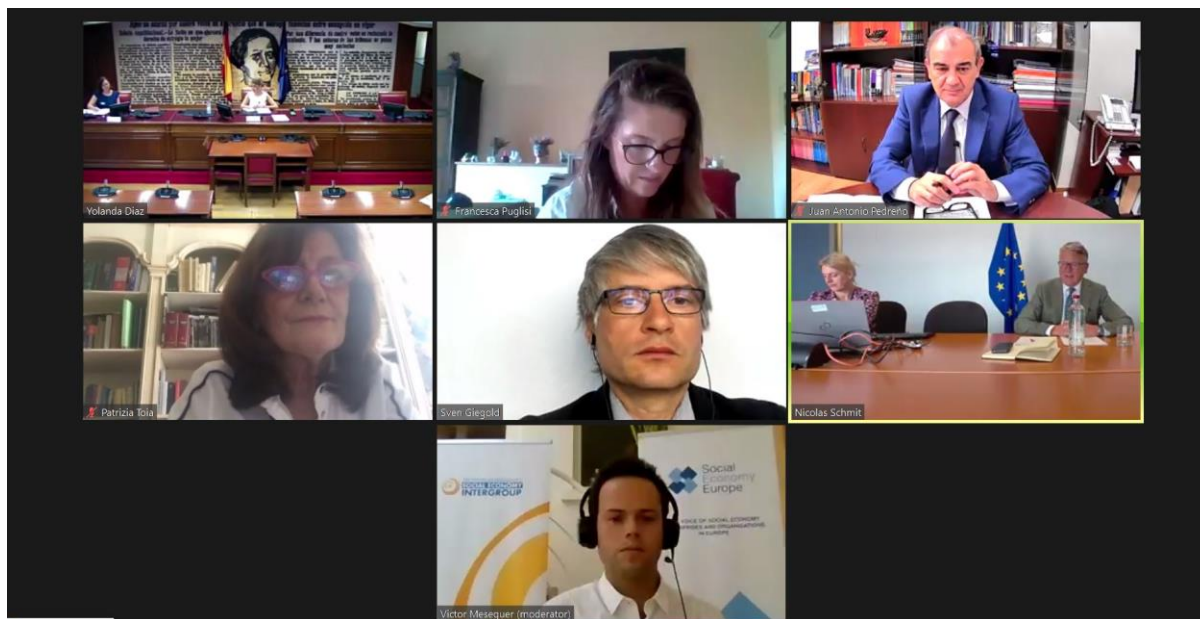


Webinar on Social Economy for the Recovery of Europe

Co-designing the Social Economy Action Plan as a Leverage for the Economic and Social Recovery of Europe



The Social Economy Intergroup online hearing on *Co-designing the European Action Plan for the Social Economy, as a leverage for the Economic and Social Recovery of Europe*, took place on Tuesday 2 June 2020 from 3pm to almost 7pm. The full video of the hearing is available [here](#).

With **23 high-level speakers** and over **400 participants** from all over the European Union, this online event was the most attended Social Economy Intergroup public hearing ever. The event was the result of a close cooperation between the European Parliament's Social Economy Intergroup and Social Economy Europe. The discussions were centred around the social economy experiences and responses to the Covid19 crisis as well as the contributions the social economy can bring to the economic and social recovery of Europe. For this to become a reality, Europe's recovery Plan **#NextGenerationEU**, a strengthened **European budget 2021-2027** and the **European Action Plan for the Social Economy** will be launched by the European Commission in 2021.

The event was presented and moderated by Social Economy Europe Director, Víctor Meseguer, and opened by the Co-Chairs of the Social Economy Intergroup **Patrizia Toia MEP** (S&D, IT) and **Sven Giegold MEP** (Greens/EFA, DE).

