

MINUTES: EP's Social Economy Intergroup public hearing on

The social economy: creating good quality jobs in Europe

Tuesday 12 January 2016, from 13:30 to 15:30

Brussels, European Parliament, room JAN4Q2



On Tuesday 12 January took place in Brussels, a European Parliament's Social Economy Intergroup public hearing on ***The social economy: creating good quality jobs in Europe***. The resilience of the social economy enterprise model and its potential to create and maintain good quality jobs has been frequently underlined, particularly during the current economic and social crisis. Last December, the Council of the European Union adopted Conclusions on "***The promotion of the social economy as key driver for economic and social development in Europe***". The Council recognises that: "At a time when Europe is facing enormous challenges in terms of unemployment and social exclusion as well as demographic change, social economy enterprises have an important role to play in strengthening women and men's current and future prospects in both society and the labour market". Other EU institutions, such as the Committee of the Regions, have also adopted opinions on "*The role of the social economy in restoring economic growth and combatting unemployment*".

More than **100 participants** attended the public hearing, demonstrating, once again, the growing interest of the civil society and EU institutions in the further development of the social economy enterprise model, as a way to foster sustainable and inclusive growth, to create good quality jobs and to promote an active citizenship and a more democratic economy for the community well-being.



Jens Nilsson MEP (S&D, SE), Co-President of the EP's Social Economy Intergroup welcomed the participants to the hearing. Mr. Nilsson underlined the importance of the Council Conclusions on social economy adopted on 7th December by the EPSCO council and promoted by Luxembourg's Presidency of the Council of the EU. The co-President of the Intergroup, thanked Minister Nicolas Schmit for the key role he played to ensure the adoption of the conclusions. Among other policy recommendations, the conclusions invite the European Commission to **"promote and support the social**

economy vis-à-vis national and local authorities in countries where unemployment rates, and in particular youth, female and vulnerable groups' unemployment rates are particularly high". Finally, Mr. Nilsson mentioned the creation of the High-level group of Member States supporting the further development of the social economy at EU-level, as another promising sign for the social economy sector.

Mainstreaming the social economy as an actor into EU employment policies

Sofia Ribeiro MEP (EPP, PT), presenter and moderator of the first roundtable, stressed the importance of the social economy as a socio-economic actor. Currently **the social economy employs over 14.5 million Europeans** (i.e. the equivalent of some 6.5% of the EU working population). Despite its socio-economic weight, the social economy is not sufficiently recognized and promoted by EU economic and employment policies.



Nicolas Schmit, Minister of Labour, Employment and Social and Solidarity Economy of Luxembourg, underlined the importance of the topic chosen by the Intergroup. To foster good quality jobs creation within the EU is a priority for the European Union and its Member States but ***“it is not***

enough to create more jobs: quality jobs are needed”. The social economy as a different enterprise model, based on values such as the primacy of people over capital, democratic governance or the reinvestment of the essential surplus to carry out sustainable development objectives; can significantly contribute to fight precariousness, particularly among young people, to foster gender equality at work (equal pay for equal work), but also to tackle the increasing income gaps in companies and in the whole economy. He also emphasized the positive impact of social economy enterprises in local development and in fostering social and territorial cohesion. To conclude, Minister Schmit stressed that ***“the social economy should be at the centre of an EU inclusive growth strategy”***.

Ann Branch, Head of Unit Job Creation at DG Employment, Social Affairs and Inclusion; stressed that boosting jobs, growth and Investment is one of the main priorities of the Juncker Commission. The strong focus on job creation has been clearly reflected in the new structure of DG EMPL. She emphasized that **job creation is not only about numbers but also about the quality of jobs and about an inclusive labour markets**. Concerning the mainstreaming of the social economy as an actor in EU employment policies, Ms. Branch explained that: *“The social economy has been formally recognized. The current employment guidelines, adopted by the Council last October, put a very clear message to the Member States, in the guideline on boosting the demand for labour: **Member States should actively promote the social economy and foster social innovation**”*. However, she stressed that this guideline is only a starting point for action by Member States. By the same token, she recognized the importance of the Council Conclusion on social economy that *“can boost relevant actions in the Member States”*. She also mentioned European Social Fund *“as a concrete tool to influence employment policies and practices in the Member States”*, **under the ESF roughly 1 billion euros have been dedicated by MSs to investments in the social economy**. Last but not least, Ms. Branch reported on the main Commission’s initiatives to support social enterprises and social entrepreneurship,

particularly by supporting their access to finance and the broader development of social investment markets. In this sense, she stressed that the Commission has decided to dedicate part of the Employment and Social Innovation programme (EaSI) to support access to micro-finance and social entrepreneurship. Furthermore, she added that the Juncker Investment Plan (EFSI) will also provide support to social enterprise in the form of a social investment pilot scheme, which will target vulnerable and socially excluded groups with a focus on refugees and migrants.

