, an opportunity to overcome the negative effects of neoliberal internationalisation practices. The internationalisation of the SSE offers new paths to innovate in the design and implementation of such strategies so that they are aligned with SSE values and principles.

Lesson Learned 3: Internationalisation as a win-win process for SSE organisations

Internationalisation can be a win-win processes and development vector for SSE organisations both in terms of balance between local and foreign stakeholders but also in terms of demonstrating that values, social aims and business success are not incompatible. All six cases analysed show that all SSEOs engaged in their internationalisation without having to give up on their values and social aims, even if it posed challenges.

Lesson Learned 4: There is a high potential for coordination between inward and outward internationalisation

SSE organisations show the potential for coordination between inward and outward internationalisation as demonstrated by the role of such flows in most strategies. Maybe the most

³ Born globals are companies that, from or near founding, obtain a substantial portion of total revenue from sales in international markets. Knight, G. A., & Cavusgil, S. T. (2005).

obvious one among the cases analysed is the case of CoopCycle where outward strategies from the initial CoopCycle federation in France are met with the inward ones of many start-ups or social entrepreneurs' groups in different locations (Mexico, Canada, etc.) resulting in some cases in the birth of new SSEOs or in collaboration with existing ones.

Lesson Learned 5: Internationalisation is a long-term process with a learning curve for SSEOs

Understanding internationalisation as a long-term process with a learning curve, which requires a firm commitment to a “culture of learning” on the part of actors (including SSE networks and representative bodies). This is even more relevant considering that SSE organisations also need to fight against established “myths” such as confusing internationalisation with international trade. The absence of certain managerial tools such as tailored guidelines and indicators to evaluate the performance of SSEOs and social enterprises when going international, while making sure that the values and principles of SSE are observed, is another key obstacle.

Lesson Learned 6: The challenge of overcoming the “myth” of confusing internationalisation with international trade

International trade is one way to internationalise and as such many SSEOs engage in such trade. However, to think of this aspect of internationalisation as the only way to internationalise, or even the most important one, is misleading and may result in hindering the decisions of SSEOs, their networks and policy-makers.

Lesson Learned 7: The need to develop specific management and leadership capabilities within SSEOs

The internationalisation process requires organisations to generate specific management and leadership capabilities, not only in strategic and technical aspects, but also in “soft” capabilities that involve developing more and better functional relationships in a context of greater complexity.

Lesson Learned 8: Role of international projects and events

In the current context of growing interest in SSE and the organisation of many international events such as SEWF, GSEF, ICA conferences and international fairs, all stakeholders engaged in such events need to better understand how SSEO organisations can improve the benefits of participating in such events and projects from the point of view of their economic results and their social impact. As signalled above, one way would be to develop indicators to help SSEOs decide whether and when to participate.

Lesson Learned 9: Role of international networks of SSEOs

In the same way, international networks (be they formal such as CICOPA or DIESIS or informal platform cooperative gatherings) play a relevant role in supporting and fostering the internationalisation of SSE organisations. However, this role is still not fully understood, and this hinders the design of specific activities or strategies with adequate indicators (it also applies to international projects and events).

Lesson Learned 10: Intangible assets more relevant for SSEOs than for profit maximising companies

The exchange of intangible assets seems to play a more relevant role for SSE organisations. It is a process of increasing complexity that requires going through a learning process in which SSE enterprises are proving to have the ability to address such challenging complexity, due to their complex nature which also reflects on their international exchanges. Thus, these exchanges often include intangible aspects related to SSE values and principles as a fundamental component.

Lesson Learned 11: International activity provides competitive advantages in local markets

International activity gives SSEOs an objective credibility advantage in competitive positioning in the markets of origin. They get a “quality image” because they work with many people in many different places.

Lesson Learned 12: The potential for innovation and impact in the combination of the three flows

The three flows of the internationalisation process (good/services, funds and intangible assets) are not exclusive and most (if not all) strategies tend to combine the three of them. However, a better understanding of this combination and synergies can lead to disruptive innovation and higher impact for the SSE.

Chapter 3: Continuation

This PLP was designed with a clear focus on its sustainability. This was the result of over a decade of experience of peer learning as a powerful tool to improve SSE ecosystems in the EU and beyond. During that time, the consortium came to understand that the process initiated or fostered by such learning activities had an initial impact in many cases but that there was also a longer period in which the influence of the activities could be noticed. Furthermore, such long

periods could benefit from a continuity of activities and from specific actions aimed at facilitating the transitions from individual to organisational learning.

Having that in mind, the consortium designed a phase focused on reinforcing the lessons learned, which has produced two initial sets of tools, one mainly targeting SSE managers and the other targeting policy-makers. These tools have been produced but they can be improved through continuous use and feedback from key stakeholders both within and outside the consortium. They consist of:

Tools to support the decision-making process:

- **Tool 1** – A flow chart of issues to assess and decisions to take (in the internationalisation process)
- **Tool 2** – A list of questions an SSE organisation should ask itself when contemplating internationalisation; background information for each, exemplified with insights from case studies (a summary of this tool can be seen in the [box below](#))
- **Tool 3** – A list of indicators to determine where the organisation stands with regard to internationalisation and what needs to be addressed
- **Tool 4** – Application of the flow chart (T1) to the case studies of SILK members
- **Tool 5** – Analysis grid of impact of internationalisation on SSEs – main distinctions compared to private enterprises

Tool to facilitate the development of policies in the area of internationalisation of SSEOs:

- **Tool 6** – A policy brief summarising key recommendations and guidelines for policy-makers and advocacy actors. Given its relevance in relation to this paper we include here the main elements of this tool.

The following set of recommendations should be read as a policy brief and is directed to intergovernmental organisations, national and supra-national governments, social economy worldwide, national and local platforms as well as to local policy-makers, to provide some possible steps for progressively approaching a coherent ecosystem for the internationalisation of social and solidarity economy activities.

Recommendations

- The social economy should participate in the elaboration and design of internationalisation policies. Indeed, the drivers of the social economy are manifold. First, response to needs of both the sending and receiving communities. Social economy actors are generally the best equipped to read the needs and propose a satisfactory response, based on their own expertise. The second driver is the economic model. Social economy actors do not generally respond to an objective of market exploitation, but rather to an objective of systemic and sustainable growth of communities. Their economic model is adapted to this objective, which makes it necessary for the internationalisation strategy to be anchored in it. Thirdly, the role of intangible values. The intangible (understood as value generated in the absence of a monetary measurement reference) is an essential element in the value chain of the social economy. Any internationalisation strategy therefore passes through the valorisation of this element. Ultimately, the involvement of the social economy in internationalisation processes should be provided with its own places of debate and its

own tools, whether they are part of existing structures or entirely new.

Suggested reading

The “CoopCycle” initiative brings together many of these aspects: from the value of the intangible dimension in exchange, to the importance of generating social value alongside economic value, to the potential for replicability.

It requires the construction of a coherent policy framework, but above all one that is capable of adapting the experience to different contexts.

You can read more [here](#).

- Public actors and social economy actors must be equipped with the necessary skills to build internationalisation policies. Given the specificities of the processes of internationalisation of the social economy, and their relative novelty in the panorama of current (trade-driven) processes, it is necessary to redefine the competences required both within the agencies for internationalisation and within the actors of the social economy. These competences should bring together spheres that are currently managed by different actors: the social, the economic, the cultural and the environmental. This requires multidisciplinary teams, but also the de-hierarchisation of competences, in favour of a re-balancing between them. In addition, social economy actors need to familiarise themselves with the tools of international exchange, in order to have as comprehensive a picture as possible of the possibilities and limits to action, but also of the cognitive tools (including social, cultural and financial) necessary for planning and assessing the risk and benefits of the initiatives. Internationalisation programmes should therefore be preceded and accompanied by programmes of acculturation to the practice of internationalisation of the social economy, aimed at both public and private social actors.

Suggested reading

ACCIÓ, the Catalan Agency for Business Competitiveness, an agency of the Government of Catalonia, represents an interesting case in which the social economy can benefit from the work of a wide network of agents around the world, backed by a specific social economy department within the agency, which works, in turn, in partnership with the social economy service of the Regional government.

You can read more [here](#).

- Inward and outward exchange flows should be assessed with the same attention. As mentioned above, the internationalisation processes of the social economy are fully bi-directional and tend to be symmetrical (the values generated in the sending and receiving communities are equivalent). This fact implies the need to structure both outward and inward channels, in order not to disperse the wealth generated mainly in favour of the communities of origin. It is therefore necessary to structure the territory, by creating links between different actors and different public services, in such a way that internationalisation agencies are able to dialogue and collaborate with other agencies, so that societal values are transferred as directly as possible. This process should also allow for the active involvement – direct or indirect – of communities, which are the interceptors of the wealth flows activated by internationalisation paths. Finally, it is necessary to fill the knowledge gap related to this holistic phenomenon, through the funding of specific

research activities at international level.

Suggested reading

In Mexico, the experience of “Rodando Juntas” shows a very interesting example of collaboration at national and international level and the potential of policies supporting inward internationalisation. Indeed, this initiative is based on a partnership between Transportation and Development Policy (ITDP) as manager and investor (50%), the Inter-American Development Bank (IDB) (50%), the Ministry of Labour and Employment Promotion (STyFE) of Mexico City, and CoopCycle, an international federation of bicycle delivery cooperatives. The reciprocity licence for the use of the digital platform created by CoopCycle is pivotal in order to maintain a strong relationship between the different communities implementing such projects.

You can read more [here](#).

On the topic of territorial infrastructure, it is worth mentioning the example of “KOICA Creative Technology Solution Programme”, from Korea, which implemented a strong cooperation at horizontal (national ministries and national agencies dealing with internationalisation) and vertical (regional agencies, local authorities) level. These partnerships act in coordination in order to foster technological internationalisation processes.

You can read more [here](#).

- The internationalisation of the social economy should be considered a long-term process, whose direct and indirect results generate impacts over long periods of time. It is therefore necessary to develop policy processes to intercept, through appropriate detectors (observatories and agencies), intermediate impacts and enhance them. It is also necessary to develop a patient system of support for internationalisation processes, with long-term programmes that keep the resources needed for the process active.

Scotland’s Social Enterprise Action Plan, a 10-year-long strategic plan from the Scottish government started in 2016, includes a whole internationalisation dimension. To support it, an “[International Social Enterprise Observatory](#)” was created.

You can read more [here](#).

- Opportunities to meet through events must be expanded both in number and structure. The multiplicity of values generated by the internationalisation flows of the social economy cannot be fully realised through simple B2B events. These must be integrated into broader events that bring together the four aspects mentioned above (social, economic, cultural and environmental) so that the benefits of exchange activities can be appreciated in their entirety. This would also allow the various social economy experiences to fully evaluate the correspondence of the international action with their own mission. It would therefore be necessary to establish a biannual programme of international meetings, hopefully under the patronage of intergovernmental organisations, with the active participation of the social economy.

Again, the Social Enterprise Academy initiative, from Scotland, can be quoted as an example of the energy



Funded by
the European Union



OECD
Global Action

Promoting
Social & Solidarity
Economy Ecosystems

generated through exchanges among practitioners.

The establishment of more than 2,200 learning programmes supported by 14 country teams tells a story of effective exchange among territories and experiences

You can read more [here](#).

1. Existing trade agreements need to be extended and enlarged to include a specific pillar for the social economy. Indeed, in the light of what has been said so far, trade agreements are not a suitable space for the full expression of the potential of social economy internationalisation flows. On the other hand, the social economy can be a powerful driver for overcoming the hierarchical logic of such agreements, in which the trade dimension is the driving force, towards the definition of an approach to internationalisation processes as an exchange between actors and communities. States should therefore set up a conference to review multilateral trade agreements with the aim of gradually adapting them to the changing needs of the world community and the planet, starting with the creation of a specific chapter for the internationalisation of the social economy.

Box 2.1. TOOL 2 – Internationalisation evaluation grid

A series of questions to decision-makers to assess their internationalisation process

This list of questions allows an SSEO manager to assess the impact of its internationalisation retrospectively or to help plan an internationalisation activity. It is inspired by general economics literature and a systematic review of case studies published by SILK participants.

The questions are divided in six categories:

A – NATURE OF INTERNATIONALISATION

B – PROCESS OF INTERNATIONALISATION

C – MISSION AND SOCIAL IMPACT

D – STRATEGIC IMPACT

E – ECONOMIC IMPACT

F – FINANCIAL IMPACT

Within these categories there are questions specific to SSE or that should raise more in-depth analysis than they would if asked of private enterprises. Examples might be:

1. “Did internationalisation improve the level of your social impact in your community?” or “Did internationalisation allow you to broaden your positive social impact in other locations?” in the section Mission and Social Impact.
2. “Did your internationalisation activity help bring new positive regulations for SSE, sustainable development or social development?” or “Did internationalisation contribute to strengthening the collaborative exchange between SSEs on open knowledge in management, governance or thematic issues?” in the section Strategic Impact.
3. “Did internationalisation bring higher income for economic actors of your community?” in the section Economic Impact.

Source: FINAL Five tools for internationalisation assessments of SSEOs from SILK project.

The first five tools are supports for decision-making within SSEOs and their networks, while the sixth is a guide to the development of all types of policies in the area of internationalisation of SSEOs. Besides those tools, the analysis of cases has resulted in some members of the consortium showing interest in further assessing the potential for policy change coming from specific elements of certain best practices, such as the role of trade delegations or focal points from the Catalan government around the world in their SSE programme. Such interest could lead to bilateral exchanges in coming weeks.

Moreover, the consortium has been contacted by representatives of countries not initially included in the PLP such as Uruguay and Australia, and we expect to be able to further collaborate with them on the internationalisation of SSEOs in the coming weeks and months.

Furthermore, we have designed a series of events which will take place after the official end of the PLP. They include:

1. A small round table on trade and Internationalisation at the annual CMC (Cooperatives and Mutuels Canada) event in June 2022.
2. An Americas webinar on platform co-ops at the end of January 2022 organised by CICOPA America.
3. An outreach event on 18th November 2021 where the members of the PLP meet officially for the last time with the participation of other SSE actors and international organisations. It will be held in hybrid format in Paris. Here the final version of the above-mentioned tools will be presented.
4. A specific event on internationalisation from the perspective of worker cooperatives organised in collaboration with CICOPA on Thursday 4th November 2021 (online format).
5. Other events or meetings targeting specific topics (e.g. digital social economy and its interoperability as a tool for internationalisation) or connecting and sharing with other PLPs (e.g. Internationalisation and Gender, Social Impact Measurement).

