

Co-designing the Action Plan for the Social Economy

For an economy that works
for people and the planet





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Summary of the seven priority areas for EU intervention:

- 1. A common understanding of the social economy in the EU**
- 2. Improve the visibility of the Social Economy and its socio-economic contribution**
- 3. Improve access to finance and EU funding for social economy enterprises and organisations**
- 4. Boost access to markets for the Social Economy in the Single Market**
- 5. Promote the social economy at global level as a driver for the implementation of the SDGs**
- 6. Towards the participation of social economy employers in the EU inter-sectorial social dialogue**
- 7. Coordination, implementation, and follow-up of the Action Plan for the Social Economy**

I. The way to the Action Plan for the Social Economy, for an economy that works for people and the planet

According to the European Commission Work Programme 2021¹ the European Commission will propose an Action Plan for the Social Economy in the fourth quarter of 2021 “to enhance social investment, support social economy actors and social enterprises to start-up, scale-up, innovate and create jobs”. The Action Plan for the Social Economy is a central part of the Commission’s **Fair Economy Package**, that aims at implementing the policy objective for 2019-2024 “**An Economy that works for people**”.

Social Economy Europe has been consistently calling for the adoption of a European Action for the Social Economy since the 2014 European elections²: *Social Economy Europe proposes to work together with the EU institutions in defining a European Action Plan for the development of the social economy sector, to promote social economy and social economy enterprises and to streamline EU policies to provide clarity for the social economy sector. Such an Action Plan enables social economy actors to actively participate in the definition of EU policies with an impact on job creation, entrepreneurship, social cohesion, territorial development, social inclusion and business development.*

In 2018, SEE presented its policy paper³ including a proposal for a public policy structured in seven pillars, 20 policy measures and 64 actions.

This policy paper aims at updating SEE proposals to today’s context and to serve a contribution to the elaboration of the Action Plan for the Social Economy by the European Commission. With this paper SEE proposes a diversity of EU actions to further promote the development of social economy enterprises and organisations, and social economy entrepreneurship as a driver of sustainable development, creation of quality jobs, social and territorial cohesion, inclusion, innovation and green transition; across the EU and beyond (with special attention to the EU neighbourhood, external action, international partnerships and trade).

Following the example of the **European Disability Strategy**, that has a time frame of ten years, and of various Member-State and regional-level social economy strategies, such as the **Spanish Social Economy Strategy 2017-2020**⁴, that will be very soon renewed for the period 2021-2027, or **Quebec’s Government Social Economy Action Plan 2020-2025**⁵; Social Economy Europe proposes to establish **a time frame of six years 2021-2027** to implement the actions contained in the Action Plan for the Social Economy. A medium/long term strategy is necessary to set up a consistent and ambitious European policy for the social economy. After this six year period, the implementation of the Action Plan should be assessed, and a new European Action Plan for the Social Economy should be elaborated, based on the results achieved by the precedent one. An annual evaluation of the implementation of the Action Plan is also proposed later in this paper.

1. https://eur-lex.europa.eu/resource.html?uri=cellar%3A91ce5c0f-12b6-11eb-9a54-01aa75ed71a1.0001.02/DOC_1&format=PDF

2. https://www.socialeconomy.eu.org/wp-content/uploads/2020/02/SEE-memorandum-2014-elections_en.pdf

3. The future of EU policies for the social economy: Towards a European Action Plan

4. https://base.socioeco.org/docs/estrategia_espanola_de_la_economia_social_2017-2020.pdf

5. https://cdn-contenu.quebec.ca/cdn-contenu/adm/min/economie/publications-adm/plans-action/PL_plan_action_economie_sociale_MEI_2020-2025.pdf?1606485225

The SEE proposal to co-design the Action Plan for the Social Economy aims at achieving the following strategic objectives:



Objective 1

Mobilise social economy's potential for a successful implementation of the EU's socio-economic and recovery policies:

Social economy enterprises and organisations are a leverage for the economic and social recovery of Europe and an essential part of Europe's safety net in times of crisis⁶. At the same time, they operate in all economic sectors and represent an important part of the European socio-economic landscape (more than 10% of all EU business), demonstrating that the diversity of enterprise models enhances the competitiveness of our economies. Therefore, the social economy should be taken into account by EU Institutions, Member States and all public authorities in the design of their socio-economic policies, in particular those aiming at the social and economic reconstruction in line with the 2030 Agenda.



Objective 2

Promote the convergence and coordination of the different public authorities involved in the promotion of the social economy by defining strategic objectives, key targets, and benchmarks at EU level:

Public authorities at local, regional, national and EU level are directly involved in the regulation and promotion of the social economy. Therefore, it would be important to set-up a European policy framework for the social economy with key targets to reach to enhance the coherence, complementarity and coordination of the different policies and regulations, remaining respectful of the principle of subsidiarity.



Objective 3

Foster a conducive ecosystem for the growth of the social economy in Europe, improving its contribution to key EU objectives and allowing social economy enterprises to take full advantage of the Single Market, EU funds and financial instruments:

The social economy is one of the drivers of European integration, offering innovative solutions to address evolving socio-economic challenges. The EU institutions should initiate appropriate actions to foster the development of the social economy and to unlock all its potential for a smart, sustainable and inclusive growth at the service of people.

The policy paper contains **7 priorities** for EU intervention and **51 concrete actions**.

6. Hearing of the Social Economy Intergroup. 2nd June 2020 <https://www.socialeconomy.eu.org/wp-content/uploads/2020/06/02.06-Report-of-the-SEIG-hearing-1.pdf>

II. Proposals to co-design a successful European Action Plan for the Social Economy

1. A common understanding of the social economy in the EU

As pointed out in SEE's policy paper *The Future of EU policies for the Social Economy: towards a European Action Plan*⁷ (2018), as well as in the *Study on the Impact of the European Commission's Social Business Initiative (SBI) and its Follow-up Actions* (2021), to set up consistent EU policies and support instruments, the **EU needs a common understanding of the social economy**. This exercise, which has been successfully done by the Member States that have framework laws on the social economy (as France, Portugal or Spain), does not hinder the diversity of legal forms and traditions of the European social economy. To do so, SEE proposes to:

1.1. Include a clear and inclusive definition of the social economy in the Action Plan

SEE proposes the following definition to be included in the Action Plan communication:

The social economy refers to a diversity of enterprises and organisational models such as cooperatives, mutuals, associations, foundations, social enterprises, charities and other legal forms regulated at Member State level. This universe of organisations shares common principles and features that generate a common and unique identity as:

- **Primacy of people and of the social objective over capital**
- **Democratic and participative governance**⁸
- **Voluntary and open membership**
- **The combination of the interest of members/user and/ society (general interest)**
- **The promotion and application of the principles of solidarity and responsibility**
- **Autonomous management and independence from public authorities**
- **Reinvestment of most of the profits/surpluses to carry out sustainable development objectives, services of interest to members and of general interest**

Beyond these values and features, the social economy is also characterized by a strong anchorage in the local communities where these enterprises and organisations operate. As stressed by 1989 Commission communication **Business in the Social Economy sector: Europe's frontier free market**⁹: *Such enterprises belong to the social economy sector because of their purposes and the way they organise and manage their productive activity. It has nothing to do with the nature of the economic goods and services produced.* This EC definition makes clear that social economy enterprises and organisations are not defined by their sector of activity but based on the implementation of the above-mentioned principles and characteristics.

