



*Employers entrusted to deliver
Sustainability Growth Innovation*

Position Paper

Social Economy Action Plan

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Social Economy Action Plan

SGI Europe fully supports the European Commission in increasing the visibility of the Social Economy and recognising the important role Social Economy actors play in job creation, inclusive and sustainable growth and the implementation of the European Pillar of Social Rights. Based on estimates, the Social Economy, accounts for 6.4% of employment, representing 11.9 million jobs and between 6 to 8% of GDP across 27 European Union (EU) countries.¹

SGI Europe agrees with the main challenges for the Social Economy that the European Commission identified, such as the degree of visibility and recognition, capacity to access different kinds of resources and public procurement, skill development opportunities, social innovation and existence of research focused on Social Economy.

SGI Europe wants to underline some key elements that will contribute to the Action Plan on Social Economy:

1. The importance of acknowledging diversity among Social Economy actors in different Member States and improving the recognition and visibility of the Social Economy and its added value to society.
2. The importance of investing in Social Economy, through funds for vocational training, to enhance the attractiveness of these professions, ensure their effective delivery and quality.
3. The opportunities and challenges for the Social Economy, as exposed by the COVID-19 crisis, in particular in health and care services, and the need for tailored policies to help the Social Economy reach its full transformative potential.
4. The vital role Social Partners can play in improving the image of the sectors and making them fit for responding to the many future social, societal and other challenges should be actively highlighted and promoted.

1. Improving Recognition and Visibility of Social Economy and Acknowledging Diversity among Social Economy Actors

The picture of Social Economy actors across the EU is vastly diverse and fragmented. Social enterprises, which emerged more recently, distinguish themselves by a more pronounced social entrepreneurial approach and may fall outside of some countries' traditional Social Economy definition. Social Economy organisations traditionally refer to the set of associations, co-operatives, mutual organisations, and foundations whose activity is driven by **values of solidarity, the primacy of people over capital, and democratic and participative governance.**²

Member States should create **favourable institutional and financial frameworks** reflecting these values to effectively support Social Economy actors. The EU has a key role in encouraging this, whilst respecting the rich diversity that exists at national level.

¹ OECD, Regional Strategies for the Social Economy (2020) <[Regional Strategies for the Social Economy \(oecd-ilibrary.org\)](#)>

² OECD, Social economy and the COVID-19 crisis: current and future roles (2020) <[Social economy and the COVID-19 crisis: current and future roles \(oecd.org\)](#)>

SGI Europe welcomes the EU Commission's preparatory work, e.g. the comparative synthesis report on social enterprises and their ecosystem in Europe. Such reports spark **mutual learning** and highlight the opportunities of the rich and diverse experience at Member State level. Indeed, the picture of Social Economy actors and social enterprises is very diverse, and there is considerable conceptual confusion around their role in society. As rightly pointed out by the report, some view Social Economy enterprises as drivers for social innovation, democratisation and effectiveness of the social welfare systems, while others fear they could be used as an excuse for public actors to withdraw, which could lead to the dismantling the welfare state.³

According to SGI Europe it is essential to adopt a wider perspective on the Social Economy and recognise that the activities go beyond the welfare domain, also focusing on 'green policy', the environment and sustainability. Social Economy organisations have the potential to expand social innovation to address pressing environmental and societal challenges. Therefore, frameworks and access to resources is needed to support new forms of social innovation and collaboration to maximise their impact.

Furthermore, **data collection and research is essential in helping to draw a clearer picture of the added value of the Social Economy sector and enhance its power to drive positive change**. There is a key role for the EU to collect data, carry out research, and share best practices to foster mutual learning.

SGI Europe fully supports the European Commission in **increasing the visibility of the Social Economy and recognising the important role Social Economy actors play** in job creation, inclusive and sustainable growth and the implementation of the European Pillar of Social Rights.

Beyond this question of visibility, the Action Plan should support the Social Economy's capacity to **build networks**, including Social Partners structures (through training, funding, exchanges of practices, etc.) and to provide and recommend to all Member States to adopt a legal framework allowing them to have a stronger voice at all levels to influence economic and social policies.

