



STRENGTHENING RURAL SOCIAL ENTERPRISES: KEY POLICY RECOMMENDATIONS

These policy recommendations are based on the findings of the MERSE project, which examined how to strengthen the operating conditions of rural social enterprises across the Interreg NPA area. The recommendations draw on a literature analysis, surveys, and discussions with social entrepreneurs and other stakeholders in five participating regions: Finland, Ireland, Iceland, Norway and Sweden.

Throughout its duration (June 2023–July 2026), the MERSE project has developed better-adapted business models, strengthened support structures and improved enabling conditions for rural social enterprises. It has enhanced transnational learning, created networks that connect social entrepreneurs with support organisations, and generated insights into how rural social enterprises can contribute to sustainable entrepreneurship and community services across the NPA region. The overarching goal has been to expand opportunities for people to live and work throughout the NPA area, supporting vibrant, resilient and inclusive rural communities.

The following recommendations summarise the key policy measures identified through this work.

STRENGTHEN POLICY RECOGNITION AND RURAL-PROOFING

- Introduce rural-proofing to ensure entrepreneurship and third-sector policies systematically assess their impact on rural social enterprises and avoid unintended barriers.
- Define social enterprises clearly by establishing a shared organisational category that recognises inclusive, democratic and community-owned business models and enhance their visibility and recognition at national and regional levels.
- Create a national/regional database to provide reliable data for policy design, monitoring and evaluation of social enterprises.

REDESIGN FUNDING MECHANISMS FOR LONG-TERM DEVELOPMENT

- Establish multi-year grants (3–5 years) to support early-stage and developing social enterprises, enable stable operations and reduce the administrative burden associated with short-term funding cycles.
- Develop blended finance models that combine grants, loans, guarantees and capacity-building support, tailored to rural conditions such as small markets and higher logistical costs, and designed to be accessible for small and emerging actors.

USE PUBLIC PROCUREMENT STRATEGICALLY

- Build procurement competence among public authorities and social enterprises, especially in using social criteria.
- Pilot supportive procurement models in sectors where social enterprises already contribute, such as rural services, work integration, circular economy, local food systems and community care.

ADAPT SUPPORT STRUCTURES

- Create dedicated advisory pathways that understand cooperative, democratic and community-based business models and help social enterprises navigate support systems.
- Support impact measurement through tools and training that help organisations articulate and communicate their social value, strengthening legitimacy and visibility.

POSITION SOCIAL ENTERPRISES AS KEY PARTNERS IN RURAL DEVELOPMENT

- Integrate social enterprises into development programmes in welfare, innovation, labour inclusion and community resilience.
- Establish partnership platforms for structured dialogue, co-creation and long-term collaboration between municipalities and social enterprises.