

MESMER+

Mapping European Social Economy:
Employment, Social Dialogue and the European Pillar of Social Rights

Project nr. 101052222

Launch Event Summary

On the 20th of September 2022, the [MESMER+](#) project has officially started with a partners-only kick-off meeting, hosted by the Brussels office of Legacoop and Confcooperative. The kick-off meeting has been followed by a Launch Event on the 21st of September, at the premises of Tour&Taxis. The public Launch Event took place with the involvement of 26 people, including invited guests and speakers from the DG Employment and ILO (video message). All co-partner organisations – DIESIS Network (Belgium), KU Leuven (Belgium), WETCO (Bulgaria), Public (North Macedonia), Cooperationen (Sweden) and almost all the associated partners were represented. The event was coordinated by **Melinda Kelemen** (project manager, DIESIS Network) and **Anne Guisset** (senior research associate, KU Leuven).

Gianluca Pastorelli (DIESIS Network) welcomed the participants. He gave a brief overview on the previous [Mesmer](#) project and the current Mesmer+ project activities. After a quick introductory tour de table Mr. Pastorelli draw the attention to the links between the mapping activities and the alliance for [Stand Up for the Social Pillar](#) – an alliance created by ETUC, with Social Economy Europe, the Social Platform, CECOP and European Movement International in order to work together for the promotion and implementation of the European Pillar of Social Rights.

Estelle Bacconnier (DG Employment) stressed that the topic of Mesmer+ is interesting for the European Commission: on the one hand, promoting social dialogue in SEE is an important way to improve working conditions, on the other hand, while preparing the Social Economy Action Plan adopted by the Commission in December 2021, it become obvious that SE is not appropriately represented in the social dialogue at national levels in some member states.

About the actual steps of implementation of the Action Plan Ms. Bacconnier informed the participants that the main priority now is to put in motion the most important initiatives. Such initiatives are the preparation of the Council Recommendation for developing SE framework conditions. There is an ongoing consultation with stakeholders, including representatives from the expert group that will result in a public report is soon. While the Action Plan aimed to mobilise all possible resources at EU level, the objective of the Council recommendation is to encourage the Member States to develop a well-functioning and effective policy and legal framework for the SE at their level, possibly including in

relation to social dialogue. Work is also ongoing for the preparation for the social economy gateway; stakeholders have already been consulted in different ways and will be asked to contribute to the contents. The last initiative Ms. Bacconnier mentioned is a project funded under the single market programme aiming to support the cooperation between mainstream businesses and social economy businesses.

Next, in his video message, **Victor van Vuuren** (ILO) underlined the importance of SEE as it can make a huge impact on the global social deficit. Amongst the activities Mr. Van Vuuren listed, was the international labour conference where the first United Nations debate on the SSE happened. The conference resulted specific outcomes and agreements, and in an agreed definition on SEE. He also mentioned the work done with governments in tabling of a UN Resolution on the SSE by early next year. Social dialogue, as he said, needs to be recognized in various levels and in various forms in SEE but not as a very narrow path and be seen as working conditions at company level only. It needs policies, strategies and a regulated framework that will facilitate the movement and the entrenchment of social enterprises on national level. At the sectoral level it also needs to be understood where the SSE players may be involved. At the enterprise level there is a great difficulty in understanding the role of social dialogue. Overall, voice of workers needs to be heard and ensure that there is a decent work agenda, not in a one size fits all way.

Marina Monaco (ETUC) added that the importance of the discussion in Geneva was the acknowledgement at global level that the EU is a specific, privileged environment to develop concrete actions. Although the economic situation is highly jeopardized and highly unequal, the EU does have value-based and legislature-based means to make concrete steps ahead and under this point of view, the recognition of the importance of dialogue, of the role of social partners, possibly including social economy social partners recognized as such is fundamental. The European Pillar of Social Rights and of the series of standards that must be applied everywhere, directly descended from the fundamental rights and are reprised by the SDGs.

Victor Meseguer (SEE): He referred to the previous speakers and described Social Economy Europe: SEE is the voice of the two 2.8 million social economy enterprises and organizations in the European Union. SEE has an umbrella organization in every country in which an umbrella organization exists. The main work of SEE during the last seven years has been advocating towards the Social Economy Action Plan. Mr. Meseguer underlined that the MESMER+ project is relevant since social dialogue to be strengthened and updated because it doesn't capture the diversity of social economic actors, even though trade unions do efforts to do so. As he said, very few members of SEE participate at the highest level in social dialogue (AMICE, COGECA at European level and ESS in France, CEPES in Spain and cooperative organizations in Italy). In brief, the representation of the 2.8 million social economy employers, businesses, entrepreneurial units in social dialogue are imperfect.