7. <https://www.socialeconomy.eu.org/wp-content/uploads/2020/02/SEE-Action-Plan-for-Social-Economy.pdf>

8. Does not concern foundations as they have no members

9. https://www.socialeconomy.eu.org/wp-content/uploads/2021/01/EC-Communication-1989_-Business-in-the-economie-sociale-sector-Europe-frontier-free-market.pdf

1.2. Elaborate an EU recommendation on the definition of social economy enterprises

This SEE proposal is in line with the 2016 GECES report¹⁰ and it can be elaborated following the same rationale behind the introduction of recommendation 2003/361 concerning the definition of SME.

The recommendation for the social economy would:

- Include a clear and inclusive definition of the social economy to be applied by all EU Institutions and proposes to Member States, in line with the proposed definition in § 1.1. of this policy paper.
- Provide guidelines to support Member States in establishing a dedicated national framework to develop social economy enterprises and to identify and support the enterprises and organisations that make up social economy in each country. In this way, the situation and rich socio-economic diversity of each Member State will be taken into consideration.
- The recommendation will also serve to promote the mutual recognition between Member States of their respective social economy legal forms, making it easier for these legal forms to operate trans-nationally in the Single Market.
- Promote the diversity social economy legal forms which are complementary, have different purposes and allow to reach a diversity of policy objectives. A diversity of legal forms is positive for the well-functioning of the market and society in general.

We remind that a recommendation is a soft law instrument whose transposition into national law is not compulsory.

1.3. Elaborate a European Commission report on social economy legal-frameworks and social economy legal forms

In line with precedent proposal on elaboration of a Recommendation on social economy, this publication will favour an approach to the social economy as an ecosystem composed by a diversity of legal forms, of which each has a specific added value, including social economy financial institutions and support centres. It will also raise awareness on successful legal and policy frameworks from the EU and possibly from the global level (for example Canada, and the province of Quebec in particular, has a vibrant social economy with presence in all the economic sectors including the technology industry; supported by robust public policies).

This initiative should be part of a permanent cooperation between the European Commission and Member States regarding the promotion of legal frameworks and national strategies for social economy. The coordination among different administration levels (European, national, regional/local) is key to increase the contribution of social economy to sustainable and inclusive development.

Following the example of the European **Buying for Social Impact** project, a series of national conferences should be organised, particularly in the Member States which are currently preparing or have recently introduced a social economy regulation or policy, and which have a less developed social economy ecosystem. Both the guide and the national conferences should be based on a holistic approach: legal frameworks, diversity of legal forms, EU funding/financing and exchange opportunities, and policies to support the development of a social economy ecosystem, including financial partners and social economy representatives and support organisations.

Furthermore, in line with the study on the Impact of the European Commission's Social Business Initiative (SBI) and its follow-up actions, the Commission can *"provide technical support to EU Member States both for the improvement of the regulatory context as well as for building capacity among the relevant stakeholders through the Structural Reform Support Programme (SRSP), or the future Technical Support Instrument (TSI)"*.

10. Social enterprises and the social economy going forward A call for action from the Commission Expert Group on Social Entrepreneurship (GECES)

2. Improve the visibility of the Social Economy and its socio-economic contribution



To unlock the full potential of the social economy, it is fundamental to improve the visibility of the social economy's business models, their defining values and their economic, social and environmental impact, with European society and public authorities. Therefore, SEE proposes to:

2.1. Provide -through Eurostat- support to Member States to develop social economy satellite accounts

To do so, an EU manual on social economy satellite accounts should be elaborated by Eurostat. Successful experiences as the Portuguese Social Economy Satellite Accounts¹¹ should be considered.

2.2. Produce EU aggregated Social Economy Satellite Accounts

In line with other similar experiences such as the *Tourism satellite accounts in Europe*.

2.3. Develop and implement methodologies to value the socio-economic impact of social economy enterprises and organisations



Set up a working group with social economy representative organisations at GECES-level to systematize and improve the visibility of the tools to assess, value and quantify social economy enterprises and organisations contribution to the pursuit of well-being and other EU/national objectives; such as gender equality, inclusion -with a particular focus on offering opportunities for vulnerable people such as people with disabilities, long-term unemployed, NEETs¹², third country nationals¹³-, fight against poverty and inequalities, territorial cohesion, green transition etc.



Study with EUROSTAT the elaboration -in the framework of its actions to monitor progress in an EU context towards the implementation of the SDGs- of an assessment of social economy's contribution to SDG 8 "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". In particular, it will be important to study social economy enterprises and organisations contribution to goal 8.5 "achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value"¹⁴.



Support the preparation of a report/study on the contribution of social economy enterprises to Europe's socio-economic development, with a specific focus on social and territorial cohesion.

2.4. Create an EU online platform to offer tailored support for social economy enterprises, public authorities and support organisations to access EU opportunities¹⁵

- Guidelines and capacity building to access InvestEU investments.
- Access to EU funding under the Single Market Programme, Horizon Europe, European Structural and Investments Funds and Erasmus Plus.
- European Social Economy Regions, European Social Economy Missions and Better Entrepreneurship Policy Tool.
- Opportunities for social economy enterprises arising from trans-national public procurement and free-trade agreements such as CETA.
- Any relevant publication or study.
- Serve as a platform for the exchange of experiences and good practices between social economy enterprises, public authorities, researchers etc.
- Other EU opportunities linked to the Pact for Skills and specific programmes to support digitalisation, the creation of clusters, or circular economy and efficiency practices.

11. https://cases.pt/wp-content/uploads/2019/07/19ContaSatEconSocial_2016ENG.pdf

12. Persons not in Education, Employment, Training

13. Non exhaustive list

14. United Nations, Resolution adopted by the General Assembly, Transforming our world: the 2030 Agenda for Sustainable Development, 2015, p.19, http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E



EU-level Social Economy organisations, the GECES¹⁶ and the Monitoring Committee of Luxembourg Declaration should be involved in the management of this platform, that will build on the experience of the Social Economy Community website¹⁷. This online platform should be linked to the Europe Enterprise Network and the InvestEU Advisory Hub.

2.5. Appoint on a yearly basis a European Social Economy and Social Innovation Capital

Inspired by the practice of the Monitoring Committee of Luxembourg Declaration since 2017 and guided by the values of the social economy the selection process should be participative and involve EU-social economy organisations, the Committee of the Regions, the EESC and the European Parliament.

2.6. Strengthen the support to local partnerships between social economy and local and regional authorities to develop conducive social economy ecosystems

Local and regional partnerships between social economy and public authorities are an instrument in order to improve the capacity of both to respond to societal challenges. Such partnerships should be supported through the creation of a European programme of technical assistance helping them to take the most from EU financial opportunities, and to improve the capacity to use EU instruments such as those developed with regard to public procurement. Such technical assistance should build on the experience of EU intermediary organisations of public authorities and of social economy.

