



## **Euclid Network's first response to the EU Social Economy Action Plan**

Euclid Network (EN), the European network for Social Enterprises and impact-driven leaders, welcomes the Social Economy Action Plan (SEAP) from the European Commission (EC). The initiative will bring improved conditions for 2.8 million enterprises and 13.6 million people working in the Social Economy across Europe. It builds on past successes while also paving the way for improved frameworks and support in various areas, reflecting many of the sector's needs. We thank the EC for the open cooperation and thorough consultative process which has resulted in a comprehensive action plan. Below, we want to share with the EC and all interested stakeholders an initial response from our network.

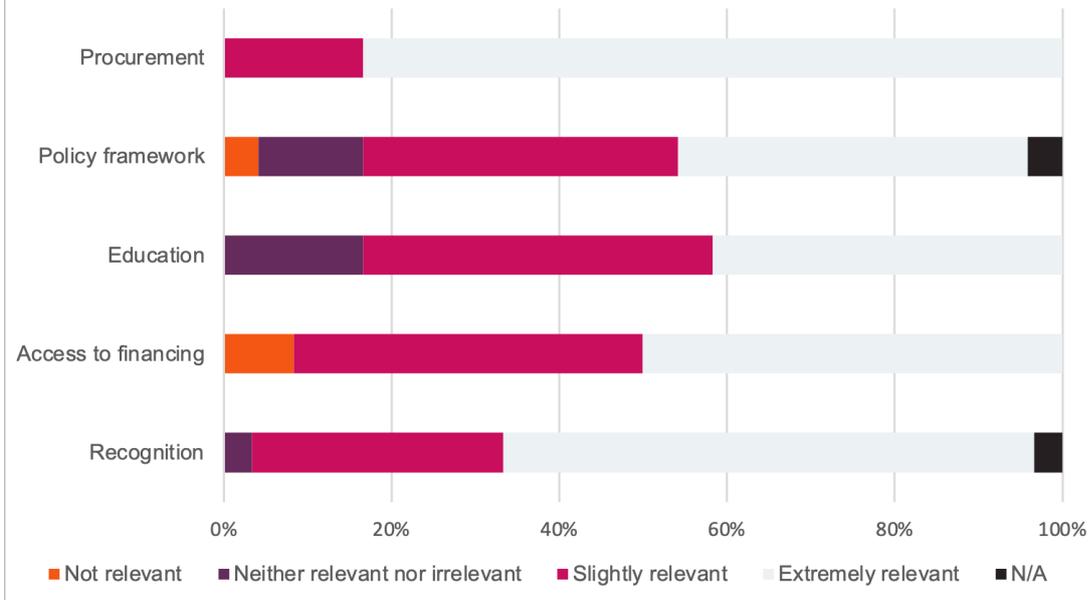
### ***Mainstreaming the social economy***

We warmly welcome the aspects of the SEAP that seek to address wider policy and legal frameworks and appreciate their influence on social economy ecosystems both within the EU and in the wider European neighbourhood. The approach towards the reform and adaptation of State Aid policies is noted as particularly potent in its capacity to open new forms of investment for social enterprises. The explicit references to initiatives such as the Social Taxonomy is also understood to have the potential to lead to broader changes beyond the social economy. However, it is noted that explicit reference to other European initiatives – such as the Corporate Social Responsibility Directive and the Corporate Governance Directive – could be supportive in highlighting the interrelation between policies for the social economy and the traditional economy broadly. Such explicit connection between policies and policy areas is also believed to be supportive of efforts to mainstream the social economy.

### ***EN members warmly welcome actions on recognition, social procurement & financing***

From the consultation with our members, we can highlight the most relevant elements arising from the SEAP which include propositions in the areas of recognition, financing, education and procurement. EN members see the actions in the area of “recognition” as overwhelmingly relevant. This relates specifically to the ideas of labels, certification and the development of more common criteria to denote a ‘social enterprise’. In the area of “access to financing”, members see the use of the InvestEU instrument to support the social economy as highly relevant. Moreover, members are very positive about the actions related to procurement.

## Members' evaluation of the key elements of the SEAP



The new initiative supporting the creation of a partnership between social economy actors and mainstream businesses is seen as a momentous step towards the mainstreaming of the social economy. In this regard, the promotion of the 'Buy Social' campaign in B2B interactions is particularly important. Our network considers that enhancing the social economy's recognition is a central tenet of mainstreaming. A key element of this agenda, recognised by the EC, is education and training. The development of a Youth Entrepreneurship Policy Academy is seen as a great way to foster highly valued exchanges of knowledge between young social economy actors. The integration of this academy and educational agenda with existing initiatives in education and training such as the European Education Area and the Pact for Skills is considered particularly important. The importance of working with and to enhance research and training on social entrepreneurship in academic institutions is also highly important.

### ***EN members would like to see further action on impact measurement and data collection***

The SEAP is in no doubt a milestone document for the development of the social economy. However, our network notes the importance for further action on some specific points. Firstly, the desire expressed in the SEAP for impact measurement and management to be undertaken within a broader European framework is welcomed and understood to support endeavours to better highlight the non-financial benefits and positive environmental and social impacts that social enterprises deliver through their business models. We are keen to stress that while this approach is welcomed, the benefit of clear indicators such as profit distribution, gender equality and social procurement should be at the heart of impact measurement frameworks to ensure they remain comprehensible and meaningful to all stakeholders in the social economy. Our members see impact measurement as a powerful tool in the mainstreaming of the social economy – both with regard to increasing access to funding as well as increased visibility and recognition of the impact of the social economy. Secondly, it is stressed that while collecting quantitative and qualitative data is key in the development of evidence based policies for the social economy, any new data collecting projects should be devised in a complementary fashion to those activities that are already being undertaken in the sector, such as the European Social Enterprise Monitor.

### ***Effective implementation & monitoring***

The SEAP is key for signalling the growing momentum behind the social economy and social enterprises, and it is identified as a key EU action which social enterprise support organisations will be able to leverage to encourage more action at the national level. Our members are generally positive about the expected impact of the action plan. However, they stress that effective implementation of the actions is crucial. Our members are therefore eager to see the steps that the EC will take in this endeavour with the apt reminder that ‘the proof of the pudding is in the eating’. It is stressed that the actions taken by the EC on the social economy should be building on and complementing the activities already undertaken in the sector. Our members see a role for the Expert Group on Social Economy and Social Enterprise (GECES) in the monitoring process of the implementation of the SEAP’s vision.

### ***Conclusion***

In summary, the SEAP is a big step in the right direction, considering many beneficial aspects and addressing the needs of the ecosystem. Nevertheless, there are still suggestions for improvement that will need active follow-up in the near future. It is important to note that as the social enterprise sector progresses, there might be a need to adapt actions and initiatives of the SEAP. We will continue to inform the EC’s work with insights about the needs of the sector, based on our annual European Social Enterprise Monitor, annual State of the Industry report and ad-hoc consultations. Above all, we are excited to have reached this milestone accomplishment. As a network, we stand ready to support the EC in the implementation and communication of the SEAP. We are ready to build a better future together.