

Entrepreneurial Support Research Division

Policy Research

Social Entrepreneurship Policy in Korea, Japan, China, the United Kingdom, the United States, France and Germany, 2024

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Governments of the Republic of Korea, Japan, the People's Republic of China, the United Kingdom, the United States, France and Germany, with their legislatures, France's Court of Audit, the Korea Social Enterprise Promotion Agency, the Japan Finance Corporation, KfW and, in China, central offices of the Communist Party

Summary: This report reviews the social entrepreneurship policy that the governments of Korea, Japan, China, the United Kingdom, the United States, France and Germany set out from January to December 2024 in six domains — regulation and law, finance, culture, support, human capital and markets — and analyses it in its context, against theory and in practice. Support was least secure where it rested on annual budgets: Korea abolished direct support for social enterprises, France cut its budget action for the social and solidarity economy during the year, and Germany's draft budget would cut its title for common-good-oriented enterprises, while the United States kept funding its community development lenders. Dormant money, public lending and work integration were the strongest measures; legal reform concerned charitable and cooperative forms rather than social enterprise, public purchasing was the least realised lever, and culture was the thinnest domain. Governments changed in the United Kingdom, Japan and France, Germany's coalition broke up, and much of the year's policy was pending or was to take effect only from 2025.

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CONTENTS

0	Abstract	3
1	Introduction	4
2	Review of Social Entrepreneurship Policies	11
	2.1 Regulation and Law	11
	2.2 Finance: Grants, Funding and Financial Infrastructure	14
	2.3 Culture	17
	2.4 Support: Institutional Support	19
	2.5 Human Capital: Education and Training, and Labour	22
	2.6 Market: Market and Industry Support, IPO and Exit	25
3	Analysis of the Policies	28
	3.1 Contextual Analysis: Origins, Background and Rationale of the Policies	28
	3.2 Theoretical Analysis: Theoretical Validity and Relevance	29
	3.3 Practical Analysis: Performance, Contribution and Impact	31
4	Policy Limitations	33
	4.1 Policy Debates, Contested Points and Issues	33
	4.2 Theoretical Limitations of the Policies	33
5	Policy Implications	34
	References	35

Social Entrepreneurship Policy in Korea, Japan, China, the United Kingdom, the United States, France and Germany, 2024

Abstract

This report reviews and analyses the social entrepreneurship policy of the governments of the Republic of Korea, Japan, the People's Republic of China, the United Kingdom, the United States, France and Germany in their own plans, laws, budgets and announcements. The policies are reviewed in six domains – regulation and law, finance, culture, support, human capital and markets – and analysed in their context, against theories of social entrepreneurship, non-profit enterprise, social procurement and policy design, and in practice. Support was least secure where it rested on annual budgets: Korea abolished direct support for social enterprises and ended new calls for its wage subsidies, France cut its budget action for the social and solidarity economy during the year and proposed a further cut for 2025, and Germany's draft budget would cut its title for common-good-oriented enterprises, while the United States appropriated USD 324 million for its fund for community development lenders. Dormant money in Japan and the United Kingdom and public lending in Japan were the steadiest sources of finance, although the United Kingdom closed its Community Ownership Fund. Legal reform concerned public-interest trusts, charities and cooperatives rather than social enterprise, and Korea's framework act on the social economy remained a bill. Public purchasing was the least realised lever: the United Kingdom delayed its new procurement regime, Germany's bill making social or environmental criteria the rule was pending and France's State was still drafting its own purchasing plan, while Korea's purchasing had no quota and China's procurement plan set no social criterion. Work integration was strongest in China, France and the United States, culture remained the thinnest domain, and governments reported outputs rather than social outcomes. The period covered is January to December 2024.

Keywords

social enterprise, social and solidarity economy, dormant assets, community development finance, impact investment, outcome-based contracts, social value procurement, work integration, charitable organisations, cooperatives, public-interest trusts

JEL Classification

L31, L26, H44, I38, G23, O35

1 INTRODUCTION

Key findings

- Support for social enterprise was least secure where it rested on annual budgets. Korea abolished direct support for social enterprises, ran no new calls for its wage subsidies and abolished its regional support agencies; France cut its budget action for the social and solidarity economy (SSE) during the year and proposed a further cut of up to a quarter for 2025; and Germany's draft budget would set its title for common-good-oriented enterprises at EUR 16.6 million, against EUR 30.0 million budgeted for 2024. The United States appropriated USD 324 million for the CDFI Fund.
- Dormant money and public lending were the steadiest sources of finance. Japan set guidelines of JPY 10.0 billion for dormant deposit grants and investment, and its public lender made more social business loans, though for less money; the United Kingdom intended to allocate GBP 350 million of dormant assets for England but closed its Community Ownership Fund; Germany opened its ERP start-up loan to non-profit founders, while its investment in impact funds was still being prepared in August.
- Legal reform concerned charitable, cooperative and community forms rather than social enterprise. Japan promulgated acts on public-interest trusts and corporations that were not yet in force, China implemented its amended Charity Law and enacted a law on rural collective economic organisations, Germany eased cooperative law from 2025, and the British community interest company register grew to 32,624 under a regulator that opened no formal investigation; Korea's framework act on the social economy remained a bill.
- Public purchasing was the least realised lever. The United Kingdom applied a minimum weighting of 10 % for social value in central contracts but delayed its new procurement regime to February 2025; Korea's public bodies, under no quota, bought 3.08 % of their purchases in 2023 from social enterprises; Germany's bill making social or environmental criteria the rule was pending; France's State was still drafting its own responsible purchasing plan; and China's procurement plan set no social criterion.
- Work integration was the strongest part of human capital policy in China, France and the United States – an employment quota and supported employment for disabled people, higher aid per post and new zero long-term unemployment territories, a wage floor on federal contracts and a proposal to end subminimum wages – while Korea withdrew its wage support for social enterprises and the United Kingdom and Germany did little.
- Culture was the thinnest domain: ceremonies, campaigns, proclamations and a covenant framework, with Japan's J-Startup Impact certification and Germany's Impact Challenge grants among the few measures that carried a status or money.
- A new government took office in the United Kingdom in July and in Japan in October, Gabriel Attal, Michel Barnier and François Bayrou each led a French government, and Germany's governing coalition broke up in November; much of the year's policy was pending or was to take

effect only from 2025, and governments reported outputs – counts of companies, loans and projects – rather than social outcomes.

Social entrepreneurship pursues sustainable solutions to problems that markets and governments neglect, creating value that the entrepreneur cannot fully capture (Santos, 2012). It differs from commercial entrepreneurship in the measurement of performance and in the way it mobilises people and money (Austin, Stevenson, & Wei-Skillern, 2006), and social enterprises combine social and commercial logics whose tensions shape their mission, their finance and their staff (Doherty, Haugh, & Lyon, 2014). These differences give the state a larger part than in commercial entrepreneurship – as legislator of legal forms, as funder and purchaser, and as a source of legitimacy. Evidence from 26 countries finds social entrepreneurship more likely where government activism is higher (Stephan, Uhlaner, & Stride, 2015), and the forms it takes vary with the national context in which it emerges (Kerlin, 2010). This report applies the domains of the entrepreneurial ecosystem to the social entrepreneurship policy of Korea, Japan, China, the United Kingdom, the United States, France and Germany in one year. It asks three questions:

1. What policies did each of these governments set out in each domain of social entrepreneurship in 2024?
2. How did the policies arise and how were they justified, how far were they valid in theory, and what had they achieved in practice by the end of the year?
3. What were their limitations, and what follows for policy?

The report draws on the policy studies and social entrepreneurship literature where it bears on a policy – on problem definition and representation (Bacchi, 2009; Rochefort & Cobb, 1993), policy transfer (Dolowitz & Marsh, 2000), non-profit enterprise and its governance (Ebrahim, Battilana, & Mair, 2014; Hansmann, 1980), the legitimacy of social entrepreneurship (Nicholls, 2010), impact investing and social impact bonds (Barber, Morse, & Yasuda, 2021; Fraser, Tan, Lagarde, & Mays, 2018), social procurement (Erridge, 2007; Loosemore, 2016), work integration (Garrow & Hasenfeld, 2014), target populations (Schneider & Ingram, 1993) and performance measurement (Behn, 2003).

Section 2 reviews the key policies of 2024 in six domains and assesses each country's policies in each domain. Section 3 analyses the policies in their context, against theory and in practice. Section 4 sets out the debates and contested points they raised and their theoretical limitations, and Section 5 their implications for policy.

The report rests on the plans, laws, budgets, reports and announcements in which these governments set out their social entrepreneurship policy in 2024: cabinet plans and strategies, acts and bills of the legislatures and their committee reports, budgets and budget requests, decrees, rules and proclamations, reports of public bodies to government and parliament, and the press releases of ministries and agencies, together with a report of France's Court of Audit and releases of the Japan Finance Corporation and KfW. Table 1 lists the sources by country. Quotations from sources that are not in English are IFEED's translations.

Table 1: Government plans, laws, reports and announcements reviewed

Subject	Issuing bodies	Date and type	Period covered	Description
Korea				
Certification plan and rounds	MOEL	1 February 2024 Ministerial notices	2024	Three rounds instead of four; 236 firms certified.
Fund of funds; social ventures	MSS	5 February 2024 Press releases	2023–2024	Impact funds of KRW 34.5 billion formed; 2,679 social ventures.
Financial support guideline	MOEL	13 February 2024 Guideline, leaflet	2024	No new calls for wage support; payments to end by September.
Programme briefing; conditions survey	KoSEA; MOEL	19 March 2024 Briefing, survey	2024	Shift to self-reliance; conditions index at a record low of 69.3.
Village enterprises	MOIS	7 May 2024 Press releases	2024	Move away from direct subsidies; federations funded.
Survey of cooperatives	MOEF	17 May 2024 Press release	2022	10,976 cooperatives operating; 73,992 wage workers.
Social Value Index	MOEL; KoSEA	4 June 2024 Press releases	2024	About 1,000 firms to be measured; link to purchasing.
Social Economy Framework Bill	National Assembly	11 July 2024 Bills	2024	Framework, funds and a purchasing duty proposed.
Promotion Act amendment	MOEL; Cabinet	16 July 2024 Press release	July 2024	Business reports cut from twice to once a year (bill).
Rural economic and social services	MAFRA	14 August 2024 Press releases	2024	Act in force on 17 August; first seven social farms.
Social Enterprise Day and awards	MOEL; KoSEA	22 November 2024 Press releases	2024	34 honours; awards with private firms.
Review of the framework bill	Assembly committee	November 2024 Review report	2024	Budgets by legal form; positions of MOEF and MOEL.
Priority purchase manual	KoSEA	26 December 2024 Manual	2023–2024	Purchases of KRW 2.26 trillion in 2023; no legal quota.
Japan				
Pay-for-success projects	Cabinet Office	5 March 2024 Survey, guidelines	2023–2024	273 projects; willingness to pay as yardstick.
Dormant deposits basic plan	Prime Minister	25 March 2024 Plan, council paper	2024	Grants, an emergency window and equity; first call results.
Survey of non-profit corporations	Cabinet Office	28 March 2024 Survey report	2023	Ageing leaders; staff the main challenge.
Impact investment guidelines	FSA	29 March 2024 Guidelines, report	2024	Voluntary principles; Impact Consortium sub-committees.
Trust and corporation acts	Diet; Cabinet Office	22 May 2024 Acts, bill outlines	March–May 2024	Acts promulgated on 22 May; not yet in force.
Social business loans	JFC	30 May 2024 Releases, survey	2023–2024	16,514 loans; less money lent.
Basic Policy 2024	Cabinet	21 June 2024 Cabinet decision	June 2024	Social sector, zebra firms, impact start-ups, pay for success.
Grand design for a new capitalism	Cabinet	21 June 2024 Cabinet decision	June 2024	Impact start-ups; J-Startup Impact; a new corporate form studied.

