Scenarios towards co-creation of a transition pathway for a resilient, innovative, sustainable and digital proximity and social economy ecosystem

Fully enabling the ecosystem as agent for the green transition

> What output scenarios for 2030 would benefit the development of a green proximity and social economy industrial ecosystem, in line with the priorities of the EU Industrial Strategy and the social economy action plan?

The best output scenarios that would benefit the development of **a green proximity and social economy for 2030** would be first that the social economy and work integration social enterprises are considered as crucial actors **for the transition** in national, regional and local transitions strategies and acknowledged as actors of this transition. Indeed, the social economy is already active in numerous activities linked to the transition (such as reusing and recycling, social farming,...) and it is crucial to integrate them in transition planning to ensure a just transition.

To support the social economy in its transition there are some measure that can be taken. For example to the development of **socially responsible public procurement for all activities linked to the green transition**, this could be based on the SPASER model in France, especially with clauses that call for the integration of disadvantaged workers. There should also be **a dedicated financial support for social economy actors and work integration social enterprises** in particular, that are **active in the green transition** and to ensure they **stay at the top in the reuse, recycling & textile sectors**. Partnerships between mainstream enterprises and social enterprises should also be encouraged.

Too often, social economy organisations are de facto excluded from some dedicated sectoral aids because of their legal forms or their not-for-profit status. This should be overcome, for example in the area of start-ups and social economy organisations in their initial phase should be able to be recognized as start-ups so they can benefit from innovation funds.

Finally, one of the core issues concerning the transition for the social economy and WISEs is skills. **A green skills development strategy** should be developed for the social economy and WISEs to ensure that everyone, including disadvantaged workers, can participate to the transition and that no one is left behind.

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> What are the main challenges to ensure the green transition of this industrial ecosystem, as part of this pathway? Can you provide relevant data or evidence ?

To be fully part of the green transition, the proximity and social economy must face some challenges that are already identified. First of all, **regarding skills and competences**, the sector should identify the right skills needed for the transition and develop relevant trainings for all types of workers, including disadvantaged workers.

Another issue is **the potential competition with mainstream entities**. In some areas, such as recycling and reusing, social economy are long-time actors but as the sector becomes more and more cost-effective, mainstream entities are starting to work in the sector, in competition with social economy enterprises that are less profitable. This is why it is important to support the social economy actors to ensure that they are not left aside in the transition and that **a cooperation approach is preferred in respect to the competitive approach**. WISEs and social economy are often **main actors in the revitalization of rural areas** but for this, they need more support.

Another recurring issue is the **lack of financial resources and state aid barriers** for social economy organisations. This is already the case and solutions should be found now.

Finally, one of the challenge is that Member States need to develop socially responsible public procurement and that there is a risk that **a competition arise between socially responsible public procurement and green public procurement** as it can be hard for public authorities to find their way through all the exceptions and clauses required by those opportunities.

> On which challenges are you ready to work jointly with other stakeholders for the green transition of this industrial ecosystem, as part of this pathway?

ENSIE and its members, work integration social enterprises networks are ready to work, jointly with all the other relevant stakeholders on all of those challenges.

In particular, they are ready to work on the issue of **access to funding, taxation and state aid barriers** (de minimis ceilings, time limit imposed by article 32 in the GBER...), showcasing the issue and proposing solutions. Raising awareness concerning the combination of different schemes (de minimis+ GBER+ reduced VAT) could be useful.

ENSIE and its members are ready to work on the question of **socially responsible public procurement** by collecting new good practices and presenting them on an already existing dedicated platform.

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They are ready also to work on the issue of **collaboration versus competition between mainstream enterprises** and social economy organisations, making available the already analysed experiences. A specific work could be done underlying the **role of WISEs and social economy in the development of rural areas.**

Finally, they are also ready to work on the question of **upskilling and reskilling**, in the framework of the pact for skills but also in any relevant arena, through the B-WISE project.

> What pledges and/or actions towards the green transition of the ecosystem, do you intend to present, as part of this pathway?

ENSIE and its members are ready to take the various actions towards the transition of the ecosystem.

First of all, they propose **to map good practices of WISEs active in the green transition** and exchange them with relevant stakeholders. They also propose to work on the **identification of skills needs for the green transition** and participate to any European Commission consultation process in which they could share their input.

ENSIE and its members commit to raise awareness on socially responsible public procurement and how to implement it through the reinforcement of ENSIE SRPP database.

They propose to organise **concrete action (webinar or publication) to explain the combination of different support schemes** (state aids and taxation). Finally, it will be important to **promote communication campaigns** in order to demonstrate that the green transition will be sustainable among WISEs and social economy only with an holistic approach in which green, digital and just are considered together.

Digitalising the ecosystem

> What output scenarios for 2030 would benefit the development of a digital proximity and social economy industrial ecosystem, in line with the priorities of the EU Industrial Strategy and the social economy action plan?

ENSIE and its members defined various scenarios that would benefit the development of a digital proximity and social economy. The first step would be **to set up clear tailored targets and means concerning the digitalization of the ecosystem**. Indeed, too often the tools developed to accompany

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the transition are focusing on SMEs in general, but social economy organisations and WISEs in particular have specificities that should be taken into account.

Secondly, to ensure a just and fair transition, **disadvantaged workers should be empowered through clear targets according to their specificities**. Indeed they cannot have the same standards as the other workers groups as they don't have the same background nor the same opportunities.