2.7. Organise annual EU-level policy forums for Member State policymakers, with the objective of exchanging knowledge and best practices amongst governments

2.8. Promote the further use of Erasmus + opportunities, including Erasmus for young entrepreneurs, to promote social economy entrepreneurship among young people

2.9. Under the Pact for Skills and the ESF Plus, support social economy models as a tool to provide work and training opportunities for unemployed people, especially for the long term unemployed

2.10. Launch a communications campaign on *social economy entrepreneurship*, including funding and finance opportunities and the EU action to unlock its potential

This communication campaign should be carried out in cooperation with EU social economy organisations, MS level ministries in charge of the social economy, the EP's Social Economy Intergroup, the EESC social economy category, the GECES and other relevant stakeholders.

15. The Irish [Access Europe](#) website is a good example of a support service for social economy organisations to access and manage EU funding, through the provision of information, training, helpdesk support, and network building. A database of Irish SE organisations will be established over the next year as a means to broker partnerships and network building across Europe. This could be linked in with the European platform mentioned in the policy document.

16. Commission Expert Group on Social Economy and Social enterprises.

17. <https://webgate.ec.europa.eu/fpfis/wikis/display/SEC/Social+Economy+Community>

3. Improve access to finance and EU funding for social economy enterprises and organisations

In line with the analyses provided by the *Opinion of the French High Committee for Social and Solidarity Economy on the European Action Plan for Social Economy*:



“Depending on their size, their innovative feature, their democratic governance and specificities stemming from their status and social objectives, social economy enterprises have distinctive financing models. This financing method, called hybrid, implies that social economy enterprises’ resources come from a variety of sources: products of their business activity, public procurement, public or private grants, donations, contributions, etc. Social economy enterprises are not listed companies and thus do not have access to the stock market. Furthermore, private investors are often reluctant to invest in them because of their higher risk profile and lower profitability. Finally, social economy enterprises aim to achieve their social objective in the long term and consequently need patient capital. For all these reasons, and depending on their stage of development, social economy enterprises have difficulty in finding financing suited to their peculiarities, and hence in financing their activities. Their development is thus significantly slowed down. Legal recognition as well as the adaptation of specific texts would allow them to improve their access to finance”.

Therefore, EU action to support access to finance for social economy enterprises is well justified. SEE proposes to:

3.1. Mobilise the InvestEU to invest in strategic social economy projects

InvestEU’s Social Investment and Skills policy window comprises *social economy, microfinance, social enterprise finance, measures to promote gender equality, skills, education, training and related services, social infrastructure (...), social innovation, health and long-term care, inclusion and accessibility, cultural and creative activities with a social goal, and the integration of vulnerable people, including third country nationals.*

In short, the InvestEU Social Investment and Skills policy window aims at supporting access to finance for social economy enterprises and organisation, micro-entrepreneurs, as well as for many of the areas in which social economy has a strong presence and added value.

Furthermore, **social economy enterprises can also access to investment under the other policy windows if their project is adapted to its objectives**, which are:

Sustainable infrastructure	Research, innovation and digitalisation	SMEs
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It is important to ensure that social economy enterprises are aware of these opportunities and can make the most out of it.

- The InvestEU Advisory Hub and the InvestEU portal should provide specific and tailored support to social economy entrepreneurs aiming at financing their projects. As stated before, they should be linked to the social economy single gateway.**
- As an additional tool, also **national advisory hubs could be established to complement EU funding with national funding**, and promote partnerships among impact investors, foundations, ethical finance institutions, regional financiers, etc.
- In order to ensure a good knowledge of the sectors covered by the policy windows, including social economy, experts in social economy finance should be appointed as members of the InvestEU Investment Committee.**

3.2. Support social economy financial actors through capacity building, training, visibility, and awareness-raising activities

This promotion should be done via dedicated funding lines and grants, in addition to the ones linked to the financial instruments mentioned above. Such funding should be dedicated to the following areas:

Promotion of knowledge exchange among social economy finance projects and solidarity finance tools available in different EU countries, with a particular focus on the less mature markets in terms of social economy and social finance development. This should also contribute to the internationalisation of social economy organisations, removing existing barriers, to boost the development of the sector in less developed markets.

Mobilisation of citizens' support (mobilisation of solidarity savings, crowd-equity instruments etc).

Developing participatory finance tools that complement ethical finance products.

3.3. In the framework of Recovery and Resilience Facility, invite Member States, through the European Semester and the assessment of Recovery and Resilience Plans, to invest in social economy projects

Furthermore, in the design of public-private partnership or the selection of projects to be funded under the RRF and the National Recovery and Resilience Plans, transparent public-procurement procedures and principles should be applied, including social and environmental considerations, and boosting the diversity of business models that are part of partnerships (taking into account their size and legal form). The EC should be vigilant in assessing that social economy enterprises and the wider SMEs community are part of the recovery effort.

Create specific instruments to ensure that social economy enterprises and organisations can access the European Recovery Plan on equal footing with other forms of enterprises.

3.4. Building on the successful support programmes -JASMINE, PROGRESS, and EaSI- increase the financial support for social economy enterprises and microfinance, both in terms of financial instruments and measures to improve the market environment

3.5. Further support EU social economy networks

The efforts made under the EaSI programme and its micro-finance and social entrepreneurship axis should be maintained and strengthened. **Further support to EU social economy networks will be needed to ensure their capacity to operate as an ally of the Commission** in the framework of InvestEU, the Multiannual Financial Framework, the Next Generation EU and the implementation of the Action Plan, more broadly.

3.6. In the framework of the next MFF, create an EU Fund to support social economy entrepreneurs

3.7. More flexible and innovative EU financial instruments to support social economy entrepreneurs

Further **flexibility** should be introduced regarding the guarantee instruments for social economy organisations, to face and overcome the crisis due to the pandemic - the effect of the COVID-19 related economic crisis should be taken in consideration with regard to eligibility criteria; in addition to this, it should be possible for social economy organisations to **combine the access to guaranteed instruments with subsidies and grants at national and European level**, in a complementary way.

Financial support should be available at the enterprise/organisation level as opposed to solely on a project-basis, allowing much needed operational support.

Long term debt solutions should be promoted to allow structural growth of social economy organisations.

For social finance intermediaries, social economy finance should be further promoted as a means to boost the development of Social Economy in Europe, given their well-demonstrated multiplying effect. These organisations have proven their effectiveness in supporting social economy entrepreneurs through their capacity to bring together various stakeholders and their comprehensive knowledge of the social economy. In this context it is essential to promote the growth of microfinance and ethical finance as a tool for the development of the social economy in Europe. Social finance, with the right instruments behind it, can have a huge impact in addressing the worse effects of the crisis and boost the growth of a strong social economy sector that can help us achieve a fair

Funding instruments for social economy finance organisations should be offered at **competitive prices**.

Funding should be available for both the non-financial and financial support for social economy organisations, in particular by proposing a complementary mix between subsidy and investment (for example public and philanthropic funding for non-financial support teamed with social finance for investment). Non-financial support and capacity building should be available for smaller organisations in particular.