Subject	Issuing bodies	Date and type	Period covered	Description
Worker cooperatives	MHLW	2 October 2024 Press releases	2024	110 worker cooperatives; model project in five prefectures.
Regional revitalisation 2.0	Regional HQ	24 December 2024 Concept paper	2024	New government and headquarters for the regions.
Tax reform outline	Cabinet	27 December 2024 Cabinet decision	December 2024	Tax rules for public-interest trusts (proposals).
White paper on disabilities	Cabinet Office	2024 White paper	2013–2022	Priority procurement from disability work facilities.
China				
Silver economy and eldercare	State Council; MCA	11 January 2024 Opinion, measures	2024	Meal services, rural models, subsidies for private homes.
Receipts; inclusive finance fund	MOF	13 January 2024 Rules, notice	2024	Receipts for tax deduction; CNY 10.73 billion fund.
Government work report	State Council; MOF	5 March 2024 Work report, budget	2024	Social organisations and charity; employment subsidy fund.
Inclusive credit	NFRA General Office	15 March 2024 Notice	2024	Small-firm loan target; disabled and women borrowers.
Volunteer service system	Party and State offices	12 April 2024 Joint opinion	April 2024	A China Volunteer Day to be studied; Party coordination.
Legislative work plans	State Council; NPC	6 May 2024 Notice, plans	2024	Social assistance law in reserve; no social enterprise law.
Law on rural collectives	NPC Standing Committee	28 June 2024 Law	June 2024	Special legal person; in force from 1 May 2025.
Procurement action plan	State Council General Office	29 June 2024 Notice, action plan	2024	Innovation, SMEs, green and rural goals; no social criterion.
Employment of disabled people	NDRC and co-issuers	17 July 2024 Joint notices	2024	Supported employment, quotas, start-up loans.
China Charity Day	MCA General Office	26 July 2024 Notice	September 2024	Publicity of the Charity Law and charity awards.
Charity Law measures	MCA and co-issuers	5 September 2024 Departmental rules	September 2024	Charity status, fundraising after one year, platforms.
Social organisations opinion	MCA and co-issuers	25 September 2024 Joint opinion	2024	Registration warnings, evaluation grades, Party building.
United Kingdom				
VCSE action plan	CCS	25 January 2024 Action plan	2024	VCSEs 1 % of suppliers; guidance and data work.
Procurement Regulations 2024	Cabinet Office	22 May 2024 Regulations	March–May 2024	Reserved contracts; VCSE suitability in notices.
Social Investment Tax Relief	HMRC	23 May 2024 Official statistics	2022–2024	Last year of the relief: 40 enterprises, GBP 5.9 million.
King's Speech 2024	Prime Minister's Office	17 July 2024 Briefing notes	July 2024	Programme of the new government; right to buy.

Subject	Issuing bodies	Date and type	Period covered	Description
Procurement Act commencement	Cabinet Office	12 September 2024 Statement, SIs	2024	Commencement moved to 24 February 2025.
Civil Society Covenant Framework	DCMS	17 October 2024 Framework, speech	2024	Four principles; engagement to 12 December.
Autumn Budget 2024	HM Treasury; HMRC	30 October 2024 Budget; HMRC paper	October 2024	Social impact investment vehicle; trust tax rules.
Commercial Function report	Commercial Function	4 November 2024 Annual report	2023–2024	Social Value Model; jobs and VCSE commitments.
Dormant Assets Scheme	DCMS	12 November 2024 News story	2024	GBP 350 million for England in four equal parts (intended).
Mutuals and credit unions	HM Treasury	14 November 2024 Letters, call for evidence	November 2024	Report on mutuals requested; common bond reviewed.
English Devolution White Paper	MHCLG	16 December 2024 White paper	December 2024	Right to Buy for assets of community value.
Community interest companies	CIC Regulator	19 December 2024 Annual report	2023–2024	Record incorporations; no formal investigation.
Community Ownership Fund	MHCLG	23 December 2024 Notice, list	December 2024	GBP 135 million to 409 projects; fund closed.
United States				
Community Reinvestment Act rule	OCC; Federal Reserve; FDIC	1 February 2024 Final rule	February 2024	Activities with CDFIs count as community development.
Revenue proposals	Treasury	11 March 2024 Revenue proposals	March 2024	Permanent New Markets Tax Credit proposed.
AbilityOne Program	AbilityOne Commission	22 March 2024 Rule, budget papers	2022–2024	Competition rule; sales and jobs of non-profit agencies.
Appropriations acts	Congress	23 March 2024 Acts	2024	USD 324 million for the CDFI Fund; continuing resolution.
Rural cooperative development grants	USDA	4 April 2024 Funding notice	2024	USD 5.8 million for cooperative development centres.
Presidential proclamations	President	19 April 2024 Proclamations	2024	Volunteering and disability employment recognised.
Uniform Guidance	OMB	22 April 2024 Final guidance	April 2024	Higher indirect cost rate and audit threshold.
AmeriCorps rules	AmeriCorps	28 May 2024 Final rules	2024	Lower match; education and training hours.
CDFI certification	CDFI Fund	6 September 2024 Press release	September 2024	All certified CDFIs to reapply and sign an agreement.
New Markets Tax Credit	CDFI Fund	19 September 2024 Release, notice	2024	USD 5 billion to 104 entities; next round opened.
CDFI and NACA awards	CDFI Fund	26 September 2024 Press releases	2024	USD 408.2 million to 357 CDFIs; technical assistance.
Bond Guarantee and other awards	CDFI Fund	11 October 2024 Press releases	2024	USD 498 million of guarantees; FHFA working group.

Subject	Issuing bodies	Date and type	Period covered	Description
Subminimum wage certificates	Department of Labor	4 December 2024 Proposed rule	December 2024	Phase-out of section 14(c) certificates proposed.
SIPPRA awards	Treasury	12 December 2024 Release, notice	December 2024	USD 46.9 million for six pay-for-results projects.
Community Economic Development	ACF	2024 Funding notice	2024	USD 13.6 million for jobs through social enterprise.
CDFI Fund budget request	CDFI Fund	2024 Budget request	2024	Request to end the healthy food line.
France				
Adapted enterprises; territories	Prime Minister	10 February 2024 Decrees	2024	Schemes made permanent; 15 new territories.
Cancellation of appropriations	Prime Minister	21 February 2024 Decree, report	February 2024	EUR 10 billion of commitments cancelled.
SSE and the Paris Games	Enterprises minister	10 April 2024 Press release	April 2024	More than 500 enterprises won Games contracts.
Law 2024-537	Parliament	13 June 2024 Law	June 2024	Solidarity savings; ESUS vehicles; heritage criterion.
ESUS tax relief and approval	Prime Minister	25 June 2024 Decrees	2024	25 % tax reduction in force; ESUS vehicles.
Territorial cooperation hubs	Minister for the SSE	27 September 2024 Press release	September 2024	15 hubs selected, EUR 100,000 each.
Statement of general policy	National Assembly	1 October 2024 Record	October 2024	Work integration praised; volunteering encouraged.
Opinion on the SSE budget	National Assembly	16 October 2024 Committee opinion	2023-2024	Cuts for 2025 proposed; approval complex.
Report on economic strategies	National Assembly	24 October 2024 Committee report	2024	SSE action cut in year; no impact contract call.
Ministerial powers for the SSE	Prime Minister	7 November 2024 Decrees	2024	Powers of the ministers in charge of the SSE.
SSE month; Year of Cooperatives	Minister for the SSE	20 November 2024 Notes to editors	November 2024	Ministerial events for the sector.
Report on labour and employment	Senate	21 November 2024 Committee report	2024	Work integration credits; cancellations of 2024.
Sustainable State purchasing	Court of Audit	6 December 2024 Audit report	2016-2023	Social considerations; SPASER still in drafting.
Changes of government	President	13 December 2024 Decrees	2024	Dissolution; governments formed in January, September and December.
Special law	Parliament	20 December 2024 Law	December 2024	Taxes and borrowing authorised; no 2025 finance act.
Work integration aid	Government	30 December 2024 Decree, orders	2024	Aid per post raised; self-employment experiment reshaped.
Germany				
Annual Economic Report 2024	Federal Government	21 February 2024 Bundestag report	2024	National strategy presented.

Subject	Issuing bodies	Date and type	Period covered	Description
ERP start-up loan for non-profits	BMWK; KfW	4 June 2024 Ordinance, news	2024	Start-up loans opened to non-profit enterprises.
Future Fund answer	Federal Government	13 August 2024 Bundestag answer	2024	EUR 200 million for impact venture funds.
Draft Federal Budget Act 2025	Federal Government	16 August 2024 Government bill	2023–2024	Title for common-good-oriented SMEs in the draft.
Tax Development Act	Government; Bundestag	9 September 2024 Bill, Act	2024	Non-profit relief proposed, then dropped.
Start-up Strategy progress report	Federal Government	23 September 2024 Bundestag report	2024	Sustainable Impact launched in August.
Social Impact Fund answer	Federal Government	25 September 2024 Bundestag answer	September 2024	Pilot impact fund examined; no single law.
Fourth Bureaucracy Relief Act	Bundestag; Bundesrat	23 October 2024 Act	October 2024	Text form for cooperatives.
Cooperative law bill	Federal Government	8 November 2024 Government bill	2024	Registration within 20 working days.
Annual Tax Act 2024	Bundestag; Bundesrat	2 December 2024 Act	December 2024	Housing added to non-profit purposes.
Procurement law bill	Federal Government	20 December 2024 Government bill	2024	Social or environmental criterion as the rule.
End of the coalition	Federal President	20 December 2024 Press releases	2024	Ministers dismissed; confidence vote failed.
Impact Challenge	BMBF	2024 Programme leaflet	2023–2024	19 university projects funded.

Source: The plans, laws, reports and announcements listed. Periods covered and descriptions: IFEED.

Note: Where a source has several parts, citations name the part (for example, briefing, release, plan or annex) before the page. Citations use the abbreviations below. Abbreviations: ACF, Administration for Children and Families; BMBF, Federal Ministry of Education and Research; BMWK, Federal Ministry for Economic Affairs and Climate Action; CCS, Crown Commercial Service; CDFI, community development financial institution; CDFI Fund, Community Development Financial Institutions Fund; CIC, community interest company; CIC Regulator, Regulator of Community Interest Companies; DCMS, Department for Culture, Media and Sport; ERP, European Recovery Programme; ESUS, solidarity enterprise of social utility; FDIC, Federal Deposit Insurance Corporation; FHFA, Federal Housing Finance Agency; FR, Federal Register; FSA, Financial Services Agency; HC, House of Commons paper; HMRC, HM Revenue and Customs; HQ, headquarters; IPO, initial public offering; JFC, Japan Finance Corporation; KfW, Reconstruction Credit Institute, Germany's public development bank; KoSEA, Korea Social Enterprise Promotion Agency; MAFRA, Ministry of Agriculture, Food and Rural Affairs; MCA, Ministry of Civil Affairs; MHCLG, Ministry of Housing, Communities and Local Government; MHLW, Ministry of Health, Labour and Welfare; MOEF, Ministry of Economy and Finance; MOEL, Ministry of Employment and Labor; MOF, Ministry of Finance; MOHRSS, Ministry of Human Resources and Social Security; MOIS, Ministry of the Interior and Safety; MSS, Ministry of SMEs and Startups; NACA, Native American CDFI Assistance; NDRC, National Development and Reform Commission; NFRA, National Financial Regulatory Administration; NPC, National People's Congress; NPO, non-profit organisation; OCC, Office of the Comptroller of the Currency; OMB, Office of Management and Budget; PTCE, territorial hub for economic cooperation; SI, statutory instrument; SIPPR, Social Impact Partnerships to Pay for Results Act; SME, small and medium-sized enterprise; SPASER, plan for socially and ecologically responsible purchasing; SSE, social and solidarity economy; Stat., United States Statutes at Large; SVI, Social Value Index; UK, United Kingdom; US, United States; USDA, U.S. Department of Agriculture; VCSE, voluntary, community and social enterprise.

