



Social Services Europe

SSE Proposals for the Social Economy Action Plan – From Ambition to Implementation (Final Version 28 April 2022)

Social Services Europe (SSE) has broadly welcomed the Social Economy Action Plan “Building an economy that works for people: an action plan for the social economy” (SE AP) which the European Commission issued on 9 December 2021¹. We have been pleased to see reference to the social services sector and acknowledgement that social service providers are a crucial part of the social economy as “important partners (...) in the provision of social, health and care services” (p. 6, Social Economy Action Plan). It is also positive that the SE AP recognises some of the challenges in the social services sector such as low wages and precarious working conditions. SSE welcomes the reference to the wider societal impact of the social economy and its strong potential as a creator of “quality jobs”, contributing to “social and labour-market inclusion of disadvantaged groups” (p. 3), and which promotes the “active participation of citizens in our societies” (p. 3).

1. Actions need implementation

In this document, Social Services Europe provides some further analysis on the Action Plan but also wishes to **identify how the Action Plan can be implemented to its maximum effect and how the membership of Social Services Europe can be partners in that implementation** to ultimately bring a positive impact to the social economy community in Europe. We share our proposals for doing this at different levels of policy and decision making as well as offering ourselves as partners for implementation. Ultimately, we want to ensure that the Social Economy Action Plan has a real impact across the social economy eco-system and bring positive developments to social service providers and users.

The **hugely positive impact of services, including social services, provided by social economy organisations**, including not-for-profit social service providers, **during the COVID-19 pandemic** can never be overstated. SSE is pleased that the **Action Plan makes clear the value of the social services sector at times of crisis and “normal” times**. During the COVID-19 pandemic the sector has demonstrated its resilience, but the pandemic has also exposed several challenges and weaknesses in our sector that must be addressed if we are to achieve the ambition of both the Social Economy Action Plan and the European Pillar of Social Rights. **It was only as the pandemic progressed, not yet from at its outset, that the critical work and role of social services as key part of the social economy was valued appropriately**. For Social Services Europe, every social, economic and humanitarian crisis in the last decade has proven that the not-for-profit social services sector can quickly and effectively respond to sudden and emerging needs of aid and support very quickly². The SE AP rightfully states that social service providers and other social economy organisations have the “potential to reshape

¹ SSE in its [statement](#) of 15 December 2021 provided an initial evaluation of the Action Plan and how it would support social service providers in the social economy. We also sent a [letter](#) to the National Ministers responsible for Social Economy prior to their meeting on 17 February 2022 in Paris highlighting six areas that SSE considers particularly relevant for Member States and offering our cooperation and partnership.

² See for illustrations also SSE’s [Open Letter on the Situation in Ukraine](#) (4 March 2022).

the economy post-COVID through inclusive and sustainable economic models leading to a fairer ecological, economic and social transformation” (p. 4).

2. What we welcome and why

- SSE appreciates 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. 3) during the COVID-19 pandemic.
- SSE welcomes the upcoming **European Commission proposal for a Council Recommendation on developing social economy framework conditions** in 2023. Despite existing diversity in the social economy sector across the EU Member States (e.g., as to the regulatory frameworks in place, the organisations/enterprises and sectors covered in a country or the relative weight of employment in the social economy), a Council Recommendation could be instrumental for the further development and improvement of regulatory and financial framework conditions needed for a healthy and active social economy sector in all EU Member States³.
- SSE welcomes the reference to the **European Care Strategy** – announced for Q3/2022 – **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). SSE has made concrete proposals and recommendations for a range of initiatives in its [contribution to the EC consultation on a roadmap for the European Care Strategy](#) (more details under 2. below).
- It is positive for SSE that the Action Plan raises some of the **workforce-related challenges**⁴ **for social services providers in the social economy sector**. Our members report that there are serious challenges in recruiting and retaining staff, resulting in significant staff shortages (particularly for qualified staff) and a resultant difficulty in offering attractive recruitment and retention conditions (especially for young and male workers). The main cause of these challenges is underfunding of the sector and in consequence, its lack in popularity. The result is that a shortage of highly skilled staff can hamper the ability to provide quality services for users and all those in need.
- 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 be the approach to guide all procurement of services or goods.
- SSE appreciates the European Commission’s **ambition to increase the level of financial support for the social economy** given the current funding gap, but we regret that there is no increased amount of direct EU funding available in the form of grants and no initiative to increase the capacity and demand for investment, particularly in light of the devastating

³ In this context, SSE welcomes and acknowledges the adoption by the European Parliament of a Resolution for a Statute for European cross-border associations and non-profit organisations. For SSE this means progress as to the EU-wide statutory recognition of associations as main social economy entities and pillars of the social economy.

⁴ Main workforce challenges include an over reliance on women, poor wages for an important share of the workforce, physically or psychologically demanding working conditions, insufficient staffing levels and the lack of investment and/or public funding for upskilling, further vocational training or continuous professional development. For more details, see [SSE’s contribution to the EC consultation on a roadmap for the European Care Strategy](#), the [Social Employer’s Survey on Staff Shortages](#) (January 2022) or the [Joint Position Paper of the Social Employers and EPSU on recruitment and retention in social services](#) (June 2020).

impact the COVID-19 pandemic has had on social economy organisations. It should be understood **at EU level that new financial products can only play a supplementary role**, since it is often difficult for not-for-profit actors to meet the criteria of those regulations (such as substantial financial reserves) or to be considered under those regulations (due to the way they are designed).

- SSE welcomes that the Action Plan encourages all EU Member States to **set up local social economy contact points which should play the role of social economy ambassadors**, *“providing peer to peer support, facilitating access to EU and national funding, and liaising with authorities managing European funds.”* (p. 11)
- For SSE it is positive that the launch of *“a new study to collect quantitative and qualitative information on the social economy covering all EU Member States”* (p. 20) is announced.

