

# **SOCIAL ECONOMY, unleashing its full potential for a stronger EU**

**SEE Contribution to the  
SEAP mid-term review**

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## Introduction

The European Commission (EC), to *'enhance social investment, support social economy actors to start-up, scale-up, innovate and create jobs'*, adopted the Social Economy Action Plan (SEAP) in 2021 with a time horizon until 2030. This represents the most significant development ever for social economy policies at the EU level.

As part of its mid-term review, the EC posed five questions to assess the progress to date and identify new developments. In preparing this response, Social Economy Europe (SEE) consulted widely. We review what has been achieved and outline future priorities for social economy policy in Europe for the next implementation period. We also include examples of best practices, drawn from across the EU.

The social economy ecosystem is founded on shared principles that support the core values of the European Union. The SE ecosystem is committed to collaborating with EU institutions to advance the prosperity and long-term future of Europe. It is crucial that the SEAP is comprehensively implemented and institutionally supported at all levels - including the EU, Member States, regional, and locally - with the provision of appropriate support mechanisms, including funding.

## Question 1: What have been the most significant achievements in the implementation of the social economy action plan since it was adopted in 2021?

The Social Economy Action Plan has represented a significant milestone in the recognition and support of the social economy across the European Union, at all levels - European, national, regional and local. Since its adoption in 2021, several notable achievements have been realised:

### 1.1 Defining the social economy: A key milestone in the EU Action Plan and the 2023 Council Recommendation

The adoption of a common definition in both the EU Social Economy Action Plan and the Council Recommendation of 2023 represents a major step forward. This common understanding:

- Establishes the Social Economy (SE) as an **economic model** which puts into place clear core **principles** including: the **primacy of people as well as social and/or environmental purpose** over profit, the **reinvestment of most of the profits and surpluses** to carry out activities in the interest of members/users (“collective interest”) or society at large (“general interest”) and **democratic and/ or participatory governance**. These principals highlight that the ecosystem provides a clear and well-defined added value to the EU.
- Provides a solid reference point to guide legal and policy development, fostering greater regulatory alignment across the EU.
- **Facilitates mutual recognition of the diverse legal forms that Social Economy entities take across Member States**, thereby supporting their freedom of establishment and free movement of goods and services within the Single Market. It clarifies that ***“the term social economy refers to four main types of entities providing goods and services to their members or society at large: cooperatives, mutual benefit societies, associations (including charities), and foundations”*** and adds that ***“Social Enterprises are now generally understood as part of the social economy”*** such as ***“Work integration social enterprises.”***

This shared definition brings much-needed conceptual and legal clarity, creating a strong foundation for a consistent and effective EU policy framework that promotes and supports the Social Economy. Equally, it has led to a broader collaboration across the different families of the Social Economy, and a cohesive and coordinated ecosystem.

## 1.2 Adoption of the Council Recommendation on developing social economy framework conditions

The adoption of the **Council Recommendation on Developing Social Economy Framework Conditions** in November 2023 marks a cornerstone in the implementation of the SEAP. For the first time, Member States committed to and are jointly encouraged to promote enabling environments for the social economy through national strategies, legal frameworks, and access to finance and markets. This Recommendation provides a shared European policy compass for governments, social economy actors, and institutions. The Recommendation has been crucial for the recognition of social economy actors, e.g. enabling the first European definition for WISEs, serving as a foundation for policy-making and public support in all EU Member States (art.8).

This Recommendation was preceded and supported by key **institutional opinions**:

From the European Economic and Social Committee:

- [Opinion on the Social Economy Action Plan \(NAT/859\)](#), in which the EESC “fully supports the envisaged approach towards a specific Council recommendation by the deadline of 2023.”
- [EESC opinion: Social economy package](#), in which the EESC “welcomes and fully supports the European Commission's proposal for a recommendation to the Member States with regard to supporting national social economy ecosystems.”

From the Committee of Regions:

- [Opinion: Creating an enabling environment for the social economy](#), which “stresses the urgency of establishing modern and effective social economy policies and legal frameworks which facilitate access to finance and markets to achieve upwards convergence among regions and Member States.”
- [Opinion: An Action Plan for the Social Economy](#), which, among other points “calls on the Commission to promote the involvement of local and regional authorities in GECES, together with Member States and social economy networks.”

From the European Parliament:

- [Resolution on the EU action plan for the social economy](#), which strongly welcomed “the proposal for a Council recommendation on social economy framework conditions to be approved in 2023.”

The institutional support was essential for the achievement of the Council Recommendation. Equally, initiatives for its follow up are indispensable, such as:

- [The Liège Roadmap](#), declaration signed by 20 Member States, gathers 25 concrete measures regarding the implementation of both the SEAP and the Council Recommendation.
- The **renewal of the Social Economy & SGI Intergroup of the European Parliament**.
- The **appointment of a commissioner in charge of the social economy**, which is essential for the follow up and implementation of both the Council Recommendation and the Social Economy Action Plan. The ecosystem is very pleased that Executive Vice-President Roxana Mînzatu receives in her [Mission Letter](#) the mandate from the Commission President to “*advance the development of the social economy, notably by fully implementing the Social Economy Action Plan*”
- The upcoming submission by Member States on **their implementation of the Council Recommendation**, that will take place next autumn.

The Council Recommendation on developing social economy framework conditions gathers a wide consensus among the ecosystem as probably the main milestone of the Social Economy Action Plan. Therefore, its follow-up is considered essential.

### 1.3 Launch of key EU-level initiatives, including the EU Social Economy Gateway, the Youth Entrepreneurship Policy Academy and the Expert Group on Social Economy and Social Enterprises

The European Commission has delivered several high-profile initiatives to implement the SEAP:

- **EU Social Economy Gateway (launched 2023)**: It serves as a **centralised, multilingual** online portal providing access to **EU-level information, funding opportunities, policy resources, and tools** tailored to the **specific needs** of social economy actors. It is designed to simplify navigation through **key EU programmes such as ESF+, InvestEU, and Horizon Europe**, and to **connect organisations** to national contact points and **ecosystem builders**. The Gateway also plays an important role in enhancing the **visibility** of the social economy at the EU level and beyond.
- **Youth Entrepreneurship Policy Academy**: It promotes **policy learning and exchange** among Member States to foster **youth entrepreneurship**, particularly social entrepreneurship within the social economy. Through its structured sessions, the Academy facilitates peer learning, sharing of best practices, and the dissemination of **social economy and socially innovative business models** among European young people.
- **Expert Group on Social Economy and Social Enterprises (GECES)**: Although the GECES predates the adoption of the SEAP, the action plan has been shown as a real boost for the work and relevance of this group. It continues to offer **expert advice on SEAP implementation** and brings **together representatives from Member States, EU institutions, academia, and civil society** to advise the Commission on SEAP implementation - **including** invitation to participate to **experts from different DGs from the European Commission**. Its **cross-sectoral nature makes** it a key forum for **interinstitutional dialogue**, especially in **ensuring that the social economy is integrated across different policy areas and levels of governance**.

### 1.4 Identification of Proximity and Social Economy as one of the strategic EU industrial ecosystems and development of the Transition Pathway

In the **updated EU Industrial Strategy (May 2021)**, the Proximity and Social Economy ecosystem was identified as one of 14 industrial ecosystems vital to Europe's recovery and future resilience.



The resulting [Transition Pathway](#), co-developed with stakeholders, was published in 2022. It provides a long-term transformation framework, including green and digital commitments, skills partnerships, and local development strategies.