2 REVIEW OF SOCIAL ENTREPRENEURSHIP POLICIES

This section reviews the key policies of 2024 in six domains, adapted from Isenberg's domains of the entrepreneurial ecosystem (Isenberg, 2011): regulation and law; finance, in grants, funding and financial infrastructure; culture; institutional support; human capital, in education and training and in labour; and markets, in market and industry support, initial public offerings (IPO) and exit.

2.1 REGULATION AND LAW

Regulation turned on charitable, cooperative and community forms rather than on social enterprise as such; a framework act was a bill in Korea, and the new laws of Japan and China take effect only from 2025 or later.

2.1.1 KOREA: SOCIAL ENTERPRISE CERTIFICATION AND THE RURAL ECONOMIC AND SOCIAL SERVICES ACT

On 16 July the Cabinet approved a bill amending the Social Enterprise Promotion Act so that social enterprises report on their business once a year instead of twice (MOEL, 16 July 2024, p. 2), and KoSEA dropped the prior review of business reports (KoSEA, 19 March 2024, briefing, p. 28). MOEL held three certification rounds instead of four (KoSEA, 19 March 2024, briefing, p. 26), certifying 44, 68 and 124 firms (MOEL, 1 February 2024, round notices) under criteria that include at least 30 % of workers from vulnerable groups in job-providing enterprises (MOEL, 1 February 2024, plan, p. 5). The Rural Economic and Social Services Act took effect on 17 August, letting cooperatives, social cooperatives and non-profit bodies be designated as rural service communities (MAFRA, 14 August 2024, 14 August release, p. 1). A Social Economy Framework Bill introduced on 11 July would give the field a common legal basis (National Assembly of the Republic of Korea, 11 July 2024, p. 2), but MOEF urged caution, citing its unclear scope and overlap with existing laws (Strategy and Finance Committee of the National Assembly, November 2024, p. 19); MOEF's own survey counted 23,892 cooperatives founded by the end of 2022 but only 10,976 in operation (MOEF, 17 May 2024, release).

This was a mixed policy. The rural act gives cooperatives and non-profit bodies a statutory route into care and employment services, and recognition matters to hybrid organisations, whose access to money and staff depends on how others classify them (Doherty et al., 2014). But certification rounds were cut, the only amendment eased reporting and was still a bill, and the finance ministry urged caution on the framework act.

2.1.2 JAPAN: THE PUBLIC INTEREST TRUST AND CORPORATION ACTS

On 22 May Japan promulgated the Public Interest Trust Act (Act No. 30 of 2024) and an act reforming the authorisation of public-interest corporations, Act No. 29 of 2024 (National Diet of Japan, 22 May 2024, bill records). The trust act would move authorisation from the competent ministries to the Prime Minister or a governor, after the old system, with about 400 trusts, had suffered from inconsistent standards (National Diet of Japan, 22 May 2024, trust act outline, p. 1); the corporation reform would let income and spending balance over a medium term and require outside directors and auditors (National Diet of Japan, 22 May 2024, corporation act outline, p. 1).

Neither was in force at the end of 2024: the corporation reform was planned for April 2025, and the trust act takes effect by Cabinet order within two years of promulgation (National Diet of Japan, 22 May 2024, outlines, p. 1). The tax reform outline of 27 December proposed to extend the non-taxation of gains on donated property to gifts to such trusts (Government of Japan, 27 December 2024, p. 13), and the Grand Design said only that “a new corporate form” with a public role “will be studied over the medium to long term” (Cabinet Secretariat of Japan, 21 June 2024, p. 57).

This was a mixed policy. A trust confined to public-interest purposes carries the non-distribution constraint that, on Hansmann’s argument, gives donors grounds for trust (Hansmann, 1980), and outside directors add the governance that legal form alone cannot supply (Ebrahim et al., 2014). But the reforms widen charitable vehicles rather than creating a form for social enterprises that trade, and neither was in force in 2024.

2.1.3 CHINA: CHARITY LAW MEASURES AND THE LAW ON RURAL COLLECTIVES

The amended Charity Law took effect on 5 September, and the MCA issued three implementing measures on that day (MCA, 5 September 2024, identification measures, Art. 12, and interpretation). Charitable status remains limited to bodies that distribute nothing to founders, donors or members (MCA, 5 September 2024, identification measures, Arts. 2, 4). A charity may now apply to raise funds from the public after one year of registration instead of two (MCA, 5 September 2024, fundraising measures, Art. 5) and may do so online only on platforms designated by the MCA (MCA, 5 September 2024, fundraising measures, Art. 17); platforms carrying individuals’ appeals for help also need designation, and their company operators at least CNY 20 million of paid-in capital (MCA, 5 September 2024, platform measures, Arts. 3–4). The Law on Rural Collective Economic Organisations, adopted on 28 June and in force from 1 May 2025, is to make such organisations special legal persons that may found companies and cooperatives and divide their surplus among members (Standing Committee of the National People’s Congress, 28 June 2024, Arts. 6, 42, 67). A social assistance law was only a reserve item in the legislative plans (General Office of the State Council, 6 May 2024, State Council plan, Part I).

This was a mixed policy. The shorter wait eases public fundraising by new charities, and the non-distribution rule keeps the assurance that, on Hansmann’s argument, makes non-profits trustworthy (Hansmann, 1980). But designated platforms and capital requirements tighten state control of online giving, the collective law serves members and villages rather than social purposes and was not yet in force, and enterprises that trade for social aims gained no legal recognition.

2.1.4 UNITED KINGDOM: THE CIC REGIME AND THE COMMUNITY RIGHT TO BUY

The Regulator of Community Interest Companies approved a record 7,230 applications in the year to March 2024, bringing the register to 32,624 (Regulator of Community Interest Companies, 19 December 2024, pp. 6, 18); it received 34 complaints and “did not need to use her statutory powers to launch a formal investigation” (Regulator of Community Interest Companies, 19 December 2024, p. 18). The Autumn Budget announced reforms to the taxation of employee ownership trusts, with effect from 30 October and legislation to follow, so that former owners cannot keep control of a company through the trust (HM Treasury, 30 October 2024, para. 5.40 and HMRC paper). On 14

November HM Treasury asked the financial regulators to report on the mutuals sector and sought evidence on the common bond rules of credit unions (HM Treasury, 14 November 2024, letters, para. 2, and call for evidence, paras 1.4–1.5). The government committed to replace the community Right to Bid with a strengthened “Right to Buy” for assets of community value (MHCLG, 16 December 2024, section 4.1), in an English Devolution Bill not introduced by the end of the year (MHCLG, 16 December 2024, written statement; Prime Minister’s Office, 17 July 2024, p. 24).

This was a mixed policy. The CIC regime keeps growing, the trust rules would keep a relief for owners who cede control, and the Treasury opened work on mutuals and credit unions. But a legal form does little to prevent mission drift without governance and enforcement (Ebrahim et al., 2014), a regulator that opened no formal investigation among 32,000 companies leaves enforcement untested, and the Right to Buy and the trust rules were still to be legislated.

2.1.5 UNITED STATES: THE UNIFORM GUIDANCE AND CDFI RECERTIFICATION

OMB’s revised guidance for federal financial assistance, effective 1 October, raised the de minimis indirect cost rate from 10 % to 15 % and the single audit threshold from USD 750,000 to USD 1,000,000 (OMB, 22 April 2024, 89 FR 30047, 30093, 30174). The bank regulators’ Community Reinvestment Act rule, effective on 1 April, provides that activities with CDFIs, minority depository institutions and low-income credit unions count as community development, but this and most other provisions, including the main tests, did not yet apply (OCC, Federal Reserve Board, & FDIC, 1 February 2024, 89 FR 6574, 6578). The CDFI Fund required every certified CDFI to reapply and sign a certification agreement or lose its status (CDFI Fund, 6 September 2024, release).

This was a mixed policy. Lower overhead and audit burdens reach every non-profit that receives federal grants, the bank rule will give banks a lasting reason to work with community development lenders, and recertification ties status to accountability, which legal status alone does not provide (Ebrahim et al., 2014). But the grant rules are general, the bank rule did not yet apply, and social enterprises gained no federal status.

2.1.6 FRANCE: LAW 2024-537 AND THE DECREES ON ESUS APPROVAL

Law 2024-537 of 13 June changed the approval “solidarity enterprise of social utility” (ESUS): from 1 January 2025 solidarity employee savings funds were to hold between 5 % and 15 % of securities of ESUS enterprises, and investment vehicles holding at least 50 % of such securities were to be assimilated to them (Parliament of France, 13 June 2024, Art. 3); firms listed on SME growth markets may keep the approval, under conditions to be set by decree (Parliament of France, 13 June 2024, Art. 7); and preserving historic monuments and protected sites became a fifth criterion of social utility (Parliament of France, 13 June 2024, Art. 8). Decree 2024-1204 of 23 December set the conditions for assimilating investment vehicles from 1 January 2025 (Prime Minister of France, 25 June 2024, Decree 2024-1204, Arts. 1–3). The National Assembly’s rapporteur counted 2,690 approved structures at the end of 2023, reported that approval was considered complex and called for a programming law (National Assembly of France, 16 October 2024, pp. 8, 47).

This was a mixed policy. Opening the approval to investment vehicles and listed firms widens the channels through which savings reach approved enterprises. But the savings changes take effect only in 2025, the listing change awaited a decree, the rapporteur proposed restoring the original criteria of the tax reduction so as to keep it for enterprises with clearly defined social missions (National Assembly of France, 16 October 2024, p. 48), and the sector had no programming law.

2.1.7 GERMANY: COOPERATIVE LAW REFORMS AND NON-PROFIT TAX RULES

The government told the Bundestag on 25 September that it would not combine the 70 measures of its national strategy for social innovations and common-good-oriented enterprises in one law (Federal Government of Germany, 25 September 2024, p. 4). The Fourth Bureaucracy Relief Act of 23 October lets cooperatives use text form instead of written form for statutes and membership declarations from 1 January 2025, the first day of the quarter after its promulgation on 29 October (German Bundestag & Bundesrat, 23 October 2024, Arts. 22, 74), and a government bill of 8 November, before the Bundesrat at the end of the year, would oblige courts to register a new cooperative within 20 working days as a rule and stop investing members from outvoting the other members (Federal Government of Germany, 8 November 2024, pp. 1–2, 20). The Annual Tax Act 2024 adds “housing non-profit purposes” to the tax-privileged purposes with effect from 1 January 2025 (German Bundestag & Bundesrat, 2 December 2024, Arts. 17, 56). The draft Tax Development Act would have abolished non-profit bodies’ duty to use their funds promptly (Federal Government of Germany, 9 September 2024, bill, Art. 9, p. 93), but the Act promulgated on 30 December left the Fiscal Code unchanged (Federal Government of Germany, 9 September 2024, Act, contents).

