

Transition pathway for Proximity and Social Economy



Transition pathway

“PROXIMITY AND SOCIAL ECONOMY” ECOSYSTEM

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I. INTRODUCTION

1 The transition pathway: a policy tool fit for action

On 10 March 2020, the European Commission adopted a new EU industrial strategy. The aim was to help EU industry lead the green and digital transformations and to boost the EU's global competitiveness and open strategic autonomy.¹

In light of the experience of the COVID-19 pandemic, the Commission updated the EU industrial strategy, highlighting the need to accelerate the green and digital transitions and increase the resilience of key industrial ecosystems by launching transition pathways to be co-created with stakeholders². The first Annual Single Market report outlined challenges and opportunities for 14 industrial ecosystems, among them the “Proximity and Social Economy ecosystem”.³

While still addressing the aftershock of the COVID-19 pandemic and facing the new shock of the first war on the European continent after almost 80 years, the priorities of the EU industrial strategy for resilience, the twin transition and strategic autonomy regain their relevance within the current geopolitical and economic context, with the combined challenges of the disrupted supply chains, rampant inflation, the energy crisis, and the ongoing war in Ukraine.

Against this background, the Commission is presenting in this policy report the pathway for the green and digital transition of the Proximity and Social Economy ecosystem (hereafter referred as ‘the report’). The action areas outlined in the transition pathway resulted from a co-creation process with stakeholders launched in December 2021, on the occasion of the

1 https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/european-industrial-strategy_fr

2 https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/transition-pathway-proximity-and-social-economy_en

3 https://single-market-economy.ec.europa.eu/news/commission-presents-2022-single-market-report-and-updated-depth-review-europes-strategic-2022-02-23_en

adoption of the European Action Plan on Social Economy⁴, whose implementation it also underpins. Moreover, this transition pathway is included among the actions contributing to the objectives of the New European Bauhaus,⁵ a policy initiative connecting the European Green Deal values to our daily lives and living spaces.

Europe's transition to climate neutrality by 2050 and the digital compass targets⁶ will require profound changes of economic and business models, backed by substantial and targeted investments. A fundamental shift is therefore required across industrial ecosystems, combining accelerated decarbonisation and circular transition of production and services, digital innovation uptake, smart and inclusive technological solutions and data access and management.

This is particularly the case for the “Proximity and Social Economy” industrial ecosystem, which encompasses entrepreneurship models of diverse scale and capacity (hereafter referred as ‘the ecosystem’). Adapting practices in the ecosystem will allow its diverse actors and numerous SMEs to be frontrunners in the twin transition and build long-term resilience.

2 Co-creating the pathway for resilience, the green and digital transition: stakeholder action towards shared milestones and better conditions for investment

The process of co-creating the transition pathway was launched on 9 December 2021 with the publication of the Commission Staff Working document⁷ on potential scenarios towards the co-creation of a transition pathway for the ecosystem.

⁴ <https://ec.europa.eu/social/main.jsp?catId=1537&langId=en>

⁵ https://europa.eu/new-european-bauhaus/index_en

⁶ <https://digital-strategy.ec.europa.eu/en/policies/europes-digital-decade>

⁷ Commission Staff Working Document (2021) 982 final - Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital Proximity and Social Economy industrial ecosystem

As next step between December and March, the Commission sought stakeholder input to the questions raised in the Staff Working document and called for first pledges for action. The online survey⁸ elicited responses and initial pledges from almost 80 stakeholders, which were analysed⁹ and used to structure discussions in workshops organised between April and June 2022. In total, 12 consultation meetings and workshops were held reaching out to over 400 ecosystem stakeholders, including Member States experts, regions and cities (European Social Economy Regions community, Intelligent Cities Challenge), and networks such as the New European Bauhaus community and the Enterprise Europe Network and the European Social Economy Regions network. EU Institutions and bodies were informed and consulted during the preparation. The EU Industrial Forum was consulted and received regular updates.

These meetings and workshops provided diverse inputs into the co-creation process and feed into the main components of the report. In particular, inputs from social economy stakeholders collected during four dedicated workshops are summarised in a separate stakeholder consultation report.¹⁰

A set of 8 key topics emerged from the EU survey. These topics were further explored in stakeholder workshops and consultation meetings. They largely build on the proposed scenarios in the Staff Working Document, while also adding new elements. The table in Annex I gives a comparative overview.

The guiding tool for the co-creation process of the transition pathway is the “Blueprint”,¹¹ a tool proposed by the EU Industrial Forum to understand challenges and opportunities of the twin transition in the different industrial ecosystems along 7 building blocks: sustainable

8 [Scenarios towards co-creation of a transition pathway for a resilient, innovative, sustainable and digital proximity and social economy ecosystem \(europa.eu\)](#)

9 Placeholder survey report

10 Placeholder Ref to doc.

11 https://single-market-economy.ec.europa.eu/industry/strategy/industrial-policy-dialogue-and-expert-advice_en

competitiveness; regulation and public governance; investment and funding; R&I, techniques and technological solutions; infrastructure, skills and social dimension.¹²

Stakeholder input collected during the co-creation process was analysed, based on the approach mentioned above, and resulted in identifying a list of action areas, which are presented in this report. Each action area includes specific actions and most relevant actors. In turn, each specific action is matched with an indicative timeframe of implementation (short-, medium- or long-term) and intended outputs.¹³ It should be noted that actions referring to the EU as potential actor do not commit to new initiatives or the allocation of new resources under the multi-annual financial framework 2021-2027. Where a reference is made to EU spending programmes, it is to indicate a link that can potentially benefit the social economy in the future.

3 “Proximity and social economy” as an industrial ecosystem

The ecosystem encompasses public and private actors connected through value chains promoting local production and consumption, as well as social economy entities.¹⁴ The ecosystem accounts for 6.54% of EU value added (EUR 791 billion).¹⁵

12 Considering that social aspects are rooted in the essence of the ecosystem and are shaping activities of its entities, the “social dimension” as a separate Blueprint building block is not addressed as such in a specific chapter but is rather embedded in the whole report.

13 Indicatively, “S”, i.e. short-term indicates activities that should start as soon as possible; “M” indicates activities that should start in the medium-term i.e. by 2030; while “L” indicates the long-term i.e. activities that should start and complete by 2050.

14 For reasons of consistency, the transition pathway will address the social economy as the centre of gravity of this industrial ecosystem. Due attention will be given to the proximity economy, as part of the ecosystem. The “Civil Security” dimension (announced in SWD (2021) 351), will not be captured as part of this industrial ecosystem anymore, due to the minimal economic activity and as it concerns mostly public services. Civil security industries are equally represented in other industrial ecosystems identified in the Annual Single Market report 2021 SWD (2021) 351 final.

15 Commission Staff Working document accompanying Annual Single Market Report 2021, [swd-annual-single-market-report-2021_en.pdf \(europa.eu\)](#)

The social economy is the centre of gravity of the ecosystem and of the transition pathway. At the same time, social economy business models are present in different economic sectors and industrial value chains and are therefore concerned by the transition pathways of other industrial ecosystems, in particular mobility, tourism, textiles, agri-food, retail, and construction. Social economy entities provide jobs to 13.6 million people, which represents 6,3% of the EU workforce,¹⁶ and mobilise the equivalent of 5.5 million full time workers in entities such as foundations and charities. While social economy is developed unevenly across EU Member States it can range up to 10% across EU27.¹⁷

It is important to note that the social economy concept differs strongly between Member States with different degrees of recognition and developed supportive policy frameworks.¹⁸ The social economy covers business and organisational models sharing the following common principles and features: the primacy of people and social and/or environmental purpose over profit, resulting in the reinvestment of most of the profits and surpluses to carry out activities in the interest of members/users (“collective interest”) or the society at large (“general interest”), and entrepreneurship models based on democratic and/or participatory governance¹⁹. Most enterprises in the social economy are SMEs, with a very large share of micro-enterprises²⁰. They operate in diverse economic sectors such as agriculture, forestry and fishing, construction, wholesale and retail trade, energy, information and communication,

16 With large disparities amongst Member States (between 0.6% paid employment in some Member States and 9.9% in others)

¹⁷ According to latest data available: share of GDP estimations for Poland 1.8% (GUS & EUROSTAT, 2021), Spain 10% (CEPES 2017), France 10% (Cress 2017), Portugal 3% (INE, 2016). Member States results cannot necessarily be compared, nor aggregated as the methodologies are different.

¹⁸ European Commission (2020), a map of Social Enterprises and their ecosystems in Europe, Comparative synthesis report 2020: The degree of acceptance of the social enterprise concept varies to a significant extent across countries depending on the relevance of the phenomenon, space of development of social enterprises and existence of other similar and/or bordering concepts.

¹⁹ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=10117>

²⁰ [SME definition \(europa.eu\)](https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherNews=yes&newsId=10117)

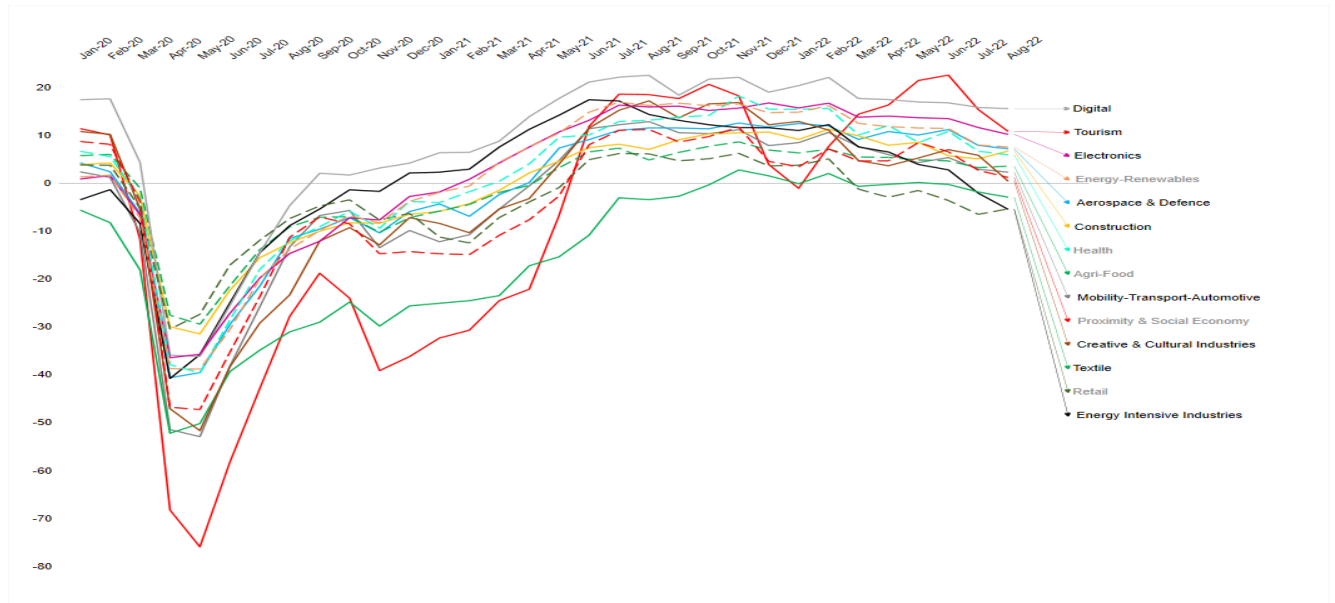
financial and insurance activities, real estate activities, professional, scientific and technical activities, education, health, care and social services, arts, entertainment and recreation.²¹

In the context of the ecosystem, the ‘proximity economy’ includes services and businesses fostering local and short value chains for mainly local production and consumption. Proximity businesses include local businesses and SMEs operating personal and contact services, small shops, bars and restaurants, repair, cleaning and maintenance services, etc. The proximity economy is characterised by the presence of diverse sets of enabling ‘proximity hubs’ such as cities, local communities, community initiatives, businesses clusters, and public private partnerships.

4 The ecosystem in front of global challenges: the COVID-19 pandemic and geopolitical tensions

The COVID-19 pandemic affected social economy business and organisational models differently, depending on the industrial value chains and ecosystems they are part of (e.g. health, care and social services, hospitality, tourism, cultural and creative industries, retail). The ecosystem was amongst the most hit industrial ecosystems (together with tourism, creative and cultural industries and automotive), with an estimated equity loss between EUR 52 billion and EUR 87 billion. As depicted in the graph below, the ecosystem saw a sharp drop of business confidence and was amongst the lowest of the 14 industrial ecosystems monitored in the Annual Single Market Report 2021 (data for 2020). Since early 2021, it showed gradual improvement, followed by a new gradual decrease since Q4 2021 reflecting the broader economic outlook in 2022.

21 EESC “Recent evolutions of the Social Economy in the European Union”, CIRIEC (2017) and UN Handbook TSE (2014)



Confidence indicator per ecosystem, European Commission, August 2022.

Some nuances are worth highlighting. Social economy activities crucial for urgent sanitary and social needs witnessed a spike in demand during lockdowns and this trend is expected to continue during recovery post Covid-19. Moreover, the pandemic alongside with the economic and social challenges the EU is currently facing (i.e. energy and housing crisis, inflation, increasing regional disparities, influx of migrants, rise of extremisms) accelerated inspiring initiatives and investment trends generating social impact (e.g. crowd funding campaigns, impact investing, impact bonds, philanthropy, volunteering, community initiatives, Tech for Good²²), thereby showing social economy entities' ability to reinforce place-based dynamics and empower people-driven resilience and growth. Similar positive trends are occurring within the proximity economy, such as the popularity of 'buy local' or

²² Tech4Good involves technology-powered, affordable, trustworthy solutions and services that advance good social and environmental causes.

the accelerated development of the '15- minute city' concept²³, building on growing consumer awareness and demand.