Access to equity will be fundamental in the years to come for social economy organisations, and related financing solutions should take into consideration the variety of organisations, including cooperatives. The use of an EU **guarantee to cover equity operations** would contribute to the development of participatory financial solutions to support social economy enterprises and their scale-up. This mechanism could allow the mobilisation of citizens savings and directing them towards the social economy sector (for example via crowd-equity instruments and social bonds, in partnership with social economy finance organisations).

Support the capitalisation of recognised social finance organisations to trigger a multiply effect benefiting social economy organisations.

The “Social economy enterprise” and “social enterprise” definition adopted by the EIB Group as eligibility criteria to access the EU financial instruments dedicated to the social economy sector should reflect the broad spectrum of organisations, and not be limited to smaller organisations (see for example criteria related to total balance sheets or turnover) and should take in consideration the specific business model of cooperatives (redistributing benefits to their members should not be considered as distributing profits).

3.8. A social taxonomy is urgently needed alongside with the green taxonomy

Clear criteria to define “green” and “social” are needed within this framework. Having a strict and explicit definition of what falls within the definition of “sustainable finance” would then allow to avoid green and social washing practices.

3.9. Set-up a “social supporting factor” to boost the financing of reliable social economy projects.

3.10. The General Block Exemption Regulation should be modified to better take stock of the specific needs of the social economy

Small, medium, and micro social economy enterprises, especially those of *social utility*¹⁸, should have a different treatment than conventional SMEs as they face additional obstacles. A greater support should be given for the employment and training of vulnerable people such as long-term unemployed, over 50s, NEETs and people with disabilities which often find work opportunities in social economy enterprises.

3.11. Overcoming barriers to cross-border foundations via a code of conduct

While the European Court of Justice (ECJ) recognised the application of the free movement of capital to philanthropic funds along with ensuring that the **principle of non-discrimination** applies to donors and foundations/public benefit organisations in the EU, this does not yet work in practice and we call on EU and national policy makers to improve the situation. It is important to ease tax effective cross-border donations from individual and corporate donors to public benefit organizations including social economy actors and ease their tax effective asset allocation/investment of the endowment into social economy enterprises and organisations. We call on the EU to provide guidance to Member States how to implement the non-discrimination principle to grant mutual recognition to foreign EU based public benefit organisations and their donors in the form of a code of conduct.

3.12. Develop EU and national measures to stimulate more foundation engagement on the impact investing into social business on the programme side and more mission related investments

Some national laws require a preservation of the value of the endowment – and mission related investment or investment in social enterprises do not always generate the required returns (or are considered too risky investments) – and some national laws do not permit the giving of loans by public benefit organisations or any other programme activity that generates income on the programme side. We call on the **EU and national measures to ease/stimulate more foundation engagement on the impact investing into social economy on the programme side and more mission related investments** could be considered.

18. According to the French Law on Social and Solidarity Economy (2014-856): *Social Undertakings shall be regarded as pursuing a social utility within the meaning of this law if their corporate purpose primarily meets at least one of the following four conditions:*

- 1- *Their objective is to provide, through their activity, support to people in a situation of fragility either because of their economic or social situation, or because of their personal situation and particularly their needs in terms of social, medico-social or health support, or to contribute to the fight against their exclusion. These persons may be employees, users, clients, members or beneficiaries of the enterprise;*
- 2- *They are intended to contribute to the preservation and development of social ties or to the maintenance and strengthening of territorial cohesion;*
- 3- *They are intended to contribute to citizenship education, in particular through popular education and the implementation of modes of participation involving, in the territories concerned, the beneficiaries of these activities. In this way, they contribute to the reduction of social and cultural inequalities, particularly between women and men;*
- 4- *They aim to contribute to sustainable development, energy transition, cultural promotion or international solidarity, provided that their activity also contributes to producing an impact either by supporting vulnerable groups, or by maintaining or recreating territorial solidarity, or by participating in citizenship education.*

3.13. In the framework of the ESF Plus, the European Commission should encourage and monitor the involvement of social economy in the implementation of Operational Programmes and in the introduction of social economy in the social inclusion priority under the Operational Programmes.

3.14. Managing Authorities should be further encouraged to achieve their target objectives by working in partnership with social economy networks.

The social economy should be involved in the monitoring committees, at national and regional level, where relevant, also in execution of the European Code of Conduct on Partnership. The use of partnership instruments such as the CLLD, involving social economy organisations, should be further promoted by the European Commission.

A good example of this is the Spanish Social Inclusion and Social Economy Operational Programme for which the Spanish Social Economy Confederation is the intermediary body. Also, in the case of microfinance and ethical and cooperative banks, their expertise in delivering social loans leads to better outcomes than trying to develop parallel systems.

3.15. The European Commission should strengthen the mechanisms for the exchange of best practices and coordination between the ESF Managing Authorities which are investing in social economy projects.

Furthermore, integrate social economy representative organisations in the above-mentioned coordination mechanisms and networks to disseminate best practices in funding the social economy through EU and national funds. The Commission should monitor which Managing Authorities are investing in social economy through the ESF Plus.

4. Boost access to markets for the Social Economy in the Single Market



The legal obstacles faced by social economy enterprises that were described in the Single Market Act (2011) and the Social Business Initiative (2011) remain:

“In order to expand and meet its objectives, the social economy sector in the Single Market should have at their disposal legal models adapted to their needs. The European cooperative sector, for example, is more vibrant than ever – although the slow take-up of the Statute for a European Cooperative Society must be looked into. Mutual societies operate in sectors of key importance to citizens (health, banking, insurance, etc.) but they hardly ever provide their services in more than one Member State. Nonetheless, with a 25% share of the insurance market and 70% of the total number of undertakings in the industry, they cannot be forgotten by the Single Market. Foundations make a strong contribution to the financing of innovative initiatives of general interest. However, they still face difficulties in establishing themselves in other Member States or pooling their assets on a cross-border basis. To overcome these difficulties, the Commission will present a proposal for a Regulation establishing a European Foundation Statute¹⁹.”

In this sense, to solve this long-lasting market failure of the Single Market and provide equal opportunities for all forms of enterprises, Social Economy Europe proposes to:

4.1. Consider the development of supranational legal recognition for associations, foundations, and mutual societies to overcome existing barriers of those actors when acting cross border

With the European legal recognition foundations, associations and mutual societies would benefit from more uniform conditions across the EU and a governing structure which would be comparable in all Member States, and which would give greater legal certainty and fewer compliance costs. This would facilitate the pooling and scaling up of their expertise and resources. Having a European recognition for associations, mutuals and foundations would also stimulate cross-border initiatives and donations (in the case of foundations and associations). Member States' economies are likely to see more funding become available for important fields such as research and education, social and health services, culture, or the protection of the environment.

For instance, despite the fact that the cross-border engagement of foundations and funders is growing, the legal, fiscal and administrative environment for cross-border philanthropy even within the European Union, is still far from satisfactory. While the European Court of Justice (ECJ) recognised the application of the free movement of capital to philanthropic funds along with ensuring that the principle of non-discrimination applies to donors and foundations in the EU, this does not yet work in practice and we call on EU and national policy makers to improve the situation. **Foundations are challenged by various legal, administrative and fiscal barriers** which have been **estimated in the feasibility study on the European Foundation Statute some 10 years ago to amount € 90,000,000 to € 101,700,000 per year**. A similar market failure is leading to microfinance to face a financing gap of EUR 12.9bn.

