



2021/2179(INI)

25.4.2022

OPINION

of the Committee on Regional Development

for the Committee on Employment and Social Affairs

on the EU Action plan for the social economy
(2021/2179(INI))

Rapporteur for opinion: Niyazi Kizilyürek

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SUGGESTIONS

The Committee on Regional Development calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Highlights the vital importance of the approximately 2.8 million social and solidarity-based enterprises in the EU, which employ more than 13.6 million people; underlines their contribution to cohesion, social assistance, quality job creation, the circular economy, combating poverty and inequality, the economic recovery, tailored measures for children and the elderly, active ageing, the integration of disadvantaged people, particularly persons with disabilities, the inclusion of migrants and refugees in society, gender equality, improvements in health and the environment, biodiversity and the fight against climate change; notes that the pivotal contribution of the social economy to the increase in the employment rate and to the reduction of the number of people at risk of poverty and social exclusion should help in implementing the principles of the European Pillar for Social Rights and delivering on its 2030 headline targets;
2. Stresses that, during the COVID-19 pandemic, proximity and the social economy were severely hit industrial ecosystems; observes that, since the beginning, many social economy entities have been at the forefront of the crisis, including by producing facemasks, supporting digital online education, assisting the most vulnerable people and providing proximity help in local communities; emphasises the role of local and regional authorities in promoting the social economy and reducing social and economic disparities to meet the needs of the community, especially following the adverse impact of COVID-19 on businesses and society as a whole; highlights that many local small and medium-sized enterprises provided essential services in regions where public authorities did not have optimally functioning social-care infrastructure; stresses that the development of the social economy must harness the full potential of social economy enterprises and organisations to ensure a strong economic recovery, support entrepreneurship and create high-quality jobs in all EU regions; calls for a Commission study on the impact of COVID-19 on the social economy sector with a view to increasing its resilience and response capacity, particularly in the event of similar crises in future;
3. Welcomes the Commission's action plan for the social economy; supports its proposal for a specific Council recommendation in 2023 with the primary objective of better adapting policy and legal frameworks to the needs of social economy entities; believes that the efforts of the social economy should be aligned with the ongoing support for the green and digital transitions; highlights the need to include the circular economy within this framework and endorses proposals that aim to improve social framework conditions, in particular regarding tax-related matters, public procurement, State aid, access to EU programmes and public funding, notably funds from the EU budget allocated to cohesion policy;
4. Notes in particular the key role of cohesion policy funds, including the European Social Fund Plus (ESF+) and the European Regional Development Fund and the Cohesion

Fund (ERDF-CF), in financing social economy projects; recalls the specific objectives of the ESF+ in improving access to employment for all jobseekers, in particular young people, as well as through the promotion of self-employment and the social economy; further notes the specific policy objective 4 of the ERDF-CF of supporting a more social and inclusive Europe by enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting the social economy;

5. Stresses that it is essential to ensure a strong link between the social economy and the process of the social and professional reintegration of vulnerable people into the labour market; believes that, in this context, the creation of new jobs in social enterprises, especially for the most disadvantaged in the labour market, should be supported and enabled; is also of the opinion that social reintegration should not be limited to employment-related labour market measures, but should also cover activities that go beyond the sphere of labour market activation;
6. Points out that, as well as creating new social economy entities, it is also necessary to ensure the conditions for the further development and professionalisation of existing entities; considers that, in this context, it is important to strive for the economisation of entities, i.e. to create tools to encourage economic activity by entities that are active predominantly in the social sphere; believes that this approach will make these entities more sustainable and increase their chances of operating smoothly once they are no longer drawing on public funding programmes;
7. Believes that the action plan should aim to strengthen the rights of all workers in the social economy, safeguard the freedom of association and the right to collective bargaining and guarantee all labour rights, decent working conditions, fair wages and social inclusion of the vulnerable, as recognised in the Charter of Fundamental Rights of the European Union; also recalls the importance of public services in supporting the social economy and that the Member States and the EU need to invest in their administrations and public services;
8. Stresses that it is extremely important to develop the social economy in the area of social services; considers that action in this area should be carried out in two parallel ways: by developing the capacity of social economy entities to provide such services and by building the market through the creation of tools that enable and encourage local and regional authorities to cooperate with those entities; considers that, in this context, the inclusion of social clauses in public contracts carried out by such entities is also of particular importance;
9. Considers it necessary to ensure a separate system of dedicated support for the social economy that takes into account the specific characteristics of the sector, as the standard practice is to include the social economy only in systems geared towards traditional business models, which consequently leads to marginalisation of this area and ultimately proves to be ineffective;
10. Stresses the importance of ensuring a range of financial support options, including both repayable and non-repayable instruments; points out that such flexibility with regard to the available instruments meets the entities' specific needs, which may vary

