

**SEE's ANALYSIS OF THE COUNCIL  
RECOMMENDATION  
ON DEVELOPING SOCIAL ECONOMY  
FRAMEWORK CONDITIONS**

## Summary:

The proposal for a Council **Recommendation On Developing Social Economy Framework Conditions** published by the Commission on June 13 represents another important **milestone** in the international momentum that Social Economy (SE) is experiencing since the launch of the **Social Economy Action Plan** by the Commission (December 2021), the recommendations of the ILO and the OECD (June 2022), the Transition Pathway of the Proximity and Social Economy (November 2022) and the resolution of the United Nations (April 2023). All these initiatives recognise the supportive and **essential role Social Economy** is playing for a **fair, inclusive and sustainable economic and industrial development** as well as its contribution to **territorial cohesion** and its stimulation towards **social innovation**. In the framework of this international momentum, it is crucial that the EU makes a priority of developing essential conditions to promote Social Economy amongst the 27 Member States.

With the present white paper, Social Economy Europe (SEE) would like to **encourage MS to adopt the recommendation** and takes the opportunity to underline that if EPSCO will be deciding about the outcome of the recommendation, developing framework conditions for SE is about much more than labour and social inclusion, it **is also about supporting other EU policies** and their implementation, such as the European Pillar of Social Rights, accelerating the digital and environmental transitions, supporting the EU industrial strategy (at EU, national and local levels), the Gender Equality strategy 2020-2025, the European Care Strategy, the European Strategy on the Rights of the Child, the Reinforced Youth Guarantee, the Proposal for a Council recommendation on strengthening social dialogue in the European Union... It is also about boosting a lively **civil society ecosystem** which nourishes a truly **democratic Europe**. In that regard and in addition, the European Commission's proposal for a legislative initiative on cross-border activities of associations is expected to complement this Council Recommendation.

SEE would also like to stress the diversity of economic and legal models, and the diversity of SE's participation to social and economic development and the approach of inclusiveness that founds the transformative power of the Social Economy. This is crucial for the recognition of the important **impact of SE in the economic, industrial and local development**, all the most as SE also participates to the development of non-relocatable jobs.

SEE calls the EPSCO Council to support and **strengthen the entrepreneurial and social innovation dimensions of the Social Economy** as well- together with its contribution to **social inclusion**- in the final recommendation. Only such an open and inclusive approach can encompass the multifold dimensions of social economy which is transversal to **all sectors** of activities and almost all policy fields. In fact, Social Economy is not “a sector” but an **economy** built on strong **humanistic values**: the primacy of people as well as social and/or environmental purpose over profit; solidarity, democracy, social cohesion or territorial commitment.

The following paper points out some important **elements** and suggest some **key improvements** to take into consideration during the recommendation’s negotiations.

As the recommendation is not binding (even though it aims to be monitored once adopted), it is crucial that unanimity on the **most ambitious version is adopted**, this means concretely adopting strong policies and legal frameworks for the development of flourishing social economy ecosystem across the EU, **co-designed with SE actors**. In fact, for the recommendations to be properly implemented, it is essential that strong collaboration between SE representatives and national as well as local governments are built where they do not exist, and strengthened where they exist.

What SE enterprises and organizations are calling for is not privileges, it is about creating a **level playing field with mainstream enterprises**, to support an economy that **answers** the real **societal and environmental challenges** the EU is facing. Because only by changing the way we produce and consume, will we be able to overcome the failures of today’s economy that brought us to permanent and multifold crisis. Because the XXIst century needs a sustainable people centred economy.

## About Social Economy Europe

Social Economy Europe (SEE) is the voice of the 2.8 million social economy enterprises and organisations in the European Union. Created in November 2000, under the name of CEP-CMAF, SEE represents the collective interests of all social economy actors as cooperatives, mutuals, associations, foundations, social enterprises, and other social economy legal forms. Social economy enterprises and organisations of all sizes operate in all socio-economic sectors. SEE is formed by three types of members:

- ✦ European umbrella organisations of cooperatives, mutuals, associations, and foundations, such as AIM, AMICE, and Philea.
- ✦ National Social Economy umbrella organisation, representing the diversity of social economy actors such as CASES, CEPES, ConcertES, ESS-France, Forum Terzo Settore, and the Wheel.
- ✦ European networks actively engaged in the promotion of the social economy as CECOP, DIESIS, CEDAG, ENSIE, EMN, Eurodiaconia, FEBEA, IPSE, and REVES.

SEE is the organisation providing the technical secretariat to the **European Parliament's Social Economy Intergroup**, a cross-partisan group of 80 MEPs belonging to the main pro-EU groups. It is also an active member of GECES (European Commission Expert Group on Social Economy and social enterprises), co-leads the Pact for Skills for the Proximity and Social Economy Ecosystem, and actively participates in the EU Platform to Combat Homelessness, the Industrial Forum, and the UN Taskforce on Social and Solidarity Economy.

In 2023, SEE unites 24 members, it works with 2.8 million enterprises and organisations, contributes to 13.6 million jobs and is responsible for 8% of the EU GDP.

## INTRODUCTION

Social Economy Europe (SEE) is delighted the European Commission has published a proposal for a Council recommendation on developing social economy framework conditions. This is an important milestone of the European Social Economy Action Plan implementation. The fact that the recommendations exist is already *per se* an important recognition of social economy (SE) and crucial to foster its dissemination.

The document is ambitious and tackles many different aspects. The explanatory memorandum provides a thorough explanation of the added value of social economy, the challenges it faces as well as the objective of the proposal. The recommendation is not binding but tackles extensive points and crucial issues for social economy.

The scope of the proposal of the Commission is very much appreciated for its holistic approach as it is linking SE and its numerous sectors of activities to different EU policies and important strategic orientations recently developed by the European Union institutions (such as the European Green Deal, the European Pillar of Social Rights, the Gender Equality strategy 2020-2025, the European Care Strategy, the European Strategy on the Rights of the Child, the Reinforced Youth Guarantee,...).

As stated by the proposal, it is important to underline that “effectively supporting the social economy requires an all-encompassing approach that takes account of all the interconnected aspects that have an impact on the sector”. In this regard, we would like to take the opportunity to stress that Social Economy is not “a sector” as such but an economic system with strong values that encompasses all range of sectors of activities, beyond the important ones mentioned in the proposal<sup>1</sup>.

SEE strongly supports the view of the proposal that “an enabling framework needs to factor in the specific features of the social economy and the additional barriers that social economy enterprises and organisations face in their development that limit their scope to operate alongside mainstream businesses” (*whereas 15*).

In line with this consideration, SEE calls the EPSCO Council to address all dimensions of social economy and particularly to strengthen the entrepreneurial dimension of the social economy - which is less mentioned than its social inclusion dimension, both being essential and not exclusive- by promoting social economy entrepreneurship, also from cooperatives and other social economy employee-owned companies.