These are the events and follow-up activities which are so far agreed. However, the consortium expects to undertake further activities which are still under consideration. This is in line with the idea that a learning project never ends and the outcomes of such a project can easily be incremental. For this reason, besides the above-mentioned initiatives and tools, DIESIS is committed to pursuing its path, initiated before the PLP, of developing the high potential of fostering internationalisation through interoperability and platform SSEOs. By 'platform SSEOs' we intend to go beyond the existing concept of platform cooperativism (Scholz 2016)⁴ to involve other forms of SSEOs which also fulfil the three criteria established by Scholz, namely:

- the democratic ownership of technology in the platform economy
- the way such platforms are operated, i.e. according to the principle of solidarity
- the objectives they pursue, reflected in how the profits are distributed

Other main directions concerning the 'digital social economy' (Brülisauer, Costantini and Pastorelli 2020) are geared towards scalability and interoperability:

- There are many examples of digital SSEOs but the vast majority are small-scale companies unable to reach international markets;

4 Scholz, T. (2016). *Platform cooperativism. Challenging the corporate sharing economy*. New York, NY: Rosa Luxemburg Foundation.



- In the digital world, cooperation among cooperatives echoes the concept of interoperability. Interoperability can be defined as the ability of systems, components, or equipment to provide services to and accept services from other systems, components, or equipment and to use the services exchanged to enable them to operate effectively together. Interoperability also involves the ability to automatically interpret the information exchanged meaningfully and accurately to produce useful results as defined by the end-users of both systems. Translated to the SSE movement, interoperability is the foundation for digitally-enabled cooperation among SSEOs: interoperability ensures data sovereignty (a system keeps control over its data) while facilitating collaboration (a system is able to communicate with a peer system).



Annex A

Diesis Network, REVES, EURICSE, CCEDNet, CICOPA, Social Economy Europe, ART ER, Amsterdam Impact, ACCIÓ, Region Örebro, USFWC, SSEGOV, MCE Consulting, ESS Forum International, SEWF, TARA, ZSI, NCBA CLUSA, INAES, Mondragon, Korean Social Value and Solidarity Foundation

More information about the partners here:

<https://www.silk-project.info/partners>

Besides the partners of the consortium, participants from other territories have attended some of our PLP webinars, such as a delegation from the National Institute of Cooperativism (INACCOOP) in Uruguay, a representative from Australia and a delegation from Brazil (including a representative from UNISOL, one of the most relevant confederations of the SSE in the country).

Annex B

SILK – Social Solidarity Economy International Learning and Knowledge Community of Peers *GLOBAL ACTION ON PROMOTING SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEMS*

Key definitions from the scoping paper

Social and Solidarity Economy (SSE): a concept that refers to enterprises and organisations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which specifically produce goods, services and knowledge while pursuing economic and social aims and fostering solidarity. The social and solidarity economy thus includes private, formally organised entities with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them.

Internationalisation: a set of processes involving multilateral flows of goods, services, financial resources and intangible assets (information, skills, business models, knowledge, etc.) within and between organisations, and across countries. The multilateral nature of the internationalisation processes is worth emphasising, as it is not a one-way street. Indeed, SSEOs can follow both an “outward” way of internationalising (by expanding in foreign markets) as well as an “inward” way (for instance by importing from foreign markets).

Task 3.1. Practitioners

Tools: In this case we plan mainly to produce tools facilitating the ASSESSMENT of individual practices and strategies. This document has been produced jointly by ZSI and MCE Conseils.

These tools aim to help SSE organisations to assess the necessary processes involving multilateral flows of goods, services, financial resources, information, skills and knowledge within and between organisations as well as across countries to finally decide on their own, specific and targeted internationalisation strategy. They should help users to go beyond the intuitive decision-making which is common. The tools should act as tailored documents prepared for internal meetings of the SSE management to help them take decisions on internationalisation.

The tools consist of:

- ▶ **Tool 1** – A flow chart of issues to assess and decisions to take
- ▶ **Tool 2** – A list of questions an SSE organisation should ask itself when contemplating internationalisation; background information for each, exemplified with insights from case studies
- ▶ **Tool 3** – A list of indicators to determine where the organisation stands with regard to internationalisation and what needs to be addressed
- ▶ **Tool 4** – Application of the flow chart (T1) to the case studies of SILK members
- ▶ **Tool 5** – Analysis grid of impact of internationalisation on SSEs – main distinctions compared to private enterprises

1.1 Assessing internationalisation⁵ – strategic issues

A social economy enterprise (SEO) is always the result of a collective desire to find tailored and satisfactory solutions to a need felt by a group or a community. However, like any business, its economic viability relies mainly on the income it derives from its market activities with private or public consumers. "The key to success is the balance and complementarity between social mission and economic viability." A social economy enterprise is therefore a dual entity:

It is an association of people, united in a democratic framework, sharing values of solidarity and sustainable development to achieve this common goal together. This is the meaning of "social mission".

It is also a business which conducts economic activity in a competitive market by producing and selling goods and services, but whose *raison d'être* is to enable the association to achieve this mission.

The experience of collective enterprises that have been operating for many years with these two components shows that the main key to success is the ability to create and maintain a balance and complementarity between social profitability, i.e. the satisfaction of needs as they arise, by the "association" of people and their community, and the efficiency of the "business" in terms of its economic function. The internationalisation of its experience can have an impact on both, mainly of course on the operational aspects of its economic life but also on the social field by learning new approaches, experience and ways to dynamise its association.

MAINTAIN EQUILIBRIUM

Avoid exclusively financial decisions

Opportunism oriented only towards profit-making must not lead the "business" to make changes in organisation or pricing, sales and production strategy without judging the effects and impacts it will have on the social mission.

Maintaining complementarity means that the economic activities carried on by the "business" must always remain organised in a compatible manner and within the framework of an effective combination with the social purposes pursued by the "association".

Avoid exclusively social decisions

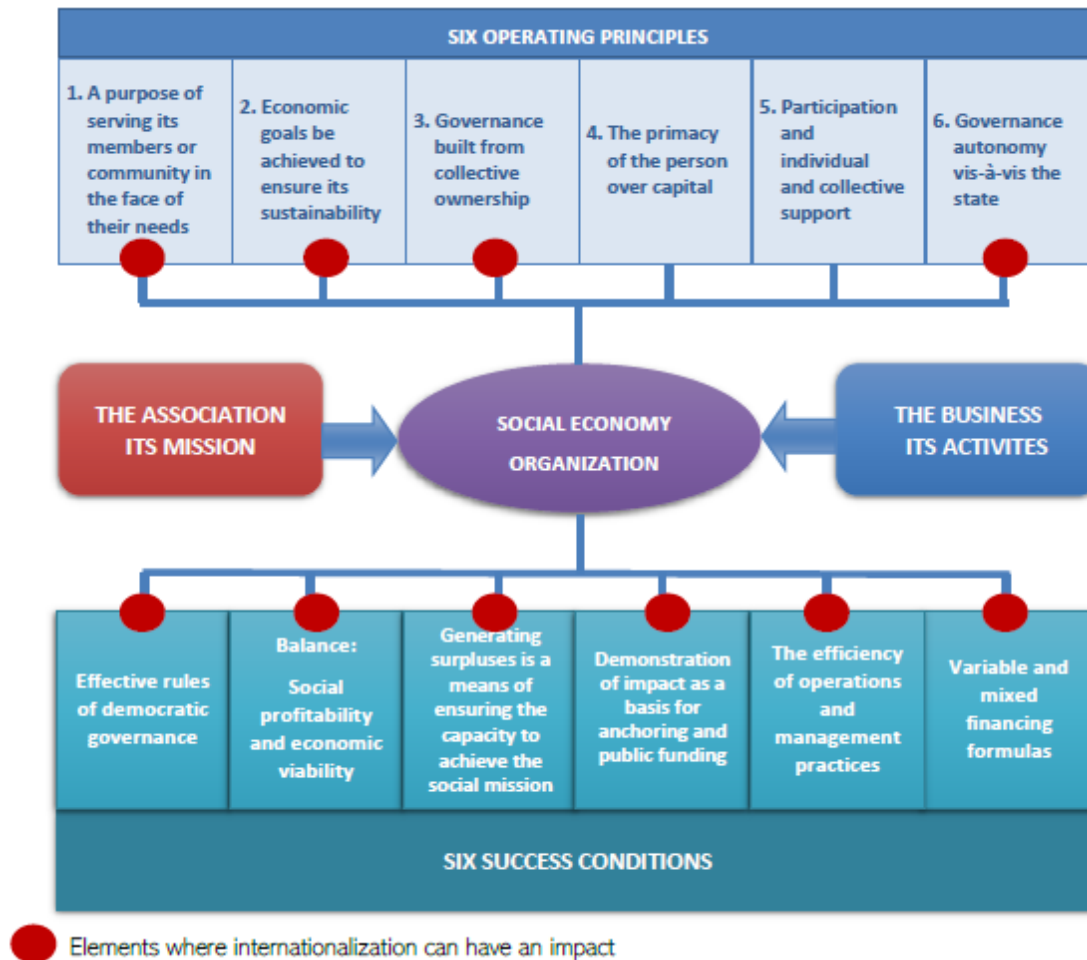
The will of the "association" to achieve its social mission must not put the "business" in a precarious situation, by imposing operating constraints on it (in terms of the number of jobs, the pricing policy, etc.) which are incompatible with its obligations towards its partners.

Priority to the social mission in the choices of production organisation and trade policy must remain compatible with the financial viability of the organisation.

Our past experience and the analysis of the case studies and related discussions confirm the need for social economy organisations to strive to find an equilibrium between social impact, collective governance and economic performance. This equilibrium must also be a goal of the internationalisation of activities and relations if the SSEO's global performance is to be enhanced. The following diagram attempts to summarise the main elements of strategic concern, even if it does not offer an exhaustive picture.

⁵ This section is inspired by the *Guide d'analyse des entreprises d'économie sociale*, cowritten by MCE Conseils and the Réseau d'investissement social du Québec, published by CAP Finance in 2017. It also considers many perspectives arising from the case study presentations and subsequent discussion.

GLOBAL ANALYSIS OF SOCIAL AND SOLIDARITY ECONOMY ORGANISATIONS⁶



⁶ *Guide d'analyse des entreprises d'économie sociale* (CAP Finances 2017). The elements subject to impact from internationalisation were identified in various case study presentations and subsequent debates.

A positive internationalisation activity may have the following impact:

4. Improving the capacity to serve its community or members. By nature, many SSEOs are dedicated to local markets or community. Despite this, the international exchange of products, services, financing or intangible assets (such as knowledge or experience) may improve the SSEO's general performance and capacity to serve its community. Its capacity to import and/or export may improve its efficiency and lower its price for its historical market. On the other hand, the economic potential of foreign activity may become a distraction or could lead it to neglect its local community or workers. An SSEO with a clear social mission would avoid such consequences.
5. Strengthen its sustainability by bringing positive outcomes for its diversified operations. Its foreign market (inward to improve quality or lower costs or outward to increase revenues or exchange of knowledge) may improve its financial performance and as such raise its capacity to improve its community. On the other hand, the SSEO must follow closely the environmental impact of its internationalisation.
6. Internationalisation of its network of sources of expertise or experience may improve its capacity to support its collective governance with a renewed view of its organisational culture or new training techniques for its members.
7. The internationalisation of its operations, financing or expertise can develop the SSEO's autonomy and, in many cases, may reduce its dependency on public financing.
8. Internationalisation of knowledge may improve the SSEO's capacity to reach and maintain a clear demonstration of balance between social objectives and economic activities. It may improve this balance with new strategies, diversified sources of material or destination of services, raising its volume and lowering its average cost and price, which can increase its ability to serve financially precarious markets or customers.
9. Internationalisation brings exposure and visibility to an SSEO's activity and performance, raising its public image and increasing its recognition among its own community, and may favour new support from public institutions or facilitate the development of local markets.
10. Exchange of management techniques, cultural approaches, general management knowledge or topics specifically pertaining to SSEO operation should improve all SSEOs' global performance since exchange between managers in the same sector with different



experience and contexts of operation is a clear strategy to innovate locally and improve the general performance as regards social impact as well as economic performance.

11. If well managed and assessed, having access to financial opportunities should improve the SSEO's performance. This may be inward, giving access to foreign financing with lower cost or more flexibility, or it may be outward when larger SSEOs find opportunities to supply loans or investment to overseas organisations with similar missions. This side of internationalisation is clearly not exclusive to the social economy, but it should be done and assessed differently than in the private sector, with a mixture of social and economic analysis.

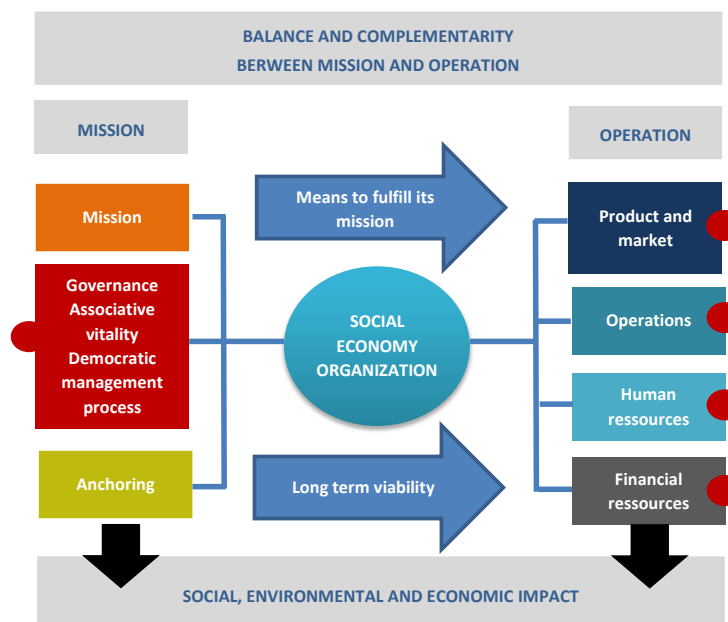
How to assess the internationalisation impact on SSEOs

The overall assessment begins with the motivations of the SSEO behind its effort to go international, the ‘why’ of TOOL 1. Is it a question of economic opportunity (increasing revenues or lowering costs), of broadening its impact, of sharing values and strategies? How do we approach the evaluation of the strategies and operational choices that will determine the SSEO’s global performance and the impact of its internationalisation, be it outward, inward or both?

The usual reflex is to concentrate on looking into the financial aspects of a business or an internationalisation operation, but it is also essential to assessment the consistency of the process with the mission and its impact on performance. Such an assessment is carried out on the basis of data relating to the strategic and operational orientations proposed and the means put forward to achieve the objectives of the SSEO.

The financial analysis of the impact may seem like the most technical, the most arid aspect of internationalisation. Yet it only translates into monetary and arithmetical terms the decisions, choices and repercussions of the choices of mission and organisation of production and sales. It is the financial reflection of the activity that illustrates the consequences of business choices.

Taken as a whole, our experience and the various case studies show that the success of a social and solidarity economy enterprise rests on six main elements which must be solid, or demonstrate their capacity to become so. These elements will be decisive in ensuring the organisation's ability to carry out its mission in an economic environment favouring its sustainability, to repay its liabilities and to renew its production capacity. Internationalisation can have an impact on most of those factors.



