



ENSIE Memorandum European Parliament Elections 2024

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I. Introduction

ENSIE is the European Network of Work Integration Social Enterprises (WISEs), which gathers 31 local, regional and national networks from 21 countries from the EU (Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Romania, Slovenia, Spain and Sweden) as well as Azerbaijan, Moldova, North Macedonia, Serbia and Ukraine. ENSIE represents the interests of national and regional networks of WISEs, striving for more inclusive and integrated forms of employment at European level. WISEs are defined by three identifying pillars: they are enterprises whose main objective is the social and professional integration of disadvantaged people; they are at the core of the economic system; they present a strong pedagogical dimension.

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II. Social economy and Work Integration Social Enterprises, a future-proof model

First of all, ENSIE wishes to draw attention to the increasing number of initiatives on social economy. In 2021 the Social Economy Action Plan (SEAP) was adopted, containing about 60 actions to improve the social economy ecosystem within the EU and beyond. In July 2022, the European Parliament adopted the 2021/2179(INI) report on the EU action plan for the Social Economy, with 493 MEPs voting in favour, 75 against and 69 abstentions. As a consequence of the SEAP, In June 2023, the [Social Economy Gateway](#), a one-stop-shop for social economy, was published. In November 2023 the Council gave its final approval to a Recommendation, on promoting enabling frameworks for the social economy, which will be a crucial legislation for the social economy, including WISEs, in the years to come. Also on UN level, several actions have been taken, notably the adopted UN General Assembly Resolution (UNGA) “promoting the social and solidarity economy for sustainable development”, the first UNGA resolution of its kind.

Indeed, the transformative potential of the social economy is increasingly being recognised. The social economy provides answers to many societal challenges: from the need for a more circular economy to labour market challenges and inclusion.

Furthermore, WISEs contribute to different policy agendas such as the **European Pillar of Social Rights (EPSR), the European Skills Agenda, the Cohesion Policy, the Sustainable Development Goals and the Green Deal** and important processes such as **the EU semester**.

The impact of WISEs is also demonstrated through ENSIE’s annual [Impact-WISE study](#), which shows that in 2022 of the 80 113 disadvantaged workers who have followed an integration pathway in 2072 work integration social enterprises in 10 countries, 40% found a job on the mainstream labour market and 21% became self-employed or started an education programme.

ENSIE's Impact-WISEs study also demonstrates how **WISEs are strongly tied to Just Transition and to circular economy** operating in activities such as recycling, waste management, or re-use. The role of these social enterprises in circular economy has already been acknowledged by the European Commission in its [Circular Economy Action Plan](#). WISEs’ role in the green transition is threefold: direct participation to the transition through circular or sustainable activities; integration of the most vulnerable impacted by the

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transition; raising awareness on the transition towards their workers and their ecosystem. To say no more, WISEs are key actors of Just Transition.

Europe has been faced with a series of crises, namely the COVID-19 global pandemic, the armed conflicts in Ukraine and in the middle east, the cost-of-living crisis and the worsening climate crisis. All these crises have shown that strong welfare states can mitigate the damage and protect livelihoods. At the same time, it also became clear that we can never take our social protection systems for granted. With the direct effects of the climate crisis becoming more visible and the indirect effects to be foreseen, ENSIE wishes to stress the need for a true Just Transition. In fact, a transition can only be just if it's social and inclusive. ENSIE calls upon the future European Parliament and the Commission to take its responsibility to tackle the multitude of challenges ahead of us. There is no time to lose.

ENSIE wishes to put forward four points:

- 1. Foster the collaboration and exchange between the EU institutions and WISEs;**
- 2. Recognition of WISEs as a specific type of social economy enterprise;**
- 3. Development of an enabling framework for the social economy and WISEs;**
- 4. Put WISEs at the heart of the European Pillar of Social Rights (EPSR) and a Just Transition.**

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a) Foster the collaboration and exchange between EU institutions and WISEs.