This initiative has been vital for the recognition of the social economy among key stakeholders and policymakers, as well as a useful tool for visibility. Equally, it is an important compass for the ecosystem towards the ongoing twin transitions.

## 1.5 Strengthened cross-sectoral and cross-DG cooperation within the European Commission

A strategic outcome of the SEAP has been the recognition of a necessary multisectoral and cross-cutting approach to the social economy, since it is an ecosystem with presence in all economic sectors. The Social Economy Action Plan itself recognises the “*cross-sectoral nature of the social economy and the fact that it covers different types of entities*”. Therefore, the SEAP has helped the SE ecosystem to achieve the involvement of different stakeholders, policymakers, institutions and departments from the Commission.

Particularly fruitful was the partnership between [DG EMPL](#) and [DG GROW](#), which supported the GECES platform and coordinated initiatives like the SE Gateway and the Transition Pathway.

Although the recent **reorganisation of DG GROW and discontinuation of its dedicated SE Unit** raises serious concerns, SEE and other stakeholders advocate for this cross-DG work to be expanded - for example, to include [DG COMP](#), DG REGIO and DG TAXUD to address State aid, taxation and territorial cohesion issues - rather than reduced. In any case, these are just a few of DGs with competences in areas related to the social economy, which due to its transversal nature is affected by the work of several Directorates Generales, as it can be seen in point 4.4.

The idea of an **inter-service taskforce** on social economy has also been mooted as a way to institutionalise this collaboration and should be further explored.

## 1.6 Improved financial support for the social economy

Access to finance has improved through several EU-level mechanisms:

- **[InvestEU](#)**: Has played a central role by including a dedicated **Social Investment and Skills window**, which supports social economy entities. Through this, blended finance instruments, mainly guarantees, have been made available, helping to de-risk investment in social economy initiatives. Several initiatives inside this instrument have already benefited actors in the ecosystem - the financial guarantee disbursed by EIF through InvestEU programme has resulted in the support of 200,000 jobs. The social finance sector has also benefited from InvestEU and recognises it as a positive initiative. However, there is a need to diversify the range of financial instruments



available, to scale up the amount of financial support and to improve transparency in processes, proposals developed in point 4.6.

- **ESF+ (European Social Fund Plus)**: The ESF+ plays a crucial role for the social economy as it is recognised by the Social Economy Action Plan. ESF+ continues to be one of the most important structural tools for the social economy. It provides funding for projects focused on employment, social inclusion, skills development, and support for vulnerable groups - all areas where social economy organisations play a leading role. However, ongoing MFF negotiations raise serious concern across the ecosystem. There is widespread alarm that ESF+ may lose its visibility and autonomy, despite the European Parliament's clear call for a standalone ESF+ and civil society's plea.
- **EaSI (Employment and Social Innovation)** programme has also remained a cornerstone for social finance, particularly through its support for social innovation, experimentation, capacity building, and cross-border cooperation in inclusive entrepreneurship.
- **SIFTA (Social Inclusive Finance Technical Assistance)**: SIFTA is a key InvestEU initiative that strengthens the capacity of social finance providers, especially microfinance initiatives, to serve the social economy. Through advisory services, training, and peer learning, it helps develop tailored financial tools and supports ecosystem growth - especially in regions with emerging social finance markets.

The finance gap was identified in the SEAP as a major challenge preventing the unlocking of the full potential of the social economy ecosystem. As it has been shown previously, important step forwards have been developed during this first period. Co-design (among both provider and customer social economy organisations), adaptation, and public support have been the key elements of this improvement. Finally, as a useful tool regarding the financial gap in the SE it is the co-investment facility for foundations committed in the SEAP which could be a good example of co-designing during the coming implementation period.

Throughout the implementation period of the Social Economy Action Plan, the ecosystem recognises several major achievements that have significantly advanced the visibility and development of the social economy across the EU. **A common definition of the concept of the social economy has been a fundamental step forward developed thanks to the SEAP.** Together with it, the social economy frameworks for Member States, the increasing political recognition, EU-level initiatives and tailor financial support are achievements positively appreciated by SEE.

However, as we enter a new European institutional cycle, the ecosystem also faces **important concerns and strategic challenges**, some of which have already been mentioned in this contribution and will be further elaborated in the next sections. These include the **reduction in inter-DG collaboration**, marked by the dismantling of the Social Economy Unit in DG GROW; fears that **financial policies** may reduce EU and national-level

support for social economy initiatives; and the **serious risk of a future MFF without a strong and standalone ESF+**, notwithstanding the clear demands from the European Parliament and civil society. Moreover, the **need for greater coherence** across EU strategies - such as the inclusion of the social economy in the Union of Skills - as well as **expanded financial support and more diverse financial instruments**, are issues that must be addressed to sustain the momentum achieved so far. Reaffirming these concerns at this stage is essential, as they will shape the future success of the SEAP and the ecosystem it aims to empower.

## Question 2: What new developments have you observed in the social economy ecosystem since the action plan was adopted?

Since the adoption of the Social Economy Action Plan (SEAP) in December 2021, several positive developments have taken place across the EU at different levels of governance. These reflect growing political commitment, improved policy frameworks, and the operationalisation of tools to support the ecosystem.

### 2.1 Progress in political recognition

- **Increased recognition and national strategy development**

The adoption of the Council Recommendation on developing social economy framework conditions (November 2023) has provided a strong political impetus. In response, several Member States have begun elaborating or updating national social economy strategies. This process is helping to align national priorities with EU-level objectives. In countries such as Italy, Spain, Ireland and Finland, national strategy processes have been activated or consolidated, creating new momentum and stronger alignment with the principles of the SEAP.

The adoption of the Social Economy Action Plan has also been essential for the international recognition of the social economy. The momentum at international level led to:

- The first ever United Nations Resolution [Promoting the social and solidarity economy for sustainable development](#) adopted by the General Assembly on 27 April 2023.
- The second United Nations Resolution [Promoting the social and solidarity economy for sustainable development](#) approved on 26 November 2024, at the

24th plenary meeting of the Economic and Financial Committee, with a key role played by the United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSE).

- The adoption on 10 June 2022 by the International Labour Organisation (ILO) of a [Resolution on decent work and the social economy](#). More recently, also the ILO adopted in June 2024 a [Resolution on decent work and the care economy](#) recognising the role of “cooperatives and SSE (Social and Solidarity Economy)” in advancing it.
- The approval by the Organization for Economic Co-operation and Development (OECD) of a [Recommendation on the social and solidarity and social innovation](#) on 10 June 2022.

Social economy representative organisations and Member States were strengthened by the reference to the Social Economy Action Plan when defending and promoting the social economy model in all its diversity before international forums and organisations.

- **Growing involvement of local and regional governments**

The role of cities, regions, and local authorities in supporting social economy development has expanded significantly. Local governments have emerged as key partners in promoting social economy ecosystems, developing place-based strategies, and implementing innovative procurement practices. Initiatives such as the **Liège Roadmap**, supported by 20 Member States and regional authorities, and the mobilisation of local actors through different initiatives, highlight this growing engagement. An increasing number of municipalities and regions have launched or reinforced **social economy clusters, incubators, and regional networks, contributing to territorial cohesion and local resilience**. Many of them received support and inspiration through programmes such as **COSME** (Social Economy Missions), **INTERREG**, **Horizon Europe**, or initiatives such as **New European Bauhaus** or **ESER**. Particularly useful were also **capacity-building sessions** around public procurement which received the support of the European Commission.