Regarding mutuals, some elements linked to legal frameworks and access to finance should be pointed out:

- The mutuals legal form does not exist in certain Member States impeding the creation of mutuals, as well as the operation by mutuals for a different MS.
- An important obstacle for the creation of new mutuals is the high capital requirements.
- Groupings of mutuals at MS or EU-level face important obstacles, with the exception of France where mutuals can create groupings at national level (SGAM or UGM but with a transnational dimension).

In line with a European legal recognition for social economy models, including mutuals, the following actions would be fundamental to improve the legal ecosystem:

- Proposal 1.2. of this policy paper an EU recommendation on a social economy definition including a definition of the most common social economy legal forms, as mutuals. This will encourage Member-States without a legal framework for mutuals to develop one in line with the EU recommendation.
- Supporting access to finance -loans and guarantees- for mutualistic projects, including the creation of new mutuals where they do not exist. This could be done through EU financial instruments as the InvestEU. It would also be a fair competition measure to compensate the discrimination linked to the cost of loans for mutuals, compared to financing rates for insurance shareholder companies, by applying to mutuals the “*Paint Graphos*”²⁰ judgement by the Court of Justice of the European Union:

59 Moreover (...) cooperative societies have no or limited access to equity markets and are therefore dependent for their development on their own capital or credit financing. That is due to the fact that shares in cooperative societies are not listed on the stock exchange and, therefore, not widely available for purchase. Moreover, as is also made clear by recital 10 in the preamble to Regulation No 1435/2003, there is limited interest on loan and share capital, which makes investment in a cooperative society less advantageous.

60 As a consequence, the profit margin of this particular kind of company is considerably lower than that of capital companies, which are better able to adapt to market requirements.

61 In the light of those special characteristics peculiar to cooperative societies, it must therefore be held that producers’ and workers’ cooperative societies such as those at issue in the main proceedings cannot, in principle, be regarded as being in a comparable factual and legal situation to that of commercial companies – provided, however, that they act in the economic interest of their members and their relations with members are not purely commercial but personal and individual, the members being actively involved in the running of the business and entitled to equitable distribution of the results of economic performance.

- Providing capacity building for the creation of new mutuals, which could be also done through the InvestEU and the Single Market Programme.
- Organising exchanges and training between the supervisors and the mutuals sector to improve the understanding of these forms of enterprises.
- Providing a legal framework for the creation of mutual groupings at EU-level. As explained before this possibility does not exist at EU-level nor in most Member States. The creation of mutualist groupings formed by mutuals from different MS is today a necessity in order to provide a quality and solidary complementary social protection for the people of Europe (common developments, economies of scale, common responses to prudential requirements - i.e. Solvency II). Therefore, SEE proposes to:

Create a European grouping instrument for mutuals, in line with the French SGAM and UGM but with a transnational dimension.

Revise the Solvency II directive to make room for “horizontal mutualist groupings”.

Improve the knowledge of mutualist forms at supervisor level.

4.2. Analyse the slow uptake of the Statute for a European Cooperative Society and, in cooperation with the representative organisations of the Cooperative Movement, propose a revision of the regulation to increase its uptake and adapt it to technological and social changes.

One of the biggest obstacles for the uptake of the SCE might be capital requirements that are too high. In any case, the social economy believes in the potential of the SCE in terms of trans-national entrepreneurship and second-degree cooperatives. As we have stated on various occasions, the social economy is a glocal socio-economic reality.

20. <http://curia.europa.eu/juris/document/document.jsf?text=&docid=109241&pageIndex=0&doclang=en&mode=lst&dir=&occ=first&part=1&cid=1091231>

4.3. Consider the diversity of enterprise models operating in the EU when legislation is drafted or revised to ensure that it is appropriate and proportionate for all business models

4.4. Adapt the EU competition and state aid rules to take into consideration the features of social economy enterprises

As stressed by 1989 Commission communication “Business in the Social Economy sector: Europe’s frontier free market²¹”: “Such enterprises belong to the social economy sector because of their purposes and the way they organise and manage their productive activity. It has nothing to do with the nature of the economic goods and services produced”. The singularity of social economy regarding their compulsory reinvestment of profits or limited distribution of benefits, should be reflected in the EU competition and state aids rules as well as promoted by the European Union’s Law.

4.5. Produce an interpretative communication and/or recommendation(s) on social economy models

The Commission should take the initiative to adopt an interpretative communication to clarify a certain number of questions presenting themselves in practice to social economy actors wanting to fully benefit from the internal market, in particular in terms of the freedom of establishment and the freedom to provide services. Such a communication should also analyse the link of social economy actors, active in the area of healthcare, social services and work integration of people at risk of exclusion, to the notion of ‘Social Services of General (Economic) Interest. The aim of that interpretative communication should be to look into the possibility of how to adjust Art. 54 of the treaty, once a revision of the treaty is underway.

4.6. Modify article 54 of the TFEU to better reflect the diversity of companies operating in the Single Market including all social economy enterprise models, and avoid the exclusion of any form of enterprise

Currently article 54 of the TFEU states: “Companies or firms” means companies or firms constituted under civil or commercial law, including cooperative societies, and other legal persons governed by public or private law, save for those which are non-profit-making.

However, this article is in contradiction with the European socio-economic reality, as social economy enterprises, active in the market, are not for profit or based on limited profitability, meaning that all or most of the profits made by these enterprises and organisations are reinvested. Therefore, EU-legislation should be adapted and better recognise this reality.

4.7. Adopt a protocol on the diversity of forms of enterprises in the EU annexed to the TFEU, including the social economy actors and their different legal forms.

4.8. In order to promote the access to markets for social economy enterprises and organisations, a socially responsible public procurement approach should be further developed in the upcoming revision of the public procurement directives

Also to actively invite Member States to reserve a part of public procurement procedures to sheltered workshops and economic operators whose main aim is the social and professional integration of disabled or disadvantaged persons (art.20); to remove the maximum duration of three years limit for the award of public contracts reserved to social economy operators for the provision of health, social and cultural services (art.77); or to implement other instruments as the systematic division of big tenders into lots or the development of concrete strategies by public authorities to boost socially and environmentally responsible public procurement. A greater support should be given for the employment and training of vulnerable people such as long-term unemployed, over 50s, NEETs and people with disabilities which often find work opportunities in social economy enterprises and in particular in work integration social enterprises²².

21. https://www.socialeconomy.eu.org/wp-content/uploads/2021/01/EC-Communication-1989_-Business-in-the-economie-sociale-sector-Europe-frontier-free-market.pdf

22. The different economic actors striving for more inclusive and integrated forms of employment, Sheltered Workshops, Social Cooperatives, organizations offering counselling and training in order to make this type of social enterprises more visible.