ENSIE underlines that social economy and WISEs should get a central role in the work of the European Parliament and the Commission. An ongoing dialogue and consultation with social economy representative organisations at all political levels is fundamental to foster the efficiency, social impact and sustainability of the social economy.

First of all, **the Social Economy Intergroup should be maintained during the next legislative period.** The Social Economy Intergroup aims to maintain a permanent dialogue between all European Institutions, Member States and the Social Economy. To ensure that social economy is not forgotten and more importantly, is mainstreamed in the work of the European Parliament. **ENSIE fully re-endorses the role of the Social Economy Europe as Secretariat of the Intergroup.**

Moreover, ENSIE wishes to put forward the appointment of a commissioner responsible for Social Economy to ensure the continuity and monitoring of the SEAP and the development of social economy broadly. The time has come to live up to the growing attention paid to the social economy and to the exemplary role that the social economy, including WISEs, can play in meeting today's and tomorrow's challenges.

Social economy and WISEs actors should be taken into all EU legislations and policies. The social economy, and notably WISEs, is a major socio-economic actor in Europe but the diversity of business models operating in Europe is insufficiently considered in several policy initiatives. Therefore, impact assessments should be carried-out when EU legislation is drafted or revised to ensure that it is suitable for all business models, including social economy enterprises and organisations.

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b) Recognition of WISEs as a specific type of social economy enterprise.

ENSIE is calling for a mainstreaming and recognition of the common criteria¹ for WISEs. ENSIE is convinced that it is important for national authorities to have access to guiding principles when and if they are building specific frameworks for WISEs. WISEs are a specific type of social enterprises that need to respect crucial criteria (see below) to be successful. The B-WISE analysis² shows that in countries where WISEs are well developed, such as Belgium, France, Germany, Greece, Italy, Slovenia and Spain, the role of statutes and legal forms adapted to WISEs is a decisive factor.

The common criteria are the following:

- 1) WISEs are a specific typology of social enterprises and a subset of the social economy.
- 2) WISEs are enterprises which have as their main objective the professional integration of groups with support needs (disabled or disadvantaged persons), and this is made explicit. This is either done by creating permanent jobs (stable model) and/or transitional work experiences aimed at facilitating the integration of persons with support needs in the open labour market through training and job coaching opportunities (springboard model) **which should be recognized and financially supported by public authorities.**
- 3) WISEs are specifically independent businesses combining a market orientation and a social mission.
- 4) WISEs are economic operators of whom at least 30% of the employees are disabled or disadvantaged workers.
- 5) WISEs offers an integrated package of psychosocial, qualification and employment services on a one-stop-shop basis for vulnerable groups. In this framework, WISEs promote educational and training programmes designed on the basis of existing individual ability and potential within the enterprise.
- 6) WISEs provide the worker needing support with regular employment contracts.
- 7) WISES are mainly reinvesting their profits with a view to achieving their social objective.

¹ Please find the common criteria here on p. 1 – 2:

https://www.ensie.org/Portals/ensie/OpenContent/Files/11728/06_13_ENSIE_reaction_Council_Recommendation_SE_FDP_final_ENG.pdf

² B-WISE rapport de recherche (2022): https://www.bwiseproject.eu/Portals/bewise/OpenContent/Files/1130/B-wise_WPI_Research_Report-10.pdf, table 3.1

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c) Development of an enabling framework for the social economy and WISEs.

An enabling framework for WISEs and social economy should be fostered by all EU institutions, including the European Parliament.

Access to funding

ENSIE advocates earmarking **10% of ESF+ to social economy/WISEs**. ESF+ should not only see an increase but also be made equally accessible to grassroots initiatives as it is for established companies. The Helpdesk project³ highlights the difficulties for social service providers to access EU funds due to recurring barriers (cash flow limits, high co-financing rates, administrative burden). ENSIE calls for increased flexibility, advocating for enhanced accessibility of EU funding to empower all stakeholders committed to addressing future challenges.

