



*"a network for your social economy vision"*

# **European Action Plan for the Social Economy**

**CEFEC Position Paper**

*April 2021*



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### ***Introduction***

Since 1987, Social Firms Europe CEFEC, is an active and participative network, gathering more than 60 social economy actors from all over Europe, in between umbrella organizations and social enterprises (Social Firms and Cooperatives, WISEs, etc.), following the mission to initiate and promote any development of cooperatives, social firms and social enterprises, as well as any social economy initiative supporting the rehabilitation, training and employment of persons facing mental health problems, disabilities or other factors of vulnerability (migration, NEETs....) and therefore the risk of social exclusion.

After the financial crises of 2008, the COVID pandemic has raised once more the importance to support an approach promoted by Social Economy actors, capable to place the person and the community in the center. Not only in terms of needs, but also in terms of involvement in a process of co-creation, aimed to a more cohesive, responsible and socially just society.

Therefore, SFE CEFEC welcomes the intention of the European Commission, to launch and adopt a ***European Action Plan for the Social Economy***, considered a key element for the economic, social, inclusive and sustainable development in Europe. This plan should be strongly linked to the proposal of *Next Generation EU*, not only as an economic, but also a social and cultural project, placed on the crossroads between culture, social inclusion, science and technology. An ideal springboard which should involve and enhance the role of social economy, especially in the creation of work, innovation and social inclusion.

With the present paper, we will focus on some of the aspects, particular relevant in relation to CEFECs priority: the *creation of work and social inclusion opportunities for persons and local communities facing situations of weakness or vulnerability*, and the important role of Social Enterprises as Cooperatives, Social Firms, WISEs and other different actors of Social Economy in regard.

## Social Enterprise. A strong link to the community

Through their approach “3P: People centered, Participative, Partnership oriented”, Social Enterprises have been contributing to increase the *Wellbeing of the Community* since a lot of years or even decades. Even though, there is still a lack of awareness and acknowledgment of their potential, in the most various contexts, community based as well as representatives up to the highest political instances.

Therefore, we need the transversal political instances, including EU governance bodies, to recognize the importance of Social Enterprises, representing organizational forms of social cohesion, close to the citizens and mostly coming up from grass root experiences.

The study *Social enterprises and their ecosystems in Europe. Comparative synthesis report*, financed by the European Commission (2020), has provided an overview of the Social Enterprise landscape in Europe. This report, as well as our direct experience during more than 30 years of networking with Social Enterprise organizations - also reported in our internal research “*The Linz Appeal*” which updates the member state situations related to SEs every 2 years (<https://socialfirmseurope.eu/social-firms/research/>) – lead to show a quiet diversified landscape of Social Economy and of a Social Enterprise culture in the EU member countries.

Due to the diverse historical development, governance and Welfare systems, the different legal frame and acknowledgement, public and financial support, as well as the unlike definition and declination of Social Economy organizations, they have assumed often different forms.

While **we need** to respect and protect the different history and experience, and to valorize the richness of Social Enterprise baggage all over Europe, we invite the EU Commission to continue in supporting the construction of a transversal language, a common legal and policy framework. Thus, in order to guarantee equal opportunity and access to resources, exchange and funding, based on common and shared values and concretized in practices that reflect the principles and objectives of a more inclusive, cohesive and sustainable society.

The Social economy landscape includes small organizations operating on local scale, as well as Social Enterprises of important dimension and widespread organizations, delivering services and work inclusion models on transnational level. **We need** to create the conditions that allow even smaller and local anchored Social Enterprises to access to the resources and the ones with larger dimension, to maintain their ethical profile.

Social Enterprises are still playing an important role in the processes of “deinstitutionalization” and therefore, in the active involvement of citizens in the process

of mutual assumption of responsibility and creation of concrete solutions to common issues.

**We need** to implement approaches which allow citizens and their different types of organizations - as Social Enterprises - to be co-actors in enhancing community and solidarity actions. These might be also proposals in sectors as e.g. social housing, homecare services, education and work integration.

Specially the current situation of sanitary crises has shown all the limits of a system that bets only on the delegation of all responses to institutions that tend to exclude social contexts and their resources.

Strongly connected to this aspect, is the focus on the link between rural and urban areas. **We need** and have now more than ever the possibility to face the challenge of reinforcing the connection and fluid exchange between rural and urban areas.