This SEE proposal enhances the full implementation of the European Pillar of Social Rights. This is also coherent with the guidelines for the employment policies of the Member States (Council Decision (EU) 2022/2296) when Member States are called to

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<sup>1</sup> Agriculture, energy, climate, recycle & reuse, waste management, food, catering, finance, insurance, care, education, arts, real estate, work integration.

“actively promote the development and tap into the full potential of the social economy” to boost the demand for labour (Guideline 5).

At the same time, this complementary approach can cover the multifold dimensions of social economy which is transversal to all sectors of activities and almost all policy fields.

Given this context, the work of the EC to broaden the topic to many more aspects such as taxation, public procurement and more, is a well-executed delicate exercise that boosts the cooperation of the European Commission with Member States in strategic areas.

The downside to the entry point of the recommendation is that these technicalities contain (as it is often the case) the perception of social economy to its social inclusion dimension, which is obviously important, but does not cover all SE dimensions, even in terms of labour. For instance, it barely addresses social innovation in fields such as support to non-standard forms of employment or even the social protection. Nor does it deal with the social economy as operator in all economic sectors in accordance with its principles, which are well laid down in the preliminary part of the Recommendation. Furthermore, the recommendation provides little room for the diversity of economic and legal models, and the diversity of SE's participation to social and economic development, if not on very specific points. This approach somehow waters down the recognition of the important impact of SE in the economic, industrial and local development, all the most as SE also participates to the development of non-relocatable jobs. These are all mentioned at least once, we want to stress how crucial SE contributions is to all these fields and how important a sustainable people centred economy depends on strong collaboration between SE representatives and national as well as local governments.

And finally, a last point of attention, it is important that the definition and conception of social economy do not prejudice the national legal frameworks and strategies of countries with a strong SE legal frame and developed social economy ecosystem.

In the following pages we present chapter by chapter the points SEE believes to be essential and some amendments we encourage members of EPSCO to take into consideration. In fact, we encourage Ministers to adopt the recommendation and to push for an ambitious version.

SEE and its members, are ready to provide expertise and share experience with both the EC and MS to facilitate the implementation of the recommendation.

### **General Recommendations:**

In coherence with the above-mentioned comments, SEE proposes to:

- Refer to social economy as social economy enterprises and organisations, not as entities, along the Recommendation.
- Avoid the identification of social economy as a sector, but (instead) as an enterprise model or a development economic model.

## INITIAL ELEMENTS OF THE PROPOSAL

In coherence with precedent comments and the analysis that follows, SEE suggests the following wording for the points 4, 15, 19, 21, 23 and 24 (p14 to 21 of the recommendation).

*(Underlined text in the body of the text indicates where SEE proposes inserting new text. Strikethrough in the body of the texts below indicates where the SEE proposes deleting the words)*

- 4. The European social economy is formed by 2,8 million enterprises and organisations of all sizes - ranging from SMEs to large companies and groups- that operate in all the economic sectors and employ some 13.6 million people<sup>2</sup>. Social economy ~~entities~~ can create and retain quality jobs, strengthen the entrepreneurial diversity in the Internal Market they and contribute to the social and labour-market inclusion of disadvantaged groups and to equal opportunities for all. This is in line with the framework of an inclusive recovery, as highlighted in the Guidelines for the employment policies of the Member States laid down by Council Decision (EU) 2022/229650. They can stimulate sustainable economic and industrial development and promote the active participation of citizens in society. Social economy ~~entities~~ enterprises and organisations also make a significant contribution to Europe's welfare systems by complementing public services, revitalising Europe's rural and depopulated areas and playing an important role in international development policy.
- 15: To enable the social economy to fulfil its potential in supporting labour market access, social inclusion, skills development, territorial cohesion and sustainable economic development, it needs an enabling framework. Since the social economy is influenced by horizontal and sectoral policies and provisions, an enabling framework needs to factor in the specific features of the social economy and the additional barriers that social economy entities face in their development that limit their scope to operate alongside mainstream businesses. Social economy entities do not seek to maximise efficiency gains and profits but to create positive societal outcomes. They

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<sup>2</sup> COM/2021/778 final

need support measures and favourable financial, administrative and legal environments that take account of the specific features of their business models in terms of governance, profit allocation, working conditions and impact. ~~These measures enable them to, for example, employ workers that are less productive or provide social services at accessible prices.~~ Comprehensive strategies are needed to set enabling frameworks. This may involve adopting regulatory measures or implementing or adjusting policies and initiatives to support the social economy's contributions to social and environmental goals and enhance their economic and industrial value. These strategies should track progress and measure the effectiveness of initiatives, make adjustments and improvements as needed, and ultimately result in more efficient and impactful outcomes from social economy ~~the sector~~. Strategies may need to be adopted at different levels of government (national, regional and local) depending on the institutional organisation and context in each Member State. Regions and other subnational levels could adopt social economy strategies that are clearly linked to regional development objectives and priorities, maximising the mutual benefits.

- 19. Providing goods and services and working with both public authorities and mainstream businesses is critical for the development of the social economy, for generating revenue and to open the access ~~help of~~ social economy enterprises and organisations to new opportunities and markets ~~become financially self-sufficient~~. Thanks to the scope for flexibility under the Union public procurement rules, contracting authorities can use public procurement in a more strategic manner by setting innovative, green and social criteria, ultimately contributing to a more sustainable, inclusive and competitive economy. However, most tenders are still awarded solely on the basis of price. Since social economy enterprises and organisations aim to provide societal and collective benefits rather than to provide services at the lowest price, they struggle to compete in regular public procurement processes, despite the fact that they can provide broader added value to the procurement process. There is also room to increase the capacity of social economy organisations and enterprises to do business, including through a more systematic integration into mainstream business value chains and partnering with them to bid jointly for public procurement and create new market opportunities.
- 21. Taxation policy can also have a significant role in fostering the social economy and ensuring that social economy entities can afford to operate alongside mainstream businesses, creating a more equitable business environment while contributing to social inclusion and improved access to employment. Few Member States have established a consistent taxation



framework that encourages the development of this enterprise model ~~the sector~~, including tax incentives tailored to the needs of the social economy, while recognising its diversity and preventing fragmentation. Setting well-designed tax incentives for donations to public-benefit social economy entities can stimulate their financing, also across Union borders in line with the Treaty principle of non-discrimination. Administrative barriers remain in several Member States regarding public-benefit donations across Member States borders, and a lack of transparency on the documents needed to qualify for public-benefit status. Issuing standardised forms of the recipient entity established in another Member State could lessen the administrative barriers. As a first step, Member States could provide translations of the national forms in the languages used by other Member States. As a second step, Member States could explore developing standard forms on direct tax for cross-border donations.

