

SSE Statement for the Informal Ministerial Meeting on Social Economy on 17 February 2022 (14 February 2022)

Honourable National Ministers in charge of the Social Economy,

Social Services Europe (SSE) is a network of eight European umbrella organisations — comprising Caritas Europa, CEDAG, E.A.N., EASPD, EPR, Eurodiaconia, FEANTSA and the Red Cross EU Office — representing over 200,000 not-for-profit social and health care organisations. We are active in a sector employing over 11 million people, of which about half are employed by social economy organisations. This also means that more than a third of the (estimated) 13.8 million paid jobs in the social economy is in the sector of social services. It is also characterised by a strong employment growth dynamic in the last 10 to 15 years (with an increase of the workforce of more than 10% only between 2013 and 2018), also due to growing or changing social needs.

Social Services Europe welcomes the Social Economy Action Plan. On 15 December 2021, SSE issued a <u>Statement</u> containing our first assessment. SSE wishes to see its implementation for the benefit of the Social Economy Sector as a whole across Europe and their ultimate beneficiaries, i.e., all European citizens. For this to happen, EU Member States must commit to the Action Plan and engage with all relevant stakeholders at national level to ensure that there is a true "co-creation process" in realising the ambition of the Action Plan. SSE members and their respective national networks are ready to offer assistance in this regard.

As you, the Ministers responsible for the Social Economy, are meeting on 17 February 2022 in Paris, Social Services Europe would like to encourage you and your governments to actively support, implement and partner with key stakeholders in the implementation of the initiatives of the Social Economy Action Plan and that this commitment is expressed as an outcome of your meeting.

As you discuss the Action Plan, we would like to **highlight six areas that we think are particularly relevant for Member States**, as part of your respective competences, **and for us as partners in the implementation process**. We hope that these will be part of your discussions and commitments.

- 1. We ask that Ministers support the proposal for a Council Recommendation on developing social economy framework conditions in 2023. Despite existing divergences in the social economy sector across the EU Member States (e.g., as to the regulatory frameworks in place or the relative weight of employment in the social economy), a Council Recommendation can steer the direction of addressing the latter while at the same time setting pace on what conditions are needed for a vigorous and active social economy sector in all Member States.
- 2. We ask that Ministers reinforce the recognition of the social services sector as a crucial part of the social economy and as "important partners (...) in the provision of social, health and care services" (p. 6, Social Economy Action Plan) who also "assisted people in need" and provided "proximity help in local communities" (p.4) during the COVID-19 pandemic. It has shown the crucial role that our sector plays in the social economy and in the economy at large, it has demonstrated its resilience, but has also exposed several challenges and weaknesses.

We would like to work with you to improve the quality of partnerships between governments and public authorities with social service providers around the joint aim to deliver rights-based accessible, affordable, and quality social services, especially for those in need. The Action Plan rightfully stresses the capacity of social economy organisations to find innovative solutions by "operating bottom-up and being close to communities, citizens and problems they face." (p. 4). We thus also strongly encourage that Ministers support direct investments to social service providers to effectively put in place the necessary digital and green transitions. Financial decline or cuts in public budgets for the social economy would be counterproductive.

- 3. We ask Ministers to support the development of a European Care Strategy that recognises the role of the social economy in the care sector. As we see the trends of demographic development, the implementation of the Action Plan could provide "an opportunity for boosting the care economy raising the profile of the strong added value of the social economy in this sector, also to help improve working conditions." (p. 6). This is a vast field for exchange, cooperation, and partnership with our national members where they could bring in their knowledge and experience for the provision of user-oriented and rights-based quality care services and the development of sustainable and resilient care and support systems. Social Services Europe is currently finalising its contribution to the EC Roadmap on the European Care Strategy which we could share with you in the coming weeks.
- 4. It is positive that the Action Plan raises some of the challenges in the social services sector such as low wages, precarious working conditions and effective recruitment and retention conditions. However the Action Plan does not refer to social dialogue in certain sub-sectors of the social economy, in particular social services. This is a missed opportunity, and we ask that Ministers reinforce the need for structured social dialogue in all sectors of the Social Economy and invite the European Commission to advance pending initiatives on this item.
- 5. Given the importance of state aid for many social services providers, such as those employing people from disadvantaged groups, SSE would appreciate Ministers encouraging the European Commission to adapt the current State Aid rules to be more accessible to social services. We would also welcome support for a revision of the de-minimis Regulation and General Block Exemption Regulation (GBER), in the latter, e.g., as to the definition of disadvantaged and severely disadvantaged workers. We are ready to exchange on concrete proposals with the European Commission and Member States.
- 6. It is positive that the Action Plan promotes socially responsible public procurement (SRPP) when public procurement is deemed the right way to proceed; for instance, for the use of reserved markets to boost employment for disadvantaged workers. For SSE, SRPP should generally be considered as "best practice". However, SSE does not believe that public procurement is often the right funding mechanism through which to finance social service provision and has serious doubts regarding the concrete benefits of using public procurement to contract out quality social services. SSE explains the reasons for this position in detail in its Statement on the EC Guide "Buying Social" (6 December 2021).

In conclusion, dear Ministers, we thank you for considering our proposals and requests during your meeting and in subsequent discussions about the Social Economy Action Plan. We remain at your entire disposal should you need further information and to engage in a cooperation.

Yours sincerely,

Mathieu de Poorter President of Social Services Europe