## 2.2 **Strengthening democratic engagement through the social economy**

The social economy is not only a driver of inclusive growth and innovation, but also a vital contributor to democratic life in Europe. Democracy and democratic governance are core values of the social economy it is in its DNA. Therefore, strengthening democratic engagement is crucial for the social economy ecosystem. Since the adoption of the SEAP, several developments have reinforced the **democratic governance and participatory nature** of the social economy ecosystem.

- **Social economy as a pillar of democratic resilience**

The social economy increasingly acts as a bulwark for social cohesion, supporting local democracy through civil society, co-operative models, community-based services, and inclusive governance practices at grassroots and local levels.

Social economy actors bring participatory governance to the heart of economic life, strengthening **democracy at work**, promoting **collective ownership**, and empowering **marginalised communities**. Especially in times of social and political fragmentation, the social economy provides spaces for inclusive decision-making and active citizenship. Local initiatives led by co-operatives, associations, charities and social enterprises foster **community engagement**, respond to local needs, and contribute to democratic resilience.

Many cities and regions have adopted **policy frameworks and local strategies** in support of the social economy, integrating its values and methods into local development plans. These include participatory budgeting, co-operative housing initiatives, and circular economy platforms. Such bottom-up initiatives create shared ownership over public and collective resources and reinforce citizens' trust and participation in democratic institutions.

Furthermore, **civil society** is a pillar of democracy as such organisations enable participation of all to the political debate. In particular it gives voice to underrepresented groups or causes. It informs and mobilises citizens and often acts as watchdogs of governments and impacts of different policies. Recent attacks on civil society organisations and threats to their funding are not just jeopardising their capacity but are undermining these pillars of democracy.

- **Enhanced youth and digital engagement in SE ecosystems**

**Greece** has seen increased youth participation in digital social economy initiatives, supported by new online training for young entrepreneurs and emerging data-collection practices for social economy impact. This has led to a major involvement and participation of youngsters in democratic initiatives thanks to the social economy.

## 2.3 Development of thematic legislation

One of the most tangible areas of progress in the adoption of the SEAP has been to address the impact of certain key **legislative reforms on SE** both at national and European levels. These are considered as possible enablers of SE.

- **Public procurement and State aid**

Some Member States have introduced or improved legal frameworks to promote **Socially Responsible Public Procurement (SRPP)**. These measures encourage the use of social and environmental clauses, the application of the **Most Economically Advantageous Tender (MEAT) criteria**, and the possibility of reserved contracts for social enterprises and work integration actors. The underuse of these instruments is gradually being addressed through legislative clarification and capacity-building initiatives at both national and regional levels. There is a consensus among the social economy ecosystem on the necessity to maintain this momentum by strengthening the **social and environmental clauses** in Public Procurement legislative frameworks and expanding **capacity-building** for public authorities and officials by the European Commission. Further development of these improvements can be found in [SEE's contribution to Public Consultation on Public Procurement Directives Revision](#), which include positive recognition of initiatives such as Buying Social and WeBuySocialEU. SEE suggests the introduction of a mandatory requirement for public authorities to allocate a minimum percentage of their annual procurement budget to **reserved contracts as defined in art.20 Directive 2014/24/EU** on public procurement, e.g. the Spanish national legislation. Equally, the work foreseen in the Clean Industrial Deal concerning the **General Block Exemption Regulation (GBER)** (Review of State aid GBER rules for social enterprises and recruitment of disadvantaged workers) is appreciated by the SE ecosystem as “moving in the right direction”, although the process has yet to begin.

Additionally, SEE would suggest incorporating adapted social impact indicators to assess the preservation of jobs for individuals from disadvantaged groups and the creation of new employment opportunities as a direct outcome of the awarded procurement contracts.

Currently, the directive does not mandate a specific percentage for reserved procurement. For instance, statistics show that such procedures in many Member States are virtually absent in the market. Therefore, establishing a minimum quota would create new opportunities and stimulate policies aimed at integrating vulnerable groups into the labour market.

- **Taxation and ethical finance frameworks expanded**

Some countries are moving towards recognising the specific legal and fiscal nature of social economy organisations. Taxation is essential because it is a tool to address and encourage or, on the contrary, block certain economic practices. SE entities need

a level playing field in the field of taxation such as **corporate tax exemptions on profits retained by social economy entities as these are necessarily reinvested to fulfil the social objectives** of SE structures or **specific tax treatment of profits allocated to "indivisible reserves"**. A notable example is Spain, where a Law on Ethical Finance is being prepared. Such frameworks help encourage reinvestment into social missions and support the long-term sustainability of non-profit and co-operative enterprises.

SEE would like to stress that the provision of the option for Member States to introduce a rule for the deductibility of profits allocated to 'indivisible' assets does not expose the systems to any risk of avoidance. Regarding taxation, work has already started at European level [[Relevant taxation frameworks for Social Economy Entities](#)], although concrete measures still need to be adopted.

## 2.4 Improvement in data and statistical availability

The improvements in this area are strategic for the SE ecosystem. Data is essential for evidence-based policymaking and for measuring the economic and social value generated by the social economy. Since the launch of the SEAP, this agenda has made important progress.

- **Publication of the Study on benchmarking the socio-economic performance of the EU social economy (2024)**

Funded by the European Commission, this comprehensive study provides a **comparative assessment** of national and regional ecosystems across the EU. It offers analytical insights into enabling conditions, challenges, and gaps, and serves as a foundation for Member States to **evaluate their own progress**. It is a direct response to the SEAP's call for better metrics and has already been referenced by a wide range of stakeholders.

- **Ongoing development of impact measurement frameworks**

Several Member States have initiated pilot programmes to **collect social impact data**, for example in Greece where it has developed an increase of youth engagement at digital level. These efforts are laying the groundwork for the establishment of **national observatories** and can be supported by reporting systems such as the [satellite account of the Social Economy in Portugal](#).

- **Development of social economy data initiatives at international level by the ILO:**

On 12 March 2025, the ILO launched two [Technical Working Groups on Cooperative](#)



and Social and Solidarity Economy (SSE) Statistics: the COPAC TWG on Measuring the Economic Contribution of Cooperatives (TWG MECC) and the UNTFSSSE TWG on Social and Solidarity Economy Statistics (TWG SSES).

Although not directly developed under the umbrella of the SEAP, it is a key impulse for the progress and advance of these initiatives.

- **Preparation for national strategies for SE from Member States in autumn 2025**

In November 2025 Member States are expected to deliver their national strategy to implement the **Council Recommendation on developing social economy framework conditions**. They will have to evaluate it every 2 years and submit data and self-evaluations as part of its first review cycle. This will be a crucial opportunity to map progress on statistical capacity, and to assess whether countries are integrating social economy indicators into national accounting systems.

Together with these positive initiatives it is relevant for the ecosystem to underline the concern on budget cuts on allocation to data and statistics, especially in a moment when Member States are increasing their requirements on impact measurement, especially for foundations and philanthropic entities (E.g. Netherlands and Germany).

## 2.5 Increase in the number of EU calls for proposals, projects and programmes

In line with the implementation of the measures set out in the Social Economy Action Plan, there has been a **significant increase in the number of calls, projects and programmes that prioritise the social economy**.

Since 2021, 105 calls or projects funded by EU programmes have been identified as prioritising the social economy in their funding objectives, compared to 41 in the previous programming period (2014–2020) - **an increase of over 150%**.

These actions cover a wide range of areas relevant to the social economy:

**Skills and training**, including sectoral alliances under the Erasmus+ programme ('Blueprint'), digital skills development, and skills transition.

