

Conseil de l'ESS

TERRITORY FEEDBACK....

ON THE GECES REPORT ON SOCIAL ENTREPRENEURSHIP



SSE COUNCIL SEMINAR

APRIL 2017

The Social and Solidarity Council of Strasbourg has the dual aim of:

- Fostering discussions between stakeholders in the field and the City and Eurometropolis of Strasbourg
- Working together to build SSD policy by pooling knowledge and best practices.

The Council of the SSE is co-chaired by the Mayor of Strasbourg, the President of the Eurometropolis of Strasbourg and the President of the CRESS (the regional chamber of the social and solidarity economy). Members of the Council cover a broad range, including SSP stakeholders and entrepreneurs (cooperatives, charities and associations, social insertion enterprises and sector federations), elected officials of the City of Strasbourg and the Eurometropolis, the CRESS management board, and public partners of the Territory (State, Région Grand Est, the Bas-Rhin department, Caisse des Dépôts et Consignations) and local authority experts.

The ESS Council gives opinions and recommendations and tests out innovations, for application either within the scope of local authorities, or the SSE sector or with the aim of improving the partnership.

The ESS Council regularly organises seminars on given topics. On 6 April 2017, for example, it met to go through the GECES report on social entrepreneurship, discussions which included Denis STOKKINK, general rapporteur and President of the Think Tank for Solidarity. The agenda included the following points:

- What could be done locally to apply the report recommendations, especially in conjunction with CRESS Grand Est,
- Cases and practical examples of what does and does not work with regard to available European tools and/or at European level

RECOMMENDATION No. 1: THE EUROPEAN COMMISSION, MEMBER STATES AND ENTERPRISES MUST PROVIDE FULLER PROOF OF THE ADDED VALUE OFFERED BY SOCIAL ENTERPRISES AND IMPROVE COMMUNICATION ON THE SUBJECT

WHAT COULD BE DONE AT LOCAL LEVEL

- Hold discussions with Région Grand Est as to training on how to calculate the social impact, train social entrepreneurs and heighten funders' awareness of the results, in conjunction with CRESS Grand Est.
- Lead a campaign promoting jobs in the SSE: favourable demographic trend and job vacancies (focusing on individuals and the silver economy)
- Orchestrate local stakeholder communities and social and solidarity initiatives: dedicated social network, recurrent meetings.

ROLE TO BE PLAYED BY CRESS GRAND EST

- Contribute to collecting data for a European Observatory with common Europe-wide indicators
- Help come up with new TOP-DOWN tools for gathering data and for communication. The idea is to see how data which have already been collected can be utilised and how existing databases can be tailored to meet this need for data collection: examples include the ADEUS database, the Cigal network for cooperation on geographical data in Alsace, OREF, INSEE, State Ministry statistics, such as the ARS and DIRECCTE regional bodies.
- Draw up training programs to train participants in tools for measuring social impact, used at European level (including the issue of avoidance of costs and traceability of impacts)
- Make sure that work on the social impact is not restricted to quantitative aspects, emphasise also the need for qualitative work and being able to communicate it.
- Share information on networks available in other EU countries: sharing good practices for applying locally.
- Organise a common local/regional/national/European event for a joint definition of a communication plan, co-constructed with SSE stakeholders.

EXAMPLE OF USE OF EUROPEAN TOOLS: PRACTICAL CASE

Artenréel (a business and employment cooperative) has used the SROI to measure the social impact of the structure.

RECOMMENDATION No. 2: THE EUROPEAN COMMISSION, MEMBER STATES AND, REGIONAL LOCAL AUTHORITIES AND SOCIAL ENTERPRISES NEED TO FOSTER A STRONGER, BETTER-COORDINATED COMMUNITY OF SOCIAL ENTREPRENEURSHIP

WHAT COULD BE DONE AT LOCAL LEVEL

- Work on the different levels and across their scope as part of territorial reorganisation, to further the inclusion of the European level and create the required links
- Place greater emphasis on co-construction, one of the standout features of the Eurometropolis, the ESS and now further afield.
- Bureau Alsace in Brussels plays an important role in European networking – this is its job and it does it well. With regard to networks, it might well be also worthwhile seeing how we could create more, through European students in Strasbourg.

ROLE TO BE PLAYED BY CRESS GRAND EST

- Foster meetings between European stakeholders on co-construction
- Prepare the ground for direct discussions to be organised between the territories and the different parts of the European Commission, which could take the form of a *pragmatic dialogue*, based on concrete examples which, through the exchange of information and explanations, would help both sides increase their knowledge of good practices and concrete cases.
- Set up European exchange networks between SSE enterprises, based on specific topics. The aim is to encourage local SSE structures to look towards existing European networks, which they are already part of through their networks or national federation.
- Think of how to have a similar lobbying impact to other economic stakeholders, presenting a more united front at European level and coordinating to size up and gain more influence.

