

## **Mannheim Declaration on Social Economy**

### *From the 'European Social Economy Summit 2021' to the European Action Plan for the Social Economy*

The European Social Economy Summit (#EUSES) was organised by the City of Mannheim in partnership with the European Commission and with the support of Germany's Federal Ministry for Family Affairs, Senior Citizens, Women and Youth. The event brought together more than 3,000 participants representing the rich diversity of the social economy (SE) in Europe.

The social economy in Europe consists of a range of diverse organizational forms that are shaped by different national circumstances and welfare systems, but share common values and goals combining sustainable economic activities with positive social impact. Social economy organisations and social enterprises play a crucial role in creating and maintaining employment, strengthening territorial cohesion, boosting inclusive growth, as well as generating social innovation and environmental sustainability. They also promote active citizenship, solidarity and an economy with democratic values.

A series of monthly "Digital Road to Mannheim" events (September 2020-April 2021) set the stage for EUSES 2021 by sparking a discussion on the future of the social economy in Europe. The "Mannheim Declaration on Social Economy" builds on this input, as well as on contributions from stakeholders across the Union. It outlines concrete steps to unlock the full potential of the social economy in the EU. This declaration will feed into the preparation of the European Action Plan for the Social Economy and initiatives under the EU industry strategy and SME strategy to support the 'Proximity, Social Economy and Civil Security ecosystem'.

The recommended measures require coordinated efforts and active support of the European institutions, national, regional and local governments, as well as all stakeholders of the social economy and civil society.

1. **Legal and regulatory framework:** the European Commission should propose dedicated guidance to Member States, which would lead to a common understanding of the concept of social economy, while recognizing the local differences that contribute to its richness and diversity. Social economy development is very context specific, shaped by wider cultural and historical development patterns. The development of appropriate legal, regulatory and fiscal frameworks must therefore emerge from the national and local environments in which social economy enterprises and organisations operate.
2. **Visibility and awareness raising:** Through the European Social Economy Regions (ESER) initiative, the European Commission is increasing visibility and awareness regarding the social economy and building regional/local networks of social economy actors. The European Commission is invited to strengthen this initiative in the framework of the Action Plan for the Social Economy by proposing other interested regions, cities and municipalities to join.

Existing research on the social economy should be consolidated and new research, including national statistical data collection, should also be supported. Impact measurement is needed to showcase the role social economy organisations and social entrepreneurs can play.

3. **Public recognition and consumer demand:** Social economy organisations and social enterprises need more recognition among citizens for the work that they do and their contributions to society. A reflection on labels and certification could be launched to boost the recognition of products, services and enterprises and highlight the social economy's role in tackling societal challenges.
4. **Access to finance, investment and recovery:** The COVID-19 crisis calls for a re-balancing of efficiency and resilience throughout the economy. The social economy can do more than repair social problems. It can lead a transformation to a more inclusive and sustainable world.

Public policy actors at different levels of governance should therefore develop appropriate instruments, both on supply and demand side, to create an integrated financial enabling environment. Such instruments should be available to enterprises and organisations during their different life cycle stages and across all territories of the EU. Member States should therefore also take advantage of NextGenerationEU instruments to mobilise public and private investments to boost the development of the social economy.

5. **Better access to markets:** The European Commission, Member States, regions and local authorities should promote collaboration between social economy organisations and enterprises across countries and sectors. The European Commission and Member States should for instance continue to promote socially responsible public procurement through training and the sharing of best practices in Europe. Mainstream enterprises should also include social enterprises in their supply chains. Member States could therefore provide smart incentives to include them in their value chains and highlight the importance of the potential reputational returns to be derived from such partnerships.
6. **Networks and cross-sectoral partnerships:** At the national, regional and local levels, cooperation between social economy actors should be strengthened through the development of networks. It is important that stakeholders from all levels of governance are heard in the national public-policy making process. Social economy actors should also create partnerships with public authorities or other private actors to scale impact and test new solutions for a green and digital transition. However, the social economy should complement public approach in tackling societal challenges but not replace it.
7. **Social innovation:** The social economy is a pioneer in identifying and implementing social innovation and alternative ways of organising economic activities. Many of these innovations have been mainstreamed and adopted by the rest of the economy (such as fair trade and ethical finance). Social economy organisations can expand social innovation to address pressing environmental and societal challenges by focusing on social impact and working with local stakeholders. Concrete policy measures, in the form of suitable legal frameworks, incentives and access to funding are needed to support these new businesses to develop social experimentation.
8. **Training, education and workforce development:** The social economy is particularly attractive for young people, creating new job opportunities, but also new avenues for personal development and creativity. Few schools place emphasis on social economy principles like self-responsibility, democracy and equality. These models must be taught in schools at all levels (primary, secondary, university, vocational) in order to build competences, reinforce skills, and ensure that young people are prepared for careers in the field. The European Commission should also support the upskilling of social economy workers in areas such as digitalisation, participatory governance and the green transition.
9. **Health:** The social economy has played an important role in addressing and mitigating the short- and long-term impacts of the COVID-19 crisis on the economy and society. In the short term, social economy actors have provided innovative solutions that strengthen public services and complement government action in tackling the pandemic. In the long term, the Commission should create an environment that enables social economy organisations and social enterprises to be a pillar of the new European Health Union, which is currently being developed.
10. **Policy strategies:** Adopting a coherent and holistic framework to support the emergence and consolidation of the social economy is essential to maximise social and economic impact. Policies themselves are very important, but policy processes are just as critical. The European Commission, as well as public policy makers at different level of governance, are invited to work across different policy portfolios to develop adequate actions to boost the development of the sector. The preparation of public policy making should be carried out in close cooperation with social economy actors for greater policy coherence and greater effectiveness.