

PLS responds to the European Commission's consultation:  
“Scenarios for co-creating a transition path towards a resilient,  
innovative, sustainable and digital community and social  
economy ecosystem.”

– FEBRUARY 2022

## Fully enabling the ecosystem as agent for the green transition

### **Question 2.1.1. What output scenarios for 2030 would benefit the development of a green proximity and social economy industrial ecosystem, in line with the priorities of the EU Industrial Strategy and the social economy action plan? 2000 character(s) maximum**

The social economy ecosystem has been an enabler for an inclusive, accessible and a citizen driven green transition, by showing a “third way”. It has been spearheading this transition (notably in the field of circular economy) and has brought forth novel bottom-up solutions to tackle social, societal and environmental challenges while enabling fair and inclusive growth.

Social economy actors are strong driver of local sustainable development as well as of the reduction of social and/or territorial inequalities. As such, they should be favored to revitalise rural areas subject to desertification, to help disadvantaged urban neighborhoods, to reintegrate the most vulnerable groups and to reduce the urban divide.

Therefore we advocate for leveraging the social economy business model for a just green transition through its integration into green and circular value chain and most importantly, through the development of Local Green Deals. A proposal that we have already made at numerous occasions in our policy paper linking Green deal and social economy and concerning the revitalization of rural areas.

However, to ensure a just transition and support the actors transition, the following output scenarios for 2030 developed in the document would have the greatest impact.

- Action regarding the “lack of public investment in social economy entities and start-ups, as well as social infrastructure”: Improved support for social economy business models under fundings at multiple compared to MFF 2014-2021, the integration of social clauses more regularly into public procurement by competent public authorities at all levels and the reduction of the investment gap in social infrastructure.
- A business environment effectively enabling innovation professionalization and skills development, start-ups & scale up, networking : The development of a broader framework for social economy business models in the EU member States, ensuring a broader take-up of the social economy business models.

### **Question 2.1.2. What are the main challenges to ensure the green transition of this industrial ecosystem, as part of this pathway? Can you provide relevant data or evidence? 2000 character(s) maximum**

The first and most crucial challenges toward a green transition of this sector relate to the **access to investment capital. Investment in social infrastructure remains a critical issue**, which if not addressed could become a barrier for the future growth of many actors and their transition. The limited operational and financial capacity of those actors hinders their capacity to respond to emerging market opening and long-term capital, are needed for decarbonization

projects. Therefore, there is a need to guarantee the accessibility of SSE structures to the European structural and investment funds in order to respond to the problems encountered by the territories and their inhabitants: continue the effort in terms of administrative simplification, cash flow facilitation, opening up of the types of action and beneficiaries to SSE structures.

**A second aspect relate to the need for policy makers, investors, financial institutions to fully grasp the advantage and specificities of the social economy business models.** There is still a crucial need to increase the visibility of the social economy to the public, which includes education and research to raise awareness among citizens. There is still a wide disparities between EU regions and member states, and this lack of understanding act against favorable policy and legal environments. This has an impact on both their growth and their ability to contribute to the green transition. As such, the development of SSE training for local elected officials and agents, but also the development of training for SSE structures in territorial engineering are important issues. The development of local government networks around the social and solidarity economy in the different Member States is also crucial.

**Finally, there is the need to put in place awareness-raising and capacity-building schemes for both public procurement authorities and social economy actors to reinforce the use of this tool as a leverage.**

### **Question 2.1.3 On which challenges are you ready to work jointly with other stakeholders for the green transition of this industrial ecosystem, as part of this pathway?**

- Develop and support to trans-regional green incubator networks – social economy cluster - (EREK)

Denis Stokkink, president of POUR LA SOLIDARITÉ-PLS is a co-rapporteur on the report to the European Commission concerning social and ecological innovation clusters. Based on this experience, POUR LA SOLIDARITÉ-PLS strongly advocates for the establishment of clusters of social and ecological innovation. Clusters contribute to the pooling of resources and the establishment of partnerships with mainstream companies along the green value chains, as well as public-private partnerships. Note that these companies need support to expand their activities outside their own region. This would contribute to the leveraging of the social economy business model for a just and ecological transition.

- Define and develop the social economy in sectors identified as sectors of the future for European territories (particularly the circular economy).

As an actor already involved in several innovative projects around the circular economy (through the SOLIFOODWASTE or BIOHEC projects notably), we strongly advocate for the uptake of those new markets by social economy actors. Social economy actors have been leaders but should not be short-circuited by the growing interest of other actors in these new fields.

- Develop concertation and knowledge of the social economy at local, regional, national and/or transnational level.

As a long-standing actor in the promotion of the social economy since its creation, POUR LA SOLIDARITÉ-PLS will strongly advocate for the creation of a supportive policy environment for social economy actors across the EU, including in the development of sustainability policies at different levels

- Ensure the engagement models for civil society actors of the social economy and proximity for the development of the local Green Deal

Social economy actors are essential to the realization of a just green transition and the concretization for the European Green Deal. However, it is necessary to strive to the realization for a localized Green Deal involving all actors of civil society and social economy to ensure the realization of the green transition. We have strongly advocated for the involvement of social economy actors in the field of the European Green Deal (see in particular our policy paper on SSE and Green Deal) and we consider it crucial that social economy actors are in its realization on the ground.

### **2.1.4. What pledges and/or actions towards the green transition of the ecosystem, do you intend to present, as part of this pathway?**

- Develop contractual approaches between territories (like the reciprocity contracts in France) including SSE on different themes (food, mobility, circular economy, etc...).