While still recovering from the shock of the pandemic, the ecosystem is being exposed to the new economic and geopolitical challenges the broader EU economy is facing, causing high inflation, energy insecurity, disruption of value chains and production bottlenecks of certain commodities. In particular, the soaring prices of energy, especially gas, impacts different industrial sectors, including businesses in the proximity and social economy ecosystem.²⁴ The impact of Russia's invasion in Ukraine is twofold for the ecosystem. On one hand, social economy entities face the general disruption of certain supply chains (e.g. agricultural commodities, metals or energy supply). The price of oil, electricity and gas is of particular concern for the micro- and small enterprises in the ecosystem. On the other hand, the ongoing war in Ukraine has triggered an alarming humanitarian, social and economic crisis and social economy entities have been mobilised to address the needs in Ukraine and EU Member States. First, social economy clusters and philanthropy organisations worked with relevant stakeholders within and outside Ukraine to assess the needs, raise awareness, coordinate and pool resources to scale up aid and support actions set up across Europe. This mobilisation took different forms: raising funds, sending basic goods to affected regions in Ukraine, providing transportation options, food and housing for millions of displaced persons. Moreover, social entrepreneurs' networks have launched initiatives to provide equipment, agriculture commodities, raw materials, and other resources for businesses, entrepreneurs and farmers allowing them to stay active. In this context, a large number of cooperatives, associations and social enterprises have been helping in managing the flow and integration of displaced people in Europe.

23 The concept of the "15-minute city" is a city model that allows every citizen to live, work, enjoy and thrive, within a short walk or bike ride of their home. It creates a 'human-scale' city composed of vibrant, people-friendly, 'complete' neighbourhoods. It means decentralising city life and services, boosting the local economy, offering local and diverse employment opportunities and more productive use of buildings and street space.

24 [quarterly report on european electricity markets q1 2022.pdf \(europa.eu\)](#)

On another level, the pressing effects of climate change, the continuous disruption of global supply chains and alarming energy crisis combined with rampant inflation, are making more concrete the role the ecosystem can play to address the global economic and geopolitical challenges by offering alternative and agile business models generating growth, jobs and positive societal impacts.

5 Resilience of the ecosystem

Stakeholders had already provided extensive input on resilience factors during the preparation of the European Action Plan on social economy, which sets out the EU vision on social economy for 2030 and whose implementation the transition pathway also underpins. Therefore, while resilience is the underlying end-objective, the co-creation process of the transition pathway of the ecosystem focused on the challenges and opportunities of the green and digital transitions. This is also in line with the Commission Staff Working document which kick started the co-creation process of this transition pathway last December.

Enabling the twin transition of the ecosystem emerges as a key condition to foster its long-term resilience. Moreover, it enables to harness its full potential as a driver for an inclusive and just green and digital transition.

The long-term resilience of the ecosystem depends on effective ways to address chronic and structural challenges, but also to capitalise on emerging mega trends.

During the co-creation process, stakeholders often returned to chronic challenges, such as lack of policy recognition, fragmented regulatory framework across Member States, limited access to funding or upskilling/reskilling needs. In that regard, one should note that the Commission plans to propose a Council recommendation on social economy framework conditions in the course of 2023, as announced in the European Action Plan on Social Economy. This initiative will provide guidance to policy makers in various policy areas ranging from taxation and research, to legal framework and education. It will help Member States to further shape policies and legal frameworks adapted to the needs of the social economy business models, thereby capitalising on their economic, social and environmental added-value.

At the same time, the co-creation process brought forth emerging mega trends important for the long-term resilience of the ecosystem in the face of current and future crises.

Mega trend for resilience 1: Convergence of proximity economy and social economy ('local and social value chains')

The supply shortages observed during the COVID pandemic and the war in Ukraine invite us to rethink global or regional value chains and foster a debate around the notion of the proximity economy to fulfil citizens' needs.²⁵

The social economy may indeed appear, over the coming decades, as the proximity economy *par excellence*, offering alternative business models to relocate production or enact new businesses to deliver sustainable goods and services in the heart of EU territories.²⁶ Social economy business models and their local embeddedness provide vital products and services in niche and local markets and can show agility during periods of crisis. Their governance allows them to include the concerns of their direct target groups and stakeholders in decision-making processes, as well as to sustain their investments and business activities in support of local communities. This is particularly relevant in remote or rural areas, or areas in need of economic regeneration, where public-private partnerships among authorities, local mainstream businesses and social enterprises can optimise, for example, local renewable energy production, circular value chains, social infrastructure and sustainable renovation of housing stock.²⁷

Mega trend for resilience 2: Cross-fertilisation between mainstream businesses and social enterprises

The potential spill-over and cross fertilisation of innovative solutions between mainstream and social economy can serve as a vehicle for business resilience for social entrepreneurs to

25 See in particular Harvard Business Review – *Global Supply Chains in a post pandemic world*.

26 *L'ESS dans les dynamiques collectives de territoire en transition* – Hugues Sibille – RECMA 2022 (n°364)

27 In this view, the [Affordable Housing Initiative](#) (AHI) can serve as good practice. This initiative will pilot the renovation of “100 lighthouse social and affordable housing districts” following a smart and integrated neighbourhood approach. This, by providing support (e.g. technical, financial, regulatory) to local partnerships composed of SMEs active in the construction sector, public authorities, social housing providers and other relevant stakeholders in affordable and social housing renovation projects.

diversify their operations and markets, as well as to access new technologic, human and financial capital.

During the co-creation process, these trends and opportunities were broadly addressed, stressing the emerging convergence and cooperation potential between so-called ‘mainstream’ businesses in the market economy and the social economy business models. The rise of the Certified B-Corporation movement and mission-led enterprises are telling examples. On the other hand, concerns were raised by stakeholders regarding phenomena such as social and green washing. Accountable transparency standards and labels, backed by an enabling framework, are one way to strengthen this trend, in particular to build green and circular value chains or enable innovative products and services. Improving business interaction on several levels and especially promoting “business partnerships on equal terms” with shared objectives was raised as crucial for establishing a level-playing field between mainstream and social economy businesses. A first step is to improve the perception and knowledge amongst business peers about the social economy (for example in terms of its economic performance and added value). Stakeholders confirmed in that regard the key role of business communities, such as sector organisations, chambers of commerce, incubators and *extra- or intrapreneurs*. The potential of EU business support initiatives such as the Enterprise Europe Network (EEN), the Erasmus for Young Entrepreneurs network and the cluster Collaboration Platform was confirmed, though not yet exploited enough by ecosystem stakeholders.

To identify the potential, the European Commission published a report in 2018 describing different forms of cooperation following different scales of ambition.²⁸ Several drivers for cooperation identified by this report were confirmed in the co-creation process, more precisely labour market shortages, legal requirements related to sustainability and greening of processes and products, as well as consumers being increasingly demanding in terms of ethics and sustainability. The same applies on possible enablers at the national and European level:

²⁸ https://ec.europa.eu/growth/publications/social-business-initiative-sbi-follow-cooperation-between-social-economy-enterprises-and-traditional_en

- Certification, labelling (e.g. B-certification)²⁹ and impact measurement models;
- research into business and impact models;
- facilitating mergers and joint ventures including checks and balances securing social enterprises' impact ambition, mission and values³⁰;
- the influencing role of social enterprises on sustainable practices in mainstream enterprises³¹;
- the role of local multi-stakeholder and business partnerships such as clusters³²;
- the potential of *intrapreneurship*³³, leveraging social entrepreneurship within companies;
- partnerships for public and private procurement;
- the potential of workers buy-outs offering continuation perspective for SMEs owners looking for successors.³⁴

Despite this potential, forms of cooperation leading to assimilation of business models, mergers and joint ventures still tend to be scarce. Root causes highlighted by stakeholders lie in the 'inequality of power' between mainstream and social economy business partners, difference of the governance model, mission objectives and scale capacity. Stakeholders therefore called for further efforts to promote intensified forms of cooperation "on equal terms" between mainstream businesses with a social mission and social economy enterprises.

Mega trend for resilience 3: Integrating social economy business models in industrial ecosystems

During the war in Ukraine and the COVID-19 crisis, social economy is much appreciated for its 'emergency function' helping and assisting citizens in need.³⁵³⁶ However, this co-creation

29 <https://bcorporation.eu/create-systems-change/changing-policy/Legislation> supporting or recognising B-Corps is developed in Spain, Italy and France.

30 <https://www.avise.org/ressources/work-integration-social-joint-ventures-between-incremental-and-transformative-change>

31 https://www.social-enterprise.nl/application/files/4116/0499/5322/Social_Enterprises_as_influencers.pdf

32 <https://op.europa.eu/en/publication-detail/-/publication/1ceb9a1d-6146-11ec-9c6c-01aa75ed71a1/language-en>

33 <https://www.leagueofintrapreneurs.com/>

34 <https://ec.europa.eu/social/main.jsp?langId=en&catId=88&eventsId=1993&furtherEvents=yes>

process has equally shown the immense potential of social economy business models in terms of sustainable growth and as a contributor to the resilience and the twin transition of the EU industry and economy. In that regard their presence and potential growth in other industrial ecosystems such as mobility, renewable energy, agri-food, tourism, health and textiles is of paramount importance. This potential lies on the one hand in the inclusive business models (e.g. principles of solidarity, participation and transparency) and on the other hand the development and offer of sustainable products and services (e.g. energy communities and cooperatives, local and sustainable agriculture and tourism, circular products and services).

Stakeholders have echoed several points converging to one message for the long-term resilience of the ecosystem: enabling levers are necessary for the take up of social entrepreneurship in sectors of the economy and in regions, where it can offer a comparative advantage to develop services and products for inclusive green and digital transitions. The action areas of the transition pathway illustrate what this may mean for different actors concerned.

II ENABLING THE GREEN TRANSITION OF THE ECOSYSTEM

Accompanying the ecosystem on the pathway to the green transition is of paramount importance in view of aligning the social and green objectives of the EU.

This requires to address several underlying challenges. On the one hand, many entities in the ecosystem struggle to cope with the green transition due to a lack of internal capabilities, skills or financial support. Moreover, citizens, public authorities and the investment community have a low understanding about the social economy as an alternative business model for the green transition. This hampers the uptake of green practices by ecosystem stakeholders and undermines their access to emerging value chains in green and circular economy. On the other hand, the rise of green and social practices among mainstream

35 <https://easpd.eu/resources/ukraine/>

36 <https://www.ensie.org/wises-data/wises-are-with-ukrainian-people>

businesses in the broader economy impedes the ability of social economy entrepreneurs to attract investors to improve the carbon footprint of their operations, products and services, as investors tend to favour short-term financial returns and risk-averse investments.

In light of recent information,³⁷ 13% of SMEs in the proximity and social economy ecosystem are not taking measures to be more resource efficient. When it comes to the actions undertaken in the ecosystem to be more resource efficient, 19% of its SMEs have answered to ‘design products that are easier to maintain, repair or reuse’. Besides, ‘minimising waste’ (61%), ‘saving energy’ (56%) and ‘saving materials’ (52%) appeared to be the three most important sets of actions for SMEs in the ecosystem. Concerning the difficulties to set up resource efficiency actions, the ‘complexity of administrative or legal procedures’ comes as the major barrier for the ecosystem (34%), followed by the ‘cost of environment actions’, the ‘lack of specific environmental expertise’ (27%) and the ‘difficulty to adapt environmental legislation to its company’ (25%). Finally, concerning the most helpful tools to make SMEs in the ecosystem more resource-efficient, ‘grants or subsidies’ are ranked first. ‘Consultancy on how to improve resource efficiency’ (26%), ‘demonstration of new technologies or processes to improve resource efficiency’ (24%) and ‘better cooperation between companies across sectors so that new processes to re-use waste and by-products can be developed’ (20%) complete the list. This largely echoes views expressed by stakeholders about the broad transition challenges the ecosystem is facing.

1 Sustainable competitiveness

In order to allow social economy entities to deliver on the green transition, supporting initiatives should enable their broader recognition as transition drivers, especially where state or market economy do not deliver, and foster cooperation with private actors and businesses in the broader economy.

³⁷ [SMEs, resource efficiency and green markets - March 2022 - - Eurobarometer survey \(europa.eu\)](https://ec.europa.eu/eurobarometer/surveys/index.cfm?id=688)

Action Area 1: Reinforcing B2B collaboration for greener and circular value chains

The co-creation process highlighted the importance of B2B cooperation, notably in the context of local value chains and partnerships in green and circular economy. Stakeholders in the ecosystem regret the lack of collaboration between mainstream companies and the ecosystem actors, notably when it comes to local sustainable value chains. Stakeholders indicate that the actors anchored in the social economy face obstacles in that regard due to liquidity issues, or lack of supporting structures to help them to create partnerships. Such collaborations can have a structuring effect on emerging market openings and respond to consumer demand for more ethical and responsible value chains and sustainable products and services.

Companies' sustainable purchasing policies (called 'private procurement') could boost new business partnerships, for example when such policies integrate social and circular objectives. Similarly to public procurement, such purchasing behaviours need to be stimulated to open up potential new markets for social economy entrepreneurs. A first step is to create incentives, provide technical assistance or guidance and disseminate best practices. The Single Market Programme³⁸ will support such capacity building through the creation of local and regional partnerships between social economy entities and mainstream businesses, enabling a 'buy social' business to business market with a green dimension.³⁹ Horizon Europe⁴⁰, has also the potential to pilot new approaches bringing different stakeholders together.⁴¹

Moreover, various avenues of action to fill these gaps were discussed during the co-creation workshops. Dedicated matchmaking between social economy entities and mainstream enterprises develop opportunities for collaboration to build greener and circular value chains, especially in mobility, waste management, construction and agri-food. As example, the Enterprise Europe Network⁴² can provide such support from 2022 onwards through its

38 [The Single Market Programme \(SMP\) \(europa.eu\)](https://european-council.europa.eu/media/en/press-room/pages/press-room.aspx?pid=102&tid=101)

39 [Single Market Programme](#), Work Programme 2022

40 [Horizon Europe \(europa.eu\)](https://european-council.europa.eu/media/en/press-room/pages/press-room.aspx?pid=102&tid=101)

41 [In this sense, the European CO-FRESH project , which aims at creating innovative \(including technological and non-technological approaches\), sustainable and competitive value chains for fruits and vegetables can serve as an inspiring example. Startseite - CO-FRESH](#)

42 [Enterprise Europe Network \(europa.eu\)](https://enterprise-europe-network.eu/)

network of sustainability advisors, while its sectoral working group on Social Economy can facilitate the exchange of good practice and by connecting actors on the ground.