Thus, each of these specificities can be impacted by internationalisation and its effect on the realisation of the company's project. These elements must be assessed from an overall perspective. They must therefore complement and support the financial perspective. And over and above all these elements, internationalisation has to be confronted with its environmental sustainability.

This search for coherence is illustrated by a vision of the SSEO as presented above. The diagram illustrates the main challenges related to mission, impact and governance (left) and the four main operational functions of the enterprise (right). It is a schematisation of the multiplicity of elements of analysis of the social economy enterprise, each of these elements contributing to the achievement of its mission, its development, its success and its long-term viability. Mission fulfilment, social impact and economic performance can be impacted by internationalisation. As with any other decision, internationalisation should not call into question the efficiency of the enterprise and the profitability should not come at the cost of a lower social impact.

As in the traditional economy, the testimony of SILK participants shows that internationalisation can have an impact on:

4. The market, of course, via any export activity or investment in a subsidiary in order to develop and diversify geographically the consumers of the SSEO;
5. Its operations, naturally, if the SSEO chooses to obtain some equipment or raw material from overseas, or gain some production or management expertise from a foreign partner or supplier;
6. Its human resources, if it tries to recruit new workers from a foreign production site or gain knowledge from expertise exchange projects with foreign consultants or SSEOs active in the same sector;
7. Its financial resources, coming from the economic impact of all these operational opportunities or if it succeeds in obtaining finance from foreign sources (at better conditions) or if it invests overseas.

But as with all its local activities, the SSEO may decide to manage these opportunities differently in order to maintain or reinforce the balance between its social objectives and its economic goals.

8. SSEOs may have different pricing policies or may target new markets according to different criteria from private enterprises. For example, SSEOs often have the goal of making their services financially accessible to their customers since they often offer services to satisfy social needs. Their rationale to export may be different. It may choose countries and regions where its services are more pertinent because of some economic precarity. So pushing social impact may lead to different economic strategies or choices;
9. Outsourcing and importing any part of activity or knowledge may be in opposition with a local job creation objective that is part of the SSEO's mission;
10. In the same way, it will definitely see human resource as much as a result of its operation as an operational cost. It will invest in its people (like any other enterprise) but with a social goal being complementary to competitiveness building;
11. The international exchange of knowledge and experience will impact on the SSEO's capacity to manage, produce and sell. But it can also help in developing new visions of the balance between its mission and its operation. It may help to strengthen its governance by encouraging democratic management and associative vitality.

On the other hand, the effort invested in the assessment of the internationalisation process has to be in scale with the level of effort the process itself. The analysis has to make sense according to a cost-benefit logic; a small occasional international activity will not demand the same level of investment to assess its performance as a long-term commercial link or foreign investment operation.

GENERAL CONSIDERATIONS COMING FROM SSEOS' CHARACTERISTICS⁷

A – Framework:

- SSEOs have been involved in internationalisation for years, driven by a mix of extrinsic and intrinsic, economic and non-monetary motivations
- Heterogeneity of internationalisation drivers

B – Motivation and drivers:

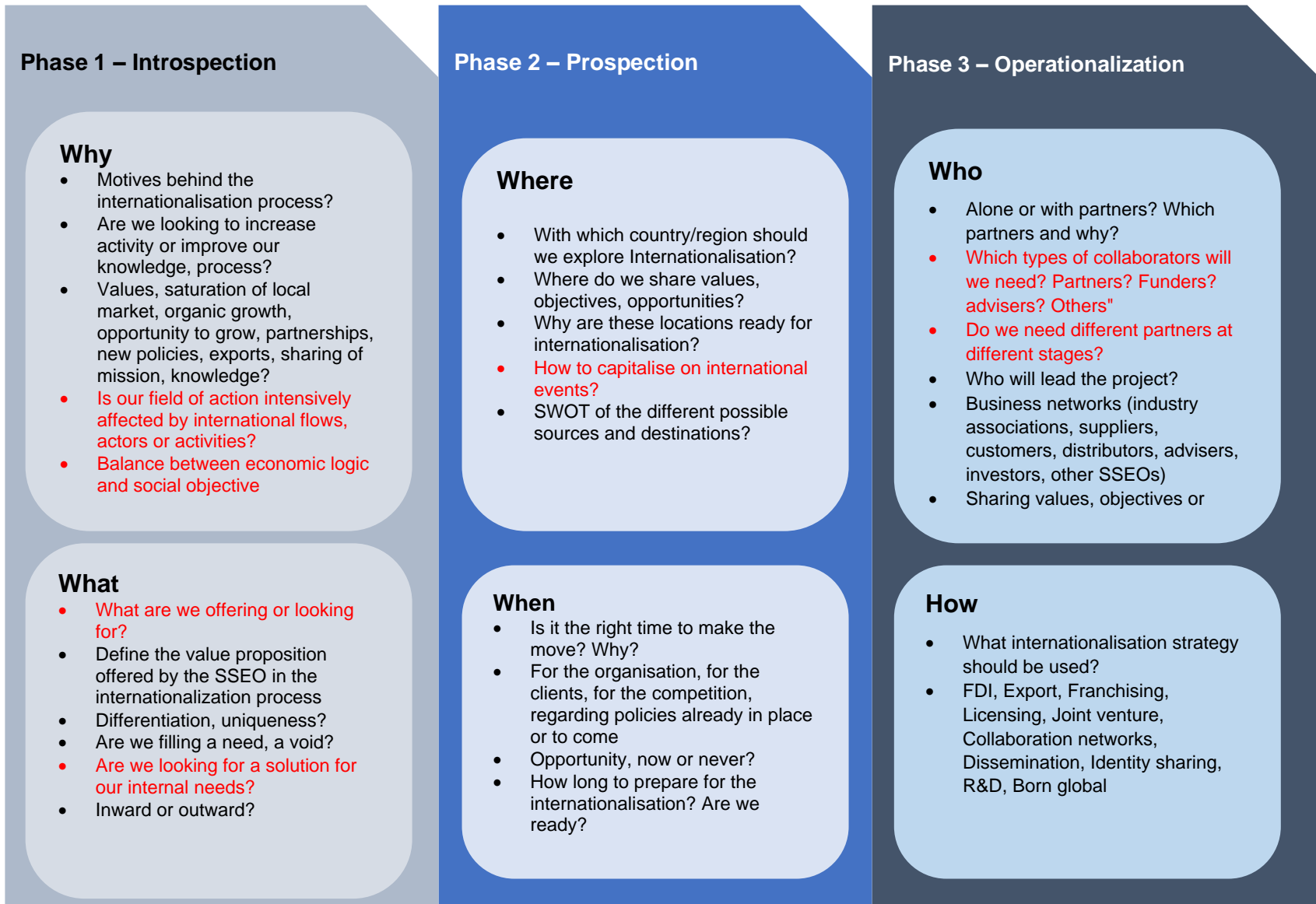
- Similar to traditional private for-profit enterprises: gaining market power, accessing new markets, accessing new resources, reducing costs
- Motivational: interest in spreading a new model, export social solutions to social problems, demonstrate the validity of SSE, strengthen its reputation with international institutions
- Distinction: SSEOs can allocate scarce resources to higher-risk regions than traditional firms

C – Main strategies for internationalisation: quite often it is best to implement more than one complementary strategy

- Foreign direct investment (rarity – Mondragon), acquiring foreign assets, with social impact
- Export/import – most traditional, examples agriculture, fair trade
- Franchising: model duplication and knowledge export (organisational models) – cooperation development
- Joint ventures – strategic alliance: risk minimisation and building a collective capacity to overcome small-scale capacity
- Collaboration via international networks
- Knowledge and best practice dissemination
- Identity sharing (global image)
- Research and innovation
- Licensing: rent of intellectual propriety or use of product and/or services for a fixed term
- Born global
- Shared certification systems – fair trade
- International projects, events, conferences
- Managerial education – human capital development

⁷ This short list is a summary of the presentation of issues in the scoping paper.

TOOL 1 – Flow chart of questions for SSEOs in preparation for an internationalisation process



TOOL 2 – Internationalisation evaluation grid

This list of questions allows an SSEO manager to assess the impact of its internationalisation afterwards or to help plan an internationalisation activity. It is inspired by general economics literature and a systematic review of case studies published by SILK participants.

All elements underscored in blue are specific to the SSE or call for a deeper analysis than in the case of private enterprises.

A – NATURE OF INTERNATIONALISATION

1. Is my internationalisation activity inward, outward, or reciprocal?
2. Exchange of products
3. Exchange of services
4. Exchange of knowledge, tools, training
5. Exchange of financing
6. Exchange of values
7. Did you carry out international activities only with other SSEOs or with private enterprises, public institutions or a mixture of the above

B – PROCESS OF INTERNATIONALISATION

8. Importance of internationalisation activity – % of earnings or expenditures
9. Did you have access to specific funds for the internationalisation process?
10. Did you search proactively for an internationalisation opportunity or was it by accident?
11. Time needed to find a foreign partner and build a constructive relationship
12. Level of difficulty to identify a partner
13. Did you encounter technical difficulties in adapting with or to foreign partners?
14. Did you encounter legal or regulatory obstacles?
15. Did your internationalisation process involve innovation or just duplication?
16. Did you encounter cultural gaps that enriched your understanding?
17. Did you encounter cultural gaps that lowered the internationalisation's positive impact
18. Level of difficulty arising from distance
19. Did you encounter logistics constraints?
20. Did you have to overcome management complexity and organisational difficulties?
21. Level of difficulty of financing internationalisation
22. Did you have access to public funding for exploring internationalisation?
23. Did you have access to public funding for operating internationalisation?
24. Does your Internationalisation process bring greater positive impacts than the organisational and financial effort invested?
25. Did you benefit from a consortium of players in a trade mission which led to higher outputs?
26. Did the opportunity cost of investing time and effort in bringing a partner to the level of readiness to cooperate limit your rate of growth?
27. After living the experience, how do you assess the readiness of your SSEO to implement internationalisation at the beginning?

C – MISSION AND SOCIAL IMPACT

6. Did internationalisation improve the level of your social impact in your community?
7. Did internationalisation allowed you to broaden your positive social impact in other locations?
8. Did internationalisation help increase the number of people who have access to your services?
9. Did internationalisation contribute to labour justice, social security or decent work in your community?

10. Did internationalisation contribute to labour justice, social security or decent work in other countries?
11. Did your internationalisation activities contribute in a small way to change the world, or reduce social and economic inequalities?
12. Our responsibility, as global citizens, to share innovations and best practices which can make a difference.
13. Did internationalisation have a negative impact on the democratic governance process or lead to a more private capital structure for financial reasons?
14. Did internationalisation contribute to build a broader international fair-trade ecosystem?
15. Did internationalisation contribute to your capacity to improve sustainable housing and territorial development?
16. Did internationalisation contribute to your capacity to support inclusion and diversity?
17. Did internationalisation contribute to your capacity to support the cultural life of your community or your partner's community?
18. Did internationalisation contribute to social innovation?
19. Did internationalisation bring new suppliers to your SSEO, improving their social and economic situation?
20. Are your Internationalisation activities having a negative/positive operational impact on the environment?
21. Are your internationalisation activities having an impact on environmental messaging and spreading more responsible environmental behaviour among partners or members?

D – STRATEGIC IMPACT

1. Did internationalisation contributed to strengthening the market presence of collaborative exchange between SSEOs?
2. Did your internationalisation activity help bring new positive regulations for SSE, sustainable development or social development?
3. Did internationalisation contribute to strengthening the collaborative exchange between SSEOs of knowledge on management, governance or thematic issues?
4. Did internationalisation provide a platform for social start-ups to expand their business globally while supporting them in creating positive impact abroad?
5. Did internationalisation favour free or low-cost transfer of technology and knowledge materials in order to make adoption of best practices affordable and fair?
6. Did internationalisation support a better team cooperative culture in your SSEO?
7. Did internationalisation support a better team cooperative culture in your partners?
8. Did internationalisation strengthen your democratic and participatory governance processes?
9. Did internationalisation improve the governance participation of your members?
10. Did internationalisation strengthen your SSEO's visibility or public image and reputation?
11. Did internationalisation help your SSEO to be part of a community and have a support network?
12. Did internationalisation widen your horizons and enable you to learn from philosophies, perspectives and approaches to which you might not otherwise be exposed?
13. Did internationalisation improve your practice of continued evaluation, help innovations to evolve?
14. Did internationalisation expose your SSEO to other SSE enterprise models, case studies and leaders of global significance?
15. Did internationalisation increase the visibility and understanding of the mission and functioning of SSE enterprises?

E – ECONOMIC IMPACT

1. Level of general increased local economic spillover
2. Did internationalisation allowed to increase your production capacity?
3. Did internationalisation bring higher income for economic actors of your community?



4. Did internationalisation allow you to decrease production cost and increase access to your product/service?
5. Did internationalisation allow you to improve supplies and develop economic opportunity for small producers overseas?
6. Did internationalisation contribute to strengthening your SSEO's market presence overseas?
7. Did internationalisation contribute to strengthening your SSEO's market presence in your local market?
8. Did internationalisation help to attract investors to your sector or community?
9. Did internationalisation favour job creation in your SSEO or your community?
10. Did internationalisation favour job creation in other countries?
11. Did internationalisation help your SSEO or your members/customers to gain fair market access?
12. Did internationalisation help your SSEO to become more competitive?

F – FINANCIAL IMPACT

1. Did internationalisation increase your revenues?
2. Did internationalisation reduce your operating cost or improve your operating margin?
3. Did internationalisation help attract investors in your SSEO?
4. Did internationalisation help identify investment opportunities?
5. Did your Internationalisation partners provide support in terms of recognition and credibility among other financial institutes and policy-makers?
6. Did internationalisation allow you to reduce your prices and increase your access to your customers?
7. Did internationalisation improve your financial results so as to strengthen the organisation (surplus or stronger balance sheet)?
8. Did internationalisation have an impact on your ownership structure?

