



EUROPEAN COMMISSION

Directorate-General For Internal Market, Industry, Entrepreneurship and SMEs (DG GROW)
Directorate-General For Employment, Social Affairs and Inclusion (DG EMPL)

Proximity, Social Economy, Creative Industries - Unit G2
E – Skills – Unit E1

Brussels,

Minutes

Meeting of the Commission Expert Group on Social Economy and Social Enterprises¹

10 September 2021 - - By video conference

The meeting was chaired by

DG GROW– G2 – Anna Athanasopoulou

DG EMPL– G3 – Ann Branch

1. APPROVAL OF THE AGENDA AND OF THE MINUTES OF PREVIOUS MEETING

The agenda and the minutes of the previous meeting (on 23 March 2021) were approved unanimously.

2. NATURE OF THE MEETING

Attendance to the meeting was restricted to the members and observers of the Expert Group.

3. LIST OF POINTS DISCUSSED

3.1. Information points from the Commission

- *Update on the Preparation of the Social Economy Action Plan (SEAP)*

EMPL first informed the group of the rich input received by the Commission following the publication of the roadmap on the action plan in March and April. In total, the Commission received 133 contributions of high quality and from a large diversity of stakeholders (e.g. NGOs, business associations, public authorities) from 25 countries. These contributions confirmed and addressed the needs previously identified including the access to funding and markets, advances in policy and legal frameworks in line with the sector's characteristics, and the need to increase the recognition, visibility of and awareness about the social economy. EMPL thanked GECES members and observers who have contributed either in the context of this process or before.

EMPL also referred to the input received in the context of the European Social Economy Summit organised online in May, as well as from the European Economic and Social

¹ Published in the Register of Commission Expert Groups and Other Similar Entities, code number E03576

Committee and the European Committee of the Regions which adopted official opinions including proposals for the action plan. The Commission was processing this extensive input in the context of its preparation work and would adopt a report on the outcome of this consultation process together with the action plan. The tentative date of adoption of the action plan was 8th December.

- *Update on the Industrial Strategy*

GROW reminded that in March 2020, the Commission laid the foundations for an industrial strategy that would support the twin transition to a green and digital economy, make EU industry more competitive globally, and enhance Europe's open strategic autonomy. In May 2021, the European Commission updated this Industrial Strategy. This was a targeted update focussing on lessons learned following the COVID-19 crisis. The crisis exposed the interdependence of global value chains and demonstrated the critical role of a globally integrated and well-functioning Single Market. To address these different issues, the updated Industrial Strategy proposed new measures to take into account. In particular, it focused on:

- Resilience of the internal market;
- Supporting Europe's open strategic autonomy through dealing with dependencies;
- Supporting the business cases for the twin transition.

GROW mentioned that the Commission introduced a new approach based on 14 industrial ecosystems, which gathered public and private actors, large and small companies connected along value chains in different Member States. Among them, the ecosystem "Proximity, Social Economy and Civil Security", where social economy is the centre of gravity.

GROW mentioned the intention of the Commission would be to co-create **transition pathways** for the different ecosystems. These would be co-created with industry, public authorities, social partners and other stakeholders. Such pathways will offer a better **bottom-up** understanding of the scale, cost, long-term benefits and conditions to prepare actions helping each ecosystem to transition along a greener and digital path and build resilience to future shocks.

The Commission's services, and in particular GROW, are currently working on scenarios for a transition pathway for the P&SE ecosystem. The document launching the co-creation process on this transition pathway should be released the same day as the SEAP. GROW also highlighted the role of the Industry forum² that was active in developing the different pathways.

One observer informed the audience that the EESC was holding a series of different events to discuss the Industrial Strategy. A final Conference will be held in March under the French Presidency.

One expert also mentioned that the Industry Forum should develop key performance indicators that take more into account SDGs and social issues.

² [Industrial policy dialogue and expert advice | Internal Market, Industry, Entrepreneurship and SMEs \(europa.eu\)](https://ec.europa.eu/economic-affairs/industry-dialogue/)

Another expert specified that the next European Parliament’s Social Economy Intergroup public hearing, organised in cooperation with SEE, would be “Social Economy as an industrial ecosystem” and invited GECES to join.

Finally, it was concluded that to help insure and support policy implementation, joining forces and working together is fundamental.

3.2 Pact for Skills for the Social Economy

In the presentation, GROW gave an update of the activities carried out in the context of the Pact for Skills. The Commission explained that the objective was at this stage to set up a structured stakeholder partnership, with stakeholders willing to commit to the Pact, based on the Pact Charter and jointly developed KPIs. For this purpose, a Focus Group is being created and will work on agreeing on the skills needs for this ecosystem and identify target commitments (KPIs). DG EMPL explained the links with the existing EU funding that could help participants of the Pact for Skills.