**Research and innovation**: Horizon Europe initiatives on nutrition, the rural economy, social inclusion, sustainability, and the New European Bauhaus.

**Values, citizenship and democracy**: Programmes that support European networks promoting civic participation and EU values.

**Resilience and green transition**: COSME/SMP calls focused on 'Local Green Deals', social economy missions, sustainable housing and the circular economy.



**Digital transformation of social SMEs:** Targeted programmes supporting digitalisation and business transformation.

Environmental training and advisory services provide **green skills** training and technical support for **ecological transition**.

**Funding for networks and institutional capacity building:** ESF+ support for European social economy networks and social finance organisations.

Consequently, the number of EU-funded programmes and projects that contribute to the achievement of the Union's strategic and priority objectives through the development of the social economy should continue to increase. Instead, major **concerns** have emerged **due to the cancellation of COSME calls** by the European Commission - even though they had been previously confirmed - generating **uncertainty** among social economy actors and potentially undermining the planning capacity needed to sustain long-term initiatives.

## 2.6 Development of a changing and challenging international situation

During the first period of implementation of the SEAP, both the EU and social economy actors have faced deep **changes in the international scene**. Amid ongoing armed conflicts, increasing threats to democracy, rising global inequalities, escalating trade wars and human migration movements, Europe not only faces economic and social challenges but value crises.

The social economy has a crucial role to play at the European level in responding to the complex challenges arising from this current international geopolitical landscape. The recent cuts in development aid by key international actors such as the United States have left a critical gap that European social economy actors are already helping to address. Through their deeply rooted values of solidarity, democratic governance, and social inclusion, **social economy organisations can strengthen Europe's efforts to support displaced populations, provide essential services to vulnerable groups, reinforce local and resilient supply chains, and promote energy and food sovereignty.**

Therefore, in the complex international context the social economy is an effective ally to face the interlocking current challenges. To play its role, at best it should be supported rather than deprioritised as it is the only economy that responds to all the challenges.

## Question 3: Which sectors could be most effectively supported by social economy business models and approaches in the coming years?

**Social economy** provides adaptable, community-rooted, and mission-driven business models and organisations that can be deployed across a broad range of sectors. **Enrico Letta**, in his report [\*Much more than a Market\*](#) (April 2024), already underlines the **essential role of the social economy in deepening the Single Market by “preserving and consolidating the European Social Market Economy.”** However, in the context of geopolitical uncertainty, and increasing challenges for the European Union, the following sectors stand out as particularly effectively supported by social economy models.

### 3.1 Social services and healthcare, education, skills and youth training

Social economy organisations are already essential providers in the **care economy**, **education**, and **vocational training**. Work Integration Social Enterprises, foundations, NGOs, associations, mutuals and co-operatives all play an essential role in this area.

Their values-based approach ensures that services remain people-centred, affordable, and rooted in solidarity. In the context of ageing populations and care gaps, social economy actors contribute to sustainable and community-based models of care, disability inclusion, and early childhood education.

Offering **tailored upskilling and reskilling pathways to disadvantaged individuals** - such as the long-term unemployed, migrants, and low-qualified workers - the social economy helps build strong skills foundations and support lifelong learning. They operate at the intersection of social inclusion and economic resilience, fostering equal access to quality jobs while supporting SMEs with skilled labour.

Through **ESF+**, social economy actors are able to scale up their impact in **youth training**, **upskilling**, and **labour market integration**, particularly for marginalised groups. Investment in this sector is crucial to realising the European Pillar of Social Rights.

This key role of social economy entities makes SE essential in the development of the European Pillar of Social Rights and its Action Plan, as well as for the Union of Skills and youth participation initiatives.

### 3.2 Industrial autonomy and innovation

Social economy enterprises - especially co-operatives - through their shared **ownership models**, can strengthen **European industrial resilience** by anchoring production in territories, and reinvesting profits into **innovation** and **local** value chains. These essential and unique characteristics of social economy entities (and particularly co-operatives) makes them an efficient and inclusive model for **Industrial Autonomy** through **locally rooted** enterprises, investments and facilities, and close and secure **European supply chains**. Social economy enterprises can export but do not delocalise, keeping value at local level.

Their approach is relevant in both **emerging industries** with high technological value and in traditional sectors where **industrial restructuring** must be socially inclusive and environmentally sustainable.

Social economy actors are also innovators in **open-source technology**, repair and reuse infrastructures, and short supply chains - contributing to Europe's long-term **industrial sovereignty**.

Therefore, social economy is a key contributor model to EU flagship initiatives such as the Clean Industrial Deal and the Critical Raw Material Act and Horizon Europe.

### 3.3 Democratic impulse, European social model of growth, and rule of law

The social economy contributes to the **strengthening of European democratic values** through inclusive governance, participation, and local empowerment. Democracy and democratic governance are common principles of all social economy families – co-operatives, mutuals, foundations, associations, etc. By promoting **democracy at work**, transparency, and collective responsibility, social economy entities embody the principles of the **European social model**. They play a crucial role in countering polarisation and rebuilding trust between citizens and institutions - particularly in times of crisis - by enabling people to co-create economic and social solutions. Their embeddedness at local level makes them natural allies in the **defence of the rule of law and democratic pluralism**.

The role of civil society at large is essential when reinforcing democratic values and rule of law at European level. Civil society organisations enhance political participation broadly and in particular enable participation of underrepresented groups in the political debate. They inform, empower and give voice to different groups and raise awareness about societal issues. Civil society also works as a watchdog for democracy and shapes political debate at political level. They create trust within communities and in certain provide services to those in need.

Therefore, social economy entities and civil society organisations at large should be included in the development of the Democratic Shield initiative and the European Democracy Action Plan.

### 3.4 Social and territorial cohesion, fighting poverty and inequalities

Inclusion and equality are not only values but the very essence of the social economy. They must remain at the core of its mission, especially in advancing the inclusion of the most disadvantaged groups, with particular attention to **persons with disabilities**. In the current context of overlapping crises and global trends that increasingly threaten the principle of leaving no one behind and equal opportunities for all, the Social Economy Action Plan stands as a key instrument to safeguard and reinforce the commitment to quality labour inclusion. It must promote targeted measures that recognise and harness the value and talent of diversity, ensuring that inclusive employment remains a central pillar of the social economy's contribution to a fairer and more resilient Europe.

Social economy business models and organisations contribute to **balanced territorial development**, particularly in **rural, remote, and depopulated areas** where public and private services may be absent or retreating. They address **persistent inequalities**, promote **decent work**, and provide pathways out of poverty through inclusive entrepreneurship and social innovation.

Equally, social finance providers vitally contribute to social and territorial cohesion through financial and non-financial tools supporting social entrepreneurship in isolated communities and vulnerable groups. For instance, by providing access to banking and advisory services in depopulated areas. The social economy's potential to **reduce regional disparities** and reinforce cohesion makes it a key player in the future of cohesion policy and territorial strategies. For an effective use of social economy models in these areas, specific recognition must be addressed in vital initiatives and policies such as the Cohesion Policy, the ESF+, the ERDF, the first ever EU Anti-poverty Strategy, and the Rural Action Plan, which will be updated in 2026. They will be crucial contributors to the achievement of the target of reducing by at least 15 million the number of people at risk of poverty or social exclusion by 2030, which the EU committed to itself in 2001 during the Porto Summit.