- 23. The visibility and recognition of the social economy at national and regional levels in the Union has improved over the last decade. However, the potential of these enterprises and organisations ~~the sector~~ in many Union countries remains untapped. A lack of coordination and exchange across countries perpetuates the differences in the development of the social economy, therefore there is a clear opportunity for Member States to gain by learning and sharing best practices. There is also limited awareness among the general public about the social economy and the positive contributions it makes. This can hinder the development of support policies and market opportunities for the social economy. Regulating while ensuring new legislation meets the needs of social economy entities can raise awareness and give them greater legitimacy, facilitating access to finance and markets. National public authorities and stakeholders have launched several initiatives, such as specific legal forms, labels and statuses<sup>76</sup> for the social economy, and largescale communication campaigns, to increase understanding and visibility of the social economy. Other successful reforms include the creation of specific ministerial units for the social economy and enhanced dialogue between stakeholders and public authorities. Boosting the visibility of the social economy is crucial to fully recognise its positive impact on society, as emphasised in the social economy action plan with the launch of a social economy gateway.
- 24. Having accurate data and statistics is key to improving understanding of social economy business models and making evidence-based policy decisions. However, there is a shortage of reliable data on the social economy, including data on its economic added value and performance. Existing data is often incomplete and difficult to compare. For instance, only a few Member States have expanded their national accounting systems to

collect supplementary data (such as in satellite accounts) on the social economy, despite financial support available under the Union budget. The social economy is usually not included in structural business statistics, for instance when the statistics are built on economic data generated by for-profit businesses and traditional social economy entities are only included in residual categories. By making available essential statistics on the size, workforce, development and challenges of the social economy, the strategies and measures put in place would be more efficient and adjusted to the different situations in **this enterprise model** ~~the sector~~.

#### A. OBJECTIVE:

The objectives are clearly stated and that is essential. They include the various fields to which social economy contributes across society. The point 3 is essential as it mentions the aim of the overall recommendation to stimulate “fair and sustainable economic and industrial development and to contribute to territorial cohesion across the Member States”, dimension that is less linked to the employment and social inclusion, the main entry point of the recommendation.

One field that could be mentioned is the crucial role SE plays in democratic and participatory governance (within social economy organizations and enterprises) and the important links with civil society which often chose SE legal form when and if they need to adopt one.

*Proposal: (Underlined text in the body of the text indicates where SEE proposes inserting new text)*

3. By promoting the social economy, this Recommendation also seeks to stimulate fair and sustainable economic and industrial development as well to contribute to territorial cohesion and democracy at work and through lively civil society organizations across the Member States.

#### B. DEFINITION:

SEE is quite satisfied with the definition of SE as it is in line with the ones adopted by other international organisations such as UN in the resolution “*Promoting the Social and Solidarity Economy for Sustainable Development*” (A/77/L.60) adopted last April, the ILO *Resolution and Conclusions concerning decent work and the social and solidarity economy*, as well as by OECD in its *Recommendation of the Council on the Social and Solidarity Economy and Social Innovation* in June 2022. It is important to

adopt same definition in all MS in order to facilitate a common understanding and comparison between countries as well as to solve cross-border fiscal and social issues as well as cross-border cooperation and mutual recognition of social economy enterprises. Even though the term used in the recommendation only mentions “social economy” and not “solidarity economy”, we understand the present recommendation as including both. In any case, SEE calls to reinforce the subsidiarity principle to avoid any interference with legal definitions adopted by national or subnational authorities with strong SE frameworks.

SEE would also like to stress the importance of the governing independence of SE enterprises and organizations from public authorities, as mentioned in the point 4a.

SEE can agree on the inclusion of “social enterprise” as mentioned in the recommendation, as long as it is clearly stated (as it is the case in the document) that they function in “accordance with the principles and features of the social economy”.

*Proposal:* (Underlined text in the body of the text indicates where SEE proposes inserting new text.)

4. For the purpose of this Recommendation, and without prejudice to the pre-eminence of the definitions of the social economy as laid down in the legal systems of the Member States the following definitions apply: (...)

## C. FOSTERING ACCESS TO THE LABOUR MARKET AND SOCIAL INCLUSION THROUGH THE SOCIAL ECONOMY

### ✦ Access to the labour market:

SEE acknowledges the added value of SE to the access to labour market as mentioned in the recommendation. In the recommendation the positive role of SE into the function of job creation, in particular for people who are far from the labour market within Work Integration Social Enterprises is well recognised, but SE is also recognised internationally as a form of entrepreneurship capable of embracing all economic fields and job creator. The Commission justifies this restrictive approach by the legal basis chosen (employment and social policy). It is absolutely crucial to stress the importance of SE in easing access to labour market for disadvantaged and underrepresented groups, but it cannot be limited to these. SE also participates in supporting workers that are not in so-called standard forms of employment, promoting collective entrepreneurship through cooperatives and other forms of social economy enterprises (SALES in Spain, CAE in France, and many other grass rooted

initiatives across the EU). SE broadly participates to the employment of all categories of workers. In fact, SE counts for approximately 14 million jobs for all types of workers and in all sectors of activities. For this reason, SEE is suggesting a new added point that for its importance should be placed among the present points a) and b), transforming the actual b) in c) and going on arriving until the point i).

If SE and WISEs in particular can be a trampoline for disadvantaged workers, it can also be an aim in itself for many to work in purpose driven entities such as in the SE. Indeed, the SE also attracts people wanting to work in an entity that is not guided by profit making but that are led by collective and/or general interest. These work-related elements should be mentioned as well regarding access to the labour market and social inclusion. Furthermore, SE is recognised for creating innovative solutions to social and employment issues, while being protective of its workers. The point 5.e even suggest that there would be more gender imbalances within SE, while data shows there is a greater ratio of women employed in SE organizations and enterprises than in mainstream economy<sup>3</sup>.

In the Recommendation proposed there are also other points we would like to amend. The first one refers to the reduction of social security (point 5.d.ii): given that SE provides non-relocatable jobs to a wide range of workers, why would there only be social security reductions for the newly hired employees? What would that entail concretely? Whereas reductions of social security contributions can be a supporting tool for SE organisations (which is sometimes already the case), one should also be cautious to not weaken and endanger social security and solidarity schemes that already support SE enterprises and organisations. A fair balance should be found.

Secondly in the point 5.h, the point stresses the importance of social dialogue within SE structures. We agree that this is important, as in any enterprise, as it doesn't seem like SE actors have more issues than others regarding collective bargaining, working conditions and wages. On the contrary ILO has shown how SE contributes to decent work, and these are some of the elements that contribute to decent work. It is crucial that the specific democratic practices that are developed within SE are recognised and combined with traditional social dialogue national practices. In fact, we would like to make sure that SE are recognised as employers and play a role in the intersectoral social dialogue institutions in all MS.

Regarding the care sector in particular, SEE would like to see more in-depth research on the contribution of social economy to improving working conditions in the care sector as set out in the European Care Strategy implementation<sup>4</sup>.

Finally, references to undefined concepts ("social entrepreneurship", "social entrepreneurs" or "social business") might be confusing in the framework of a

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<sup>3</sup> <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/EDN-20230303-1>

<sup>4</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_5169](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5169)

recommendation on social economy. Therefore, coherence among different chapters of the Recommendation on the promotion of social economy entrepreneurship should be assured.