TOOL 3 – A list of indicators to determine where the organisation stands with regard to internationalisation and what needs to be addressed

		Questions to ask	Response
Phase 1 Introspection	Why	Motives behind the internationalisation process Values, saturation of local market, organic growth, opportunity to grow, partnerships, new policies, exports?	
	What	Define the value proposition offered by the SSEO in the internationalisation process Differentiation, uniqueness? Are we filling a need, a void?	
Phase 2 Prospection	Where	Which markets are more likely to be entered? Why are these markets ready for internationalisation? SWOT of the different possible markets	
	When	Is it the right time to make the move? Why? For the organisation, for the clients, for the competition, regarding policies already in place or to come. Opportunity, now or never? How long to prepare for internationalisation? Are we ready?	
Phase 3 Operationalisation	Who	Alone or with partners? Which partners and why? Who will lead the project? Business networks (industry associations, suppliers, customers, distributors, advisers, investors, other SSEOs)	
	How	What internationalisation strategy should be used? FDI, Export, Franchising, Licensing, Joint venture, Collaboration networks, Dissemination, Identity sharing, R&D, Born global	

Indicators to follow during the internationalisation process

	Indicators	Examples case studies to be completed
Phase 1 : Introspection	Number/growth of customers/clients/partners reached or helped Assessment and growth rate of customer/partner/worker satisfaction rate Evolution of the social impact on communities Size/growth rate of revenues Operational margins Available liquidity to invest Number/growth rate of employees – suppliers – workers in general Market share and growth rate Reflection on the responsibility to share best practices Internal evaluation of ESG (environmental, social, governance) factors	
Phase 2 : Prospection	Research on similar social projects Appetite for democratic governance Impact on the local community to integrate (social, environmental, economic) Market size (population, projects, customers, revenues, etc.) Customer/client/partner profiles Penetration rate Potential revenues Number of direct competitors	
Phase 3 : Operational-isation	Number of key partnerships to develop Number of employees to operate Level of involvement of employees in democratic governance Improvement in working conditions Fair trade certification to obtain Cashflow of operations Evaluation of suppliers and buyers in line with our values Impact on the environment Size of investment	



	Financial forecast
Phase 4 : Performance assessment	Number of people/clients reached or helped with product/services Broad evaluation of satisfaction of employees, community, suppliers, partners Audit of the environmental, social and governance (ESG) impact of the project on the local community Empowerment of the local community Assessment of improvement in working conditions Growth rate of revenues Operational margins Market share and growth rate



TOOL 4 – Application of the flow chart (Tool 1) to the case studies of SILK members

		KOICA (Korea International Cooperation Agency)	Equal Exchange (EE)	COOPCYCLE (CC)	COOPCYCLE - bicimensajerías	DA Group	MCE Consells	Mondragón Corporación Cooperativa (MCC)	Social Enterprise Academy
Company characteristics	Industry/sector	Development Assistance	Production of fair-trade foods and drinks	Bicycle couriers	Bicycle couriers	in sustainable development solutions	consultancy for/both social and for-profit enterprises	Mechanical engineering, automotive industry, household appliances, construction industry, retail, banks, insurance companies and others	learning and development programmes offering accredited qualifications focusing on leadership, social entrepreneurship and social impact measurement
	Country	South Korea	USA	France	Mexico	India	Québec, Canada	Mondragón, Spain	Scotland
	Founding year	1991	1986	2016	2016	1983	1983	1956	2004
	Legal status/form of organisation	Government-owned organisation	for-profit worker-owned cooperative	Federation/Cooperative	Cooperative	collaboration of organizations with not-for-profit research and charity objectives and social enterprise ambitions.	non-profit social economy enterprise	Industrial Cooperative	Independent social enterprise
Phase 1: Introspection. The What and Why	Motives and considerations behind the internationalization process, what did the company expect to gain (such as partnerships, growth) and what did it want to avoid (such as saturation of the local market) via internationalisation?	There has been a rapid growth of social enterprises in Korea in the last couple of years. KOICA uses the potential of these Korean social enterprises by facilitating cooperative projects in developing countries. Through this, it helps Korean social enterprises to grow while contributing to the SDGs and global social values.	EE saw itself as an international company from the beginning, and cooperated with partners in Europe, Latin America and Africa early on. Through this cooperation, they EE developed tight-knit partnerships and networks. Through these networks, EE learned valuable insights from Fair Trade groups which were ahead of the developments in the US at the time. EE gained in knowledge, connections and expertise and was able to offer products not yet prevalent in the US.	CoopCycle is a self-hosted platform to order meals in your neighborhood and get them delivered by bike couriers, its software being reserved to co-ops. Bicycle couriers are generally not employed by the platform they deliver for, which results in bad working conditions, low pay and instability. As this issue is not only prevalent in France, but around the world, CC's internationalisation was driven by (a) the fact that precarious conditions for bicycle couriers exist in several countries around the world, (b) that the idea of solidarity and cooperatives finds support around the world, and (c) that CC has developed technology which would benefit and improve conditions for couriers around the world. As such, via internationalisation, CC wanted to pursue its objective of social change as well as present and spread and adapt its technology to new markets.		strategy to scale its impact. This includes innovating and incubating inclusive eco-solutions and packages to help meet the basic needs of societies; implementing replicable solutions in a commercially viable manner; influencing the ever-growing base of beneficiaries and partners, including enterprises, government bodies, private corporates and civil society organisations.	international initiatives since 1990, aim at a sharing experience and diversify our market and revenue base First, subcontracting expertise for CA gvt and international devpt organisations then development of own projects (with partners), then non-economic activities promoting social economy as solution to many societal challenges, also helping other organisations (IMASE, European association of SE investors) to internationalise	Mondragón went international to stay competitive, not to make more money, nor to save labour costs, nor to evade taxes. The main reason was always to secure jobs in the parent cooperative. The internationalisation process of Mondragón has always been reactive. As each cooperative is sovereign and makes its own decisions, MONDRAGON Corporation has not a single way to do this process, even though all cooperatives were benefited from common experience. Later Mondragón "popularized" internationalization and sent many people abroad as the subsidiaries abroad were growing. This process permitted to train many managers, supporting their career progression in cooperative companies in the Basque Country.	The decision to explore international exporting and replication was considered by the board, concluding it was a classic social entrepreneurial action: going beyond its resources to seize a market based opportunity to achieve increased social impact. An exit strategy was planned from the start. Strategic principles were also articulated. These ensured the model of learning delivery was shared as well as the ethos behind operating the organisation. The organisation was re-structured, identifying core specialist functions to be developed as a centre of excellence that could support replicable delivery functions in each location. The Academy was not interested in growth for growth's sake or in 'empire building' but in enabling local partners to achieve impact in their realities.
	To which extent is there support by policy and governance structures in the company's founding country?	As KOICA is a government-founded and government-owned organisation, its activities are supported by the government / existing policies.	In the US, SSE are not recognised as a group, and therefore there is no policy support for their internationalisation.	France has a long history of social and solitary-based organisations and enterprises. Through by 1847, already 2500 mutualist organisations existed. It wasn't until the 1970s that a national committee for cooperatives, mutuals and associations came into existence. In 2014, a legal basis for the term Social and Solidarity Economy was enacted, and by 2015 there were approx. 96 000 SSE enterprises, with several public programmes, an official commissioner, grants, and an official development strategy. As such, France provides a firm legal and financial basis for the support and development of SSE enterprises.		building that support is part of DA's activities through membership in a range of South-South and NGO alliances that support transition to green, inclusive and fair economies. Clean Development Mechanism (CDM) helped to create demand for green technologies of DA Carbon Financing Mechanism Non-existence of dedicated policies on SSE in India or in the target location inhibits promotion/ influencing societies of actual impact			The Scottish Government is enabled to share a key strength and play a role on a global stage. The Scottish First Minister attended the launch of SEA Canada in Toronto and SEA China in Beijing. The Scottish Government knows our programmes will develop local capacity and ecosystems, as well as in-country capacity with lasting benefits.
	Which value did the organisation offer in the internationalisation process? (such as: filling a need)	KOICA (or actually, Korea as a country) can offer its advanced social enterprise sector and its experience in the transition to one of the poorest countries to one of the most economically advanced.	Through the cooperation with international partners, they were able to fill the need in the US for fair-trade coffee, imported from a country that was under embargo at that time (Nicaragua). This was only possible through careful planning and advancing networks before officially founding EE.	CC provided value in the internationalisation process by addressing the need of bicycle couriers to organise and improve their working conditions.		capacity building for entrepreneurs and sustainable development ecosystems	business development support structures and services for NPOs, strategic analysis, best practices, and training activities (local development, SME financing, micro-finance, women integration in economic activities, etc.), exported of " lessons learned on union and cooperative development strategy and adaptation of our own network to different operation context, mainly in sub-Saharan west Africa and Brazil."	As a result of globalisation, the global dimension is presented as one of the main keys to competitiveness and survival for industrial companies, but also defending the local labour market and stability of local communities. Globalisation is therefore considered a process with an important effect in economically developed countries and emerging countries or in growth, it has a crucial, positive effect on well-being by reducing inequalities between countries.	whilst strong training and advice was available on the technical competences (e.g. finance, marketing and business planning), traditional training or business support tended not to meet the specific needs of social entrepreneurs. The Academy's products are designed to support leaders and organisations at each stage of development, for leaders at all levels, and young people – the next generation of social enterprise leaders – in formal education and beyond. This is a unique offer missing in many support ecosystems.



		KOICA (Korea International Cooperation Agency)	Equal Exchange (EE)	COOPCYCLE (CC)	COOPCYCLE - bicimensajerías	DA Group	MCE Conseils	Mondragón Corporación Cooperativa (MCC)	Social Enterprise Academy
	Which markets are more likely to be entered and why?	KOICA focuses on disadvantaged and developing countries, and helping Korean social entrepreneurs to set foot into those markets. As such, it targets markets in need of social innovations and new technologies to facilitate advancement. "The CTS initiative has also become a way for Korean social entrepreneurs to expand into developing countries."	EE decided to offer coffee because of a market analysis. However, it closely monitored the developments of price and demand, and expanded its product lines and entered new markets when it realised that coffee prices had plummeted.	CC decided to start a pilot in the Mexican market, because Mexico offered similar institutions and history of SSE; high informality of the courier sector, which constituted a need for CCs services. Therefore, Mexico both presented viable conditions for success and a need for CC services.		resource-efficient building materials (brickmaking technology aimed at social enterprises and local job creation) sustainable tech solutions, also in disaster relief	West Africa and Brazil, with CA funding	The first division of Mondragón to internationalise was the Industry. Usually, countries with the same language (Spanish) are addressed first: Chile, Mexico etc. Important to note is that Mondragón cooperatives were always oriented to exportation, so the unwritten condition is that they should have important sales in the target country before setting up a new organisation/company/cooperative.	The initial move was to create a joint venture in Africa with Inman, a like-minded international development organisation. A Hub model was deployed initially in Australia and then more widely in Asia and Africa.
Phase 2: Prospection. The Where and When	Why is it the right time, which factors supported internationalisation?	A policy shift in support of the social economy in Korea led to a rapid increase of social enterprises and strengthened Korea's social ecosystem. This prompted KOICA to expand its development assistance efforts by using and exporting its advantage of strong social enterprises and exporting their expertise.	Even though EE considers itself "born global", it found itself with the difficulty of establishing a network of reliable, but small and cooperatively organised farmers in a country faced with an embargo (Nicaragua). Despite this difficult starting position, EE managed to find a European partner to circumvent the embargo and was thus possible to sell a specific product no one else in the US could (easily) sell.	The internationalisation was partly driven by the COVID-19 pandemic, which increased demand for couriers without improving their working conditions. Moreover, the internationalisation to Mexico in particular was driven by several factors: 1. similar history and institutions regarding SSE as France has, 2. very rudimentary use of technology for managing work, and thus high need for an advanced platform like CC developed, 3. particularly bad conditions of couriers.		first collaboration with international donor-side organisations, 1990s, then transnational collaboration	economic crisis, looking at cooperative solutions for struggling enterprises (?)	The internationalisation process was the only way to avoid losing business, as it was reactive and followed the strategies of key clients. Having important sales in the target country was considered useful to set up a new branch.	
	Which partners, networks and why these?	KOICA cooperates with both domestic and international partners. It supports domestic entrepreneurs in developing their ideas, solutions and business plans, and adapts those for implementation in developing countries. It cooperates with developing countries to offer solutions and support, and cooperates with other multilateral partners to promote discussion and exchange.	EE cooperated with international partners early on to import fair-trade coffee, and began networking with European partners who provided EE with networks and connections, enabling them to expand their business. EE further developed networks with farmer cooperatives and fair-trade groups all over the world, which allowed them to gain expertise and expand their product line. A particularly important partner in EE's internationalisation process is La Siembra, a Canadian fair-trade cooperative. EE and La Siembra agreed to long-term strategic cooperation, in the course of which La Siembra withdrew its best-selling chocolate from US markets and instead started to manufacture EE's chocolate brand. In exchange, EE and La Siembra shared the financial risk. This agreement resulted in great financial success. However, due to the 2008 financial crisis, La Siembra was at risk of bankruptcy, which would mean to score private investors to keep the company, but lose its cooperative.	CC was created with the intention to internationalise and collaborate, as such they developed networks and partnerships right from the start. As CC's business model is federal, it consists of several local initiatives, each of them networking and collaborating with different partners. In the case of Mexico, CC collaborated with an institute in Mexico which provided expertise in transport and development, whereas CC provided software and technology.		collaboration with international aid donor countries for tech transfer to address local needs in India, global transfers from 1990 onwards, tight network of institutions in trade union ecosystem (credit union, pension fund, venture capital fund)	"value centered convergence between trade union and social economy objectives." (p. 3), also skills in negotiating in social partnership context, tight network of institutions in trade union ecosystem (credit union, pension fund, venture capital fund)	In more than 80% of the cases of the Industrial Group Mondragón production plants in other countries were opened in order to follow the strategies of its key clients. Wherever possible, Mondragón replicated its intercooperation tools abroad, developing industrial parks where cooperatives could be together and help each other.	Partners were sought who shared the Academy's values on learning and development and could commercialise the product. Initial engagement often came through "direct delivery" by the Academy in Scotland, working in partnership with the would-be hub partner. If this process of familiarisation proved successful, the first step was to sign an "exploration agreement" in which both parties explored the feasibility, financial and otherwise, of Academy Hub in the particular territory. If this proved positive (and this was not always the case) the Hub was launched with the development of the first cohort of facilitators, led by Academy's lead facilitators from Scotland, and intensive training and development of the new Hub partner team. Training is delivered by practitioner facilitators, themselves all social enterprise leaders. Social Enterprise Academy is a strategic delivery partner of the Scottish Government.
Phase 3: Operationalization. The Who and How	Which internationalisation strategy? (FDI, Export, Franchising, Licensing, Joint venture, Collaboration networks, Dissemination, Identity sharing, R&D, Born global)	KOICA cooperates and collaborates with international partners to (a) support Korean social entrepreneurs who want to enter foreign markets ("exporting entrepreneurs") (b) contribute financially to projects in developing countries (c) collaborates in joint projects with international partners.	EE used several internationalisation strategies over the years, yet considers itself to be "born global". Initially, it facilitated the internal flow of goods within the US, and the external flow of capitals to the farmer cooperatives providing EE with products. EE also collaborates and networks with providers, other fair-trade businesses, and interest groups. Additionally, some of the successful farmer cooperatives outside the US, who provided EE with products, also started investing in EE (Foreign Direct Investment FDI). EE has also received grants from a global initiative. Moreover, EE was an important player in establishing fair trade as a concept, not only through its success, but also by creating a certification system. It thus contributed to identity sharing. Lastly, EE's efforts to support other cooperatives to sustain and develop their businesses constitutes an example of dissemination and managerial education.	CC exports its technology to associated cooperatives and partners; offers legal assistance and accounting services (R & D?); invests in visibility and branding (Dissemination); and participates in identity sharing by spreading its vision of cooperative and democratically organised organisations. Moreover, CC builds and develops international support networks.		transfer of innovative Green tech solutions, knowledge alliance-building in sustainable development sphere, also careful brand management open source and IP-sharing approach	knowledge and business strategy exchange based on existing good practice and experience in a very distinct home market transfer of knowledge, learning, also based on "soft skills" in negotiation, pedagogy, again, also for gains in reputation and credibility cooperations based on shared values ", internationalization means concentrating on one assignment for a certain time "	The multi-location strategy is totally relevant and necessary since allows not only to better defend local, cooperative and non-cooperative employment, how to access higher levels of competitiveness and business performance. There is a plurality of internationalisation strategies among the 25 global cooperatives.	Franchising has a mixed reputation. Initially, the Academy was sceptical, being aware of other examples of franchises with mixed results, difficulties of quality control and dissatisfied franchisees. Franchising was also perceived as a purely commercial strategy for growth to increase revenue. This did not fit with the ethos of the Academy in exploring replication to share something of value with others and support leaders of social purpose. Termining the approach "social licensing", the Academy gave itself permission to reinvent the methodology, experimenting with adaptations to franchising models, and avoiding legal implications of franchising which existed in some countries.



