



EUROPEAN COMMISSION

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

Brussels, 25 January 2022

Subject: Minutes of the meeting of the Commission’s Expert Group on Social Economy and Social Enterprises – 25 January 2022 by video conference

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

The agenda and the minutes of the previous meeting (on 10 September 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. Presentation of the action plan for the social economy by Commissioner Schmit

Commissioner Schmit recalled that the Commission had intensively consulted stakeholders, including the GECES, in the context of the preparation of the action plan and he thanked GECES members for their contribution. He underlined the commitment of the Commission to the social economy as illustrated by the fact that it was identified as one of the 14 industrial ecosystems in the [European industrial strategy](#).

He pointed to the importance of a common framework to enable and recognise the social economy across Europe and of common criteria for defining it. However, he also stressed the need to take into account the diversity of the social economy in Member States. Commissioner Schmit emphasised the added value for social economy actors to build and participate in networks, in particular at European level, in order to scale-up.

Commissioner Schmit mentioned a few priority measures announced by the action plan:

- Facilitating the access of social economy actors to EU funding and support, through a new social economy gateway;
- Encouraging Member States to take relevant actions at the national, as well as at local and regional levels, through the proposal for a Council recommendation planned for 2023;

- Supporting the scaling up and replication of social innovation through a European competence centre which would help stakeholders share experience and knowledge and cooperate;
- Facilitating access to finance. New EU financial products would be developed through InvestEU building on those developed under the Employment and Social Innovation (EaSI) programme;
- Fostering youth entrepreneurship through a Policy Academy;
- Encouraging social economy actors to measure their social impact.

The action plan was important to put the social economy at the centre of European priorities, i.e. fighting climate change and developing a new economic paradigm, as well as the digital transition.

3.2. Question and answer session between Commissioner Schmit and GECES members

During the Q&A session, several GECES members congratulated the Commission on the launch of the action plan and praised the cooperative approach during its preparation.

Some members asked for information on the social taxonomy, its alignment with other initiatives and its impact on the access to finance. Commissioner Schmit explained that the platform on sustainable finance had adopted a [draft report](#). The final report was expected to be published by the end of February¹ to issue a positive opinion on the implementation of a social taxonomy. Based on this, the Commission would start its own work on the social taxonomy, which in the long-run aimed to create trust and security to finance social actors.

Other members asked for more details on measures announced by the plan to facilitate access to finance for the social economy. The Commissioner explained that public finance remained essential for the social economy, especially for actors working with the most vulnerable and people who are excluded from the labour market. Social economy needed to benefit from all relevant EU programmes. The action plan aimed to attract private funding as well, by fostering the recognition and trust in the social economy. On the issue of financing for reskilling and upskilling, the Commissioner supported the use of impact bonds among other support tools.

Asked about the hinderances to cross-border donations, the Commissioner recalled that the rules would be clarified, but mentioned that given this issue was linked to taxation, Member States were best placed to act. The Commission had also announced the launch of co-investment mechanisms with philanthropic actors, in order to channel additional capital to social issues. A study would be launched on philanthropic capital.

About the definition of the social economy, Commissioner Schmit emphasised both the diversity of social economy actors and the fact that they shared similar objectives and values. This was essential to facilitate recognition and identification. The Council

¹ In the meantime, the report has been published and can be accessed through the following link: https://ec.europa.eu/info/files/280222-sustainable-finance-platform-finance-report-social-taxonomy_en.

recommendation would help enable cross-border cooperation and funding. The Commissioner also stressed the importance of the participatory management of social economy entities and the fact that it made it different from other actors.

On the international dimension of the action plan, the Commissioner supported the exchange of knowledge on the social economy and highlighted specifically the high potential for the development of social economy in the Balkans and in North Africa.

Commissioner Schmit underlined the role of the Member States in developing adapted legal frameworks and praised bottom-up approaches building on local networks and initiatives. About the gateway, Commissioner Schmit also stressed that networks would have a key role to play.

