

# RREUSE COMMENTS ON THE EUROPEAN SEMESTER 2021

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## About RREUSE

RREUSE is an independent non-profit organisation representing social enterprises active in the field of reuse, repair and recycling, with 33 members across Europe and the USA.

Our main vision is for Europe to support the role of social enterprise in a circular economy, providing meaningful work opportunities to thousands of vulnerable members of our community through innovative economic, social and environmentally beneficial activities.

RREUSE's primary mission is to help tackle poverty, social exclusion and a throwaway culture by promoting policies, best practices and partnerships that support the professionalism and development of social enterprises working in environmental services with high potential for local and inclusive job creation, notably re-use and repair.

## Executive Summary

- The European Semester Cycle serves as a framework to provide a mechanism of coordination for macroeconomic policies across the Member States of the EU, overall contributing to the implementation of the European Pillar of Social Rights (EPSR).
- Since 2018, RREUSE carries an annual analysis of the European Semester, monitoring the prominence of measures in support of the social and circular economies across **the National Reform Programmes (NRPs)** and the **Country Specific Recommendations (CSRs)** of the EU Member States.
- **The European Semester 2021 cycle came as an exceptional cycle that is linked to the post-pandemic Recovery and Resilience Facility (RRF).** Member States had to submit their National Reform Programmes (NRP) and Recovery and Resilience Plans (RRP) in a single file, while Country Specific Recommendations (CSRs) were not issued for the year 2021.
- For the most part, the different plans from the Member States show promising ambitions for strengthening the social and circular economies. However, **the reforms and investments envisioned across the Union present a heterogeneous scenario where stronger synergies need to be forged between the social and circular economies for holistic measures to support circular social enterprises.**
- Nevertheless, RREUSE is pleased to see that a vast majority of 22 member states reference the circular economy as a pathway to a green recovery, although fewer acknowledge social enterprises and provide measures for the upscale of the actors of the social economy, for a total of 14.



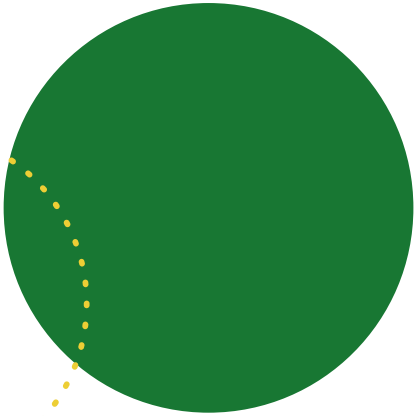
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## INTRODUCTION

The European Semester [1] (ES) is an annual exchange between the Member States and the European Commission that provides a structure to coordinate macroeconomic policies across the European Union. Among other key elements, the European Semester aims at coordinating the socio-economic policies to boost growth within the EU, reduce poverty and create jobs, overall contributing to the implementation of the European Pillar of Social Rights (EPSR) [2].

The exceptional 2021 cycle of the European Semester created stronger links for the implementation of the post-pandemic recovery and resilience plans (RRPs) [3], which will drive reform and investment agendas for years to come, from the beginning of the Covid-19 pandemic in February 2020 until December 2026. Thus, the European Semester gained additional prominence in the 2021 cycle as Member States had to submit their annual national reform programmes (NRPs) and recovery and resilience plans in a single file [4], while country specific recommendations (CSRs) were not issued for the year 2021.



National recovery and resilience plans have to answer specific criteria at the European level, namely, they have to allocate 37% for climate and 20% for digital spending, overall helping the EU achieve its 2050 target of climate neutrality and setting Europe on a path of digitalization.

At the time of writing, 22 recovery and resilience plans so far have been approved by the European Commission.

## NATIONAL REFORM PROGRAMMES

The National Plans of the 2021 cycle reflect the great ambitions to achieve a green transition, with the vast majority of EU member states (22) presenting investments and reforms for a stronger circular economy, and for some, stronger measures in support of a circular waste management sector. This is the case for Member States such as Greece [5], Finland [6], Ireland [7], and Spain [8], albeit not exclusively. While fewer Member States envisioned measures for the support of social enterprises and the social economy sector (14), notable examples of holistic circular measures that include the involvement and upscale of social economy actors come from the national plans of countries such as Belgium [9], Cyprus [10], and Spain [11].