*Proposals: (Underlined text in the body of the text indicates where SEE proposes inserting new text. Strikethrough in the body of the text below indicates where the SEE proposes deleting the words)*

5 (b new point) Encouraging social economy entrepreneurship, in particular by means of cooperatives or any other social economy employee-owned companies, within the active labour market policies through guidance, intermediation, employment, on-the-job training and mentoring services and programmes aimed at fostering job creation and improving the employability of jobseekers.

5 (b)ii. action to help these groups of people prepare for employment through working experience in social enterprises for their integration in the open labour market and for job creation within the social economy.

5(d). promoting social economy entrepreneurship together with the job creation and social integration potential of social economy organisations and enterprises as a means to foster self-employment and *other forms of employment, develop economic activity locally and tackle social and environmental challenges through innovative and inclusive business models; whereas to achieve this, Member States can, for instance:*

5 (d)ii. consider reducing social security contributions to hire ~~new~~ employees;

5 (f) ensuring an enabling framework for business transfers to employees to form worker cooperative or any other social economy employee-owned company to avoid job losses and safeguard economic activity;

5 (h) i. promoting social dialogue and collective bargaining in the social economy, as in any enterprise, to keep on improving ~~ensure that workers have~~ fair-working conditions, including fair wages, respecting the autonomy of social partners.

5 (h) ii. Acknowledge the specific democratic practices and social dialogue that are developed within social economy enterprises and organizations, while encouraging the role of social partners representative of social economy organisations and enterprises.

5 (h) iii. Recognize SE organisations and enterprises as employers and fully integrate them in cross-sector social dialogue institutions; in Economic and Social Councils at state level and Social Dialogue bodies

### ✦ Social inclusion:

In these sections we are glad to see the links that are made between SE and services of general interest. If not all SE structures can be considered as such, many develop such services and should be recognised as providers of services of general interest. SE organizations and enterprises provides such services and hence cannot be considered on the same level as for-profit enterprises, as they work for the well-being of society, are locally rooted and do not or merely seek to maximise profits or reward capital investments but to reinvest surpluses in the development of services and goods for the community. It is the type of economy that can best support and accompany a real fair twin transition.

In particular, SE has a strong role in the provision of services of general interest such as care, social services as work integration and other essential services. We are delighted to see the links made with the care strategy (point 6.b & c).

### ✦ Skills:

All points mentioned in this section are very important and we thank the EC for addressing them in the recommendation. We find particularly interesting to integrate training provided by SE in the list of training eligible to be covered by the individual learning accounts (point 7.b.iii). In order to increase visibility of SE and make it more mainstream, the recommendation (point 7.d) of “fostering the inclusion of social economy entrepreneurship skills in education and training at all levels of education, especially in entrepreneurship and business courses” is essential. This has to go in pair with the following point (7.e) of creating national competence centres for training on social economy. These centres should be operated and managed together with social economy stakeholders.

On other hand, references to undefined concepts (“social entrepreneurship”, “social entrepreneurs” or “social business”) might be confusing in the framework of a recommendation on social economy. Therefore, coherence and consistency among different chapters of the Recommendation on the promotion of social economy entrepreneurship should be assured.

*Proposals: (Underlined text in the body of the text indicates where SEE proposes inserting new text. Strikethrough in the body of the text below indicates where the SEE proposes deleting the words)*

7(b)i running learning exchanges between social partners representative of the social economy, social economy organisations and enterprises, training organisations and mainstream companies ...

7. (b) iv. providing training on Social Economy values additionally to vocational training and training linked to the job itself;

7 (c) creating specific apprenticeship schemes in social economy that support young people, particularly people not in employment, education or training, to

upskill and prepare them for the labour market and enable the social economy to develop talent in their enterprises and organisations sector, in line with the European Framework for Quality and Effective Apprenticeships;

7. (d) Fostering the inclusion of social economy and social entrepreneurship skills in general education and training programmes at all levels of education (from children to adults) as well as in entrepreneurship, management especially in entrepreneurship and business courses. Providing access to coaching and mentoring programmes for social economy organisations and enterprises and social entrepreneurs;

7 (e) creating, together with social economy organizations and enterprises, national competence centres for training on the social economy and taking part in transnational initiatives that facilitate access to specialist education and training programmes for the social economy, for example through cooperation with vocational education and training providers working within the framework of established bodies, such as the Centres of Vocational Excellence referred to in Council Recommendation of 24 November 2020 on vocational education and training for sustainable competitiveness, social fairness and resilience.

#### **❖ Social innovation, sustainable economic development and territorial cohesion**

SEE is glad to see this section that highlights the important contribution of SE to social innovation, sustainable economic development and territorial cohesion, as these are strong added value of SE. SE has a crucial role in local development and employment and we strongly support a sturdier role of SE in industrial policies (European, national and local) and particularly in community-led local development to answer the needs of territories in a participatory way (point 8.a). In particular, SEE believes in the importance of “engaging with national and regional competence centres for social innovation to build networks, boost capacities and synergies, highlight efficiencies and develop essential tools and methods to stimulate social innovation” (point 8.a.iii). It is an aspect SEE would like to contribute to, together with national and regional umbrella organizations, more detailed actions should be identified and deployed within the proximity and social economy industrial ecosystem.

The recommendation could go further by encouraging more participatory local governance such is what has been established in France and in line with what Euricse calls “shared administration<sup>5</sup>”. SEE calls on MS (and their relevant public authorities) to introduce innovative tools to allow the emergence of multistakeholder partnership (sometimes including public authorities) led by SE actors and aiming at boosting local development with a clearly defined role of local

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<sup>5</sup><https://euricse.eu/en/publications/wp-126-23-shared-administration-as-a-new-relationship-between-the-public-sector-and-the-social-economy/>

authorities, which become an enabling partner of social innovation. In such a framework, it is essential that social innovation is clearly defined, which isn't the case at the time being. Inspiration can be drawn by the French Law on social and solidarity Economy that allowed the creation of "territorial clusters of economic cooperation" (PTCE in French). Inspiring clusters can be found across the EU<sup>6</sup>.

Mainstream companies are mentioned as potential partners for cooperation at local or community levels. Authorities should be careful however that mainstream businesses are not taking advantage of the pioneering work achieved by grass roots SE initiatives, making profit by taking over the market once it is established, and excluding the SE actors who initiated the first concept. The point (8 (c)) is also crucial as it supports the green transition by encouraging repairing and reusing as well as waste prevention strategies. This strand could be more ambitious as you will see in the proposal below.

The point 8 (e) recommends boosting the access to digital tools and new technologies, as this is important for all SMEs, it is important for SE actors. Nevertheless, we would like to remind governments that many digital tools are developed by or with open-source and free operators that chose SE legal entities. In some countries, like SE enterprises are not considered to be eligible as an innovative tech enterprise, which is an issue for their development and financing. This should be addressed urgently. We would furthermore encourage MS to push for the use of free and open-source tools and software to participate to the development of a democratic digital world where citizens have a say and trackability on how data is used. We have made suggestions for this in the section on "public procurement".