Concerning the care sector, the Commissioner pointed out that dedicated legislation / initiatives were expected later this year and emphasised the need to ensuring a high quality of work within this sub-sector.

3.3. Presentation of the Presentation of the Transition Pathway of the “Proximity and social economy ecosystem” by Director General K. Jorna

DG GROW recalled that, in March 2020, the Commission had laid the foundations for an industrial strategy that would support the twin green and digital transition, make EU industry more competitive globally and enhance Europe’s open strategic autonomy.

In its updated Industrial policy (May 2021), following the COVID 19 pandemic consequences, the Commission also introduced the concept of industrial ecosystems gathering different economic actors operating in a specific value chain. Within this new Industrial policy, the Commission aimed to co-create transition pathways for the ecosystems.

Kerstin Jorna explained the making process of the transition pathway on “Proximity and Social Economy” that started with an analysis of scenarios, between now and 2030, and which were published in a Staff working document annexed to the action plan for the social economy. She also mentioned that the tourism ecosystem was an example where the whole process of the transition pathway was completed.

In particular, the Commission focused on three main elements in the different scenarios proposed:

- Resilience: finding and developing new business models, reinforcing new cooperation between public and private actors, boosting opportunities for social enterprises to scale-up, combining public and private funds for investment purposes;
- Green transition: identifying the business needs and create new markets for sustainable services;
- Digital transition: boosting technology uptake by social economy actors and skilling workers that are part of the ecosystem.

Kerstin Jorna invited the experts to join the collaborative efforts and contribute to the transition pathways. An [online survey](#) presenting the different scenario was open until the 28 February 2022.

3.4. Question and answer session between Director General K. Jorna and GECES members

During the Q&A session, several GECES members expressed their appreciation for the Transition Pathway.

Experts mostly asked for clarification on how they could help the sector engage in preparing the transition pathway. Kerstin Jorna stressed the need for sharing examples and experiences, and for scaling them.

Kerstin Jorna also pointed to the need to take risks. The Commission would like to facilitate the risk taking with the hope to engage investors at later stages.

An expert mentioned the obstacles in the cross-border operations for philanthropy and foundations and asked how this could be tackled. The Commission replied it had launched two studies and expected results in the first half of 2022. One aimed to map the rules across Member States when it comes to philanthropy to assess their diversity. The second study was on the cross-border obstacles for associations and non-profit entities.

Other experts asked about the collective capacity to attract and inspire new entrepreneurs to accompany transitions. Kerstin Jorna reiterated the importance of the transition pathways in creating visibility, in particular for smaller industries, investors and for youth entrepreneurs. She highlighted the role of some dedicated EU schemes such as Erasmus for Young Entrepreneurs to help young people successfully scale up their businesses.

One expert wondered how the Commission intended to strengthen the European Social Economy Region (ESER) network and future partnerships. Kerstin Jorna emphasized the importance of networks in making the transitions feasible. Forthcoming transition pathways were enablers for these networks to grow and expand. In particular, the ESER network would help identify solutions that have worked in a specific area and could be replicated in other European regions with similar interests.

Another expert asked about the uptake of these social economy practices in particular for traditional enterprises to support the twin transition. The Commission highlighted that social economy was present in different sectors and economic activities. Many traditional enterprises also tended to integrate those practices in their corporate strategy. The Transition Pathway for the “Proximity and Social Economy” would be a catalyst to develop new practices in other industrial ecosystems. The Commission’s [Industrial Forum](#) would be a key instrument in that regards as it would help bridge and connect the different ecosystems.

3.5. GECES members’ reactions on the action plan, including on the Transition Pathway and their possible contribution to communication activities

DG EMPL first debriefed GECES members about the launch event of the action plan for the social economy organised by the Commission in Brussels on 16 December 2021. Experts were then invited provide feedback and ask questions on the substance of the action plan.

