



EU Action Plan for Social Economy: The Social Employers position

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Context

An Economy that works for people

- The European Commission will propose an Action Plan for the Social Economy in the fourth quarter of 2021 to “create enabling conditions for the social economy to fulfil its potential to contribute to sustainable and inclusive growth and a fair recovery [...]”.¹ The Social Employers strongly supports this initiative, which should include clear and concrete objectives within a set time frame.
- The Social Economy makes a significant contribution to employment and social cohesion. It is a model of social and economic resilience and innovation, rooted in civil society and with a strong social commitment.^{2 3}
- There are 2.8 million Social Economy entities and enterprises in the European Union, that employ 13.6 million workers, 6,3 % of the whole working population.
- In many regions, Social Economy organisations (associations, foundations, cooperatives, mutuals, etc.) are the **main providers of essential services for the population - such as social services**, including social assistance or training and job placement services for disadvantaged people.
- Many of the principles of the European Pillar of Social Rights are implemented on the ground by Social Economy actors. They also support vulnerable people to enjoy their human rights and contribute to the UN Sustainable Development Goals.

Social Economy actors during and after the Covid-19 pandemic

- The Social Economy has a demonstrated potential for growth, also in terms of employment, in times of crisis. Its capacity to bring rapid solutions to pressing problems has been highlighted throughout the Covid-19 pandemic.⁴
- Many organisations and employees in the Social Economy have been working on the front lines during the pandemic and they still **ensure the continuity of essential services**, such as services for **older persons, persons with disabilities, children, and other persons in need of care and support**.
- With over 80% of the European social services workforce being female, the majority of social services front-line workers are women. The pandemic has revealed some long-standing

¹ European Commission [Social Economy Action Plan Roadmap document](#).

² EESC, Recent Evolutions of the Social Economy in the European Union (2017), <https://www.eesc.europa.eu/sites/default/files/files/ge-04-17-875-en-n.pdf>

³ EESC, The Social Economy in the European Union, <https://www.eesc.europa.eu/resources/docs/ge-31-12-784-en-c.pdf>

⁴ OECD, Social Economy and the Covid-19 crisis: current and future roles (2020), <http://www.oecd.org/coronavirus/policy-responses/social-economy-and-the-covid-19-crisis-current-and-future-roles-f904b89f/>

gender inequalities⁵ and it is crucial that policymakers adopt a gender-aware response to COVID-19 and targeted measures to limit the negative effects of the pandemic on women workers, including in social services.

- The Covid-19 pandemic highlighted the need for changes in the way European economies function, towards alternative development strategies and economic models that foster human-centred development, sustainability and inclusiveness. In social services, a holistic approach, more focused on the quality of life and the way vulnerable people are supported in all life aspects, requires new concepts, which should be implemented in order to achieve more user-centred services.

→ **The Action Plan should highlight the contribution of Social Economy actors during the crisis, as well as their role in lifting societies out of the crisis. It should propose concrete measures for better support systems that prioritise them, also in terms of emergency equipment allotments and funding.**

1. Definition and visibility

The role of Social Economy actors is not sufficiently recognised because of the lack of a clear definition and a lack of visibility.

Definition

- The Social Economy is made up of a variety of organisations, cooperatives, associations, foundations, mutuals and social enterprises based on different legal frameworks in the Member States.
- Very few Member States have a clear definition of the Social Economy. Also, many concepts, models and systems related to Social Economy lack clear definitions at European level. A common framework defined by the EU would help to implement policies in favour of the Social Economy at EU level, but also to have a clear definition at national level.
- Key criteria for this definition would be: The priority of people and social objectives over financial objectives, the democratic and participative governance, the reinvestment of profits on social causes and/or distribution among shareholder employees to achieve the social objectives and the general interest pursuit. The different legal frameworks in the Member States should be considered.
- The EU should facilitate research and develop recommendations to clarify the scope of employment and social business models held under the scope of Social Economy, such as sheltered employment and Work Inclusion Social Enterprises (WISE).

Visibility

- Despite their importance in many economies, the Social Economy actors are not fully recognised by Member States and key stakeholders.
- The future Action Plan should support the Social Economy's capacity to build networks (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 strong voice at all levels.
- This is particularly relevant for employers' organisations of the Social Economy, which should be able to play a special role at cross sectoral and sectoral level (i.e. Social Economy employers from the social services sector) in tripartite and bipartite social dialogue.

⁵ UN Women (2020): From insights to action: Gender equality in the wake of COVID-19.

<https://reliefweb.int/sites/reliefweb.int/files/resources/From%20insights%20to%20action%20-%20Gender%20equality%20in%20the%20wake%20of%20COVID-19.pdf>

→ The role of the Social Economy must be recognised as essential to achieve Europe's social objectives, as stated in the European Pillar of Social Rights and recently re-emphasised in the Action Plan to implement the Pillar. For this, clear definitions and more visibility are needed. As key actors, the employer's perspective should be included in the Action Plan for Social Economy.