Patrizia Toia MEP stressed the key role of the social economy and the Italian third sector in the immediate reply to the pandemic and its socio-economic consequences. She recalled that the social economy movement has been at the frontline in providing healthcare for all, social services for the most vulnerable such as the elderly, people with disabilities, migrants and refugees, the homeless and other individuals in a situation of risk; among other basic services

and products such as food, financial support to the social economy community and SMEs, strategic industrial products, insurance, energy, water, recycling or tele-communications. Therefore, Ms Toia defended that the social economy should also play a protagonist role in the economic and social recovery of Europe, as the pillar of *a new economy that brings not only profit, but also social and environmental value*. To conclude, Ms Toia called on Social Economy Europe to continue its work to improve the knowledge of the social economy among all Europeans and to support the development of social ecosystems across Europe, particularly in countries in which this virtuous entrepreneurial model is less developed, to close some gaps between Member States and bring the values of the social economy in terms of building a more cohesive, innovative, democratic, equal, resilient and people-centred economy. Ms Toia also called on EU Institutions to open the doors of the **#NextGenerationEU** to social economy actors and mobilise strategic investments through **InvestEU** and **COSME**.

Sven Giegold MEP began his intervention by recalling that we are witnessing a flexibilization of state aid rules to support businesses across Europe. In this context, he stressed that we are in the right moment to **support strategic social economy projects** such as **employees buyouts** to save jobs and companies that can be sustainable and continue generating prosperity for Europe and the communities where they operate, as well as **fair trade** projects. He emphasised the importance of continuing the efforts to promote **socially responsible public procurement** -including social and environmental considerations, division into lots or reserved contracts, among other tools- to support social economy actors and improve the impact of public investments. Mr Giegold called on Eurostat to deliver its mandate of supporting the development of **social economy satellite accounts**, in line with successful experiences such as the Portuguese Social Economy Satellite Account. To conclude, Giegold highlighted the importance to seize the opportunity of bringing **real change to the social economy** beyond the “symbolic measures”, requesting an equal treatment between social economy enterprises and the other forms of enterprises: “*rules should at least be neutral for social economy enterprises and organisations*”, and recalled the barriers faced by most social economy enterprises - such as cooperatives, mutuals, associations and foundations - to operate trans-nationally in the European Single Market.

Nicolas Schmit, **European Commissioner for Jobs and Social Rights**, began his intervention with a tribute to the **Jens Nilsson**, co-Chair of the Social Economy Intergroup in the previous EU mandate, who sadly passed away in 2018. The EU Commissioner emphasised that the crisis has increased the visibility of social economy’s contribution to socio-economic development and social cohesion, demonstrating that it is an essential part of Europe’s safety net in times of crisis, thanks to its leadership in providing essential goods and services to the most deprived. At the same time, he stressed that the crisis has severely hit social economy enterprises and organisations. In this context, Commissioner Schmit highlighted the efforts of the European Commission to ensure that social economy enterprises are not excluded from EU support measures, such as State Aid, the two Coronavirus Response Investment Initiatives, the extension of the scope of the EU Solidarity Fund to health crises, the European Investment Fund and the proposal for a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE). In this sense, the Commissioner recalled his letter sent on April 24 to the EU27 Minister of Labour, on the need to support social economy to allow these enterprises and organisations to *fully play their crucial role to manage and overcome the current crisis* (transcription of the letter available

[here](#)). Furthermore, Schmit announced that the Commission is currently exploring ways to provide additional flexibility for investments in social economy projects and microfinance under the EaSI Programme. To conclude, Commissioner Schmit expressed his willingness to further cooperate with the Social Economy Intergroup and social economy stakeholders in designing an effective **European Action Plan for the Social Economy**, that will be presented in the second half of 2021, an initiative that should positively change the ecosystem and mainstream the social economy perspective into the main social, economic and environmental policies of the EU. The Commissioner also stressed that, in the context of the negotiations on the EU budget post 2020, there is an opportunity to further use EU funds and financial instruments to invest in social economy projects - especially through the ESF Plus, InvestEU and *hopefully* through an ambitious EU Recovery Plan. Schmit concluded by stressing that crises bring about social and economic turbulences and suffering, but at the same time offer an opportunity to rethink and reshape our economies and societies, emphasising that social economy should be a pillar of the green and fair transition that the EU is leading.

