

Short Briefing on the Social Economy Action Plan (SEAP)

2023

Background information

The Social Economy Action Plan, published by the European Commission in December 2021, follows on from the Commission's 2011 [Social Business Initiative](#), and includes many initiatives that aim to support the social economy. "This action plan seeks to enhance social innovation, support the development of the social economy and boost its social and economic transformative power".¹

This briefing outlines the most relevant initiatives for social economy organisations, associations and social enterprises working with people with a disability.

EPR constantly monitors the development of the individual initiatives and keep members updated and engaged. Most of the initiatives are relevant for all sectors.

The social economy in Europe covers about 2.8 million organisations and entities offering more than 13 million paid jobs, which corresponds to 6.3% of the workforce across the EU².

Promoting social economy

The European Commission carries out regular communication activities emphasising the role and specificities of the social economy; improving its recognition and potential.

The social economy perceives to help implementing the principles of **the European Pillar for Social Rights** and deliver on its 2021 Action Plan and the 2030 headline targets.

¹ *Social Economy Action Plan*: <https://ec.europa.eu/social/BlobServlet?docId=24986&langId=en>

What is social economy?

The social economy encompasses a variety of businesses, organisations and different legal entities.

They share the objective of systematically putting people first, producing a positive impact on local communities and pursuing a social cause.

The social economy complements Member States' action in delivering quality social services in a cost-effective manner. It also complements their efforts to integrate young people and disadvantaged groups (e.g., persons with disabilities, older people, long-term unemployed, persons with a migrant, minority racial or ethnic background (particularly Roma), single parents) into the labour market and in society at large.

It includes cooperatives, mutual benefit societies, associations (including charities), foundations, social enterprises.

Key actions

The Social Economy Action Plan aims:

- ✓ to promote access to markets with socially responsible public procurement: social procurement and boosting affordable housing in Europe;
- ✓ to reinforce business support via European Enterprise Network, including social economy actors in the cluster policy and reinforcing their management

² https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu_en



experience through Erasmus for Young Entrepreneurs programme³;

- ✓ *to develop networks and partnerships;*
- ✓ *to boost skills and professionalisation via EU Pact for skills⁴ and skills alliances through Erasmus+ programme.*

With more than **60 actions** outlined in its **Social Economy Action Plan**, the European Commission is dedicated to implementing an ambitious programme aimed at improving the framework conditions for the social economy. A **midterm review** on the implementation of the action plan is scheduled for **2025**.

Council Recommendation on developing the social economy framework conditions

On October 9th, 2023 the Council reached a political agreement on a recommendation on developing framework conditions for the social economy, with a view to promoting social inclusion and access to the labour market.

In the Council's first-ever recommendation on the social economy, member states are recommended to take measures in order to acknowledge and support the role of the social economy in:

- ✓ *easing access to the labour market, especially for vulnerable or underrepresented groups;*
- ✓ *fostering social inclusion, by providing accessible and high-quality social and care services;*
- ✓ *stimulating skills development, including skills needed for the digital and green transitions;*
- ✓ *promoting social innovation and sustainable economic development.*

The Recommendation addresses such areas as: *employment policy, state aid, public procurement, taxation, research, education, skills and training, care and social services, providing financial and non-financial support tailored to all stages of the business lifecycle, and statistics.*

³ https://single-market-economy.ec.europa.eu/smes/supporting-entrepreneurship/erasmus-young-entrepreneurs_en
⁴ https://pact-for-skills.ec.europa.eu/index_en

It also highlights how institutional set-ups and stakeholder engagement can facilitate the work of social economy entities.

How do the recommendations work?

Council Recommendations are generally developed by the Commission, then reworked and approved by the heads of EU member states' governments. They include commitments which are not legally binding.

The Recommendation aims to outline which measures, structures and legal environment are necessary for social economy organisations to operate successfully.

EU Social Economy Gateway

The European Commission has launched this initiative this year.

It aims to bring together information on EU funding, policies, training and initiatives for the social economy all in one place and to provide a clear entry point for social economy stakeholders, other relevant actors and individuals seeking information on relevant EU funding, policies and initiatives.

Guidance on EU funding opportunities are also provided via the *InvestEU Advisory Hub⁵*, the Enterprise Europe Network **and the EU Social Services Helpdesk⁶**. This is a two-year project, started in May 2022, in which EPR is a partner, aims to co-develop the materials and activities on EU funding opportunities.

Youth Entrepreneurship Policy Academy (YEPA)

In 2022 under The European Commission in cooperation with OECD has launched a policy-learning network of 150 participants, including policymakers, youth entrepreneurship networks and organisations, social entrepreneurship networks, programme managers and

⁵ https://investeu.europa.eu/investeu-programme/investeu-advisory-hub_en

⁶ <https://www.epr.eu/accessing-eu-funds-your-guide-to-success-with-the-helpdesk-project/>



researchers aiming at strengthening youth entrepreneurship policies and programmes by raising knowledge about the barriers faced by young people in entrepreneurship and facilitating their exchanges with policy makers. YEPA is one of the 10 key actions in the social economy action plan with an objective to raise awareness for social entrepreneurship in the broader context of fostering youth entrepreneurship where online capacity building events are organised on a constant basis.