3. How implementation can happen and our role as partners

- Regarding the **proposal by the European Commission for a Council Recommendation on developing social economy framework conditions** to be issued in 2023, **SSE expresses its interest and expectation to be able to contribute to its elaboration**, having ample knowledge of the realities and needs of the social services sector within the social economy environment and will bring the twin perspectives of providers and users based on our strong local connections, by working with the EU MS and other relevant stakeholders. Social Services Europe is ready to consult across its membership to bring forward concrete proposals for the Council Recommendation.

This Council Recommendation should **facilitate national legislative and regulatory frameworks** which strengthen the social economy, help **strengthen not-for-profit social business models** and foresee provisions to **improve the access of the social economy to public funding** in line with their missions.

- The Action Plan **recognises social services (and their providers) as “important partners (...) in the provision of social, health and care services”**. Social Services Europe wants to work with them with the joint aim of delivering rights-based accessible, affordable, and quality social services across the life cycle and for people in all life situations.

Building on the **recognition of the social services sector as a crucial part of the social economy** we are committed to **improve the quality of partnerships between governments and public authorities with social service providers**, pursuing a “co-creation process” (p. 39) as indicated in the Action Plan.

- 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 are ready to support the communication activities announced in the Action Plan to strengthen the visibility of the social economy by providing promising practices from across Europe.

Social Services Europe welcomes that the European Commission will be supporting *“the setting up of national competence centres for social innovation in order to boost the innovation capacities including of social economy actors and new social entrepreneurs”* (p. 20), as announced by the Action Plan. The national members of the members of SSE are ready to accompany this initiative. As social service providers knowing the realities and needs on the ground **they should be contacted and involved as important partners** for these national competence centres for social innovation.

- We are pleased that the proposed **European Care Strategy attributes a strong role to the social economy**. We are able to bring a substantial contribution to this strategy through our vast membership who are ready to ensure exchange, cooperation, and partnership at local, regional, and national level. Our members will 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, but we also need adequate investments and sustainable public funding for care services.

Social Services Europe has made its [contribution to the EC consultation on the Roadmap on the European Care Strategy](#). It contains several recommendations for the Commission, such as a European Care Guarantee, an EU Skills for Care Initiative and a European Care Platform which should align with the implementation of the Social Economy Action Plan.

- The Action Plan does not refer to **social dialogue** in certain sub-sectors of the social economy, including social services. This is a missed opportunity, as structured social dialogue in all sectors of the Social Economy, including in the social services sector, should be promoted and reinforced.

SSE supports and would welcome the formalisation of structures of EU-level sectoral social dialogue in the sector of social services. **SSE invites the European Commission and other relevant stakeholders to set up a Sectoral Social Dialogue Committee in 2022.**

- 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** within the social economy. SSE provides evidence on this and explains the reasons in detail in its [Statement on the EC Guide “Buying Social”](#) (6 December 2021).

Social Services Europe would like to engage in an exchange with the Commission Services and interested EU MS with the aim to obtain legal and political recognition for alternative instruments to public procurement (respecting the general principles of EU law such as transparency, non-discrimination/equal treatment and proportionality).

- **State aid**, as mentioned in the Action Plan, is important for many social services providers, including those employing people from disadvantaged groups.

SSE proposes that the European Commission **adapts the current State Aid rules for state aid to be more accessible to social services within the social economy**. This comprises a revision of the de-minimis Regulation and the General Block Exemption Regulation (GBER). **Social Services Europe is interested and ready to soon exchange on concrete proposals with the European Commission and the EU Member States**. We would also suggest that the Action Plan could support awareness raising with DG Competition at EU level and Ministries of Economic Affairs and/or Finances within the EU Member States on the specificities of the sector, of social services delivery and the needs of the providers with regard to state aid.

- **Social impact measurement and assessment**: SSE cautions against the intention of the Action Plan to develop *“simple standard methodologies for assessing social impact”* (p. 16). There is very little evidence that such simple and standard methodologies will and can lead to more and better social impact on-the-ground. This is due to the inherent complexity of measuring social impact in social services and social work and the damaging consequences oversimplifying measurement (both regarding the methods and tools used) may have on the delivery of social services.

SSE is ready and interested to be involved in any related follow-up initiative on social impact measurement in order to maximise the input (taking account of the specificities of the sector, the services and their users) and expertise of our membership in this field, having a broad and long-standing experience with outcome measurement and impact assessment.

- Social Services Europe also strongly encourage and call on governments at all levels and the European Commission to **support investments for social service providers to put in place the necessary digital and green transitions**. Financial decline or cuts in public budgets for the social economy and for (social) services of general interest in general as for those much-needed investments would be counterproductive.

We and our members are **ready and interested in engaging as important sectoral partners**, based on our knowledge of and direct impact on the ground **to help shaping these transitions** in a way that they address the needs of the social service users and providers.

- SSE expresses its interest and availability for a **“co-creation process”** (p. 39) **for all initiatives announced by the Action Plan**. In line with it, **SSE is ready to work with the European Institutions and our members to work with national partners for a successful implementation**.

SSE calls on the European Commission to **make use of an implementation taskforce for the Action Plan**, e.g., consisting of members of the European Commission’s Expert Group on Social Economy and Social Enterprises (GECES). It should regularly report to the EP, the Council, and the relevant representative organisations of the social economy, **facilitated by means of a dedicated budget**.

*[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 social needs. The COVID-19 pandemic clearly showed its relevance, its resilience, but also exposed challenges and weaknesses.*