



## **Commission presents Action Plan to boost the social economy and create jobs**

Brussels, 9 December 2021

The European Commission has today presented an Action Plan to help the European social economy thrive, tapping into its economic and job-creation potential, as well as its contribution to a fair and inclusive recovery, and the green and digital transitions.

Social economy organisations are entities which put social and environmental purposes first, reinvesting most of their profit back into the organisation. There are 2.8 million social economy entities in Europe that employ 13.6 million people and which offer solutions to key challenges in our societies. They span a diverse range of sectors and forms, from care services to recycling; from cooperatives to social enterprises. Enhanced support to the social economy not only creates jobs, but also allows organisations to increase their social impact across the EU. Today's Social Economy Action Plan smooths the way for social economy organisations to prosper and grow.

The Commission proposes to act in three areas:

### **1. Creating the right conditions for the social economy to thrive**

Policy and legal frameworks are key in creating the right environment for the social economy to thrive. This includes taxation, public procurement and State aid frameworks that have to be adapted to the needs of the social economy.

To address these issues, the Commission will propose a Council Recommendation on developing the social economy framework conditions in 2023. It will also publish guidance for Member States on taxation frameworks for social economy organisations and facilitate easier access to guidance on State aid. The Action Plan also aims to improve good practice on socially responsible public procurement and promote the targeting of the social economy outside EU borders.

### **2. Opening opportunities for social economy organisations to start up and scale up**

Social economy entities should benefit from business development support to start up and develop, as well as to reskill and upskill their workers. For 2021-2027, the Commission is aiming to increase its support beyond the estimated €2.5 billion allocated to the social economy previously (2014-2020).

Among other actions, the Commission will launch a new EU Social Economy Gateway in 2023 to ensure social economy actors can find all the information they need in one place on EU funding, policies, training and initiatives. It will also launch new financial products in 2022 under the [InvestEU programme](#) and improve access to funding. In 2022, the Commission will also set up a European Competence Centre for Social Innovation.

### **3. Making sure the social economy and its potential are recognised**

The Action Plan aims to make the social economy more visible and improve the recognition of its work and potential. The Commission will carry out communication activities emphasising the role and specificities of the social economy. Furthermore, the Commission will launch a study to collect qualitative and quantitative data to better understand the social economy across the EU. It will also organise training courses for public officials on various topics with relevance for the social economy, promote the social economy at regional and local levels by fostering cross-border exchanges, and much more.

With today's Action Plan, the Commission is also launching a "transition pathway" to help the green and digital transitions of the social economy in dialogue with public authorities and interested parties. The Commission seeks public views on the transition pathway through an [EU survey](#) open until 28 February 2022.

**Members of the College said**

Executive Vice-President for An Economy that Works for People, Valdis **Dombrovskis**, said: "*The Social Economy Action Plan bridges the gap between our social economy and the support it needs to thrive and contribute even more to our societies. From reducing the red tape faced by some social entrepreneurs to creating jobs and offering new opportunities for people to upskill and reskill, it is vital for bringing about fair green and digital transitions as well as an inclusive recovery from the pandemic.*"

Commissioner for Jobs and Social Rights, Nicolas **Schmit**, said: "*Thanks to its strong local roots, the social economy can offer innovative bottom-up solutions to many of the global challenges of today, such as climate change, digitisation and social exclusion. The social economy works with and for local communities and has a huge job creating potential. With this Action Plan, I believe that social economy organisations will be empowered to scale up, be recognised, and make an even bigger impact on society.*"

Commissioner for Internal Market, Thierry **Breton**, said: "*The social economy creates jobs and growth close to the needs of citizens and of their immediate surroundings. The COVID-19 crisis has also demonstrated the resilience and ingenuity of social economy business models. To continue developing their potential and their contribution to the green and digital transformations, we are launching a transition pathway for the "Proximity and Social Economy" ecosystem. We will work with all stakeholders for a more inclusive and sustainable economy.*"

## **Background**

The social economy includes a variety of businesses, organisations and legal entities, such as social enterprises, cooperatives, mutual benefit societies (a specific type of collective insurance), non-profit associations and foundations. They put people and the environment at the centre of their mission and reinvest most of their profit back into the organisation or a specific social cause. They are governed in a participatory, bottom-up way.

Building on the Commission's 2011 [Social Business Initiative](#), the Action Plan is the result of an extensive consultation process with citizens and stakeholders. More information can be found in the Staff Working Document accompanying the Social Economy Action Plan and in the Staff Working Document on the transition pathway on social economy.

## **For More Information**

[Questions and answers: Social Economy Action Plan](#)

[Factsheet: Social Economy Action Plan](#)

[Communication: Social Economy Action Plan](#)

[Staff Working Document accompanying the Social Economy Action Plan](#)

[Staff Working Document on the transition pathway](#) and related [EU survey](#)

[Social Economy Action Plan website](#)

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IP/21/6568

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