



STRASBOURG DECLARATION

INITIAL IDEAS AND SUGGESTIONS FROM STAKEHOLDERS

The actions contained in this document are a summary of ideas collected in the run-up to and during the “Social Entrepreneurs: Have Your Say!” Event held on the 16 and 17 January 2014 in Strasbourg. They are by no means comprehensive or fully representative but a snapshot of what could be heard. They will be further complemented.

They provide a compelling list of suggestions that should be considered in developing new work to support the growth of social enterprise in Europe, taking into account the diversity of national traditions and contexts.

Evidence-based policy: increase understanding of the sector and measure social impact

- The work on the mapping of the social enterprise sector must be expanded and streamlined by launching further initiatives to collect comparable data in the Member States.
- Establish a database of social impact tools and guidelines, including when and how to use them. One outcome could be the creation of a set of (non-compulsory) social impact roadmaps for different types of social enterprise or per sector, to be used by funding bodies and local governments across Europe.
- In its research agenda, the EU should better connect the different policy areas of social innovation and social enterprise (including funding), recognising that the social innovation logic differs from traditional innovation processes, and should bring in an international perspective.
- The EU should make better use of the research already conducted on social enterprise, taking stock and promoting connection with future programmes.

Innovative funding solutions

- Public authorities should provide guarantee or first loss provision schemes for lenders, even at national level.
- Social impact investing should not be considered an 'alternative investment', but as a fully-fledged new asset class. The EU should explore this. The EU should eventually open up EuSEF funds to the retail market.
- EU funding should support social innovation and be more easily accessible to social enterprises, that demonstrate a high ratio between social impact and cost.
- Tailor-made education programmes for investment readiness and managerial capacities, for instance through 'collective knowledge hubs', should be included in EU financial instruments.
- Further reference should be made to the social economy and social entrepreneurship in the programmes for structural funds. Capacity-building programmes should be provided to Member State authorities. Participants call upon the Member States to make full use of all available

mechanisms in order to guarantee that funds are invested correctly and not dispersed (i.e through investment priorities for social entrepreneurs).

- The EU should create a directory of goods and services provided by social enterprises (including finance providers).
- The potential of local currencies and similar initiatives should be explored further to support community development.
- Adequate public funding should remain available to finance the provision of services of general interest.

Improve the regulatory framework

- Many stakeholders consider that social entrepreneurship policies should encompass all social economy enterprises (cooperatives, mutuals, associations, foundations, etc.). The EU should propose a European statute for mutual societies, in order for them to carry out cross-border activities, merge, and face the challenges of Solvency II, and propose a European Statute for associations.
- State-aid rules should allow for specific tax treatment of social enterprises that limit profit distribution.
- The rules for entrusting social enterprises with the provision of social services of general interest should be made clearer and simpler, for associations and public authorities alike.
- Member States should have a strategic approach to 'social value' procurement. The EU should offer guidance and support to Member States to take advantage of the new provisions in the revised Procurement Directives to better include social enterprises in the tendering process. Social enterprises should be encouraged to create groupings when responding to public tenders.
- The EU should promote effective social enterprise legal forms and related best practices and encourage their replication at national level.

Raising awareness

- Social enterprise should be mainstreamed into all EU programmes, using the occasion of their mid-term review in the current programming period. Social enterprises should be fully embedded in enterprise policy at EU and Member State levels, and recognised as such, and should be included in the surveys of the European SME observatory. Beyond social enterprise, the EU and Member States should better include social and environmental objectives through social indicators in their policies and reporting, for instance those on economic governance and European Monetary Union.
- Social entrepreneurship should enrich the toolbox of EU external development policy, and especially the post-2015 Development Objectives agenda.
- EU policies should be adopted and made consistent with one another to support social enterprises in all sectors. The fight against gender inequalities and policies migrants' integration should use more explicitly the potential of social enterprise.
- The Commission should create a link in its policies and promote social enterprises as a viable opportunity for supporting youth employment and youth entrepreneurship.
- The Commission should raise awareness social enterprises' potential to empower employees and facilitate business transfers.

- Public recognition and awareness of social enterprise as a viable organisational form should be raised through sharing the statistical data and findings emanating from research. As members of the media are a key group of actors to achieve this, tools and *ad hoc* training on social business matters should be developed to better introduce the topic into the mainstream media and promote civic education on social business.
- Social enterprises need more recognition: the EU should propose a code of good conduct giving guidance on social and environmental reporting, and should promote good practices, common language and transparency, following the example of the EU code of good conduct for microcredit provision.
- Transnational networks and platforms should be supported, for instance on communication, legal frameworks, and how to achieve the transition from NGOs moving to social enterprise.
- In addition to promoting social innovation, the Commission should focus on scaling up and replicating the existing business models and ideas that have proved successful, for instance by issuing a call for proposals on social franchising.

Education, training and business support

- The Commission should collect and share good practices of legal aspects of social enterprise.
- Expanding on Social Innovation Europe, there should be an EU-financed crowdsourced information portal, with national coordinators responsible for keeping the information up to date, relying on key local actors, and providing guidance and tools.
- The EU should create a cross-border exchange programme for teachers and professors with social enterprises and educational institutions, to exchange best practices that could be shared with students. The values of social entrepreneurship should be included in early education programmes.
- Existing Higher Education Institutions (HIEs) currently offering or planning to develop training offer on social entrepreneurship should be networked and synergies sought. A possible way of promoting social enterprise among EU HEIs would be a project competition, with funding provided for the winners.
- The Commission should support the expansion of the community-led local development approach to include the delivery of social enterprise initiatives.
- Stakeholders and national authorities should take ownership to support the emergence of suitable social enterprise intermediaries to provide business development and financial support. They should make full use of EU funds and programmes to that effect.
- Support for social enterprise should be stepped up in rural areas, through specific fieldwork, mobile social innovation labs, mobile technology, and tying in more strongly with rural development programmes.

Strengthened governance, exchanges of best practices and transnational networks

- The EU should facilitate exchange of best practices especially in the emerging area of social impact investment.
- Social enterprises should share innovative and inspirational ways of communicating what they do, such as story-telling via movies and documentaries.

- The Commission should commit more human resources to social enterprise policy, in order to ensure long-term vision and policy consistency. A dedicated social entrepreneurship inter-service structure, drawing staff from the various Commission departments and with a dedicated budget, would be needed. Social innovation and social enterprise policies should be merged into a single, consistent and coordinated agenda in order to foster a genuine social innovation-friendly environment.
- In implementing structural funds, and in wider public policies, national authorities should fully implement the "partnership principles". National authorities should cut the red tape in managing EU funds, keeping in mind that they should support and not stifle the sector. The Commission should be empowered to monitor in more details how EU funds are being used by national authorities to support social enterprise.
- The "Open Method of Coordination" (an EU-level soft-law approach to bring national legislation and practices closer to one another) should be applied to national social economy policies.