

Short Briefing on the Social Economy Action Plan

May 2022

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 will monitor the development of the individual initiatives and keep members updated and engaged.

Most initiatives are relevant for all sectors of the social economy, but some for one or a few sectors. The Commission will assist national governments to develop strategies and measures for the social economy and support social economy coordinators in the governments to lead their strategies to implement and follow-up the action plan, *to facilitate access to EU and national funding and to liaise with authorities managing structural funds.*

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 EU.

Promoting the social economy

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

How is the social economy described or defined?

The social economy covers entities sharing the following main common principles and features: the primacy of people as well as social and/or environmental purpose over profit, the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users ("collective interest") or society at large ("general interest") and democratic and/or participatory governance.

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.

¹ Text in italics has been taken from the main Social Economy Action Plan document



Council Recommendation on developing the social economy framework conditions

The European Commission will publish a “Recommendation” on developing social economy framework conditions in 2023. Council Recommendations are 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 will aim to outline what measures, structures and legal environment will enable social economy organisations to flourish.

It will address areas *such 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.*

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

EU Social Economy Gateway

The Commission will launch this initiative in 2023, which aims to bring together information on EU funding, policies, training and initiatives for the social economy all in one place. It will facilitate access to capacity building initiatives.

Guidance on EU funding opportunities will also be provided via the InvestEU Advisory Hub, the Enterprise Europe Network **and the EU Social Services Helpdesk**. This is a two-year project, starting in May 2022, in which EPR is a partner, co-developing the materials and activities.

Youth Entrepreneurship Policy Academy

In 2022 under the ESF+ The Commission will launch an academy to foster youth entrepreneurship, working with national policy makers and youth entrepreneurship networks.

Data gathering & analysis

The Commission will launch a study to collect qualitative and quantitative data to better understand the social economy across the EU.

There will also be a study *on national social economy labels/ certification schemes; mapping those existing in Member States, identifying good practices and common features and criteria.*

What are 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 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.*

Social Innovation

A new European Competence Centre for Social Innovation will as of 2022 organise mutual learning and capacity building activities for authorities and support structures. A new grant scheme facilitating the transfer and/ or scaling up of social innovation will be set up.

A European Social Innovation Catalyst Fund will engage different stakeholders to support replication and upscaling of social innovations.



The Green and Digital Transitions

Support actions will include:

- *A transition pathway for the “Proximity and social economy” industrial ecosystem for both the digital and green transitions to strengthen and make the social economy ecosystem more resilient, launched in 2022*
- *Support[ing] transnational cooperation to boost the capacity of the social economy to adopt and develop greener practices, products and services, and to improve their digital capacities*
- *Issue guidance on how to support uptake and partnerships for the circular economy between social enterprises and other actors, including mainstream businesses*

They should help to promote solutions which are fair and *inclusive, address those most impacted by, or those with more difficulties to adapt to the green and digital transition.*

Upskilling

For 2021-2027, the Commission will increase its budget to fund business development support and retrain and upskill staff in social economy organisations. It will support the creation of a skills partnership *for the Proximity and Social Economy industrial ecosystem.*

From 2022, hubs for networking, knowledge, guidance and resources will be launched to support the signatories of the Pact to offer upskilling and reskilling opportunities.

Guidance for taxation & state aid

The Commission will publish guidance on the taxation frameworks that work best to support social economy organisations and facilitate easier access to guidance on State aid.

The guidance will draw from input provided by Member States’ authorities and social economy stakeholders. The Commission will consider whether evidence justifies lightening the rules relating to aid for social enterprises’ access to finance and aid for hiring disadvantaged or severely disadvantaged workers (which includes people with a disability).

Socially responsible public procurement (SRPP)

The Commission aims to highlight the benefits and *ways of using (socially responsible) public procurement and concession procedures to achieve labour and social policy objectives, better working conditions, and deliver high quality social services.*

The Commission will issue a report aiming to enhance the use of SRPP in the EU and organise workshops in different countries. It will launch an initiative in 2022 *supporting the creation of local and regional partnerships between social economy entities and mainstream businesses, enabling a ‘buy social’ business to business market.*

Social Services Europe has issued a [statement](#) on the EC Guide “Buying Social” (26 May 2022).

Financial products & funding

The Commission will launch new financial products in 2022 under the InvestEU programme and improve access to funding. They will support social enterprises at different stages of development; including *guarantees to enable access to credit for social enterprises and microenterprises, equity and quasi-equity investments in social enterprises and impact-driven enterprises, as well as capital investments in financial intermediaries.*

Social impact measurement and management

The Commission will support its development by mapping and reviewing existing practices and running training sessions for social economy stakeholders.

The Commission will work with stakeholders to develop methodologies, measurements, and indicators for assessing social impact in 2023.



Training for public officials

The Commission will organise training courses for public officials on various topics with relevance for the social economy from 2022 onwards. Topics to be addressed would include *State aid, taxation, social investment, business transfers to employees, labels and certification systems, social impact measurement.*

! The detailed Staff Working Document mentions the EPR Innovation Prize (Annex 3, p. 51) as an example of a social economy award, with a link to the epr website!

For more information

Consult the *documents from the 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](#).*



Check out Social Services Europe’s activities on the Action Plan, with a focus on not-for-profit social services. EPR is a member of Social Services Europe and contributed to its work on the topic.

SSE issued a [statement](#) with an assessment of the Action Plan, sent a [letter](#) to the national ministers responsible for social economy and elaborated many [proposals](#) for its implementation in a partnership approach.



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