Regarding circular economy, the ecosystem presents considerable potential to contribute to the ambitions of the EU Circular economy action plan⁴³. In addition to waste management, up- and recycling and reuse in different industrial value chains, where social economy is creating local and inclusive business activities, stakeholders emphasized that established social enterprises and start-ups are increasingly advancing innovations in raw materials use⁴⁴, the design and production process (eco-design)⁴⁵ and behavioural change.⁴⁶ Strategic cooperation and support for R&D is essential to further scale and market these activities.

Box 1: Social economy and circular value chains in electronics, chemicals and textiles ecosystems

In some resource-intensive industries such as electronics, chemicals or textiles, social economy businesses represent an attractive partner thanks to their strong local reach out, for instance in the collection of consumer plastic waste or in textile recycling .

Stakeholders of the proximity & social economy, electronics, chemical and textiles ecosystems could develop commitments and build collaborations in order to decrease waste and foster re-use, as part of circular value chains.

Case in focus: **Envie**, the French Federation of social inclusion enterprises, has helped marginalised groups back to work through an economic activity which specialises in the collection, repair and sale of second-hand electric and electronic appliances. The organisation contributes to environmental protection and preservation of resources through the re-use and

43 https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en

44 www.terredelin.com

45 <https://circulab.com/>

46 The Rediscovery Centre is the National Centre for the Circular Economy in Ireland. Supporting social enterprises and other SMEs. It actively participates in research, particularly in the fields of sustainability, behavioural change, resource efficiency and waste management. <http://www.rediscoverycentre.ie/>

recycling of Waste of Electrical and Electronic Equipment (WEEE). The Envie concept has been successfully exported to the UK, Germany, Belgium and Italy where it has brought its know-how to local organisations. Today, Envie collects nearly 1/3 of the total WEEE produced and has developed agreements with EDF (*Electricité de France*) or Ecosystem, one of the WEEE producer responsibility schemes operating in France. ENVIE puts back into the market of reused products some 100.000 items per year.

Action Area 1 : Reinforcing B2B collaboration for greener and circular value chains			
Actions	Actors	Timeframe	Output
1. Create dedicated matchmaking services between social economy entities and mainstream enterprises to boost local green and social value chains and private B2B “buy social” markets ⁴⁷ , for example via business clusters ⁴⁸ and private “buy social platforms” ⁴⁹	EU, Member States, Regions, Stakeholders	S/M	Increased number of Clusters of Social and Ecological Innovation in the Member States as well as membership of social economy enterprises in mainstream business clusters. Increased participation of social economy entities in mainstream business’ supply chains in green and circular economy The establishment of local, regional and national B2B “buy social markets” in the Member

⁴⁷ Action Plan for the Social Economy

⁴⁸ <https://clustercollaboration.eu/in-focus/green>

⁴⁹ In 2022, under the Single Market Programme, the European Commission will launch a new initiative supporting the creation of local and regional partnerships between social economy entities and mainstream businesses, enabling a ‘buy social’ business to business market.

			States.
2. Establish strategic circular partnerships between enterprises in the social economy and mainstream enterprises in different industrial value chains (textiles, food, retail, electronics, plastics).	Member States, Regions, Stakeholders	S/M	Increased participation of social economy entities in mainstream business' supply value chains in green and circular economy

2 Public governance, investments and funding

Factors limiting the financial capacity of social economy enterprises to invest in their green transition are twofold. On the one hand, they are rooted in their inherent characteristics (e.g. weak balance sheet, few economies of scale, strong focus on social aspects). On the other hand, they stem from the general lack of awareness about the ecosystem combined with the perceived lack of attractiveness and risk it poses in the eyes of public authorities, financial institutions or private investors, due to an often unclear legal framework for the social economy, risk of investments, and overall difficulty of social entrepreneurs to create scale on markets. At the same time, some business models, notably mutual societies and industrial cooperatives, are not necessarily concerned by these constraints.

Action Area 2: Creating financial incentives and supportive regulation for green and circular social economy business models

The co-creation process shed light on the fact that procurement and access to markets were key tools for the green transition of the many SMEs in the ecosystem, but also highlighted existing caveats, such as the lack of an integrated approach in existing purchasing practices separating social and green public procurement tenders. For instance, contrary to green procurement, public purchasers do not seem to have enough knowledge and tools to evaluate

economic operators in terms of the social impact of their products, although some promising examples are observed internationally.⁵⁰

In addition, the legal form of social economy entities appears to be a major issue when it comes to accessing public funding and attracting private investments or for their cross-border activities. For instance, social enterprises registered as associations⁵¹ or foundations are not recognized as enterprises in several Member States and are, thus, excluded from public procurement and SMEs grants programmes. Stakeholders also voiced their concern about the fact that financial institutions and public authorities are hesitant and often reluctant to finance social economy projects; they argue that EU funds to support the green transition of the social economy should be further mobilized and used in a more targeted manner and that too few initiatives launched by micro-finance institutions support the green transition of social economy entrepreneurs⁵².

Responses to the consultation and discussions during the different workshops pinpointed at some concrete solutions to overcome the abovementioned challenges.

First, stakeholders called for better coordination among competent public authorities by creating cross-departmental and inter-ministerial cooperation schemes to better coordinate circular and environment-related policies with support and actions towards social economy.

Second, stakeholders agreed that support through fiscal incentives and subsidies to green the social economy business models should be fostered at national level to stimulate collaboration amongst actors of social economy, but also with mainstream enterprises, for

50 https://ec.europa.eu/info/policies/public-procurement/tools-public-buyers/social-procurement_en

51 In this context, the European Commission is currently working on a [Proposal for a legislative initiative on cross-border activities of associations](#) which aims to ensure full single market freedoms for associations, simplifying their cross-EU activities and promoting their fundamental rights

52 [Advancing Green Economy through Microfinance in Europe \(mfc.org.pl\)](#)

instance by allowing tax-breaks for mainstream companies cooperating with social economy entrepreneurs.⁵³

Third, stakeholders raised the importance of support for worker buy-outs and employee-owned companies, given the role these models play in aligning the interest of the company with those of employees, communities and the environment. In particular, stakeholders called for the adoption of an Employee Share Plan for Europe (ESOP)⁵⁴ generic model and called upon Member States to work on support schemes for ESOP pilot projects as well as to develop financial incentives to encourage investors (e.g. development banks, credit unions) to provide buy-out capital to these entities.

Fourth, social banking (e.g. bank cooperatives, ethical impact investment) and micro-finance institutions can increase local investments for green transition projects with a social dimension. In that regard, information sessions and education programmes should be promoted to trigger the interest of both micro-finance institutions and social entrepreneurs. Loans and credits via micro-finance institutions should be made available to finance green projects - not only for innovative solutions but also to scale up social economy alternatives that have proven effective - for instance in agriculture⁵⁵, energy and circular economy, as it is the case in Aruba through the Qredits foundation.⁵⁶ At EU level, microfinance support instruments under InvestEU⁵⁷ can play an important role in the further development of these markets across the EU. Voices were also raised to apply clear tax schemes for philanthropy investments through the establishment of an EU Single Market for Philanthropy, notably to dismantle the risk-averse approach and to avoid fragmentation across Member States laws which hinder the flow of cross-border endowments. The Action Plan for the Social Economy notably stresses that foundations have reported issues with tax treatment of cross-border

53 See example in France: <https://www.economie.gouv.fr/cedef/reduction-impot-dons-associations>

54 [A Generic ESOP Employee Share Plan for Europe.pdf \(efesonline.org\)](#)

55 According to Social Economy Europe, cooperatives represent 83% of the agriculture market share in the Netherlands, 79% in Finland, and 50% in France.

56 [Who is Qredits? | aruba-en.qredits.com](#)

57 https://investeu.europa.eu/what-investeu-programme/investeu-fund/about-investeu-fund_en

donations to public benefit organisations in other Member States. As highlighted in the Action Plan, the Commission is assessing the launch of dedicated co-investment mechanisms with foundations and philanthropic organisations around target mission areas and will launch a specific study on philanthropic donations in the EU. Moreover, the Commission will launch an action on innovative financing in the New European Bauhaus Lab aiming at creating a pilot project for mobilising philanthropic contributions.

When it comes to private finance and impact investments, stakeholders stressed the specific role of innovative financial tools such as impact investment platforms, crowd-funding platforms, community finance, foundation and philanthropy sponsorships for innovation and R&D and Social or Green bonds. Stakeholders see a clear role for EU instruments to experiment and promote such innovative elements of sustainable finance.

Stakeholders stressed that the further development of an EU social finance market, for instance, through the continued support of the InvestEU program, will be a crucial element to mobilise private investments in the green and digital transition of the ecosystem. Especially when it comes to innovative financial instruments boosting new green and digital infrastructures, technologies and applications, including via mainstream instruments such as (quasi) equity and banking loans.

Fifth, with regard to public procurement, public purchasers could make a more strategic use of procurement to push the market, notably by integrating social and environmental criteria in published tenders. In particular, innovation procurement and co-creation approaches to procurement could better stimulate the ecosystem from the demand side to develop innovative and sustainable solutions for public sector needs and provide a first customer reference that enables social economy companies to create competitive advantage on the market. Additionally stakeholders concurred that the governing principle of ‘paying for results’ and a ‘lowest cost’ dominance cannot stimulate effective green and digital innovation projects. Stakeholders consider that the introduction of more inclusive, social or green requirements

would indirectly promote more (tech driven) green social economy business models and solutions.

Stakeholders also stressed the lack of awareness about EU-funded projects relevant to the green transition and ineffective dissemination of their results and added that easily accessible indications on EU⁵⁸ and national funding opportunities should be made available. Also clear and easily accessible indications on EU and national funding opportunities should be made available. The EU Social Economy Gateway, announced in the Action Plan for the Social Economy for 2023, should help address this need.

Finally, advisory services usually represent a very high cost for these small and micro entrepreneurs. Public authorities are expected to provide free-of-charge impact-measurement tools to help social economy actors assess their environmental performance, such as the Danish climate compass⁵⁹, or provide free advisory services and support to reduce their carbon foot print, such as the French scheme for associations. At EU level the EEN sustainability advisors and the European Resource Efficiency Knowledge Centre (EREK) can play a supportive role in this matter.⁶⁰

This last point, together with public-driven incentives to stimulate mission-related and social impact investments, stakeholders perceive of utmost importance.

Action Area 2: Creating financial incentives and supportive regulation for green and circular social economy business models

58 In that regard, the Commission's platform of funding opportunities and project results, CORDIS services on R&I projects, Kohesio, the Horizon Results Platform and Keep.eu platforms for cohesion policy funded projects could be better promoted and visibility of ecosystem stakeholders in such projects enhanced.

59 [The Climate Compass - climatecompass.dk](https://climatecompass.dk) (stateofgreen.com)

60 <https://een.ec.europa.eu/> and <https://circulareconomy.europa.eu/platform/fr/node/840>

Actions	Actors	Timeframe	Output
3. Improve coordination among competent public authorities in the elaboration of environmental sustainability policies.	Member States, Regions	M	Increased cooperation among national ministries, regional departments and across different levels in Member States to ensure efficiency and coordination of policies supporting the green transition of social economy entities
4. Incentivise social finance and micro-finance institutions to provide financial and capacity-building schemes for green projects and investments	Member States, Regions, Stakeholders	S/M	Increased investments of Social economy entities for greening of their infrastructure and business operations.
5. Enable social economy entities to access free impact-measurement tools on their carbon footprint and advisory services to green their operations.	Member States, Regions	M	Enhanced mutual understanding between financial actors and social economy business in terms of investment purposes, decreased risk profile.

Action Area 3: Certifications and labelling

Stakeholders pointed out that commitment of social economy entities to green their processes and operations seem still very limited, especially in some Member States and regions. The root causes lie in the lack of skills, the low recognition of social economy actors to deliver on the green transition, a silo-approach of public procurement separating social and green criteria in tenders, as well as the risk of biased corporate reporting and communication practices by mainstream companies often leading to green and social washing. International standards exist, such as ISO 26000 on social responsibility, but it appears that very few social economy entities are making the steps to comply, due to lack of resources, but also because they are not convinced about the added value of such standards.

In this regard, the co-creation process identified a list of actions to serve the green transition needs of social economy entities.

As highlighted in the Social Economy Action Plan, label and certification systems have been successfully implemented in some Member States (“solidarity enterprise of social utility”,

also called ESUS in France, and the “social enterprise” status introduced by Bulgaria, Italy, Romania and Slovakia).

On another level, some stakeholders highlighted the added value of awards and suggested to create a label scheme for social economy entities active in green activities at EU level. Such label for green social economy products would increase the visibility of their products and services, incentivise investors (e.g. through crowdfunding, procurement), facilitate replication of good practices and raise consumer awareness. In particular, these stakeholders mentioned that the establishment of a circular social economy label would contribute to certify social enterprises active in reusing, repairing, and upcycling and boost value chains with stronger social and environmental impacts. At the same time, many stakeholders recalled that social economy enterprises are more likely to take the self-regulatory steps necessary to accomplish social and green goals arguing it is part of the ecosystem’s DNA. Still, it appears they often lack the right incentives, as well as the resources, to set-up such initiatives.