5. Promote the social economy at global level as a driver for the implementation of the SDGs



In line with the *Mind our Business*²³ report, elaborated by CONCORD, Cooperatives Europe and Fair Trade Advocacy Office, Social Economy Europe believes that the external action of the EU, including diplomacy, international partnerships development and cooperation, and trade and economic diplomacy; represents an enormous opportunity to promote social economy business models at global-level as a driver of sustainable development, with a special focus on quality jobs creation, local development, inclusion, the green transition and access to healthcare, education and other social services. In this sense, Social Economy Europe proposes the following actions:

5.1. Promote the Development of the Social Economy in the EU neighbourhood

- The social economy should be further promoted in the EU Eastern and Southern Neighbourhood both as tool to strengthen democracy and the active participation of citizens and for economic and social progress, with a specific focus on youth entrepreneurship.
- Launch an ambitious Euro-Mediterranean initiative to strengthen the Social Economy as a key actor for social and economic reconstruction after the pandemic in line with the conclusions UfM Workshop *“Social Economy and the Post-Pandemic Recovery: Challenges and Prospects”*²⁴ organised by the Secretariat of the Union for the Mediterranean with the support of SEE.
- Pay special attention and -if requested- provide technical assistance to the countries which are elaborating and adopting social economy laws and strategies such as Tunisia or Morocco.
- Cooperate with the Organization for Security and Co-operation in Europe (OSCE) that carries out important actions to support the development of social economy in the Eastern Partnership.

5.2. Boost access to finance for social economy entrepreneurs through the EFSD+

5.3. International Partnerships and development cooperation

- Ensure that social economy actors are part of the EU Delegations and headquarters dialogues with the private sector.
- Provide adequate training and information to EU Delegations staff through technical assistance and cooperation with the EU and local social economy networks.

5.4. Support social economy models through fair trade policy

- Ensure that EU trade agreements systematically include measures to support social economy enterprises and the values they represent

5.5. Actively engage in the activities of the UN Taskforce on SSE (UNTFSSSE) and in cooperation with EU MS support the adoption of a UN resolution on social economy

5.6. Mainstream the social economy in the agenda of global fora such as the G20

5.7. Strengthen the Global Action on Social Economy, in cooperation with the OECD

23. <https://concordeurope.org/2020/12/01/mind-our-business-amplify-the-transformative-power-of-sustainable-and-inclusive-business-models-through-eu-external-action/>

24. <https://ufmsecretariat.org/fr/ufm-workshop-social-eco/>

6. Towards the participation of social economy employers in the EU inter-sectorial social dialogue



According to the EESC study on *Recent Evolutions of the Social Economy in Europe*, social economy enterprises employ 13.6 million people in the EU, about 6.3% of the working population in the EU (as the study was produced in 2017 it includes the United Kingdom). Therefore, social economy employers should be included and participate in the social dialogue. SEE proposes to:

6.1. Carry-out a study on the participation of social economy employer organisation in the social dialogue at MS-level

6.2. Provide support and capacity building for the consolidation of the EU-cross sectoral social economy employer organisation

6.3. In cooperation with Eurofound, carry out a study on the representativeness of social economy employer organisations in the EU

7 ■ Coordination, implementation, and follow-up of the Action Plan for the Social Economy



7.1. A European Action Plan for the Social Economy with a six year horizon for its implementation

The implementation of the Action Plan should be assessed on a yearly basis by the Commission Expert Group on Social Economy and Social Enterprises (GECES) as promoting social economy entrepreneurship is a permanent effort. As with supporting SMEs or the inclusion of people with disabilities, the Social Economy Action Plan should be renewed every six years.

7.2. The Internal EC Taskforce on Social Economy should be strengthened as a key mechanism to ensure the transversality of the Action Plan across EU policies

7.3. To contribute to a successful implementation of the Action Plan, the European Commission should increase its human resources working on social economy both within DG Employment and DG Grow

7.4. The European Commission Expert Group on Social Economy and Social Enterprises (GECES) should also be strengthened

The composition of the expert group including private social economy experts and representatives, MS officials in charge of the social economy and observers from the EU consultive bodies (EESC and Committee of the Regions) and International Organisations, as well as Commission officials representing the different units and DGs of the Internal Social Economy Taskforce should be expanded to Members of the European Parliament (in particular the Social Economy Intergroup). The missions of GECES should be:

- Assess the implementation of the Action Plan: elaborating a progress report on a yearly basis including recommendations.
- Provide advice to the Commission on the implementation of the Plan.
- Ensure the coherence of EU actions with those of social economy stakeholders and Member States.
- Further promote a horizontal exchange of good practices between Member States and social economy representative organisations. The dialogue should not be only between the EU and GECES members, but the dialogue and mutual learning between GECES members should be further encouraged.

7.5. The European Commission Expert Group on Social Economy and Social Enterprises should be renewed at the end of its mandate in 2024

22. The different economic actors striving for more inclusive and integrated forms of employment, Sheltered Workshops, Social Cooperatives, organizations offering counselling and training in order to make this type of social enterprises more visible.

III. The added value of the social economy: its contribution to the strategic objectives of the European Union

“An Economy that works for people and the planet”

The European social economy is a key component of our **European social market economy** and of our welfare systems. According to the EESC scientific study on *Recent Evolutions of the Social Economy in the European Union*²⁵ there are **2.8 million social economy** enterprises and organisations, 10% of all EU companies, that employ **13.6 million people** -about 6.3% of the working population of the EU- and account for **8% of the EU's GDP**. Social Economy structures mobilise **82.8 million volunteers** and cooperatives, mutuels and similar entities unite more than **232 million members**²⁶.

The social economy unites a diversity of business models such as **cooperatives, mutuels, associations, foundations, social enterprises** and other legal forms which are specific to each Member State as labour societies²⁷ in Spain or *sociétés d'impact sociétal*²⁸ in Luxembourg, including, in some countries, commercial companies. This rich diversity of legal forms is deeply rooted in Europe's history and market, while sharing common values and features.

In the current context, it is important to underline why supporting the development of the social economy through the Action Plan can contribute to the general interest of the people of Europe, though the following concrete features:

▶ **Create and retain quality jobs, also through collective entrepreneurship and be a leverage to maintain and expand Europe's industrial capacity.** The social economy can help to save jobs and enterprises in risk of closing, or healthy enterprises in which the retiring owner has no heir or simply sells the company. This can be done through a business transfer to the employees under a cooperative form (Worker Buy Outs) or other social economy forms (such as labour societies). Worker Buy Outs show excellent results in France, Italy and Spain. The social economy, in particular the cooperative model, also offers solutions to some of the challenges arising from the rise of atypical work, by providing better income, better access to social protection and mutualisation of costs and benefits.