Following the presentation, experts reacted on the three questions sent before the meeting:

- 1. In the context of the Pact for Skills, the Commission would like to get an overview of skills needs for the Proximity and Social Economy ecosystem. Do you have data (surveys, analysis or studies) that could be helpful for this objective?*
- 2. What kind of concrete upskilling and reskilling activities should be in your view favoured for the Proximity and Social Economy ecosystem? Do you have concrete experience/projects on upskilling and reskilling that you would like to share?*
- 3. What resources are available for upskilling/reskilling in your Member State? Which is, in your view, the estimated scale of (i) upskilling/reskilling needs of social economy organisations and enterprises at EU level and (ii) of the (public and private) investment to meet these needs?*

Many experts stressed the importance of the Pact for Skills for the ecosystem, skills being one of the core assets of social economy and upskilling being part of the very governance of some social economy forms such as cooperatives. Regarding the types of skills efforts should concentrate on, all experts referred to the skills required for the digital and green transition. Furthermore, management and communication skills are also deemed very relevant. Regarding some more specific sectors, other skills were mentioned: maintenance and repairing skills for manual jobs in the circular economy, language, basic financial skills and ICT skills being mentioned for WISEs.

Experts further explained that some new business models were emerging and adequate funding for skills development should support this emergence as it represents an important potential for growth of the sector. This is for instance the case for platform cooperatives or P2P.

More generally, experts all agreed the funding of skilling activities is crucial for the ecosystem and is even more acute in some sectors that have been underfunded over the past years. This structural underfunding has been exacerbated by the pandemic, for instance in the case of social services. Public investment is therefore very much needed.

Other experts reported that the impact investment and philanthropic movement was moving towards the tech space and confirmed there was therefore a strong momentum for digitalisation of the sector. Experts also recommend allocating structural funding to support transnational skills to replicate good practices (alliances, investment readiness, digitalisation).

Several experts acknowledge the difficulty to summarise skills needs for this ecosystem given the variety of activities covered. The B-WISE project will help for what concerns WISEs (<http://www.bwiseproject.eu/>). Some experts put the emphasis on skills attraction since the ageing of the population is leading to an increase of skills needs for care and services and public policies should consider this. The French representative informed the participants of an event dedicated to the social economy under the French Presidency to take place on 17 and 18 February in Strasbourg and expects this topic to be at the forefront of the event.

An expert shared various reports on the training of upskilling and reskilling needs of social economy employees and entrepreneurs. This report was developed by CEPES in cooperation with FUNDAE (State Foundation for Training of Employees). *Information:* <https://www.cepes.es/documentacion/579>

Other experts expressed their willingness to share their experience gained exploring new approaches to teaching and learning of social economy, and to be involved in initiatives under the pact for skills. (eg: COOPCAMP project: <https://www.coopcamp.eu/>, COOPILOT Project <http://www.coopilot-project.eu/>). One expert informed that the co-learning modules offered by Ashoka offer similar skills previously mentioned but with a 'systems change' perspective. <https://fellowship-europe.ashoka.org/story/co-learning>

To finish, an expert shared a last report on transform employment and the role of upskilling and reskilling: <https://www.lelabo-ess.org/system/files/2021-01/publication>

3.3 Social economy and State aid for access to finance

EMPL had circulated before the meeting a consultation paper on the topic “Social economy and State aid for access to finance”. EMPL presented the essential points and objectives of this paper. The latter recalls in its first part the main aid possibilities in the area of access to finance, as spelled out in the “General Block Exemption Regulation” (“GBER”) under Articles 21 and 22 that set out the conditions under which such State aid is compatible with the internal market and exempt from notification to the Commission. In its second part, the paper addresses the specific case of social enterprises, which may face difficulties in obtaining access to finance. The objective is to feed preliminary reflections within the Commission services about the usefulness and possible justification for potential additional flexibility for social enterprises in the context of State aid.

Against this background, GECES members were invited to respond to the following questions:

1. *What evidence can you provide (such as studies, surveys, reports...) to ascertain further the presence of a market failure in the financing of social enterprises, especially compared to other companies?*

2. *Could you provide the Commission services with concrete examples where viable and economically sound social enterprises have seen their development hindered by a lack of finance?*
3. *Do you think that the current possibilities in Articles 22 and 21 of the GBER are sufficient? If not, what would be needed in addition or what should be different?*
4. *What is your view on the scope of application (definition of the eligible companies) for possible new specific rules?*
5. *What is your view on the possible distortions of competition that more flexible rules for social enterprises could cause (e.g. between social enterprises and other companies, between Member States)?*

In their comments, experts generally started by expressing their interest about the clarifications and examples provided for in the paper and their satisfaction to see this topic (State aid and access to finance) discussed at EU level.