### 3.5 Preparedness and civic protection

In times of **natural disaster, pandemics, or humanitarian crises**, social economy organisations, such as associations, NGOs and foundations, often play a frontline role in **emergency response**, relief, and community care. Their agility, territorial presence, and trust-based relationships allow them to mobilise quickly and reach vulnerable populations. The inclusion of social economy actors in national and EU-level **preparedness and civil protection frameworks, such as the EU Civil Protection Mechanism**, can strengthen resilience and support early intervention strategies.

### 3.6 Financial mobilisation and investment

Social economy entities are leading actors in the development of **alternative finance models**, including **ethical finance, microfinance, and impact investing**. These models

prioritise transparency, social impact, and sustainability over short-term profit. Strengthening social economy ecosystems means also reinforcing the **social finance architecture**, including through support to co-operative banks, microfinance institutions, credit unions, foundations, solidarity-based funds, alternative and ethical banks. The distinctive features of mutuals, foundations and co-operative banks linked to their belonging to the social economy should be better considered by financial regulations at EU level.

As underlined by the Draghi Report, huge financial mobilisation is required in Europe to face geopolitical uncertainty and economic and social challenges. Therefore, the financial strength of the social economy should not be overlooked. These actors are essential to channel **EU-level investment (e.g. InvestEU)** into high-impact, and strategic projects and therefore are essential for a real and effective **Savings and Investments Union**.

### 3.7 Housing provision

Access to **affordable and dignified housing** is a growing concern in many Member States. Housing co-operatives, community land trusts, and social housing developed by associations, charities and foundations provide **non-speculative, inclusive, and community-led solutions**. These initiatives can contribute to urban regeneration, prevent gentrification and displacement, and promote socially diverse neighbourhoods, and ensures private and public investment does not end up in the speculative wheel. The social economy can be a strategic partner in implementing the **European Affordable Housing Initiative and the European Affordable Housing Action Plan** and in addressing energy poverty through integrated housing and energy solutions.

### 3.8 Energy autonomy and clean energy

Social economy entities - such as **energy cooperatives** - are already leading the **clean energy transition** by developing **renewable energy communities**, democratising energy production and consumption, and ensuring that citizens participate in and benefit from the green transition. These models promote **strategic energy autonomy for Europe**, local job creation, and reinvestment into sustainability. The inclusion of social economy models in **EU energy and climate policies** is essential to ensure that the transition is just and inclusive. This would be the case for the Affordable Energy Action Plan, the upcoming Citizens' Energy Package, the Citizen Energy Advisory Hub, the European Energy Communities Facility or the Clean energy for all Europeans package

### 3.9 Digital and social innovation

Social economy organisations are leading **digital transformation**. They are developing innovative platforms, digital commons, and data governance models that put people - not profit - at the centre. With proper support (investment and legal framework) from public authorities SE can be a leader in developing social tech driven by common good. Such an approach would support the implementation of the [Code Of Conduct for the sharing of data](#)

in SE as developed at EC level. These models contribute to the European open and participatory innovative model and to **digital democracy**, and EU **technological sovereignty**. They are also instrumental in bringing digital tools to rural and underserved communities, helping to **bridge the digital divide**. The intersection between **social and technological innovation** is a key field for future investment and experimentation. Together with innovation and ethical approach, social economy entities are a strategic partner for EU objectives in the security arena. Their contributions in digital sovereignty and consumer protection can play an essential role for European digital autonomy and security.

### 3.10 Agriculture, food sovereignty and sustainable food systems

In agriculture and food, the social economy supports **short supply chains, agroecological practices**, and **food co-operatives** that prioritise sustainability, food justice, and community ownership. These models promote **food sovereignty** and help build resilient local food systems that are better prepared for climate and market shocks. Their role is especially important in linking producers and consumers in fair, transparent, and circular value chains aligned with the objectives of the **Farm to Fork Strategy** among others. Co-operatives and other social economy entities play a crucial role in both the production and distribution of agriculture products. Moreover, social enterprises active in the agrifood sector can be territorial pioneers of inclusion, such as social farms tackling the social and environmental nexus, by providing employment opportunities to vulnerable groups meanwhile revitalising rural areas.

### 3.11 Circular Economy

The Circular Economy plays a key role by promoting sustainable production, reuse, repair and recycling practices. The sector is a strategic pillar for both European autonomy and the Clean Industrial Deal, as well as for social cohesion. The **social economy models are very often chosen by Circular Economy entrepreneurs to develop their initiatives** - through co-operatives, social enterprises, non-profit associations, foundations, etc. The values of the social economy and the Circular Economy DNA match perfectly. As such, the social economy is a strategic ally when developing policies towards the Circular Economy and its role as contributor for clean industry, European economic autonomy and short supply chains. This is the case of the Circular Economy Action Plan.

## Question 4: What measures should be prioritised in 2026-2030 to help the social economy achieve its full potential?

To fully unleash the potential of the social economy in the coming years, the EU must consolidate what has been achieved through the SEAP while addressing structural limitations that remain at both EU and national levels. Despite that most of the actions



addressed in the SEAP have been launched, their effective implementation on the ground isn't necessarily visible. The reality of SE in different countries is very diverse. The following priorities should guide EU action from 2026 to 2030:

#### 4.1 Full implementation and monitoring of the Council Recommendation across all Member States

The Council Recommendation on developing social economy framework conditions still must be translated into national strategies (due November 2025), therefore effective implementation remains fragmented and uncoordinated. Many Member States lack dedicated structures or mechanisms to carry out its provisions. A structured and ongoing **coordination mechanism between the European Commission and Member States** is urgently needed. This mechanism should ensure consistency, facilitate mutual learning, and provide technical support to national authorities. We strongly encourage the Commission to play a leadership role in creating clear monitoring tools and milestones and align them with other EU policy cycles and instruments.

#### 4.2 Preservation and reinforcement of budgetary lines dedicated to the social economy in the MFF and annual budgets

A real commitment to social economy and a proper implementation of SEAP requires **predictable and robust funding**. The next Multiannual Financial Framework (MFF) should guarantee dedicated resources for the social economy across key programmes, including a **stand-alone ESF+**, a **social economy dimension in ERDF** and in JTF and a reinforced **InvestEU window** for social investment. These funds should be stable, visible, and accessible throughout the EU. Without this financial and budgetary base, the ambitions of the SEAP will not translate into lasting structural change. Equally, all these measures would not be effectively used unless there are adequate resources allocated for capacity building for social economy entities and for social finance providers (i.e. through initiatives like SIFTA). Reduced budgets to SE will mean that the SEAP will not be able to be fully implemented.

#### 4.3 Stronger integration of the social economy into the European Semester, industrial policy, and macroeconomic framework

Because of the social economy's added value, one of the SEAP's objectives was to make it a **core actor in the EU's socio-economic governance, hence the links with different EU policies**. This includes its integration into the **European Semester process**, national reform programmes, and macroeconomic coordination. Social economy principles and practices should also inform the future of EU **industrial strategy**, especially within industrial autonomy, strategic energy autonomy, proximity, care, and green transition sectors. A crucial step is to reinforce the **understanding of the social economy within public institutions**, including its entrepreneurial dimension and diversity of models – co-operatives of all kinds, mutuals, associations, foundations, NGOs, microcredit institutions. **The EU must**



**acknowledge the social economy not as a marginal or exceptional actor, but as a business model that contributes directly to competitiveness, innovation, and inclusion.**

#### **4.4 Restoration or creation of dedicated units for the social economy within the European Commission**

The recent dismantling of the Social Economy Unit in DG GROW was a step backward in the **transversal understanding** of the reality of the SE. To reverse this, the Commission should not only restore such a unit but go further by **establishing a cross-DG working group** for the social economy. Beyond current DG EMPL and former DG GROW, the involvement of all the DGs with competences related to SE is essential to **mainstream the social economy** across EU policies. This approach would also ensure a shared understanding of the **transversality** of social economy and help embed its entrepreneurial, social, and civic dimensions within the fabric of EU governance.