ENSIE asks to support the application of the conditions set out in the **Common Provisions Regulation (CPR)** to other programmes, too, such as the InvestEU and the Recovery and Resilience Facility programme. These conditions would ensure consistency and alignment with human-rights frameworks and regular reassessment and monitoring of the use of EU funds, to ensure that they are not used for the development of outdated and segregated infrastructures. These regulations must contribute to filling the growing funding gap for social economy entities estimated at almost EUR 1 billion per year across Europe⁴.

Public procurement and private markets

First of all, **Socially Responsible Public Procurement (SRPP) should become the rule, not the exception**. Crucially, there is a need to move away from the logic of the lowest price by using social award criteria in line with the 'most economically advantageous tender' rule and social clauses. Social and green criteria should be increasingly made mandatory in the review of public procurement and should be monitored together. ENSIE asks for a better use of reserved contracts for work integration social enterprises, which is also a major aspect of the Council Recommendation on social economy. To ensure all the points mentioned above, national socially responsible public procurement strategies, negotiated with the social economy and other stakeholders, should be put forward. Indeed, for Socially Responsible Public Procurement to become the rule, strategies must include specific procurement indicators, such as percentage assumed from the

³ To know more about the Helpdesk project, visit the website ! EU Funds for Social Services - HELPDESK (eufunds4social.eu)

⁴ European Commission, Social enterprise finance market: analysis and recommendations for delivery options, by Spiess-Knaf W. and Scheck B, Luxembourg, 2019.

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annual procurement budgets that the public authorities have to achieve, to contract with WISEs as well as the number of jobs for disadvantaged workers they generated. European funds must lead by example for that purpose, including in their calls clauses that implies purchases from WISEs. Moreover, permanent entities having in their legal status the responsibility for supporting WISEs and social economy enterprises to be increasingly purchased in public procurements, need to be developed as an active tool in all member states. This type of entity already exists in several Member States, nationally, regionally, and locally.

On top of the possibilities created by the public procurement, the **European Parliament should underline the importance of fostering the development of cooperation between WISEs and mainstream businesses.** There is a crucial need of facilitating their mutual knowledge and recognition. For example, supporting the creation of platforms for the diffusion of best practices or promoting the organisation of events in which mainstreamed businesses, public authorities and WISEs are examples of good practises. There are many rooms for strategic cooperation, business and social oriented. It's important to develop support materials, such as training programmes and technical guides, for WISEs to learn more about how to access public and private markets. **Moreover, all regulations integrating WISEs in value chains are a political imperative.** For instance, certification, campaigns⁵, voucher schemes and tax incentives are measures that have proved their efficiency.

State aid

The European Parliament should support the development of enabling framework conditions for the social economy and WISEs, especially for the European state aid. At the moment, Member States are constantly underusing the state aid possibilities for social economy. Even if national bodies are responsible for the good use of existing rules, **the framework should also be adjusted at EU level.** In fact, Member States deeply need simplification and legal reassurance.

The European Commission has just adopted two important regulations for WISEs amending the general rules for small amounts of aid (de minimis Regulation) and for small amounts of aid for Services of General Economic interest (SGEI de minimis Regulation). These new regulations, despite the two increased thresholds, show the difficulty for WISEs and for the whole social economy sector to be recognised in their specificities. Unfortunately, there is no reference to the two exceptions, [required by ENSIE in January 2023](#) and justified by the fact that a state aid in a WISE is used to create new employment opportunities for workers with support needed and not for its stakeholders and profit. For this reason, ENSIE renews these

⁵ During the European Social Economy Conference in Liege, the Bruxelles-Wallonie Federal state has presented an [outstanding example of a campaign](#), supported by the state, in favour of Social Economy.

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recommendations and calls on the European Commission to continue **providing capacity-building measures for public officials at local, regional and national level**, such as training to better understand and apply the state aid rules. We need to fully leverage State Aid possibilities to meet the funding needs of social economy actors.