Several experts welcomed the proposal for a Council recommendation and supported the development of common principles for the social economy. Other members asked about the role of GECES in the implementation of the action plan. DG EMPL mentioned that the group would be consulted in view of the preparation of the mid-term report due for 2025. In addition, the GECES would be consulted on the implementation of individual measures announced in the action plan, for example the Council recommendation. Details were being discussed and would be shared with members as soon as possible. DG GROW also highlighted that the Transition Pathway relied on co-creation and participation of stakeholders and therefore underlined the role of GECES members.

Experts asked why the plan only foresaw concrete actions until 2023 and not beyond. DG EMPL explained that long-term projects needed to be approved in the context of future annual work programmes and financial decisions and that it was difficult to anticipate exact dates at this stage. Further details would be made available in due course.

Regarding the geographical scope of the action plan, DG EMPL clarified that most of the proposed measures were mainly relevant for EU countries, but that some actions aimed specifically at supporting the development of the social economy in third countries and at promoting social economy in international organisations. The action plan would facilitate a mainstreaming of social economy in all relevant aspects of the Commission's work.

Asked about the Youth Policy Entrepreneurship Academy, DG EMPL explained that the project would be developed with the OECD over the next 3 years. Decision makers and young entrepreneurs (especially female) would meet in the context of regular interactive events, with a view to build capacity.

Concerning actions at national level, DG EMPL recalled that in the action plan, Member States were encouraged to develop or update policy strategies for the social economy. The Council recommendation would also help mobilise Member States, for example in relation to access to funding.

Following a question on the preparation on the action plan, DG EMPL recalled that while the Commission usually consults stakeholders extensively prior to the adoption of initiatives, it could not share actual drafts of the text prior to their official adoption.

One member asked how to proceed in case some Member States were not taking action to develop a national Competence Centre for Social Innovation. DG EMPL explained that there would be calls in the future under the ESF Social Innovation+ initiative, for the transnational cooperation of support organisations of social innovation, such as the national competence centres, in which stakeholders would be able to participate. Additional information would be shared with the GECES in due course.

Concerns were raised on the measurement of social impact, as an oversimplified method could harm the sector. DG EMPL acknowledged that different social impact measurement methods were useful, given the diversity of organisational forms in the social economy. This was reflected in the [Commission staff working document](#) accompanying the action plan. The Commission confirmed it would also work with stakeholders to implement the initiative announced in the action plan in this area.

Two experts highlighted the importance for social economy stakeholders to build partnerships with both the public and the private sectors and welcomed that this was mentioned in the Commission staff working document. The Commission should

undertake a new study on public social economy partnerships identifying the different existing practices with a view to improving them, for instance in relation to the implementation of cohesion policy funds.

The representative of a Member State welcomed the action plan and the transition pathway but outlined some shortcomings. In particular, more concrete mechanisms were needed, possibly in the form of European legislation, to promote the action of national and regional social economy entities. In addition, the non-profit dimension of the sector (with only limited exceptions) had to be safeguarded in EU initiatives, and social washing should be avoided. It was necessary to set up support structures exclusively dedicated to the social economy at national level, and to promote collective forms of entrepreneurship in the context of social innovation. The member also reported about the recent initiatives in support of vocational training and capacity building in the social economy in her country, including the creation of a centre funded through the Recovery and Resilience Plan. It was essential to support the production of statistics and her country was ready to share its experience with developing national satellite accounts.

The representative of another Member State also welcomed the Commission's action plan, in particular the proposal for a Council recommendation, but called for a more precise definition of social enterprises using clear indicators. This was necessary to facilitate the convergence of national initiatives and elaborate better targeted public policies. The proposal to launch a study on national labels and certifications schemes, in order to support voluntary approaches to mutual recognition would be welcome as was the development of specific financial instruments targeted at the needs of social enterprises and the importance of promoting existing European public financial support mechanisms. In addition, a study should be launched on the different national schemes designed to channel savings into social impact investments. DG EMPL took note and recalled that the Commission had already conducted pilots in relation to social impact bonds under EFSI and this work would continue under Invest EU.