Yolanda Díaz Spanish Minister for Labour and Social Economy began by stressing that *it is the moment of the social economy*, an entrepreneurial model that promotes the participation of people in the economic sphere, as well as the social and labour integration of everybody, including the most vulnerable. Minister Díaz emphasised that the **European Action Plan for the Social Economy constitutes a priority for the Spanish Government**, that chairs in 2020 the **Monitoring Committee of Luxembourg Declaration**, a high-level group of Member



States engaged in the promotion of the social economy. Ms Díaz reported that on 28 May she chaired the first meeting of the Monitoring Committee with the participation of **16 Member States** (Austria, Belgium - represented by Flanders and Wallonia -, Bulgaria, Croatia, Cyprus, Czech Republic, Finland, France, Italy, Luxemburg, Malta, Poland, Portugal, Romania, Slovenia and Spain), the European Commission, the Social Economy Intergroup,

Social Economy Europe, the EESC and international Institutions such as the ILO and the OECD. Minister Díaz also informed the Intergroup about the main ambitions of the Spanish Presidency of the group, its **six concrete priorities** and the nomination of the **city of Toledo as European Social Economy Capital in 2020**.

Regarding the main ambitions of the Committee in 2020, Yolanda Díaz stressed the willingness to ensure the participation of as many Member States as possible, with a special focus on central and northern Europe; as well as the elaboration of an **exhaustive list with the expectations and proposals of all Member States for the European Action Plan for the Social Economy**. Furthermore, she presented the six priorities of the Spanish Presidency of the Luxembourg Committee:

- **Defend the social economy as a pillar of the European construction process: participate in co-designing the European Action Plan and promote an intensive use of EU funds and financial instruments to support the development of the social economy.**
- **Boost social innovation** to ensure that *no one is left behind* during the recovery.
- **Promote the social economy contribution to sustainable development and the Green Transition**, as well as to the territorial cohesion of Europe: maintaining and creating new economic activities in scarcely populated areas.
- **Improve the visibility and knowledge of the social economy**, particularly among young people and potential entrepreneurs, at EU-level and beyond with a special focus on the southern Mediterranean, the Balkans, and Latin America.
- **Better measure the socio-economic contribution of the social economy through satellite accounts**, and its social and environmental impact.
- **Analyse the social economy's response to the COVID-19 crisis and the impact of the pandemic and the economic downturn on these enterprises and organisations.**

Along these lines, Minister Díaz announced the development of an **online platform to share experiences, policies and good practices** related to the social economy among Member States, Institutions and other relevant stakeholders. Ms Díaz invited all participants to participate in a social economy gathering that will take place -if possible- on the second half of the year in **Toledo**, as European Social Economy Capital.

Francesca Puglisi, Italian Under-State Secretary of the Ministry of Labour and Social Policy, started by emphasising the extraordinary reply of the Italian third sector to the healthcare, economic and social emergence that Italy has experienced. Ms Puglisi presented the strong importance of the third sector for the Italian society and economy, a sector that represents **5% of the GDP**, almost **350,000 organisations**, **5.5 million volunteers** and **812,706 employees**. A sector of key importance to provide healthcare, education, services to the elderly and disabled people, among other individuals, providing job opportunities for the most vulnerable, promoting sport and civic action, as well as fighting against poverty. A growing reality that has been defined in the recent **Italian Third Sector Reform** as a sector of general interest. Ms Puglisi also presented the actions undertaken by the Italian Government to support third sector entities throughout the crisis. She reported the adoption of two decrees that allow all third sector entities to access the main support programmes for enterprises and organisations. Ms Puglisi concluded her intervention calling on the European Union to support these actions through the next MFF but also through an immediate reply for the urgent economic and social recovery. Ms Puglisi stressed that instruments as SURE (instrument for temporary Support to mitigate Unemployment Risks in an Emergency) are very much needed to support enterprises and employees, and to support the re-skilling of citizens to re-enter into the labour market.

