



## For a social economy driving social Europe and a more just and sustainable world

We, members of the Coalition of Social and Solidarity Economy (SSE) actors working in the field of social protection and social solidarity welcome **the fact that the European Commission recognizes the legitimacy of the social economy at the heart of social Europe**, in particular through the communications on **A strong Social Europe for Just Transition** and the SME and Industrial Strategy promoted by Commissioners Nicolas Schmit and Thierry Breton. We also welcome the fact that "social economy & proximity" have been identified as one of the fourteen industrial ecosystems for Europe's recovery.

As European democracy and social cohesion can only regain its importance through solidarity, it is fundamental to recognise the role of the more than 2.8 million organizations and enterprises to build a European Union where human progress and wellbeing is combined with sustainable economic progress.

Because social rights must not be a short-sighted vision based on financial gains, the SSE is the best ally of the European Institutions for the development of the European Pillar of Social Rights (EPSR). Its entrepreneurial model places **the reallocation of surpluses in social investment as a determining element of its contribution to the general interest**, with a long-term approach, responsive in periods of systemic shock.

### SSE enterprises: key allies of a more social, inclusive and sustainable European Union through the implementation of the 20 principles of the EPSR and the 17 SDGs.

The context of the health, economic and social crisis has revealed the richness of Social Economy activities and their indispensability in accompanying, protecting, caring for and supporting populations, especially the most vulnerable, and in maintaining employment. At a time when the European Union is being hit by a historically intense recession, **we constitute, as Nicolas Schmit, European Commissioner for Employment and Social Rights, reminds us, an integral component of the response to the crisis and the recovery strategy.**

#### *The SSE, supplier and producer of fair, solidarity-based, sustainable social goods and services*

As crisis absorbers but also actors of transitions, SSE enterprises act daily in the implementation of the EPSR principles. Beyond that, they work for a new a broader approach to social protection. Indeed, new demographic trends<sup>1</sup>, changes in work, the digital economy, climate change and the evolution of family structures make it necessary to adopt a **new approach to social protection, of a more holistic nature, focusing on the well-being of the individual throughout life**, beyond a single social cover linked to professional status.

**Historically rooted in the territories** to promote the effectiveness of social rights, and creating **cooperative ecosystems capable of responding to long-term social and environmental challenges**, the SSE works to ensure that these transformations remain at the service of men and women and social innovation.....**WE ARE KEY PLAYERS IN THE FIELD OF SOCIAL PROTECTION AND SOCIAL INCLUSION (PILLAR 3).**

<sup>1</sup> European Commission report on demographic trends, 2020.

### **SSE, a responsible employer, a player in a sustainable economy at the service of citizens**

By placing their democratic governance and strengthened social dialogue at the heart of their operations, SSE enterprises defined by their statutes, assert themselves through common characteristics as responsible employers, thus distinguishing themselves as leaders in strengthening the European social model.

**By offering quality jobs that are not relocatable**, where particular attention is paid to training, parity, occupational health, job stability, etc... ***WE ARE KEY PLAYERS IN EQUAL OPPORTUNITIES AND ACCESS TO THE LABOR MARKET (PILLAR 1).***

**By facilitating access to employment for people far from the labour market, acting for a sustainable, equitable and sustainable society that leaves no one behind...** ***WE ARE ESSENTIAL KEY ACTORS FOR FAIR WORKING CONDITIONS (PILLAR 2).***

### **The SSE, a social movement representative of the aspirations of citizens for the transformation of society**

The SSE responds to civil society's aspirations towards greater solidarity and citizenship, embodying a democratic economy at the service of people. Through its values oriented towards a collective commitment and solidarity, as a creator of social ties, the SSE brings together and mobilizes citizens in the creation and promotion of social protection by and for citizens. As such, it is fully representative of the actors engaged in the transformation of our model of society, disconnected from the individual search for profit since the value created benefits everyone.

#### ***SSE enterprises : A major player in the European economy and social Europe***

Today, in Europe, SSE acts not only as a power of economic and social transformation and but also as a catalyst for social peace through:

- 232 million members of cooperatives, mutual insurance companies, joint organizations, associations, foundations, etc.
- 25% of the enterprises created each year in the EU
- 13.6 million paid jobs
- Nearly 83 million volunteers, or 25% of the European population

**We welcome the willingness of the European Commission to strengthen Social Europe through the concrete implementation of the European Pillar of Social Rights. In order to achieve this objective and thus strengthen social and democratic cohesion in the European Union, we call on the European institutions to act on two dimensions:**

- **The setting up of an ambitious "social deal" for the European Union to solidify and strengthen a social and sustainable Europe, all the more necessary in light of the pandemic.**
- **European governance at the service of general interest policies, enabling SSE enterprises to act fully alongside the European institutions.**

## TOWARDS AN AMBITIOUS EUROPEAN "SOCIAL DEAL"

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*To build an ambitious "Social deal", alongside the Green Deal, we propose in the short term the establishment of:*

- **The enforceability** of the Pillar indicators associated with all European policies in the Multiannual Financial Framework to promote social justice within Europe ([Eurostat report 2020](#)) and the implementation of SDGs in the European Union's external policy (free trade agreements)
- **A social golden rule for public investments** allowing access to essential and quality services for EU citizens
- **A regulatory framework allowing private social investments, and therefore prudential rules** allowing SSE companies to finance programmes that meet the social cohesion objectives pursued by the European institutions
- **The implementation of industrial strategies allowing a true economic sovereignty of the European Union** (relocation and sector strategy) contributing to the general interest