2. Investing in Social Economy and health and care services

Within the Social Economy, health and care services faced significant challenges. The COVID-19 crisis has exposed the results of years of underinvestment in Social Economy and health care services and infrastructure in some Member States. EU funds, and notably the European Social Fund+ and the EU4Health Programme, should complement national efforts to increase investment in those services to help them reach their full potential and address demographic ageing.

The Social Economy also operates as an investment for the future by allowing disadvantaged people to participate in society and the labour market. Indeed, it can be a springboard for access and return to work for the most vulnerable persons.

The **health and care services face labour shortages**, while demand for services is naturally increasing, in particular, due to the ageing population and the social needs that will arise as a result of the COVID-19 pandemic. Therefore, initial training and qualification of employees in the new professions related to the changing needs are key priorities. Training should also be linked to the digitalisation of the labour market and the challenges posed by a rapid technological change affecting service provision.

³ Social enterprises and their ecosystems in Europe | Comparative synthesis report, p 136 < [Social enterprises and their ecosystems in Europe - Publications Office of the EU \(europa.eu\)](#)>

Furthermore, while skill development opportunities are important, there is also a need for **strategies to increase the attractiveness and recognition of health and care services**. The EU has an important role to play in this area, for example through the identification of funds for vocational training in social careers, the promotion of these professions and the recognition of the essential role of social services in society. The question of the attractiveness of the care economy constitutes a major challenge for the years to come in many European countries, and cannot be addressed without taking a gendered approach.

Investment in Social Economy and health and care services responds to the need to ensure their effective delivery and quality. It contributes, therefore, as a consequence, to the well-being of society and the prosperity of the European social model and the Economy of well-being as laid out by the Finnish Council Presidency in 2019.

3. COVID-Crisis: Opportunities and Challenges

The COVID-19 crisis has exposed the vulnerabilities of individuals, societies and economies. Social Economy organisations are built around solidarity, cooperation and responsibility and can play an important role in reshaping the post-crisis economies and societies. Their inclusive and participatory governance structures, amplify their ability to overcome difficulties during a crisis.⁴ There is a lot of potential for the Social Economy to bring about social innovation and help with the digital and green transition.

On the other hand, the Social Economy was also hit hard by the pandemic, especially the health and care services and those delivering essential services. Many professionals intervening in homecare or residential care settings did not benefit from personal protective equipment during the first part of the crisis. The Social Economy faced specific difficulties during the COVID-19 pandemic. For example, most Social Economy actors are unable to accumulate large cash reserves, depend on the support of volunteers, or cannot access governmental financial support programmes due to specific legal frameworks. There is a need for policies to support the Social Economy beyond the immediate post COVID-19 response and help to develop further the social economies' transforming role towards a more sustainable and inclusive society and business models.

4. Strengthening Involvement of Social Partners

SGI Europe, together with its partners UDES (France), UNISOC (Belgium), ALAL (Lithuania), HOSPEEM (EU) started a project in 2017 named "Social services in European cross-industry Social dialogue: towards a strong and deeper involvement".⁵ This project showcased the added value of social dialogue and the representation of social services in national tripartite and bipartite social dialogues and collective bargaining for achieving positive outcomes, improving the image of the sectors and making them fit for responding to the many future social, societal, and other challenges should be actively highlighted and promoted. In particular, **the development of social services related employer organisations should be actively promoted by EU and national level political actors as well as cross-sectoral Social Partners. In this latter context, considering the wide spectrum of social economy related activities, its representation in social dialogue at cross-sectoral level could help overcome fragmentation issues.**

⁴ OECD, Social economy and the COVID-19 crisis: current and future roles (2020), p 5-6 <[Social economy and the COVID-19 crisis: current and future roles \(oecd.org\)](https://www.oecd.org/coronavirus/policy-responses/social-economy-and-the-covid-19-crisis-current-and-future-roles-2020/)>

⁵ UDES, UNISOC, ALAL, HOSPEEM, Social services and their representation in social dialogue (2019) <<https://www.ceep.eu/wp-content/uploads/2020/02/767-Study-draft4.pdf>>