Participants in workshops converged around the creation of a private and sector-owned initiative to foster the adoption of voluntary standards, codes of practices or industry-based accreditation arrangements to strengthen the link between the social and environment/green purpose of the different business and organisational models present in the ecosystem.

Moreover, social economy entities can bring socially just and inclusive contributions to the twin transition or serve as a source of inspiration for the private sector in its ESG goals⁶¹. Through the adoption of frameworks of accountability, taxonomies of social reporting, and more participatory business and governance models or labelling schemes (eg: B Corps), the ecosystem can contribute to the structural transformation of our current economic model and its persistent challenges.

61 [A Green World through ESG Compliance | Deloitte US](#)

Action area 3: Certification, labelling and self-regulation			
Actions	Actors	Timeframe	Output
6. Set up awards and labelling schemes for green social economy entities (e.g. circular social economy label) and promote initiatives of social enterprises to reduce their carbon footprint at company and product level. Support social economy to obtain certification and comply with standards for sustainable production and service offer.	EU, Member States, Regions, stakeholders	M/L	Increased number of ethically green products and services and green technological innovation among social economy entities. Social economy entities obtain certification and standards promoting their sustainable conduct
7. Establish a pathway to carbon neutrality and environmental sustainability and take self-regulation initiatives for green social economy activities.	Stakeholders	M/L	Improved social economy business strategies and concrete targets towards climate neutrality ⁶² and environmental sustainability at business and product level.

3 R&I, Techniques and Technology solutions

⁶² https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2050-long-term-strategy_en

Action Area 4: Innovation as enabler for green transition and business development in the social economy

Investing in Research and Innovation in green technology can boost the development of new products and processes thus helping business growth in the social economy. Stakeholders recalled that it was key to involve social economy actors to develop partnerships building on the ‘societal perspective’ of the R&I project while fostering experimentation that could help the green transition.

Indeed, when it comes to innovation in the green economy, the co-creation process confirmed social economy’s innovative role in many different sectors such as bio-economy (e.g. bio-based construction materials, biodegradable alternatives to single use plastics), forestry and land management (e.g. techniques enhancing biodiversity), renewable energy and energy communities, agri-food (e.g. food waste management, organic agriculture energy-saving interventions in production processes), health, care and social services (e.g. water saving measures for laundry, alternatives for single use medical plastics) and clean textiles (re-introduction of organic raw materials such as flax and wool). Social enterprises bring products, techniques and services improving sustainability in many value chains and present an enormous potential.

However, throughout the co-creation exercise, a recurrent theme revolved around the difficulties to scale up such innovations. Stakeholders mentioned for example that actors in the ecosystem struggle to build up collaborations which in turn hampers the diffusion of social economy-driven green innovation. They regret that business intermediaries, universities, industrial partners were rarely considering social economy actors when developing consortia in green R&I projects.

Stakeholders also mention that valorisation and diffusion of R&I produced by different partnerships was rather weak and could be increased. They also pointed out the lack of support structures, like accelerators or incubators, that can boost social enterprise’ innovative products or processes in the markets, encourage the implementation of new value chains or help scale up business models especially at local level.

In view of these issues, stakeholders call for “Sandboxes for experimentation” and dedicated tools to share knowledge (e.g. on experiments/pilots that have been successful), for instance

in the shape of “Social Economy Hubs”. This would increase the participation of the ecosystem in R&I and lever its innovation capacity. Social economy actors can for instance already make the utmost of the Hubs4circularity initiative (Horizon Europe)⁶³ to advance the agenda of European industries towards the Green Deal’s objectives. The European and national competence centres for social innovation also support knowledge sharing and collaboration between social innovation stakeholders.

The development of clusters of social and ecological innovation could also be fostered to pool resources and enable multi-stakeholder partnerships. The Guide Clusters of Social and Ecological Innovation⁶⁴ developed by the European Commission identifies and analyses the main aspects that CSEI bring about to social and ecological transitions and analyse features that facilitate innovation dissemination and transfer to other contexts. Such cluster initiatives can be developed in different Member States and regions. The ESER Community can play a positive role in this regard, by mobilising funding under regional, national and EU cohesion funds.

Action Area 4: Innovation as enabler for green transition and business development in the social economy			
Actions	Actors	Timeframe	Output
8. Promote the participation of social economy stakeholders in research and innovation projects via awareness raising, technical assistance, and sandboxes for experimentation.	EU, Member States, Regions, Stakeholders	S	Increased participation of social economy actors in research and innovation programmes
9. Promote clusters of social and ecological innovation or social economy hubs to pool resources and enable multi-stakeholder partnerships for innovation.	EU, Member States, Regions, Stakeholders	M	Increased number of CSEI in Europe Better support to social economy actors to develop

⁶³ [Funding & tenders \(europa.eu\)](https://europea.eu)

⁶⁴ [Clusters of social and ecological innovation in the European Union, perspectives and experiences - Publications Office of the EU \(europa.eu\)](#)

			green products and processes
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4 Infrastructure

Action Area 5: Greening infrastructure and business operations in social economy – The ecosystem as enabler for the green transition

A key aspect for the transition of the ecosystem is energy poverty and the decarbonisation of infrastructure⁶⁵ -which many social economy actors use or own to run their economic activities. Investment in greening social infrastructure (e.g. hospitals, schools and universities, social & affordable housing⁶⁶) remains a critical issue, which, if not addressed effectively, will become a hurdle for the future growth of many actors of the ecosystem and the wellbeing of EU citizens. Investment gaps in this area are estimated at EUR 192bn per year and have been reinforced by the pandemic (see table).⁶⁷

65 Defined in [Boosting investment in social infrastructure in Europe, Report of the High-Level Task Force on Investing in Social Infrastructure in Europe](#) as “long-term physical assets in the social sectors (in this report these are sectors related to education and lifelong learning, health and long-term care and affordable, accessible energy-efficient housing) that enable goods and services to be provided”.

66 The aforementioned Affordable Housing Initiative can serve as an example

67 SWD(2020) 98 final

Social infrastructure investment needs (EURbn, per year)	
Education and long-life learning	15
Health*	70
Long term care	50
Affordable housing	57
Total	192
* The original estimate of 20bn before the crisis has been increased to 70bn due to the crisis. Source: European Green Deal Investment Plan Communication (January 2020) and the Report of the High-level taskforce on investing in social infrastructure (2018)	

Beyond social infrastructure, actors of the ecosystem are contributing to reducing the carbon footprint of other industrial ecosystems, thereby acting as enablers of the green transition of the broader economy.⁶⁸

1.250.000 citizens and 1900 energy cooperatives are already engaged in renewable energy production.⁶⁹ As highlighted in the REPower EU Plan, fostering such initiatives is of particular importance today in view of addressing the ongoing energy crisis which requires all ecosystems and actors to become more energy-efficient while increasing renewable energy production. Already in 2016, research estimated that half of the EU population could produce their own energy by 2050, while stressing the importance of energy communities to accelerate this potential.⁷⁰ During the co-creation process, stakeholders mentioned that hurdles remain in the development of energy communities. Despite the supporting EU framework developed through the EU Clean Energy Package,⁷¹ remaining barriers in national legal frameworks (e.g. too broad or narrow definitions, unclear legal status) combined with the structure of the electricity markets impede the spreading of energy communities and cooperatives across the EU Member States. Stakeholders also insisted on the importance of EU policies to explicitly recognise the role and importance that citizens can play in producing renewable energy. Besides, digitalisation is also of paramount importance for energy communities and cooperatives. Digital technologies and tools (e.g. data aggregators, monitoring devices, IoT)

68 [France Relance : les appels à projets au bénéfice de l'économie sociale et solidaire | economie.gouv.fr](https://economie.gouv.fr/fr/relance/les-appels-a-projets-au-benefice-de-leconomie-sociale-et-solidaire)

69 [REScoop-Annual-Report-2021.pdf](#)

70 <https://ce.nl/publicaties/the-potential-of-energy-citizens-in-the-european-union/>

71 [Clean energy for all Europeans package \(europa.eu\)](https://european-council.europa.eu/media/e300042f-323d-4761-995d-6f9569709d3d/policy_document/EN/16872main.pdf)

can help organise pricing, distribution, and peer-to-peer energy sharing as well as implement energy efficiency measures.

Energy communities and cooperatives stand as alternative producing models of renewable energy and can boost the resilience of local SMEs and communities, because they are less exposed to energy price shocks, due to the fact that they produce their own renewable energy, can sell the production surplus at affordable price and are less market dependent.⁷² In the context of the current energy crisis, they offer an attractive energy producing model to develop further and disseminate in different parts of the EU.

Another key area concerns transport and mobility, where social economy actors offer alternative services which are innovative, inclusive and environmental friendly, such as railway cooperatives, shared mobility services (via associations or cooperatives), taxi cooperatives, or volunteer services for people with limited mobility (e.g. elderly, ill persons). Though successful examples are present in different cities and regions, these examples are not always integrated in mobility planning and find it difficult to access funding to scale up.

To overcome these challenges, stakeholders put forward several solutions throughout the co-creation process.

First, a vast majority agreed that specific attention should be given to develop a pipeline of viable projects for social infrastructure, such as in the field of affordable housing where the rising inflation combined with the need to provide housing solutions for Ukrainians who fled their country is of particular importance. In particular, they invited the Commission and public authorities in the Member States to work in close cooperation with financial providers to boost investment in this area.

⁷² “The potential of energy citizens in the European Union” report published by CE Delft in 2016 highlights that the “potential for European households (individually or via energy collectives), public entities and small enterprises to become an energy citizen and to actively contribute to the future energy system is very significant”.

Second, opinions converged towards the importance to disseminate best practices among energy communities and boot their scale up across the EU and provide technical and administrative assistance for the development of such initiatives across the EU.

Third, stakeholders urged public authorities to encourage the development and scale-up of social economy models in clean and shared mobility services, notably by allowing the uptake of digital tools, such as shared platforms, by mapping stakeholders active in the field and by supporting public-private partnerships to stimulate investment and facilitate access to finance.

Box 2: The social economy and the energy renewables ecosystem

Local, integrated and responsible energy system where citizens collectively manage their energy production and consumption in a way that is accessible and transparent is key. Such systems lead to energy savings, energy sobriety and energy solidarity. It also means responsible investments by members so that they can save money on their energy bills (kilowatt-hours), particularly those who are most vulnerable.

Social economy actors and energy industry actors could be inspired to develop commitments and build collaborations in order to develop citizens' energy communities and cooperatives to deliver green and affordable energy for local development.

Case in focus: The TM EnerCoop cooperative society in Luxembourg was developed in 2013 as part of the Transition Minett citizens' initiative. TM EnerCoop becomes a local energy producer, with seven citizen projects in green energy (photovoltaic): one in Esch-Lallange, Kayl-Tétange, Bettembourg and Differdange and three in Schifflange. The seven installations will each produce an average of 26,000 kWh of electric energy per year. TM Enercoop is working with SOLUXTEC GmbH which is an innovative producer of photovoltaic modules in Germany.

Action Area 5: Greening infrastructures and business operations			
Actions	Actors	Timeframe	Output
10. Develop green renovation and regeneration projects in social infrastructure (i.e. affordable housing) and boost social economy enterprises capacity to green their infrastructure, operations and	EU, Member States, Regions and stakeholders	S/M	Decrease annual investment gap in social infrastructure in MS Improved energy and resources efficiency of

processes via subsidies, fiscal incentives or technical support.			infrastructure in the social economy.
11. Map needs and boost pioneering social economy businesses in sectors such as mobility, mobility, textiles, food, renewable energy, circular economy and transport services and reinforce their capacity to scale. Disseminate best practices and enable networking opportunities.	EU, Member States, Regions, Stakeholders	M	Expansion of the number of Social business models in green transition markets

Action Area 6: Local Green Deals, green business communities and citizens' initiatives

The co-creation process recalled that the green transformation of the ecosystem and infrastructure in general is not only a matter of entrepreneurial behaviour and cannot be separated from civil society engagement, which can be successfully mobilised by actors in the ecosystem (i.e. associations, foundations and cooperatives).

Participants recognised that the potential of green business communities⁷³ and citizens' initiatives are however not always well known and could be diffused at a larger scale to test locally new ideas. Such grassroots and local-level initiatives are of utmost importance when it comes to drive resilience and strengthen independence of the EU in certain value chains and infrastructures (e.g. energy) which have been heavily disrupted by the COVID-19 and the ongoing war in Ukraine following the invasion of Russia.

Many participants mentioned that citizens should make the utmost of online platforms to learn and to get involved, in particular when it comes to decarbonisation and circular economy practices. For that purpose, the European Commission developed a dedicated website as part of the implementation of the EU Climate Law⁷⁴ to inform on different initiatives, projects, and best practices in particular relating to activities of social economy entities. In this context, the New European Bauhaus seeks to mobilise different communities at grassroots level for the development of sustainable housing and infrastructures.

⁷³ Zsolnai, L. , "Green business or community economy?", *International Journal of Social Economics*, Vol. 29 No. 8, pp. 652-662.

⁷⁴ https://ec.europa.eu/clima/eu-action/european-green-deal/european-climate-law_fr

Stakeholders recalled that regional and local authorities should reinforce awareness-raising campaigns to invite citizens to become involved in green projects with the ecosystem. They also mention that mapping initiatives can bring visibility and facilitate their replication.

Last, stakeholders invited local authorities to implement Local Green Deals with more integrated multi-disciplinary governance structures and more collaborative partnerships, in view of channelling investments in infrastructure and technologies in areas such as decarbonisation of buildings and transport, low-emissions energy systems, waste and water management.