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1 European Commission (2022), The European Semester (Available [here](#)).

2 European Commission (2021), The European Pillar of Social Rights Action Plan (Available [here](#)).

3 European Commission (2022), Recovery and Resilience Facility (Available [here](#)).

4 European Commission (2021), The Recovery and Resilience Facility (Available [here](#)).

5 European Commission (2021), Greece's recovery and resilience plan (Available [here](#)).

6 Republic of Finland (2021), Finland's recovery and resilience plan (Available [here](#)).

7 Republic of Ireland (2021), Ireland's recovery and resilience plan (Available [here](#)).

8 European Commission (2021), Spain's recovery and resilience plan (Available [here](#)).

9 Kingdom of Belgium (2021), Belgium's recovery and resilience plan (Available [here](#) in FR, [here](#) in NL).

10 European Commission (2021), Cyprus' recovery and resilience plan (Available [here](#)).

11 European Commission (2021), Spain's recovery and resilience plan (Available [here](#)).



Other national plans, although not linking the social and circular economies together in their investment agendas, provide targeted measures for the support of the social economy sector. This is the case of Poland, whose national plan presents measures to boost the Polish social economy sector by improving the quality of services provided and fostering partnerships with public bodies and other actors. Or of Greece, which presents, inter alia, measures to increase the availability of data on the social economy and boost its innovative capabilities [4]. Or yet, the Romanian RRP aims at creating a more favorable framework for the development of the social economy by creating fiscal and non-fiscal facilities to tap into the economic and social potential of the sector. More countries follow by laying out targeted or indirect measures for the development of the sector.

Every year, RREUSE presents an annual overview of the different NRPs to examine which Member States address measures for the support of the social and circular economies. The table below provides a comprehensive overview of which Member States have addressed them for their respective support:

12 Republic of Poland (2021), Poland's recovery and resilience plan (Available [here](#)).

13 Romania (2021), Romania's recovery and resilience plan (Available [here](#)).

Country	Social Economy	Circular Economy
Austria	X	√
Belgium	√	√
Bulgaria	X	√**
Croatia	X	√
Cyprus	√	√
Czech Republic	X	√
Denmark	X	√
Estonia	X	√
Finland	√*	√
France	√	√
Germany	X	√
Greece	√	√
Hungary	X	X

\*social economy mentioned indirectly \*\* mainly in relation to energy and agriculture



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Country	Social Economy	Circular Economy
Ireland	√*	X
Italy	√	√
Latvia	√	X
Lithuania	X	√
Luxembourg	√*	X
Malta	X	√
The Netherlands	√*	√
Poland	√	√
Portugal	√	√
Romania	√	√
Slovakia	X	√
Spain	√	√
Sweden	X	√

\*social economy mentioned indirectly \*\* mainly in relation to energy and agriculture

Among all Member States, the measures and investments envisioned by the recovery and resilience plan of Belgium, Cyprus, and France deserve particular attention.



## Belgium

The Belgian national plan (FR, NL) presents an exemplary array of holistic measures supporting the social and circular economies [8]. The Belgian RRP aims to preserve and further support the contribution of the actors of the social economy for the cohesion of communities as well as job creation, highlighting their role as innovators for an inclusive circular transition.

Overall, the Belgian RRP allocates around 250 million euros in measures to develop the circular economy. Among key elements, some of the measures include reforms in the region of Flanders aimed at developing stronger waste management of WEEE and textiles products with the involvement of Belgian reuse and repairing social enterprises. While in Wallonia, the Belgian RRP aims at increasing of 20% the number of jobs within the circular economy while aiming at doubling the number of circular enterprises by 2025.



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Among the measures specifically envisioned for the support of the social economy, Belgium focuses on investments for the support of social entrepreneurship, launching calls for projects to organise the collection and requalification of digital equipment for the social and circular economies and measures to boost partnerships with the private sector.