significantly, and thus enables them to develop more effectively;

11. Highlights the importance of the social economy for rural development and for regions that suffer from severe and permanent natural or demographic handicaps, such as islands and outermost, cross-border and mountain regions, as a catalyst for the development of local resources and in countering depopulation, while taking into account the importance of these actors in developing the social economy in rural and remote areas and their links with urban and peri-urban areas, to create greater social cohesion through funding at local and regional level; welcomes the measures outlined in the Commission communication entitled ‘A long-term Vision for the EU’s Rural Areas’¹ and reiterates the need to address challenges and opportunities by promoting innovations in the social economy and social enterprises and by helping to pool business resources in rural and remote areas in order to support social economy stakeholders in innovation, quality job creation and social inclusion;
12. Welcomes that many local and regional authorities already have ambitious strategies and action plans to promote the social economy; acknowledges the need to build capacity at local and regional level and tackle the specific needs of cross-border social economy organisations, especially in rural, insular and remote areas; calls on the Member States to encourage the development of regional strategies for the social economy in all regions and to allocate financial resources according to locally defined priorities; urges the Commission to publish an overview of the diversity of existing legal forms of the social economy in the different Member States, so that local and regional authorities can focus on them when preparing their strategies;
13. Calls on the Commission to encourage and promote lifelong learning courses for those working in the social and solidarity-based economy, including by underlining the major role that the social economy can play in the digital transition, namely by promoting digital literacy; calls on the Member States, in this context, to promote projects and provide increased support for rural and remote areas; underlines the importance of promoting education and training in entrepreneurship for different forms of the social economy at all educational levels, as a key driver of economic and social development in Europe;
14. Highlights that the social economy is a way to solve urban challenges, including the risk of discrimination, poverty, inequality and social exclusion, with a bottom-up approach; calls for funding needs to be directed at a local level, including urban areas;
15. Recalls that the gender pay gap in the EU stands at 14.1 %, and around 24 % of it is related to the overrepresentation of women in relatively low-paying sectors, such as care, health and education; points out the impact of unpaid care work on the gender pay gap; notes that while women often undertake both work and care responsibilities, 80 % of all care provided across the EU is provided by (unpaid) informal carers, 75 % of whom are women; believes that with access to EU funding, social economy organisations can have a leading role in tackling gender equality; asks the Commission to identify a clear role for the social economy in the upcoming European care strategy;
16. Believes that the action plan should be accompanied by impact assessment tools; calls

¹ COM(2021)0345.

therefore on the Commission to strengthen its mechanisms for monitoring and supporting social economy policies, including the collection of gender-disaggregated statistical data; calls on the Commission to ensure that gender equality is mainstreamed throughout this action plan and that specific attention is given to fostering and supporting female-led social economy organisations, through fair and inclusive access to funding; notes that Member States must set targets and objectives and organise a consultation process with relevant social economy actors and local and regional authorities, in accordance with the partnership principle; stresses the importance of the participatory and democratic principles of the social economy and calls on the Commission and the Member States to strengthen participatory approaches in support programmes and funding opportunities for the social economy;

