

EuCIE's position on the European Action Plan for Social Economy

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I. Introduction

EuCIE is the **European Confederation of Inclusive Enterprises**. EuCIE aims at representing the interests of inclusive enterprises in Europe and advocates for the interests of people with disabilities (PwD) in working life.

Founded in 2017, EuCIE represents umbrella and other organisations from Austria, Belgium, France, Germany, Poland and Spain. Overall, the inclusive enterprise model is present in more than 13 European countries and involves about 8,000 companies including 200,000 employees with and without disabilities: an employment model that belongs to the Social Economy, is focused on providing goods and services **hiring persons with disabilities** and aims to integrate them into the regular labour market **as equal workers**.

It is EuCIE's mission to represent all European inclusive enterprises at European level, working for their recognition, promotion and support.

II. Inclusive Enterprises for persons with disabilities are part of the Social Economy

Over many years inclusive enterprises have proven to be a **successful model for the inclusive employment of people with disabilities in the regular labour market**. In accordance with the UN CRPD they employ tens of thousands of persons with disabilities, contribute billions of euros to the European economy, actively

contribute to their local communities and offer participation to people who would otherwise be excluded from the labour market.

They are **best practice examples** for a **modern social market economy**:

- In inclusive enterprises, people with and without disabilities work together on the basis of **equal contractual rights, equal social benefits and equal pay** (local or collectively agreed) and healthy and safe conditions in the mainstream labour market.
- Inclusive enterprises for PwD are based on the **objective of systematically integrating people with disabilities into the labour market**, reducing their unemployment and producing a positive impact on local communities as well as society as a whole. Equal employment provides not only income but also social impact generating opportunities for social participation.
- Employees with disabilities in inclusive enterprises are usually people who would **otherwise be excluded from the labour market**.
- An important part of the employment in inclusive enterprises are **skills training and qualification** measures in particular to meet the demands of digitalisation in the modern labour market (reskilling/upskilling).
- Inclusive enterprises for PwD are active in **all industries and sectors**, including a wide range of services for people with disabilities.
- The inclusive enterprise model is wide-spread in a number of EU countries having different names but sharing common characteristics. A large number of inclusive enterprises are **nonprofit or not-for-profit aiming to reinvest most of their profits back into the organisation**. Depending on the country and its legal forms inclusive enterprises can have the form a co-operative, mutual organization, disregarded entity, social business, benefit corporation, community interest company, a company limited by guarantee, charity organization, etc., all of them sharing the same social goal.
- Inclusive enterprises for PwD are a prime example of how to pursue social goals through economic activities. As such, they contribute to the implementation of the **European Pillar of Social Rights, the UN Convention on the Rights of Persons with Disabilities and the UN Sustainable Development Goals** in various fields.

By carrying out these activities, pursuing social goals and having a positive impact on their local communities as well as society as whole, **inclusive enterprises are part of the social economy and should be recognised as such** in the European Union and its member countries.

III. Challenges for Social Enterprises and how to tackle them

In the roadmap on this initiative the European Commission states that “there is a major untapped economic potential” provided by the social economy in Europe. We are convinced that this is mainly due to the **structural problems** social enterprises face and due to the **lack of enabling conditions** for social enterprises.

In order to reduce these structural problems, enable social enterprises to grow and expand their activities, and foster the creation of new social enterprises, we propose **the following measures**.

Protection from the European level, promotion in the national frameworks

The framework conditions for the creation and growth of social enterprises are mainly implemented at national level. It must be the task of the European Commission to promote and **support the member states in setting up appropriate framework conditions** and **to accompany and guide them in exercising their opportunities** to promote a social ecosystem.

In order to improve the framework conditions for existing social enterprises and by that also stimulate the creation of new enterprises, **a permanent support system must be established at the European level to be transposed into the national legal systems**. Possible support measures for social enterprises include financial compensation for the reduced performance capacity, adaptation of operational structures and support for employees, also VAT benefits, social security bonuses, preferential awarding of public contracts, as well as other business support.

The EU Commission must take all necessary steps not only to support implementation at national level but also to accompany and guide member states in exercising their opportunities. **Public procurement** is a prime example of how opportunities for action are created but are **not sufficiently taken advantage of**. Following an initiative of the European Union, possibilities for awarding public contracts to social enterprises were created in EU member states. However, these are hardly used by contracting authorities. **It has to be the European Commission's goal that the creation of national frameworks is followed-up by corresponding activities at all levels**.

Access to public and private finance

Depending on their legal form, social enterprises face great difficulties in accessing the same public and private funds as those mainstream businesses with which they compete on the market. The European Commission must strive to **reduce the unequal treatment of social enterprises** in EU member countries so that social enterprises can develop their economic capacity **to achieve their social goals and**

scale up social innovation. This also includes permanently improving the investment readiness of social enterprises, e.g. through the development of high quality programmes supported by the European Commission.

Skills training and qualification

Skills development training and qualification are key conditions for the vocational participation of disadvantaged groups in the mainstream labour market. **Social enterprises must be enabled to offer person-centred training and qualification programmes and to refine them especially with regard to the requirements of digitalisation.** Corresponding initiatives of the EU Commission must either support them directly or contribute to the development of corresponding framework conditions at national level. In this context, we propose to support conditions for **unrestricted access to in-company vocational training for young people with disabilities and to individually adapted vocational preparation measures for the transition from school to working life.**

Local networks

Local networks between social enterprises and local authorities play a major role in **maximising the impact of social enterprises, including inclusive enterprises for persons with disabilities.** The European Commission should initiate and support measures to build and stabilize these type of networks in a way that the greatest possible added value is created locally.

Visibility, recognition and understanding

The ongoing Corona pandemic highlights that social enterprises suffer from a lack of visibility, recognition and understanding. In Corona aid programmes, as in many other regulatory frameworks before, the **legal and organisational characteristics of social enterprises were often not taken into account,** which also affects inclusive enterprises for PwD. The European Commission should engage and support member countries to address the characteristics of social enterprises and consistently take them into account in policy processes.

In order to better understand inclusive and social enterprises, to make them better known and to contribute to their dissemination, the European Commission and the member states have **numerous measures** at their disposal:

- Carry out **studies and research** on the impact of inclusive and social enterprises and develop the framework and guidelines necessary at European level.
- Compare the different approaches of the inclusive and social enterprise models and examine its **transferability** to other EU member states.
- Initiate and support **projects aimed at the exchange** and the **dissemination** of the inclusive and social enterprise models in all European Union member states (mutual learning, exchange programs, trainee programs).
- Support the development of a **European network of inclusive enterprises** and **national umbrella organisations** for inclusive and social enterprises (exchange and trainee programs).
- Initiate and support **measures to raise awareness and promote inclusive and social enterprises** (awareness-raising activities, campaigns, conferences).

IV. Conclusion

We welcome the European Commission's intention to support the social economy through an action plan. It must be the Commission's goal to **promote, empower and foster social entrepreneurship** through ambitious measures at European and national level. Especially in the context of the Corona pandemic, the Commission has to ensure to **strengthen social enterprises in Europe in a substantial and lasting way**.

Inclusive enterprises for persons with disabilities are an innovative but proven way to successfully employing people with disabilities in the mainstream labour market. Due to their social objectives they **should be recognized as part of the social economy within the EU action plan**. In addition, it is recommended to the European Commission to work closely with the representative umbrellas and associations of Inclusive Enterprise for persons with disabilities in order to achieve the best solutions.

The proposed measures are **pragmatic and sustainable recommendations for action** in order to support social enterprises and to enhance social economy eco-systems in the EU.