Juan Antonio Pedreño, President of Social Economy Europe, presented Social Economy Europe's concrete proposals in view of the European Action Plan for the social economy, as well as to immediately mobilise the full potential of the social economy for the economic and social recovery that Europe needs. President Pedreño called on EU Institutions, Member States and cities and regions to **promote social economy as a driver for the reindustrialisation of Europe**. He stressed that **collective entrepreneurship** should be promoted to mobilise Europe's human capital and rely on some of the characteristics of this type of entrepreneurship: size and capital raise allowing strategic projects, resilience in times of crisis and strong local anchor, as collective enterprises never delocalise and reinvest most of their profits to maintain and create jobs. Mr Pedreño emphasised that the transfer of enterprises to employees under social economy forms should be further promoted to save strategic industrial site and jobs across the EU. On another note, he proposed to further support and invest on the **social economy as a driver of the green transition**, playing already a leading role in the circular economy, the citizens-led production and distribution of renewable energies, sustainable housing, sustainable production of agri-food products, and in green urban mobility projects. Likewise, President Pedreño reflected on the role of the social economy as an **ally of public authorities in proving quality social services of general interest** and requested support and investments to accompany social economy enterprises and its employees in the digital transition. He emphasised that *the future will be digital, [and that] it should also be fair, democratic, and characterised by quality work conditions and access to social protection*. To conclude, Mr Pedreño called on the European Union to act as a global social economy leader, and to promote these enterprise models, as drivers of sustainable development, through its external action. To achieve all this, President called for a mobilisation of all relevant EU fund and instruments such as the ESF and the ERDF, InvestEU, COSME and Horizon Europe, as well as for Institutional support: overcoming the barriers to operate in the Single Market, accompanying public authorities to develop adequate policy and legal frameworks, investing in the capacity-building of social economy representatives, continuing to boost socially responsible public procurement and promoting the participation of the 2.8 million social economy enterprises and organisation in the EU cross-sectoral social dialogue.



The event brought together high-level regional representatives of EU regions to give their perspective on the role of the social economy for a resilient and solid socio-economic fabric and on the role of these enterprises and organisations and their entrepreneurial model for the economic and social recovery.

Miguel Motas Guzmán, Minister for Jobs, Research and Universities of the Region of Murcia, presented the Region's strategy consistent strategy to promote social economy as a driver for entrepreneurship, quality jobs creation and sustainable development. Despite being a relatively small Spanish regions in terms of population, with around 1.5 million inhabitants, Mr Motas highlighted that

the regions lead the country rankings with **103,29 cooperatives per 100.000 inhabitants**. Minister Motas explained that this leadership is based on a conducive ecosystem for the development of social economy enterprises and organisations based on three pillars: a strong commitment of the regional Administration with the social economy; a strong presence of social economy in social life and at all levels of educations (from early child to university-level), and a strongly associated sector that favours social dialogue with public administrations, and shows notable leadership from its representatives. As a result of this, the Region of Murcia has over 2,000 social economy enterprises and organisations, employing more than 26,000 people.

Minister Miguel Motas Guzmán presentation is available [here](#).

