

The EU Action plan for the social economy

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The European Parliament adopted by 493 votes to 75, with 69 abstentions, a resolution on the EU action plan for the social economy.

EU and national interventions to promote the development of the social economy are particularly relevant in the current context, which, following the economic crisis caused by COVID-19, requires mobilising the full potential of the social economy to ensure economic recovery, foster social entrepreneurship and create quality jobs.

Members believe that **more needs to be done to promote this model** and therefore called on the Commission and Member States, as well as regional and local authorities, to step up their efforts to further promote the social economy and integrate it into relevant policies, programmes and practices, such as those related to ongoing transitions, such as the green and digital transitions.

Member States are encouraged to support social economy actors to develop **social innovation programmes** to improve the development and delivery of social services and to increase the accessibility of services to the most vulnerable, including people with disabilities and older people.

Concrete strategies and follow-up measures to achieve the objectives of the Social Economy Action Plan should be proposed, in line with national legislation and practices. In order to realise the full potential of the Social Economy Action Plan, the Commission and the Member States should ensure that the implementation of the Plan leaves no one behind but ensures a full partnership with all stakeholders in the social economy.

Creating a favourable environment for the social economy

Parliament called on public authorities to consider **socially and environmentally responsible procurement** as an investment in the socio-economic fabric with great potential for combining social and competition objectives. It called on the Commission to further promote socially responsible procurement and called on Member States to systematically adopt strategies that promote socially responsible procurement.

The Commission should continue to work closely with Member States to identify tools to remove obstacles and speed up legal procedures to **transfer ownership of an enterprise to the employees through worker cooperatives** or other forms of worker-owned social economy entities. Member States are encouraged to create a favourable legal environment for the establishment and operation of cooperatives, including worker cooperatives.

Highlighting the EU's ongoing work to extend the sustainable finance taxonomy to social objectives, Members believe that the EU taxonomy must be socially relevant and take into account the situation of micro-enterprises and SMEs, as it can be a driver for investment in the social economy.

Parliament underlined the fundamental role played by social economy entities, including mutual societies, in the care sector. It called on the Commission and the Member States to support a quality care sector through appropriate policies and to ensure that the forthcoming state aid review guarantees greater flexibility for social economy entities providing social and health care services.

The resolution also stressed the importance of the social economy in promoting gender equality and employment opportunities for women, especially those in vulnerable situations. It called for the strengthening of the gender dimension in policies and access to finance for women engaged in social economy entities.

Tapping into the full potential of EU instruments for the social economy to thrive

Parliament called on the Member States to provide **targeted funding** for social economy entities and to make full use of current Union funds to promote the social economy sector. It urged the Commission and the implementing partners to design financial products tailored to the needs of social economy enterprises.

Cohesion policy funds, including the European Social Fund Plus (ESF+) as well as the European Regional Development Fund and the Cohesion Fund, play a key role in financing social economy projects. Members encouraged Member States to use the funds available under the reinforced youth guarantee to **promote the social economy** among the younger generation. Member States are encouraged to promote access to NextGenerationEU funding for social economy entities as part of their national recovery and resilience plans.

Parliament called on the Commission, in the forthcoming revision of the General Block Exemption Regulation, to widen the scope of the Regulation and to **take into account the specific needs of social economy entities in terms of access to finance** and market development. It invited national, regional and local authorities to better exploit the potential of the current rules on specific provisions for services of general economic interest (SGEI) to access public funding under the EU State Aid Regulation.

Towards effective implementation of the Social Economy Action Plan

Parliament welcomed the **proposal for a Council Recommendation** on social economy framework conditions, which should be approved in 2023. It stressed that the recommendation should provide a common definition of the social economy at EU level and that its primary objective should be to strengthen the legal and policy frameworks for the social economy, especially in Member States where the social economy ecosystem is less developed. The resolution stressed the importance of **workers' participation** and democratic governance in achieving the objectives of the social economy.

Members regretted that Parliament's past requests to the Commission to come forward with proposals to enable mutual societies, associations and foundations to act on a European and cross-border scale did not lead to any legislative changes. They reiterated their call for the introduction of common minimum standards for **non-profit organisations** across the EU and the establishment of a **statute for European associations**.

The Commission is invited to create a single online EU platform for the exchange of best practice between Member States, local and regional authorities and social economy networks.