In this spirit, the Commission's Intelligent Cities Challenge (ICC)⁷⁵ released a Blueprint for Local Green Deals. Many European cities are already piloting Local Green Deals with remarkable results, such as Amsterdam Metropolitan Area, Barcelona, Mannheim, Rotterdam, Milan, Espoo, Umea, Leuven, mobilising local businesses and industrial ecosystems. In the same vein, the ongoing EU Mission for climate-neutral and smart cities⁷⁶ can serve as example of engagement of cities, citizens and local businesses to climate neutrality by 2050.

Action Area 6: Green business communities and citizens' initiatives			
Actions	Actors	Timeframe	Output
12. Develop Local Green Deals, with the participation of local businesses and citizens. and guarantee civil society involvement ⁷⁷	Regional, Local Stakeholders	S/M	Increased number of community-based social enterprises active in ecological transition Increased number of European cities as driver for climate neutrality, involving social economy stakeholders alongside local

⁷⁵ [Local Green Deals - A Blueprint for Action | Intelligent Cities Challenge](#)

⁷⁶ [Commission announces 100 cities participating in EU Mission \(europa.eu\)](#)

⁷⁷ <http://www.comune.bologna.it/media/files/bolognaregulation.pdf>

		businesses and citizens
		Better data on civil society initiatives, increased visibility and support for citizen's actions in green projects, development of a civic space for green transition

5 Skills

Action Area 7: Addressing the capacity and skills gap

Stakeholders unanimously agreed upon the key importance of addressing existing green skills shortage in certain value chains (e.g. repair and re-use, construction) to prevent exclusion of the workers in a transforming economy. Additionally, they argue that equipping social entrepreneurs (staff and management) with the right technical, and operational skills would help them to develop new green activities and scale up their businesses.⁷⁸

To deliver on the green transition, stakeholders agreed that it is of utmost importance to further work on the identification of missing skills within the ecosystem to address short-, mid- and long-term gaps and upskilling needs. The EU is also called upon to integrate SDGs and Just Transition objectives in upcoming EU strategies on skills, in a systemic thinking approach. Ongoing projects under the Blueprint for Sectoral Cooperation on Skills⁷⁹ can serve to gather sectoral skills intelligence, map relevant occupation needs and profiles and roll-out

⁷⁸ Technical skills are often required to operate machinery, tools, software, and coding. Operational skills include the ability to think analytically, communicate effectively, and execute efficiently.

⁷⁹ [Blueprint for sectoral cooperation on skills - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

training programmes. The multi-stakeholder partnership⁸⁰ recently set-up under the EU Pact for Skills⁸¹ can drive collective action to map and address skills gaps necessary for the green transition of the ecosystem, in particular with the cooperation of national and regional skills development strategies and partnerships⁸².

Stakeholders also propose to adjust curricula in secondary and higher education as well as in non-formal education, notably to include green entrepreneurship concepts, but also new models such as employee stock ownership plan (ESOP⁸³). They also invited education institutions to set up standards in training provision taking into consideration social economy business models' concept and raised the specificities of its model to address environment-related issues. Further action is expected by social economy actors themselves to replicate their business model (through peer-to-peer trainings and workshops).

Finally, when it comes to the dissemination of case studies and practices, stakeholders call for more networking opportunities between social economy actors and mainstream enterprises, (micro) and finance organisations and more interaction among municipalities. In this regard, they stressed the importance of establishing dedicated training and capacity building activities, skills-based sponsorships, *intrapreneurship* and *extra-preneurship*⁸⁴ along with job-shadowing and peer-learning programmes. At EU level, stakeholders suggested that networking, mutual learning and sharing of good practices (among and across sectors) can be

80 [New Pact for Skills partnership to bolster skills in the proximity and social economy sector](#)

81 [Pact for Skills - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#)

82 action 6 of the 2020 European Skills Agenda⁸² focuses on supporting the twin transition until 2025

83 A workers buy-out model which gives employees a portion of company's ownership through shares of stock

84 https://ec.europa.eu/growth/publications/social-business-initiative-sbi-follow-cooperation-between-social-economy-enterprises-and-traditional_en

launched through the European Circular Economy Stakeholder Platform⁸⁵, the Education for Climate Coalition⁸⁶ or the EU Pact for Skills.

Action area 7: Addressing capacity and skills gap			
Actions	Actors	Timeframe	Output
13. Gather intelligence for green skills, promote skills certification and specific curricula anticipating green skills needs. Set up skills alliances ⁸⁷ , shaping training programmes focussed on green social economy business models. Join the Stakeholder Skills Partnership for the proximity and social economy under the Pact for Skills by signing its Declaration and actively engaging on its	Member States, Regions, Stakeholders	M/L	Better information on data and skills needs in emerging green sectors, develop specific ecosystem curricula and increased participation in skills partnerships. Higher share of educational institutions delivering courses on green business models based on social economy

⁸⁵ [European Circular Economy Stakeholder Platform | A joint initiative by the European Commission and the European Economic and Social Committee \(europa.eu\)](#)

⁸⁶ [Education for Climate Coalition | Education for Climate Coalition \(europa.eu\)](#)

⁸⁷ Such as developed by the blueprint for sectoral skill. Incorporating new skills profiles in vocational education and training policy and curricula, through cooperation between education authorities, social partners and institutions for vocational and higher education. [B-WISE](#) (Blueprint for Sectoral Cooperation on Skills in Work Integration Social Enterprises) is an Erasmus+ project that aims to develop a European strategy (Blueprint) to address the skills needs, in particular regarding digital skills, in the Work Integration Social Enterprises (WISEs) sector.

commitments.			values
			Targeted programs ⁸⁸ supporting up- and re-skilling of employees are developed

III ENABLING THE DIGITAL TRANSITION OF THE ECOSYSTEM

Digitalisation of the economy and of society in a broader sense, and the increased scope for data and technology- driven services, will provide opportunities for the digital transition of the ecosystem and boost its resilience. COVID-19 and most recent geopolitical and economic challenges have led to protracted disruption of supply chains where social economy businesses models are present and demand agile crisis management responses. COVID-19 has also shown that shifting towards more digitised and technology-driven activities can promote more sustainable and innovative services, products and long-lasting business models in the social economy. Moreover, the current energy crisis can stimulate investment and innovation within the ecosystem, for example the use of technology to monitor and save energy consumption in social infrastructure or optimise local renewable energy production and distribution through energy communities and cooperatives.

The Digital Compass for 2030 sets targets for Europe’s digital transformation, focusing on four key aspects: skills, infrastructure, business, and government (public services).⁸⁹ These aspects are relevant to the ecosystem. Echoing recent research⁹⁰, the stakeholder consultation and co-creation process stressed that social economy businesses generally have a low level of digitalisation, mainly in terms of lack of digital skills and investment in digital infrastructure.

⁸⁸ For example supported by ESF+ and based on outputs of proximity and social economy sector skills alliances: sectoral skills needs, VET profiles and sectoral curricula.

⁸⁹ <https://futurium.ec.europa.eu/en/digital-compass>

⁹⁰ <https://op.europa.eu/en/publication-detail/-/publication/208a8be9-39d5-11eb-b27b-01aa75ed71a1/language-en>

At the same time, the heterogeneity of actors within the ecosystem makes the policy analysis very complex when it comes to identification of digital needs. Large enterprises and organisations in the social economy, such as, health, care and social service providers, mutual insurers, bigger industrial and social services cooperatives, have managed to develop efficient IT infrastructures and training policies for their employees, whereas SMEs, especially micro-enterprises, are often lagging behind.⁹¹ In addition to size, other aspects play a role in the degree of digitisation uptake and digital skills development, such as location, digital culture of the enterprise, sector of activity and presence of digital enablers. Another consequence of the heterogeneity is the varied level of awareness within the ecosystem, where stakeholders perceive the benefits of digitalisation and the potential of new technologies and business models with a different sense of priority and feasibility. Addressing the current digital skills gap and improve access to adaptable, affordable and accessible technology are considered as two key conditions.

1 Sustainable competitiveness

Several needs and potential outlets for the sustainable competitiveness of the ecosystem are identified in the stakeholder consultation. Stakeholders focused on the following areas considered as key for the future and for the long-term competitiveness of the ecosystem and which are relevant to all ecosystem stakeholders despite their operational and financial capacity: the development of digital social economy-based business models (e.g. in the platform economy), technology-driven business models such as those providing Tech for Good solutions, as well as data access and management.

Action Area 8: New digital business models - Platform economy

Social economy has been a frontrunner in developing collaborative or shared economy platforms, including those with a not-for-profit nature⁹², as well as platforms based on the

⁹¹ Similar arguments can be brought up for the proximity economy, even more dominated by small and micro sized SME's.

⁹² e.g. Wikipedia, Couchsurfing, Warm showers, GNU project and many more.

cooperative business model (e.g. shared mobility, cooperative housing, taxi-driver coops, renewable energy, tourist accommodation).

During the co-creation process, it became clear that a thorough analysis of needs and actions to support digital platforms in the social economy is warranted.

Stakeholders identified digitising market activities (e.g. online sales), business processes and non-market activities (e.g. community engagement) as opportunities for the development of the social economy. At the same time, many social economy businesses struggle to understand how digital platforms can create an online market for their products and services and improve their access to new financial means (e.g. crowd-funding platforms, impact investing platforms, community finance). Moreover, in certain markets (e.g. tourism, food delivery) the limited number of large digital platforms leaves few alternative outlets compatible with social economy values.

Some stakeholders therefore highlighted the need to influence the behaviour of big tech platforms towards practices closer to the social economy values by (i) raising awareness amongst users and clients about sustainable and responsible business conducts, (ii) engaging into strategic partnerships with social economy enterprises and (iii) stricter regulation and supervision.

At the same time, stakeholders stressed that alternative social economy platforms bring new opportunities in the collaborative economy, for example by promoting shared ownership, shared assets, co-decision making, P2P markets, crowd sourcing and capital raising (impact investment platforms, crowd-funding platforms), transparency in value chains, etc. In this regard, the development of local and social economy-based investment platforms such as crowd-funding-, impact investment-, donation platforms (philanthropy) was stressed as an evolution favouring local economic development, as well as empowering citizens' investments in innovative projects and businesses. Success stories are known for investments in for example energy communities, social infrastructure, local cultural heritage, biodiversity, etc.

Indeed, several platforms in the social economy managed to reach a considerable (international) scale. Platform cooperatives are a specific model in this regard, pursuing a positive impact on working conditions, a fairer distribution of incomes, practice union rights, mutualise costs and enable equitable distributions of incomes. However, such models are not always widely known or accessible and remain tailored towards niche markets.

Scaling up social economy business models in the platform economy while promoting social economy values (e.g. in a shared and open manner) may be a challenge, certainly for social economy businesses active in more competitive markets.

Successful cases where social economy platforms are developed or implemented through collaboration are often characterised by the role of an intermediary player (examples cited during the workshops are local development agencies, cooperative groups, business clusters, technology campuses, etc.). Stakeholders also emphasised the role of pioneers in the social economy developing platforms and other technologies using (closed) Distributed ledger Technology (DLT), which embed certain social economy values (e.g. democratic control, traceability and transparency) and stressed their potential in sectors such as energy, agri-food, textiles and finance.

Further exchanges of best practices should be promoted to make social economy platforms and consequent business model innovations more visible in the market economy and allow them to scale up. Some industrial ecosystems offer particular opportunities.

Box 3: Social economy digital business models and other industrial ecosystems

The **meal delivery platform market** has boomed in the span of a decade. Social economy based- alternatives equally emerged, mostly rooted in the cooperative movement (workers and restaurant owners become owners/members of the platform), with positive effects on innovation, working conditions, tariffs, fees, and profit distribution.

Shared mobility is a booming market and social economy alternatives are equally rapidly emerging, especially at city level. As application development is expensive, social economy businesses struggle to find a balance between locally operated services, business autonomy and centrally developed tools⁹³ (usually jointly with others). A similar observation can be made in the **agri-food** sector.

Stakeholders of the proximity and social economy and other industrial ecosystems

93 Such technologies allow a decentralised application and usage, while maintaining interoperable features through central developing.

could be inspired and motivated to jointly support social economy platforms as alternative business models in the platform economy.

Cases in focus:

*CoopCycle*⁹⁴ is a federation of bike delivery coops in Spain, Italy, Denmark. Governed democratically by cooperatives, it enables them to reduce their operational costs thanks to resources pooling of platform software, smartphone application as well as the commercial offer. Moreover, it creates a strong labour bargaining power for the delivery riders.

*The Mobility Factory*⁹⁵ is a European cooperative society owning the platform technology for car sharing services used by several local cooperatives in Belgium, France, Spain, Germany, the Netherlands and the UK. The local cooperatives are independent businesses and are members/owners of the European cooperative.

*The Open Food Network*⁹⁶ is a worldwide open-source platform supporting farmers to sell online by bringing together producers in the same area to create a virtual farmers' market and connect to wholesalers. Food producers can create an online shop, collect payments, and sell through other shops on the platform.

Action area 8: Social Economy and the Platform Economy			
Actions	Actors	Timeframe	Output
14. Promote and support the development (scale, finance and market access) of social economy	EU, Member States	M	Social economy platforms become a sustainable alternative

94 <https://coopcycle.org/en/>

95 <https://themobilityfactory.coop/>

96 <https://openfoodnetwork.org/>

based platforms such as platform cooperatives. ⁹⁷			in several product and service markets.
15. Promote the development of financial platforms rooted in the social economy such as civic crowd-funding or social finance platforms, impact investment-, and donation based platforms. Pilot methods of match funding ⁹⁸ or guarantee ⁹⁹ provision to increase the impact and attractiveness of online social finance initiatives.	EU, Member States, Stakeholders	M	Social finance markets further develop and diversify.
16. Develop partnerships with mainstream on-line platform service-providers (e.g. to boost recognisability of sustainable, ethical and circular products produced by social economy).	Stakeholders	S/M	Improved online presence of social economy products and increased of online sales

Action Area 9: Data Management & sharing

Data-driven business models

Like any other SME, social economy enterprises could find added value in data to improve their business performance and offer. Several successful data-driven business models or impact models are rooted within the social economy, serving different purposes, for example, energy efficiency, monitoring air pollution, optimising agricultural processes or predicting social challenges such as domestic violence and homelessness. Still, the majority of social

⁹⁷ <https://platform.coop/>

⁹⁸ https://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/crowdfunding_potential_esif_en.pdf

⁹⁹ https://investeu.europa.eu/index_en

economy businesses need support to move from traditional business intelligence to advanced data analytics.¹⁰⁰

During the co-creation process, the role of dedicated business data strategies to support the impact measurement of social economy entities was specifically highlighted. During the last decade, several impact measurements tools¹⁰¹ for social economy businesses were developed, but they are rarely supported by a fully-fledged data strategy to generate and monitor big data. Stakeholders argued that this undermines the position of social economy enterprises on the market.