This was a mixed policy. Digital forms and faster registration lower the cost of founding a cooperative. But the relief for non-profit bodies that the government had proposed was dropped, the cooperative bill was pending, and no law was planned to carry the strategy, leaving common-good-oriented enterprises without a legal form of their own.

2.2 FINANCE: GRANTS, FUNDING AND FINANCIAL INFRASTRUCTURE

Finance turned on public budgets, dormant money and public lending.

2.2.1 KOREA: THE ABOLITION OF DIRECT SUPPORT AND IMPACT FUNDS

MOEL told the National Assembly that “direct support for social enterprises has been abolished from 2024” (Strategy and Finance Committee of the National Assembly, November 2024, p. 62). What remained were general instruments: guarantees of up to KRW 500 million per firm at a fee of 0.5 % a year and policy loans for social economy enterprises with a ceiling raised from KRW 6 billion to KRW 10 billion (MOEL, 13 February 2024, leaflet, p. 2), and KoSEA planned wider support for securities- and loan-based crowdfunding (KoSEA, 19 March 2024, briefing, p. 49). MOIS likewise shifted village enterprises from direct subsidies to market access, promotion and consulting (MOIS, 7 May 2024, 7 May release, p. 2). MSS put KRW 20 billion of its KRW 910 billion fund of funds into impact funds, and impact funds of KRW 34.5 billion were formed against a target of about KRW 33 billion (MSS, 5 February 2024, releases of 5 February, pp. 1–2, and 2 September, p. 1).

This was a poor policy. Social entrepreneurs face particular constraints in mobilising money (Austin et al., 2006), and social entrepreneurship is more likely where government activism is higher (Stephan et al., 2015); abolishing direct support withdrew the instrument that addressed those constraints. The impact funds were formed above target but took about 2 % of the fund of funds, and the guarantees, loans and crowdfunding left firms to raise money on general terms.

2.2.2 JAPAN: DORMANT DEPOSIT GRANTS AND SOCIAL BUSINESS LOANS

The basic plan for dormant deposits for fiscal year 2024 set guidelines of JPY 5.5 billion for grants through fund distribution and activity support bodies, JPY 3.5 billion for an emergency window, and JPY 1.0 billion for equity investment (Prime Minister of Japan, 25 March 2024, plan, pp. 1-2), and asked for follow-up “to avoid creating organisations dependent on dormant deposit money” (Prime Minister of Japan, 25 March 2024, plan, p. 4). The first of the year’s two calls drew a record JPY 13.64 billion of applications for 70 projects, of which JPY 2.63 billion for 14 projects was adopted, mainly, the designated body said, because new applicants understood their role poorly and existing grantees lacked capacity (Prime Minister of Japan, 25 March 2024, council paper, p. 1). The JFC made 16,514 social business loans in fiscal year 2023, 8 % more than a year earlier, worth JPY 122.2 billion, 3 % less; its loans to social-issue businesses rose for the third year, to 8,942, while loans to non-profit corporations fell for the third year, to 613 (JFC, 30 May 2024, 30 May release, pp. 1-2). In the first half of fiscal year 2024 the number of loans rose by 6.4 % but the amount fell to 95.9 % of a year earlier, with fewer loans to social-issue businesses and more to non-profit corporations (JFC, 30 May 2024, 13 November release, pp. 1-2).

This was a good policy. Dormant money granted through intermediaries that guard against dependence eases the constraints of money that set social entrepreneurs apart (Austin et al., 2006), and a public lender that kept increasing the number of its social business loans gives continuing support. Its weaknesses were that the first call adopted under a fifth of the amount applied for and that the amount the JFC lent fell.

2.2.3 CHINA: INCLUSIVE CREDIT, FINANCE FUND AND DONATION RECEIPTS

NFRA’s notice on inclusive credit for 2024 asked that loans to small and micro firms grow at least as fast as all loans and that banks support people with disabilities and women who can repay to find work or start a business (General Office of the National Financial Regulatory Administration, 15 March 2024, Parts II-III). The MOF issued an inclusive finance fund of CNY 10.73 billion to the provinces (MOF, 13 January 2024, fund notice, table), and its measures on donation receipts, in force from 1 February, made the receipt the voucher for donors’ pre-tax deduction (MOF, 13 January 2024, receipt measures, Arts. 3, 8, 31).

This was a mixed policy. A loan-growth target for small firms, a call to support disabled people and women who seek work or start businesses, and a central fund for inclusive finance reach people at the margin of the market, and reliable receipts support giving. But the instruments are general: they lend on the expectation of repayment and price no social outcome, although social entrepreneurs create value that they cannot fully capture (Santos, 2012).

2.2.4 UNITED KINGDOM: DORMANT ASSETS AND COMMUNITY OWNERSHIP FUND

DCMS announced on 12 November that it intends to allocate GBP 350 million of English dormant assets equally to youth, financial inclusion, social investment wholesalers and community wealth funds, with a strategy to follow “in due course” (DCMS, 12 November 2024). The Autumn Budget announced work on a social impact investment vehicle to bring together socially motivated investors, the voluntary sector and government (HM Treasury, 30 October 2024, para. 5.172). On 23 December MHCLG closed the Community Ownership Fund, which it said had awarded GBP 135 million to 409 projects, citing “the challenging inheritance left by the previous government” (MHCLG, 23 December 2024, notice and list). Social Investment Tax Relief had closed to new investment from April 2023; in its last year, 2022–23, 40 social enterprises raised GBP 5.9 million under it (HMRC, 23 May 2024, section 1.3).

The dormant assets allocation was a good policy and the closure of the Community Ownership Fund a poor one. Earmarking dormant money for social investment wholesalers and community wealth funds adds patient capital outside the annual budget. But the allocation was an intention and the vehicle a promise, while the one fund that helped communities buy local assets closed and Social Investment Tax Relief stayed closed.

2.2.5 UNITED STATES: CDFI AWARDS AND THE NEW MARKETS TAX CREDIT

Public Law 118–47 of 23 March appropriated USD 324 million to the CDFI Fund for fiscal year 2024 and required at least 10 % of awards to serve persistent poverty counties (United States Congress, 23 March 2024, 138 Stat. 524–525). The Fund awarded USD 408.2 million to 357 CDFIs on 26 September (CDFI Fund, 26 September 2024, 26 September release), agreed USD 498 million of bond guarantees (CDFI Fund, 11 October 2024, 11 October release), and awarded USD 5 billion of New Markets Tax Credit allocations to 104 of 196 applicants (CDFI Fund, 19 September 2024, release). The Administration proposed to make the credit permanent (U.S. Department of the Treasury, 11 March 2024, pp. 56–57) and to end dedicated funding for the Healthy Food Financing Initiative for lack of demand (CDFI Fund, 2024, pp. 5–6). From 1 October it operated under a continuing resolution (United States Congress, 23 March 2024, Public Law 118–83, sec. 101).

This was a good policy. Grants, guarantees and tax credits reached lenders that serve communities mainstream finance neglects. Because investors accept lower returns for impact mainly where they have a mission or face political pressure (Barber et al., 2021), tax credits and guarantees that raise private returns are a way to draw them in. Its limits are that permanence of the tax credit was only proposed and that funding for fiscal year 2025 rested on a continuing resolution.

2.2.6 FRANCE: THE SSE BUDGET ACTION AND THE ESUS TAX REDUCTION

Decree 2024–124 of 21 February cancelled EUR 10 billion of commitments across the State budget because tax receipts fell short (Prime Minister of France, 21 February 2024, Art. 1 and report), including EUR 1.7 million of commitments and EUR 3.2 million of payments on the budget action for the social and solidarity economy (SSE), endowed with EUR 19.2 million and EUR 22.4 million (National Assembly of France, 24 October 2024, p. 26). The 2025 finance bill proposed EUR 15.6

million of commitments, down 18.6 %, and EUR 16.8 million of payments, down 24.8 % (National Assembly of France, 24 October 2024, p. 26); it was not adopted, and France entered 2025 under a special law (Parliament of France, 20 December 2024, Art. 1). No call for new social impact contracts was launched in 2024 or planned for 2025 (National Assembly of France, 24 October 2024, p. 29). Decree 2024-598 brought into force, for payments from 28 June, an enhanced 25 % income tax reduction for subscriptions to the capital of ESUS enterprises (Prime Minister of France, 25 June 2024, Decree 2024-598, Art. 1).

The cuts and the halt to impact contracts were a poor policy and the tax reduction a good one. The in-year cut fell on a small action that funds the networks and local support of the sector, and the 2025 bill proposed a further fall of a fifth to a quarter, against the association of social entrepreneurship with government activism (Stephan et al., 2015). The enhanced tax reduction, by contrast, rewards private investment in approved enterprises.

2.2.7 GERMANY: THE ERP START-UP LOAN AND THE BUDGET TITLE

An ordinance of 4 June opened the start-up and succession support of the European Recovery Programme (ERP) Special Fund to non-profit SMEs (BMWK, 4 June 2024, § 1), and from 1 November KfW offered such founders loans of up to EUR 125,000 through their banks, assuming 80 % of the banks' credit risk (BMWK, 4 June 2024, KfW news, paras 4–5). The government decided on 7 February to invest EUR 200 million of the Future Fund through KfW Capital in impact venture capital funds, whose investment criteria were still being agreed in August (Federal Government of Germany, 13 August 2024, pp. 5, 7), and was examining a pilot impact fund for common-good-oriented enterprises (Federal Government of Germany, 25 September 2024, p. 3). The draft budget for 2025 set the title for common-good-oriented SMEs at EUR 16.6 million, against EUR 30.0 million budgeted for 2024 and EUR 15.6 million spent in 2023 (Federal Government of Germany, 16 August 2024, section 09, p. 54).

This was a mixed policy. Giving non-profit founders the same guaranteed loans as other founders eases their access to money. But the impact funds were still in preparation in August, and the draft budget would cut the dedicated title well below its 2024 level, though not below 2023 spending.

2.3 CULTURE

Culture was the thinnest domain: ceremonies, campaigns, proclamations and frameworks, few of which carried money or obligations.

2.3.1 KOREA: SOCIAL ENTERPRISE DAY AND AWARDS WITH PRIVATE FIRMS

MOEL and KoSEA marked Social Enterprise Day on 22 November with 34 honours, including a new category for nine private firms that had cooperated with social enterprises (MOEL, 22 November 2024, 22 November release, p. 1), and with Amazon Web Services KoSEA awarded KRW 30 million to six organisations (MOEL, 22 November 2024, KoSEA release of 22 October, p. 1). The Minister of Employment and Labor said that support would be tailored so that social enterprises grow their

“self-reliance” (MOEL, 22 November 2024, 22 November release, p. 2), in line with the “full shift” from uniform “fostering” that MOEL had set in March (KoSEA, 19 March 2024, briefing, p. 17).

This was a mixed policy. Ministerial honours give social enterprises formal recognition, and a category for partner firms widens the circle of support. But recognition was channelled through large firms while public support was withdrawn, and discourses that cast social enterprise as self-reliant business tend to legitimate the actors that already hold resources (Nicholls, 2010).