Asked about new and revised financial instruments, DG EMPL explained that the future InvestEU financial instruments would build on the success of the previous EaSI instruments. The EIB and EIF would be the main bodies to implement the instruments, although InvestEU was open to other implementing partners. New information would be provided in the first half of 2022 once the negotiations with EIB and EIF are finished, with continuity to be expected. Experts expressed interest in co-creating new financial instruments tailored to the social economy. DG EMPL recalled that it had already taken account of members' views in the previous sub-group on access to finance set up specifically to help prepare InvestEU and which met 4 times during 2019. The need for a new sub-group could be considered in due course in the context of the preparation of the next multi-annual financial programme unless a specific need arose sooner.

An expert commented that several ongoing Commission initiatives relevant for supporting the development of social impact finance were linked: the social taxonomy, the Corporate Sustainability Reporting Directive, the Regulation on sustainability-related disclosure in the financial services sector, the non-financial reporting directive and the upcoming initiative on sustainable corporate governance. There was a growing blurring between ESG (environmental, social, and governance) standards and impact investing criteria. The Commission recognised close links and possible overlaps between the initiatives referred to and the need to ensure coherence. These elements would need to be taken into account when looking further at the issue of the Sustainable Finance

Platform's report on social taxonomy. The Commission would draw on relevant expertise as needed.

One expert mentioned that the social economy remained underrepresented in higher education and called on the EU to encourage Member States to make the social economy more prominent in the curricula of business schools. The Commission concurred and explained this issue was raised in the action plan. The Pact for Skills would also support stakeholders with the development of appropriate skills and more GECES members, including academic networks, were invited to contribute the Pact. The plan also invited stakeholders to make better use of Erasmus+ and Horizon Europe; the new gateway would help. On the possible role of research in the implementation of the action plan, DG EMPL recalled the importance of evidence, including from academics, for policy-making. In addition, the GECES could play a stronger role in ensuring relevant research, including research performed at national level, was shared at the European level. The Commission would follow-up on this issue.

Concerning the action aiming to support the development of social economy networks in Member States where the social economy is not well developed, DG EMPL explained the Commission still needed to explore the best approach for its implementation. It would consult existing networks and the GECES in due course. Another expert commented that national networks were instrumental in providing guidance to social economy entities and that this initiative therefore had a link with the planned Council recommendation.

Asked for more information on the action plan initiative seeking to support partnerships between the private sector and social enterprises in the circular economy, DG GROW mentioned that a 6 million euros budget was secured under the Single Market Programme for 2022 and that a call for proposals would be launched. This work and support would be tailored to the needs of stakeholders on the ground as much as possible.

DG GROW highlighted the co-creation approach of the transition pathway initiative and invited members to participate in the ongoing consultation procedure. An expert highlighted the key role of the Recovery and Resilience Facility in supporting the green and digital transition of the social economy, and welcomed the fact that at least two Member States would use this fund specifically for the benefit of social economy stakeholders.

3.6. Updates by GECES members

Eva Cantele shared the following information: SSE International Forum would organise its Mont Blanc Meetings - Americas on 17, 18 and 19 October 2022 at the Convention Center in Cartagena de Indias (Colombia). The general theme would be "The social and solidarity economy, local and international solutions in a changing world".

Members were encouraged to send any other information they wished to share to the functional mailbox of the GECES secretariat.

3.7. Any other business

The French Presidency reminded members of the event in Strasbourg on 5-6 May 2022. This European conference would bring together the French government, the city of Strasbourg, European institutions and social and solidarity economy stakeholders. The event would focus on the Commission's action plan for the social economy and help

disseminate information about the initiatives it includes, in particular those in support of young people and linked with the green transition. Further information could be found [here](#).

