



## Social Economy Action Plan

### Position Paper REVES

The objective of this position paper is not to recall in detail elements that have already been taken up in [previous \(REVES\) position papers](#) issued in the run up to the publication of the Social Economy Action Plan (SEAP), nor to comment on topics that are a specific competence of other sector-specific networks and organisations. Instead, the paper would like to highlight main focus points raised by REVES members after attentive reading of the SEAP and accompanying documents and that are of **specific relevance for local/regional territories and partnerships between cities/regions and the social economy**.

Obviously, REVES considers the different points raised hereafter also as central for the Transition Pathway. Social and solidarity economy and its principles have to become a main pillar of the digital and green transition which has to reflect, in all its elements, also a transition to social justice.

#### 1. Definition of the social economy

REVES urges the European Commission and Member States to take, in all follow-up initiatives to the Social Economy Action Plan and any future social economy-related policy, the strong collective and participatory character of social economy entrepreneurship into account. **Participation and democratic functioning cannot be seen as an alternative to focus on social progress (as the definition provided in the SEAP seems to suggest), but are an integral part of any social economy enterprise – ensuring therewith also the fulfillment of social objectives.**

Another risk connected with a broader definition which blurs the lines between social economy and other type of enterprises are challenges regarding the collection and analysis of data that might arise as a consequence.

#### 2. Capacity-building related Measures/Social innovation and experimentation

REVES welcomes the intention to further promote capacity-building-related initiatives for social economy and public authorities, as they are necessary – in particular, but not exclusively, in fields such as access to processes and support instruments related, for instance, to state aid, cohesion policy, (socially) sustainable public procurement or digitalization.

However, a pure demonstration of procedures or exchange of 'good practice' might gain much in value if coupled to proper processes of **experimentation (living labs etc.)**. **This element should receive a stronger focus in European programmes (including initiatives such as the European Social Economy Regions or social innovation-related programmes) and be backed with appropriate resources. Also the planned European Competence Centres for Social Innovation could play a more active role here.**

**Social innovation-based instruments and programmes should then continue promoting experimentation and the emergence of new solutions and methodologies, but also further explore paths for the scaling-up of such innovation, where appropriate.**

Yet, at the same time, REVES members also express their doubts on the effectiveness of such workshops and other capacity-building measures as long as Member States do not receive **stronger incentives to create appropriate eco-systems for the social economy and put structures and procedures in place that facilitate the access of social economy to existing opportunities (including cohesion policy-related programmes, access to public procurement, etc.).**

### **3. Stimulating the removal of legislative barriers and obstacles for the access of the social economy to already existing programmes**

Even though social economy is nowadays increasingly recognized by a growing number of national governments and found partially even explicitly entry in national recovery and resilience plans, a considerable gap regarding this recognition and respective policies can still be observed in particular between countries in the Western and Southwestern part of Europe, on one hand, and Europe's North and East, on the other.

Resources deployed around the Social Economy Action Plan should be used to create stronger incentives for governments at different level to include the social economy in different type of strategies and policies. A possibility here could be the **establishment of conditionalities for the access to specific funding programmes (following the example of European Cohesion Funds).**

Moreover, **mentoring schemes** should be promoted which could be based, for example, on a type of twin exchange between territories that are already experienced in developing local eco-systems and related legal frameworks for the social economy and those having no or less experience. Substantial financial support should be deployed for such a type of programme, ensuring real mentoring processes that go beyond mere exchange of good practice and consultation.

#### **3a) Focus Cohesion Policy**

In the current and previous programming periods, opportunities to boost the development of the social economy through Cohesion Policy funds have significantly increased – going much beyond ESF(+)-related programmes.

Yet, it remains unclear which proportion of theoretically available funding has finally been used by managing authorities in the different Member States to support social economy-related initiatives.

REVES would therefore strongly recommend the **introduction of instruments such as a specific taxonomy which might then provide a clearer picture on *whether or not* and *to which extent* the actual beneficiaries of funding belong to the social economy.** This will then also facilitate the evaluation of the different policies and programmes, a more evidence-based development of future policies and not at least contribute to the creation of statistics at national and European level.

Also, **specific – and more proportionate - administrative procedures and related guidelines should be introduced for the social economy** which still too often has to cope with an administrative burden which is similar to (or the same as) that requested from other type of players and often disproportionate to the amount applied for.

The establishment of the European Code of Conduct on Partnership in the framework of the European Structural and Investment Funds (ECCP) has been an important step forward in recognising the social economy as a fully-fledged player in the promotion of territorial, social and economic cohesion and making funds more accessible to social economy organisations. However, in reality social economy players and their representative organisations are still too rarely involved in the preparation, implementation, monitoring and evaluation of national and regional operational programmes. **The involvement of the social economy in these processes should become as mandatory as the participation of employers' organisations and trade unions.**

### **3b) Focus State Aid**

REVES welcomes the intention of the European Commission and Member States to more strongly work on the recognition of the general interest mission of the social economy.

The upcoming review of state aid rules would be an important opportunity to progress in this direction. Yet, REVES would recommend, in the case of the social economy, **not to focus mainly on Block Exemption Rules that relate rather to specific sectors of activities and/or specific situations enterprises might find themselves in, but on the basic foundations of EU state aid rules in general.** The Commission, the European Parliament and Member States should discuss possibilities to recognise social economy enterprises as general-interest-related organisations to be structurally compatible with the rules of the internal market and state aid.

Recognised national or regional registers would be needed to access such a regime. Yet, these registers already exist in several countries in which the social economy is already well established and developed. Where the social economy is in the process of development, the establishment of a register based on characteristics compatible with the profile of the social economy could function as an incentive in general to develop stronger strategies and policies for the promotion of the social economy.

### **3c) Focus Procurement**

REVES welcomes the intention of the European Commission to continue with the organisation of capacity-building regarding public procurement. Not only should these measures target public authorities in all EU Member States and be strongly practice-related. **Specific capacity-building initiatives are further necessary also for social economy organisations. They should enable the latter to more easily access public procurement procedures through reinforced entrepreneurial (including customer service) skills and a more efficient use of existing and future cooperation with other (social economy) players in order to respond to larger bids.**

In this context, but not only, it might also be useful to **better involve and strengthen social economy support organisations and similar entities.**

## **4. Future Council Recommendations:**

REVES would welcome further Council Recommendations for the promotion of the social economy at EU level and in the different EU Member States. Such recommendations should encourage EU Member States, *inter alia*:

- to more strongly take into account the potential of social economy models of entrepreneurship in the implementation of social, green and digital transition (including the experimentation of cooperative and in general social economy-related solutions to challenges such as the increasing succession problems for SMEs or looming close-downs of enterprises in crisis);
- to better identify and remove still existing (structural) obstacles hindering social economy from accessing instruments and programmes that are already available;
- to better take into account the specificities of social economy enterprises (cooperatives and others) in legislation targeting enterprises in general - amongst others aspects through the development of appropriate impact assessment instruments;
- to consider the creation of financial and structural incentives for the creation of social economy enterprises, such as tax incentives;
- to encourage a stronger inclusion of social economy entrepreneurship-related topics in education curricula at different level— be it in primary, secondary or higher education;
- to increase and refine the collection of data on the social economy and its activities in different fields – an important basis also for cooperation with the social economy in areas such as public procurement, experimentation in green and digital transition, etc.
- to include social economy and its representative organisations in social dialogue and related forums at European and national level.