EXAMPLE OF USE OF EUROPEAN TOOLS: PRACTICAL CASE

- Give greater exposure at European level to work related to social entrepreneurship, in all languages, with suitable summaries, published independently of the Commission, the Parliament, the Council and related associations.
- Apply the example of the joint management of FSE micro-projects Alsace to other territories.

RECOMMENDATION No. 3: THE EUROPEAN COMMISSION AND THE MEMBER STATES, AS WELL AS THE LOCAL AND REGIONAL AUTHORITIES, NEED TO INCLUDE SOCIAL ENTREPRENEURSHIP IN THE RELEVANT POLICIES, PROGRAMS AND PRACTICES. THEY SHOULD CONSULT SOCIAL ENTERPRISES AND INVOLVE THEM AS FAR AS POSSIBLE WHEN DRAWING UP NEW POLICIES AND MEASURES. SOCIAL ENTERPRISES MUST FOSTER THESE OPPORTUNITIES AND MAKE THE BEST USE OF THEM.

WHAT COULD BE DONE AT LOCAL LEVEL

- An event to take place each year during the SSE Month, on European tools and programs at regional level, co-organised with the European commission, Région Alsace, Bureau Alsace (GE?) to give explanations and advice, etc.
- Place greater emphasis on the co-construction of public policy, a common culture to be underpinned by increasing links between policies: SRDEII, Stras éco 2030, GUEST, the ESS Council.

ROLE TO BE PLAYED BY CRESS GRAND EST

- Lobbying, especially in trade fairs and employer associations
- Continuing to provide support for project leaders
- Furthering the establishment of business markets between SSE structures
- Continuing action such as the alternative Christmas market (Marché de Noël OFF – featuring responsible purchasing and new economies: SSE, fair trade)

EXAMPLE OF USE OF EUROPEAN TOOLS: PRACTICAL CASE

- PROGRESS programme used for Valorg = the ultimate in flexibility!
- The European Commission's Urbact programme on social innovation and co-construction of public policy as an example of good practices
- Organising better publicity for European programs to allow social entrepreneurs to find out about them – absolutely vital!

DEBATE

Importance of discussions, consultations and co-construction. Greater use must be made of the co-construction method. The ESS Council is one example, GECES another.

Strasbourg, it should not be forgotten, is privileged inasmuch as it has an officer working with the SSE. This is of particular relevance as it is both recognition of the need to work with the sector and also of the importance of having a person "translating" the SSE into administrative language and providing a channel of discussion.

RECOMMENDATION No. 4: THE EUROPEAN COMMISSION AND THE MEMBER STATES MUST ALLOCATE A GREATER SHARE OF RESOURCES TO TRAINING PROGRAMS, INCUBATORS AND INTERMEDIARIES PROVIDING BESPOKE ASSISTANCE TO SOCIAL ENTERPRISES, IN TERMS OF SUPPORT, SUCH AS MANAGEMENT SKILLS AND FINANCIAL SUSTAINABILITY.

WHAT COULD BE DONE AT LOCAL LEVEL

Identify the training needs of project leaders, in conjunction with the OCRE network and study the need for a training plan for the Greater Region as a whole.

ROLE TO BE PLAYED BY CRESS GRAND EST

Managing the training funds granted by the OPCA for training in entrepreneurship skills.

EXAMPLE OF USE OF EUROPEAN TOOLS: PRACTICAL CASE

Analyse the establishment of a business incubator/accelerator within the Eurometropolis: address the issue during URBACT field visits and then work together on it.

RECOMMENDATION No. 5: THE EUROPEAN COMMISSION, MEMBER STATES AND COMMUNITY ORGANISATIONS INVOLVED IN FUNDING SOCIAL ENTREPRENEURSHIP SHOULD JOINTLY IMPLEMENT CONCRETE MEASURES DESIGNED TO RELEASE AND ATTRACT FUNDING BETTER TAILORED TO ENTREPRENEUR NEEDS

WHAT COULD BE DONE AT LOCAL LEVEL

- Set up a program for fostering the creation of social enterprises, and wake young people up to the possibilities of social entrepreneurship, in conjunction with Pepite Etena (University)
- Provide support for private funding organisations for mobilising funds on the basis of predefined criteria
- Employee savings plans: this was an Alsace Active project (the French framework for solidarity-based savings is mentioned in the report)
- The CRESS must have a structure able to implement these recommendations – expertise, human and financial resources.