*Proposals: (Underlined text in the body of the text indicates where SEE proposes inserting new text. Strikethrough in the body of the text below indicates where the SEE proposes deleting the words)*

8.a. promoting a favourable ecosystem for social and place-based innovation by facilitating cooperation and partnership initiatives between social and circular economy entities, mainstream businesses, finance providers, local governments and other stakeholders. Cooperation frameworks should be defined and could be coordinated by regional or local public authorities to make sure successful Social Economy pioneering initiatives are not cornered by mainstream businesses that take on all the profit. For instance, this can be done by (...)

8. (b) ensuring that policy on the social economy is linked to industrial policy and the transition to a digital and circular economy, in particular by:  
i. deploying the actions and initiatives of the social economy industrial

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<sup>6</sup> Many cluster can be found on <https://clustercollaboration.eu/social-economy> , like CEDRA in Croatia, ADV initiative in Romania, Torino social impact in Italy and more



- ecosystem<sup>7</sup>.
- ii. promoting the industrial growth of social economy enterprises in all sectors.
- iii. supporting the innovation and technology centres of the social economy and their cutting-edge projects, specially at territorial level.

8.(c) adapting regulatory frameworks to support social economy organisations and enterprises in the circular economy, for instance ensuring that the right incentives are in place for businesses to donate unsold and returned goods to social economy organisations and enterprises for repair and reuse instead of destroying the goods and for individuals to donate second-hand goods, ensuring social economy organisations and enterprises have access to the waste stream, involving them in waste prevention strategies, and ~~authorising~~ encouraging food banks to collect food surpluses;

8.(d) fostering and removing barriers to the development of social economy community-based initiatives and ecosystems, for example, energy communities, shared mobility solutions, digital platform cooperatives, co-working and third spaces, care provision, agriculture cooperatives and local short food chains and markets, for citizens to access local-based products and services;

8.(e) boosting the access of social economy ~~entities~~ organisations and enterprises to digital tools and news technologies such as open source, big data or artificial intelligence, as means to reinforce their social and/or environmental purposes.

## DEVELOPING ENABLING FRAMEWORKS FOR THE SOCIAL ECONOMY

This section is probably the most complex, but it is as essential as the previous to enable a flourishing social economy. In fact, if local level is crucial for the deployment of social economy, the national and/or regional regulatory framework is the legislative level that can enable or on the contrary can halt the development of social economy. An incentivizing regulatory framework must go hand in hand with a well-established strategic plan developed in coordination with the social economy. Reason why we highly support the point 10 which mentions “setting up high-level groups and supporting the emergence and development of social economy representative networks”. We would go even further by enacting in the recommendation the fact that MS should designate SE coordinators within their institutions to lead their strategies in coordination/cooperation with the different departments, government agencies and territorial levels given the inter-and multi-sectorial character of SE. These coordinators should develop transversal policies and work in strong dialogue with national SE

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<sup>7</sup> COM/2021/350 final; SWD(2021) 351

representatives. Inspiration can be taken from Spanish and French government, or the Walloon region in Belgium that issued a law-decreet defining and organising SE at a regional level since 2008. The links with SE representatives should be strong and go as far as allowing a co-creation and co-designing of policies to make sure they are fit for purpose. This collaboration is essential because SE, not being the mainstream business, is not always properly understood while it caters strong solutions to many of the multiple and permanent crisis the EU is facing.

On the other hand, SEE strongly supports the acknowledgement of the core principles and features of social economy (paragraph 11), as these identify the management and operational methods of the social economy enterprises and organizations. This recognition brings consequences for embeddedness of social economy in key socioeconomic policies – in particular for labour – and in market regulations. It justifies the need for adapted regulations addressing social economy and specific treatment applied to social economy vis-à-vis other economic operators. Because adapted frameworks and policies promote much more than tax or social security incentives, they promote a level playing field for social economy with other forms of businesses. Even more, they provide structural solutions to current societal, digital, environment and energy challenges.

Of course, it is important that public officials and authorities understand what SE is and how it works, that they are well aware of all the potential of SE and its wide range of sectors of activities.

This is why we highly support the point 12 that suggests focused training schemes for public officials and authorities. These training programmes should include a focus on the principles and values of SE (primacy of people over profit, social purpose, general interest and participatory governance). SEE can help in the peer learning process and capacity building with its members and also through the Large Scale Partnership.

*Proposals: (Underlined text in the body of the text indicates where SEE proposes inserting new text. Strikethrough in the body of the text below indicates where the SEE proposes deleting the words)*

10.a. Member States are recommended to put in place mechanisms for consultation and dialogue between the public authorities and organisations representing the social economy, including as social partners in the social dialogue. This can involve setting up high-level groups and supporting the emergence and development of social economy representative networks.

Point 10b: MS should designate SE coordinators within their institutions to lead their strategies in coordination/cooperation with the different departments and government agencies given the inter-sectorial character of SE (energy, agriculture, labour market, mobility, industry, care, education, culture...). These

coordinators should work in strong dialogue with national SE representatives according to the principles of co-creation and co-designing.

### ✦ Access to public and private funding

The issue of funding of SE is crucial. Not because SE is not sustainable, but because as a people-centred economy, it has more difficulties than others in attracting investors. In fact, with either limited or no distribution of dividend, it leaves lesser possible return on investment for investors, and when it does, it is usually on the long run. Furthermore, as part of the surpluses of SE organizations and enterprises must be reinvested in the development of its social purpose, it reduces even more the prospect of redistribution of surplus to investors. These are great financial limitations of SE funding possibilities. The positive aspect of these economic practices is that when there are surpluses, they are reinvested in the collectivity or purpose of the organization. It helps the local economy and the people it serves. The downside is the difficulty in being taken seriously by financial and banking institutions that are mainly interested in high and possibly rapid return on investment. If we want to encourage a virtuous economy that solves societal challenges, we need a level playing field regarding access to funding, be it private or public, for all stages of SE enterprises. Such incentives would boost a sustainable job-rich growth in the Union.

SEE welcomes the different points in this section and would like to emphasize that SE initiatives should be able to have access to several sources of financing, as it is already the case for mainstream businesses. What SE needs is financing that is tailored to its needs and specificities, at all the stages of their development, meaning not only at the launch of the project but all along the life cycle of SE organisations and enterprises.

Regarding funding opportunities through EU funds and programmes (13.j), we would like to underline the difficulties some SE organisations and enterprises are facing to participate and enter a project. Small entities do not have enough resources to manage the complexity of some “Calls” and to comply with the extended reporting process of some programmes and cannot afford waiting a long period to receive the funding. Therefore, many Social Economy structures do not even consider taking part in such funds or programmes. Hopefully the new Social Economy Gateway will help Social Economy organisations and enterprises to better find their way to EU funding opportunities.

