RREUSE reacts: The European Commission calls on Member States for better policies for social enterprises in the circular economy

RREUSE welcomes the European Commission (EC) 's proposal for a Council Recommendation on developing social economy framework conditions published June 13th, a flagship initiative of the Action Plan on the Social Economy (SEAP) aimed at encouraging EU Member States to create better-enabling environments for social enterprises and all social economy actors across pertinent policy areas.

Although not legally binding, RREUSE believes such a <u>proposal</u> represents an unequivocal message to all EU countries to ensure the characteristics and needs of social economy actors are well-reflected across policy areas including public procurement, state aid, taxation, skills, as well as circular interventions.

Among other important points, the European Commission calls on Member States to adapt regulatory frameworks to support social economy entities in the circular economy, for instance ensuring that the right incentives are in place for businesses and citizens to donate goods to social economy entities and that they have access to the waste stream and are involved in waste prevention strategies (§8, c). RREUSE applauds the recommendations which represent a notable step forward to uplift the social inclusion and circular activities of actors like reuse and repair social enterprises, wishing this approach will also be reflected into future EU environmental legislation.

As highlighted by the RREUSE members, national frameworks have a different level of support to social economy enterprises across the European Union, with some countries having adopted crucial strategies for their upscaling while others severely lagging behind.

Recent examples come from Spain, which just adopted its latest Strategy for the Social Economy 2023-2027. The <u>Spanish Strategy</u> includes measures for the support of social economy actors active in the circular economy as one of its 18 key actions, including via targeted investments and facilitation of partnerships with conventional businesses. However, such a milestone strategy still looks out of reach in other national frameworks, especially from Eastern Europe.

RREUSE thus welcomes the new proposal as it has the potential to ensure the creation of better and more enabling environments for the social economy across the EU. At the same time, it can serve as a tool for national networks of social economy entities to guide national authorities in the creation of improved interventions across important policy areas.

'The Commission's new proposal is a milestone to ensure concrete measures across different policy areas in support of the social economy. It is especially encouraging to see the clear message to Member States to include social economy entities involved in the circular economy, such as reuse and repair, in waste prevention strategies and give them access to re-useable goods and waste streams.

In a context where the social economy addresses some of the biggest challenges of our time, it is key for the Council not to diminish the level of ambition of the proposal.'

- Simone Schirru, Policy Officer in Social and Economic Policies - RREUSE

RREUSE looks forward to the Council adopting its official position and calls on the EU institution to at most strengthen the messages in the upcoming council recommendation - long advocated for by stakeholders - and not to undermine its significance. Once the proposal is adopted, Member States will have to adopt or update their national strategies for the social economy within 18 months with the Commission monitoring its implementation.

RREUSE also greets another flagship initiative of the SEAP, the <u>Social Economy Gateway</u>, to which it has been contributing via recommendations, providing content including an <u>article</u>, together with its members. RREUSE believes the new website on the EU social economy can be an optimal tool to provide relevant information on EU initiatives and funding opportunities while raising the visibility of the social economy. The website will provide more content in the future, including a specific section on the circular economy RREUSE has advocated for.

For more information, please contact: Simone Schirru, Policy Officer in Social and Economic Policies – simone.schirru@rreuse.org

