

Declaration

14 November 2018

EASPD Declaration on social economy enterprises

Contents

1. Introduction.....	2
2. Social economy enterprises	3
3. Recommendations to the EU institutions	6
4. The way forward for social economy enterprises	7
5. Conclusions.....	9
Contacts.....	9

1. Introduction

Social economy enterprises are one of the work and employment models that are part of social economy which have been gaining more and more attention at European and national level as they contribute to the employment of persons with disabilities - especially those with intellectual and/or psychosocial disabilities - while enhancing social inclusion.

Today, social economy enterprises hire more persons with disabilities than other entrepreneurs. In fact, in many cases, they represent the only working opportunity existing in several European regions. Their presence in many underdeveloped rural areas makes them also an important instrument in the promotion of social cohesion and in the recovery of areas at risk of abandonment by the general population.

An additional value of social economy enterprises is that – due to their unique combination of social and economic objectives – they are at the forefront in the implementation of Article 27 on the right to work and employment of the United Nations Convention on the Rights of Persons with Disabilities (UN CRPD), placing them, currently, as one of the preferred actors in the fulfilment of this right.

In June 2018, during its international conference in Varna (Bulgaria) “Social Economy as an effective model for social inclusion - Social economy enterprises, social services and employment”, the European Association of Service providers for Persons with Disabilities (EASPD) had the opportunity to focus on the different models of Europe’s social economy enterprises employing persons with disabilities and to investigate how these models contribute to social inclusion and to the enjoyment of Article 27. Many models of successful and sustainable services were presented that not only contribute daily and in the long-term to social inclusion and cohesion, but also contain an essential entrepreneurial element. The conference thus represented a formal recognition by EASPD of the support services sector’s role in social economy entrepreneurship.

This Declaration results from the debates in Varna and has been drafted in consultation with the EASPD membership. It sets out the position of disability support services on social entrepreneurship¹ and the vision for the future by identifying key recommendations for the sector and the European institutions. It also outlines the actions that will be undertaken by social economy enterprises to further evolve the social market economy.

¹ For the purposes of this document, we refer to social economy enterprises that are concerned exclusively in work and employment of persons with disabilities. They may have specific needs which we may identify and do not necessarily coincide with other social economy enterprises.

2. Social economy enterprises

The following paragraphs introduce the main contextual elements related to social entrepreneurship in the European context:

- the general definitions used at European level
- the features of social economy enterprises active in the disability field
- the role of social economy enterprises as implementers of the right to work and employment of the UN CRPD.

Both the European Union and the exchange of dialogue amongst member states and relevant stakeholders could play an important role in further supporting the debate around social entrepreneurship development, filling in the need for progress in this field.

2.1 European context of social economy enterprises

Social economy enterprises are key social economy actors as they combine societal goals with entrepreneurial spirit. These organisations focus on achieving wider social, environmental and/or community objectives, rather than just on generating income.

In European Union legislation, the European Commission uses the term “social enterprise” to cover the following types of business²:

- *“Those for who the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation.”*
- *“Those where profits are mainly reinvested with a view to achieving this social objective.”*
- *“Those where the method of organisation or ownership system reflects the enterprise’s mission, using democratic or participatory principles or focusing on social justice.”*

While some form of legal recognition for social economy enterprises exists in many countries, it is not universal. Many social economy enterprises operate in the form of social cooperatives, some are registered as private companies limited by a guarantee, some are mutuals, and a lot of them are non-profit-distributing organisations like provident societies, associations, voluntary organisations, charities or foundations.

2.2 Social economy enterprises as key tools to support persons with disabilities

In the field of disability, a significant proportion of support service providers are committed to deliver on social objectives - by providing work and employment opportunities to persons

² http://ec.europa.eu/growth/sectors/social-economy/enterprises_en

with disabilities while pursuing economic activities - thus they are part of social economy and can be considered social enterprises.

Social economy enterprises providing work and employment opportunities to persons with disabilities are, however, also defined by the distinct context in which they operate. As part of their workforce is comprised of persons with disabilities, there are ongoing needs related to vocational training and education and support on the job that may be more substantial in terms of time, cost and nature than for persons without disabilities. This can be explained by the fact that persons with disabilities also include many persons with profound support needs, as may be the case for persons with intellectual and/or psychosocial disabilities. As such, the return on investment for the employer may not be evident when all the above requirements are taken into consideration. Often, therefore, a precondition for the functioning and existence of social economy enterprises is the availability of subsidies and/or tax reductions to mitigate the additional costs social economy enterprises have to face and/or to make up for the loss in production generated by individuals who are less productive than non-disabled peers.