		KOICA (Korea International Cooperation Agency)	Equal Exchange (EE)	COOPCYCLE (CC)	COOPCYCLE - bicimensajerías	DA Group	MCE Conseils	Mondragón Corporación Cooperativa (MCC)	Social Enterprise Academy
Phase 3: Operationalization	Indicators (quantitative)					# of social enterprises created (or equipped), turnover	percentage of repeat business	replication of 1st intercooperation tools abroad	
	Examples of indicators							development of industrial parks where cooperatives could be together and help each other	The process of internationalisation has reduced short-term profitability of the Academy; the surplus created by the Scottish business has been required to support the international expansion. However the social impact of the Academy has been enhanced immeasurably
Phase 4: Performance Assessment	Indicators (quantitative)					amounts of raw materials or CO2 saved		employment in those cooperatives that have at least one productive subsidiary abroad (we call global cooperatives) grows more than in those cooperatives that they do not have any productive plants abroad. With a higher net growth in cooperative parent companies (28.04%> 13.71%), in the local environment (52.5%> 24.71%) and globally (140.58%> 21.04%). New jobs, profitability of company grew and also members' capital, more money for social projects	
	Qualitative indicators						results from project evaluations of levels of knowledge transferred demonstrate its impact, relevance, efficiency, achievement of the goals, etc. personal assessment regarding benefits for either the organisation itself, its worker or any other stakeholder (beneficiaries, communities etc.) p.7 "Most SSEE encountered upgraded their management practices with a clear distancing from traditional operational indicators toward better suited mission-focused information system." (p. 8)	The internationalisation strategy of Mondragón corporation generated sustained dynamics over time in surrounding sectors, such as the education sector (Mondragón Team Academy) and the fourth sector (MUNDUKIDE as the NGO of Mondragón). The qualitative leap experienced by the insertion of all this international cultural baggage in the Basque Country community, allowed the creation of innovative experiences in many areas, including new learning methodology	
						sales of low-cost solutions			
						Aqua+ bottle for safe drinking water			
						knowledge transfer: # of partners, toolkits, packages, modules for capacity building			
						alliance-building: # of policy briefs, network partners, gvts advised, initiatives connected to platforms			
	Comments					Arguably, a case of some "servitisation", in which technology transfer is supported and complemented by knowledge transfer, consulting and capacity building through networks and alliances. Reputation and brand management central to this, maybe also the "groundedness" in very concrete and accessible technologies	A consultancy SSE leveraging 1st knowledge to build the very services and finance instruments that develop 1st own ecosystem. However, strongly aware of the limitations of conventional efficiency criteria in assessing knowledge transfer and impact.		flow of skills between social enterprise leaders is enhanced - both within and between organisations (this is how our learning programmes operate), and across countries (this is how our international replication model operates). The outcome is resilient social enterprise support ecosystems, better able to enhance the capacity of social enterprises, who in turn are enabled to 'change the world'.

TOOL 5 *Analysis grid of impact of Internationalisation on SSEs – main distinctions compared to private enterprises*

The following tables show an attempt to demonstrate what kind of impact different approaches to internationalisation will have on a social and solidarity economy organisation with regard to the main ways in which they are distinct from private enterprises.

Like capitalistic companies, SSEOs will expect internationalisation to bring economic growth and improved financial performance. This may come from larger markets and revenues, better networks of suppliers, access to technology and knowledge which improves their processes.

But SSEOs will want to assess the impact of internationalisation on their social impact at home and abroad.

They will try to see whether internationalisation has an impact on their democratic governance and collective ownership, since scaling up and diversifying geographically will put pressure on democratic process and will allow the emergence of different groups of stakeholders and consequently a high level of difficulty to reach consensus and demonstrating fair and equal treatment to all.

So the impact assessment has to be outward looking as well as inward; it has to look not only at economic performance, but also at social impact and the internal governance process.

This is what is attempted in the two following tables.

A short conclusion


In this document we have tried to offer a framework to help social economy enterprises to assess the process and the results of their internationalisation activities. It is clear that this assessment approach is for internationalisation strategies which are more structured and challenging. But there are also internationalisation processes that start with participation in a mission or international conference, or with the receipt of an offer to be involved in an international project.


Sometimes internationalisation does not involve a well-thought-out and analysed "strategic decision". Internationalisation quite often just "happens" through just grasping an unplanned opportunity that presents itself. An accidental approach is not bad in itself. Our proposed tools can also be taken as "easy-to-use" initial guidelines in such cases (for example an invitation to join a project may be an opportunity to improve one's LOCAL performance).


Identification of issues

Guiding principles of SSE framework	Internalisation strategy						
	Cooperation	Diversification	Merger	Acquisition or take-over	Spreading	Benchmark analysis	Spin-off
Definition	Create a consortium or cooperative to pool products or services or develop new ones with other organisations with similar needs	Develop new products or services either through the acquisition of existing ones or through research and development	Absorb another organisation	Take possession of assets or take control of another organisation	Make knowledge available so that others can retrieve it	Inspire oneself from knowledge developed for projects in other regions or in related sectors	Create similar companies or franchises within the same network
Responding to the needs of members or community	Capacity increase	Will new products/services increase response to community's needs?	Could lead to capacity increase in one location and decrease in another	Capacity development scale of market increase	Limited impact on original community, more organisations offer the service associated with knowledge	Is the inspirational knowledge transferable to the reality of the members of the organisation?	Diversity of communities served, response to others' needs, lessons from allies may improve impact on original community
Decision-making autonomy from the state	Cooperation leads to the sharing of power with other stakeholders	Diversification may lead to financial autonomy or reducing dependency on a single public partner	Increase autonomy of buyer, decrease autonomy of SSEO bought	The organisation that sells assets or whose control is taken no longer has decision-making autonomy over its activities	Knowledge is used autonomously by the organisation that chooses to use it and may improve autonomy	Knowledge may improve strategy, therefore social and economic performance, therefore potential autonomy	The franchisee does not have decision-making autonomy on a certain number of parameters compared to its parent company
Democratic governance of members	Cooperation may improve governance culture, but may also bring constraint and limitations		What will the role of the members/owners in the absorbed part be?	What will the role of the members/owners of the absorbed part be?		Possibility of adjusting inspiration models through consultation with stakeholders. May improve governance mechanism	What is the role of franchises in the democratic management of the franchise network?

Economic viability	Well-organised cooperation generally leads to a reduction in operating costs or new development opportunities	Are the new services mobilising the necessary resources for the economic viability of the model? Or bringing new funds through higher economic performance?	Larger scale should induce higher returns and/or larger social impact	Larger scale should induce higher returns and/or larger social impact	Research and development are carried out by an organisation that may not benefit from the sharing of its knowledge	Knowledge may improve strategy, therefore social and economic performance, therefore potential economic strength	Larger scale should induce higher returns and/or larger social impact
				Higher economic performance may induce temptation to spread return away from mission	The economic benefits of knowledge-based projects can benefit private rather than collective interests		The economic benefits are distributed among the franchise network, the presence of private interests should be avoided
	In the event of dissolution, the remainder is attributed to a legal person with similar objectives	Do other stakeholders have similar goals (and not just needs)?		The control of assets leads to the conservation of new assets within the company	The control of assets leads to the conservation of new assets within the company	The economic benefits of knowledge-based projects can benefit private rather than collective interests	May be the subject of a franchisee contract

 = High probability of improving this principle

 = Risk of degrading adherence to this principle

 = Uncertain effect

Assessment indicators

Guiding principles of the framework	Internalisation method					
	Cooperation	Diversification	Merger	Acquisition or take-over	Spreading	Spin-off
Definition	Create a consortium or cooperative to pool products or services or develop new ones with other organisations with similar needs	Develop new products or services either through the acquisition of existing ones or through research and development	Absorb another organisation	Take possession of assets or take control of another organisation	Make knowledge available so that others can retrieve it	Create similar companies or franchises within the same network
Responding to the needs of members or the community	<ul style="list-style-type: none"> - Impact on the quantity/quality of services offered to members - Impact on the quality of services offered to community 	Impact of new services on the number of needs met or people reached	<ul style="list-style-type: none"> - Impact on the quantity of services offered to members - Impact on the quality of services offered to members 	<ul style="list-style-type: none"> - Impact on the quantity/quality of services offered to members - Impact on the quality of services offered to community 	- Level of adaptability of knowledge to the new context	- Number of new people served
Decision-making autonomy	- Level of concentration of power of the consortium or cooperative over its members	- Level of influence of the partners linked to the services on the whole organisation	- Level of power sharing between the various stakeholders of the merged organisations	Not applicable. Taking of control implies the loss of decision-making autonomy of the controlled company	- Level of influence of the knowledge-generating organisation on the direction of initiatives	- Level of concentration of power in the parent company
Democratic governance of members	- Degree of decision of the members on the orientations of the cooperative or of the consortium	<ul style="list-style-type: none"> - Development of new products in line with democratic choices - If new people benefit from the products, level of 	- Level of disparity of influence in the new structure of the members of the merged organisations	- Level of disparity of influence in the new structure of the members of the acquired structure	- Level of influence of each of the initiatives on the overall development of the inspiration model.	- Level of influence of the members of each of the franchises on the orientations of the whole group.

		integration of the organisation's decision-making bodies				
Economic viability	- Impact on financial surpluses	- Impact on financial surpluses	- Impact on financial surpluses	- Impact on financial surpluses	- Impact on financial surpluses	- Impact on financial surpluses
Prohibited or limited distribution of surpluses	- Surplus from the mutualisation reinvested in the project or redistributed among the members according to the level of activity	- Fair distribution of surpluses from different services and products to members - Reinvestment of surpluses in the organisation	- Fair distribution of surpluses to members of the merged organisation - Reinvestment of surpluses in the organisation		- A form of limited redistribution of surpluses to the knowledge-generating organisation - Reinvestment of part of the surpluses in the development and improvement of knowledge	- A form of limited redistribution of surpluses to the parent company - Reinvestment of part of the surpluses in the development of the network
	- Clause in the regulations aiming at the remittance of the remainder to an organisation with similar objectives during dissolution	- Clause in the regulations aiming at the remittance of the remainder to an organisation with similar objectives during dissolution	- Clause in the regulations aiming at the remittance of the remainder to an organisation with similar objectives during dissolution	- Clause in the regulations aiming at the remittance of the remainder to an organisation with similar objectives during dissolution	- Clause in the regulations aiming at the remittance of the remainder to an organisation with similar objectives during dissolution	- Clause in the regulations aiming at the remittance of the remainder to an organisation with similar objectives during dissolution
In the event of dissolution, the remainder is attributed to a legal person with similar objectives.						

ANNEX**SECTION III – Good practices (Other lessons – indirect importance)**

MARKET

- CoopCycle: The services provided in Europe are fully financed by the contribution of the members of the federation. However, this contribution may be different in specific cases. For example, in Mexico, the *bicimensajerías* (bicycle messengers) are not yet contributing 2%, as it is still a pilot project, but, in exchange, ITDP finances the programmer who is adapting the platform to the local context. This mutualisation strategy, based on solidarity and autonomy, is inspired by the idea that "to each according to his means, and to each according to his needs". That is, not all cooperatives require the same services during their development process.

- Scotland: Trade

Intended Outcome – Scotland’s social enterprises will become more aware of international opportunities and more global in their outlook. More social enterprises will grow their international sales and impact.

- Investment

Intended Outcome – Create an environment where Scottish social enterprises have access to the investment needed to expand their international reach and impact, ensuring Scotland is a destination of choice.

- Social Enterprise Academy: A strategic delivery partner of the Scottish government, the academy matched funds with grants from domestic and EU sources to make learning available and affordable in remote rural communities in the Highlands and Islands.
- KOICA: The Creative Technology Solution (CTS) is one of these initiatives that contributes to finding solutions to challenges in development cooperation that are difficult using existing methods in developing countries.
- Equal Exchange: Since the early 1990s, EE had accepted money from outside investors who had no say in the organisation’s governance. 2003 marked a turning point in its positive cyclical flows; one of its successful farmer coop partners in Mexico became the first beneficiary that used its proceeds to make financial investment in the EE company.
- [...] The loss meant that La Siembra might have been forced to relinquish some aspects of cooperative structure in order to court private investment and avoid bankruptcy. La Siembra’s solidarity investors alerted the EE directors to the situation, and EE decided to invest its own funds to preserve the worker cooperative model and prevent disruption of cash flows to the farmer producers, acting on the “coop to coop” principle of support. The decision to invest prioritised solidarity over pure profit, yet the situation has nonetheless yielded positive financial results for everyone involved.

ORGANISATION

- Social Enterprise Academy: academy learning and development programmes offer accredited qualifications focusing on leadership, social entrepreneurship and social impact measurement.
- The sustainability of the process was considered from the outset. An exit strategy was planned from the start. If the plan was not successful, the additional staffing capacity built up for replication would be reduced, leaving the academy viable to serve its original market. Planning also considered the scale of investment raised, and did not over-expose the organisation to unaffordable debt, even if it reverted to only trading in its original market.
- Trade missions: With the missions the consortium aimed to strengthen international networks by facilitating social enterprises that are ready to expand abroad and want to scale up (e.g. in the context of foreign trade missions) and to raise awareness about the favourable Dutch business climate for international social enterprises, finance providers and other relevant parties.
- ACCIÓ: ACCIÓ has its own expert team in each office that offers personalised consultancy services to Catalan enterprises and that acts as an extension of the company.
- Equal Exchange: EE was founded as a “born global” organisation.
- Development Alternatives Group: Mere transfer of technology and knowledge to a country does not ensure its widespread adoption. Long-term support is imperative to achieve the scale and impact that an exchange envisages. Through platforms and partnerships, DA collaborates with local and national government agencies and key private players in the sector to disseminate solutions and their impact.

SOCIAL

- Mondragon : As a result of globalisation, the global dimension is presented as one of the main keys to competitiveness and survival for industrial companies and has led to an unprecedented international industrial migration process from North to South and from West to East.