Bernard Clerfayt, Minister of the Government of the **Brussels-Capital Region**, responsible for Employment and Vocational Training, Digitisation, Local Authorities and Animal Welfare, presented the Brussels' social economy community which represents 12% of jobs in southern Belgium (Brussels and Wallonia), 20% of the net job creation in Belgium and furthermore creating jobs for all on equal conditions: 2 out of 3 jobs in the Belgian social economy are held by women and one out of five by aged employees (+55 years old). Furthermore, the social economy has increased its number of jobs by 9%, while the traditional companies increased their number of employees by 2%. Minister Clerfayt presented the whole set of action mobilised by Brussels region to support social economy enterprises and organisations including specific measures to support Work Integration Social Enterprises. Mr Clerfayt concluded stressing that the social economy, which in Brussels is particularly present in sectors as health and social action, education and training, wholesale and retail, is key for the socio-economic future of Brussels, to create a resilient local economy that creates opportunities for all. Minister Clerfayt emphasised that to support these enterprises and organisations at regional level and across the EU the guidance and the instruments that will be offered through the European Action Plan for the Social Economy will be very useful.

Barbara Trachte, Secretary of State of the Brussels-Capital Region, responsible for Economic Transition and Scientific Research, began her intervention with a reference to "employment cooperatives", creating opportunities for creative workers, allowing them to cooperate, pull resources, pay taxes together and access social protection as employees. Ms Trachte presented the measures aiming at supporting existing and new social economy entrepreneurs through low interest-rate loans (up to 25.000€ per entrepreneur with an interest rate of 1%). The State Secretary announced that Brussels is currently in a strategy to support social economy enterprises (social and democratic enterprises), as the region believes that fundamental change is always the result of cooperation, collective action, and collective creativity. Ms Trachte explained that Region is willing to support the whole diversity of social economy actors in Brussels: cooperatives, associations, mutuals, work integration social enterprises etc., as a change will not come from one of these players alone, but from the combination of their aggregated potential.

Shivan Fate Deputy Director of the Regional Centre for Social Policy of the Marshal's Office of the West Pomerania Region (Poland), gave an overview of the social economy sector in his region, a sector mainly dedicated the social inclusion and reintegration of individuals into the labour market. Mr Fate explained that West Pomerania has a Social Economy Development Programme and a network of social economy support centres that has

supported the creation of the existing 160 active social economy entities. Mr Fate reported that as a reply to the COVID-19 pandemic and its effects, the Regional Centre for Social Policy is working on a programme to support local authorities to purchase services and products from social economy entities in relation to the pandemic.

Please find Mr Fate's presentation [here](#).

The discussions would not have been complete without a strong participation of social economy representatives from all over the EU who brought their realities and recommendations to the table.

The role of the social economy in strengthening Europe's welfare systems

SEE members Eurodiaconia represented by its Secretary General **Heather Roy** and Forum Nazionale Terzo Settore represented by **Claudia Fiaschi**, reminded the work that the social economy has been carrying out as not-for-profit health and social services players, underlining the need for these organisations to be supported to overcome the difficulties they now face due to the Covid19 crisis. They also highlighted how the social economy contributes to social fabric of society: without organisations with that social mission, we would be missing a lot of the activities and advocacy that make up a well-functioning society, stressing that it is a piece of our democracy.

Social economy as a tool to re-industrialise Europe

CECOP represented by **Gianluca Verasani** (Responsible for Industrial Cooperative at Legacoop Produzione & Servizi), made the case for the reindustrialisation of Europe through the social economy, particularly worker cooperatives, presenting worker buyouts as a solution against job destruction. He presented the Italian cooperative ecosystem with 78,736 cooperative enterprises, with an aggregated turnover 161 billion euro and accounting for 8% of the GDP, as well as all the instruments created by the Cooperative Movement to support its further growth and development, including accompanying the creation of new cooperative enterprises.

Find Legacoop's presentation [here](#).

Promoting collective entrepreneurship to build an economy that works for people and the planet

Dr. **Burghard Flieger**, from the organisation innova eg, explained the characteristics of collective entrepreneurship which make it a viable model for the EU's social and economic recovery i.e. the satisfaction of members' needs; the principle of identity: two groups that otherwise face each other on the market, such as tenants and landlords or service providers and users, become identical and give up their "one-sided" role; the democratic principle: independent of the capital contribution, each member has one vote; and the principle of solidarity: the exclusive protection of one's own individual interests is avoided. He also made a set of recommendations including the importance of launching a statute for social economy

enterprises and organisations at European level, which in turn should be followed by national governments.