The **transversal** involvement of public officials from DG **EMPL**, DG **GROW**, DG **COMP**, DG **REGIO**, DG **TAXUD**, DG **AGRI**, DG **BUDG**, DG **CLIMA**, DG **ECFIN**, DG **EAC**, DG **ENER**, **EUROSTAT**, DG **FISMA**, DG **SANTE**, DG **HERA**, DG **IDEA**, DG **INTPA** and DG **HOME**, would be an ideal approach to effectively support transversal policies that affect SE as well as sectorial policies in key sectors of social economy.

#### **4.5 Integrating social economy in Antipoverty Strategy**

The social economy plays a crucial role in advancing the EU's Anti-Poverty Strategy by providing inclusive, community-based responses to social exclusion and inequality. **Social economy models such as Work Integration Social Enterprises (WISEs), associations, foundations, microfinance institutions and co-operatives of all kinds** contribute to empowering individuals furthest from the labour market, delivering essential social services, and fostering solidarity-based economic activity. Recognised in the **Action Plan for the European Pillar of Social Rights**, the social economy should now be further embedded into EU anti-poverty policies through structured involvement in policy design, better access to funding, and reinforced partnerships with public authorities at local, regional and national levels. Further developed information on how the social economy can contribute to tackling poverty can be found in the opinion adopted by EESC on 17 January 2024 [Combating poverty and social exclusion: harnessing the power of the social economy and socio-economic innovations](#).

The role played by the social economy **providing inclusive, people-centred solutions** that address both social and economic exclusion makes it an indispensable ally in the EU's Antipoverty Strategy. Through its diverse actors - such as **co-operatives, associations, charities, foundations, mutuals, NGOs, and social enterprises** - the social economy promotes local development, re-localisation of production, and the creation of decent, non-relocatable jobs, especially at regional and municipal levels. It offers a unique ecosystem

where economic actors, civil society, academia, public authorities, and the financial sector collaborate to foster social innovation, strengthen communities, and deliver **targeted support to vulnerable groups**, including women, young people, people with disabilities, and those living in extreme poverty. By **integrating social and environmental perspectives**, the social economy not only contributes to **employment and inclusion** but also advances a **holistic approach to sustainable development**.

#### 4.6 Simplification and earmarking of EU funds access for the social economy

Access to EU funding should be made simpler and with less administrative burdens for enterprises in general and for social economy actors particularly. In addition to earmarking resources, it is essential to support **capacity building** for both managing authorities and SE organisations, so that **funds such as ERDF, ESF+, and programmes like InvestEU can reach their intended beneficiaries**. Not only is it important to increase the funding available for social economy entities, the barriers to access the funding available must also be addressed. It is widely recognised in the ecosystem that **the pre-financing requirements** place social economy entities, especially MSMEs, at a severe disadvantage when accessing EU funds, subsidies or grants. Due to their specific characteristics, SE entities have unique difficulties in securing investment. Social economy specific financial instruments should be provided to 'level the playing field'.

Separately - and with a view to mobilising more investments also via the asset allocation of endowments of foundations (next to their programme/grants contributions) - a dedicated **co-investment mechanism** should be established **with foundations and philanthropic organisations** around target mission areas with the aim of encouraging engagement around sustainability, inclusion, social innovation, housing and homelessness, media pluralism, and developing social impact ecosystems (page 16 of SEAP).

#### 4.7 Improve access to finance through diverse instruments involving social finance actors

Public support should be combined with the mobilisation of **ethical finance, microfinance, co-operative banking, ethical banks, mutuals and foundations**. These actors are closer to the values and operational logic of the social economy and are best placed to assess and support its business models. The EU should promote hybrid financial tools, guarantee schemes, and outcome-based financing tailored to social enterprises.

Likewise, despite the important role that existing instruments (InvestEU, SIFTA) have played in developing the social economy ecosystem, it is crucial to highlight that, to unlock its full potential and effectively address current challenges, **a diverse range of financial instruments must be made available**. These should include **grants** for specific initiatives as well as **subordinated debt, equity, and quasi-equity instruments**. Offering a full

spectrum of financing options is essential to support the scale-up phase of social economy initiatives.

Beyond the type of financial instruments, it is equally important to recognise the specific characteristics of social economy entities and respond with appropriate, tailor-made solutions, including small-sized instruments adapted to their needs. Additionally, all **EU funding programmes should explicitly include social economy entities as target beneficiaries** and ensure that access to such instruments is straightforward and inclusive. On top of this, the design of a co-investment facility which specifically regards the financial role of foundations should also be a priority.

It should also ensure that less mature markets receive the technical assistance needed to support local ecosystems.

#### 4.8 Broad EU legislations: adapted tax regimes, public procurement and State aid rules

The next policy cycle should consolidate and drive **tailored tax regimes** that acknowledge the specificities of social economy entities. This includes **tax exemptions on retained profits**, special treatment of **indivisible reserves**, and **incentives for individual and corporate donors**. The social economy must not be framed as an exception or a fragile niche, but as a **legitimate and effective way of doing business**.

In addition, **public procurement rules** must be applied with flexibility and clarity to favour **reserved contracts**, social clauses, and quality-based procurement through a strategic approach. The work foreseen in the Clean Industrial Deal concerning the **General Block Exemption Regulation (GBER)** (Review of State aid GBER rules for social enterprises and recruitment of disadvantaged workers) may be accomplished and finalised. As said in the Union of Skills, *“the revision of the state aid rules applicable to training needs to be updated to provide better incentives for industry, including the social economy, to invest in upskilling and reskilling of workers, for a just transition.”*

As it has been mentioned before, reflection on taxation has already started at European level [[Relevant taxation frameworks for Social Economy Entities](#)], although concrete measures still need to be adopted.

Finally, the work to facilitate cross-border philanthropy must be further strengthened. Barriers to cross-border giving still remain a significant barrier and a better implementation of the non-discrimination principle must be ensured.

#### 4.9 Create national and EU-level social economy observatories for better data and statistics

Reliable and complete data is essential for policymaking. The next phase should prioritise

the creation of **social economy observatories at national and EU level**, co-developed with representative organisations. These bodies should not only collect data, but also guide the design of **impact assessment frameworks**, to ensure that measurement tools reflect the reality of social economy actors and avoid any possible “social washing” metrics. The goal is not just to generate figures, but to capture the **strategic and transformational role** of the social economy in society and the economy. The upcoming **review of the Council Recommendation in autumn 2025** is a key opportunity to align Member States on a **unified and ecosystem-led framework** for statistics and impact evaluation.

#### 4.10 Invest in skills partnerships, hubs, and incubators dedicated to the social economy

As a people-centred business model, the success of the social economy depends on its human capital. The EU should continue to invest in **skills partnerships, entrepreneurship hubs, and incubators** that are adapted to the specific governance models, values, and business logics of social economy organisations. This includes tailored training for managers, co-operative members, volunteers, and public officials, with a focus on green and digital transitions, democratic management, and scaling strategies. Equally, common skills challenges must be tackled by the social economy ecosystem like the digital transition, competitiveness and innovation.