Globalisation is therefore considered as a process with an important effect in both economically developed countries and emerging or growing countries. It can be said that it has a crucial positive effect on well-being by reducing inequalities between countries through a pulley effect that pulls from bottom to top and pushes from top to bottom.

- Scotland: Global Citizenship
Intended Outcome – Scotland will fulfil its role as a good global citizen, promoting social enterprise where possible and extending its international impact. This will help to frame, lead, and accelerate global developments in the social enterprise movement.

- Education

Intended Outcome – Scotland will become recognised as a world catalyst for knowledge on social enterprise and the leading destination for learning about it. This will build on Scotland’s world-class educational offering and reputation for research excellence.

- Social Enterprise Academy: The long-term support for Hub teams includes networking and more active support for Hub staff and facilitators.

- Development Alternatives Group: DA’s technology transfer programmes have entry points from social and environmental angles beyond the economic aspects of the solutions.

- As a member of the Green Economic Coalition (GEC), DA represents India by voicing the grassroots experience in a global network of diverse organisations from different sectors working to green the economy by drafting working papers, policy issues and organising conferences. As a member of Green Climate Fund (GCF), DA is influencing public and private players to undertake sustainable financing of clean initiatives in India.

SECTION I – Drivers

I-I Drivers for Politics

ECONOMIC

- Scope of activity includes trade and investment, international development (ODA), third sector (growing the social enterprise sector), and business and enterprise (social business growth).

SOCIAL

- Willingness, experience and enthusiasm of training partners
- Democratic participation

STRATEGIC

- Assertive communication skills and effective communication channels
- Inter- and multidisciplinary
- Quality of training materials
- Social enterprises’ products and/or services have an intangible added value that is appreciated abroad
- Perseverance of the participating collectives
- Social enterprises are more resilient and motivated than mainstream SMEs
- Consolidation of partnerships with national and international actors
- The Observatory programme is linked to the national social enterprise business support programme (Just Enterprise) so business support and small grant assistance is available to support individual enterprises
- The remit for working with social enterprise is broad and includes pre-start activity; it recognises that some of those supported will not be classical social enterprises as defined by the Code of Practice in Scotland. Without this flexibility its scope and value would be limited.
- The International Social Enterprise Observatory is a sector-led initiative, with government as partners, all involved on equal basis.
- Co-produced internationalisation strategy in 2016 reflecting sector initiative to raise the profile and recognition of internationalisation.
- Internationalisation given appropriate emphasis in the 10-year social enterprise strategy and action plans.

II-I Barriers for Politics

MARKET

- Difficult market/trading conditions for social enterprises
- Funding has been agreed on an annual basis impacting on longer-term planning.
- Insecure or declining grant funding

SOCIAL

- Difficulty in reaching agreements
- Lack of familiarity with SSE and related complex issues

ORGANISATION

- Uncertainty about the resources needed for the sustainability and expansion of the projects in the medium and long term
- Concern about the lack of continuity and follow-up of the projects at the end of the pilot.
- The COVID-19 crisis has set back internationalisation progress across all of the Scottish economy, including social enterprise
- The UK exit from the European Union, against the wishes of the majority of Scots, has compelled Scotland to redefine its international position and this impacts on all sectors including social enterprise
- Competition in the market
- Lack of time/capacity to develop trading potential
- Logistical, technical and organisational problems due to interaction via the virtual classroom
- Time-consuming training process
- Low visibility of the collectives' ventures
- Internationalisation still regarded as “niche” by much of the social enterprise sector
- International social enterprise still regarded as “niche” by some within government agencies

TOOLS MCE conseils

Annex C

SCOPING PAPER

**INTERNATIONALISATION OF SOCIAL AND SOLIDARITY ECONOMY ORGANISATIONS:
POLICIES AND PRACTICES**

SILK project scoping paper

By:

Riccardo Bodini, Gianluca Salvatori, Samuel Barco Serrano, PIERALBERTO TRECCANI

- **Introduction**

Within the scope of the SILK project, the following document is the first step in the Peer Learning Process and aims to frame the general cluster of issues to be addressed during the next few months of work. For the purposes of the SILK project, we will address the internationalisation of social and solidarity economy organisations (SSEOs) from a dual perspective: the different internationalisation strategies pursued by SSE organisation and the policies designed to support them. To this end, the scoping paper is organised as follows: Section 2 provides the definition of the two key concepts that are at the core of the project (Social and Solidarity Economy and Internationalisation); Section 3 will present the conceptual framework that will be used for the analysis; Section 4 will look at the main internationalisation strategies adopted by social and solidarity economy organisations, providing a first set of examples; Section 5 will review a first selected set of internationalisation policies; and finally, section 6 will draw some initial conclusions and set out the next steps of the work.

- **Key Definitions**

Before starting the analysis, it is necessary to define the concepts involved in this study. First, the definition of Social and Solidarity Economy that will be used throughout this paper is the one proposed by the ILO (ILO, 2011), i.e. a concept that refers to enterprises and organisations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which specifically produce goods, services and knowledge while pursuing economic and social aims and fostering solidarity. The social and solidarity economy thus includes private, formally organised entities with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them (EESC, 2012). When analysing the social and solidarity economy it is important to note that while SSEOs can function as an efficient and effective way to solve social issues, they should not be seen as a mere palliative solution to manage the world's problems: instead these organisations offer a transformative approach to these issues and should not be discounted as stopgap institutions limited to areas of activity which the market or the public sector cannot reach.

In order to better clarify the scope of this paper it is also important to define the concept of internationalisation, as it applies in particular to social economy organisations: in the case at hand, we look at internationalisation as a set of processes involving multilateral flows of goods, services and financial resources as well as “intangible assets” (information, skills, business models, knowledge, etc.) within and between organisations, and across countries. The multilateral nature of the internationalisation processes is worth emphasising, as internationalisation is not a one-way street. Indeed, SSEOs can follow both an “outward” way of internationalising (by expanding in foreign markets) as well as an “inward” way (for instance by importing from foreign markets, being exposed to new technologies or acquiring know-how from international sources) (Luostarinen & Welch, 1993). Furthermore, it is important to note that of the different types of flows mentioned above, the movement of intangible assets presents several highly interesting features for this project. In fact, intangible assets are more accessible to SSEOs and could be more effective in promoting internationalisation, especially for those organisations whose business strategy allows for limited flows of tangible assets.

- **Internationalisation and the Social Economy: Conceptual Framework**

Despite the widespread belief that SSEOs are less adept at acting within an international perspective due to their tendency to offer highly localised products and services, the process of internationalisation is becoming more and more embedded in economic activity as a whole, and SSEOs are not exempt from this change. On the contrary, over the last few years, the interest in the international dimension of the social economy has been growing: clear examples of this are a dedicated chapter in the GECES report (GECES, 2016), the creation of the UN Inter-Agency Task Force on Social and Solidarity Economy, the maturity of two international fora (GSEF with its 5th edition and SEWF with its 15th edition) or even the

inclusion of SSE internationalisation within the G20 activities through the Inclusive Business Network. Similarly, SSEOs themselves have successfully pursued many internationalisation efforts, as we will discuss in the following chapters. Internationalisation is thus not a field exclusive to for-profit organisations.

The main difference when it comes to the internationalisation of SSEOs compared to for-profit enterprises is that, given their specificities, social and solidarity economy organisations are driven by a mix of extrinsic and intrinsic, non-monetary motivations, which play an important role in determining the firm's activities and behaviour “over and above purely monetary objectives” (Borzaga, Depedri, & Galera, 2012). Consequently, given the complexity of SSE organisations in terms of their mix of economic and social goals, they are likely to display a greater heterogeneity both in terms of the drivers of internationalisation as well as in the ways in which internationalisation actually takes place compared to for-profit enterprises.

Looking at the reasons why SSE organisations internationalise, it is possible to find some that are very similar to those of traditional enterprises, which are typically driven by the need to bring a direct economic benefit to the primary stakeholders of the organisation (e.g. the members of a producers' cooperative): these include, for instance, gaining market power, accessing new markets, accessing new resources, reducing costs, exploiting ownership or localisation advantages. And similarly to for-profit enterprises, the degree to which an SSEO is prone to internationalise its business depends also on the economic sector in which it operates.

At the same time, though, there are also some drivers that are unique to the social economy and are tied for instance to the interest in spreading a model and approach that can address a social problem, or foster sustainable economic development following principles of territorial balance (thus including rural and deprived communities, which are often left behind by internationalisation strategies), or help demonstrate the validity of the social economy business model and strengthen its reputation among national and international institutions. While it can be argued that for-profit companies are also interested in distributing their models and “principles”, the main difference lies in the fact that, in the SSE case, the expansion is not primarily self-interested: the diffusion of the SSEO model does not exclusively follow a logic of market domination or profit maximisation, but is rather based on values seeking to benefit the community, both locally and abroad.

Indeed, while traditionally companies expand abroad to maximise long-term profits, social and solidarity economy organisations could have much more complex and extensive objectives. Thus, SSEOs may invest their scarce resources in locations with more risk and uncertainty than would be acceptable for a for-profit firm. The concept of location advantage needs to be revisited when talking about the social economy, given that SSEOs tend to be present in institutional voids, or environments where traditional for-profit enterprises and governments have generally failed (Alon et al., 2020).

Given the specificities to the approach to internationalisation, it would be useful to assess each distinctive feature of SSEOs and how such features could impact on internationalisation, in terms of both challenges and drivers. For example, the primacy of the mutual/social objective over capital interests, which is one of the most fundamental differences between SSEOs and for-profit enterprises, means that SSEOs are often interwoven with the local market and community. This means that, apart from SSEOs that specifically address global issues, there will be a need for them to balance local and global efforts, in order to maintain their mission and values. However, this comes at a cost: the requirement to uphold the social objective over profit maximisation could mean lower flexibility, and different legal constraints could limit the social action of the SSEO in different national contexts. Similarly, the greater usage of non-market resources on

the part of SSEOs could facilitate internationalisation, given the higher transferability and flexibility of these kinds of resources, but there are also some risks inherent in this peculiarity, including for instance a greater difficulty in managing and monitoring the internationalisation plan.

The following table offers a reasoned (although limited) explanation of the main challenges and drivers of internationalisation associated with the distinctive features of SSEOs. Given the loose definition of social and solidarity economy organisations, and the relative novelty of a topic such as their internationalisation, the table is intentionally left open-ended for future revisions and additions.

Table 1: Main drivers and challenges of internationalisation

DISTINCTIVE FEATURES OF SSEOs	MAIN CHALLENGES	MAIN DRIVERS
Primacy (over capital interests) of the mutual or social objective	If the issues faced are not global/transnational, there is the need to find balance between the local and global dimensions; Legal constraints (adequate vehicles); Accurate metrics and statistics	Addressing global/transnational social problems; Impact investment
Inclusive (democratic or participatory) governance	May affect international strategy for some stakeholders; Legal constraints pertaining to the participation of non-local stakeholders; Importance of spatial proximity to generate trust and participation; Difficulty of ensuring participatory governance with membership scattered across countries	Existence of transnational stakeholders and expansion of social impact (for example migrant communities or communities of practices); Incentive to create economic value for primary stakeholders
Business practices based on values and principles	Principles may vary over different cultural-social-economic-legal conditions or practices and norms may differ too; Existence of adequate business practices (research, education, benchmarking, etc); Statistics; Competition with CSR-oriented traditional enterprises	The current crisis has opened the window for a “paradigm shift” and this may lead to principles and values becoming a key element. While the SSE is fully aligned with this, other actors are now claiming similar positioning.. Still, both the increasing relevance of CSR-type practices at the global level and other trends such as impact economy/investment might highlight the specificity of SSE, since SSEOs do not pursue such actions as marketing operations but rather as inherent parts of

		their business model;
Reinvestment of most of the profits/surpluses	Issues regarding differences in terms of where the profits are generated vs reinvested; Legal constraints; Metrics and statistics; Profitability to maintain the organisation operative abroad	Growing significance of international ethical investment/social finance initiatives
Higher intensity of use of non-market resources	Invisible to authorities and key stakeholders/absence of management tools (for example efficiency/impact assessment); Non-tailored support mechanisms and adequate management models; Absence of adequate metrics/reporting to assess impact on internationalisation plans; Absence of general policy frameworks taking this into account; Statistics	Greater ease of internationalisation, especially when coupled with willingness to engage in non-reciprocal exchanges; policy attention (GECES, ILGSSE, etc.) ; International conferences (GSEF, SEWF); Networks (ICA, CITIES, RIPESS) Fewer legal constraints for the mobility of such resources.
Support from other policies such as co-operation for development or similar	Role of availability of funding; Rigidity of framework to include other forms different from NPOs; ESF transnational activities and funding	ESF transnational activities and funding; Dissemination of best practices
...

These specificities, challenges and drivers are reflected in the strategies adopted by SSEOs in their pursuit of internationalisation. These strategies, along with some concrete examples implemented by SSEOs over the years, will be the focus of the next chapter.

- **Main Approaches to Internationalisation for SSEOs**

There are several ways through which an SSEO can begin its internationalisation efforts and get involved in global value chains. The main ones are described in the list below.

Foreign Direct Investment: following Moosa's definition (Moosa, 2002), FDI is the process whereby residents in one country acquire ownership of assets for the purpose of controlling the production, distribution or other activities of a firm in another country. In fact, FDIs can have an important social impact (OECD, 2008) and, especially when focused on social enterprise activities, also help establish the legitimacy of SSEOs in foreign countries (Paniagua, Mas-Tur, & Sapena, 2015). It should be noted that, in this context, FDI can be both an outward and an inward internationalisation strategy. A notable example of this strategy is the worker cooperative Mondragon, which has made FDI one of its most prominent internationalisation tools. Another example could be the cooperative banking sector, in which many cooperative banks or banking groups have acquired subsidiaries in other countries. It is important to notice that all outward flows (FDI) result in inward flows (if the FDI follows the same principle and values of the SSEO investing). This is the case, for example, of Crédit Coopératif investing in Poland through the acquisition of TISE, and simultaneously TISE acquiring from Crédit Coopératif (and other sources, including EIF and ESF) financial resources and expertise.

Export/Import: one of the most traditional ways to internationalise is through international trade. Indeed, global trade can be one of the most effective means through which social organisations can achieve their goals (SEUK, 2015). For instance, most major agricultural cooperatives export their products, either directly or through consortia or controlled subsidiaries. However, it is important to notice the peculiarities that in some cases might concern SSEOs' import and export activities: first, SSEOs' value chains could differ from those of traditional for-profit companies, by having a strong emphasis on principles, social finance, fair trade and sustainability, thus impacting the selection of suppliers and buyers/distributors (Nicholls, 2007). Second, international trading activities by SSEOs are highly dependent on sectoral factors. This means that there could be a concentration of organisations in a sector in which import/export is difficult or not feasible. An important role for the implementation of this strategy is played by Fairtrade, which implements a certification process that allows SSEOs to be more competitive when it comes to import/export by confirming the quality of their value chains.