The tentative date for the next GECES meeting was June 2022. Further information would be shared when available.

7. 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	Ministry of Finance –Directorate General for European Programmes Coordination and Development 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
Hungary	Ministry for Innovation and Technology
Ireland	Department of Rural and Community Development
Latvia	Ministry of Welfare
Lithuania	Ministry of Economy and Innovation Ministry of Social Security and Labour
Luxembourg	Ministère du Travail, de l'Emploi et de l'Économie sociale et solidaire
Malta	Ministry for the Economy, Investment and Small Businesses
Poland	Ministry of Family, Labour and Social Policy of the Republic of Poland
Portugal	Relações Institucionais, Credenciação e Estudos da CASES
Slovenia	Ministry for Economic Development and Technology, Sector for social enterprises, cooperatives and economic democracy
Spain	Ministerio de Trabajo y Economía Social

Sweden	Ministry of Enterprise Region Östergötland
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Organisations

. AIM European Brands Association (AIM)
. Ashoka
. Bundesarbeitsgemeinschaft der Freien Wohlfahrtspflege e.V. (BAGFW)
. Centre International de Recherches et d'Information sur l'Economie publique, sociale et coopérative (CIRIEC)
. 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 aisbl (EMN aisbl)
. 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)
. Finanzierungsagentur für Social Entrepreneurship (FASE)
. France Active
. Fédération Européenne de Finances et Banques Ethiques et Alternatives (FEBEA)
. Get Tallaght Working Co-operative Ltd. (Partas)
. Innovation et Economie sociale en Méditerranée (iesMed)
. Junior Achievement Europe Europe (JA Europe)
. Le Labo de l'Economie Sociale et Solidaire (Le Labo de l'ESS)
. Microfinance Centre (MFC)
PARTAS
. Pour la Solidarité asbl (PLS)
Réseau Européen de Villes & Régions de l'Economie Sociale (REVES Network)
. Reuse and Recycling European Union Social Enterprises (RREUSE)
. Slovenská akadémia vied/Slovak Academy of Sciences (SAV/SAS)
. Social Economy Europe (SEE)
. Social Finance Ltd
. Social Services Europe (SSE)
. Stichting Social Enterprise NL

Observers :

. International Labour Organization (ILO)
. Council of Europe Development Bank (CEB)
. ESS - SSE Forum International
. European Economic and Social Committee (EESC)
. European Investment Fund (EIF)
. Organisation for Economic Co-operation and Development (OECD)
. UN Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE)

· Norway - Ministry of foreign trade and economic relations
· Turkey - Ministry of Foreign Affairs

Commission services :

Commissioner Schmit
Director General DG GROW
DG GROW unit G2
DG EMPL unit G3

Guests : City of Strasbourg

Annex A Information shared through the chat at the GECES meeting of 25/01

EUCLID NETWORK shared the networks first response to the SEAP:

<https://euclidnetwork.eu/2021/12/en-first-response-to-the-social-economy-action-plan/>

SOCIAL ECONOMY EUROPE shared the link to SEEs preliminary reaction to the SEAP as well as their analysis on the priorities for the social economy for 2022:

<https://www.socialeconomy.eu.org/2021/12/16/the-social-economy-action-plan-is-out-a-new-chapter-begins/>

<https://www.socialeconomy.eu.org/2022/01/17/2022-what-is-on-now-for-the-social-economy/>

OECD shared a link to the recording of a seminar on “Making the most of the social economy’s contribution to the circular economy”:

<https://www.oecd.org/local-forum/workshops/social-circular-economy.htm>

France shared two links on activities of the French Presidency for the social economy:

- <https://presidence-francaise.consilium.europa.eu/fr/>
- <https://presidence-francaise.consilium.europa.eu/en/events/the-social-economy-the-future-of-europe/>