Marina Monaco (ETUC): emphasized that it is important to revive the link between trade unions and social economy because social dialogue is not only a formal forum, but it is about exchange, participation and value-based actions. In terms of EU level policy directions, there is a potential, long and established alliance within the social economy. Ms. Monaco also mentioned a few concerns: work conditions are one of the most debated issues between trade unions and social economy enterprises because sometimes they are not correct and the fact of being in a specific environment or in a specific form of business is not a pretext not to respect certain standards. When it comes to representativeness, the point is not the representativeness in quantitative terms, but necessary to go beyond the framework of social dialogue rules, to legitimate what is small, valuable and diverse in a positive way. This is where the synergy between union and social economy can give a lot of benefits. Ms. Monaco also pointed out that there are concrete things to talk about, such as SDGs, indexes, protocol between social partners at the European level that accompanied the synergies of the Action Plan for the implementation of the European Pillar of Social Rights.

Reactions:

Victor Meseguer (SEE): in his reaction he acknowledged that social economy is a “virtuous business model” and in general has better working conditions but reality is more complex. He brought the caring economy in as an example, the pay differences between the public sector and the externalized services. That’s why measuring the social impact and the social added value should be an important topic too. He also mentioned that social dialogue involves not only employers but trade unions as well, representativeness applies to both sides. He stressed that all forms of social economy - direct, indirect etc - representation should be analysed.

Samuel Barco (Diesis Network): Mr. Barco pointed out that in social economy there is a problem with the allocation of financial resources. Traditional business dedicates a lot of resources to lobby because there is a direct interest but social economy, especially in specific sectors do not have this financial strength. Trade union movement and cooperative movement has the same roots – going for better working conditions - but social economy has the lack of capacity to fight for representation and for representativeness.

After the reactions, the interventions continued with Federation of European Social Employers.

Sylvain Renouvel (Social Employers) the Federation of European Social Employers was born in 2017, since there was a need to have the voice from the social services employers’ side also because the EU treaties require the Commission to consult with social partners when it comes to defining new social policies. Social Employers often cooperate with other confederations around Europe, and almost all its members are social economy organisations (foundations, associations, cooperatives, etc.). The Federation has in total 30 members from 17 EU countries plus one candidate country. Mr. Renouvel underlined that social services have an important employment potential, in the last 10 years, the

employment within the sector increased by 16 % in EU 27. Currently Social Employers are not formally part of the European level social dialogue neither at sectoral nor cross-sectoral level, but in 2021 together with EPSU, the federation applied for a sectoral social dialogue committee for social services. The social services represent a significant part of the workforce within the social economy and deserve a sectoral social dialogue committee, but social economy could also play a role within the cross-sectoral EU social dialogue (within SGI Europe). The Social Employers are active as a lobby organisation, taking active part in drafting policy papers and reports as the EU Action Plan for Social Economy or to highlight workforce challenges in the sector. It allows its members to share their views and practices and support some organisations in building their capacity to become employers' organisations.

Reactions

Marina Monaco (ETUC): Ms. Monaco stressed that it's impossible to create an environment and satisfy basic needs without the coherent resources' allocation. Also, she mentioned that especially the sector of care giving is considered a high labour-intensive sector with a very limited capacity to be productive which corresponds to the remuneration of the productive factor and of the capital. However, some sectors such as social services are fundamental for the society, yet they are less remunerated and there is also a gender segregation. That call not only for a different approach to productive factors, but also a different approach to redistributing the added value.

Diana Dovgan (CECOP): also commented on the remuneration of the care sector and emphasized the needs to use of quality criteria as well since the cheapest offer criteria puts pressure on salaries and on providers.

Sylvain Renouvel (European Social Employers) added, that when the Commission is addressed, Social Employers always point out that the care sector needs some recognition and visibility since in the sector there are also qualified people and jobs needing specific skills.

Luca Pastorelli (Diesis Network): Mr. Pastorelli also pointed out that very often the national organizations are very small, very weak or they have a lot of issues. According to his suggestion, the Commission could support the European support organizations in those cases where social economy have no strong national level organization.

Estelle Bacconnier (DG Employment): Ms. Bacconnier made a remark that supporting the creation of networks where they are lacking is part of the Social Economy Action Plan. She also stressed that the Commission is very open to suggestions to understand what it takes to have a policy and legal framework that supports the creation of proper social dialogue in the social economy in those countries.

After the reactions, the interventions continued with European Movement International.