Furthermore, social economy organisations and WISEs should have **access to training and be able to liaise with organisations and public entities providing support,** again, too often, those trainings and supports are designed for SMEs and social economy organisations and WISEs either can't benefit from them it because of their legal form or because the trainings and support are not what they need.

Finally, in 2030, **all the accessibility requirements for vulnerable groups should be fulfilled**. There should also be **digital translation services** to allow disadvantaged groups to reduce language barriers as well as **access to transparent processes involving the civil society and individuals in the relevant digital legislation process**.

> What are the main challenges to ensure the digital transition of this industrial ecosystem, as part of this pathway? Can you provide relevant data or evidence?

The main challenges the proximity and social economy ecosystem faces the **lack of (digital) skills and financial resources/support.** Indeed, especially in WISEs, skills is an issue that concerns all types of workers: managers, enablers and workers in integration. As there is no dedicated training for them covering all their needs, it is hard for them to stay on top. Concerning the funding, most of them are dedicated to SMEs and sometimes exclude de WISEs and social economy organisations based on their legal forms.

Another issue is that, **to participate in the decision making processes (e.g. online public consultations), people need to be able to have a single digital ID.** Most of the time disadvantaged group don't have it, because of lack of skills, knowledge or accessibility, and they find themselves often de facto excluded from it.

The **lack of digital skills and of information**, makes it sometimes difficult for the most disadvantaged workers to know where to navigate to find a job, indeed, depending on the city, the region or the country, job vacancy platforms change. This can lead to even more exclusion from the labour market. In the same way, there is a **real risk of information overload**, provided that not every worker is supposed to know everything about all digital business aspects (technical, legal, import duties, taxation, logistics, advertising ,…). For WISEs and social economy organisations, it is also **hard to keep up with EU regulations and initiatives on digital issues that concerns them**, as they are quite numerous and often hard to comprehend for small WISEs. The same issue exists at the national level, WISEs often lack awareness on relevant legislation applying to the country, especially when it comes to rights of protection and privacy.

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Finally, there is concerns regarding the **management of social economy actors' private data** by big tech.

> On which challenges are you ready to work jointly with other stakeholders for the digital transition of this industrial ecosystem, as part of this pathway?

ENSIE and its members are ready to work jointly with other stakeholders for the digital transition of the ecosystem and proposes to focus on the following challenges.

First of all, they will put the focus on the **question of upskilling and reskilling**. This work will be done in the framework of the pact for skills, through the B-WISE project but also in any other relevant international arena.

Second they will join forces **to raise awareness on the existing digital tools that can be used by WISEs and on the best way to work with platforms**. They will also work on ensuring that WISEs and their workers are **aware of the existing digital regulations**.

Finally, ENSIE and its members will work to raise awareness of national and European public authorities about the specific **difficulties faced by disadvantaged workers in the digital transition such as digital illiteracy and the issue of digital accessibility (may it be geographical or technical).**

> What pledges and/or actions towards the digital transition of the ecosystem, do you intend to present, as part of this pathway?

ENSIE and its members are ready to take actions towards the digital transition of the ecosystem and in particular of WISEs.

First of all, ENSIE, and some of its members, are partners in two projects that concerns the digital transition of the sector. The B-WISE project which aims **to develop and implement a European strategy to address skills needs, in particular regarding digital skills, in the WISEs sector**. The WISE for Digital Upskilling project (WISE Up) which aims **to increase the capacity of vulnerable people to integrate the labour market by developing digital education training and improving the mentoring**. ENSIE and its members commit to implement and promote all the tools and recommendations created in the framework of those two projects as well as on any future project, which focuses on the digital transition of the sector.

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ENSIE and its members propose also to organise **webinars on digital tools and big data platforms, and existing digital regulations for their members and their members' members**.

ENSIE commits **to reinforce, develop and disseminate the wisebusiness.eu platform, a platform that present digital tools that WISEs can use** (also other organizations of the social economy could benefit from the platform).

Finally, ENSIE and its members are ready to exchange with the European Commission and any other public authority about the concrete challenges faced by disadvantaged workers in the digital transition (digital illiteracy and accessibility), in order to participate to **the development of concrete policies and tools designed for people with specific needs in the digital transition**.

What other comments would you like to give?

ENSIE and its members have an overall comment concerning the way the European Commission is approaching the whole transition of the ecosystem.

First of all, the fact that it this consultation is centered only around industrial ecosystems is an issue. Indeed, the transition of the ecosystem could not be separated of the rest of the economy. To face the changes needed due to the climate crisis, consumption should reduce and it's important to move towards a services economy. This is why there is a need to think this transition in an holistic way, creating for example, on top of an industrial strategy, a strategy on services, with a central role given to the social economy and WISEs which are already working within this framework.

Second, the focus of the document as well as the SEAP in general is to ensure the growth of the sector and to help the social economy to scale up. Or, growth, even green or sustainable is not desirable as it is based on an unsustainable increased energy demand. To face the transition and the future, there is a need to rethink the central place of growth in economy. The core principles of the social economy such as democracy, participation, solidarity are at the heart of this other model. This is why social economy organisations can be considered as alternative models of functioning economic entities that are not looking for growth but to propose products and services that respect both the workers and the environment.