2.3.2 JAPAN: J-STARTUP IMPACT AND THE GRAND DESIGN

The Grand Design framed the solution of social issues as “a new market” (Cabinet Secretariat of Japan, 21 June 2024, p. 56) and reported that J-Startup Impact, a certification for impact start-ups launched in October 2023, had selected 30 companies (Cabinet Secretariat of Japan, 21 June 2024, p. 57); the Basic Policy called for stronger support of “social entrepreneurs (impact startups)” (Cabinet Office of Japan, 21 June 2024, p. 21). A JFC survey found that 67.0 % of people planning to start a business wanted to do so as a social business (JFC, 30 May 2024, survey, p. 1).

This was a mixed policy. A certification with named companies gives social entrepreneurs a place in the growth strategy, and the survey shows wide interest among would-be founders. But the vocabulary of start-ups and investment defines social entrepreneurs by growth rather than by the neglected problems they solve and the value they cannot capture (Santos, 2012), and leaves non-profit and cooperative organisations aside.

2.3.3 CHINA: CHARITY DAY AND THE OPINION ON VOLUNTEER SERVICE

The ninth China Charity Day on 5 September carried the theme “uphold virtue and goodness, promote goodness by law”, and the MCA’s General Office asked local authorities to publicise the law and the China Charity Award and to encourage donations (General Office of the Ministry of Civil Affairs, 26 July 2024, opening paragraph, Part II). An opinion of the general offices of the Party Central Committee and the State Council on volunteer service proposed to study a China Volunteer Day and put Party social work departments in charge of coordinating volunteering (General Office of the Party Central Committee & General Office of the State Council, 12 April 2024, Parts VI, IX).

This was a poor policy. Recognition went to giving and volunteering directed by Party and State bodies, which treats social purpose as philanthropy from above and legitimates the actors that already hold resources (Nicholls, 2010); it ignored enterprises that pursue social aims through trade.

2.3.4 UNITED KINGDOM: THE CIVIL SOCIETY COVENANT FRAMEWORK

DCMS published on 17 October a Civil Society Covenant Framework with four principles, recognition, partnership, participation and transparency, as the basis of a reset relationship that the Prime Minister had made a priority (DCMS, 17 October 2024, launch page). Its annex names social enterprises and social investors among the actors it brings together (DCMS, 17 October 2024, annex A); engagement ran to 12 December, and the final covenant was planned for “early next year” (DCMS, 17 October 2024, speech of 21 November).

This was a mixed policy. A framework developed with the sector, naming social enterprises within civil society, gives them a route into government that does not depend on a single programme. But it was a consultation without money or duties, and the final covenant was not published in 2024.

2.3.5 UNITED STATES: PROCLAMATIONS ON VOLUNTEERING AND DISABILITY

Proclamation 10731 credited AmeriCorps with more than one million Americans who had served (President of the United States, 19 April 2024, Proclamation 10731, 89 FR 31071); Proclamation 10825 stated that the Administration had “ended the use of unfair subminimum wages in Federal contracts” (President of the United States, 19 April 2024, Proclamation 10825, 89 FR 80369).

This was a poor policy. Recognition was confined to proclamations, and the federal government offered no award, label or campaign for enterprises that pursue social aims.

2.3.6 FRANCE: THE PARIS GAMES AND THE MONTH OF THE SSE

On 10 April the minister delegate then responsible for the SSE reported that more than 500 enterprises of the “solidarity, circular and local economy” had won contracts for the Paris Olympic and Paralympic Games, with 2.8 million insertion hours (Minister Delegate for Enterprises, Tourism and Consumption, 10 April 2024, p. 1). In the autumn the minister delegate for the SSE launched the month of the SSE on 4 November and was to launch the International Year of Cooperatives 2025 in France on 21 November (Minister Delegate for the Social and Solidarity Economy, Profit-Sharing and Participation, 20 November 2024, notes of 4 and 20 November). The Prime Minister’s statement of general policy on 1 October encouraged volunteering and associations without naming the SSE (National Assembly of France, 1 October 2024, statement of the Prime Minister).

This was a poor policy. The Games showed what social enterprises can deliver, but recognition otherwise rested on ministerial events, and the head of government did not name the sector in setting out his programme, in the 10th anniversary year of the law that defines it (National Assembly of France, 16 October 2024, p. 8).

2.3.7 GERMANY: THE IMPACT CHALLENGE AND THE ANNUAL ECONOMIC REPORT

BMBF’s Impact Challenge, an idea competition for social innovations from universities, gave 44 teams EUR 12,500 each and on 30 April selected 19 for grants of up to EUR 175,000 (BMBF, 2024, pp. 3, 4, 8). The Annual Economic Report presented the national strategy and its 70 measures (Federal Government of Germany, 21 February 2024, p. 38).

This was a mixed policy. A competition with prize money and grants gives recognition that carries resources. But recognition otherwise rested on reports and statements.

2.4 SUPPORT: INSTITUTIONAL SUPPORT

Support turned on the agencies and intermediaries that certify, advise and connect social enterprises, and on the bodies in government responsible for them.

2.4.1 KOREA: KOSEA'S GROWTH CENTRES AND THE SOCIAL VALUE INDEX

KoSEA took over certification support and the 19 growth support centres, and the regional support agencies were abolished from 2024 (KoSEA, 19 March 2024, briefing, pp. 17, 26; Strategy and Finance Committee of the National Assembly, November 2024, p. 12); maximum tenancy in the centres was extended from two to five years and their education and networking programmes opened to pre-certified enterprises and would-be founders (KoSEA, 19 March 2024, briefing, p. 39). The target for Social Value Index (SVI) measurements was cut from 1,500 to about 1,000 firms a year, and designation rounds for pre-certified social enterprises from 16 to 13 (KoSEA, 19 March 2024, briefing, pp. 23, 27). KoSEA's survey for the first half of 2024 put the business conditions index of social enterprises at 69.3, down 19.2 points and the lowest since the survey began, after reductions in support had been announced and implemented (KoSEA, 19 March 2024, survey, p. 16).

This was a poor policy. Longer tenancy and wider access to the centres help, but the agency cut its measurement target and designation rounds, a single state agency replaced the regional intermediaries, and its own survey recorded the worst conditions since it began.

2.4.2 JAPAN: THE IMPACT CONSORTIUM AND SUPPORT FOR INTERMEDIARIES

The Impact Consortium of start-ups, NPOs, firms and investors ran four sub-committees in its business year from July, one on cooperation with local governments (FSA, 29 March 2024, administration policy, pp. 11, 24). The Basic Policy committed to support demonstration projects for "zebra" firms that solve local social issues (Cabinet Office of Japan, 21 June 2024, p. 11) and to support NPOs through intermediary support organisations (Cabinet Office of Japan, 21 June 2024, p. 28), and the Grand Design specified flexible early-stage funding, staff and project coordinators (Cabinet Secretariat of Japan, 21 June 2024, p. 57).

This was a mixed policy. Intermediaries, demonstration projects and a consortium that joins investors and local governments build the connections social enterprises lack. But most of it was promised rather than funded, and a model built on start-ups may not fit a national context in which non-profit and community organisations carry much of the work (Kerlin, 2010).

2.4.3 CHINA: THE OPINION ON SOCIAL ORGANISATIONS

The MCA, the Central Social Work Department of the Communist Party of China and other bodies issued on 25 September an opinion requiring civil affairs departments to warn founders and donors at registration that donors keep no property rights in what they give (MCA, 25 September 2024, Part II, item 1), after the MCA found that some donors treated gifts as loans or as investments giving "equity" (MCA, 25 September 2024, interpretation, part 2). It called for evaluation grades to be used when social organisations take on government functions and purchased services, and for more Party organisations inside them (MCA, 25 September 2024, Parts V-VI).

This was a mixed policy. Using evaluation grades in government purchase gives capable organisations demand and a quality signal, and the warning to donors protects the non-distribution constraint on which trust in non-profits rests (Hansmann, 1980). But the opinion

organises support as supervision, adds Party organisations to governance, and offers nothing to enterprises that trade for social aims.

2.4.4 UNITED KINGDOM: THE VCSE ACTION PLAN AND THE CIC REGULATOR

The CCS published on 25 January its first action plan for voluntary, community and social enterprises (VCSE): they were 105, or 1 %, of about 10,000 suppliers, and it set a goal of more VCSE suppliers without a number and promised guidance, having named a VCSE champion (CCS, 25 January 2024, sections 2, 3c, 4). The CIC Regulator kept incorporation and accounts fees at GBP 15 online (Regulator of Community Interest Companies, 19 December 2024, p. 19).

This was a mixed policy. A purchasing agency that counts its VCSE suppliers makes their exclusion visible, and cheap digital incorporation lowers the cost of a social enterprise form. But the support consisted of guidance and filing services, and the VCSE goal had no number.

2.4.5 UNITED STATES: COMMUNITY AND COOPERATIVE DEVELOPMENT GRANTS

ACF offered about USD 13.6 million for some 17 Community Economic Development projects that fund business development, “for example, entrepreneurship and social enterprise”, through non-profit community development corporations with residents on their boards; at least 75 % of the jobs created must go to people with low incomes (ACF, 2024, pp. 6–8). USDA offered USD 5.8 million of Rural Cooperative Development Grants to centres that help rural people start cooperatives (USDA, 4 April 2024, 89 FR 23552). The CDFI Fund made its largest technical assistance awards, USD 76.32 million to 256 organisations (CDFI Fund, 26 September 2024, 21 November release), and announced a working group with the Federal Housing Finance Agency to widen CDFIs’ access to Federal Home Loan Bank capital (CDFI Fund, 11 October 2024, 1 November release).

This was a good policy. Grants that name social enterprise, reserve jobs for people with low incomes and flow through community-governed intermediaries, with capacity awards for mission lenders and cooperative centres, build the institutions through which social enterprises are started and financed. Its limit is scale: the ACF and USDA offers totalled under USD 20 million.

2.4.6 FRANCE: THE SSE MINISTER AND THE TERRITORIAL HUBS

Until July the SSE lay with the minister delegate for enterprises, tourism and consumption (Prime Minister of France, 7 November 2024, Decree 2024-180, Art. 1). From 21 September a minister delegate for the SSE, profit-sharing and participation held it, with powers defined only on 7 November (Prime Minister of France, 7 November 2024, Decree 2024-998, Art. 1); her government’s functions ended on 5 December (President of the French Republic, 13 December 2024, decree of 5 December), and from 23 December the sector formed part of a portfolio for commerce, crafts, SMEs and the SSE (Prime Minister of France, 7 November 2024, decree of 23 December). The minister selected 15 territorial hubs for economic cooperation (PTCE) from 64 applicants, each funded with EUR 100,000 over two years (Minister Delegate for the Social and Solidarity Economy, Profit-Sharing and Participation, 27 September 2024, p. 1), and the National

Assembly's rapporteur noted that no State official worked exclusively on the SSE in the regions (National Assembly of France, 16 October 2024, p. 47).

This was a mixed policy. Grants to hubs selected by competition fund local cooperation, and the sector gained a minister whose title named it. But she held office for less than three months, Gabriel Attal, Michel Barnier and François Bayrou each led a government during the year (President of the French Republic, 13 December 2024), and a portfolio that changes hands with each government gives the sector little weight where budgets are decided.