In addition to the above, in several countries in Europe, the lack of appropriate legal frameworks hampers service providers that could operate as commercial entities to be fully recognized as social economy enterprises, thus being unable to offer work-related activities under full labour legislation.

Given their particular context of functioning, social economy enterprises supporting persons with disabilities therefore often face constraints in their operation which may place them in unequal conditions to compete in the market and/or do not allow them to develop to their full extent services to the benefit of the individuals that they support.

2.3 Social economy enterprises as innovators in the implementation of the right to work and employment for persons with disabilities

Over the years social economy enterprises have developed high expertise in the field of vocational education and training and in the adaptation of work processes and work stations. The experiences of social economy enterprises in various European countries show that a combination of facilitating legal frameworks and a set of other conditions allow to create a win-win situation for both the employer and the employee and generates a context of increased inclusion and participation in the community for many individuals who struggle to find job opportunities in other settings.

The general approach undertaken by social economy enterprises, which provides individualised support within inclusive environments facilitating workers' rights, may be considered a promising development for the enjoyment of the right to work and employment. This makes social economy enterprises a valuable instrument to meet the requirements related to Article 27 of the UN CRPD and to further promote their advancement whenever those are not fully satisfied yet.

Indeed, the implementation of the right to work and employment demands many changes from the States signatories of the UN CRPD and the organisations involved in the provision of work and employment opportunities. It is clear that a one-size-fits-all approach cannot fulfil individual needs, nor can it be the solution for all, however, social enterprises may be well-placed to address successfully some of the challenges of Article 27 of the UN CRPD.

3. Recommendations to the EU institutions

In the last decade, the European Union has positioned itself in a leading role concerning the development of social economy enterprises. The launch in 2011 of the Social Business Initiative³, a set of actions aimed at further developing the understanding of social economy enterprises, supporting their progress and making a commitment to invest in social economy enterprises in the years to come, was a positive step too.

The revision of the EU Public Procurement Directive in 2014 with the introduction of social clauses and the Best Price Quality Ratio criteria has provided good opportunities to favour the development of social economy enterprises and many countries in Europe are benefiting from facilitating schemes. At the same time, funding programmes available within the European Structural and Investment Funds (ESIF) and the Employment and Social Innovation Programme (EaSI) have played an important role in financially supporting the sector, but these opportunities are not always sufficiently exploited due to a lack of knowledge or administrative capacity.

The following paragraphs introduce the main recommendations of EASPD in view of strengthening the development of social economy enterprises in the years to come and supporting the creation of these models wherever national frameworks do not fully allow their development yet.

EASPD recommends the EU institutions to:

✓ Legal frameworks

- Facilitate the implementation and uptake of Article 20 on “Reserved contracts” of the EU Public Procurement Directive⁴ to support the development of social economy enterprises.
- Promote the application of a “lighter regime” for the provision social services through the use of the Articles 74-77 the EU Public Procurement Directive.
- Recognise the specificity of social economy enterprises in the social economy scene with an ad hoc legal framework suitable to the needs of persons with disabilities.
- Promote the use of the EU State Aid Regulation⁵ to financially support social economy enterprises.

✓ Investment needs and funding

- Highlight the potential of financing schemes such as the European Fund for Strategic Investment⁶ (EFSI) to introduce innovation in the sector upscaling the impact of the economic activities.

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0682>

⁴ <https://eur-lex.europa.eu/legal-content/FRF/TXT/?uri=celex:32014L0024>

⁵ [Commission Regulation \(EU\) N°651/2014 of 17 June 2014](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014R0651)

⁶ http://ec.europa.eu/growth/industry/innovation/funding/efsi_en

- Maintain and further develop ad hoc funding schemes in the next EU Multiannual Financial Framework that meet the needs of social economy enterprises, such as in the European Structural and Investment Funds and the in the Employment and Social Innovation Programme (EaSI).