Find Dr. Burgfard Flieger's presentation [here](#).

Social economy as a catalyser of the Green Transition

RREUSE, represented by its President-elect **Matthias Neitsch**, brought the green dimension of the social economy to the discussions, focusing on the circular economy and the recycling, repair and reuse of goods. He showed how circular and social enterprises are producers of resilience and can accelerate the transition, while offering employment and integration opportunities, thus leaving no one behind. He also made an important link between the European Action Plan for the Social Economy and Action Plan for the Circular Economy and their potential to contribute to economic wellbeing.

Find RREUSE's presentation [here](#).

How to mobilise unprecedented investments into innovative social economy projects for an economic and social recovery that leaves no one behind

FEBEA, represented by its Secretary General **Daniel Sorrosal**, showed how investing in the Social Economy can serve to rebuild an inclusive and sustainable Europe. He stressed that currently, many social economy actors are suffering from the consequences of the Covid19 pandemic, often finding themselves unable to do their jobs. For this, we need to make use of all financial instruments available to ensure their survival. He added that this cannot be done solely through loans, but also through exploring and rethinking the EaSi potential, as well as that of other financial instruments such as InvestEU and NextGen. He concluded stating that it must be ensured that investment actually reaches the social economy and that conditionality on EU funds must be included to ensure they contribute to local growth, job creation, inclusion and natural regeneration.

To add to the financial dimension of the recovery of the EU in collaboration with the social economy, the European Microfinance Network represented by Oscar Verlinden explained how microfinance consists of financial tools (primarily credit) offered to financially-excluded people, coupled with business-development services, for the purpose of professional activities; and a tool to support the social economy.

He made a set of recommendations to promote a more favorable environment for the development of microfinance, namely for Member States to adopt appropriate national institutional, legal and commercial frameworks as there is still no harmonisation on this, a similar issue faced by the social economy.

Please find FEBEA presentation [here](#) and the European Microfinance Network's presentation [here](#).

Hubert Cottogni, Director, Head of Mandate Management, at the European Investment Fund, presented the EIF's experience, as a part of the European Investment Bank Group, in supporting access to finance for social economy enterprises and organisations as manager of the EaSI programme, the social dimension of EFSI (Juncker Plan) and the Social Impact Accelerator. Mr Cottogni called for a better combination of loans and grants to support innovative social economy business models. He also stressed the need to accompany - beyond financial instruments- social economy enterprises and organisation offering technical support and capacity building. To conclude, Mr Cottogni reiterated the EIF willingness to cooperate with social economy actors and financial intermediaries, in view of the many opportunities opening up for the social economy, both immediate opportunities such as COSME, EaSI or the 25 billion agreed by Member States to support small businesses and future opportunities related to the InvestEU and the European Action Plan for the social economy.

Connecting the dots: digitalisation & social innovation

The Social Good Accelerator, represented by its President and founder **Jeanne Brétecher**, made the case for social economy organisations to be fully recognised as actors of the tech transition in Europe. The Social Good Accelerator's study on cooperation between social and tech organisations in the EU (2019) shows that there is a big need to gain tech skills into one's own organisation. In fact, there is a lack of resources and public funding to support social organisations' digital transition and gain a better tech culture, although there is a strong wish to innovate through digital opportunities. To digitalise the social economy, she put forward recommendations to ensure full recognition of social organisations as central actors of the European innovation (with increased investments); boost skills sharing and trainings to accelerate the digital transition of social organisations in Europe; encourage the multiplication of cooperation between social organisations and tech organisations; enhance the impact of technology on social innovation with a common frame of reference; change the frameworks for public and private support for innovation to be encouraged.