2.4.7 GERMANY: THE SUSTAINABLE IMPACT PROGRAMME

The government launched in August a follow-on programme, "Sustainable Impact", to fund advice and support structures for common-good-oriented SMEs and start-ups (Federal Government of Germany, 23 September 2024, p. 24), with about 45 % of its funds from the European Social Fund Plus (Federal Government of Germany, 16 August 2024, section 09, p. 55). It told the Bundestag that most of the strategy's 70 measures were implemented or under way, with a monitoring report due in 2025 (Federal Government of Germany, 25 September 2024, pp. 2, 5).

This was a good policy. A funded programme for the intermediaries that advise and connect common-good-oriented enterprises addresses the distinct constraints of people and money that social entrepreneurs face (Austin et al., 2006). Its limits are that progress was self-reported and that the title which funds it would be cut under the draft budget (Section 2.2.7).

2.5 HUMAN CAPITAL: EDUCATION AND TRAINING, AND LABOUR

Human capital turned on work integration, through wage support, quotas and reserved employment, and on national service; the skills of social entrepreneurs received little attention.

2.5.1 KOREA: THE END OF WAGE SUPPORT FOR SOCIAL ENTERPRISES

MOEL ran no new call in 2024 for its job creation programme, which had paid social enterprises part of the minimum wage of the workers they hired, up to 70 % for vulnerable workers, or for its support for professional staff, and continuing payments could not run beyond September (MOEL, 13 February 2024, guideline, pp. 35, 63, 80, 159). The labour costs of employing vulnerable people were left to MOEL's general employment incentives (MOEL, 13 February 2024, leaflet, p. 2), and older and disabled workers were to keep their jobs through its other employment programmes, with KRW 15.8 billion for their labour costs (KoSEA, 19 March 2024, briefing, p. 18). KoSEA planned 15 new online courses for its social entrepreneur academy (KoSEA, 19 March 2024, briefing, p. 52).

This was a poor policy. Certification still requires job-providing social enterprises to employ at least 30 % of workers from vulnerable groups (Section 2.1.1), while the subsidy for employing them was withdrawn in favour of general programmes. On market terms, Garrow and Hasenfeld argue, such workers risk becoming units of labour (Garrow & Hasenfeld, 2014).

2.5.2 JAPAN: WORKER COOPERATIVES AND NON-PROFIT STAFFING

Two years after the Workers' Cooperatives Act took effect, MHLW knew of 110 worker cooperatives on 1 October, up from 87 on 1 April (MHLW, 2 October 2024, releases of 1 April and 2 October), and on 18 July it selected councils in five prefectures for a three-year model project to create work for people who find it hard to work in conventional workplaces (MHLW, 2 October 2024, 18 July release). A Cabinet Office survey found that 67.8 % of ordinary NPO corporations had leaders aged 60 or over and that securing and training staff was their most common challenge (Cabinet Office of Japan, 28 March 2024, pp. 4, 11).

This was a mixed policy. Worker cooperatives let people who find it hard to work create their own jobs, and the model project tests that route. But the numbers are small, and the non-profit corporations that provide social services face ageing leaders and staff shortages that no measure of the year addressed, although the mobilisation of staff is among the distinctive tensions of hybrid organisations (Doherty et al., 2014).

2.5.3 CHINA: THE NOTICE ON EMPLOYING PERSONS WITH DISABILITIES

The NDRC, the MCA, the MOF, the Ministry of Human Resources and Social Security (MOHRSS) and other bodies issued on 17 July a notice calling for supported employment facilities, for rewards to employers above the statutory quota and for farmers' cooperatives to take on rural disabled people (NDRC, 17 July 2024, Parts III–V). The MOHRSS and the China Disabled Persons' Federation restated that employing disabled people in proportion is an employer's statutory duty, with a levy as the substitute (NDRC, 17 July 2024, 27 February notice, Part I), and a notice of 15 November offered start-up guaranteed loans to people facing employment difficulties (NDRC, 17 July 2024, 15 November notice, Parts III–IV). The draft central budget put the employment subsidy fund at CNY 66.7 billion (State Council of the People's Republic of China, 5 March 2024, budget report, Part II).

This was a good policy, though the notice largely directs local governments to act. A quota backed by a levy, supported employment, preferences for employers and loans for founders widen work and enterprise at the margin of the labour market and treat people with disabilities as workers and founders rather than only as dependants, a construction of the target group that shapes what policy offers them (Schneider & Ingram, 1993).

2.5.4 UNITED KINGDOM: SOCIAL VALUE JOBS AND RESERVED CONTRACTS

Central government reported that social value commitments in its contracts in 2023–24 included at least 3,000 full-time employment and around 7,000 full-time training opportunities (Government Commercial Function, 4 November 2024, p. 6). The Procurement Act 2023 will let authorities reserve contracts to supported employment providers (Cabinet Office, 12 September 2024, SI 2024/716, Schedule), but the new government delayed its commencement from 28 October 2024 to 24 February 2025 (Cabinet Office, 12 September 2024, SI 2024/959, reg. 2). No measure of 2024 addressed the skills of social entrepreneurs or of their staff.

This was a poor policy. Jobs and training places counted as social value are outputs of purchasing rather than a policy for the people who run or work in social enterprises, and the one new instrument for employing disabled and disadvantaged workers was postponed. Limited access to skilled staff is among the distinctive constraints of social enterprises (Doherty et al., 2014).

2.5.5 UNITED STATES: AMERICORPS RULES AND SUBMINIMUM WAGES

AmeriCorps' rules, effective 1 October, lowered the match required of State and National grantees to 24 %, rising to 30 % only in the 10th year, allowed up to 50 % of member hours to be spent on education and training (AmeriCorps, 28 May 2024, 89 FR 46024). The AbilityOne Commission reported that everyone working on an AbilityOne contract was paid at least the applicable minimum or prevailing wage (U.S. AbilityOne Commission, 22 March 2024, budget justification, p. 1), and on 4 December the Department of Labor proposed to phase out certificates allowing subminimum wages for workers with disabilities, held or sought by 801 employers paying about 40,579 workers (U.S. Department of Labor, 4 December 2024, 89 FR 96466, 96473).

This was a good policy. Lower match requirements make national service affordable for the community organisations that host it, and training hours build the skills of those who serve. A wage floor on federal contracts, and a proposal to extend it, treat disabled workers as workers owed the minimum wage rather than as dependants (Schneider & Ingram, 1993).

2.5.6 FRANCE: WORK INTEGRATION AND ADAPTED ENTERPRISES

The 2024 finance act provided EUR 1,500.6 million for work integration through economic activity (Senate of France, 21 November 2024, p. 42); the base aid per full-time post in integration enterprises, EUR 12,218 from 1 January, was raised to EUR 12,459 from 1 November (Prime Minister of France, 30 December 2024, orders of 30 April and 4 December). Decree 2024-99 made permanent the fixed-term "Tremplin" contracts in adapted enterprises, which employ disabled workers, and temporary-work adapted enterprises (Prime Minister of France, 10 February 2024, Decree 2024-99, notice), and decrees of 24 April and 5 July authorised 15 new zero long-term unemployment territories (Prime Minister of France, 10 February 2024, Decrees 2024-381 and 2024-691, Art. 1). Decree 2024-1239 of 30 December, in force from 1 January 2025, makes the aid for integration through self-employment depend, after nine months, on the worker's turnover and requires an evaluation of the experiment's sustainability for public finances (Prime Minister of France, 30 December 2024, Decree 2024-1239, Art. 1).

This was a good policy. France raised the aid per post, made two experiments permanent and widened the territories through which it employs people far from the labour market. Its limit is the logic of instruments that fund posts and hours, in which work integration risks treating its workers as units of labour (Garrow & Hasenfeld, 2014).

2.5.7 GERMANY: A QUALIFICATION ITEM AND A TRAINING PROJECT

The draft budget for 2025 set EUR 250,000 for "support of qualification measures" within the title for common-good-oriented enterprises (Federal Government of Germany, 16 August 2024, section 09, p. 55). One of the 19 Impact Challenge projects offered vocational training places in social

enterprises and training in social entrepreneurship for other training firms (BMBF, 2024, p. 6). The government saw no need for new financing instruments or reliefs for inclusion enterprises and non-profit social enterprises, preferring to remove their disadvantages in access to general public funding (Federal Government of Germany, 25 September 2024, p. 6).

This was a poor policy. Social entrepreneurs face distinctive problems in mobilising people (Austin et al., 2006), yet the year's human capital measures amounted to a small item in a draft budget and one funded project, and inclusion enterprises were left to general programmes.

2.6 MARKET: MARKET AND INDUSTRY SUPPORT, IPO AND EXIT

Markets turned on public purchasing and on whether social value counts in it; markets reserved for disabled workers were the most developed, and exit received no attention.

2.6.1 KOREA: PRIORITY PURCHASING AND THE SOCIAL VALUE INDEX LINK

Public bodies bought KRW 2.26 trillion of social enterprise products in 2023, 3.08 % of their purchases, and planned KRW 2.54 trillion, 3.41 %, for 2024; central government bodies bought only 0.78 % (KoSEA, 26 December 2024, p. 22). The Promotion Act requires public bodies only to promote such purchases and sets no quota, unlike the 1 % required for products of severely disabled people (KoSEA, 26 December 2024, pp. 20–21). MOEL announced that purchases made in 2025 would not count towards public bodies' results where the supplier was graded "inadequate" on the SVI or unmeasured (MOEL, 4 June 2024, releases of 4 June, p. 2, and 8 September, p. 1). The framework bill would oblige public bodies to buy up to 5 % from social enterprises and social cooperatives (National Assembly of the Republic of Korea, 11 July 2024, Art. 33).

This was a mixed policy. Purchasing on this scale gives social enterprises a market, and linking it to measured social value would reward performance rather than a label. But without a quota central bodies bought little, the SVI link was only announced, and the duty to buy remained a bill.

2.6.2 JAPAN: PAY-FOR-SUCCESS CONTRACTS AND PRIORITY PROCUREMENT

The Cabinet Office counted 273 pay-for-success projects at the end of fiscal year 2023, State projects included, and 131 local governments with such projects (Cabinet Office of Japan, 5 March 2024, status report, pp. 1–2); its common guidelines, revised in February, introduced willingness to pay as the yardstick of outcomes (Cabinet Office of Japan, 5 March 2024, guidelines, p. 2), and the Basic Policy called for wider use of such contracts (Cabinet Office of Japan, 21 June 2024, p. 28). The Grand Design promised to promote public procurement from impact start-ups, without a target (Cabinet Secretariat of Japan, 21 June 2024, p. 57). Purchases by national bodies from work facilities for persons with disabilities under the priority procurement law rose from JPY 12.3 billion in fiscal year 2013 to JPY 22.2 billion in fiscal year 2022 (Cabinet Office of Japan, 2024, p. 101).

This was a mixed policy. Pay-for-success contracts bring outcome measures into public purchasing, and a priority procurement law has raised purchases from disability work facilities by about 80 %. But the evidence on outcome-based contracts remains limited (Fraser et al., 2018),

and procurement from impact start-ups was promised without a target, although public purchasing can pursue employment goals alongside commercial ones (Erridge, 2007).

2.6.3 CHINA: THE PROCUREMENT ACTION PLAN AND ELDERCARE MARKETS

The State Council's three-year action plan for government procurement of 29 June directs procurement to innovation, green products, SMEs and rural revitalisation (General Office of the State Council, 29 June 2024, answers of the MOF, answer 5); it continues to reserve at least 40 % of suitable works contracts above CNY 4 million for SMEs (General Office of the State Council, 29 June 2024, plan, Part IV(2), item 1). The opinion on the silver economy asked restaurants, property firms and charities to provide meals for older people with operating subsidies (General Office of the State Council, 11 January 2024, opinion, Part II, item 1), and measures of 31 October gave private care homes admitting older people in hardship the same subsidies as public homes (General Office of the State Council, 11 January 2024, 31 October measures, Part IV, item 16).