Many experts confirmed that in their view there is a funding gap for social enterprises, either as regards the need for equity or the need for loans and guarantees, sometimes even during the earliest development phase of the enterprise (the expression ‘pre-financing’ being used in this context).

Although the term ‘market failure’ is not frequently used in social economy, many experts would indeed welcome further flexibility in State aid rules. Some experts stressed that the change of the GBER already under consideration due to the review of the Risk Finance Guidelines (e.g. the eligibility period extended to 10 years, the reduction of the private contribution to 20% in assisted areas) would already be an improvement.

Some comments were also made on the scope of application of possible new favourable State aid rules. They generally underlined the fact that further flexibility should only benefit to genuine actors of the social economy, in particular those having a positive social impact and being obliged to reinvest their profits and/or cap dividends. One expert insisted on the necessity to include all cooperatives. EMPL and COMP confirmed that the scope of application had to be appropriate and that we should not let any company claim too easily that it is a social enterprise.

Although not directly linked to the subject of the consultation paper, several questions were raised on the “SGEI” concept, on the use of “de minimis” regulations (the general one and the SEGI one), on “fiscal incentives” and on “export guarantees”. EMPL and COMP provided the relevant clarifications. It was also repeated that State aid law does not differentiate between non-profit actors or NGOs and standard companies: as long as they all carry out economic activities, they are all “enterprises” subject to the same authorizations or restrictions. Therefore, when social enterprises or social economy organisations are excluded from or de facto not eligible to national support programmes, this cannot be justified by EU law. One expert mentioned that some social enterprises exceed too easily the staff thresholds spelled out in the EU SME definition; this comment was however not addressed further.

Finally, many experts promised to send a written contributions after the meeting.

3.4 Any other business

FI presented the Finnish social enterprise strategy, prepared by the Ministry of Economic Affairs and Employment, in consultation with a wide range of stakeholders and adopted in April 2021. Following a recent report, there are approximately 1,700 social enterprises in Finland, more than half providing health and social services to the public sector. The combined turnover of social enterprises is almost EUR 5.8 billion and they employ over 50,000 people. The strategy aimed to increase the number and awareness of new social enterprises and develop their competences, employ people with partial work capacity and among vulnerable groups, build trust, increase the employment rate and equality on the labour market. A centre of expertise for social enterprises was set up to implement the strategy, with a grant of EUR 3 million over 2021–2023, partly funded from ESF+. The centre's tasks include: national advisory and guidance services, entrepreneurship education, systematic collection of data and statistics on social enterprises, capacity-building of social enterprises, support the scaling-up of social innovations, improve access to markets for social enterprises (e.g. social clauses in public procurement), as well as developing national models for the employment of people with partial work capacity.

The Finnish Strategy for Social Enterprises can be accessed [here](#) (in Finnish). A press release in English is available [here](#).

Other information shared by GECES participants:

- In June 2022, a general discussion on the social and solidarity economy with representatives of Member States, organized employers and organized workers will take place in the context of the ILO annual conference³. GECES members were invited to channel their experience to the governments which will be participating, for example in view of the preparation of the background paper.
- The first edition of the EU Social Economy Awards organized by Social Economy Europe is taking place in 2022. The deadline to submit projects was on 13 September: <https://forms.office.com/r/FDVCgAaBEn>.
- A public hearing of the Social Economy Intergroup of the European Parliament is planned on 7th October on social economy as an industrial ecosystem.
- An Iberian social economy summit took place on 9th September. ES and PT signed a Memorandum of Understanding to promote social economy and work together on specific issues (e.g. satellite accounts, cooperation with Latin America).
- The second European Social Enterprise Monitor will be launched on 28th September at the Social Enterprise World Forum. GECES members are invited to help reach out to social enterprises in their countries/regions to fill in the survey. At this stage, the countries covered are DE, DK, EE, ES, HR, IT, NL, PT, SI, Turkey and the UK.
- GECES members are invited to the 20th anniversary of ENSIE on 21st September in Brussels. The registration form can be accessed [here](#).

