



**CONFERENCE OF THE VARIOUS  
INTERESTS GROUP OF THE EESC  
'SOCIAL ENTERPRISES AND THE EUROPE  
2020 STRATEGY: INNOVATIVE SOLUTIONS  
FOR A SUSTAINABLE EUROPE'**

\*\*\*\*\*

**Brussels, 3 October 2012**

**CONCLUSIONS**

**If the EU is to succeed in its ambition to become a smart, sustainable, inclusive and innovative economy and society, as stated in the EU2020 Strategy, it should effectively mobilise all its resources and assets, including social enterprises. For in the current economic, social and political crises, not only have social enterprises increased in numbers, but they have also proven to be more resilient than traditional companies and should play a key role in Europe's exit strategy from the crises. However, the potential of social enterprises is still untapped due to regulatory, political and cultural barriers. Moreover, the multiplicity of definitions and concepts of the social economy and the limited public awareness of the impact of the sector have hindered its development. In the last few years the EU has taken important steps to redress this situation, but much remains to be done both at the European and national levels. Hence, all future policies should support and promote the social economy, including social enterprises. Moreover, European and national authorities must redefine the European economy, in order to recognise and include diverse forms of enterprise. Against this background and based on both the work of the EESC to date and on the discussions at the above mentioned conference, the following are recommended:**

*Promoting social enterprises as key components of civil society and of the European social model*

- **Stress that social enterprises are an integral part of wider civil society and a central component of the social economy sector, which should be supported politically and financially in its entirety. The social economy, which includes both SMEs and large enterprises, also encompasses cooperatives, mutual societies, associations, foundations, social NGOs etc, which meet a number of criteria<sup>1</sup>;**

---

<sup>1</sup> They are created with a social mission which is its primary purpose; they are private, independent and formally organised with a legal entity; they have autonomy of decision and freedom of membership; they are not profit-making oriented and any distribution of profits or surpluses among the user members, should it arise, is not proportional to the capital or to the fees contributed by the members but to their

- Therefore we call upon the EU institutions to use the term “social economy enterprises” when referring to this category of enterprises;
- Highlight that the *raison d'être* of social enterprises is to serve the 'general interest' of society and hence call on the EU and national authorities to politically support social enterprises and a strong and independent European civil society;
- Reiterate that the social economy enterprises are a key element of the European social model as they are active in all economic sectors and directly contribute to social and economic cohesion and change, to a fairer income and wealth distribution and active citizenship, whilst also providing innovative employment opportunities and services to millions of individuals, including but not limited to marginalised and disadvantaged persons;
- Stress that social enterprises have greatly shaped existing welfare systems, they provide solutions to welfare challenges and have a key role to play in exiting the current socio-economic crises;
- Call for the European institutions and Member States to ensure an enabling environment for the growth and development of sustainable social enterprises and the social economy at large, by implementing not only the Social Business Initiative (SBI) but also developing further actions where necessary in favour of the entire sector of social economy enterprises. The provisions of the Single Market Act II, adopted by the EC on 3 October are piecemeal and insufficient and contribute to generating further confusion by focusing on social enterprises and not on the whole social economy sector.

*Investing in social enterprises as sources of innovation and sustainable growth*

- Stress that social enterprises are drivers of social innovation and act as vehicles for employment creation, sustainable growth and cohesion, notably at the local and regional level. They introduce new and flexible methods of service provision and rapidly innovate in terms of products, processes and organisation;
- Urge rapid steps to be taken to ensure that access of social enterprises to innovation and R&D programmes, such as Horizon 2020 is ensured on equal terms as other actors, at both the European and national levels;
- Insist that a first step in the promotion of social enterprises as sources of innovation and sustainable growth is a clarification of the multiplicity of definitions and concepts used to describe the sector.
- Deplore that the visibility of social enterprises and their contribution to innovation and sustainable growth is being undermined by a number of traditional private sector companies which describe themselves as 'social enterprises', thus providing fraudulent information, reducing consumer trust and weakening public policies. It is imperative that the EU and Member States protect 'social enterprises' by ensuring that only those companies which meet the necessary criteria are able to use this term.

---

activities or transactions with in the organisation; they pursue an economic activity in its own right to meet the needs of persons, households or families; they are organisations of people, not of capital; they are democratic organisations.

*Ensuring an equal level playing field for social economy enterprises*

- Welcome the fact that in recent years significant improvements on social economy policy have taken place at the EU level and in some Member States. However, it is essential that a level playing field is established, with legal, administrative and financial instruments conducive to the development of social enterprises and which will allow them to compete with traditional economic operators;
- Stress that a first step in this process is the collection of reliable quantitative and qualitative data on social enterprises, which will enable an assessment of their socio-economic impact and assist in developing targeted public policies. The EESC commissioned study on the 'Social Economy in the European Union' is a useful contribution, but the EU and Member States are also called upon to collect and exchange harmonised statistics;
- Insist that the EU and Member States integrate the specificities of social enterprises into their policy proposals, which should benefit social enterprises;
- To this end, strongly urge the EU to introduce a European Foundation Statute, to adopt a Statute for a European Association and to review the value and usability of a European Social Enterprises label;
- Demand that policy makers take equally into consideration both the economic and the social impact of enterprises, notably in the following areas: access to markets and finance, public procurement, taxation, competition, company law etc;
- Within this context, demand that access of social enterprises to public procurement is facilitated and welcome the EC proposal on public procurement which in Article 17 'Reserved contracts' stipulates that Member States may reserve the right to participate in public procurement procedures to economic operators whose principal objective is the social and professional integration of disabled or disadvantaged workers, provided that a threshold of 30% of disabled or disadvantaged workers is respected;
- Highlight that the development of social enterprises greatly depends on better access to capital for start-ups and growth, and deplore that there are few financial instruments developed especially for social enterprises;
- Insist that the EU and Member States invest more in the development of suitable and innovative finance mechanisms and support programmes specifically targeting social enterprises;
- Highlight that the EU's Structural Funds in general should be used to support social economy enterprises and welcome the EC proposal to include in the European Social Fund post 2014 an 'investment priority' for these enterprises. Strongly urge the EU to prioritise social enterprises in the forthcoming MFF and to allocate sufficient funds to all of the above
- Emphasise that a level-playing field for social enterprises necessitates greater understanding, awareness and public trust in the sector. Within this context, it is imperative that the sector reinforces its profile and highlights its economic and social potential as a solution to the current economic crises.

*Consolidating the role of the EESC*

- Recognise the role of the EESC in bringing together key stakeholders representing the social economy and civil society at large, which over a number of years have contributed significantly to the policy agenda on social enterprises and on the wider social economy;
- Reiterate the commitment of the EESC to continue as a key actor in promoting social enterprises and in building their capacity at the EU and national levels;
- Stress that the EESC will step up its efforts to ensure that social enterprises remain a priority on the political agendas of the EU and Member States.

*Brussels, 3 October 2012*