This was a mixed policy. The procurement plan pursues socio-economic goals, in Erridge's sense, for small firms and poor areas (Erridge, 2007), and eldercare subsidies that follow the client open a market to social organisations on equal terms. But neither sets a criterion for social value or reserves contracts for enterprises that employ disadvantaged workers.

2.6.4 UNITED KINGDOM: PROCUREMENT REGULATIONS AND SOCIAL VALUE

The Procurement Regulations 2024, made on 22 May, specify the services that can be reserved to public service mutuals and will require notices to say whether a contract is reserved and whether it suits an SME or a value-driven non-governmental organisation (Cabinet Office, 22 May 2024, regs 18(2)(t), 19(2)(h), 42(2)). They take effect with the Act, which the new government delayed to 24 February 2025 to write a new National Procurement Policy Statement (Cabinet Office, 12 September 2024, statement, paras 2–4). Central departments already applied the Social Value Model with a minimum weighting of 10 % (Government Commercial Function, 4 November 2024, p. 22), and social value commitments in 2023–24 included GBP 6 million of opportunities for VCSEs (Government Commercial Function, 4 November 2024, p. 6), which were 1 % of CCS suppliers (Section 2.4.4).

This was a mixed policy. A minimum weighting for social value counters the dominance of commercial goals in public procurement (Erridge, 2007), and flagging contracts suited to VCSEs addresses the size and tendering burdens that social enterprises face (Loosemore, 2016). But the new rules were delayed, and the VCSE share of central purchasing remained small.

2.6.5 UNITED STATES: THE ABILITYONE RULE AND SIPPRA AWARDS

Under the AbilityOne Program, non-profit agencies employing blind people and people with significant disabilities sold USD 4.15 billion to federal customers in fiscal year 2023 and employed 36,600 such workers (U.S. AbilityOne Commission, 22 March 2024, budget justification, p. 6). The Commission's rule, effective 22 April, lets the central non-profit agency distribute large service orders competitively among agencies, without giving price more weight than non-price factors combined, and gives incumbent disabled workers a right of first refusal (U.S. AbilityOne

Commission, 22 March 2024, 89 FR 20324, 20330, 20332). On 12 December the Treasury announced six awards under the Social Impact Partnerships to Pay for Results Act (SIPPRa), eligible for USD 46.9 million only if independently evaluated results are met, with investors providing the upfront capital (U.S. Department of the Treasury, 12 December 2024, release and 89 FR 106754).

This was a good policy. Keeping price below non-price factors protects the social purpose of a reserved market against the commercial goals that, Erridge argues, tend to dominate procurement (Erridge, 2007), and the Commission directed selection towards training and placements (U.S. AbilityOne Commission, 22 March 2024, 89 FR 20328), the safeguard against treating workers as units of labour (Garrow & Hasenfeld, 2014). The evidence on outcome-based contracts is limited (Fraser et al., 2018), but SIPPRa pays only on evaluated results.

2.6.6 FRANCE: STATE SUSTAINABLE PURCHASING

The Court of Audit reported on 6 December that more than 25 % of State contracts in 2023 contained a social consideration, a sharp rise, but cautioned that the data were of questionable quality (Court of Audit, 6 December 2024, p. 12); that work integration structures, sheltered workshops and adapted enterprises “still benefit only weakly” from insertion hours in State contracts, although procurement law already allows contracts to be reserved for them (Court of Audit, 6 December 2024, p. 14); and that the State’s own plan for socially and ecologically responsible purchasing (SPASER) was still being drafted (Court of Audit, 6 December 2024, p. 43).

This was a mixed policy. The rise in social considerations shows what purchasing can do for social enterprises. But the State, which had the legal tools to reserve contracts, used them little and was still drafting its own purchasing plan in December; buying from social enterprises depends on lots and procedures they can win (Loosemore, 2016).

2.6.7 GERMANY: THE PROCUREMENT LAW TRANSFORMATION BILL

The government’s procurement bill, sent to the Bundesrat as particularly urgent on 28 November, would require contracting authorities, as a rule, to apply at least one social or environmental criterion (Federal Government of Germany, 20 December 2024, p. 13). Its social criteria include the use of social innovations in the sense of the national strategy (Federal Government of Germany, 20 December 2024, p. 67), and its explanatory memorandum announces a limit of EUR 100,000 below which innovative services could be awarded directly to start-ups and common-good-oriented enterprises (Federal Government of Germany, 20 December 2024, p. 36). It was still pending when the Chancellor’s motion of confidence failed in the Bundestag on 16 December (Federal President of Germany, 20 December 2024, release of 20 December).

This was a mixed policy. Making social or environmental criteria the rule would counter the overemphasis on commercial goals that Erridge identifies (Erridge, 2007), and a direct-award limit for common-good-oriented enterprises would ease the tendering burden they face (Loosemore, 2016). But it was a bill with uncertain prospects, and no such rule applied in 2024.

3 ANALYSIS OF THE POLICIES

3.1 CONTEXTUAL ANALYSIS: ORIGINS, BACKGROUND AND RATIONALE OF THE POLICIES

Policy in 2024 was made through changes of government. In the United Kingdom a general election on 4 July brought a new government, whose legislative programme followed on 17 July (Prime Minister's Office, 17 July 2024); in Japan a new cabinet took office on 1 October and set up a headquarters for regional economies (Headquarters for the Creation of New Regional Economies and Living Environments, 24 December 2024, cabinet list of 1 October and Cabinet decision of 11 October); France dissolved its National Assembly in June and had governments led by Gabriel Attal from January, Michel Barnier from September and François Bayrou from December (President of the French Republic, 13 December 2024); and in Germany the governing coalition broke up in November and the Chancellor lost a vote of confidence on 16 December (Federal President of Germany, 20 December 2024, statement of 7 November and release of 20 December). Several of the year's measures were set out by governments that did not see them through, among them the British procurement regulations, made before the election and delayed after it, and the German procurement and cooperative bills.

The fiscal setting pressed on dedicated lines. France cancelled EUR 10 billion of commitments in February because tax receipts fell short (Prime Minister of France, 21 February 2024, report) and entered 2025 without a finance act (Parliament of France, 20 December 2024, Art. 1); the new British government closed the Community Ownership Fund, citing its "challenging inheritance" (MHCLG, 23 December 2024, closure notice); and the US appropriations for fiscal year 2024 were enacted only on 23 March, with fiscal year 2025 beginning under a continuing resolution (United States Congress, 23 March 2024). Japan and the United Kingdom, by contrast, financed part of their social investment from dormant accounts, outside the annual budget (DCMS, 12 November 2024; Prime Minister of Japan, 25 March 2024).

The governments drew on a shared repertoire, which reflects policy transfer (Dolowitz & Marsh, 2000): money from dormant accounts in Japan and the United Kingdom, with a legal framework in preparation in Germany (Federal Government of Germany, 25 September 2024, p. 5); outcome-based contracts in Japan and the United States, while France launched no new social impact contracts (National Assembly of France, 24 October 2024, p. 29); and impact investment in Japan, Germany and Korea. Kerlin (2010) argues that social enterprise takes its form from its national context, which limits what can be transferred: the United States relied on community development finance, China on charities and collectives under Party and State direction, and France on work integration and the SSE.

Yet each government represented the problem of social entrepreneurship in its own way, and the representation shaped the solutions it chose (Bacchi, 2009; Rochefort & Cobb, 1993). Table 2 sets out what each government represented the problem to be, what the representation presupposed and what it left unsaid.

Table 2: How the governments represented the problem

Country	Problem represented	Presupposition	Left unsaid
Korea	Uniform “fostering”, to be replaced by raising the “self-reliance” of social enterprises (KoSEA, 19 March 2024, briefing, p. 17)	Withdrawing direct support will make firms self-reliant	How firms would replace wage support; record-low business conditions
Japan	Social issues as “a new market” for impact start-ups, zebra firms and the social sector (Cabinet Secretariat of Japan, 21 June 2024, p. 56)	Investment, certification and intermediaries can make social businesses grow	Ageing and short-staffed non-profit organisations
China	A charitable and non-profit sector to be standardised and guided, and needs of disabled and older people to be met by society (MCA, 5 September 2024, 25 September 2024; NDRC, 17 July 2024)	Party and State direction can mobilise society	Enterprises that trade for social aims
United Kingdom	A relationship with civil society to be reset after a “challenging inheritance” (DCMS, 17 October 2024, launch page; MHCLG, 23 December 2024, closure notice)	Partnership and private social investment can stand in for programme funding	Why a fund for community ownership closed; the small VCSE share of purchasing
United States	Communities “not served by traditional banks and lenders” (CDFI Fund, 11 October 2024, 1 November release)	Mission lenders, tax credits and bank incentives can channel capital to them	Enterprises outside finance and federal contracting
France	Public accounts that call for “a targeted effort”, with work integration experiments that “give results” (National Assembly of France, 1 October 2024, statement of the Prime Minister)	The sector can absorb cuts while work integration is protected	Unstable steering; slow social purchasing by the State
Germany	Common-good-oriented enterprises at a disadvantage in access to funding (Federal Government of Germany, 21 February 2024, p. 38; Federal Government of Germany, 25 September 2024, p. 6)	Equal access to general programmes and an advisory ecosystem will close the gap	No legal form; the cut in the draft budget

Source: IFEEED analysis after Rochefort and Cobb (1993) and Bacchi (2009) of the sources cited.

3.2 THEORETICAL ANALYSIS: THEORETICAL VALIDITY AND RELEVANCE

Institutional theory sets the first test. Stephan et al. (2015) find, across 26 countries, that social entrepreneurship is more likely where government activism is higher – with institutional support rather than in the voids left by the state – a finding at odds with the view that reducing government activism creates demand for it. The policies of 2024 divided on this test. The US funding of community development lenders, Japan’s dormant deposit grants and public lending, China’s and France’s work integration measures and Germany’s opening of start-up loans to non-profit founders are consistent with it; Korea’s abolition of direct support in the name of self-reliance and France’s cut in its budget action for the SSE are in tension with it.

On legal forms, theory counsels caution. Hansmann (1980) argued that the non-distribution constraint makes non-profit organisations trustworthy where buyers and donors cannot judge what they receive, which supports Japan's trust reform and China's charity rules; but Ebrahim et al. (2014) argue that legal forms do only part of the work of preventing mission drift and that governance and accountability must do the rest, which supports Japan's outside directors and the US recertification of CDFIs and warns against the untested enforcement of the British CIC regime and against Germany's choice to leave common-good-oriented enterprises without a form of their own.

On finance and contracts, the evidence is mixed. Investors in impact funds accept lower returns, mainly where they have a mission or face political pressure (Barber et al., 2021), which supports public instruments that draw in private capital on terms it will accept, such as the US tax credits and guarantees, and tempers the British reliance on an investment vehicle still to be designed. A review of the literature on social impact bonds finds limited evidence for their promise (Fraser et al., 2018), which tempers the growth of pay-for-success contracts in Japan but supports payment only on evaluated results, as in the SIPRA awards. In procurement, Erridge (2007) argues that commercial goals tend to crowd out social ones, while showing that a pilot could pursue employment goals alongside them, and the leaders of social enterprises interviewed by Loosemore (2016) identified contract size and tendering burdens as barriers; the British weighting for social value, the US rule keeping price below non-price factors and Germany's bill address the first problem, and few measures of 2024 addressed the second (Table 3).

