



## **Europe 2020 consultation: Euclid Network's response**

The draft strategy calls on the EU to “achieve a sustainable social market economy, a smarter and greener economy”. However civil society is given just one cursory mention: “EU 2020 vision will need the active support of stakeholders such as the social partners and civil society”.

We, the leaders of third sector/social economy, posit that civil society is not just a supporter but an essential partner to deliver the strategy. Its leaders have been pioneers in society for a long time and the economic and social impact of their organisations (as employers, producers of services, and source of social innovation) is considerable.

Civil society encompasses a wide range of organisations in almost every work area. Their strengths are in social capital, non-financial motivations, low transition-costs as well as adaptability to a service-based society and sustainable development.

The EU has one of the largest, most vibrant and innovative civil societies in the world but doesn't adequately recognise or invest in it. It is time to reverse this situation and make civil society one of the EU's flagship strengths, amongst its citizens and worldwide.

The single market is a major achievement, but it has been developed for the EU's corporate sector only. It is time to complement it with policies, legal provisions and better funding for the third sector in order to create a truly sustainable social market economy.

### **Why stimulating European civil society is crucial for Europe's future:**

European civil society has four fundamental functions which make it central to the success of this strategy.

#### **1) Active citizenship**

Citizens are engaged social participants, not just workers and consumers. Considering them in this way under-recognises their contribution to the European project. Furthermore, it is desirable to have the voice of such an important sector heard in the institutionalised social and civil dialogues, where its leaders are an excellent source of expertise.

Civil society promotes active citizenship (including through volunteering, philanthropy, campaigning etc.) in a number of ways. It mobilizes millions of citizens as volunteers and donors in every member state, who not only organise society as a whole but also tackle the most challenging issues, such as social exclusion, environmental protection, migration, demographic change, poverty, international development, gender inequality, human right violations and conflict resolution. Furthermore, it promotes active citizenship at a distinctly European level – active European citizenship – by fostering cross border links and running cross border projects, such as the many groups of students who volunteer in Romanian orphanages.

Active citizenship is value-based and for public good, and offers an effective third way between undesirable nanny-statism and market fundamentalism. Civil society can be a catalyst of resources and social cohesion, harnessing citizens to tackle challenges across the EU and working in partnership with the European institutions. Citizens trust civil society organisations and once on board they can give more legitimacy to the EU's actions.

## **2) Global Campaign for climate change, international development and equal opportunities**

Civil society has been at the forefront of campaigning to raise awareness and promote actions to create equal opportunities, mitigate climate change and stimulate international development, both in terms of pushing governments and the European institutions to act, as well as in informing citizens and encourage them to act.

Civil society can be a formidable ally of the EU in promoting a green agenda, fair trade and antipoverty programmes worldwide, and can provide unique support to the EU's global leadership on these crucial topics. Copenhagen proved this.

## **3) Delivering public services and fostering social innovation**

The third sector (the institutional core of civil society) is not marginal, but central in providing public services and delivering them in partnership (eg. health care, education, employment, and social care). It is a considerable economic force in its own right, contributing up to 10% GDP in some member states (such as France, the Netherlands and UK). However, it's fair to acknowledge that the situation of civil society in Central-Eastern Europe is more challenging.

The sector is also a source of social innovation liberating the creativity of active citizens as proven by fair trade, free software (shareware) and user driven solutions in public services.

With social enterprise as a common trend across Europe, the third sector can be one of the main drivers of the sustainable social market economy, increasing employment in disadvantaged groups as women, youth, the elderly and migrants.

#### **4) Holding public institutions and private companies to account**

Civil society is unique in the way it independently monitors and evaluates public institutions and private companies across Europe and worldwide. Furthermore, civil society organisations are a vital component of a lively democracy and a sustainable market economy.

### **Recommendations**

The Commission's working document rightly argues that a structural reform agenda to promote innovation and efficient resource allocation can and should drive European growth. However it fails to acknowledge the important role that European civil society can play in promoting all aspects of the strategy.

In particular civil society; i.e. the third sector/social economy, can make significant contribution to the three priorities of the strategy.

#### ***1. Creating value by basing growth on knowledge***

The strategy must recognise and commit to furthering the central role of social enterprise and social economy (through their contributions to innovation and sustainable growth), and well as of civil society (through its contributions to education and research) play in furthering the European knowledge economy.

The third sector and the social innovation it facilitates, are unique in their combination of cutting edge innovation and entrepreneurialism with sustainability (focusing on the triple bottom line: environmental, social and financial).

Furthermore, it is active not only in providing essential forms of education, at all levels (primary, secondary, tertiary, vocational, and lifelong), it also produces high level non-contract research on crucial issues (such as social inclusion) which the private and public sectors should no longer ignore, as well as world class scientific research to combat diseases, such as cancer.

#### ***2. Empowering people in inclusive societies***

The strategy must recognise and commit to furthering the crucial role and untapped potential of civil society to promote social integration at all levels.

A wide range of national examples show that civil society has been exceptionally successful in advancing social inclusion, because of its unique ability to both organize itself and listen to and address the needs of marginalised people. Many

governments (such as the UK and France) are experimenting with contracting to civil society organisations to deliver public services, proving that they are often the best providers on the market.

### **3. *Creating a competitive, connected and greener economy***

The strategy must recognise and commit to furthering the unique role of civil society at the forefront of efforts to develop a greener economy.

On competition, the third sector's involvement in the delivery of public services can be seen as part of a strategy to have a more competitive economy. The UK government recently commissioned a report which looked at public services as an "industry" worth billions to the UK economy and one in which the UK is a world leader. It argued government has an important role in stimulating this industry, including by ensuring there's competition between all sectors. The same can be applied to the European level.

Whilst the public and private sectors are only now waking up to the urgent challenges of climate change, civil society has been working towards a greener economy for decades.

#### **To foster European civil society**

Although it already achieves a significant impact, civil society remains a largely untapped resource that can be further mobilised with the appropriate reforms. As an absolute minimum the European institutions should ensure that the various forms of support extended to SMEs are also made accessible to civil society organisations.

The European institutions must recognize and promote its leadership and entrepreneurship - one of the leading drivers of European integration - as well as its unique contribution, such as social innovation and volunteering.

Adequate resources have to be made accessible, starting with the reform of European funding, the establishment of a European fund for social investment (European Social Bank), in order to promote a culture of social investments and entrepreneurship. Policies must also enable, and provide incentives for, growth, innovation, cross-border projects and cross-sector partnerships. This includes the adoption of a legal form for European foundations, mutuals and associations.

Attention must be paid particularly to Central-Eastern Europe, the Balkans and New Neighbours where civil society is still at an early stage of development. The European institutions need to actively support civil society development and build capacity to unleash its potential - through promotion and support for West-East partnerships, exchanges, joint projects, trainings, capacity building activities and

support for setting up courses on universities to develop professionalism of practitioners in the target regions.