The General Block Exemption Regulation 651/2014 will be in place until 2026. However, **ENSIE continues to ask for a prolongation** of the 12 months (disadvantaged worker) and 24 months (severely disadvantaged worker) for wage subsidies to be eligible, as mentioned in art. 32.2, as these timeframes simply are not enough for WISEs.

d) Put WISEs at the heart of the European Pillar of Social Rights (EPSR)

WISEs and the EPSR

Social economy and WISEs should be put at the heart of the European Pillar of Social Rights. WISEs are crucial contributors to the implementation of all the principles and the 2030 headline targets, notably principle 4. "Active support to employment" and headline target 1: "at least 78% of people aged 20 to 64 should be in employment."

In 2020, ENSIE published a [Booklet on Work Integration Social Enterprises' contribution to the implementation of the EPSR principles](#) which showcased their good practices and presented its recommendations for a better implementation of the Social Pillar. As a matter of fact, according to ENSIE's analysis, work integration social enterprises contribute directly to 15 of the 20 principles.

The EPSR is a crucial political agenda for our present and our future. To ensure a just transition for all, social challenges must never be forgotten, which makes the EPSR even more important in the next legislative period. **ENSIE calls for and supports new legislative and non-legislative initiatives to ensure sufficient attention is given to all the principles of the EPSR and to support the implementation of the EPSR Action Plan.**

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Re- and upskilling

WISEs focus on the training and upskilling of disadvantaged groups, fully in line with headline target 2 “At least 60% of all adults should participate in training every year” and the principle 1 of the EPSR “education, training and lifelong learning”. The Strategic Foresight report of 2023 highlights that one of the key social and economic challenges is the growing demand for adequate skills for a sustainable future as the availability of workers equipped with appropriate technical and soft skills will be crucial for the EU's competitiveness. WISEs are crucial partners to attain these goals, especially because of their focus on disadvantaged groups, supporting them in gaining the skills needed by the evolving market.

The ongoing transition, through the increasing use of new technologies such as AI and the shift to a carbon-neutral European industry, will significantly transform the labour market. Again, the most vulnerable groups are at risk of being the most severely affected by unemployment. Therefore, it will be crucial to **implement adequate policies by investing massively in training and support measures for the unemployed and disadvantaged workers**. In this context, ENSIE is joining forces with its members and 30 project partners from 13 EU countries in the framework of the European [B-WISE project](#), in order to develop and implement a new strategic approach (Blueprint) to sectoral cooperation on skills needed to reinforce the empowering work of WISEs in strengthening the skills and competences of all the workers: supporters, enablers and disadvantaged groups. Thus, ENSIE wishes to underline the specific expertise of WISEs when it comes to re- and upskilling of these target groups in need of support, as WISEs are continuously providing non-formal and informal education through on-the-job training, having a strong pedagogical dimension among their core missions. **WISEs' role in Continuing Vocational Education and Training (CVET) should be recognised and put at the forefront of future European skills strategies.**

Accordingly, **WISEs should be recognised as entities able to provide micro-credentials**, in line with the Recommendation on a European approach to micro-credentials for lifelong learning and employability, adopted by the Council in June 2022. Also, the Council Recommendation on individual learning accounts (ILAs) adopted in 2022 could be an interesting opportunity to empower the staff working in WISEs to upskill and reskill. Both micro-credentials and ILAs can be key instruments to improve possibilities of vulnerable groups - and WISEs' staff as a whole - to access flexible lifelong learning and, to ensure portability of upskilling and reskilling opportunities already in place in WISEs across Europe.

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Civil Society

Delivering on the European Pillar of Social Rights is a shared political commitment and responsibility of the EU institutions, national, regional, and local authorities, social partners and civil society. However, civil society is hampered in this effort as the shrinking space of civil society is a trend we are unfortunately witnessing. ENSIE underlines that during the next legislative period, this should be a focus area. ENSIE fully endorses the position of Social Platform and Civil Society Europe, "[Civil society for EU](#)", which it also co-signed. Hence, ENSIE asks for the launch of a European Civil Society Strategy and the conclusion of a civil dialogue agreement.



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