Table 3: Theoretical validity of the main policies

Theory	Claim	Policies consistent with it	Policies in tension with it
Institutional support (Stephan et al., 2015)	Social entrepreneurship is more likely where government activism is higher	CDFI Fund (United States); dormant grants and public lending (Japan); work integration (China, France)	Abolition of direct support (Korea); cut in the SSE action (France)
Non-distribution and mission (Ebrahim et al., 2014; Hansmann, 1980)	A non-distribution constraint gives trust; legal form without governance does not prevent mission drift	Trust and corporation reform (Japan); charity rules (China); CDFI recertification (United States)	CIC enforcement (United Kingdom); no legal form (Germany)
Resources of social enterprises (Austin et al., 2006; Doherty et al., 2014)	Social enterprises face distinct constraints of money, staff and measurement	Start-up loan and Sustainable Impact programme (Germany); dormant grants (Japan)	End of wage support (Korea); no skills measure (United Kingdom)
Impact investment (Barber et al., 2021)	Some investors accept lower returns for impact, mainly those with a mission or under political pressure	Tax credits and guarantees (United States); impact funds (Germany, Korea)	Social investment relief left closed (United Kingdom)
Outcome-based contracts (Fraser et al., 2018)	Evidence on social impact bonds is limited	Payment on evaluated results (United States)	Growth of pay-for-success contracts ahead of evidence (Japan)
Social procurement (Erridge, 2007; Loosemore, 2016)	Commercial goals crowd out social ones; contract size and tendering exclude social enterprises	Social value weighting (United Kingdom); price below non-price factors (United States); bill (Germany)	No quota (Korea); no social criterion (China); State plan unfinished (France)

Theory	Claim	Policies consistent with it	Policies in tension with it
Work integration (Garrow & Hasenfeld, 2014)	Where market logic dominates, clients become units of labour	Training and placement criteria in AbilityOne (United States)	End of wage support (Korea); funding by post (France)
Target populations (Schneider & Ingram, 1993)	Policy constructs groups as deserving or undeserving	Quotas and start-up loans for disabled people (China); wage floor (United States)	Labour costs of vulnerable workers left to general incentives (Korea)

Source: IFEED assessment of the policies reviewed in Section 2, against the sources named in the first column.

3.3 PRACTICAL ANALYSIS: PERFORMANCE, CONTRIBUTION AND IMPACT

By the end of 2024 much of the year's policy had not yet reached social enterprises (Table 4). The measures in force were mostly awards, programmes and rules on charities and grants; Japan's corporation reform, France's changes to solidarity savings, China's law on rural collectives, Germany's text form and housing rules and the British procurement regulations take effect from 2025, Japan's trust act awaited a Cabinet order, and framework laws, procurement reform and impact funds remained bills, plans or announcements.

Where governments reported performance, they reported outputs: a record 7,230 new CICs in the United Kingdom (Regulator of Community Interest Companies, 19 December 2024, p. 6), 16,514 social business loans in Japan (JFC, 30 May 2024, 30 May release, p. 1), USD 408.2 million awarded to 357 CDFIs (CDFI Fund, 26 September 2024, 26 September release) and 236 social enterprises certified in Korea (MOEL, 1 February 2024, round notices). The figures that cut against the governments' narratives came from their own sources: Korea's business conditions index for social enterprises fell to a record low (KoSEA, 19 March 2024, survey, p. 16), VCSEs were 1 % of suppliers on British central purchasing agreements (CCS, 25 January 2024, section 3c), and France's Court of Audit found that work integration enterprises benefit only weakly from State contracts (Court of Audit, 6 December 2024, p. 14).

Contribution and impact were rarely shown. The CDFI Fund reported that its tax credit awards had historically generated USD 8 of private investment for every USD 1 of federal investment (CDFI Fund, 19 September 2024, release), and France required its experiment in integration through self-employment to be evaluated for its sustainability for public finances (Prime Minister of France, 30 December 2024, Decree 2024-1239, Art. 1); Germany's statement that most of its strategy's measures were implemented or under way counted actions, not results (Federal Government of Germany, 25 September 2024, p. 2). Performance measures serve purposes from control and budgeting to learning and improvement (Behn, 2003), and those of 2024 served mostly to promote, although the measurement of social performance is what most sets social entrepreneurship apart (Austin et al., 2006). Table 5 summarises the assessments of Section 2.

Table 4: Status of the main measures at the end of 2024

Country	In force or launched in 2024	Adopted, in force from 2025	Pending or announced
Korea	Three certification rounds; end of wage support; KoSEA-run centres; rural services act; impact funds	—	Promotion Act amendment (bill); framework bill; SVI link to purchasing (announced)
Japan	Dormant deposit plan; impact investment and pay-for-success guidelines; worker cooperative project	Corporation reform (planned for April 2025)	Trust Act (adopted; start by Cabinet order); trust tax proposals; new corporate form (to be studied)
China	Charity Law measures; donation receipts; disability employment notice; procurement plan	Law on rural collectives	Social assistance law (reserve item); Volunteer Day (to be studied)
United Kingdom	Social Value Model; VCSE action plan; Covenant engagement; Community Ownership Fund closed	Procurement Regulations 2024; reserved contracts	Dormant assets (intended); investment vehicle; Right to Buy; trust tax rules (to be legislated)
United States	Uniform Guidance; AmeriCorps and AbilityOne rules; bank rule (most provisions later); CDFI awards and recertification; SIPPRA awards	—	End of subminimum wages and permanent tax credit (proposed)
France	SSE action cut; 25 % tax reduction; heritage criterion; hub grants; adapted enterprise schemes; 15 territories; higher aid per post	Solidarity savings changes; Decree 2024-1204; self-employment experiment	2025 bill cuts (not adopted); listing decree (awaited); State purchasing plan (in drafting)
Germany	ERP start-up loan for non-profits; Sustainable Impact; Impact Challenge grants	Text form for cooperatives; housing non-profit purpose	Cooperative and procurement bills; draft budget title; impact funds; pilot fund

Source: IFEEED compilation from the sources cited in Section 2.

Table 5: Assessment of the policies by domain and country

Domain	Korea	Japan	China	United Kingdom	United States	France	Germany
Regulation and Law	Mixed	Mixed	Mixed	Mixed	Mixed	Mixed	Mixed
Finance	Poor	Good	Mixed	Mixed	Good	Mixed	Mixed
Culture	Mixed	Mixed	Poor	Mixed	Poor	Poor	Mixed
Support	Poor	Mixed	Mixed	Mixed	Good	Mixed	Good
Human Capital	Poor	Mixed	Good	Poor	Good	Good	Poor
Market	Mixed	Mixed	Mixed	Mixed	Good	Mixed	Mixed

Source: IFEEED assessment of the policies reviewed in Section 2, on the sources cited there. Where a subsection assessed its policies differently, Mixed is shown.

4 POLICY LIMITATIONS

4.1 POLICY DEBATES, CONTESTED POINTS AND ISSUES

The policies of 2024 raised six points of contention (Table 6). The sharpest was whether social enterprises should be supported or made self-reliant: Korea abolished direct support in a shift from “fostering” to “self-reliance” (Section 2.2.1), Germany preferred equal access to general programmes (Section 2.5.7), and the US Congress funded community development lenders.

Table 6: Debates and contested points in the policies of 2024

Issue	What the governments set out	Point at issue
State support or self-reliance	Direct support abolished (Korea); SSE action cut (France); draft-budget cut (Germany); USD 324 million for the CDFI Fund (United States)	Can social enterprises stand on market terms?
Dormant money	GBP 350 million intended (United Kingdom); dormant deposit grants (Japan); legal framework in preparation (Germany)	Additionality; dependence of grantees
Outcome-based contracts	Pay-for-success projects (Japan); SIPRA awards (United States); no new impact contracts (France)	Evidence of outcomes; cost of measurement
Social value in procurement	10 % weighting, new regime delayed (United Kingdom); no quota (Korea); criteria as the rule in a bill (Germany); State plan unfinished (France)	Price against social value; contract size
Legal form and mission	CIC growth without formal investigations (United Kingdom); trusts (Japan); charities and collectives (China); no form (Germany, United States)	Form without enforcement
Wages and work integration	Wage support ended (Korea); end of subminimum wages proposed (United States); aid per post raised (France); quotas (China)	Who pays for disadvantaged workers

Source: IFEEED analysis of the sources cited in Section 2.

4.2 THEORETICAL LIMITATIONS OF THE POLICIES

The first limitation is the treatment of self-reliance as a substitute for support: Korea assumed social enterprises could carry the cost of their social purpose on market terms, against the evidence that social entrepreneurship is more likely where government activism is higher (Stephan et al., 2015) and at the risk of treating workers as units of labour (Garrow & Hasenfeld, 2014).

The second is recognition without instruments, in a field where, Nicholls (2010) argues, dominant discourses legitimate the actors with the most resources. The third is measurement: Korea’s Social Value Index, Japan’s willingness-to-pay yardstick and the British social value weighting measure what sets social entrepreneurship apart (Austin et al., 2006), but select and reward firms or contracts rather than evaluate policies, which needs different measures (Behn, 2003). The fourth is reliance on charitable and cooperative forms, which enterprises that trade for social aims do not fit, although form without governance does not prevent mission drift (Ebrahim et al., 2014). Finally, dormant accounts, outcome contracts and impact funds moved between countries with different traditions of social enterprise (Kerlin, 2010), at the risk of arriving without the intermediaries that made them work (Dolowitz & Marsh, 2000).

5 POLICY IMPLICATIONS

First, support should be sustained. Social entrepreneurship is more likely where government activism is higher (Section 3.2), and the cuts of 2024 – the abolition of direct support in Korea, an in-year cut and a proposed further cut in France and a dedicated title reduced in Germany's draft budget – withdrew or threatened support for organisations that plan over years. Governments should fund social enterprise through multi-year commitments and, where they use dormant money, state its amount and purposes, as the British allocation did.

Second, legal forms should come with enforcement. Korea's framework act, any legal form for Germany's common-good-oriented enterprises and the British CIC regime should specify who checks that assets stay locked and missions are kept, with the powers and resources to investigate, and should be judged by the governance they require rather than by the number of companies they register; Japan's outside directors and the US recertification of CDFIs show two ways to do so.

Third, public purchasing should weigh social value and be open to small suppliers. A minimum weighting for social value, as in British central contracts, a statutory duty or target for buying from social enterprises, as proposed in Korea, and the rule-based criteria of Germany's bill would make purchasing an instrument of social as well as economic policy; States that already have the power to reserve contracts, as France's does, should use it, and smaller lots and lighter tenders would let social enterprises compete.

Fourth, finance should be realistic about returns. Investors accept lower returns for impact only in part; public money should draw them in on terms they will accept, as tax credits, guarantees and co-investment do, rather than assume that a vehicle still to be designed will replace closed funds and reliefs, and outcome-based contracts should expand only with evaluations that show what they add.

Finally, policy should measure outcomes, not outputs. Counts of companies, loans and projects do not show whether social enterprises reached the people and problems for which they were supported. Governments should evaluate their main programmes – Japan's dormant deposit grants, the US awards to community development lenders, France's work integration funding and Germany's Sustainable Impact programme – against what would have happened without them, and publish the results.

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