Please find the Social Good Accelerator's presentation [here](#).

Conclusions:

MEPs **Manon Aubry** (GUE/NGL, FR), **Monica Semedo** (Renew, LU) and **Leopoldo López** MEP (EPP, ES), addressed the political conclusions of the event alongside with SEE Vice-President and ESS-France President **Jérôme Saddier**.

Manon Aubry MEP of the political group GUE/NGL presented three main messages. Firstly, she acknowledged the fact that the social economy has been severely tested by the crisis, but at the same time she stressed its resilient nature and its importance within the European social fabric. Secondly, Ms Aubry pointed out that all the initiatives to help face the crisis, for example the provision of food or medical equipment to homeless people, share the "social economy core principles." She suggested that maybe the transition to a different business model has

already started at grassroot level, and in order to continue with the building of a new economy we have support social economy initiatives, making sure the sector is well funded at EU level. Connected to this last point, she finally proposed to change State Aid rules and set up fiscal, social but also environmental requirements for a company to benefit from State Aid, trying to place the social economy at the forefront of the recovery and disincentivise socially and ecologically irresponsible behaviour from the side of larger companies.

Monica Semedo MEP of the political group Renew Europe intervened on the role of the social economy for the recovery of Europe. Ms Semedo stressed the importance of civil society and the social economy in facing the consequences of the Covid-19 crisis, in particular when it comes to filling gaps of institutions or fighting social inequalities. In order for the social economy to gain a stronger institutional role, Ms Semedo mentioned its integration within EU funds such as SURE and ESF+, as well as programmes such as Horizon Europe. In a nutshell, she stressed the importance of scaling up and mainstreaming social economic practices. Ms Semedo also mentioned interesting social economy projects such as Women in Digital Empowerment, stating that a “culture of entrepreneurship” needs to be fostered and funded.

Leopoldo López, European People’s Party MEP, raised a series of important points. First of all, he talked about the role of the social economy in contributing to **reindustrialisation** and the **culture of entrepreneurship** in Europe, through means such as collective entrepreneurship, workers’ buyouts, insertion companies or special employment centres. Mr López also stressed the role of the social economy for the **Green Transition**, with initiatives such as renewable energy cooperatives or insertion companies dedicated to reuse, repair and recycling, as well as for the fostering of **democratic digitalisation** in Europe. For this to happen, Mr López maintained that the EU needs to fund and invest in the social economy, through funding mechanisms such as InvestEU but also training measures and the regulation of capital markets. In conclusion, Mr López stressed the strong role of Europe in fostering the social economy principles in neighbouring countries as well as regions like Latin America, Africa or Asia.

Jérôme Saddier, Vice-president of Social Economy Europe and President of ESS France, concluded with a series of remarks on the role of the social economy as well as of institutions in supporting it. Due to connection issues, unfortunately, parts of the speech were unintelligible. However, the main points of Mr Saddier’s speech came across clear: first, a defence of the role of the social economy beyond the immediate crisis. Indeed, social economy is resilient and has been reactive to provide, basic products and services as well as social protection for the most vulnerable, but beyond that, social economy is with no doubt a pillar of tomorrow’s economy, because of its capacity to serve as vehicle for collective action and citizen’s-led innovations.

In conclusion, the social economy’s role and potential is undisputed as enterprises and organisations belonging to the social economy community have proven through the Covid19 crisis to be pillars of the EU’s socio-economic landscape. There is a recognised importance of aligning initiatives to the concrete necessities of the communities and to the state-of-art of the social economy: innovation, with legal frameworks and financial support as primordial



priorities. There was consensus on the need for EU actions to first and foremost preserve enterprises and organisations that are suffering the effects of the crisis and subsequently to consider rethinking financial support and to invest for social and economic recovery of Europe with the social economy. What transpired in the event is the shared conviction that the Social Economy, in all its diversity of forms, carries out in its DNA the potential for the necessary changes.