#### 4.11 Ensure the social economy’s role in defending democracy, civil society space, and local resilience

The social economy must be recognised as a key pillar in the defence of **democracy, rule of law, and civic space**. Through their embeddedness in communities, participatory governance, and long-term mission-driven work, social economy entities contribute to building **democratic resilience**. The EU should reinforce this role through policy alignment with the **European Democracy Action Plan** and future instruments such as the **European Democracy Shield**. Social economy actors are not just economic players - they are **democratic infrastructures** rooted in trust and solidarity.

The inclusion of social economy representatives and actors in civil and social dialogue is a natural and effective step forward towards deepening the social economy's role in strengthening democracy, European values and enriching citizens' participation, both at European and national levels. Following the role of social economy bodies in civil society, they must be included in the participation and design of the Civil Society Platform initiative.

#### 4.12 Final progress of the EU legal recognition of social economy families

Despite the growing attention to the social economy, **mutual societies, associations, and foundations** have not experienced tangible progress in terms of **legal recognition at EU**

**level.** The long-awaited **EU statute (l'ATE)** remains stalled, and the recent **cancellation of a planned DG GROW meeting** with mutual societies - following the dismantling of the Social Economy Unit - has only reinforced concerns within the ecosystem. These entities continue to be evaluated primarily based on their **economic activities**, rather than their **non-profit or limited-profit nature** and general interest mission. Establishing a **clear and formal EU legal framework** for all social economy families must be a priority in the next stage of SEAP implementation.

Finally, specific support is also needed for **cross-border actions**, where legal and administrative barriers persist. A key instrument would be the final **adoption of a Directive on European Cross-Border Associations (ECBA)** and a similar legal tool for **foundations and philanthropic organisations**. This would facilitate transnational cooperation, reduce legal uncertainty, and unlock the potential of civil society-led solutions at a European level.

#### **4.13 Towards the operational integration of the social economy in EU rules governing the functioning of enterprises in the Single Market**

Building on the momentum created by the European Action Plan for the Social Economy (2021) and the 2023 Council Recommendation on developing social economy framework conditions, the proposal is for **the European Commission to prepare a policy document exploring the integration of the social economy's specificities into the rules governing enterprises within the European Single Market**, using the most appropriate instrument - such as a **Green Paper**.

This initiative could initiate a structured process of reflection and public consultation to examine how the defining features of **the social economy**, as stated by the Action Plan and the Recommendation, **can be integrated consistently and effectively into the EU legal framework**.

More specifically, this exercise would aim to:

- Assess how to **integrate the specificities of the social economy** into key areas of EU law, including **state aid rules, public procurement, company law and single market regulations**.
- Explore ways to adapt these legal frameworks to the unique characteristics of the social economy business model, **ensuring fair access to EU instruments and opportunities**.
- **Facilitate mutual recognition among Member States** of the different legal and organisational forms adopted by social economy entities, thereby improving their mobility and functioning within the single market, and
- Strengthen legal **certainty and institutional coherence** in the implementation of EU policies that impact these entities.

This would be a **significant step towards the full legal and operational recognition** of the social economy as a key player in the European economy, strengthening its role in achieving the EU objectives of inclusion, sustainability, competitiveness and territorial cohesion.

#### 4.14 Developing the role of social economy to address complex challenges of the international scenario

**The upcoming period of implementation of SEAP cannot overlook the international scenario.** Ongoing armed conflicts, threats to democracy, rising global inequalities, escalating trade tensions, and large-scale human displacement have brought not only economic and social challenges but also a deep crisis of values. In this context, **social economy entities** - including associations, foundations, NGOs, co-operatives of all kinds, mutuals, and microcredit institutions and other social finance entities - **play a vital role in offering people-centred, democratic responses.**

Guided by core values such as people over profit, European values of solidarity, and democratic governance, these organisations **contribute to address global aid gaps** left by declining international development assistance, including recent cuts by the United States. They **provide humanitarian support, integration services, and employment opportunities for displaced populations and for all vulnerable populations;** while **strengthening local supply chains and fostering food and energy sovereignty;** and **safeguard civic spaces, democratic participation, and community resilience** in the face of rising authoritarianism and social fragmentation.

In short, the current international challenges highlight the need to further develop and mobilise the unique capacities of the social economy as a transversal actor that not only delivers economic value but also protects Europe's commitment to human dignity, inclusion, and democratic principles on the global stage.

## Question 5: Are there any specific initiatives or examples of best practices that you believe should be highlighted or replicated across the EU?

Across the EU, a wide range of promising practices have emerged that effectively translate the principles of the Social Economy Action Plan into concrete results. These initiatives demonstrate the diversity, adaptability and strategic role of social economy models, and several of them should be recognised, supported, and scaled up at EU level in the 2026–2030 period:



## 5.1 Institutionalised dialogue between social economy actors and governments

National-level **structured dialogues** between social economy stakeholders and public authorities are among the most impactful governance innovations. In countries such as **France and Spain**, ministries have created **dedicated units or departments responsible for the social economy**, Ireland has a Social Enterprise unit within a government department, enabling better policy coordination and visibility.

These models contribute to long-term visibility, policy coherence, political certainty for the ecosystem, and democratic legitimacy and should serve as inspiration for other Member States.

In different countries, like [Slovakia](#), umbrella organisations and national networks have gained visibility and institutional legitimacy, being formally recognised under national law and consulted through structured institutional mechanisms.

In the case of **Romania**, the National Commission for Social Economy was established under the umbrella of the Ministry of Labour, Family and Social Solidarity. It is composed of 8 members: 4 state secretaries from the ministries of labour, economy, finance, and agriculture, 2 representatives of social enterprises, and 2 representatives of WISEs (Work Integration Social Enterprises). A community of practice in social economy has also been created, and a national strategy for the development of the social economy is to be drafted.

In **Ireland**, the government's enterprise policy, [White Paper on Enterprise 2022-2030](#) (December 2022), included social enterprise for the first time and recognised its role in addressing social and environmental challenges, employment creation, social inclusion, and local and regional development. More recently, [The Fourth Update Report](#) (published in June 2025) outlines measures aimed at enhancing the contributions of social enterprises to Ireland's *economy and society*. Additionally, In July 2024, the government adopted its second national social enterprise policy, 'Trading for Impact', and appointed a Stakeholder Engagement Group to oversee policy implementation. Finally, The Co-operative Societies Bill 2022, based on its current provisions, will consolidate and modernise existing legislation to establish a clearer legal framework for the co-operative model in Ireland when enacted. Advancing this legislation is among the actions identified in the government's social enterprise policy.

**These national developments serve as examples of how governments can embed the social economy structurally within policymaking processes and ensure long-term political commitment.**



## 5.2 National social economy strategies under preparation or implementation

The implementation of comprehensive **national social economy strategies** aligned with the Council Recommendation is advancing in several Member States.

In **Italy**, the government launched from the Ministry of Economy an inclusive drafting process in co-ordination with national networks, resulting in a structured and participatory approach to policy definition, which is expected to result soon in a national Social Economy Strategy.

**Finland** is **developing its national strategy** with important delegation to expert structures and a bottom-up approach between the research, practitioners and the State. This model showed efficiency due to its strong emphasis on four key pillars (coordination, skills, development, and innovation). It also highlights the importance of ongoing dialogue with stakeholders to adapt the strategy. Work Integration Social Enterprises are not commonly known as a concept, but they are considered a core part of social enterprising, and there is a strong emphasis on creating jobs within and through work integration social enterprises

More recently, and in response to the need outlined in the Council Recommendation to develop and strengthen the framework conditions for the social economy, **Croatia, France, Greece, Portugal, and Wallonia (Belgium) have requested support from the European Commission under Regulation (EU) 2021/240 through the Technical Support Instrument**. This multi-country project entitled 'Supporting the development of social and solidarity economy as a driver for growth' aims to effectively integrate the social economy into the policies of the beneficiary Member States and create supportive measures and a favourable environment for social economy entities.