Complementary to the Social Economy Gateway and point 13 j, the Social Services HELPDESK ([eufunds4social.eu](http://eufunds4social.eu)) is an ongoing project cofounded by the European Commission which aims to launch the building blocks for a Social Services Helpdesk. The ultimate goal of this project is to increase the use of ESF+, and ERDF funding by social services and to make it easier for social service providers to access these funds. By launching the building blocks of a Social Services Helpdesk, the projects also

intend to help managing authorities use EU funds to finance quality interventions in the field of social services.

In numerous EU countries, ethical and solidarity-based providers are the reference financiers for social economy organizations and for this it is important to recognize and acknowledge the pivotal role played by ethical finance in supporting the social economy. They act, and particularly ethical and solidarity-based finance, as an enabler in achieving the objectives outlined in the Social Economy Action Plan, as well as other strategies like the European Social Pillar or the European Green Deal.

It must be noticed that the Recommendation does not mention the specificity of cooperative credit banks, which are not only actors able to provide financing but are part of the social economy ecosystem. Mentioning cooperative credit banks is important as they are recognized in other EU policies, like within the European negotiation of the new banking regulation of the CRD Directive which refers to the cooperative matrix in Art. 97 (4).

The European Social Economy Action Plan mentions cooperative and ethical banks and financiers, micro-finance institutions, mutuals insurers and paritarian institutions, as key investors in sustainable entrepreneurship, social services, and the green transition. For instance, when taking the example of financing the ecological transition, like for example through energy communities promoted in the territories, social economy financiers and banks play a much stronger role than the rest of the banking system.

All proposals in this section are positive. SEE would like to stress the importance of promoting and expanding the availability of resources for ethical finance and cooperative banks to support an increasing number of social economy initiatives. Specialized networks in ethical banking, philanthropic organizations and social investment can be strong allies of the EU and MS as they are experienced players in the field. There is knowledge and good practices that can be proposed from different countries.

### **Access to markets and public procurement**

The issue of access to market and public procurement are crucial because there are barriers to their access by SE initiatives linked to the fact that these operate in the market with social purpose rather than to maximize profits and redistribute dividends.

Regarding public procurement particularly, up until now, elements such as “lowest price” or the lack of attention to social impact of suppliers naturally made it easier for mainstream businesses to win the bids. With the huge environmental and social challenges of the world is facing today, public authorities can no longer limit their evaluation to cheapest bidder. Therefore, SEE particularly welcomes the recommendation (point 14.c) “to encourage contracting authorities to purchase goods

and services strategically and to pursue social impact and support social innovation”; as well as (14.d) “raising awareness of the added value of socially responsible public procurement among contracting authorities and enterprises and making expertise available to contracting authorities and social economy entities”. It comes without saying that public procurement should (point 14.e) “encourage contracting authorities to refer in tender documents to specific obligations under social and labour law and collective agreements [...] and to monitor them”. All these measures can best deploy if (point 14.e) public authorities are encouraged to set-up “a structured, transparent and non-discriminatory dialogue with the social economy and other stakeholders to design a socially responsible public procurement strategy”. For these practices SEE has expertise on good practices across MS, such as the French SPASER (Strategies for Socially and ecologically responsible public procurement). In as much as we welcome the promotion of socially responsible Public Procurement in line with the possibilities offered by the current European legal framework, the reality is contracting authorities still award tenders solely on the basis of lowest price which makes it challenging for social economy actors to compete. As such, SEE would like to see a legal and political recognition of alternative instruments such as grants.<sup>8</sup>

Regarding access to public market, we quite agree with the proposals, and particularly would like to stress the importance of “inclusive & proportionate criteria for SME“ which are important for all SME, including SE actors, and therefore crucial to strengthen the potential of locally rooted economic actors. For the same reasons we also strongly support the proposal of “moving away from lowest price” (point 15.d) and “dividing contracts into lots “ (point 15.e). This is to link with the necessity of making better use by contracting authorities of the legal existing framework of the Union (e.g. the 2014 Directive). SEE therefore recommends that the EU institutions make sure that Members States are aware of the possible flexible provisions in the related legal instruments by organizing trainings, peer-learning initiatives and best practices sharing for civil servants involved in public procurement across the European Union or by developing an online tool that would allow such trainings and exchanges.

Another suggestion we have in this section regards the point (15.b) on “reserving contracts for work integration social enterprises open to operators that employ at least 30% of people with disabilities or disadvantaged workers”, we believe these should be open also to the wider social economy enterprises as defined in the scope of the present recommendations. Furthermore, the present recommendation could affect the national regulations for reserved contracts adopted in coherence with the Directive 2014/24/UE on public procurement.

We thank the EC for encouraging mainstream businesses to “buy social” (point 16a). We are also happy the EC encourages SE organisations and enterprises to make best use of technology and particularly the ones designed by SE actors, while going as far

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<sup>8</sup> [https://www.eurodiaconia.org/wordpress/wp-content/uploads/2023/02/Report\\_ALTERNATIVE-MODELS-OF-FINANCING-SOCIAL-SERVICES.pdf](https://www.eurodiaconia.org/wordpress/wp-content/uploads/2023/02/Report_ALTERNATIVE-MODELS-OF-FINANCING-SOCIAL-SERVICES.pdf)

as to embracing digital commons (point 16.d). We would like to go as far as to encourage public authorities to move towards the adoption of such software rather than the usual suspects Silicon Valley generated software. Especially since the EU is trying to consolidate a EU digital world based on democratic participation and real transparent data ownership. The kind of digital world SE is already building, as it is at the heart of many open-source and free software.

*Proposals: (Underlined text in the body of the text indicates where SEE proposes inserting new text. Strikethrough in the body of the text below indicates where the SEE proposes deleting the words)*

15 (b) reserving contracts for work integration social enterprises ~~or for~~ and other social economy operators that employ people ~~at least 30% of people~~ with disabilities or disadvantaged workers in compliance with national legislation transposing the Article 24 of Directive 2014/23/EU, or that at least employ 30% of people with disabilities or disadvantaged workers in compliance with Articles 20 and 77 of Directive 2014/24/EU and Articles 38 and 94 of Directive 2014/25/EU;

16. To help social economy organisations and enterprises ~~entities~~ expand their reach, Member States are recommended to foster cooperation amongst social economy organisations and enterprises ~~entities~~ and with mainstream businesses

16 (c) promote and support work integration social enterprise and social services in the field of work integration employees in working with mainstream businesses to gain experience on the open labour market;

16 (d) helping social economy organisations and enterprises ~~entities~~ and entrepreneurs to make the best use of new technologies to reinforce their social and/or environmental purposes and to access private markets through social economy-driven online platforms, collaborative spaces and the digital commons.

16 (e) Encouraging public authorities to use and develop open-source free software developed for the most by SE organisations and enterprises in order to support the development of data exchange that is secure and democratically governed.

## State aid

SEE is satisfied with the recommendations linked to state aid. In particular we are delighted to see links made between SE organisations and enterprises, services of

general interest and the *de minimis* rules. Indeed, given that their main goal is not the maximization of profits for distribution to investors, and that the surpluses are mostly reinvested in the activity itself, social economy enterprises have a greater social impact in terms of quality employment, development of territories and social cohesion at the local level (see OECD, 2021)<sup>9</sup>. We would also like to add specific measures from the State to support long term investment and patient investment attitude.