## Cyprus

Cyprus' national recovery and resilience plan (EN) emphasises to a great extent the role of reuse and repairing social enterprises in implementing waste management measures. Specifically, its RRP presents investments for the development of waste management infrastructure with the purpose of employing citizens that may have difficulty accessing the labour market (namely, long-term unemployed, people with disabilities, ex-prisoners, and people that struggle with addictions), casting a light on the potential of the reuse sector to provide more affordable purchasing options for consumers with more limited resources [9].

Among the measures envisioned, there are investments to create two reuse and repair centres in strategic locations that serve all Cyprus regions. Additionally, such centers will be linked to a network of reuse shops in major cities (i.e. Nicosia, Larnaca, Limassol, and Paphos), also planned to be established under the plan. To accompany the development of the reuse and repair centers, which are novel infrastructure within the territory, the RRP foresees information campaigns in all major cities to inform residents about the purpose and operation of the facilities. Finally, the Cyprian RRP aims to provide training programs to ensure the employment of low-skilled workers within the reuse centres and networks.

RREUSE applauds the Cyprus RRP which represents an important example of designing holistic waste management policies with a strong social component at their core and welcomes the government's decision to quote RREUSE on its data on job creation potential [14] (p. 260). Cyprus' promising ambitious measures for better waste management is a notable example of an EU Member State with a clear will to improve its waste management ecosystem by taking advantage of the potential of the Recovery and Resilience facility to build back better for the sake of both people and the environment.

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14 RREUSE (2021), Job creation by social enterprises in the re-use sector (Available [here](#)).

## France

The French recovery and resilience plan (FR) puts significant emphasis to waste management measures that are circular and conscious of prioritising reuse whenever possible [15]. Equally, its measures present a holistic approach that recognises the role of social economy actors as vectors for positive solutions for the green transition. For instance, the French RRP launched a call of projects for social economy organisations to develop reuse and repair activities financed by a budget of 21 million euros. As such, the plan represents a great model of holistic measures that do not shy away from including social enterprises involved in reuse, repair, and recycling.

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15 Republic of France (2021), France's recovery and resilience plan (Available [here](#)).



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One of the centerpieces of the French RRP is the support of small and medium enterprises (SMEs) and the inclusion of vulnerable groups of citizens to create a more resilient and inclusive economy, among which, by supporting the work of social economy actors. Specifically, the French RRP allocates 84 million euros for the modernization and development of waste sorting centers, with the purpose of including social and solidarity economy entities.

Overall, the French RRP displays social economy organizations as exemplary actors advancing green innovative solutions and growth, presenting an ideal plan seeking to preserve their contribution to an inclusive green transition and their resilient model, as demonstrated during the Covid-19 pandemic and current Ukraine refugee crisis.

## CONCLUSION AND POLICY RECOMMENDATIONS:

While most Member States address circular policies to foster the green transition within their recovery and resilience plans, still too many fall short of designing holistic environmental measures with a strong social component. Within a current context of economic uncertainty and multiple global crises, besides the necessity of a green transition that is both fair and inclusive, RREUSE emphasises the importance of an economic and environmental agenda characterised by strong social and circular economy principles. Thus, RREUSE puts forward the following recommendations for the European Commission (1; 2) and national governments (3; 4; 5):

1. Make use of the potential European Semester to monitor the effective implementation of measures in support of the social and circular economies.
2. Increase avenues and availability of support for social enterprises within ESF+, the Social Economy Action Plan (SEAP), and beyond, as a way to implement the European Pillar of Social Rights and the climate-neutral economy before 2050.
3. Ensure that environmental, social, and economic dimensions equally underpin the NRPs in terms of short-term and long-term policy goals.
4. Mainstream the link between social and circular economies in the NRPs to achieve environmental and social objectives for the sake of an inclusive green transition.
5. Further strengthen social dialogue, ensuring the involvement of social partners when designing and implementing the NRPs.

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