SEE believes this example is illustrative of the efforts currently being undertaken by several Member States to promote or revise their national strategies, as well as of the support provided by the European Commission in this regard.

These strategies reflect **a shift from fragmented support to coherent, transversal national frameworks that integrate the social economy into industrial, employment, social and cohesion policy**. They should be encouraged and supported across all Member States, including through assistance from the European Commission.

## 5.3 EU-level tools: Social Economy Gateway and Transition Pathway

At EU level, two recent tools are particularly valuable:

- The **EU Social Economy Gateway**, launched in 2023, provides a user-friendly platform centralising information on funding, guidance, good practices, and support mechanisms for social economy actors across the Union.
- The **Transition Pathway for the Proximity and Social Economy Ecosystem** (2022) sets out a shared vision for the sector's green and digital transformation and

includes a call for stakeholder pledges, fostering participatory implementation. The future of this ecosystem within the EU Industrial strategy is uncertain and clearly it was a good practice we believe important to maintain.

These instruments should continue to evolve and expand their visibility and outreach, particularly towards emerging stakeholders and underrepresented territories. Their replication at national and regional levels linking them to the EU field would also be supportive for the development of SE.

## 5.4 Local and regional initiatives

Several regions and cities have demonstrated leadership in co-developing and implementing social economy policies.

The **Walloon Region (Belgium)**, in the framework of its regional SE strategy, has launched an innovative communication plan (2022-2024) in cooperation with the regional SE ecosystem. On one hand, the communication plan was oriented towards the public opinion to promote awareness and visibility of SE values and business models under the baseline “**People before Profit**”, and, on the other hand, it created a baseline “**Acteurs de l’économie sociale**” used by SE organisations to show their belonging to the SE ecosystem. The extended communication initiatives (mainstream tv and radio spots, social media, events, branding) could be easily replicated across the EU to enhance visibility of SE. In several Member States, such as **France and Italy**, municipalities and regional authorities have launched initiatives to **co-design services and public support schemes** for social economy actors. This is the case of the Regional Chambers of the Social and Solidarity Economy in France.

Such initiatives exemplify how **proximity-based, co-designed policy frameworks** can strengthen the ecosystem and better respond to local needs.

## 5.5 Incubators and collaborative spaces

Dedicated **incubation and innovation spaces** have emerged across the EU to support the creation and scaling of social economy initiatives:

- **CoopCity (Belgium)** and **ASETT (Spain)** are two examples of hubs providing shared knowledge, practical training, mentoring, and access to finance for social economy entrepreneurs.
- The **Satellite account for the Social Economy in Portugal**. A project that follows up the development of SE in the country through a co-operation protocol between SE representative organisations and public institutions.

These spaces are also key in **linking social innovation with EU funding instruments**, including **ESF+ and ERDF**, and are explicitly encouraged by the **Council Recommendation** as instruments to support social economy development.

Replication and further investment in these hubs across Member States could accelerate social economy growth, innovation, and inclusion, especially among youth, women, and underserved communities.

## 5.6 Strategic funding tools such as InvestEU and co-investment facilities

**The InvestEU programme** is widely recognised as a valuable financing channel for social economy initiatives. Its **dedicated Social Investment and Skills window** offers guarantees that support social economy enterprises, and its continuation and scaling are strongly supported across the ecosystem. As highlighted in the **Social Economy Europe policy paper on InvestEU** ([SEE, May 2024](#)), the programme has enabled important advances but still **falls short of fully meeting the funding needs** of many social economy actors - particularly smaller organisations and those not yet investment-ready.

To truly close the **persistent funding gap**, the report underlines that **dedicated grants and subsidies - such as those available under ESF+ - remain essential**, especially for early-stage development, capacity building, and experimentation. Moreover, one recommendation gaining strong support is the creation of a **co-investment facility** that brings together EU resources and the social finance sector, including philanthropic foundations. Such a facility would help identify and support investment-ready projects, **de-risk social economy initiatives**, and ensure better coordination across public, private, and community funding streams.

Well-designed financial mechanisms combining grants and repayable instruments are essential to strengthen the resilience and growth of social economy organisations, and to fully unleash their potential for socio-economic and democratic innovation. **Simplifying procedures**, increasing transparency, harmonising requirements and processes, increasing the range of financial instruments, co-designing and facilitating advisory are effective measures when implementing well-recognised initiatives such as InvestEU.

## 5.7 Use of State aid and Public Procurement rules to facilitate SE access to markets

Legal tools already available under EU rules - such as **reserved contracts, social clauses**, and tailored application of State aid - are underused but highly impactful when activated.

A flagship example is the **Paris 2024 Olympic and Paralympic Games**, where social economy enterprises delivered services and supplies through a strategy of inclusive and sustainable procurement, backed by public authorities. This large-scale public-private co-operation is a **model of how major projects can leverage social economy actors** through procurement to maximise social value.

Promoting these approaches systematically - through training, guidance, political leadership and capacity building - can greatly improve market access for SE actors across the EU, and therefore the competitiveness of the European markets.

## Conclusion

As a final remark, the SEAP is a great milestone for the SE ecosystem as it is a 360° approach to enable the ecosystem to flourish. The ecosystem is worried that the new objectives and the global geopolitical environment are jeopardising its full development in the name of defence and competitiveness. We believe that SE is the EU's best ally for industrial autonomy (which is key to EU's competitiveness), defence of EU values through civil society, and preparedness of communities. SE is also a strong ally to answer challenges of key sectors such as energy, housing and digitalisation. The consequences of COVID, inflation and geopolitical uncertainties are already translating into increased demand for social and health services. Without proper social measures, things will only get worse and be harder to solve. SE is also the EU's ally for an Anti-poverty Action Plan and broadly the EPSR.

For all these reasons we are convinced that the EC can only win from continuing to implement the SEAP fully. We encourage the EU institutions to continue to fully support level playing regulations, and policies and adapted funding for SE. The cost of abandoning the implementation of SEAP is to dismantle all that makes EU values and its uniqueness.

## About Social Economy Europe

Social Economy Europe (SEE) is the voice of the 2.8 million social economy enterprises and organisations Europe. Created in November 2000, under the name of CEP-CMAF<sup>1</sup>, SEE represents the collective interests of all social economy actors as cooperatives, mutuals, associations, foundations, social enterprises, and other social economy legal forms. Social economy enterprises and organisations of all sizes operate in all socio-economic sectors.

SEE is formed by three types of members:

- European umbrella organisations of cooperatives, mutuals, associations, and foundations, such as AIM, AMICE, CEDAG, and Philea.
- National social economy umbrella organisations, representing the diversity of social economy actors such as ADV Romania, CASES, CEPES, ConcertES, ESS-France, Forum Terzo Settore, Alleanza delle Cooperative Italiane, PASE KALO, Szowes, Social Economy Ukraine and the Wheel.

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<sup>1</sup> European Standing Conference of Cooperatives, Mutuals, Associations and Foundations

- European networks actively engaged in the promotion of the social economy as CECOP, DIESIS, ENSIE, EMN, Eurodiaconia, FEBEA, IPSE, Teachsoup Europe and REVES.

As of 2025, SEE has 28 members:





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