

## RREUSE's comments on the European Semester

### Context

The European Semester<sup>1</sup> provides a structure to coordinate the economic policies of the European Union. In this framework, EU countries discuss their economic and budgetary plans, while monitoring their progress throughout the year. The European Semester consists of an initial policy guidance phase, secondary to a country specific phase, followed by an implementation phase and finally a preparatory phase which consists of both analysis and fulfilment.

RREUSE comments on the European Semester offers analysis and best practices that may serve as an overview of the 2019 European Semester process taking into account the voice of civil society and the environment in this important multi-annual exchange.

### National Reform Programmes 2019

As part of the European Semester process, National Reform Programmes (NRPs) are annually submitted by Member States in April. NRPs document future policies (in line with the Europe 2020 strategy) that will be adapted in order to advance jobs and growth and counterbalance any economic uncertainties. NRPs indicate which structural reform plans will be implemented and largely reflect to what extent EU guidance has been taken into account, based on the previous year's country specific recommendations (CSRs).

Given the diversity and success of social economy enterprises with activities in re-use, repair and recycling in providing opportunities for work integration and social inclusion for people who are at risk of socio-economic exclusion, RREUSE examines the 2019 NRPs. Whilst evaluating the NRPs, RREUSE looks closely at the responses of the country specific recommendations, by what means did circular economy and social economy feature in the 'blueprints' for the upcoming year. Despite the vast majority of the countries implying changes in energy and climate, with a move to a low carbon economy, none of the NRPs connect the two worlds of social and circular economy, by way of tackling poverty and environmental deterioration. An overview can be found in the table below.

### National Reform Programmes 2019

Country	Circular Economy	Social Economy
Austria	X	X
Belgium	✓	✓
Bulgaria	✓	✓
Croatia	X	X

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

Cyprus	✓	X
Czech Republic	✓	✓
Denmark	X	X
Estonia	✓	X
Finland	✓	X
France	X	X
Germany	X	X
Greece	✓	X
Hungary	X	✓
Ireland	X	X
Italy	✓	X
Latvia	X	X
Lithuania	✓	X
Luxembourg	✓	X
Malta	✓	X
Netherlands	✓	X
Poland	✓	✓
Portugal	✓	✓
Romania	✓	X
Slovakia	✓	X
Slovenia	✓	X
Spain	✓	✓
Sweden	X	X
United Kingdom	X	X

Out of the 28 Member States, 18 acknowledge the role of the circular economy, whereas only 7 emphasise social economy (and fewer social enterprise) as a viable route for job creation and stability. As the underpin of the most inclusive societies, Social Enterprises such as those represented across the RREUSE network are resilient and resourceful social economy actors. To highlight this, and in the context of implementing the European Pillar of Social Rights<sup>2</sup> we underscore the following:

- Social Enterprises offer training, and life-long learning opportunities with increased successes in labour market integration. **EPSR 1, 3, 4, 5**
- As inclusive and assessable entry points to the job market, social enterprise provides trainees, volunteers and staff a purpose with social impact measurable qualitatively and quantitatively. **EPSR 3, 4, 8, 9**
- Social Enterprises can offer suitable accommodation where persons with disabilities can be prioritised, ensuring adaptability, safety and suitability of the workplace for all persons where possible. **EPSR 5, 10, 17.**

Examples<sup>3</sup>:

#### **Example 1**

##### **THE REUSE CONSORTIUM**

Since the CRNS (Community Resources Network Scotland) Reuse Consortium was launched in November 2016, securing a place on Scotland Excel’s national procurement framework, it has delivered the following key benefits:

- 5 members now trading with 4 local authorities
- 15 jobs created and maintained
- Over 11,000 individual furniture items purchased valued at over £1million
- 505 tonnes diverted from landfill
- 4,839 households in need have been supported and introduced to reuse (2019)

#### **Example 2**

##### **Insieme Cooperativa Sociale**

Insieme began in 1979, providing environmental services to the municipality of Vicenza (800.000p).