Last, stakeholders stressed the importance for social entrepreneurs to understand how key cross-cutting topics of data management and interoperability link to wider developments in data technologies, including the potential of AI (Artificial Intelligence) and Machine Learning for the improvement of services, for instance in the health and care sectors, and products, as well as emerging trends such as data philanthropy ('private data for good'). All the above, are promising areas but require a decent degree of data maturity at the level of individual social economy enterprises.

Box 4: Data-driven social economy and the agri-food ecosystem

Data analysis optimising technology usage and processes can potentially benefit small-scale farmers. Pooling of resources and knowledge through social economy models such as agri-coops (producer coops), agri-clusters or local tech enablers can generate more resilient farming activities to climate and natural hazards and optimise sustainable techniques to add-value in particular to sustainable and organic agriculture.

Stakeholders from the proximity and social economy and agri-food ecosystems could

100 Sedkaoui & Moualdi (2018), Big Data Analytics for the Small Social Enterprise How to Create a Data-Driven Approach to Address Social Challenges

101 In this sense, the work carried out by the European Commission (GECES report on impact measurement, Social Economy Canvas) and the OECD was highlighted as important first steps to be further developed and linked to data modelling. <https://op.europa.eu/en/publication-detail/-/publication/0c0b5d38-4ac8-43d1-a7af-32f7b6fcf1cc> and <https://blogs.ec.europa.eu/eupolicylab/portfolios/social-economy-canvas/>

jointly support data-driven infrastructures and pool technology locally to boost innovation and open new markets.

Case in focus:

In the Greek region of Karditsa¹⁰², farming applications for decision making in the agriculture process have been developed based on data analysis. The applications use data on weather, type of crops, crops treatment, water usage, etc. It is a pioneering project locally organised and developed by a data analyst in cooperation with farmers and the cooperative movement. Data analysis optimising technology usage and processes can potentially benefit small-scale.

Data maturity: awareness and potential

During the co-creation process stakeholders regularly referred to data both in terms of challenges (low data maturity and awareness, regulation and dependency on big tech companies for data storage) and in terms of untapped potential for social economy business models (data sharing and interoperability, promotion of data ethics and data-driven innovation).

In particular, stakeholders observed a general lack of basic awareness within the ecosystem about what data are, how they can be used, which risks may occur and what regulatory obligations exist in terms of data usage and storage.¹⁰³ Other identified challenges were the limited advanced data maturity among social economy business models (i.e. data use and management) and the lack of an overall data strategy at the level of individual social enterprises.

¹⁰² Placeholder ref.

¹⁰³ It's worth noting that proximity and social economy organisations might never need advanced data strategies but are still in need of basic knowledge and awareness about responsibilities and legal obligations (mainly GDPR).

Data maturity tools¹⁰⁴ can be of great value to social economy businesses, primarily by helping entrepreneurs discover how data works and become more proficient in data use and management. Yet, current data maturity tools are not always adapted to the needs of the social economy. Against this reality, stakeholders concurred that, for the social economy, data might not be only an economic source, but first and foremost an asset to support their social or ecological mission, as well as to enable their inclusive and democratic governance.

When it comes to data sharing services, most social economy businesses rely on 'data intermediaries' (e.g. data cooperatives,¹⁰⁵ data brokers, mobile apps and personal information management systems) that extract, process and present raw data in more user-friendly ways. This market is dominated by a few large players (with proprietary technologies) which cannot easily integrate social economy alternative solutions in their standardised and interoperable systems.

Social economy-based Data Services (DS) and Data Sharing Services (DSS) are still rare, scattered and often locally based. Stakeholders stressed that actions are necessary to develop and enhance initiatives where the data is “community owned”, like in case of platform and data cooperatives. This would require public-private partnerships and complementary action at all levels.

In particular, digital enablers¹⁰⁶ rooted in social economy can play a significant role in overcoming data illiteracy amongst social entrepreneurs, as well as in offering creating opportunities and supporting the development of data-driven strategies and business models.

104 For example (1) the Data Maturity tool JADS Datalab <https://www.jads.nl/business/jads-mkb-datalab/>, (2) [Diginno Tool - SME Digital Maturity Recommender | Digital Skills and Jobs Platform \(europa.eu\)](#) (3) Data maturity tools can also exist to support cities such as the Digital Cities Challenge Self-Assessment Tool <https://www.intelligentcitieschallenge.eu/assess-your-citys-digital-maturity>.

105 Intermediary cooperatives who would negotiate with companies and other entities to establish guidelines around the use of shared data; set limits on who can view, store, use, or buy it; and route the benefits back to the data owner. <https://www.weforum.org/agenda/2022/02/the-key-to-designing-sustainable-data-cooperatives/>

106 For example the initiatives developed by WAAG Society (NL, <https://waag.org/en/>) in terms of technology and data research, support for new data-based business models in different sectors (e.g. energy, textiles) as well as citizens initiatives are remarkable in this regard.

Stakeholders argued that the creation and development of “social economy tech knowledge centres” would enhance data management and sharing in the social economy across different Member States and regions.

Action area 9: Data management and sharing as business asset for the social economy			
Actions	Actors	Timeframe	Output
17. Improve data maturity within the ecosystem by raising awareness about data as business asset and supporting data-driven business models in the social economy	EU, Member States, Stakeholders	S/M	More business in the ecosystem are using data-driven impact models, business processes, market analyses and product or services offers.
18. Support exchange on existing models for impact based data analytics and data sharing ‘for good’ (e.g. crowd sourcing initiatives, data philanthropy, and impact measurement) including interoperability cross borders context. The European and national competence centres for social innovation can facilitate such exchange. ¹⁰⁷	EU, Member States, Stakeholders	S/M	Increased development of data sharing practices and open data platforms amongst social economy players to improve joint (e.g. local) impact.

2 Public governance - investment and funding

¹⁰⁷ <https://ec.europa.eu/european-social-fund-plus/en/competence-centres-social-innovation>

Facilitating the digital transition of the social economy can be leveraged by various public policies boosting digital (social) innovation, as well as public-private and B2B partnerships pooling resources, knowledge and technologies.

Action Area 10: Public support, B2C and B2B partnerships

According to stakeholders, due to their different business culture and mission orientation than mainstream businesses, social economy actors in the digital economy or ‘social tech entrepreneurs’ benefit less from business support services, such as the European Digital Innovation Hubs (EDIH) and the European Institute of Innovation & Technology (EIT). This said, some EDIH¹⁰⁸ with a focus on social economy may exist, however no particular indicators allowing the identification of social economy actors or Digital Social Innovation¹⁰⁹ (DSI) actions within the EDIH network are available.

When it comes to public funding supporting DSI and Tech for Good, stakeholders considered funding criteria are too much “solutions” oriented (e.g. “too much technology instead of purpose oriented”). This encourages technology developers to copy existing tools that might not address the real challenge (critical to social innovation) or think in “technology silo’s” terms. Instead, a focus starting from the “challenges” and “process” would be more beneficial and there social innovators can find their place.

Stakeholders equally highlighted the need to include social economy businesses in national, regional and EU tech support structures (e.g., federations, tech hubs, tech campuses, networks, incubators). They also pointed at the potential of *regulatory sandboxes* to test pilots for Tech for Good developments and bring their innovations to the market. This is particularly important in areas with ethical sensitivity or where deployment of technologies may affect

108 4P DIH, focusses on digitisation and tech transfer for rural and remote business in Slovenia. It builds a PPP engaging Industry, Education, Public administration and Communities.

109 Digital social innovation (DSI) involves the use of digital technologies in the development and implementation of innovative products, services, processes and business models that seek to improve the well-being and agency of socially disadvantaged groups or address social problems related to marginality, inequality and social exclusion (Qureshi, Pan, & Zheng, [2017](#); Shalini et al., [2021](#))

social and economic relationships (e.g. patents and intellectual property, health and social policy or competition law).

Action area 10: Public support, B2C and B2B partnerships			
Actions	Actors	Timeframe	Output
19. TBC	EU	S/M	TBC
20. Enhance collaboration between Tech Clusters and Clusters of Social and Ecological Innovation facilitating tech transfer at the local level + EU dissemination via the European Cluster Collaboration Platform (EECP).	EU, Member States, Stakeholders	M	First social tech clusters become recognised by the ECCP and social tech businesses join mainstream tech clusters.
21. Create regulatory sandboxes to test Tech for Good or Digital Social Innovation pilots in certain policy areas or value chains (e.g. social policy, housing and construction, circular economy).	Member States, Stakeholders	M/L	DSIs become mainstream in relevant policy areas thanks to extensive testing and piloting.

Action Area 11: Data management & Digital Code of conduct for the social economy

As seen in the previous section, data maturity could overall be considered as low within the ecosystem. In particular, data management and the development of protocols on how data is stored, owned, shared and monetised present a challenge to most social economy

entrepreneurs. If SMEs develop the skills to manage their data in-house, they may still be subject to particular challenges such as contractual data lock-ins with online service providers (e.g. sales platforms, payment platforms).¹¹⁰ Moreover, social economy actors usually store data via cloud storage services¹¹¹, with limited control over the data usage. Without being able to manage and store own data or collaborate with enterprises who store and use their business data along the social economy values, data stewardship¹¹² for social entrepreneurs often becomes a complex task.

To build data management capacity within the ecosystem, stakeholders consider useful to develop a ‘code of conduct’ establishing a set of principles for how data should be managed and used in the social economy and building on existing best practices for the use of business and public data commons.^{113 114}

110 Meaning that the sovereign ownership of their (beneficiaries’) data might not be automatically reclaimed. Such lock-ins are an obstacle for the ‘portability’ of data (e.g. when transferring to another/own sales platform) as well as client/user privacy.

111 Data Services’ (DS) or Data as a Service (DaaS)

112 Data stewardship can be defined as the tasks and responsibilities that relate to the management, sharing, and preservation of research data throughout the research lifecycle and beyond. Fostering FAIR Data Practices in Europe (Horizon 2020 project by fairsfair).

113 <https://culturalfoundation.eu/wp-content/uploads/2021/05/Waag-Report-on-European-Digital-Public-Spaces.pdf>

114 For instance, the recently developed BECODE project proposed a “Digital Data Commons Privacy Pledge” for the use of personal data: When a company may want to share digital data commons built on personal data, this pledge provides a pool of voluntary standard commitments for strengthening data privacy rights and fostering digital data commons. The Digital Data Commons Privacy Pledge is a privacy enhancing tool that aims both to strengthen the safeguard of data protection and privacy rights in a way that aims to be wider and stronger than as provided by the GDPR, and, at the same time, to enforce the autonomy and the power of each User Data Provider (UDP) by a set of smart rules, as data subject with the goal of fostering acknowledgment, civic engagement and new scenarios of participation and the production of digital data commons. Such smart rules can also support the safe use of Distributed Ledger Technologies (DLT) as those are not all considered as legally compliant and safeguarding individual privacy rights (e.g. permissionless DLT’s).

Regarding the broader context on data sharing, General Data Protection Regulation (GDPR)¹¹⁵, the Data Governance Act¹¹⁶ and the establishment of sectoral data spaces (announced in the EU Data Strategy¹¹⁷ and supported by the Digital Europe Programme) create a regulatory and operational framework to improve data sharing and re-use, which can potentially benefit the ecosystem. The Data Governance Act recognised “data cooperatives”, next to “data intermediaries”, as a data sharing service and introduced, for the first time through a regulation, the concept of “data altruism”.^{118,119} At the same time, stakeholders stressed that the awareness about these opportunities are not broadly known within the ecosystem.

Regarding GDRP, stakeholders are in agreement about the leading role that social economy can play. Specific models are developed to provide more security and accountability for personal data, while still making use of the data in an anonymised and secured manner for societal or business purpose.

When discussing data management and interoperability for the ecosystem, the question of common data spaces is key. During the co-creation process, discussions were held about the need for a dedicated “EU data space for the proximity and social economy ecosystem”. This was not considered relevant or mature need at this stage, given the transversal nature of the ecosystem, the low data maturity and availability of proximity and social economy based datasets. Facilitating access to sectoral Common European data spaces, for example on skills, mobility, tourism, health, care and social services, energy, agriculture, and promoting the added value of social economy business models is considered as a more promising strategy.

115 https://ec.europa.eu/info/law/law-topic/data-protection_en

116 <https://digital-strategy.ec.europa.eu/en/policies/data-governance-act>

117 https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/european-data-strategy_en

118 This novelty envisaged a data coop as a neutral intermediary in the (personal) data economy. By providing oversight and transparency, data coops are meant to empower individuals to exercise their rights under the GDPR more effectively. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52020PC0767>

119 An entity engaging in data altruism will be able to register voluntarily as a data altruism organisation in a new public register. The organisation has to have a not-for-profit character and meet transparency requirements as well as specific safeguards to protect the rights and interests of citizens and companies.