Marco Cilento (EMI): started with briefly introducing EMI - as a multi and various stakeholder organisation, its members as public authorities, employers, trade unions, private organisations, political parties, active to promote European values and the European integration process - talked about social value, participation and democracy. As he said, social value in the nowadays reality is complicated, because there is a direct threat to European security due to external factors such as the Ukrainian- Russian war, transversal issues of information that gives space to manipulation of the societies, high level of debts, that especially serious in case of developing countries being at the edge of bankruptcy, worsening the functioning of supply chain that creating additional problems to the capacity of the economy and the enterprises to receive the commodities. There are also internal risks for example managing a huge amount of resources (e.g. Next Generation EU fund) that have to counteract the economic effects of the pandemic. This is creating some opportunity (huge quantity of investments) but also some challenges (all these must be managed). The risk when moving a huge amount from one part of the economy to another one is to create huge inequalities, to overinflate profits of small group of companies dragging resources from other partners. The cost of living and inflation is also a risk factor. The EU is shown to be a place where solution could be found (Next Generation EU, the mechanisms SURE) but reality is very complex. The role of social partners can be very meaningful, and innovation of social dialogue is important (participating in the process, taking responsibilities, good cooperation with the stakeholders, collective bargaining, representing common values in case of conflicts). He stressed that the social dialogue legitimates the European integration project and the European idea. The social economy is a big power at the EU level - regular companies are trying to replicate, and they are failing replicating the business model without entering in dialogue that with the actors that are the real ones.

(Part 2 - after coffee break)

Diana Dovgan (CECOP) started with introduction of CECOP: it is a large network with members in 16 European countries, mainly representing mainstream worker cooperatives and social cooperatives, but also cooperatives established by independent workers and self-employed freelancers. Ms. Dovgan pointed out that workers cooperatives have a specific stake when it comes to workers representation in relation to trade unions and social dialogue - the status of worker members generates a unique type of industrial relations which cannot be assimilated neither to conventional waged labour or nor to self-employment. This sometimes cause conflicts with trade unions but also with government institutions. When it comes to cooperatives in general, also there are joint actions between cooperatives and trade unions. According to latest research cooperative organization can be found as having an official status of employer organization and therefore part of a direct institutionalized social dialogue for example in Italy and Sweden. In some countries the cooperatives organizations formally not considered as employer organization within the framework of social dialogue, but they discuss specific policy issues with trade unions. In other countries, the cooperative organizations are represented in social dialogue in as much as they are members of national employer organizations. In

some countries, members of CECOP are not involved in social dialogue in direct way, but it does not stop them from having regular relations with trade unions.

When it comes to collaboration with trade unions – as she explained- the academic literature is quite rich (workers buy out, union coop model in the UK, Union Coops Council in the US, LegaCoop - trade union agreement on WBOs in Italy, public procurements) At EU level, CECOPA has good working relations with European Trade Union Confederation (Alliance for the Social Pillar)

Anne Guisset (HIVA): explained that the next speakers address the national angle of the representation of social economy players in social dialogue, and during the research it will be also important to understand the heterogeneity of social dialogue in the different countries, the motives of social economy players and to talk about employment relations system in additional to industrial relation systems and social dialogue.

Sven Bartilsson (Companion, Sweden): started his speech connecting civilisation and social economy as a model for sustainable societies in a world of inequalities and climate threats. Mr. Bartilsson explained that the social dialogue in the country has been well established for long, has strong foundations and covers less traditional groups such as platform- workers as well and that is why EU level social dialogue is less in the interest of stakeholders in Sweden. The industrial relation system is also strong since the social partners (trade unions) are part of the social security system therefore the density is high. Social economy employers are represented in the social dialogue by two employer organizations.

Mehmet Saygin (UNISOC, Belgium): first he explained that Belgium has an advanced answer to the question what would be possible for social economy or social profit sector to achieve in terms of integration in the social dialogue at the sectoral level and national level. UNISOC (Union of Social Profit Enterprises) is the sole organization on federal level which represents social profit sector all around the country covering three different regions. Social profit enterprises mean hospitals and health care in general, elderly homes, family welfare, care homes and facilities for the young and the disabled, education, sheltered and social workshops, sociocultural branch and social organizations, in total around 40,000 organizations and a little less than 800,000 workers. UNISOC is formal member of National Labour Council where the interprofessional and intersectoral social partners discuss, join sometimes forces or confront their respective ideologies and agendas, issue opinions and conclude collective bargaining agreements. Regarding sectoral social dialogue, all the sectors UNISOC represents are also active and official members on sectoral level in the institutionalized social dialogue. Mr. Saygin underlined there are also issues with terminology of the social economy (social economic sector vs. social enterprise) and the industrial relations system. However, to get more visibility and more representation is important since no one else raise relevant questions of the sectors such as employer's functionality during Covid crisis or the problems with automatic indexation of salaries due to the energy crisis but lack of addressing sufficient funding.