Transition Pathways

In November 2022 the European Commission has launched its transition pathway for the proximity and social economy ecosystem. The Pathway contains a series of actions in 14 different areas with the aim to make the social economy ecosystem more resilient in the context of green and digital transitions. It puts forward a set of measures and identifies the relevant actors and the timeframe for such actions to be implemented.

Within the initiative the European Commission is planning to launch a transition pathway platform the call for tender for which was opened in November 2023 (**"Transition pathway stakeholder support platform: implementation for the 'proximity and social economy' ecosystem"**).

What are the social enterprises?

Social enterprises are understood as part of the social economy. *They operate by providing goods and services for the market in an entrepreneurial and often innovative fashion, having social and/or environmental objectives as the reason for their commercial activity. Profits are mainly reinvested with a view to achieving their societal objective. Their method of organisation and ownership also follow democratic or participatory principles or focus on social progress. Social enterprises adopt a variety of legal forms depending on the national context.*

What is understood by work integration of social enterprises?

Work integration social enterprises (WISE) are a common type of social enterprise across Europe. They specialise in providing work opportunities for disadvantaged people, in particular persons with disabilities.

Proposal for a legislative initiative on cross-border activities of associations

In September 2023 the European Commission has adopted a proposal on facilitating cross-border activities of non-profit associations that operate or wish to operate in more than one EU Member States. The proposal promotes the role non-profit associations play in generating economic and societal values in the European Union and allows a level playing field between them.

The European Commission's proposal introduces an additional legal form of a **European cross-border association (ECBA)** in Member States' national legal systems, which is specifically designed for cross-border purposes and will reduce legal and administrative burden when it comes to the recognition and establishment of non-profit associations engaging in activities in another Member State. Once established in one Member State, an ECBA will be recognised automatically and will be able to engage in activities in all Member States, including economic activities.

The new rules described in the proposal will:

- ✓ *Establish in each Member State a new legal form of non-profit associations specifically designed for cross-border purposes (the ECBA), next to existing national legal forms;*
- ✓ *Allow automatic recognition of this new legal form across the Union once an ECBA is registered in one Member State, thanks to the 'ECBA certificate';*
- ✓ *Provide for harmonised rules on transfer of registered office, thus allowing non-profit associations to reap the full benefit of the freedom of establishment and the freedom to provide services, goods, and capital in the EU;*
- ✓ *Ensure the ECBA fully enjoys the benefits of the Internal Market regardless of the Member State of registration by having free and non-discriminatory access to*



*public funding in each Member State it operates.*⁷

Along with the proposal for a Directive the European Commission also adopted [Regulation of technical nature amending the Internal Market Information System \(IMI\) and the Single Digital Gateway \(SDG\)](#) Regulations that allow cooperation and exchange of information among competent authorities through the IMI system and to conduct digital operations through the SDG allowing access to information about ECBAAs available online.

Upskilling

For the period of 2021-2027, the European Commission is going to increase its budget to fund business development support and reskill and upskill staff in social economy organisations. As from 2022 various hubs for networking, knowledge, guidance and resources were launched to support the signatories of the Pact for Skills aiming at offering upskilling and reskilling opportunities. For instance, the Pact members can benefit from the following services:

- ✓ **The Networking Hub** where members can find partners and relevant EU tools (like Europass, Skills Panorama, EURES and the European Network of Public Employment Services);
- ✓ **The Knowledge Hub** that aims to organise webinars, seminars and peer learning activities for members. It also provides updates on EU policies and instruments, as well as information on projects, tools, and best practices;
- ✓ **The Guidance Hub** where members can find information about EU and national funding opportunities, and guidance to partnering with national and regional authorities⁸.

Code of Conduct for data management and data sharing in the social economy

As a part of the actions announced in the **Social Economy Action Plan**, the European Commission is developing a “Code of Conduct

for data management and data sharing in the social economy”. The first step in its development is a call for expression of interest in the development of the Code of Conduct (CoC-SE) which is open until 5th of January 2024 and aims to mobilise private and public actors to engage in this process.

GECES Expert group

The European Commission is advised by the [expert group on social economy and social enterprises \(GECES\)](#) that raises awareness at the national level of EU actions and promotes exchanges of best practices between Member States on the topic of social economy.

For more information

Please feel free to consult the *documents issued by the European Commission, including the main Communication “Building an economy that works for people: an action plan for the social economy” on the European Commission’s website [here](#).*



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⁷https://ec.europa.eu/commission/presscorner/detail/en/IP_23_4242

⁸ https://pact-for-skills.ec.europa.eu/index_en