Krzysztof Stanislaw Balon, recently elected as Co-spokesperson of the **EESC's Social Economy category** (together with **Alain Coheur**, Vice-President of Social Economy Europe), explained the situation of the Polish social economy with a special focus on working conditions. He complained about a certain "bad reputation" of some social economy enterprises, mostly due to the manipulation of the cooperative concept and business model by the communist regime. Finally, he invited the members of the EP's Social Economy Intergroup to reinforce the cooperation between the Parliament and the EESC in order to better support the promotion and the development of the social economy in Europe.

Montserrat Mir Roca, Confederal Secretary of **ETUC**, underlined the major resilience of social economy enterprises, compared to other types of companies. In the same way she appreciated the social economy business model, based on democratic governance: "**democratic governance of enterprises and organisations guarantee workers voice is heard**". She defended the social dialogue at EU-level as a necessary mechanism to ensure good-quality and decent jobs, as well as a fundamental part of the European Social Model. In spite of their major resilience, Ms. Mir Roca stressed that some social economy enterprises have been also affected by the economic crisis and have destroyed jobs.

Social economy's contribution to good quality jobs creation in the EU

Georgi Pirinski MEP (S&D, BG), member of the Social Economy Intergroup, moderated and presented the speakers of the second roundtable, all of them relevant actors of the European social economy.



Juan Antonio Pedreño, recently elected as President of **Social Economy Europe**, started his speech by recognizing the fundamental role that the **European Parliament's Social Economy Intergroup** plays: "*it has contributed to boost the visibility of the European social economy, but also to demonstrate the wide political consensus in favor of the development of this business model*",

and by stressing the support of Social Economy Europe to the functioning of the Intergroup, as its secretariat. SEE's President stated that social economy is characterized by its capacity to create decent and good quality jobs, as well as to create a more sustainable and inclusive economy, strongly engaged with local development and people's empowerment, based on the principles of democracy and solidarity. He recalled that **only in Spain, over the last 6 years, the social economy has created over 29.000 new enterprises and 190.000 jobs in France one out of 7 working women's, works in a social economy enterprise; in Italy, the number of employees of social economy enterprises has increased by 39.4% over the past ten years.** In the same way he emphasized: ***"The social economy represents a robust business model (2 million enterprises employing over 14.5 million Europeans), present in all the economic sectors, and formed by a universe of organizational forms such as cooperatives, mutuals, associations, foundations, social enterprises and paritarian institutions. Therefore, the social economy goes far beyond a conjunctural answer to the economic and social crisis: it is a structural part of the European economy"***. In spite of the positive EU-initiatives in favour of the social economy, such as the Council Conclusions (that he qualified as an excellent roadmap to further develop the social economy), or the guidelines for the employment policies of the Member States, he complained about the lack of concrete actions for the social economy in the framework of important EU policies such as the, recently launched, Internal Market Strategy. **To conclude Mr. Pedreño emphasized Social Economy Europe remains at the disposal of EU institutions and Member States to further dialogue and cooperate and to make concrete proposals in order to benefit from social economy's full potential in terms of sustainable and inclusive growth, and good quality and decent jobs creation.**



Giuseppe Guerini, President of Federsolidarietà Confcooperative and EESC member, stressed that since the beginning of the crisis in 2008, social cooperatives have created over 60.000 new jobs, investing 7 billion euro. In addition, more than 7 million citizens have taken advantage of the services provided by social cooperatives. **Only in Italy, 12.000 social cooperatives were surveyed.** Their number has doubled over the last 10 years. Two thirds of these social cooperatives are active in the field of social services, health and education, the other dealing with the employability of the most disadvantaged people. Two thirds of the

400.000 people employed in social cooperatives are women. Likewise, 40% of executive positions are occupied by women. To conclude Mr. Guerini emphasised that the social economy allows us to visualise a better and fairer world.