2. Investment in Social Economy

Better recognition through stronger financing support

- One way of fostering a more human-centred economy is through the promotion of Social Economy providers, which prioritise social objectives and social values through innovative solutions, to involve people far from the labour market holistically and effectively in training and job opportunities.
- However, Social Economy providers often struggle to access mainstream finance. Business models of the Social Economy are often not well known and understood. Accessing EU funds and financial instruments also proves to be difficult and burdensome especially for smaller companies, which are the majority in the sector.
- Underfunding of Social Economy organisations providing social services entails that in some countries, services are underdeveloped and cannot reach their full potential. This also leads to understaffing, time pressure and high workloads for workers, and is a big burden for the attractiveness of social services professions and for the quality of the services delivered.
- The Social Economy is facing the same structural changes as other sectors e.g., climate change, digitalisation, or demographic change. The activities in these fields should therefore be specifically supported by European funds separate from the ESF+.
- Investing in the Social Economy and especially in Social Economy organisations providing social services, should not be only seen as a cost but as an investment for tomorrow and savings for the day after tomorrow. For this, frameworks and tools for social impact measurement should be strongly supported by the EU and Member States.
- This new start in Social Economy and social services investment should also include promoting and facilitating access to socially responsible public procurement as well as access to reserved contracts.
- Better concertation and co-construction between authorities and social services organisations should be reinforced and balance between call for tender / proposal and public subsidies should be sought.
- In terms of fiscal rules, reduced taxation (i.e., special rates of VAT) could be applicable to the Social Economy because of their contribution to general interest and to social and professional integration for vulnerable groups.

→ The Action Plan should call on Member States to develop and reinforce EU, national, regional, or local funding instruments, and promote policies for public and private investment in the Social Economy.

3. Digitalisation & skills development

Develop skills, prepare for the digital transition, and seize its opportunities

- The impact of digitalisation on Social Economy employers, including opportunities and challenges, have been highlighted by the Social Employers during a [roadmap event of the European Social Economy Summit in October 2020](#).
- This impact has been increased by the pandemic, in which services providers had to adapt to deliver remote services. Technology cannot replace human contact, but it can allow the creation of new ways of delivering social services, can ease the workload and improve occupational health & safety in various situations.

- There is a need to develop new skills in this field as well as to face structural needs, which oftentimes make the sector lag behind because of insufficient investment capacity, such as in-house information systems.
- Skills development should be a priority, not only in the context of digitalisation, but also in the context of other workforce needs, to face the ageing of the population and the change in the way social services are provided. These are more “classical” skills needs, for example concerning a person’s hygiene, security and comfort, support to a person’s life setting, collaboration, project management, medical care provision as well as adaptation to change, a skill that has been essential during the pandemic.

→ **The Action Plan should promote policies helping the development of core skills and new skills and stimulate innovation and new technologies.**

4. The role of social dialogue

- Social dialogue is a key tool for Social Economy actors, including in social services, to be better involved in the determination of social and economic policies, to improve working conditions and social security, and to contribute to general interest as mentioned above.
- Demographic change and the increased numbers of persons in need of care and support services present the sector with a variety of challenges. Social dialogue can help to best respond to those challenges, linked to questions of workforce, skills, recruitment & retention, workforce mobility, safety & health at work, digitalisation, etc.
- This is particularly needed for social services, where social partners already agreed on joint positions on [recruitment and retention](#), on [digitalisation](#) and on [resilience of social services after Covid-19](#).
- Further capacity building is needed to build strong social dialogue systems in social services in all EU Member States.
- The social services sector also needs to be represented at EU level, through a dedicated and recognised European sectoral social dialogue committee, which in turn will help to develop Social Dialogue in Member States and support them in facing their challenges.
- To re-emphasise this, the Social Employers and EPSU have submitted an additional joint input to this Roadmap.

→ **The Action Plan should address the need to further develop social dialogue in the Social Economy, and especially at sectoral level in social services, where it is crucial to tackle current workforce challenges and best prepare for the future.**

The Federation of European Social Employers represents the voice of employers in the field of social services at European level and has, according to Eurofound, the most significant employer’s representativeness in the private sector part of social services. The Social Employers understand social services to comprise all care and support services, including for older persons, persons with disabilities, children, and other excluded or disadvantaged persons. These services constitute a very significant part of the Social Economy.

The Federation’s objectives are to strengthen the position of employers in social services at European and national level, establish common positions between members, and negotiate with European Trade Union Associations, representing workers in social services. By doing so, the Social Employers contribute to quality service provision and quality jobs.