Moreover, to support B2G data sharing practices, Member States have developed national portals making open data available¹²⁰, in domains with strong presence of social economy businesses models such as health, care and social services, mutual insurance, environment, population & society, traffic information, water quantities, road and street (infrastructure) and housing. This is also relevant to the proximity economy, as at the local level, data and data-based services can be exchanged among public and private actors through Common Smart City or Community Data Platforms (Local Data Platforms). To this end, the European Commission developed the European Interoperability Framework for Smart Cities and Communities (EIF4SCC) and aims to provide a framework of interoperability of (private and public) data generated at local level. Proximity and social economy businesses can benefit from those infrastructures and networks to develop new data-driven services by (re)using datasets, within and across cities, regions and borders.¹²¹

Action area 11: Data management, Data Spaces & Digital Code of conduct for the social economy			
Actions	Actors	Timeframe	Output

120 All national data portals promote and support open data re-use. 25 of the EU27 national portals have a designated section to promote applications that make use of open data. Additionally, 23 Member States provide the possibility for users to submit their own use case examples. In most instances (85%), those portals that have a dedicated use case section on the portal also reference the datasets that the use cases are based on. https://data.europa.eu/sites/default/files/landscaping_insight_report_n7_2021.pdf

121 The framework was developed by building on and finding complementarities with previous and ongoing initiatives, such as the [Living-in.EU](#) movement, the 2017 [European Interoperability Framework](#) (EIF), [Smart Cities Marketplace](#), [Intelligent Cities Challenge](#), [Digital Transition Partnership](#) under the Urban Agenda) and EU funded projects ([Synchronicity](#), [Triangulum](#), etc.).

22. Support social economy enterprises to be compliant with legal requirements on data management (e.g. GDPR) and benefit from new possibilities such as “data cooperatives” for data sharing services and “data altruism” (Data Governance Act).	EU, Member States, Regions, Stakeholders	S	Improved understanding and compliance regarding legal requirements for data storage, sharing and processing.
23. Develop a Code of Conduct for data collection, sharing and management in the social economy ¹²² to expand a community of practice.	EU, Member States, Stakeholders	S/M	Code of Conduct for data management to be agreed by stakeholders by 2024 Community of practice and toolbox for data management and sharing in social economy is organised by 2024
24. Connect social economy actors with relevant common European data spaces to enable the development of data-driven business models in the social economy. ¹²³	EU, Member States, Stakeholders	M	Social economy actors in particular sectors such as tourism, health, care and social services, mutual insurance, agriculture and mobility benefit

¹²² As announced in the SEAP.

¹²³ <https://digital-strategy.ec.europa.eu/en/library/staff-working-document-data-spaces>

		increasingly from the data available in the common European data spaces.
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3 R&I, Techniques and Technology solutions

Stakeholders emphasised digital Social Innovation as a key enabler for new business activity and non-commercial solutions. Several sectors such as agriculture and food could boost sales shifting quickly to digital marketplaces. The Covid-19 pandemic accelerated inspiring technology-based initiatives in the social economy (e.g. Tech for Good) and urged several social economy actors to use or develop digital solutions or offer digital services to those in need. Similar agility can be observed with the provision of basic services such as health, care and social services, housing, education and access to labour market to displaced people from Ukraine.¹²⁴

These telling examples show, on the one hand, the ability of the social economy to respond with new (digital) innovations to economic or societal challenges and, on the other hand, the presence of an agile digital community within the ecosystem. However, transferability to other actors within and outside the ecosystem remains an important challenge for scaling and mainstreaming digital social innovations and ‘tech for good’ entrepreneurship.

Action Area 12: Supporting Digital Social Innovation & Tech for Good entrepreneurship
Digital social innovation (DSI)¹²⁵ brings forth solutions in a variety of fields such as health, care and social services, education, housing, ecology and public governance. Stakeholders

124 Initiatives such as <https://techfugees.com/>, <https://employukraine.org/>, www.ukrainetechcollective.com and many more examples collected by an internal DG GROW mapping on the response of Social Economy to the Ukrainian war.

125 Digital social innovation (DSI) involves the use of digital technologies in the development and implementation of innovative products, services, processes and business models that seek to improve the well-

emphasised the importance of DSI to accelerate the twin transition of the ecosystem and stressed the importance for place-based innovations driven by the social economy (innovation based on local assets and realities).¹²⁶

Stakeholders highlighted the broad potential of Tech for Good for business opportunities with social or ecological impact, as well as towards societal progress, for example in terms of social inclusion, urban development and accessibility. During the co-creation process, several types of Tech for Good were highlighted as having potential (e.g. local data monitoring for mobility, pollution monitoring for public health, development of assistive technologies in health, care and social services¹²⁷ and education, traceability and crop management for agri-food, smart building monitoring instruments for housing). Still, the visibility of Tech for Good is generally low, compared to unicorn tech start-ups in the mainstream economy.

Box 5: EU supporting Digital Social Innovation and Tech for Good projects

The European Commission organises since 2013 the European Social Innovation Competition to test social innovation solutions and bring them closer to the market. Each year the social innovation challenge focuses on a different area. In 2017, the theme ‘Equality rebooted’ wanted to showcase next technologies and digital solutions for societal challenges. Several interesting businesses were listed in the top 10:

- Feelif (Slovenia) Feelif developed a multimedia tool for blind and visually impaired people which enables them to feel shapes on a standard touchscreen.
- SAGA (Netherlands) is a peer-to-peer learning platform that reflects and compensates the true value of knowledge and skills exchanged between educators and learners.
- The Bike Project (UK) won the impact prize of the 2017 edition. It refurbishes second-hand

being and agency of socially disadvantaged groups or address social problems related to marginality, inequality and social exclusion (Qureshi, Pan, & Zheng, 2017; Shalini et al., 2021

¹²⁶ https://ssir.org/articles/entry/the_importance_of_place

¹²⁷ A specific type of Tech for Good developed mainly within the social economy lies in the support of persons with disabilities or other target groups in their daily life, work and societal functioning. Examples are based on language technology, laser technology, augmented reality, and robotics.

bikes to donate to refugees and asylum-seekers, tackling the issue of a lack of mobility. The project donated 1,000 bikes to refugees in the space of a year. A proportion of the bikes received are sold through its trading arm The Bike Shop to generate funds for the project and ensure long-term sustainability.

Scaling up and accessing markets is hampered by high investment costs, presence in niche markets with low margins and economies of scale due to customised applications. Partnerships with tech companies may be a way to find investments, research opportunities and access to markets. Moreover, more effective impact measurement could illustrate how Tech for Good products and services can drive the green and digital transition in diverse areas of economic activity.

To this end, stakeholders regularly pointed the need for (sectoral) Tech for Good marketplace(s) to provide access to open and replicable technologies, support the dissemination of best practices and help scaling the impact of social tech solutions. Social economy intermediaries and business networks were considered similarly important for leveraging the access to (open source) Tech for Good solutions, support capacity building, training and acceleration services was echoed during the consultation process.

Several stakeholders equally pointed out the potential of business to business cooperation to facilitate access to technology for the development of Tech for Good, such as clusters¹²⁸ and industrial alliances.

Action Area 12: Supporting Digital Social Innovation & Tech for Good entrepreneurship

Actions	Actors	Timeframe	Output
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¹²⁸ See examples mentioned in the GECES report “[Clusters of social and ecological innovation in the European Union, perspectives and experiences](#)”

25. Develop communities of social innovators, to facilitate and transferability and scale up of outcomes. ¹²⁹	EU, Member States	M	Best practice exchange and enhanced access to open Tech for Good tools and DSI project results and blueprints
26. Increase access of social economy to tech support structures (e.g. tech federations, hubs, campuses, incubators, clusters, industry alliances) to enable social tech entrepreneurship.	Member State Regions Stakeholders	S/M	Social economy support programmes are developed within public and public-private tech support services and networks. Validated and transferable Tech for Good applications addressing societal challenges or the business capacity of social economy

4 Infrastructure

Action area 13: Access to technology

Meeting the Digital Compass objective to reach 5G coverage across the EU by 2030¹³⁰ will contribute to the digital transformation of the ecosystem. Stakeholders highlighted that high-quality digital connectivity is a precondition for a successful digital transition of the SMEs in

¹²⁹ https://eic.ec.europa.eu/eic-funding-opportunities/eic-prizes/european-social-innovation-competition_en, <https://ec.europa.eu/european-social-fund-plus/en/competence-centres-social-innovation>, <https://www.euscf.eu/>

¹³⁰ [Europe's Digital Decade: digital targets for 2030 | European Commission \(europa.eu\)](#)

the proximity and social economy. This remains a key issue for social enterprises in many remote and rural areas.¹³¹

Next to connectivity, adapted and affordable technology and adapted financial and advisory support are identified as the biggest needs when developing the right IT infrastructure for the social economy. Many small enterprises in the ecosystem lack even basic digital hardware (computers and network environment) and more advanced hardware is not broadly used in the ecosystem (e.g., GPS guided machinery, drones, 3D printing, robotics, laser cutting, robotics, Internet of Things, etc.).

Stakeholders described the IT support market as immensely diverse (from traditional on-premises IT solutions to more advanced cloud packages)¹³² and therefore not easily accessible to small and micro social enterprises in the proximity and social economy.

A potential solution highlighted by stakeholders, which has gained ground in recent years, could be globally designed open-source business tools, for example based on no-code or low-code technologies by Tech for Good developers. The uptake of such solutions would require basic to moderate digital capacity, but remains challenging, given the low digital awareness within the social economy and competition with established software companies.¹³³

131 Analysis by the Joint Research Centre shows that the average internet speed differs in different NUTS3 regions According to NUTS 2021 classification, there are 1166 regions at NUTS 3 level in the EU; [Background - NUTS - Nomenclature of territorial units for statistics - Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

132 SaaS packages (Software As A Service, e.g. integrating in one online package access to a menu of IT tools needed such as Customer Relationship Management (CRM), accounting and project management software, plug-in tools, e-commerce and e-payment services, etc.).

133 For example, when desiring the development of data driven solutions and applications, the service user has no control of the data stored in the cloud of the service provider which might potentially harm privacy of their clients, in case of SaaS, Infrastructure as a Service (IaaS) as well as Platform as a service (PaaS) offers.

Action area 13: Access to technology			
Actions	Actors	Timeframe	Output
27. Support “digital accelerators” and technology enablers in the ecosystem offering adapted and affordable off-the-shelf technology solutions to boost and diversify the digital commercial presence of social economy actors (website building, e-commerce, e-payment, stock management, order management, etc.).	Member States, Regions, Stakeholders	S/M	90% of Proximity and social economy SMEs have reached a basic level of digital intensity by 2030 ¹³⁴
28. Support of Tech for Good marketplaces providing access to open and replicable technologies, adapted to smaller social economy entities’ needs and with specific focus on remote or rural areas (such as assistive technology, mobility technology, Internet of Things,..)	Member States, Regions, Stakeholders,	M	The market of basic open source and affordable IT services becomes a relevant source of support for the digitisation of social economy business, e.g. those in most remote areas or employing persons in need of assistive technologies.

5 Skills

134 Europe’s Digital Decade: digital targets for 2030. https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030_en

Action Area 14: Boosting digital skills by - and in the social economy

The low level of digital skills is considered as the most pressing barrier for social economy SMEs to take up new digital solutions and develop business models more innovative and resilient to future needs, to improve business efficiency and the carbon footprint of their products and services.

More specifically, the skills shortages identified by stakeholders cover all five dimensions of the DigComp framework¹³⁵. During the co-creation process, most stakeholders referred to basic IT skills needs (e.g., office applications, internet and searching, basic operating system usage, specific software package usage), as well as more moderate to advanced skills in data science; social media marketing; e-commerce handling, data- and cyber security, Customer Relationship Management, etc.

Multi-stakeholder skills alliances to support upskilling and reskilling, such as the Skills Partnership for the proximity and social economy ecosystem established under the EU Pact for Skills¹³⁶, can help to identify the skills needs for the digital transition and stimulate the development of effective upskilling programmes in the Member States. On sector level, the Alliances for Sectoral Cooperation on Skills¹³⁷ (ERASMUS+) offer a suitable framework for sector¹³⁸ cooperation at EU, national and regional level.

The potential of exchange programmes for students (for example Erasmus+) and entrepreneurs (such as Erasmus for Young Entrepreneurs) could be used more in that regard.

135 Five DigiComp dimensions: (1) Information and data literacy, (2) Communication and collaboration, (3) Digital content creation, (4) Safety, (5) Problem solving. Developed by the Joint Research of the European Commission (JRC) to provide guidance on different elements to be included for different types of skills objectives https://joint-research-centre.ec.europa.eu/digcomp/digital-competence-framework_en

136 <https://ec.europa.eu/social/main.jsp?catId=1517&langId=en>

137 <https://ec.europa.eu/social/main.jsp?catId=1415&langId=en>

138 Such approaches have already been developed under the Blueprints on sectoral skills. The first blueprint focuses on specific skills for staff employed in Work Integration Social Enterprises (WISEs), given the specific nature of the processes and support for vulnerable groups. <https://www.bwiseproject.eu/nl/home>

Cooperation with large corporations is another potential avenue through, for example, facilitation of traineeships, exchange of employees¹³⁹ or the offer of pro-bono training to social entrepreneurs. The role of intermediaries in facilitating exchanges is key as many proximity and social economy actors are not aware of such opportunities.

Social Economy as a digital training provider

Considering digital skills, the specific role of certain social economy organisations offering training was highlighted regularly by stakeholders. In some cases, digital training packages (e.g., fast coding, language technology, augmented reality, etc.) are developed in the social economy, albeit in a dispersed order and in a format that might not be easily replicable (because of language, target group and contextual differences, etc.). In other cases, successful coding schools were developed in disadvantaged areas (e.g. specific inner city areas, remote areas) creating job perspectives in the IT sector for local NEETs (young persons Not in Education, Employment or Training). At the same time, such organisations may lack adapted technologies for their training programmes.¹⁴⁰

Box 6: Social Economy as a digital training provider and the Digital ecosystem

Pioneering social economy ‘coding schools’ train persons with a distance to the labour market in coding, addressing labour market shortages for IT jobs, promoting (social) tech entrepreneurship and new developers of Tech for Good. These unique business models and their societal relevance¹⁴¹ have much scaling potential across the EU. Such initiatives play an important role for the integration of refugees and for example when supporting internally

139 Mainstream enterprises offering so-called “skills-based sponsorship” where a company put the skills of its own employees at the service of a social enterprise or an NGO. (For example in FR ‘*Mécénat de compétence*’ programme supported by the state under the).