ROLE TO BE PLAYED BY CRESS GRAND EST

- Help social enterprises to find financial counterparties
- Roll up examples of good practices in fund management to the Commission (or to the State if it is the organising party)
- Authorise (European commission) the CRESS to manage a financial envelope for emerging projects, based solely on the legitimacy of the CRESS and the new projects.

EXAMPLE OF USE OF EUROPEAN TOOLS: PRACTICAL CASE

- The Erasmus + agency, which manages several European programs on education and training
- Generally speaking, any European Commission program or action which compares public policies or territorial strategies

RECOMMENDATION No. 6: THE EUROPEAN COMMISSION AND MEMBER STATES MUST CONTINUE TO ENSURE THAT PUBLIC FUNDING TARGETS SOCIAL ENTERPRISES AND THAT IT BE USED FOR MOBILIZING PRIVATE CAPITAL.

WHAT COULD BE DONE AT LOCAL LEVEL

- Information must be made to roll down from the Commission to the territories. Which organisation is in the best position in the sub-state levels? Region? Inter-Municipality? Metropolises? SSE funding bodies such as Alsace active? (the State is too distant)
- Fill the gaps between funding and support: what alternatives are available, especially for supporting initiatives outside the usual context?
- Take a pragmatic approach – go and ask the banks what their needs are and consequently develop tools which are in line with reality.
- Further experiences based on social impact contracts / social impact bonds

ROLE TO BE PLAYED BY CRESS GRAND EST

- Gain expert knowledge of types of funding available and the funds themselves and provide information on these to project leaders, in conjunction with public and private SSE funders. The same for European programs, in conjunction with Bureau Alsace (GE?).
- Co-construct oversight procedures involving Commission – State – Local Authorities – social entrepreneurship networks to maintain adherence to the realities of the situation.

EXAMPLE OF USE OF EUROPEAN TOOLS: PRACTICAL CASE

- Strong involvement of social entrepreneurship in the management of the ERDF and ESF (ITI) funds, through the political will to push this through in the Eurometropolis of Strasbourg (cross-functional SSE)
- The State to establish prefinancing of European programs for structural funds, as practised by other countries. While France has not gone ahead with this, due to an excessively cautious approach, Europe has provided the opportunity and the Eurometropolis of Strasbourg has taken advantage, through its own funds. Conversely, however, small enterprises still have to provide cash upfront before sending in their invoices.

- The reduction in public funding means mobilising and making the best use of European funding. To avoid having small project leaders bear the ESF risk, the local authority receives European funding through its public procurement procedure. SSE structures are service providers and have no involvement through funding organisations (thereby avoiding the financial risk), but are indirectly involved through rollup of information and documents.
- Specific funding mechanisms are set aside for SSE structures, including micro-projects (CRESS and Alsace regional operational programme)
- Proposal for a specific State funding scheme for the SSE sector, for both the economic and social aspects
- French state (example): difficult balance between management of European funds and conventional public funds and the use of different schemes for a single project, with regard to the funding party (lack of coherence between the use of common law, *de minimis* and other schemes), especially with regard to inclusion through employment.

DEBATE

European funds are focusing more on large-scale structures, thereby leaving less for funding smaller structures, such as associations and charities.

There has, however, been an improvement through bank-based funding (European Investment Bank), enabling better provision of guarantees for bank funding, leading to an increase in credits for small-scale structures.

The publication of a damning report for the BPI, the French public investment bank, which obviously has a poor understanding of the SSE and which has proved unable to mobilise the funds given by the government to the sector. Need for intermediation to give a better understanding of the sector.

RECOMMENDATION No. 7: THE COMMISSION SHOULD SET OUT A NON-BINDING LEGAL MEASURE TO HELP MEMBER STATES COME UP WITH A SUITABLE FRAMEWORK FOR FOSTERING THE PROSPERITY AND EXPANSION OF SOCIAL ENTERPRISES

WHAT COULD BE DONE AT LOCAL LEVEL

Open up the possibilities for an exempt scheme covering the whole of the SSE sector

ROLE TO BE PLAYED BY CRESS GRAND EST

To be a facilitator for European legal recommendations = digital library

RECOMMENDATION No. 8: THE COMMISSION AND THE STATES MUST BOOST CROSSBORDER OPERATIONS TO ALLOW ASSOCIATIONS AND COOPERATIVES TO LEVERAGE THE FULL POTENTIAL OF THE DOMESTIC MARKET AND THUS GROW THEIR ACTIVITIES