*Proposal: (the underlined text in the body of the text indicates where SEE proposes inserting new text.)*

### 17 (a) vii Promote long term investment and patient return on investment

#### **Taxation**

The issue of taxation is essential because it is a tool to address and encourage or on the contrary block certain economic practices. Therefore we welcome this specific chapter and the various elements that are brought forward.

In particular we would like to stress the importance of (point 18.b.i) ensuring “corporate tax exemptions on profits retained by social economy entities” as these are retained to fulfil the social objectives of SE structures and therefore such tax exemptions are actually a level playing field measure for SE organisations and enterprises acting in the market in competition with mainstream businesses and in coherence with its principles and features as laid down in the proposal, when it is stated that social economy enterprises reinvests most of the “profits and surpluses to further pursue their social and/or environmental purposes and carry out activities in the interest of members/users (‘collective interest’) and/or society at large (‘general interest’)”.

In the case of cooperatives, mutual societies and generally all non-profit social economy organisations and enterprises, the specific tax treatment of profits allocated to "indivisible reserves" (which generally consists of the deduction of such profits from the income of the company) is a structural requirement of the tax system. SEE would like to stress that the provision of the option for Member States to introduce a rule for the deductibility of profits allocated to 'indivisible' assets does not expose the systems to any risk of avoidance.

In fact, the economic components that risk leading to an unfair treatment of social economy organisations and enterprises concern in particular a) the profits produced by the social economy enterprise 'definitively' allocated to the statutory activity of general interest and never distributable to the members, not even after the dissolution of the entity (in Italian law called 'indivisible reserves' or 'indivisible assets') and b) the so-called 'rebates' ('ristorni' in Italian) of cooperative societies.

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<sup>9</sup> OECD Local Economic and Employment Development (LEED) Papers “Legal frameworks for the social and solidarity economy

Regarding rebates we would like to stress some important elements. Satisfying members' needs by distributing surpluses (not dividends) is in fact the main objective of cooperatives and mutual enterprises or, in other words, the reason why cooperatives were originally founded and developed by their members. More precisely, cooperative enterprises have the "purpose" of securing the so-called "mutualistic advantage" for members over third parties. "Mutualistic advantage" corresponds to the notion of rebates contained in the Community Regulation on the Statute for a European Cooperative Society ("The statutes may provide for the payment of a dividend to members in proportion to their business with the SCE, or the services they have performed for it." thus Article 66 of Council Regulation (EC) 1435/2003 of July 22, 2003). What is more, the rebate is recognized as a component that is legitimately deductible from the income of cooperative societies by both the European Commission (communication of June 18, 2008, State aid infringement procedure E1/2008) and the Court of Justice (judgment of September 8, 2011, cases C-78 to C-80/08). As a result, the distribution of surpluses in the form of rebates, both because they are functional in meeting the needs of shareholders and because they are objectively distinct from the distribution of wealth in the form of dividends, often receives different tax treatment from dividends, being guaranteed deductibility from income. This treatment (deduction of rebates from the cooperative's income) precisely because it responds to a principle of the functioning of the tax system (see, e.g., Commission Communication of June 18, 2008, State Aid Infringement Procedure E1/2008) is not a facilitation, but a necessary consequence of the income taxation system.

Furthermore, the idea of acting on income tax incentives (point 18.b.iii) granted to private and/or institutional donors is also a welcome recommendation as SE organisations and enterprises have a difficult time attracting investors as their capacity to redistribute profits and shares is limited or inexistent given their social objectives.

Facilitating business transfers to workers coops and similar social enterprises (such as SALES in Spain) through tax exemptions on unemployment benefits (point 18.a.iii) is also necessary to empower workers to keep their jobs in a responsible and democratic way and minimizing negative effects of delocalization of mainstream enterprises.

Generally speaking, reviewing tax compliance burden for social economy (point 18.c) and facilitating compliance for public-benefit cross-border donations for taxation purposes (point 18.d) are more than welcome.

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18 (b) consider tax incentives for social economy ~~the sector~~, if not already granted, in line with their social policy objectives and the current practices across Member States and in accordance with Union law, which may include: (...)



## ✦ Social Impact measurement and management

It is crucial that Member States support the uptake of impact measurement and impact management practices (point 19) as it will allow to promote evidence based virtuous economic practices. But social impact measurement is a very sensitive topic and should be handled with care to take into account the specificities of Social Economy organisations and enterprises. It is therefore utmost important that Social Economy representative organisations should be involved in co-designing the metrics and evaluation tools to make sure that the specific contributions of Social Economy are not bypassed or ignored by classic econometrics that were built for companies whose sole mission is maximizing profit. There are good examples that can be followed such as OECD work on impact measurement<sup>10</sup>, “own the metrics”<sup>11</sup>, satellite accounts<sup>12</sup> and “compta care”<sup>13</sup>.

The notion of social impact is important for the social economy ecosystem. Social impact assessment refers to a process aimed at understanding, measuring or valuing the (negative or positive) effects generated by social economy organisations and enterprises on their stakeholders or on society in general. In this way, SE seeks to go beyond the actions of mainstream enterprises to find out what their externalities are, and which population are impacted. It is crucial that social impact measurement is not limited to the economic dimension alone.

Rather than measuring social impact solely in terms of profitability, performance, and access to public funding (development of “impact finance”), the aim is to develop a culture of social impact assessment with a view to continuous improvement and the development of long-term strategy, not just control.

This means supporting an approach to internal and/or external evaluation that is not confined to quantitative and performance criteria, but also takes into account the qualitative aspects that are at the heart of SE organisations and enterprises.

To this end, rather than standardized methods, we need to develop evaluation tools and methods that take into account the specific features of the diversity of social economy organisations and enterprises, their social goals, practices (how they carry out their actions), values (solidarity, human-centeredness, limited profitability, etc.) and principles (participative management, democratic governance, etc.). The aim is therefore to support and disseminate initiatives and systems/tools/guidance/training

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<sup>10</sup> <https://www.oecd.org/publications/policy-guide-on-social-impact-measurement-for-the-social-and-solidarity-economy-270c7194-en.htm>

<sup>11</sup> <https://impactalpha.com/un-metrics-measure-enterprise-impact-on-the-2030-sustainable-development-goals/>

<sup>12</sup> [https://www.cases.pt/wp-content/uploads/2021/07/INE\\_ContaSatellite-EcSocial\\_20210713\\_final.pdf](https://www.cases.pt/wp-content/uploads/2021/07/INE_ContaSatellite-EcSocial_20210713_final.pdf)

<sup>13</sup> such as for instance <https://www.avise.org/actualites/la-methode-care-tdl-un-modele-comptable-pour-preserver-les-capitaux-humains-et-naturels>

that enable enterprises to question the social needs they intend to meet, the missions they have set themselves and the activities and practices implemented to achieve them, as well as the effects and changes generated among their stakeholders, with a view to improving or enhancing them. It is also important to encourage a social impact assessment that is adapted to the enterprise from the outset, and that is co-constructed and participative, involving as many stakeholders as possible.