With 87 workers, the cooperative has

- 2 major reuse, recycling centres
- The cooperative manages 13 collection points. Despite the high recognition from local authorities, subsidies are not very high for staff.
- On average, 150 events organised each year, this **cooperative is a thriving example of the potential for social economy in providing inclusive employment and providing high quality, community services to**

<sup>2</sup> The European Pillar of Social Rights was proclaimed on 17 November 2017, for the full list of principles see [here](#)

<sup>3</sup> CRNS report available [here](#)

## Recommendations from RREUSE to Member States:

### RREUSE encourages National Governments to

- Further enhance social dialogue to involve social partners in policy design and implementation
- Continue building awareness and support for social economy by harmonising and aligning policy to enhance social economy eco-systems.
- Commit to plans that foster initiatives of Social Enterprise, addressing skills mismatches and supporting green/ circular skills, notably VET skills.
- Prioritise a funding environment that is conducive to the social economy.

In Belgium for instance, a strategic focus on the circular economy intensified in early January 2019, with the government of the Brussels-Capital Region adopting its *vision et stratégie industrielles bruxelloises*<sup>4</sup> a latest vision and industrial strategy for the next 20 year period. In July 2019, Ireland published its first National Social Enterprise Policy for Ireland 2019-2022<sup>5</sup> specifically acknowledging social impact.

### Country Specific Recommendations 2019.

Following the drafting of the country specific recommendations by the European Commission, the Council adopts the recommendations before they are published at the end of each annual semester process. Country specific recommendations can be seen as tailored policy guidance to Member States.

Despite a small number of CSRs alluding to the social economy such as Cyprus and Spain '*Actions promoting entrepreneurship, digitalisation and the social economy can help respond to those challenges*,<sup>6</sup> RREUSE emphasises the importance of connecting the circular economy and the social and employment agenda.

The 2019 recommendations<sup>7</sup> nevertheless show some improvement from 2018 suggesting increased attention to the circular economy. CSRs linking the need for investment in the transition towards the circular economy include Austria, Bulgaria, Croatia, Estonia, France, Germany, and Ireland. CSRs for Hungary and Slovenia recognised the respective countries as being in their initial phase in terms of circular economy, mentioning obstacles that hinder progress. Circular economy principles featured in reference to public transport in Spain and to disposal of construction waste in Malta. Given particular CSRs (BE, BG, ES) indicate a mismatch of skills to the labour market as one of the hindering factors of labour optimisation, RREUSE also proposes Member States coordinate sustainable skills agenda,

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<sup>4</sup> Belgium's National Reform Programme for 2019 is available [here](#)

<sup>5</sup> The Government of Ireland: National Social Enterprise Policy 2019-2022, July 2019, available [here](#)

<sup>6</sup> Country Specific Recommendation can be found [here](#) for Spain 2019

<sup>7</sup> 2019 European Semester Country Recommendations available [here](#)



noting the value of social enterprise in the circular economy as key preparations for the future of work.

### What RREUSE would like the European Commission to do:

With a crucial year ahead including discussions on the Multiannual Financial Framework (MFF) and the advent of the closing year to key strategies such as the European Disability Strategy (2010-2020)<sup>8</sup>, the Youth Employment Initiative (2014-2020), ESF (2014-2020) and the upcoming second anniversary of the European Pillar of Social Rights, RREUSE takes this opportunity to highlight pathways of consideration for the European Commission:

- Increase avenues and availability of supports for social enterprise, using opportunities of the ESF+ to alleviate and support key initiatives that incorporate the social and circular economy.
- Safeguard the work of Social Enterprise in the MFF discussions for the period 2021-2027, ensuring that adequate social funding is prioritised for social inclusion and combatting poverty. Ensure the economy of wellbeing is reflected in upcoming fiscal policy decisions.
- Link investments in social economy to intensify and boost the actions of circular economy (job creation in waste management, re-use, preparation for re-use as well as repair).

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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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<sup>8</sup> The European Disability Strategy 2010-2020 available [here](#)