140 Such technologies benefitting training of for example young persons not in Employment, Education or Training (NEETs); elderly persons; persons with a migrant background; persons with disabilities, etc.

141 Pioneering social economy entities have built-up several digital training models (e.g. coding schools) targeting NEETS in disadvantaged neighbourhoods, for example in cooperation with tech companies, generating digitally skilled job seekers and potential new social tech entrepreneurs. In this context, stakeholders highlighted specifically the intergenerational learning models developed by SE (knowledge sharing regarding digital skills) as promising business model given the greying of societies.

displaced persons from Ukraine arriving to the Member States following the military aggression by Russia.

Stakeholders from the proximity and social economy and digital ecosystems could setup more strategic partnerships generating mutual benefits: digitally skilled workforce, new tech-start-ups, social inclusion and scaling social impact.

Case in focus:

BeCode, is a “next-generation training centre”, active in 6 cities across Belgium. *BeCode* aims at providing competitive and responsible coding school programmes and training programmes on digital technologies, accessible to all and free of charge. *BeCode* has developed strategic partnerships with IT and Telecom companies such as Orange, Microsoft and SAP, as well as several foundations and public services.¹⁴²

Action area 14: Boosting digital skills			
Actions	Actors	Timeframe	Output
29. Promote skills certification, specific curricula anticipating digital skills needs at sector level as well as social economy based competences.¹⁴³ Translate those into actual training programmes. Join the EU Pact for Skills and in particular the Stakeholder Skills Partnership for the proximity and social economy by signing its	Stakeholders at EU, national, regional and local levels	M/LBy 2030,	Better information on data and skills needs in emerging digital sectors, develop specific ecosystem curricula and increased participation in skills partnerships. Higher share of

¹⁴² <https://www.becode.org/>

Declaration and actively engaging on its commitments on digital skills. (foresight, training, skills certification, curricula)			educational institutions delivering courses on digital business models based on social economy values Targeted programs¹⁴⁴ supporting up- and re-skilling of employees are developed
30. Facilitate B2B cooperation between social enterprises and tech companies to further develop social economy digital training centres (e.g. coding schools)	Member States, Regions, Stakeholders	S/M	Social economy training centres are key partners for Public Employment Services in supporting NEETs towards an IT job. Social economy contributes to the Digital Decade target of having 20 million ICT Specialists in the EU by 2030.

V MONITORING AND CO-IMPLEMENTATION

¹⁴⁴ For example supported by ESF+ and based on outputs of sector skills alliances: VET profiles and sectoral curricula.

1 Launching the co-implementation of the transition pathway

The transition pathway can only rely on cooperation at all levels. The co-creation process has shown how relevant it is to work together to support the twin transition of the ecosystem and strengthen its resilience. Stakeholder engagement is an indispensable building block of the co-implementation of the transition pathway.

The publication of the transition pathway in this policy report kick starts the co-implementation process, which will be underpinned by stakeholder pledges around the shared action areas of the transition pathway. The European Commission will facilitate the co-implementation, in cooperation with stakeholders, by taking stock of stakeholder pledges and progress made.

2 Synergies with other EU policies

The “Proximity and social economy” ecosystem is interlinked with other industrial ecosystems where proximity economy and social economy business models are present, for example tourism, textiles, food, retail, construction and mobility. For this reason, the Commission will ensure that the co-implementation process adequately considers the progress made by other industrial ecosystems in the context of the EU Industrial Strategy, as well as developments in other EU policy areas. For that purpose, it will make best use of the Technical inter-service group to implement the Action Plan on Social Economy, as well as of the EU Industrial Forum.

3 Assessing the progress

Assessing the progress should be a collaborative process with stakeholders of the ecosystem. The EU Industrial Forum oversees the transition pathways of all industrial ecosystems and it will be regularly updated on progress of this transition pathway. The Commission will explore how GECES (Commission expert group on social economy and social enterprise) and, more broadly, ecosystem stakeholders, can contribute to the co-implementation of the transition pathway.

4 Initial commitments by stakeholders

The transition pathway was co-created together with stakeholders and will be co-implemented with and by stakeholders. To this end, the Commission collected initial commitments by stakeholders through the on-line survey launched between December 2021 and March 2022. Following the presentation of the transition pathway in this report, the Commission will

launch an open call for stakeholder commitments and pledges. This will be the next step in the participatory process of the co-implementation of the transition pathway.

The intention is to build synergies with specific commitments and actions under, for instance, the EU Pact for Skills, EU Rural Pact, and the New European Bauhaus.

In anticipation of the stakeholder pledges for the co-implementation of the transition pathway, an overview of initial commitments collected during the online survey is presented below, thereby illustrating the willingness of ecosystem stakeholders to drive its green and digital transitions and contribute to long-term resilience.

4.1 Green transition – pledge areas

Action Area 1: Reinforcing B2B collaboration for greener and circular value chains

- *Increase the sale of green products or services within the total sales of the company or its selected business part.(Stakeholder)*
- *Support multi-stakeholder (mainstream companies, research institutions, social organisations, as well as EU, national and local authorities) collaborations and experimentations to help build an enabling environment like social and ecological clusters; (Federation)*
- *Organise workshops and annual conferences on the role of social economy in the field of green transition - contribute to disseminating research on sustainable business models; (Research Institute)*
- *Reinforce partnerships with industry to develop specific products, technologies, activities and practices that significantly reduce the impact on climate change. (Research Institute)*

Action Area 2: Creating financial incentives and supportive regulation for green and circular social economy business models

- *Train/sensitise and equip elected representatives and local government officials on the place and role of the social economy in the green transition; (Public)*
- *Commit to work on sustainable tourism and greening cities also through partnerships (e.g., partnership on Sustainable Tourism); (Public)*
- *Work with social economy actors to develop actions in the field of energy sobriety, sustainable and local food, sustainable mobility; (Public)*
- *Make the best use of socially green responsible public procurement and award more contracts to social enterprises; (Public)*
- *Support citizens to make green choices with social enterprises by developing prizes, awards and communication campaigns. (Public)*

Action area 3: Certification, labelling and self-regulation

- *Commit part of the corporate public relations expenditure to the promotion of sustainable practices in line the Commission's implementation of the European Green Deal policies and actions;(Stakeholder)*
- *Provide yearly extensive information for products labelled as sustainable;(Stakeholder)*
- *Make the best use of impact assessment methodologies to develop new green products and new services. (Stakeholder)*
- *Measure and track sustainability performance each year between now and 2030 (Stakeholder)*

Action Area 4: Innovation as enabler for green transition and business development in the social economy

- *Recalibrate research activities on the potential of the social economy to tackle ecological challenges; (Research Institute)*
- *Develop in secondary schools/universities “junior enterprises” schemes aimed at boosting youth entrepreneurship in the field of green transition. (Research Institute)*

Action Area 5: Greening infrastructures and business operations

- *Calculate the carbon footprint of the company, including its supply chain, using the calculation methodology or environmental management scheme developed by the European Commission; (Stakeholder)*
- *Develop digital tools to manage the reuse of construction materials; (Stakeholder)*
- *Develop research and collect data to improve the knowledge of social enterprises and organisations engaged in the green transition and circular economy; (Federation)*
- *Designate “climate ambassadors” to promote green transition actions locally and connect with public policy makers; (Federation)*
- *Commit to an adequate and thoughtful conversion to renewable sources in transport, industrial processes and economic activities and maximize waste recovery and reuse. (Federation)*

Action Area 6: Green business communities and citizens’ initiatives

- *Launch national and regional initiatives (e.g. “Green Makers”) to increase awareness raising and empower citizens; (Federation)*
- *Promote public initiatives, e.g., acceleration programmes, aimed at supporting organizations/citizens in low carbon digital projects. (Federation)*

Action area 7: Addressing capacity and skills gap

- *Provide capacity building for green transition to members through business support and training at local level; (Federation)*

- *Work on identification of skills needed and engage in the re- and up-skilling of social economy employees/entrepreneurs also by participating in the EU Pact for Skills; (Federation)*
- *Raise awareness and develop training schemes on socially and environmentally responsible public procurement. (Federation)*

4.2 Digital transition – pledge areas

Action area 8: Social Economy and the Platform Economy

- *Build on the example of local public platforms offering free top-up courses to improve digital skills in all sectors; (Stakeholder)*
- *Promote the model of digital cooperatives on a European scale; (Federation)*
- *Train/sensitise and equip elected representatives and local authorities on solidarity-based digital cooperative platforms.(Public)*
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Action area 9: Data management and sharing as business asset for the social economy

- *Conduct digital assessments and elaborate digitalisation plans; .(Research Institute)*
- *Provide data upon human-centric automated industrial models.(Research Institute)*

Action area 10: Public support, B2C and B2B partnerships

- *Help in the creation of an inclusive digital labour market;*
- *Cooperating amongst social enterprises and municipality to set-up a silver-age, up-skilling schools in rural areas. (Stakeholder)*
- *Joining a local cluster to enjoy digital experience and access to technology; (Stakeholder)*
- *Work on a policy brief on the role that fintech and financial literacy can play to reinforce access to finance for inclusive and social enterprises; (Public)*
- *Support policy makers in the development of concrete policies and tools in making the most of the social economy's contribution to the digital transition; (Public)*
- *Incentivise investing in social tech entrepreneurs through fiscal incentives for social innovators (drawing on best practices); (Public)*
- *Exploring the key role of crowdfunding and microfinance. (Public)*

Action area 11: Data management, Data Spaces & Digital Code of conduct for the social economy

- *Code of conduct/Ethics on data use in social economy improves data access and sharing within the ecosystem. (stakeholder)*

Action Area 12: Supporting Digital Social Innovation & Tech for Good entrepreneurship

- Disseminate research findings and analyses concerning the link between the digital transition and the social economy; (Stakeholder)
- Capitalise, develop and disseminate tools and recommendations developed in the framework of relevant projects (e.g., B-WISE project, WISE for Digital Upskilling project, InnoWISEs, Social Tech Academy, Urban Innovative Action, Coopedia, SCC, Coop4EDU, Digital Boost programme, EU3Digital). (Federation)

Action area 13: Access to technology

- Help reducing the digital gap also by promoting the replication of actions undertaken in the framework of social economy organizations' projects; (Stakeholder)
- Commit to the co-creation of digital commons, raise awareness of European cloud and data actors to develop a sovereign digital economy with the social economy; (Federation)
- Take part in research actions focused on e.g., scaling patterns for the social economy through digitalisation, assessing the risks and challenges of digitalisation for social economy organizations. (Research Institute)

Action area 14: Boosting digital skills

- Promote the Social Tech Academy (i.e., the European platform of resources on the digital professions of the social economy and social tech). (Stakeholder)

VI ANNEXES

ANNEX I: Thematic flow co-creation process – From the Staff Working Document on Scenarios.... to the Transition Pathway

Green Transition			
SWD	Co-creation topics	TP Action Area	
Leveraging the social economy business model for a just green transition.	- Green innovations & business models - Partnerships & Local Green Deals	- Reinforcing B2B collaboration for greener and circular value chains - Innovation as enabler for green transition and business development in the social economy	

Innovation uptake, operational (skills) and financial capacity of social and proximity enterprises to green their operations and lead green innovation	• Green innovations & business models • Greening the ecosystem	• Innovation as enabler for green transition and business development in the social economy • Addressing capacity and skills gap • Creating financial incentives and supportive regulation for green and circular social economy business models	
Accessing emerging green markets and sustainable public procurement	• Partnerships & Local Green Deals • Circular Economy	• Reinforcing B2B collaboration for greener and circular value chains • Creating financial incentives and supportive regulation for green and circular social economy business models • Certification, labelling and self-regulation	
Energy poverty and annual investment gap of EUR 57 billion in social housing, EUR 192 billion annual investment gap in social infrastructure	• Greening the ecosystem • Partnerships & Local Green Deals	• Greening infrastructures and business operations	
Engagement models for civil society, social and proximity economy actors to develop <i>Local Green Deals</i>	• Partnerships & Local Green Deals	• Green business communities and citizens' initiatives	

SWD	Co-creation topics	TP Action Areas	
Digitalisation of social economy entities	• Social tech entrepreneurship • Digital Platforms & shared economy	• Boosting digital skills • Access to technology	
Marginal investment and public-private partnerships in R&I and deployment of ‘TechforGood’	• Tech for Good • Digital Platforms & shared economy	• Supporting Digital Social Innovation & Tech for Good entrepreneurship • Social Economy and the Platform Economy	
Low digital innovation uptake by businesses as well as limited number of new social tech entrepreneurs.	• Social tech entrepreneurship	• Supporting Digital Social Innovation & Tech for Good entrepreneurship • Data management and sharing as business asset for the social economy • Access to technology	
Lack of promotion and best practice sharing to support digital social innovations and TechforGood	• Tech for Good	• Public support, B2C and B2B partnerships	
Visibility and scaling up of social economy business models in the platform economy	• Digital Platforms & shared economy	• Supporting Digital Social Innovation & Tech for Good entrepreneurship • Social Economy and the Platform Economy	
Data sharing among players to support data enabled solution.	• Data management & interoperability	• Data management and sharing as business asset for the social economy • Data management & Digital Code of conduct for the social	

		economy	
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ANNEX II: Overview of Transition Pathway action areas
[\[update\]](#)

ANNEX III: Overview of consultations