Franchising: although there is no unanimous definition, social franchising (as franchising of SSEOs is usually termed) can be outlined as the use of a commercial franchising approach to replicate and share proven organisational models for greater social impact (SEUK, 2011). Franchising is an effective way for for-profit companies to enter otherwise restrictive foreign markets, and the same could be true also for SSEOs. However, simply copying traditional franchising strategies could raise issues: for example, traditionally, equity investors require ownership and a share of the profits in relation to their investment, and this could create problems for social economy organisations, since this can conflict with their fundamental values of creating a social rather than financial return and social ownership (ESFN, 2012). Apart from this financial aspect, there are many potential advantages to social franchising: first, on the entrepreneurial side, the motivation of the franchisee differs, being mainly non-material. Secondly, the

quality offered by social franchises is not primarily intended to create customer ties: rather, its object is the best possible satisfaction of customers (Volery, 2010). Finally, social franchising requires the franchisee to embrace the values and positioning of the holding SSEO, in contrast with traditional franchising that simply requires a face-value brand sharing. Organisations in the social economy are much more prone to cooperation, and this, in addition to ensuring a successful and trustful matching between franchisee and franchisor, allows for widespread dissemination of positive social impact, with an internationalisation not driven by licensing fees but by shared ideals. Some notable examples of social franchising are Smart, a solidarity economy cooperative for artists, creatives and freelancers, and Impact Hub, one of the world's largest network and innovation hubs for entrepreneurs.

Joint Venture/Strategic Alliance: a joint venture is a business entity created by two or more partners generally defined by shared ownership, returns and risks. Joint ventures can be a successful market entry strategy, particularly for small and medium-sized enterprises with limited resources and knowledge of the local market (Kirby & Kaiser, 2003) and therefore SSEOs are no strangers to this business model, as it has already been employed with success in some eastern-Asia countries (Chan, Kuan, Y., & Wang, S., 2011). One of the main motives that drive SSEOs to establish joint ventures is not only the diffusion of their impact, but also the attempt at minimising risk by sharing investments and control (Bretos, Diaz-Foncea, & Marcuello, 2020). However, the structure of SSEOs could make it more complicated to manage Joint ventures, as this strategy could present governance alignment problems, because it forces the organisations inside a scheme that requires simplification of organisational models, thus limiting adaptability and complexity. In other words, it is a less pliable instrument that could risk distorting the SSEO model. A less stringent and less complex approach could be to form a strategic alliance, which allows two (or more) companies to undertake a mutually beneficial project while retaining their independence. International strategic alliances provide firms with strategic flexibility, enabling them to respond to changing market conditions and the emergence of new competitors (Kang & Kentaro, 2000). Strategic alliances could be crucial for SSEOs in expanding their impact, and are not limited to collaboration between social and solidarity economy organisations, but also between SSEOs and for-profit enterprises or between SSEOs and governments (Austin, 2003).

Collaboration via multinational networks: collaborative networks can represent an important facilitator in the internationalisation of SMEs, particularly by nurturing knowledge sharing, obtaining information about foreign markets and achieving rapid international expansion and growth (Costa, Soares, & Sousa, 2015). SSEOs are especially inclined to developing these networks, since the presence of a cooperative culture makes this mechanism woven directly into the nature of the social economy itself. Indeed, the evidence suggests that international networks and networking activities are fundamental to successfully scaling up SSEOs (Tora & Castro, 2016). Given the collaborative structure that generally characterises SSEOs, multinational networks could be one of the main drivers pushing forth their internationalisation efforts. A prime example of international network within the SSE is the International Co-operative Alliance and its regional and sectoral organisations. Other relevant multinational networks to which SSEOs can adhere include the GSEN (a global network for organisations supporting early stage social entrepreneurs) and Diesis Network (one of the widest EU networks specialised in supporting social economy and social enterprise development covering 20 countries through major national federations and national support networks).

Knowledge and best practice dissemination: This expansion strategy allows SSEOs to replicate their model quickly and increasing its impact widely at a limited cost, keeping a certain organisational control and guaranteeing partial appropriation of the surpluses and value (both social and economic ones)

generated. Yet, it is evident that social value scaling is more important relative to financial value capture (Bretos, Diaz-Foncea, & Marcuello, 2020). In this context, the role played by transformative transnational cooperation and international networks of SE organisations created for purposes of advocacy, knowledge exchange, etc. could be a key factor in successfully internationalise SSEOs. Finally, this strategy could be especially useful for innovative models such as platform cooperatives, since the mechanisms of dissemination can make their adoption and usability faster. Examples of this method in practice is Mondragon, that recently partnered with the North American United Steelworkers union in order to promote Mondragon-like industrial coops across the US and Canada (Bretos, Diaz-Foncea, & Marcuello, 2020). To be cited is also La Fageda, a cooperative of disadvantaged workers in the dairy sector which developed a renowned international business model that attracted SSEO, public officials and researchers from abroad (Casadesus-Masanell, 2011).

Identity sharing: this strategy refers to the extent to which an individual organisation identifies with others belonging to the same group (based on location, objectives or other common traits) when working in a global setting. Such self-identification strategy can play an important role in fostering internationalisation, by creating a cluster through which information and resources travel easily and an environment with shared values and norms where a multitude of collective actions can take place (Amdam, Lunnan, Bjarnar, & Halse, 2020). In the field of social economy, where organisations are strongly based on core values like free, democratic, voluntary and open membership, meeting and solving the needs of individuals rather than to remunerate investors or capitalist companies, the need for innovative social responses or the strength of social vision (Mason, 2012) (EESC, 2016), identity sharing can play an important role in facilitating the success of internationalisation efforts. Examples of identity sharing are the adoption of the *.coop* online domain to identify organisations belonging to the cooperative sector from their website; or the adherence and display of the participation in the International Cooperative Alliance.

Research and innovation: with the rise of globalised markets, R&D has become one of the most internationalised branches in all types of businesses (OECD, 2008). Furthermore, there is evidence suggesting that innovation and internationalisation are tightly connected (Filippetti, Frenz, & Ietto-Gillies, 2011), probably due to the fact that now, to conduct quality research projects, the international dimension is paramount, as research is more and more a collaborative process operating on an international scale. Given their characteristics, SSEOs could make the most of R&D investments, boost their internationalisation efforts and use research as the driving force behind the expansion of their impact. Exporting (or importing) know-how to develop innovative strategies, services or products, in addition to fostering research relationships and collaborations, could also improve accessing foreign markets. Moreover, participation in international projects and tenders allows for unique opportunity for networking and peer-to-peer learning. In this sense, the SILK project itself could be an example of internationalisation through research and innovation. Another potentially interesting example is FabCity, a collective network of cities all around the world that, through collaborative research and innovation sharing, are trying to achieve self-sustainability.

Licensing: a licensing agreement allows one or more firms, either exclusively or non-exclusively, to manufacture or offer a proprietor's product or service for a fixed term in a specific market. If such a contract happens in an international context, it takes the name of international licensing agreement. Licensing can be a very effective market penetration strategy and can facilitate the initial stages of internationalisation (Welch & Luostarinen, 1988). Furthermore, licensing agreements can expand the impact and scope of a social organisations by transferring its activity on other territories that can be more in need without the requirements of being physically present on foreign land. An example is the Social Enterprise Institute,

which allows partners to offer its courses with the aim of equipping aspiring entrepreneurs with the inspiration, knowledge, and connections they need to achieve a lasting social change.

Born global: this strategy is quite different from all the previous ones, since it is a character embedded in the organisation's structure from its conception rather than an activity or decision pursued later on. In fact, a born-global company wants to globalise since the beginning, without any preceding domestic objective. The goal of SSEOs that are born global is to address transnational social issues that must be tackled with a global outlook to be effectively resolved or to participate in global trends or markets (regardless of the need to address a transnational social issue). This internationalisation approach highlights the importance of the sector of activity in determining the interest in operating at the international level: it is not a coincidence that some of the most successful born-global SSEOs are in the touristic sector (e.g. Fairbnb, Le Mat/Vägen Ut!) or offer intangible products and services (e.g. Ecotransfaire, Loomio), since these industries are the ones where adopting such a business model can be most beneficial.

In addition to these strategies, there are other relevant tools that play a key role in internationalisation, including in particular:

Shared certification systems: like the mechanisms that guide internationalisation through a shared identity, shared certification systems operate on a similar level when it comes to expanding SSEOs activities to the international marketplace. In fact, empirical evidence finds that certification of products and services accounts for a significant barrier to growth in foreign markets (Śliwiński & Śliwińska, 2016). Furthermore, given the rising interest in sustainability and social issues on the side of consumers and the significant growth of ethical consumption in the last 20 years (Co-operative, 2019), shared certification systems centred on SSEOs' values such as ethical value chains or attention to the environment could help the expansion abroad of this type of businesses. One of the most famous shared certification systems in the field is the one from Fairtrade, an organisation that works to improve the conditions of workers in less developed countries and ensure the fairness and ethicality of the products value chain.

Managerial education: human capital is a key ingredient to internationalisation, and devoting time and resources to training managers to operate on an international scale is an important element. The fact that professional experience, training, educational level, the degree of market and industry knowledge, specific skills to work in international markets and concern for employees are all determinants of the degree of internationalisation (Kidwell et al., 2019) suggests that SSEOs should put a great deal of attention to the managerial education of their employees. Moreover, high level education also offers a lot of networking opportunities that, as noted above, is also an important factor for successful internationalisation. This could reinforce the internationalisation efforts of an organisation that is also pursuing strategic alliances abroad or is inserted in a multinational network by favouring knowledge diffusion and best-practices dissemination. However, it is important to note that, contrary to education for traditional for-profit enterprises such as MBAs, there is a scarcity of tertiary education programmes specifically aimed at training the management of SSEOs. Despite the lack of MBAs specific to SSEOs, there are several first and second degree Masters focused on the social economy, such as the Master GIS from the University of Trento (Italy), a second-level degree in management of social enterprises. Another notable experience is the one of the Co-operative College, which not only is relevant for training of SSE managers, but could also be construed as an interesting case of internationalisation in and of itself, considering the way in which the Co-operative College has helped create other co-operative colleges around the world, and most notably in Africa. In addition to formal education and training, staff exchange programmes could also be of interest, as they offer to SSEOs' employees the opportunity to learn and develop new skills while fostering the

internationalisation of the organisation.

The table below summarises the internationalisation approaches described above, highlighting for each approach the specificities of SSE organisations and a first set of relevant cases and examples.

Table 2: Internationalisation approaches and examples

INTERNATIONALISATION APPROACH	SSEO SPECIFICITIES	RELEVANT ORGANISATIONS
Foreign Direct Investment (FDI)	Relevance of the role of ethical/social finance and social investment	Mondragon, cooperative banking, TISE
Import/Export	Relevance of principles in the value chain, impacting the selection of suppliers and buyers/distributors; Importance of sectoral factors: concentration of some types of SSEOs in sectors where import/export is difficult or not feasible	Yomolatel
Franchising	Relevance of role of non-market resources and informal agreements; SSEOs created abroad are likely to be more autonomous	Smart, Impact Hub, Social Enterprise Academy
Joint Ventures/Strategic Alliances	Relevance of principles and goals in selection and establishment of partnerships/joint ventures; Collaboration with traditional enterprises based on principles	
Collaboration via multinational networks	Centrality of a cooperative culture; Collaborative structure allows for efficient exploitation of networks; not simply a “nice-to-have” as it is the case for traditional companies	ICA, GSEN, Diesis Network
Knowledge and best-practices dissemination	Role of transformative transnational cooperation; Role of international networks of SE organisations created for purposes of advocacy, knowledge exchange, etc. Rise of innovative models (e.g. platform cooperatives)	Mondragon, La Fageda, Banco Palmas (BR)
Identity sharing	Communion of objectives given the nature of all SSEOs	.coop, ICA
Research & Innovation	Similarities of research interests given common objectives; Cooperative attitude	FabCity, TIESS

Licensing	Relevance of non-market resources and informal agreements; SE enterprises created abroad are likely to be more autonomous	Social Enterprise Institute
Born global	Primary focus is not on a transnational market to be tapped into, but on a transnational social issue to be addressed	Fairbnb, Loomio, Le Mat, Ecotransfaire
Shared certification systems	Need to participate in ethical global value chains; Competitive advantage in a market with increasingly aware consumers	Fairtrade, B-lab
Managerial education	Lack of dedicated tertiary education programmes; Management often not specifically educated for the SSE sector	Master GIS, Co-operative College

- [Policies supporting internationalisation practices](#)

The internationalisation of enterprises has been considered as a policy goal for several decades now. At the same time, it has evolved along with an increasing understanding of the complex nature of internationalisation processes both in literature and in practice. For instance, the globalisation process has made it increasingly evident that both the international and the local ecosystems are closely linked by reciprocal interactive ties. Indeed, we see almost daily that what happens in the international arena has an impact in the most isolated communities, and vice versa. At the same time, the initial highly instrumental approach to foreign and trade policies is increasingly moving towards a more nuanced approach where values and principles are playing a more significant role. Thus, many governments and international organisations are aware that their companies are also a key element of their so-called soft power and therefore more and more policy documents are taking stock of this.

In this context, and in light of the growing importance of the social and solidarity economy, it is no surprise that the SSE has become both a target of and an asset in internationalisation policies. It is so because of its relevance in local communities (i.e. it is important to include it because of its local impact) but also because of its potential to improve international image of a country (i.e. it is important to include it because of the increased policy impact). Consequently, several policies supporting the internationalisation of SSE organisations have emerged.

Given the entrepreneurial nature of SSEOs, all the policies that focus on internationalisation can be expected to have an impact on SSEOs as well. However, for the purposes of this document, the focus will be only on the policy initiatives explicitly developed for the social and solidarity economy. The section distinguishes between general strategies for the development of the SSE that include internationalisation as one of their elements; specific internationalisation strategies that include multiple measures or actions; and individual actions aimed at supporting the internationalisation of SSEOs.

5.1 General strategies

A first relevant example of a general strategy that includes internationalisation as one of its pillars is the Social Enterprise Strategy 2016-2026 implemented by Scotland, which has resulted in several three-year action plans. This ground-breaking policy clearly includes internationalisation as a significant component.

It also addresses the two drivers mentioned above: it includes specific recommendations and initiatives to foster the internationalisation of Scottish social enterprises (target) but it was also one of the four pillars of the vision's plan ("A Source of National Pride"), identifying social enterprises as an asset.