The aim should be to promote concrete actions and services, able to strengthen and shape spaces for cultural and creative activities, stimulating at the same time the implementation of further important sectors such as social tourism, sustainable transport, gastronomy and alimentation, digitalization and communication.

All these representing sectors with a great potential for the developing of decent and sustainable work opportunities, inside a *circular and enterprising community*, innovative, inclusive and oriented on local and sustainable development.

### ***Work. A matter of identity and inclusion***

Recent researches focusing on Social Enterprise - as for example reported by Euricse - highlight their important role in terms of employment and work inclusion. Not only they preserve jobs in times of crisis, but they do this in more critical sectors and areas as for example the rural ones. And they do this addressing specific groups of persons, living the risk of social exclusion, both in traditional fields as Mental Health care and Disability, as well as in favor of the “new” groups of people in situation of vulnerability, like migrants and refugees, or the so-called NEETs belonging to young generations.

Social Enterprises contribute with their ability to create inclusive and sustainable work, a main pillar for boosting our sense of belonging and cultural identity, of meaning and bridging between the dimensions of the person and the community.

Social Enterprises prevent loss of jobs, also in health, social care and educational services, safeguarding work quality, by guaranteeing decent conditions and environments, adequate salaries and also a more dignified and respectful treatment.

We could observe in different contexts and countries, specially during the recent pandemic crisis, how the lack of a clear definition of Social Economy and of a coherent ethical/legal framework - related e.g. to participation rules in market dynamics, or the

access to public resources - may conduct to the declining of Welfare Resources, if manly focused on increasing economic profit.

**We need** to exploit the ability of Social Enterprises - as e.g. social cooperatives - to balance between economic, social and sustainable goals. SEs take their strength from adopting a model capable and willing to place cooperation above competition. The recent history, special in former pandemic situations as for example the Ebola pandemic, has demonstrated how forms of cooperation as open research and open access to knowledge, circular cooperation and sharing of practices, offer a better result for all and lead to *WIN WIN situations*.

It's part of the attitude, culture and force of Social Enterprises to act on the base of this values, and transform them in concrete and innovative practices.

### ***Innovation. A natural challenge***

The innovative potential of Social Enterprises, often manifests itself in different situations of crises, driven by the research for new solutions to emerging needs and the capacity to transform them in resources.

This is the case also in regard of some current main and important EU priorities as the prevention of climate change through investing in *green economy* tools and the *challenge of digitalization*.

In particular in the digitalization field, **we need** to boost innovation in an intelligent way. Not by replacing and impoverishing our social communication and exchange, but increasing the competences. The actual symptoms that highlight the new forms of poverty, especially in the educational field, have to stimulate us to promote all strategies useful to “get all on board” or “leave no-one behind” and create equal access and inclusion.

Related to the topic of Green Economy **we need** to support the numerous SEs stepping in this context, both, creating new work opportunities in the fields of recycling/refurbishing/reuse, IT sector, agriculture, healthy alimentation, alternative energies, sustainable transport and tourism etc., as well as transforming their proper management, by increasing awareness and promoting initiatives, as the measuring of carbon footprint.

## *Implement measures to support and increase Social Economy*

To point out what has been observed so far, CEFEC invites the European Commission to include in the different actions proposed to the European Action Plan for the Social Economy, the following measures:

- Recognize through **policies and legislation** the Social Economy organizations, in order to support and promote their full implementation and increase the awareness about Social Enterprises and their potential to support cohesion and develop social and technological innovation
- Support and promote further **research and implement exchange platforms** creating opportunities for a structured and long-term exchange between the Social Economy community, Public Authorities and other relevant stakeholders
- Enhance the **visibility** of emerging experiences and practices and connect them through the creation of a circularity of governance and communication processes
- Strengthen the exchange of best practices and make resources accessible, both, through specific projects as well as through the creation of stable Networks
- Guarantee the **access to financial instruments** decline the funds according the macro-objectives and frames, while leaving free and creative rooms, able to grasp the nuances of diversity and innovative aspects, of specific territories as rural and urban areas
- Promote a mix of funding without going to an excess of fragmentation
- Reserve contracts should not be just an option and eligibility criteria have to be taken in consideration and to be adapted
- Implement programs for vocational **training** – formal and informal learning, including the field of digitization
- training and education opportunities for local authorities and social entrepreneurs on the Social Economy models
- Support a transversal European **observatory** to monitor new transversal social needs and emergencies and build common responses, e.g. regarding the themes of migration, new economic and educational poverty, social consequences of climate change

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