17. Calls the Commission to raise awareness among citizens for the action plan for the social economy through campaigns and informative sessions; recommends that the Commission annually select a European Capital of Social Economy as part of an inclusive and transparent process involving the relevant European Institutions, namely the European Parliament, the Committee of the Regions and the European Economic and Social Committee;
18. Welcomes the Commission's intention to set up a new single EU Social Economy Gateway; urges the Commission to launch concurrently a call for proposals for the creation of European social economy contact points to facilitate access to EU funding for social enterprises, promote the importance of capacity building and interregional cooperation and enhance the visibility of projects supported under the cohesion funds;
19. Draws attention to the fact that the General Block Exemption Regulation² needs to be improved in such a way as to increase the *de minimis* threshold and ease the rules in relation to aid for social enterprises, access to finance, training and capacity building; defends a real revision of the public procurement process with the inclusion of social and environmental conditionality; believes in improved access to public and private opportunities in order to reduce the current funding gap and calls on the Commission to further promote green and socially responsible public procurement among EU public authorities as a key tool to increase transparency in public procurement, eliminate corruption, foster competition and participation in public procurement by social enterprises of all sizes and promote socially responsible business practices; further highlights that this public procurement process will play an important role in the implementation of national recovery and resilience plans; urges the Member States to enhance the use of social clauses in their tendering procedures; stresses the need to ensure that public tenders are not awarded purely on the basis of price, including by correctly implementing the existing Directive 2014/24/EU³ on public procurement and Directive 2014/25/EU⁴ on procurement by entities operating in the water, energy, transport and postal service sectors; welcomes the action plan's objective of reinforcing the Commission's efforts to raise awareness on this matter, foster the exchange of good practices and train both public procurement officials and social economy entities on how to use public procurement and concessions procedures to achieve social policy objectives;

² OJ L 187, 26.6.2014, p. 1.

³ OJ L 94, 28.3.2014, p. 65.

⁴ OJ L 94, 28.3.2014, p. 243.

20. Recommends expanding the scope of the European Social Economy Regions network to reinforce new regional and local partnerships, in particular to boost the digital and green transitions in territories.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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|---|---|
| Date adopted | 21.4.2022 |
| Result of final vote | +: 36 -: 4 0: 0 |
| Members present for the final vote | Matteo Adinolfi, François Alfonsi, Pascal Arimont, Adrian-Dragoş Benea, Isabel Benjumea Benjumea, Tom Berendsen, Erik Bergkvist, Stéphane Bijoux, Rosanna Conte, Rosa D'Amato, Christian Doleschal, Raffaele Fitto, Chiara Gemma, Mircea-Gheorghe Hava, Krzysztof Hetman, Ondřej Knotek, Elżbieta Kruk, Joachim Kuhs, Nora Mebarek, Martina Michels, Alin Mituța, Dan-Ștefan Motreanu, Andželika Anna Możdzanowska, Niklas Nienaaß, Andrey Novakov, Younous Omarjee, Alessandro Panza, Tsvetelina Penkova, Caroline Roose, André Rougé, Susana Solís Pérez, Irène Tolleret, Valdemar Tomaševski |
| Substitutes present for the final vote | Álvaro Amaro, Josianne Cutajar, Mónica Silvana González, Stelios Kympouropoulos, Jan Olbrycht, Bronis Ropè, Yana Toom |

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

| 36 | + |
|-----------|---|
| ECR | Raffaele Fitto, Elżbieta Kruk, Andżelika Anna Mozdżanowska, Valdemar Tomaševski |
| ID | André Rougé |
| NI | Chiara Gemma |
| PPE | Álvaro Amaro, Pascal Arimont, Isabel Benjumea Benjumea, Tom Berendsen, Christian Doleschal, Mircea-Gheorghe Hava, Krzysztof Hetman, Stelios Kypouroupolous, Dan-Ştefan Motreanu, Andrey Novakov, Jan Olbrycht |
| Renew | Stéphane Bijoux, Ondřej Knotek, Alin Mituța, Susana Solís Pérez, Irène Tolleret, Yana Toom |
| S&D | Adrian-Dragoş Benea, Erik Bergkvist, Josianne Cutajar, Mónica Silvana González, Nora Mebarek, Tsvetelina Penkova |
| The Left | Martina Michels, Younous Omarjee |
| Verts/ALE | François Alfonsi, Rosa D'Amato, Niklas Nienaa, Caroline Roose, Bronis Ropé |

| 4 | - |
|----|--|
| ID | Matteo Adinolfi, Rosanna Conte, Joachim Kuhs, Alessandro Panza |

| 0 | 0 |
|---|---|
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Key to symbols:

+ : in favour

- : against

0 : abstention