✓ **Awareness raising**

- Develop a culture of innovation with ad-hoc instruments for social economy enterprises in the form of a one-stop shop with specific information related to the employment of persons with disabilities.
- Provide technical, financial and administrative support to organisations making the transition to or willing to adhere to social economy enterprises principles.
- Give visibility to the sector mainstreaming the benefits and the potential of social economy enterprises across EU legislation and policy making.
- Encourage the development of research and education plans for future social entrepreneurs at university level and develop centres of reference to support social entrepreneurs.
- Provide a platform of exchange for social entrepreneurs and national/local authorities to discuss about their needs and opportunities for cooperation.

✓ **Implementation of the UNCRPD**

- Recognise social economy enterprises as facilitators in the implementation of the UN CRPD, making adequate assistance available to both employers and employees.
- Ensure the needed recognition of social economy enterprises within the spectrum of employment opportunities for persons with disabilities.
- Highlight the need for Member States to develop sufficient legal and financial frameworks supportive of both employers and employees with disabilities' needs.
- Promote understanding on how to realise Article 27 in the practice for both employees and all stakeholders involved in working life of persons with disabilities.

4. The way forward for social economy enterprises

The social economy enterprises sector is developing fast and has a unique potential to unlock work and employment opportunities for many persons with disabilities that are currently excluded from the labour market, due to the inadequacy of options available for individuals, as well as the lack of assistance provided to employers hiring persons with support needs.

The following actions designate the commitment undertaken by EASPD's members to further contribute to the development of social economy via social economy enterprises and to improve working opportunities for persons with disabilities.

To this extent, social economy enterprises represented within the EASPD network commit to:

✓ **Vocational and educational training**

- Enhance the potential of social economy enterprises by filling in the gap for learning opportunities via e.g. developing cross-sectorial partnerships fostering innovation and in-depth understanding of operational issues.
- Develop guidelines on how to provide optimal support to both employers and employees so as to facilitate the scale up of good practices.
- Develop certification opportunities for employees to make their acquisition of skills usable across contexts.

✓ **Awareness raising**

- Secure the needs of social economy enterprises in relevant future EU debates and promote the exchange of opportunities with different EU audiences.
- Promote sharing and learning on good practice models across Europe and support these examples as they implement the UN CRPD.
- Highlight the possibilities for learning, funding and financing opportunities for social economy enterprises and their stakeholders' network.
- Foster the development of social dialogue structures to address social economy enterprises specific issues related to the employment of persons with disabilities.

✓ **Implementation of the UNCRPD**

- Address the needs and the rights of persons with disabilities in the spirit of the UN CRPD.
- Develop person-centred approaches to support persons with disabilities, allowing them to be empowered while participating in the working life.
- Ensure the underlying framework of the UN CRPD is well understood and taken into consideration in the development of support and learning paths for persons with disabilities as well as in their enjoyment of rights.

5. Conclusions

In a context of evolving legal frameworks and developments at policy level, social economy enterprises are proving to be an effective tool supporting multiple social and economic objectives. It is important to consider social economy enterprises as one of the tools that can be used to promote employment opportunities for persons with disabilities, while contributing to social economy in Europe. Clearly, for these models to be effective there needs to be quality legal frameworks that will benefit both persons with disabilities as well as entrepreneurs developing commercial activities in order to ensure sustainability and long-term individual development.

In the development of social economy enterprises, EASPD will keep on pursuing meaningful relations with mainstream stakeholders to ensure the set-up of inclusive work and employment models rooted in the community and guaranteeing the enjoyment of human rights.

Looking ahead, it will be crucial that EASPD promotes a good understanding of social economy enterprises issues and needs with EU and national policy-makers. Through our unique platform of expertise we shall provide plentiful opportunities to address them and to identify solutions.

The implementation of the right to work and employment – Article 27 of the UN CRPD – which is at the core of EASPD’s members mission, demands many changes from the States signatories and relevant stakeholders involved in the debate and EASPD’s members are committed to bring forward the debate to respond to the needs and wishes of persons with disabilities

Who is EASPD

[EASPD](#) (European Association of Service providers for Persons with Disabilities) is a European NGO network representing 17.000 social and health support provider organisations across Europe and across disabilities, working towards the promotion of equal opportunities for persons with disabilities through effective and high-quality service systems.

Since the [United Nations Convention on the Rights of Persons with Disabilities](#) (UN CRPD) came into force, it has become the core of EASPD’s policy strategy. EASPD is accredited to the Conference of States Parties to the Convention on the Rights of Persons with Disabilities.

Contacts

Sabrina Ferraina
Policy Manager
www.easpd.eu