Samuel Barco (Diesis Network, Spain): started his contribution from a historical perspective since development of social dialogue was also linked with the development of democracy and welfare state. After introducing the main players in the industrial relations system (employer's association and trade unions) at national, regional and local level, he also introduced the organization representing social economy and the system in Spain in general (high percentage of collective bargains coverage, work councils, low density, trade union representation, special status of worker cooperatives). Mr. Barco explained the phases of development social dialogue in the country beginning with the 70ies (including transition into democracy, Moncloa pact, born of CEPES and CEPES Andalusia, creation of the Economic and Social Committee, the swift of social dialogue from specific employment condition to more broader issues, creation of equality laws, dependency law, general strikes approval of Social Economy law in 2011, PERTE program etc.) As of now, social dialogue not only focus on specific economic or employment related issues, but it has been widened since. These days in Spain there is a strong demand for the inclusion of social economy, the CEPES, into the social dialogue at national level.

Stoyanka Eneva (Isturet, Bulgaria): she started with the statement that role of social economy players in social dialogue is difficult to explain because - even though there is a long history of social enterprises - the framework regulating the social economy sector is new. Since the 19th century cooperatives were traditional forms of organisations in social economy. During the socialist period, there were political plans, state ownership and controlled production. It was followed by a transition to neoliberal economy, that came with privatisation, mass closures of industries and loss of jobs in the social services. Some of the enterprises involved in social economy see it as an individual entrepreneurship and others, through collective ownership and redistribution of resources. The most important documents that regulate social economy in the country are the Concept on social economy (2012), biannual action plans with more concrete activities and actions (events, conferences, and platforms) since 2014 and the Social Enterprise Act from 2018. Despite these developments, only 35 social enterprises are currently registered in the social economy and more than 5000 self-claimed social enterprises. According to the law, the social enterprises could be two types, A and A plus, depending on the amount of money they spend on social process. Some of the most important sectors are agriculture (cooperatives), manufacture and food preparation and catering. Despite the law and certification, some SE products are still not well-known and appreciated, the institutional support is fragmented, and financial support is scarce. Social economy needs more efficient representation. The annual inflation is 17.7%, the minimum wage is the lowest in the EU (360 euro), the amount of people at risk of poverty and social exclusion are much higher than the EU average. Disadvantaged groups are not well represented, and the grey economy is a serious problem. People working in the grey economy cannot be easily represented by trade unions. On the other hand, trade unions are well represented in the public sector and have solid representation in the industry and services, but they still have difficult access to some social groups as young people, professionals in the IT sector and freelancers, especially the ones working in the social economy. There is a need for a convergence between trade unions and social economy players that allow for a proper discourse.

Aleksandra Iloska (Public, North Macedonia): has started with a short reflection on the development of the social economy. North Macedonia is trying to catch up with recent EU level developments at national level (Social Business initiative, new European Action Plan) and implement measures and programs that aim to support the development of the social economy sector. There is an ongoing second attempt to bring a social economy law into legislation. The current draft version manages to capture the different legal forms of social enterprises (e.g.: civil society organizations, providers of social services, sheltered workplaces, mission oriented businesses etc). The Law on Social Welfare introduced in 2019 enabled civil society organizations and companies to become certified social service providers. According to latest research available these social service providers are becoming one of the major creators of new employments in the social economy. The sector holds the potential to become one of the first that might introduce the practice of participation in the social dialogue. The new Law of Public Procurement from 2019 foresees and regulates the reserved contracts - public contracts reserved for entities that satisfy certain criteria - which are similar to the once used to identify and to map the social enterprises. So far there is no example for such reserved public procurement implemented. The country also uses technical assistance projects to support the development of the social economy sector, but they are not delivering sustainable results to social enterprises. In practice, the number of social enterprises is reducing. A major challenge is the absence of social finance instruments.

Due to the lack of sufficient number of social enterprises, there are no examples of social enterprises participating in social dialogue at the time being. In general, social dialogue occurs mainly via the National Economic and Social Council which is consisted of trade unions and employer organizations but there is no tradition of social dialogue between the government and the social partners at all levels. The council mainly supports only the ongoing reforms implemented by the Minister of Labour and Social Policies. At local levels the general interest of business players is lacking, there are only 15 local economic and social councils established, only 30% of them are operational. The Social Enterprise Network consists of only 25 members is the umbrella organization for social economy actors. This informal network operates without any support, no funding, no recognition.

Reflections

Samuel Barco (Diesis Network): pointed out that there is a need to differentiate between the legal representation of the social economy or the policy representation of social economy and the concept of social economy and the importance of governance.

Victor Meseguer (SEE): made a remark about involving into the European network of social economy actors, the renewable energy cooperatives, food providers (e.g.: agriculture cooperatives, supermarkets) into the scope of the research project.

As a closure of the event the moderators (**Melinda Kelemen and Anne Guisset**) briefly explained the next steps in the projects and said thank you for the active interest and participation to all.