



The EU Pact for Skills – Skills partnership for the Proximity & Social Economy ecosystem

The Challenge

While it has been severely affected by the COVID-19 crisis, the proximity and social economy ecosystem has shown a particular resilience and a great potential to help the EU's economic and social recovery as a whole, as its very *raison d'être* is to address economic, environmental and societal challenges in the most inclusive and innovative ways. This ecosystem is crucial to ensure a fair and inclusive recovery and to act as a catalyser of just transitions.

With their deep local footprint and their approach based on collective governance and cooperation, social economy organisations (e.g. cooperatives, mutual societies, associations, including charities, social enterprises), impact investors (e.g. foundations, impact funds), microfinance, ethical and cooperative banks, and other legal forms which are specific to some Member States traditions, provide an excellent opportunity to develop and engage in partnerships.

Many of these organisations are active in the field of skills development. Some of them focus on reskilling, upskilling and facilitating access to labour market. Others encourage social economy entrepreneurship and social innovation to address societal challenges and strive for developing entire new markets. This broad spectrum of activities makes them key in the EU's future skills development. The social economy has a long and proven track record of labour market inclusion and is at the same time an important vector for an inclusive green and digital transition. To ensure the social economy can continue creating inclusive employment, there is a need to reskill its own workforce taking into account in particular the green and digital transitions. To remain competitive and to meet their economic and social responsibilities, the industry needs to invest significantly in the re/upskilling of its workforce.

The ambition

Proximity and Social Economy have been identified as one of the fourteen industrial ecosystems for Europe's recovery. To address these, the European Commission has published a European Action Plan for the social economy, a roadmap aimed at



boosting the development of these enterprises and organisations, accompanied by a staff-working document called “Transition Pathways for Proximity & Social Economy”.

In this context, the European Social Economy formed by 2.8 million enterprises and organisations, employing 13.6 million people (6.3% of the EU’s working population), wishes to develop its full potential to lead the recovery and just green and digital transitions, ensuring the active participation of EU citizens, as well as to strengthen Europe’s resilience and strategic autonomy. This Alliance builds on existing projects as the B-WISE project, Blueprint for Sectoral Cooperation on Skills in Work Integration Social Enterprises.

At the same time, investors for impact and social finance, which put social impact at the core of their investment decision, could enhance the opportunities to invest in areas such as lifelong learning and employability, social inclusion, active citizenship, personal development and resilience, to ultimately ensure future-proof careers and bring positive change into peoples’ lives.

The ambition of the partnership is to identify statistical information on the up-/re-skilling of social economy’s employees and entrepreneurs, identify key areas and needs in terms of up-/re-skilling, mobilize public and private capital in upskilling and reskilling to enable the up-/re-skilling of 5% of the workforce and entrepreneurs each year to tackle the transitions in the social economy.

The proposal

In order to reach this target, the partners jointly commit to:

- ✓ establish a skills alliance for the Proximity & Social Economy Ecosystem;
- ✓ update and share intelligence about the ecosystem and its development in order to get continuous skills needs updates and provide guidance to education providers.
- ✓ map information (e.g. data, qualitative case-studies, best practices) on the training activities currently carried out in the proximity and social economy ecosystem.

The Commitment and key performance indicators

Commitments:

Pillar 1: *Enlarge the pact*

Pillar 2: *Develop reskilling and upskilling activities while fostering talent attraction and strengthening social*

inclusion, in coordination with the Environmental, Social and Governance (ESG) framework

Pillar 3: *Improve skills Intelligence for the ecosystem*

Pillar 4: *Provide financial and non-financial contribution to skills development activities*

Corresponding KPIs:

➤ **Pillar 1 – Enlarge the Pact**

- Increase the number of stakeholders involved and the coverage of the ecosystem in terms of countries and regions

➤ **Pillar 2 – Develop reskilling and upskilling activities while fostering talent attraction and strengthening social inclusion in coordination with ESG framework**

- Upskill and reskill 5% of the workforce each year, including social economy entrepreneurs
- Attract young talent and women to social economy enterprises and social economy entrepreneurship
- Increase the number of graduates in social economy business programs and strengthen the cooperation of the ecosystem with universities and researchers
- Increase the number of successful trainings certifications
- Increase the number of mentoring schemes and recognised work-based learning training for targeted groups

- Increase the number of mentoring and management schemes for highly qualified positions in social economy enterprises
- Increase the number of specific competence programs involving digital skills, focusing in particular on specific social economy sub-sectors, such as healthcare, social services and green social economy (for assistive technologies development and platform economy etc.)
- Increase the number of mentoring and management schemes for highly qualified positions in social economy enterprises
- Increase the number of vulnerable people upskilled and/or reskilled within the social economy

➤ **Pillar 3 - Improve skills Intelligence for the ecosystem**

- Develop sectoral blueprints, and forecasting exercises (anticipation skills needs in future)
- Develop impact measurement and management
- Increase amount invested by investors for impact in sectors related to upskilling and reskilling – e.g. educational activities

➤ **Pillar 4 - Provide financial and non-financial contribution to skills development activities**

- Strengthen impact and ESG investment
- Increase number of financial tools/instruments and investors for impact supporting upskilling and reskilling activities
- Increase the number of social economy entrepreneurs receiving support by incubators, accelerators and other social economy support organisations



- Develop capacity-building programs in key areas such as access to finance, public and private procurement, and pan-European projects.
- Increase number of agreements/partnerships for joint public-private investments channelled in upskilling and reskilling

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