WHAT COULD BE DONE AT LOCAL LEVEL

Before considering European tools, a close look needs to be taken at the question of tools in the Région Grand Est. With 11% of national GDP coming from the SSE, how are tools available in the Région for driving internationalisation actually used, or not used for the SSE? If the question fails to be addressed, this can mean that 11% of our GDP will be missing out on the internationalisation of its structures (the "change of scale"), and there is a risk of others coming in and setting up. The sectors involved are education, leisure, tourism, health and sport. There is, however a limiting factor, inasmuch as many of the structures within the SSE do not think in terms of "market", but rather of "issue to be sorted". If the cross-border problem is not identified, associations will not seek to grow their activity. To take an example, while the SSE has substantial cross-border involvement in exchange programs for young people, this is mainly a societal consideration, arising from the dialogue between different peoples and cultures. The success of the cross-border exchange programs for young people has not been driven by the exchange_program market.

ROLE TO BE PLAYED BY CRESS GRAND EST

- Expert knowledge of both how European institutes operate and of the European agenda (such as the Commission work schedule)
- Find European funding tools suitable for leveraging cross-border activities
- Coordinate the cross-border network for social enterprises within the Grand Est region (and not simply for cooperatives and associations).

EXAMPLE OF USE OF EUROPEAN TOOLS: PRACTICAL CASE

- Create the legal status of a European social enterprise (additional request to be put to the Commission)
- INTERREG is a useful tool but it is not tailored for use by SSE stakeholders: complicated to manage, cash flow issue
- A cooperative might be too small to manage an INTERREG program. An example would be the failure of an INTERREG between car-share cooperatives (Switzerland, Germany, France)
- The "360° job market" initiative launched by the Maison de l'emploi job centre is a suitable example of a good cross-border practice.

RECOMMENDATION No. 9: PUBLIC PURCHASERS NEED TO LEVERAGE THE NEW RULES WITH REGARD TO PUBLIC PROCUREMENT CONTRACTS TO INCLUDE SOCIAL CONSIDERATIONS, INCLUDING CONTRACTS RESERVED FOR SOCIAL AND PROFESSIONAL INTEGRATION OF DISABLED AND UNDERPRIVILEGED PEOPLE (ARTICLE 20) AND FOR HEALTHCARE, SOCIAL AND CULTURAL SERVICES (ARTICLE 77), AS SET OUT IN THEIR PROCEDURES FOR PUBLIC PROCUREMENT CONTRACTS.

WHAT COULD BE DONE AT LOCAL LEVEL

- Set up a learning organisation and drive the impact of the acquisition of new competencies over and beyond individual companies
- Systematically include social clauses in public procurement contracts
- Extend or reproduce the annual public procurement trade fair, organised by the City and Eurometropolis of Strasbourg, to encourage exchange of experience with enterprises and to voice local authority needs with relation to public procurement contracts.
- Publicise the *Relais chantier*

ROLE TO BE PLAYED BY CRESS GRAND EST

- Develop and disseminate information on social clauses
- Heighten public-sector stakeholder awareness of social clauses in public procurement contracts
- For public procurement contracts, give preference to bids comprising several structures

EXAMPLE OF USE OF EUROPEAN TOOLS: PRACTICAL CASE

- Training in social and environmental clauses must take in everyone involved in setting out the needs (from local to European level)
- Training programme on public procurement contracts, which systematically includes social (and soon environmental) clauses in public procurement contracts: involves all employee categories

RECOMMENDATION No. 10: THE COMMISSION AND THE MEMBER STATES MUST RAISE AWARENESS AS TO THE REGULATIONS GOVERNING STATE FUNDING AND THEIR IMPACT ON SOCIAL ENTERPRISES PROVIDING AN SGEI

WHAT COULD BE DONE AT LOCAL LEVEL

Organise training as to SGEI mechanisms

ROLE TO BE PLAYED BY CRESS GRAND EST

- provide training and for SSE stakeholders on SGEI
- Centralise SGEI experiences successful outside France / networking

EXAMPLE OF USE OF EUROPEAN TOOLS: PRACTICAL CASE

- SGEI for collecting waste in the Eurometropolis, for which integration structures have been selected: disseminate the experiment / explore new SGEIs
- Guide, contacts and training programmes provided by Europe
- Difficult for territories to assess the new tool
 - ✓ Legal consideration
 - ✓ Need for legal support for initial implementation
- Facilitation of the SGEI scheme (Commission decision of 20 December 2011), especially with regard to calculating overcompensation and/or for small structures or small communities, promote awareness of the scheme and facilitate its utilisation for shared themes (such as business-creation stakeholders and social and economic stakeholders).