Luk Zelderloo, EASPD Secretary General and member of the Board of **Social Services Europe**, stressed that **the social services sector is a dual job creator**, as it works on getting people into the labour market but also employs an increasing amount of staff. Most social services providers are an important part of the social economy in many EU countries. Moreover, social services is a growth sector, creating millions of jobs in the EU. However, the sector is confronted to several structural issues, such as: the widening gap between demand and supply for services (increase in demand for services because of the ageing population, increasing unemployment...). On the other hand, fiscal austerity has severely impacted the sector's financing. Other structural issues are: difficulties in recruitment and retention of the staff or the rising trend of personal and household services (the transition towards community-based services is characterised by an increase in undeclared work and by difficulties to verify the quality of services and working conditions. According to Mr. Zelderloo, to overcome these challenges, **Social Services need sufficient and sustainable financing, pro-actives policies to improve the attractiveness of the sector** (better wages, improve of working conditions etc.), **to develop social dialogue structures in the sector** or to improve coordination and exchange of information between MSs in this area.

Maria Nieves Ramos, President of **ENSIE**, explained that **Work Integration Social Enterprises** are instruments to ensure the social integration of the most vulnerable people. They are an essential part of **active labour market policies** and create good quality and decent jobs. **Work Integration Social Enterprises (WISEs)** have their roots in the social sector, being an important part of the **European Social Economy**. Ms. Ramos stressed that the efficiency of investment in active labour market policies has largely been demonstrated: currently, ENSIE is elaborating Social and Economic reports aiming to quantify the social & economic return of public investments in WISEs as a part of active labour market policies. Recently, in Spain, WISEs have been declared as **providers of goods and services of general and economic interest**. As a result, they benefit from tax exemptions. According to ENSIE's President this good practice should be extended all over Europe. To conclude, she emphasised that an ambitious application of the **Public Procurement directive**, including **market reserves for WISEs** and the **introduction of social clauses**, would have a major impact in terms of creation of new enterprises and quality jobs in Europe.

Sylvie Slangen, Director of UNISOC (Union des Entreprises à profit Social), explained that they represent the belgian organisations and enterprises -present in all the economic sectors- **for social profit** (Healthcare, community based services, socio-cultural services, work integration

of people with disabilities, education etc.). At EU-level the sector is better known as **Social Services of General Interest**. However, as a particularity, UNISOC participates as a social partner in the inter-professional **social dialogue** in Belgium. Ms. Slangen stressed that there is an important added value of the participation of the Social Services of General Interest in the social dialogue. On one hand, what she called the “**socialprofitproof**”, meaning that social and labour laws should also take into account the reality of this sector, as a condition to create good quality jobs. On the other hand, **she stressed that the difficulties to take into account the “social profit” employers in the social dialogue inevitably leads to the election of inadequate socio-economic solutions for issues in terms of management quality employment.**

Michal Len, Director of RREUSE, stressed **the very relevant job creation potential of social economy enterprises active in fields such as reuse, repair, and recycling**, as recently recognised by the European Commission in its **EU Action Plan for the Circular Economy**.

Antonio Rivero López, President of FAECTA (Worker Cooperatives of Andalucía Region, Spain), claimed about the multiple discriminations social economy enterprises suffer from. Social economy enterprises should be allowed to operate in the internal market on equal footing with the other forms of enterprise.



Elena Gentile MEP (S&D, IT) closed the hearing by concluding: *“I am convinced that the European Institutions **should create conditions to definitely include the social economy into the political agenda.** There is a sector waiting to be recognized and valued [...]. The social economy offers an opportunity to boost sustainable and inclusive growth, because it represents a business*

*model that generates social cohesion, wellbeing and quality of life for people and communities. **Social Economy is a creative, flexible and democratic business model. Social economy is part of a vision of Europe where no one is left behind. It is up to the European institutions to take advantage of this opportunity!**”*

Background information: The EP's Social Economy Intergroup is supported by more than 80 MEPs, from 6 political groups. It is designed to ensure the European Parliament, the European Commission and the Council take into account the social economy and its actors whilst developing and implementing their policies. Moreover, its goals are to promote exchanges of views on EU policies and legislations linked to social economy issue, and to provide regular opportunities for dialogue between MEPs, social economy representatives and experts, European Commission and Member States representatives and other relevant stakeholders. The Intergroup is co-chaired by MEPs **Jens Nilsson** (S&D, SE), **Ramón Luis Valcárcel** (EPP, ES), **Beatriz Becerra** (ALDE, ES), **Marie-Christine Vergiat** (GUE/NGL, FR) and **Sven Giegold** (GREENS/EFA, DE). **Sofia Ribeiro** (EPP, PT) and **Elena Gentile** (S&D, IT) are its Vice-Presidents. **Social Economy Europe**, the EU-level organisation for the Social Economy, is in charge of the secretariat of the Intergroup.

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