Social Economy Recovery

Social Economy Unit

DG Internal Market, Industry, Entrepreneurship and SMEs (GROW)

Leveraging the Social Economy for the Recovery of People and Places

OECD 09/07/2020
Social Economy Disruption

**Health bulletin**
- Generally huge drop in revenues (Q2). Temporary cessation for numerous activities (certainly those with direct contacts), many at risk of complete closure (Q3-Q4) due to limited financial reserves and reduced income expectations (Q2-Q4)
- Social Finance sector has instruments to support SE. Still limited time-frame!
- Huge mobilisation of crowdfunding, philanthropy, donations and volunteerism.
- Reports of limited or no access to support measures due to legal status (temporary unemployment, liquidity schemes)

**Social Services**
- Higher demand aid and care
- Reach out to target groups even more difficult
- Partial / fully closed
- Lack of PPE

**Work Integration Social Enterprises**
- Partial / fully closed ➔ revenue drops
- In some MS not eligible for support measures
- Lack of PPE
- Manufacturing, retail, catering, circular, services, …
- Many converted production to PPE

**Social Enterprises & cooperatives in retail, tourism, food, creative industries and catering.**
- Also in SE these sector were hit very hard.

**Agriculture**
- local sales of organic, ecologic farmers, short chain sales boosted trough cooperative local markets, delivery and farms shops.

**Digital social services & enterprises, platforms and commons**
- Digital innovators are active to help SE with a digital presence: e-commerce, platforms, e-communication and services.
- Developing COVID19 related tools: monitoring, mapping, distancing, health reporting,…

**Fixing disrupted value chains:**
- Basic Goods / Services
- (eco)delivery, local mobility services, production, services,
- PPE production

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Industrial Ecosystems in Europe

Industrial Ecosystems for the Recovery

- Passenger transport and travel
- Hotels, short-term accommodation
- Restaurants and catering
- Events, theme parks
- Newspapers, books, and periodicals
- Motion picture, video, and television
- Radio and music
- Aircraft and spacecraft production
- Military and weapons
- Satellites
- Production of textiles, wearing apparel, footwear, leather, and jewellery
- Production of electronics
- Production of motor vehicles, boats, and trains, and accessories
- Their repair and maintenance
- Freight transport
- Extraction of fossil fuels
- Refining
- Manufacturing of products with high environmental impact: plastics, chemicals, fertilisers, iron and steel, paper, etc.

- Social enterprises, associations and cooperatives aiming at generating a social impact, often proximity-based
- Retail sales
- Wholesale connected to consumers
- Building of residential and non-residential estates
- Building of roads and railways
- Building of utilities and civil engineering
- Associated activates
- Telecommunication
- Software and programming
- Web portals
- Manufacturing of computers and equipment
- Pharmaceutical products and equipment
- Hospitals, nursing homes, residential care
- Plant and animal production
- Processing of food
- Veterinary activities
- Electric motors, engines, and turbines
- Electric power generation
- Manufacturing and distribution of gas
- Retail sales
- Wholesale connected to consumers
- Construction
- Digital
- Health
- Agri-food
- Renewable energy
- Low-carbon energy-intensive industries
- Mobility - Automotive
- Textiles
- Electronics
- Aerospace & Defence
- Proximity & Social Economy
- Creative & Cultural Industries
- Aerospace & Defence
- Textiles
- Electronics
- Mobility - Automotive
- Proximity & Social Economy
- Creative & Cultural Industries
To mobilise the necessary investments, the Commission is putting forward a two-fold response:

**Next Generation EU**
- a new recovery instrument of €750 billion
- which will boost the EU budget with new financing raised on the financial markets for 2021-2024

**A reinforced long-term budget of the EU**
- for 2021-2027 (€ 1 100 billion)
THE PILLARS OF NEXT GENERATION EU

**PILLAR 1**

Supporting Member States to recover

- Recovery and Resilience Facility
  - Of which GRANTS
  - Of which LOANS**
- REACT-EU**
- Rural development**
- Just Transition Fund

**Total Pillar 1**

- 405 grants
- 250 loans

**Kick-starting the economy and helping private investment**

**PILLAR 2**

- Solvency Support Instrument
- InvestEU***
- Strategic Investment Facility

**Total Pillar 2**

- 56.3 provisioning for guarantees

**PILLAR 3**

Learning the lessons from the crisis

- Health programme
- rescEU
- Horizon Europe
- Neighbourhood, Development and International Cooperation
- Humanitarian Aid

**Total Pillar 3**

- 38.7 grants
- 10.5 provisioning for guarantees

**Grants**

- 500
- of which provisioning for guarantees 66.8

**Loans**

- 250.0

**TOTAL**

- 750
Clusters of Social and Ecological Innovation

**Government initiative** (policy tool for social inclusion, employment & social innovation by engaging Social Economy actors) or **Organically** and initiated by a group of Social Economy actors

- **Social drivers**
  - besides membership of business, local/regional government and Research, the engagement of civil society directly or indirectly is notable (Quadriple helix model)

- **Sustainability drivers**
  - used for **regenerating a physical space or industrial site**: open spaces, creative commons. A variety of services that go beyond pure businesses activity (culture, leisure, housing, art,...)

- **Economic drivers**
  - used as a vehicle for **innovative financial opportunities and pooling financial resources** (specific loan system, crowdfunding, match-funding, act as an intermediate body ESIF, etc.)

- **A Cluster with a democratic or participatory governance logic** (usually starting in an informal mode and gradually emerging to formalised forms with a manager budget, staff, legal entity.

- A Cluster is seen as a **resource for the territory** (aiming at meeting needs of the local population) rather than that the Territory is a resource for the cluster
Launched in February 2018 with two objectives: raise awareness about social economy at regional/local level and build networks of regional/local social economy stakeholders;

Future perspective: to develop capacities for a targeted inter-regional collaboration between social economy partners under “social economy missions”: start 2nd semester 2020
Thank you!

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"EU for Social Economy & Social Enterprises"

Website:
https://ec.europa.eu/growth/sectors/social-economy