*Because it is essential to prepare for the future through an enriched European Pillar of Social Rights for all European citizens, so that Europe affirms and projects more than ever its avant-garde social model, we call to prioritise the following issues:*

- **Demographic ageing**, to better take into account the rights and dignity of the elderly, the redefinition of an ambitious and protective intergenerational pact, a factor of social cohesion (28.5% of Europeans will be over 65 in 2050).
- **The sustainability of the intergenerational solidarity** pact through the accompaniment and integration of youth (training and popular education, civic engagement ...)
- **Changes in the future of work** in order to offer social protection to platform workers, to articulate the emergence of new ways of working with the reinforcement of fundamental rights (respect for individuals, gender equality, work-life balance, etc.).
- **The return to employment for those who are furthest away** from the labour market, supported by measures such as assisted employment, integration through economic activity...)
- The implementation of ambitious and concrete sectoral policies to accompany the evolution of social needs and the modalities of their protection (ageing, early childhood, youth employment, situations of disability, women's work, universal income...).
- **The definition of a social taxonomy of investments** in order to complete the green taxonomy and thus not to oppose environmental and social objectives. This would make it possible to develop a common standard between Member States for what constitutes a social investment and to direct capital flows towards activities with a social impact.

## FOR AN OPEN GOVERNANCE AT THE SERVICE OF THE GENERAL INTEREST

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***Because there can be no democratic governance of the European Union without the voice of its citizens, we propose a strengthened and transparent place for social and civil dialogue***

Because they are representative societal actors, stemming from the citizens' initiative and integrating social and civil dialogue in their governance, rooted in the territories and not delocalisable, SSE enterprises demand to benefit from the means to act alongside the European institutions, Member States and local authorities, based on grassroots and at the service of citizens.

- **Initially, we will do so within the current institutional framework of the European Union**, notably by relying on the EESC and existing European practices such as the "open method of coordination" or European citizens' initiatives, in an innovative model of governance of the European Semester and in close coordination with the actors of social dialogue.
- **But this is not enough**: in the longer term, it is essential to learn the lessons of the current crisis, in order to move towards a real rebalancing of priorities and governance in Europe, notably in Article 3 of the Union Treaty, with a "social market economy" at the service of socially and environmentally sustainable development. It is also essential to strengthen the role of the EESC, both in proposing and in monitoring European policies to strengthen its social dimension.

***Because they contribute massively to the concretization of social Europe, SSE enterprises, represented by Social Economy Europe, ask to be recognized as major contributors to social Europe and to the general interest***

Because SSE enterprises, as actors in sectors as much as in territories, undertake business differently, they demand the recognition of the fundamental principles of SSE: "limited profit", serving people, collective utility, contribution to the general interest, and democratic governance. The SSE must benefit from the same mechanisms as profit-making enterprises do. However, also benefit where necessary, from schemes that take into account their unique characteristics as well as their financing difficulties and the public which they address (State aid; access to reserved contracts in public procurement; taxation and sponsorship ...). We call for:

- **In the short term, within the existing framework, the application of the principles of the Paint Graphos<sup>2</sup> ruling. Additionally, an evolution of the practices of the European Commission**, as well as a recommendation from the Commission allowing us to take into account, beyond the only the activities carried out, the specificities of our entrepreneurial model in the application of European policies.

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<sup>2</sup> Beyond the opinion by the European Commission dating 27/17/2020

- **In the longer term, that this recognition be carried in the treaties**, and in the meantime, by any means in the direct and derived positive law of the European Union (in particular by recognising the specificities of social economy enterprises in the General Block Exemption Regulation, thus ceasing to classify them together with profit-making enterprises when they have by nature a distinct economic and legal model, by resorting to financers or investors behaving differently from "traditional" investors or lenders in order to carry out their mission in a stable and sustainable manner).

*Because SSE enterprises are a major player in social Europe, we ask to fully participate in the responsible and sustainable development of the sectors of activity that make the European Pillar of Social Rights a reality*

Because the economic and industrial model of the sectors of activity contributing to the Pillar is specific, we ask that a reflection be made on **an economic model with "limited profitability"** and **a strategy of sectors preserving European sovereignty** in the long term, for the benefit of its members and its citizens.

Because the sectors of activity contributing to the Pillar are a priority for the development of a Europe at the service of its citizens, we urgently call for a **regulatory, fiscal, financial and development framework** favourable to these sectors and their actors. This should include dedicated European funds and investments prioritised and favoured in the prudential regulations\_and the earmarking of investments planned within the framework of the European Recovery Plan.

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*Because it is essential to prepare a protective and emancipatory future for European citizens, we ask to be associated with the Conference on the Future of Europe and that it take up our proposals, in connection with Social Economy Europe.*

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Jean-Claude FLUHR

*President of IPSE*



Jérôme SADDIER

*President of ESS France*





## The members of the coalition “ACT 4 SOCIAL EU”



brought their members and partners together in an open initiative within the ESS. Thus, federations, pension funds, mutual funds, foundations and cooperatives are committed together in favour of a true European “Social Deal” and a more open governance.