³ https://www.ilo.org/global/topics/cooperatives/news/WCMS_777257/lang--en/index.htm

- The EVPA position paper on the upcoming EU Action Plan for the Social Economy can be accessed [here](#).
- The English translation of the Swedish handbook on collaboration between municipalities and regions and social enterprises (“New Pathways to Innovative Welfare Solutions - A Handbook For Collaboration with Social Enterprises”) will be available by November. The link will be shared with the group. It is published by the Swedish Association of Local Authorities and Regions.
- Region Örebro County will be establishing its new, revised four-year policy on civil society and social economy in December. The English version of the policy will be circulated to the group.
- RREUSE is also celebrating its 20th anniversary. A series of 3 conversations with high level speakers is planned on this occasion around the topic of social value and the circular economy. The 2nd event is taking place on 15th September with the founder of the first waste picker cooperative in India (more information [here](#)). A final conference will take place in November. Relevant information will be shared with the group too.
- Social Finance UK has published this year a report based on a decade of experience of working in partnership with foundations for tackling social issues in a systemic way (link [here](#)). They also reported on ongoing work around how social enterprises could benefit from the social data gathered by the public sector. More information will be shared with interested GECES members upon request.
- Iesmed shared information on upcoming events in relation to the Blue and Solidarity Economy in the Mediterranean: Palma de Mallorca 30th September, Mexico-Sousse 8th October, Barcelona end November, Marseille February 2022. A political declaration will be adopted in Sousse on 9th October.

EMPL mentioned that the next plenary meeting would tentatively take place online on 25th January 2022 (morning), with the possible participation of Commissioner Schmit who will present the action plan.

4. LIST OF PARTICIPANTS

Members:

Member States:

Belgium	Département du travail et de l'économie sociale Service Public Fédéral ECONOMIE, ENERGIE, PME et Classes moyennes
Bulgaria	Ministry of Labour and Social Policy
Croatia	Ministry of Labour and Pension System
Cyprus	Authority for Cooperatives Societies
Czech Republic	Ministry of Labour and Social Affairs
Denmark	Danish Business Authority
Finland	Ministry of Economic Affairs and Employment of Finland
France	Ministère de l'Economie et des Finances
Germany	Bundesministerium Familie, Senioren, Frauen und Jugend
Greece	Ministry of Labour and Social Affairs

Ireland	Department of Rural and Community Development
Italy	Ministero del Lavoro e delle Politiche Sociali
Latvia	Ministry of Welfare
Lithuania	Ministry of Economy and Innovation
Luxembourg	Ministère du Travail, de l'Emploi et de l'Économie sociale et solidaire
Malta	Ministry for Energy, Enterprise, and Sustainable Development
Netherlands	Ministry of social affairs
Poland	Ministry of Family, Labour and Social Policy of the Republic of Poland
Slovenia	Prime Minister's Office Ministry for Economic Development and Technology, Sector for social enterprises, cooperatives and economic democracy
Spain	Ministerio de Trabajo y Economía Social
Sweden	The Swedish Agency for Economic and Regional Growth (Tillväxtverket) Region Örebro County Region Östergötland

Organisations:

AIM European Brands Association (AIM)
Ashoka
Clann Credo - Community Loan Finance (CCL)
Concertation des organisations représentatives de l'économie sociale (ConcertES)
Cooperatives Europe
EMES International Research Network (EMES)
Erste Group Bank AG
Euclid Network (EN)
European Confederation of Workers' Cooperatives, Social Cooperatives and Social and Participative Enterprises (CECOP-CICOPA Europe)
European Foundation Centre (EFC)
European Microfinance Network asbl (EMN asbl)
European Network of Cities and Regions for the Social Economy AISBL (REVES AISBL)
European Network of Social Integration Enterprises (ENSIE)
European Research Institute on Cooperative and Social Enterprises (Euricse)
European Venture Philanthropy Association (EVPA)
Fédération Européenne de Finances et Banques Ethiques et Alternatives (FEBEA)
Finanzierungsagentur für Social Entrepreneurship (FASE)
Forecasting Institute - Center of Social and psychological sciences /Slowak Academy of Science
France Active
Get Tallaght Working Co-operative Ltd. (Partas)
Innovation et Economie sociale en Méditerranée (iesMed)
Le Labo de l'Economie Sociale et Solidaire (Le Labo de l'ESS)
Microfinance Centre (MFC)
Pour la Solidarité asbl (PLS)
Réseau Européen de Villes & Régions de l'Economie Sociale (REVES Network)
Reuse and Recycling European Union Social Enterprises (RREUSE)
Social Economy Europe (SEE)
Social Finance Ltd
Social Services Europe (SSE)

Observers:

European Committee of the Regions (COR)

European Economic and Social Committee (EESC)
Organisation for Economic Co-operation and Development (OECD)
UN Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE)
Bosnia and Herzegovina
Montenegro - Ministarstvo ekonomije
Norway
Turkey - Department of EU and Foreign Affairs

Commission services:

DG GROW unit G2

DG EMPL unit G3

DG COMP