This can be seen in the different plans, with the last one recently published as a clear example. Among the initiatives, the focus put on internationalisation stands out: tightly connected with the Scottish government's Vision for Trade (2021), the plan aims to internationalise the Scottish economy "[...] based on principles of inclusive growth, wellbeing, sustainability, a just transition to net zero and good governance", recognising SSEOs as one of the best ways to bring forth such change. To achieve this, the government made an investment of £1.5m to initiate a longer-term programme that will strengthen the multi-agency support available to social enterprises that wish to operate internationally. These investments will create a "support pipeline" tailored for SSEOs from conception to international markets, especially focusing on aiding emerging markets. Furthermore, efforts will be put in place to increase a two-way dialogue learning between Scotland and partner countries and provide better access to business opportunities and continued funding, so to foster a more conducive environment for SSEOs. Being a quite extensive plan, it encompasses many of the strategies described above, but especially plays on disseminating knowledge and best practices, increasing import/export activities through the support pipeline and multinational networking via improved communication with partners.

On a larger scale, a similar policy that is currently under development is the **European Action Plan for the Social Economy** (2021): although not yet published, the policy aims at growing and expanding the SSE sector, and has recently been the subject of a public consultation launched by the European Commission. Many SSE organisations have actively participated in this phase, including Social Economy Europe (SEE) and several European central institutions. Already in 2018, SEE outlined five pillars upon which the action plan should be based and, notably, two of such pillars are access to markets and the international dimension (SEE, 2018). In particular, they suggest boosting support services and facilitating networking for SSEOs, so to expand their participation in R&D projects abroad and allow them to better cooperate. Other suggestions include improving the Erasmus+ programme so to let SSEOs participate in staff exchange programmes and set up EU projects to disseminate social innovation initiatives. The action plan is thus likely to connect to several internationalisation strategies, such as collaboration via multinational networks, management formation and international R&D. Furthermore, some aspects could improve international trade by facilitating import-export activities and even contributing to the expansion abroad via franchising or joint ventures.

Outside Europe, a prominent example of general strategy is the **Action Plan for SSE** in Quebec, a five-year plan (2020-2025) aimed at mobilising social economy enterprises, stimulate innovation and promote collective entrepreneurship as a mean to create wealth for the benefit of all. Consisting of twenty measures with a total investment of \$520 million, it is one of the most ambitious plans in the field. The four priorities addressed are responding to demographic challenges, innovation and technologies, food autonomy and the circular economy. To achieve such important objectives, the plan has been structured around three main axes, namely supporting social economy enterprises in their response to the needs of individuals and communities, innovating and investing by building on the strengths of social economy enterprises and promoting collective entrepreneurship. This last point is particularly relevant, since \$1.5 million will be allocated specifically to supporting the international influence of the SSEOs of Quebec, betting especially on the strategy of transfer of knowledge and dissemination of best practices.

5.2 Specific strategies

In addition to these large programs encompassing many needs and aspects of SSEOs, there are also some strategies strictly focusing on the internationalisation of the social economy.

A prime example of this is the **Scottish Strategy for the internationalisation of social enterprises** (2016). Similar to the initiative described above, this 10-year structured strategy for social enterprises is based on a holistic approach for internationalisation that took into account global citizenship, trade, investment and education. The highest priority is given to items in the field of knowledge and best practices dissemination, such as developing an effective communication strategy and creation of SSEOs ambassadors. Other top priorities are research and innovation and managerial formation, with objectives such as extending education and strengthening leadership. Finally, facilitation of FDI is also on the agenda, with actions such as developing intelligence about potential philanthropic donors and investors overseas, so to secure financing.

Another impactful specific strategy that has been put forth in the field, although more localised, is **International Connectivity Central to Greater Montréal's Growth** (2020), a twelve-pronged programme aimed at promoting the growth of the city of Montreal. Despite being aimed at SMEs in general, it also affects Canadian SSEOs, since many organisations fall in the category. The programme is specifically aimed at improving the productivity and internationalisation of Montreal's economy, and is designed to do so in several ways: boosting international trade and R&D incentives, reinforcing the attraction and retention of FDI and foreign talent and accelerating data exchange.

An example of these types of strategy on a supranational level is the **European Working Group** dedicated to the internationalisation of cooperatives. Since 2013, the European Commission has a working group in place dedicated, among other things, to the internationalisation of cooperatives. The group aims at fostering the internationalisation of this kind of SSEO especially through research activities in several relevant fields.

Finally, the **OECD's Global Action**, funded by the Partnership Instrument (a key tool of the EU Foreign Policy), is a unique innovation policy which grants SSE full status both as relevant target for internationalisation policies and as a key asset in foreign policy. The main objectives aim at promoting inclusive, smart, resilient and sustainable growth by including social enterprise development and internationalisation, raising awareness and capacity to build conducive national and local ecosystems for SSE development and promoting knowledge and other exchanges at the international level. To achieve such goals, international guides on legal frameworks and social impact measurement for SSEOs will be developed; furthermore, peer-learning partnerships to create knowledge and experience sharing opportunities between different countries and stakeholders on different critical topics will be constructed. The strategy also includes calls for thematic papers, some of which specifically investigating the theme of

internationalisation.

5.3 Specific actions & tools

A policy specifically exploiting identity sharing as a mean to internationalise is the creation, in the EU, of a new legal form, the **European Cooperative Society**. An ECS is defined as a legal entity that allows its members to carry out common activities, while preserving their independence; its principal objective is to satisfy its members' needs and not the return of capital investment, while members benefit proportionally to their participation and not to their capital contribution. While the aim is to facilitate cooperatives' cross-border and transnational activities, there are some doubts about the actual effectiveness of such a measure, especially due to the complexity of its regulation, low autonomy, the lack of electronic registration and searching facilities and the drawbacks of a “one-size-fits-all” policy (Fici, 2013).

In Italy, the **City of Florence** proposed a city-level initiative to sustain local cooperatives and foster SMEs internationalisation, specifically to reinforce foreign presence and develop foreign promotion and communication channels; similarly, the **Emilia-Romagna region** is promoting international trade by placing funds for regionally based SMEs (including SSEOs) that want to participate in foreign events and exhibitions. The region will also provide support for specific digital international promotion projects carried out by consortia, relating to promotional activities and productive, commercial and technological cooperation abroad.

In Catalunya, **Acció** (the Catalan Agency for Enterprise Competitiveness) has dedicated a whole section of their portal to internationalisation, offering formation and advisory services for SMEs that desire to expand abroad. The aim is to reduce attrition and lower the barriers many small SSEOs would have to face otherwise while trying to expand their business abroad.

It is also interesting to note some initiatives that compile and make more easily accessible to SSEOs different individual measures for internationalisation. This is the case of an initiative by Italy's **Confcooperative** (one of the main representative organisations of Italian cooperatives) offers a dedicated portal for public initiatives and calls for internationalising the cooperative sector. Examples of current announcements are offers to sustain tourism and open the sector to foreign markets; contributions for projects aimed at promoting agricultural products in the European market; a call for the realisation of integrated internationalisation projects of cooperatives and SMEs; funds for the participation to international events and exhibitions. The platform also offers free educational courses about internationalisation and other materials to gain a better understanding of foreign markets.

- **Conclusions and next steps**

The purpose of this scoping paper is not to draw definitive conclusions on the issue of the internationalisation of social and solidarity economy organisations. Rather, it should serve as a starting point to gather further evidence, compile relevant cases of internationalisation practices and policies, and provide a more in-depth analysis that will be presented in the background paper to be used in the Peer to Peer learning process. To this end, the conceptual framework and structure presented here will be used to organise a process of collection and analysis of information provided by the SILK partners. Using the cases presented here as examples, each partner is asked to indicate relevant instances of internationalisation practices or policies. The most interesting ones will be selected for more in-depth analysis and developed into short case studies to be included in the background papers and further discussed during the project workshops.

While more informed conclusions will be drawn once all of this additional material has been analysed and discussed, from the background work conducted thus far it is already apparent that the internationalisation policies aimed specifically at SSEOs significantly lag the experiences and practices already developed in the field in terms of both outward and inward flows, including in particular intangible assets. In other words, while SSEOs are developing international ties and initiatives along a variety of paths and approaches, including by taking advantage of general internationalisation policies aimed at all enterprises, targeted policies designed specifically for the SSE remain few and far between. Furthermore, we could already mention other challenges such as the ones related to the inclusion of the SSE in all foreign and trade policy documents and actions, the importance of accounting for inward flows and intangible assets, as well as the inclusion of rural, isolated and deprived communities.

In this sense, it will be interesting to discuss, over the course of the SILK project, the extent to which we can further highlight the relevance of the international dimension of the SSE, what elements should characterise targeted internationalisation policies, and in what ways the SSE could be better incorporated in general internationalisation strategies.

References

- Alon et al., I. (2020). The research frontier on internationalization of social enterprises. *Journal of World Business*, 55(5), 101091.
- Amdam, R., Lunnan, R., Bjarnar, O., & Halse, L. (2020). Keeping up with the neighbors: The role of cluster identity in internationalization. *Journal of World Business*, 55(5), p.101125.
- Austin, J. (2003). Strategic Alliances – Managing the collaboration portfolio. *Stanford Social Innovation Review*.
- Borzaga et al., C. (2020). *Social enterprises and their ecosystems in Europe. Comparative synthesis report*. Luxembourg, LU: Publications Office of the European Union.
- Borzaga, C., Depedri, S., & Galera, G. (2012). Interpreting social enterprises. *Revista de Administração*, 47(3), 398-409.
- Bretos, I., Diaz-Foncela, M., & Marcuello, C. (2020). International Expansion of Social Enterprises as a Catalyst for Scaling up Social Impact across Borders. *Sustainability*, 12(8), 3262.
- Brülisauer, S., Costantini, A., & Pastorelli, G. (2020) *The Digital Social Economy – Managing and Leveraging Platforms and Blockchain for a People-Centred Digital Transformation*, CIRIEC
- Buzavaite, M., & Korsakiene, R. (2019). Human capital and the internationalisation of SMEs: A systemic literature review. *Entrepreneurial Business and Economics Review*, 7(3), 125-142.
- Chan, K., Kuan, Y., & Wang, S. (2011). Similarities and divergences: comparison of social enterprises in Hong Kong and Taiwan. *Social Enterprise Journal*, 7(1), 33–49.
- Co-operative Group. (2019). *Twenty Years of Ethical Consumerism*. Retrieved from www.co-operative.coop: <https://www.co-operative.coop/twenty-years-of-ethical-consumerism>
- Costa, E., Soares, A., & Sousa, J. P. (2015). A New Insight in the SMEs Internationalization Process. *In Working Conference on Virtual Enterprises, Springer, Cham.*, pp. 398-410.
- Dana, L. P. (2001). Networks, internationalization & policy. *Small Business Economics*, 16(2), 57-62.
- EC (2020). *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions*. Brussels: European Commission.
- EESC. (2012). *The social economy in the European Union*. Brussels: European Economic and Social Committee.
- EESC. (2016). *Recent evolutions in the social economy in the European Union*. Brussels: European Economic and Social Committee Reports.
- ESFN (2012). *Social franchising – financing its growth* . European Social Franchise Network Report.
- Fici, A. (2013). The European cooperative society regulation. In *International handbook of cooperative law* (pp. pp. 115-151). Berlin, Heidelberg: Springer.
- Filippetti, A., Frenz, M., & Ietto-Gillies, G. (2011). Are Innovation and Internationalization Related? An Analysis of European Countries. *Industry and Innovation* 18, no. 15, 437-459.
- GECES (2016). *Social enterprises and the social economy going forward*. Expert Group on Social Entrepreneurship.
- Harvey, David (2005). *A Brief History of Neoliberalism*. Oxford University Press.

- ILO (2011). *Social and Solidarity Economy: Our Common Road towards Decent Work*. Reader for the Social and Solidarity Economy Academy 2011.
- Kang, N., & Kentaro, S. (2000). International Strategic Alliances: Their Role in Industrial Globalisation. *STI Working Paper Series* OECD, STI Working Paper 2000/5.
- Kidwell et al., R. (2019). Human capital in the internationalization of family firms. *Thunderbird International Business Review*, 62(4), 353-369.
- Kirby, D., & Kaiser, S. (2003). Joint Ventures as an Internationalisation Strategy for SMEs. *Small Business Economics*, 21, no. 3, 229-242.
- Knight, G. A., & Cavusgil, S. T. (2005). A taxonomy of born-global firms. *MIR: Management International Review*, 15-35.
- Mason, C. (2012). Exploring shared identity constructs between social enterprises and third sector organisations: a UK study. Available at SSRN 2152736.
- Misbauddin, S. M., & Nabi, M. N. (2019). Internationalization of social business: toward a comprehensive conceptual understanding. In *In Societal Entrepreneurship and Competitiveness*. (p. Ch. 8). Emerald Publishing Limited.
- Moosa, I. (2002). *Foreign direct investment: theory, evidence and practice*. Springer.
- Nicholls, A. (2007). *What is the future of social enterprise in ethical markets?* London: Office of the Third Sector.
- OECD (2008). *The Internationalisation of Business R&D: Evidence, Impacts and Implications*. OECD Reports.
- OECD (2008). *The Social Impact of Foreign Direct Investment*.
- Paniagua, J., Mas-Tur, A., & Sapena, J. (2015). Is social entrepreneurship a greenfield for foreign direct investment? A conceptual and empirical analysis. *Canadian Journal of Administrative Sciences*, 32(4), 265-275.
- Scholz, T. (2016). *Platform cooperativism. Challenging the corporate sharing economy*. New York, NY: Rosa Luxemburg Foundation.
- SEE (2018). *The Future of EU policies for the Social Economy: Towards a European Action Plan*. Brussels: Social Economy Europe.
- SEUK (2011). *The Social Franchising Manual*. London: Social Enterprise UK.
- SEUK (2015). *Think Global Trade Social – How business with a social purpose can deliver a more sustainable development*. Social Enterprise UK & British Council.
- Śliwiński, R., & Śliwińska, M. (2016). *Growth and internationalization of fast growing firms*. Journal for East European Management Studies.
- Stoian, M. C., Rialp, J., & Dimitratos, P. (2017). SME Networks and International Performance: Unveiling the Significance of Foreign Market Entry Mode. *Journal of Small Business Management*, 128-148.
- Tora, K., & Castro, A. A. (2016). *Grow – Scale – Impact: How to help inclusive businesses achieve scale*. Bonn: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH; GSEN.
- Volery, T. &. (2010). The promise of social franchising as a model to achieve social goals. In A. Fayolle, *Handbook of research on social entrepreneurship* (pp. (9), 155-179). Edward Elgar Publishing.
- Welch, L. S., and Luostarinen, R. 1993. Inward-Outward Connections in Internationalization. *Journal of International Marketing*, 1(1), 44-56. <https://doi.org/10.1177/1069031X9300100104>.
- Welch, L. S., & Luostarinen, R. (1988). Internationalization: evolution of a concept. *Journal of general*

management, 14(2), 34-55.

Yang, Y., & Wu, S. (2014). An Exploratory Study to Understand the Internationalization Strategies of Social Enterprises. *Journal of Social Entrepreneurship*, 6(1), 31–41.

Zahra, A. S., Newey, L. R., & Li, Y. (2014). On the Frontiers: The Implications of Social Entrepreneurship for International Entrepreneurship. *Entrepreneurship theory and practice*, 38(1), 137-158.