- Develop tools for local authorities to better integrate the social economy in their procurement and tools to help social economy structures to respond. This would ensure a more strategic use of public procurement and public investment.
- Develop and support to transregional green incubator networks – social economy clusters - (EREK).
- Based on our experience, as a co-rapporteur on the report to the European Commission concerning social and ecological innovation clusters, POUR LA SOLIDARITÉ-PLS will contribute to the establishment of social and ecological innovation clusters that will serve to integrate social economy actors into the green value chains as well as public-private partnerships. Note that they need support to expand their activities outside their own region.
- Contribute through our expertise to clear information on and better use of relevant financial instruments and national recovery plans; providing opportunities for co-design and co-programming of projects linking both the ecological transition and social and economic aspects. We would strive to make the best use of funding (at all levels) to foster transnational projects (e.g.: Erasmus+) that support European cooperation, bring together the various European actors to work together and enable the emergence of projects in the Member States and throughout the European area. In this aspect, we are already involved in various European projects such as TEDDA (supporting European associative structures and actors in their ecological transition) or SOLIFOODWASTE (innovation uptake through the reduction of food waste through its valorisation by people with disabilities).

## Digitalising the ecosystem

### **Question 2.2.1 What output scenarios for 2030 would benefit the development of a digital proximity and social economy industrial ecosystem, in line with the priorities of the EU Industrial Strategy and the social economy action plan?**

Social economy actors need enhanced support measures in order to fully embrace the digital transition. Support is needed both for emerging digital industries, but also regarding social economy actors involved in more traditional sectors. In both areas, actors need support both in terms of “new digital jobs” and for upskilling and reskilling for existing jobs.

Moreover, the sector still faces a lack of ambitious investment programs and issues with access to capital; insufficient funding for innovation and insufficient support for access to technology; and problems with skills mismatch and attracting workers (incl. young graduates) with digital skills.

**Regarding achievement of Path to Digital Decade goals** At least 90% of all EU SMS’s reach at least a basic level of digital intensity - 75% of EU companies using Cloud/AI/Big Data- Social economy relevant KPI’s integrated in Local and regional Digital Indicators (LORDI, Living-in.EU movement)

**Regarding the achievement of the objectives « Growth in social economy online platforms operating across borders »** - The lack of visibility and the slow scaling up of the social economy business model is one of the main problems of the social economy. Many of the products and services now covered by the "giants" of the platform economy (Uber, etc) were originally provided by social economy actors. Supporting this type of platform through the development of an industrial ecosystem of digital proximity and social economy will allow it to develop throughout the member states.

### **Question 2.2.2. What are the main challenges to ensure the digital transition of this industrial ecosystem, as part of this pathway? Can you provide relevant data or evidence?**

First, the low level of digitalisation of social economy entities : Organisations are only funded for their « public interest » missions, i.e providing a service, training, and rarely have the means to invest in the digitalization of their activities and/or the training of their workers.

On the other hand, the vulnerable populations, especially in the social inclusion economy, with whom the sector's organisations work, the digital divide is an important issue and the workers in these structures often have neither the time or the means to train or to work on digital inclusion

Furthermore, the social economy suffers from a lack of recognition of social innovation in innovation ecosystems, which are mainly oriented towards technological innovation.

- the SSE business model is not profit-oriented, while direct economic profitability (ROI) remains the main driver for funders' decisions;
- because they often communicate less, especially through digital tools, as their resources are directed towards their social mission first and foremost and less towards marketing issues (fundraising and advocacy strategy aside)
- because they lack collective organisation and mutualisation, which would enable them to have a weight in lobbying public actors.<sup>1</sup>

### **Question 2.2.3 On which challenges are you ready to work jointly with other stakeholders for the digital transition of this industrial ecosystem, as part of this pathway?**

- Contribution to a just and inclusive digital transition, including the inclusion of underprivileged groups such as persons with disabilities, youth, women, etc.
- Ensuring that the digital jobs are quality jobs. This includes worker participation in the corporate governance, work-life balance, long-term contracts and other benefits for the employees.
- Promoting cross-sectoral partnerships, co-design projects and co-programming with the relevant public authorities.

### **Question 2.2.4. What pledges and/or actions towards the digital transition of the ecosystem, do you intend to present, as part of this pathway?**

POUR LA SOLIDARITE will strive to create an enabling environment for social economy actors to operate at full capacity and fulfill their missions.

We will use our expertise in writing research notes and analyses concerning the link between the digital transition and the social economy. We will also try to make the most of our experience in terms of calls for projects at the European Union level and in particular transnational calls (e.g. Erasmus+) to support European cooperation (as we are currently doing with the "Social Tech Academy" project for example).

Social economy actors need European and national measures and actions to support their digital transition. Therefore we believe that first and foremost it is the duty of the European Commission and national authorities to create an enabling environment for social economy entities, including cooperatives, and their participation in the digital transition.

## General comments

### **Question 3.1. What other comments would you like to give?**

The EU should use the GDPR and its consequences to support the creation, development and/or scaling up of European digital tools in the social economy sector (e.g. the creation of a European drive)

---

<sup>1</sup> Coopération entre les acteurs de l'utilité sociale et de la tech en Europe : <https://socialgoodaccelerator.eu/wp-content/uploads/2019/12/Probonolab-Final-2-12-HD-ss-debords.pdf>

It is crucial that all actions and measures planned by the European Commission and by the Member States for the green and digital transition are accessible and include social economy actors.