Such measurements should be applied to all entities that claim social impact, and not only on part of their activities, but on the overall activity. Given that the means available by mainstream businesses and SE organizations differ widely, (point 19.c) it is essential that SE organisations and enterprises receive dedicated funding to measure their impact.

Good comparable statistics amongst EU countries and adapted evaluation of the impact of social economy can increase visibility and recognition of the uniqueness of this economic system.

Given SEE's expertise in the topic, we would be delighted to support this strand of work at EU and MS level.

*Proposal: (Underlined in the body of the text indicates where SEE proposes inserting new text).*

Point 19: In line with the Commission's actions referred to in point 22(a)v, Member States are recommended to support the uptake of impact measurement and impact management practices co-constructed with SE enterprises and organizations, in particular by:

#### **✦ Visibility and recognition**

SEE welcomes the points addressed in this section and especially the importance of raising awareness about how SE contributes to achieving social and environmental goals. To make a real difference, the basic accountancy tools must integrate these dimensions and therefore (point 21.a) expand "national accounting systems to collect supplementary and comparable data (satellite accounts) and key household surveys".

Accurate statistics are also crucial to have an exact view of the perimeter of Social Economy organisations and enterprises and their activities, as well as to monitor their development and contribution. This should be done at MS level as well as in close cooperation with EC, Eurostat and EU SE networks, such as SEE. We would suggest setting up a European SE Observatory that could aggregate the data and statistics of the observatories in the different MS and make sure that data and statistics are accurate and comparable. Such EU SE Observatory should be co-designed with the right experts (statistics, legal, analysts...) from SE networks to make sure the collected data covers the common definition and perimeter of SE in the 27 MS.

And finally, in order to increase SE visibility, it is important to give room to SE in MS diplomacy, particularly in cooperation and development aid policies.

*Proposals: (Underlined text in the body of the text indicates where SEE proposes inserting new text. Strikethrough in the body of the text below indicates where the SEE proposes deleting the words)*

20. (a) setting up or adapting specific legal forms, legal statuses, labels and/or certification schemes for the social economy, based on assessments of their potential added value, and considering a potential voluntary mutual recognition of labels and certifications used in other Member States. Such assessments should look at the extent to which they can improve understanding of this enterprise model ~~the sector~~ and support its development by providing access to specific measures advantages (such as adapted tax regulations or specific tendering/procurement procedures). The Commission will support this work as described under point 22(a)vi;

20. (b) organising and financing communication campaigns (including B2B and B2C actions promoting “Buy Social Economy” calls to action) and awareness raising events on the social economy, including for younger generations, in cooperation with the relevant levels of government and other institutions (e.g., universities);

20. (d) earmarking SE actions in MS diplomacy, particularly in cooperation and development aid policies

## UNION SUPPORT

Point 22 is greatly appreciated as it links the Recommendation to the ongoing work led by the EU Commission through its Social Economy Action Plan and its numerous actions with the aim of building an economy that works for people. The text could be more prescriptive on the European funds dedicated to SE and the importance of earmarking their use and increasing their visibility and accessibility. In particular, SEE and its members would be delighted to participate in the setting-up and implementation of the (point 22. viii) “European Competence Centre for Social Innovation, the European Social Innovation Competition and the future network of social entrepreneurs and innovators supported under the single market programme”.

Other actions that the EC could envisage to support SE, are : a) to ensure that a dedicated Commissioner for Social Economy is designated in the next Commission to guarantee a transversal approach and show the importance SE has within the European scope; b) to maintain and further develop GECES (Commission Expert

Group on Social Economy) and ; c) finally, given the recommendation refers several times to the importance of having national SE coordinators, the EU could recognise the body representing SE across the EU with structural EU financial support for its role in the development of SE across the 27 MS.

*Proposal: (Underlined text in the body of the text indicates where SEE proposes inserting new text. Strikethrough in the body of the text below indicates where the SEE proposes deleting the words).*

22 (a. iii) facilitating peer learning opportunities for public officials on topics related to the social economy by organising webinars and workshops. Those events could be based on mapping exercises and the collection and exchange of good practice in a range of policy fields relevant to these enterprises and organisations ~~sector~~, enabling participants to share knowledge and identify successful strategies. Those events could also serve as an opportunity for regular exchanges of best practices and peer learning between social economy coordinators from Member States;

22 (a. x) continuing to improve access to funding for social enterprises and other social economy organisations and enterprises ~~entities~~, for example through the financial products under the InvestEU programme and through Cohesion funds

## IMPLEMENTATION, MONITORING AND EVALUATION

SEE is delighted with the proposal of rapid adoption of recommendations at national level (18 months) (point 23) to implement or adopt social economy strategies. SEE is particularly delighted with the idea of setting-up a one-stop shop for social economy in MS (point 24) and of “designating social economy coordinators in national public institutions [whose mission is] to enable effective coordination and monitoring of the Recommendation and to ensure consistency in policymaking across government departments and with Union institutions”. Stressing the importance that these “coordinators should have a clear mandate and responsibilities and sufficient resources” is just as important.

SEE strongly support (point 25) the “monitor[ing] and evaluat[ion] at national level of the implementation of this Recommendation, through regular dialogue with regional and local authorities and social economy organisations and enterprises to inform, advise and accompany the evaluation, monitoring and implementation of their social economy strategies”. We also find the idea of regularly reporting to the Commission on progress in implementing the Recommendation of vital importance to ensure the recommendations are properly implemented and do not become a simple letter of intent without concrete action (point 26). In fact, the credibility of the SEAP relies on robust accountability measures as well as strong national SE strategies and policies.

*Proposals: (Underlined text in the body of the text indicates where SEE proposes inserting new text. Strikethrough in the body of the text below indicates where the SEE proposes deleting the words)*

24 (a) creating a 'one-stop shop' to provide streamlined and convenient support to all social economy organisations and enterprises ~~entities~~ in areas such as access to finance and other support;

24 (b) setting up local and/or regional social economy contact points that play the role of social economy ambassadors and promote ~~it the sector~~, provide peer-to-peer support, facilitate access to Union and national funding, and liaise with national and regional authorities managing Union funds;

24. (c) designating Social Economy coordinators in national and regional public institutions. These coordinators should have a clear mandate and responsibilities and sufficient resources to enable effective coordination and monitoring of the Recommendation and to ensure consistency in policymaking across government departments and in close cooperation with regional authorities and with Union institutions.

25 Member States are recommended to monitor and evaluate at national level their implementation of this Recommendation, including through regular dialogue with regional and local authorities and representative organizations of social economy and ~~social economy entities~~ to inform, advise and accompany the evaluation, monitoring and implementation of their social economy Strategies.

26. Member States are recommended to report to the Commission on their progress in implementing the Recommendation no later than two years following its adoption and again *four years* (not five years) after that.