

RREUSE's Feedback on the Call for evidence: Framework Conditions Social Economy

October 2022



Co-funded by
the European Union

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.

Final Feedback:

RREUSE welcomes the initiative and calls on the Commission to ensure the Council Recommendation sends a clear message to Member States to promote a better national framework in support of the actors of the social economy, including social enterprises active in reuse, repairing, and recycling waste management activities. RREUSE highlights that, taking into consideration the different contexts of activities associated with reuse, its members can create on average 70 jobs for 1,000 tonnes of goods collected with a view of being reused, rising to 140 per 1,000 tonnes depending on the nature of the product [1]. Additionally, as of 2019, the social enterprises under the RREUSE network extended the lifespan of 214.500 tonnes of products, compensating for the average CO2 emissions of approximately 107.107 EU citizens.

While there is striking evidence of the transversal contribution of social enterprises, the support towards the sector - be it legislative or financial - vastly differs across Member States, impeding access to upscaling opportunities and increased societal impact. As a result, social enterprises struggle to access funding at the national level or, paradoxically, to be officially recognised by authorities if their target group extend to more categories of vulnerable persons, or yet, fall under the same taxation regimes as for-profit companies despite their core social and environmental mission and limited profitability.

[1]: Briefing - Job Creation in the re-use sector. Available [here](#)

RREUSE believes the Council recommendation should give an unambiguous impetus to Member States to design targeted national strategies for social economy actors. It is today more relevant than ever as social enterprises provide resilient solutions to the multiple crises affecting the Union by putting people first. As such, environmental policy design should be intrinsic to a social dimension, for instance, by introducing targets for local employment creation. Especially, RREUSE calls on the EC to ensure the proposal stresses the urgency of setting up single entry-point mechanisms within national administrations to ensure dialogue with social economy stakeholders, increased transparency, and promote the opportunities under the Social Economy Action Plan and relevant frameworks, such as joint-actions with circular policy files.

In light of the updated EU VAT Directive and the new social and environmental clauses therein laying out new grounds for reductions, the Council recommendation must also encourage Member states to adopt more favourable taxation in support of social economy actors as contributors to social cohesion and environmental protection. Furthermore, national public procurement rules should make social and green criteria mandatory whenever possible to push forward an inclusive green transition. Equally, social entrepreneurship should be promoted, for instance via R&D, to support the inclusive circular innovations of social enterprises as well as partnerships with municipalities and mainstream businesses. Finally, social enterprises active in the circular economy require flexible labour market policies to accommodate the evolving scenarios deriving from circular business models. As such, more synergies between labour market integration policies and support for social enterprises are needed to allow them upscaling, for instance, by allowing better wage subsidy schemes for the people they work with or sustained flexibility to innovate for better environmental outcomes.

The EC's proposal for a Council Recommendation should ensure EU countries effectively implement the goals and initiatives of the Social Economy Action Plan at the national and local levels while mainstreaming the social economy within the circular and other policy areas mentioned above. RREUSE calls on the EC to ensure the proposal is unequivocal on the urgency to set better national frameworks for the even and successful implementation of the Social Economy Action Plan across the EU.

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