

## RREUSE’s comments on the European Semester

### National Reform Programmes 2018

The European Semester aims at contributing to the coordination of economic policies across the European Union (EU). Within the European Semester<sup>1</sup> process, National Reform Programmes (NRPs)<sup>2</sup> are published by Member States each year, to present the policies that are going to be adopted in order to **boost jobs and growth and to counter macroeconomic imbalances**. Some sections of the NRPs are dedicated to respond to the way the country-specific recommendations, adopted by the Council of the EU in the previous year, have been acknowledged and which measures have been taken to improve the situation.

Furthermore, countries report against key goals including efforts to address social inclusion and poverty reduction, as well as environmental protection. Given that **social economy enterprises active in the field of re-use, repair and recycling are very effective when it comes to the integration of people who are at risk of socio-economic exclusion, whilst also contributing greatly to resource efficiency**, RREUSE examined the different NRPs to see whether they address both the circular and social economy as a means of tackling poverty and environmental degradation (see table below).

Country	Circular Economy	Social Economy
Austria	X	X
Belgium	✓	✓
Bulgaria	✓	✓
Croatia	✓	X
Cyprus	X	✓
Czech Republic	✓	✓
Denmark	X	X
Estonia	✓	X

<sup>1</sup> More information on the ‘European Semester’ available [here](#).

<sup>2</sup> 2018 National Reform Programmes and Stability/Convergence Programmes (Available [here](#)).



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Finland	✓	X
France	✓	X
Germany	X	X
Hungary	X	✓
Ireland	✓	X
Italy	✓	X
Latvia	X	✓
Lithuania	X	✓
Luxembourg	✓	X
Malta	✓	X
Netherlands	X	X
Poland	✓	✓
Portugal	✓	✓
Romania	✓	X
Slovakia	✓	✓
Slovenia	X	X
Spain	✓	X
Sweden	X	✓
United Kingdom	X (only in Wales)	X

Out of the 27 Member States, **16 mention the importance of the circular economy, whereas only 11 mention the role of social economy enterprises** in the context of combatting social exclusion. Indeed, social enterprises, such as those federated by RREUSE, are very effective when it comes to implementing the European Pillar of Social Rights (EPSR)<sup>3</sup>, as they offer:

<sup>3</sup> European Commission, European Pillar of Social Rights (Available [here](#)).



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- job opportunities for people who would have more difficulties to enter the normal labour market, such as people with disabilities, ex-convicts, long-term unemployed, elderly people, etc. (EPSR: 02, 03 and 17);
- a healthy, secure and adaptable work place which responds to the professional needs of the employees (EPSR: 05 and 10); and
- access to essential services of public interest including waste management (EPSR: 20).

*Example 1*

*Social Cooperative Humana Nova Čakovec is a workers' cooperative in Croatia established in 2011. The social cooperative mainly collects, sorts, re-uses and recycles textiles. They have their own sewing centre in which they conceive 20 different types of products, such as t-shirts, bags and hoodies. More than 65 % of its 26 employees have a type of disability and the surpluses are reinvested in collective services.*

**Although several Member States address circular and social economy, none make the link between the two.** The Commission has, on a number of occasions, emphasised the connection between circular economy and the social and employment agenda, such as in the Communication on an EU Action Plan for the Circular Economy and the Communication on the Green Employment Initiative:

*Example 2*

*The federation ENVIE is a network of leading companies repairing, and recycling electrical and electronic equipment and placing the refurbished products back on the market at affordable prices. In 2017 alone ENVIE managed to prevent the creation of 5000 tons of waste. Meanwhile, local job creation and training especially for those at risk of social-exclusion are at the heart of its mission.*

- 'Action on the circular economy [...] ties in closely with key EU priorities, including jobs and growth, the investment agenda, climate and energy, the social agenda and industrial innovation, and with global efforts on sustainable development. [...] SMEs, including social enterprises, will make a key contribution to the circular economy: they are particularly active in fields such as recycling, repair, and innovation.'*<sup>4</sup>
- 'The social economy and social enterprises have a significant potential for providing high quality employment in [...] the circular economy with activities related to reuse, repair or recycling.'*<sup>5</sup>

<sup>4</sup> European Commission, Communication on an EU Action Plan for the Circular Economy (Available [here](#)).

<sup>5</sup> European Commission, Communication on the Green Employment Initiative (Available [here](#)).



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## What RREUSE would like Member States to do

RREUSE encourages Member States who did not explore the potential of social economy yet, to:

- **create a dialogue with social enterprises in their countries and discuss possible ways of collaboration to integrate disadvantaged people in the labour market through green and circular services such as re-use, repair and recycling; and**
- **follow countries' good practices in adopting rules and policies fostering the development of social enterprises.**

Belgium, for instance, adopted a legal framework for social enterprises with a specific strand on work integration social enterprises (WISE) mandated to develop projects which involve the insertion of people who are particularly distant from the labour market<sup>6</sup>. In Portugal, social economy is encouraged, amongst others, to tackle youth unemployment<sup>7</sup>.

## Country-specific recommendations 2018

At the end of each annual semester process, the Council of the EU publishes country-specific recommendations<sup>8</sup> for most EU Member States<sup>9</sup>. The country-specific recommendations are adopted by the Council, but drafted by the European Commission. This year's country-specific recommendations, however, **fail to suggest concrete measures to tackle social exclusion and unemployment, such as through social economy enterprises**. Additionally, the recommendations only mention the importance of countries moving towards circular economy twice, in the case for Ireland and Malta.

## What RREUSE would like the European Commission to do

By contributing to a more resource efficient and greener economy, employment and social inclusion, social economy enterprises in the field of repair, re-use and recycling are an effective way to implement the Europe 2020 strategy. In particular, since the country-specific recommendations suggest many Member States to tackle long-term and youth unemployment, as well as to enhance the inclusion of people with disabilities, greater attention should be drawn to the solutions social economy

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<sup>6</sup> 2018 National Reform Programme: Belgium (Available [here](#)).

<sup>7</sup> 2018 National Reform Programme: Portugal (Available [here](#)).

<sup>8</sup> 2018 European Semester: Country-specific recommendations (Available [here](#)).

<sup>9</sup> This year, there are recommendations for each Member State, except for Greece, as it is subject to enhanced policy surveillance under an economic adjustment programme.



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enterprises can offer. Thus, RREUSE would like to invite the European Commission and all other actors involved to:

- **acknowledge the added-value of RREUSE's members - social enterprises active in re-use, repair and recycling - and their success in creating jobs for disadvantaged people, as well as their contribution to preserving natural resources; and**
- **include recommendations to strengthen the social economy in next year's country-specific recommendations, such as through fiscal measures.**

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*RREUSE is an independent non-profit organisation representing social enterprises active in the field of re-use, repair and recycling, with 26 members across 24 countries in 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.*



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