▶ **Contribute to the inclusion of people at risk of exclusion,** such as people with disabilities, third country nationals, NEETs, the long-term unemployed or other individuals; generating social cohesion, equal opportunities for all and empowering individuals. Work integration social enterprises, social cooperatives, associations, sheltered workshops and other social economy forms, work to create work opportunities, training, and inclusive access to services for people at risk of social exclusion. Enable inclusive entrepreneurship and high-quality self-employment opportunities through addressing barriers to access finance and putting in place

25. <https://www.eesc.europa.eu/en/our-work/publications-other-work/publications/recent-evolutions-social-economy-study>

26. As the study was produced in 2017, all the data includes the United Kingdom.

27. https://www.cepes.es/social/entidades_sociedades_laborables

28. <https://guichet.public.lu/en/entreprises/creation-developpement/forme-juridique/societe-capitales/societe-impact-societal.html>

non-financial business development services. Furthermore, social economy enterprises are traditionally more committed to the labour integration of people with disabilities (in some countries they employ up to 3 times more workers with disabilities than traditional enterprises). In line with the European institutions' approach to mainstream disability in all areas of policy and action, SEE believes that the forthcoming Action Plan on Social Economy is a great opportunity to recognise and raise visibility about the role and potential that the social economy sector has to generate quality employment for people with disabilities (15% of EU's population) and promote their social and labour inclusion. The social economy's contribution is now more important than ever as people with disabilities and vulnerable groups, in general, have been more negatively impacted by Covid than the rest of the population. **A potential output of the Action Plan could be the elaboration of a study about the latter, including some statistical analysis.**



Accelerate a citizen-led Green Transition and implement the EU Green Deal. Energy communities and renewable energy cooperatives are a key driver in the transition from fossil fuels to renewable energies and from a centralised energy market to a decentralised market, in which citizens produce and consume their own energy. Decentralised energy systems create more jobs than centralised systems and -through the reinvestment of profits- provide a wide range of benefits for the local communities of Europe. Furthermore, social economy has been recognised by the Commission as a pioneer in job creation linked to the **circular economy** and is a frontrunner in **sustainable agriculture and consumption**. In fact, cooperatives hold more than 50% of the agriculture market share²⁹ in MS such as the Netherlands (83% of market share), Finland (79%), Italy (55%) and France (50%), are an essential partner for the implementation of **the Farm to Fork Strategy** and are also key actors in the use of agricultural resources to promote, or to generate, social services in rural areas. The social economy also plays a key role in providing affordable and sustainable housing -many times in cooperation with public authorities- and in collective forestry management.



Accelerate a fair digital transition, supporting the creation of **EU digital start-ups** with an identity based on democratic participation of their members. A shared ownership: including employees and/or users.



Boost sustainable finance. Social Economy financial institutions as ethical and cooperatives banks and financiers, mutual and cooperative insurers, micro-credit institutions, foundations, and credit unions, among other, are frontrunners in ensuring financial inclusion and investing in sustainable projects and the real economy. This is and has always been their *raison d'être*. Enabling fairer and more inclusive access to finance equally contributes to social inclusion, and the high-touch non-financial services offered by many such financiers ensure economically upward mobility of people who would otherwise be at risk of exclusion. This unlocks their ability to contribute to the economy, and the positive social impact of this is also felt as a net positive revenue to the public budget.



Promote the active participation of citizens and the people of Europe in our democracies and societies, again with a key role of associations, foundations, cooperatives, mutuals and social enterprises.



Strengthen Europe's welfare systems. Non-profit social economy actors play a key role, often in cooperation or on behalf of public authorities, in providing innovative and often previously unsatisfied social services of general interest such as healthcare, education, labour market reintegration and in general care services, also proving innovative services in line with Europe's demographic change.

29. https://ec.europa.eu/growth/sectors/social-economy/cooperatives_en



Revitalise Europe's rural and depopulated areas, again through collective entrepreneurship, and covering market failures, providing good and services where no other economic player does so.



Boost the diversity of company forms in Europe, fostering competition and an increased consumer choice and product/service quality. This by providing a distinctive business models based on core values, namely solidarity, democratic supervision and preferring long-term objectives over short-term financial gain.



Act as a driver for the implementation of the SDGs at EU and global level, mainstreaming the promotion of the social economy in the EU external action and international partnerships.



Provide quality education, including entrepreneurship education, financial literacy, and invest in the upskilling and reskilling of the EU's workforce.

IV. Background on EU policies for the social economy



The EU has recognised and promoted the development of social economy enterprises and organisation since its very foundation. The Treaty of Rome (1957) establishing the European Economic Community recognises cooperative societies in its article 58 (current 54 of the TFEU). However, the EU treaties have consistently failed in recognising the diversity of non-profit driven or limited-profitability driven enterprises and organisations with economic activity operating in the EU.

In 1989 the Commission published its first communication on social economy ***Business in the social economy sector: Europe's frontier free market***³⁰, focusing on cooperatives, mutuals and non-profit organisations. Fundamental progress has been made since 1989 on the promotion of the social economy across the EU but some of the objectives of the communication remain relevant. These are to:

Define and describe the social economy.

Identify the prospects that are opening up for social economy enterprises and organisations, analysing to what extent they are taken into account in “community” policies.

Adumbrate the framework for the EU action to ensure that social economy enterprises enjoy access to the “frontier-free market” (Single Market) on the same footing as other enterprises.

The communication identified and explored the obstacles faced by social economy enterprises to operate in the Single Market on equal footing with other company forms, it planned to “ensure they (social economy enterprises and organisations) will enjoy the environment and resources which the community intends to make available to any enterprise (...)” and engaged the Commission to establish a dialogue on EU policies with the representatives of the sector.

In 2003 the Statute for a European Cooperative Society³¹ was adopted. The European Commission proposal on a Statute for a European Mutual (1992), a European Association (1992) and European Foundation (2011), were rejected by the Council.

The Small Business Act³² (2008) and the Single Market Act³³ (2011) recognised and included actions to promote the social economy, as reflected in the Single Market Act:

In order to expand and meet its objectives, the social economy sector in the Single Market should have at their disposal legal models adapted to their needs. The European cooperative sector, for example, is more vibrant than ever although the slow take-up of the Statute for a European Cooperative Society must be looked into. Mutual societies operate in sectors of key importance to citizens (health, banking, insurance, etc.) but they hardly ever provide their services in more than one Member State. Nonetheless, with a 25% share of the

30. https://www.socialeconomy.eu.org/wp-content/uploads/2021/01/EC-Communication-1989_-Business-in-the-economie-sociale-sector-Europe-frontier-free-market.pdf

31. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003R1435>

32. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A52008DC0394>

33. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0206>

insurance market and 70% of the total number of undertakings in the industry, they cannot be forgotten by the Single Market. Foundations make a strong contribution to the financing of innovative initiatives of general interest. However, they still face difficulties in establishing themselves in other Member States or pooling their assets on a cross-border basis. In order to overcome these difficulties, the Commission will present a proposal for a Regulation establishing a European Foundation Statute.

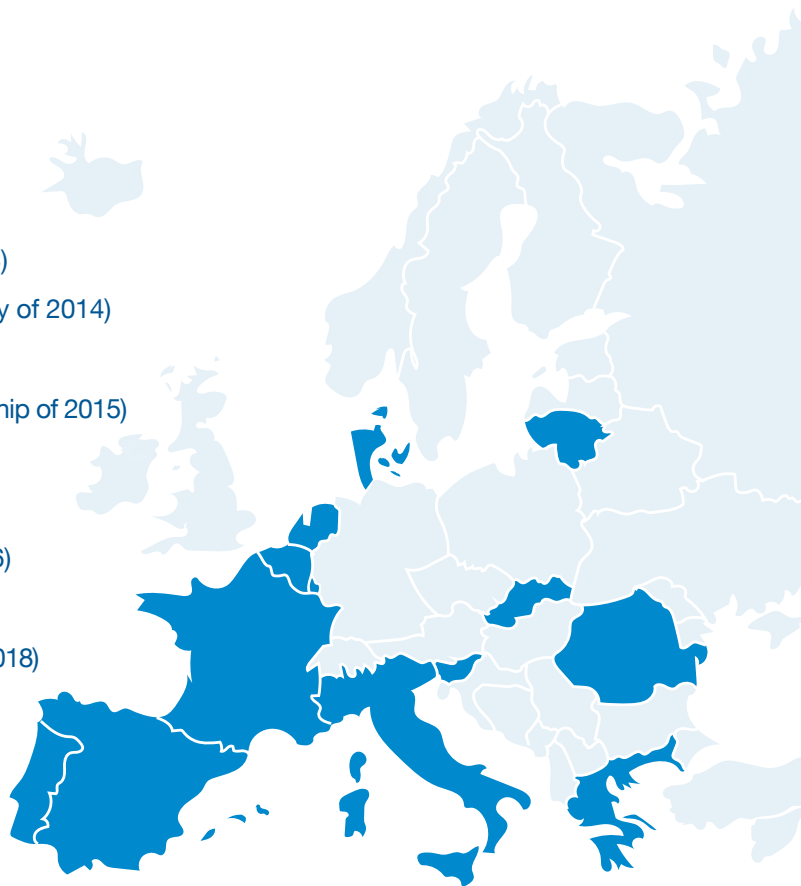
Within the framework of the European Platform against Poverty and Social Exclusion, the Commission will support the development of the social economy as an instrument for active inclusion by proposing, in 2011, a “Social Business Initiative” and by facilitating access to the Union’s financial programmes for use in this area.

In 2011 the Commission adopted its **Social Business Initiative**³⁴ focusing on social enterprises as an operator of the social economy, a policy initiative that has led to important developments for the social economy and social enterprises, as well as to the creation of the European Commission Expert Group on Social Economy and Social Enterprises (GECES)³⁵, firstly created in 2011 and renewed in 2018 with a mandate until 2024.

In 2015, the Council of the European Union adopted its Conclusions on **The promotion of the social economy as a key driver of economic and social development in Europe**³⁶ and in 2016 the Commission presented the communication **Europe’s next leaders: the Start-up and Scale-up Initiative**³⁷ that -building on the SBI- served to implement a set of actions to support social economy enterprises and organisations in areas as **access to finance/ funding, access to markets, improving framework conditions, social innovation, technologies and new business models; and international dimension.**

Furthermore, since the early 2000’s an important number of Member States have adopted Social Economy framework laws, regulations on the different legal forms of the social economy and/or public policies for the promotion of the social economy, such as:

- **Spain** (National Law on Social Economy of 2011 and subsequent national social economy strategies)
- **Slovenia** (Act on Social Entrepreneurship of 2011)
- **the Netherlands** (Law on Social Enterprises of 2012)
- **Portugal** (National Law on the Social Economy of 2013)
- **France** (National Law on Social and Solidarity Economy of 2014)
- **Romania** (Law on the Social Economy of 2015)
- **Lithuania** (Order on the ‘Concept of Social Entrepreneurship of 2015)
- **Denmark** (2014)
- **Luxembourg** (Societal Impact Societies of 2016)
- **Greece** (Law on Social and Solidarity Economy of 2016)
- **Italy** (Code of the Third Sector of 2017)
- **Slovakia** (Act on Social Economy and Social Enterprises 2018)



34. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52011DC0682>

35. https://ec.europa.eu/growth/sectors/social-economy/enterprises/expert-groups_en

36. <https://data.consilium.europa.eu/doc/document/ST-15071-2015-INIT/en/pdf>

37. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2016%3A733%3AFIN>

At the regional-level social economy laws have also been adopted in Wallonia (2008), Flanders (2012), Brussels (2012) and Galicia (2016).

In parallel to this work, a similar route was charted for Microfinance and Social Enterprises. Beginning with the Commission's 2007 communication entitled "A European initiative for the development of microcredit in support of Growth and Employment"³⁸, the JASMINE programme and the European Progress Microfinance Facility (EPMF) were put in place. These were succeeded in 2014 by the Employment and Social Innovation (EaSI) Programme, which is now ending with many successful lessons learned. Member States all have taken their own approach to microfinance, with a multitude of legal frameworks and definitions across the continent³⁹. More ambitious support will still be needed, as is evidenced by the Commission's recent market analysis⁴⁰, which estimates an ongoing credit gap for microfinance of EUR 12.9bn per annum.

In 2020, further to the Commission announcement of its decision to present a European Action Plan for the social economy in its communication ***A Strong Social Europe for Just Transitions***⁴¹, the social economy has been mainstreamed in over 20 European Commission Communications and policy initiatives, such as the **SME Strategy**, the **Circular Economy Action Plan**, the **Skills Agenda**, the **European Climate Pact**, the **New Consumer Agenda**, the **LGTBIQ Strategy** etc.

Furthermore, the adoption of the programmes of the new EU long-term budget (the MFF 2021-2027), the InvestEU, the Single Market Programme, the ESF+ (not yet adopted), or the ERDF, among others, open up new opportunities for financing and funding innovative social economy projects.

38. <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0708:FIN:en:PDF>

39. <https://www.european-microfinance.org/publication/microcredit-regulation-europe-overview-2021>

40. <https://ec.europa.eu/social/main.jsp?catId=738&furtherPubs=yes&langId=en&pubId=8347>

41. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020DC0014>

This policy paper is an initiative of Social Economy Europe and its members:



AIM: International Association of Mutual - www.aim-mutual.org



AMICE: Association of Mutual Insurers and Insurance Cooperatives in Europe - www.amice-eu.org



CASES: Cooperativa António Sérgio para a Economia Social - www.cases.pt



CECOP-CICOPE Europe: European Confederation of industrial and service cooperatives - www.cecop.coop



CEDAG: European Council of Associations of General Interest - <http://www.cedag-eu.org/>



CEPES: Confederación Empresarial Española de la Economía Social - www.cep.es



CONCERTES: Plate-forme de concertation des organisations représentatives de l'économie sociale (Belgium) - <http://concertes.be>



EFC: European Foundation Centre - www.efc.be



ENSIE: European Network of Social Integration Enterprises - www.ensie.org



ESS-France: Chambre Française de l'Économie Sociale et Solidaire - www.ess-france.org



EMN: the European Microfinance Network - www.european-microfinance.org



EURODIACONIA: www.eurodiaconia.org



FEBEA: European Federation of Ethical and Alternative Banks and Financiers - www.febea.org



FTS: Forum Nazionale Terzo Settore (Italy) - www.forumterzosettore.it



IPSE: Institut de la Protection Sociale Européenne - www.euro-ipse.org



REVES: European Network of Cities and Regions for the Social Economy - www.revesnetwork.eu

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