



EUROPEAN PARLIAMENT

2009 - 2014

---

*Plenary sitting*

---

**A7-0305/2012**

4.10.2012

# REPORT

on Social Business Initiative – Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation (2012/2004(INI))

Committee on Employment and Social Affairs

Rapporteur: Heinz K. Becker

**CONTENTS**

	<b>Page</b>
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
EXPLANATORY STATEMENT .....	11
OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY .....	13
OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION.....	17
RESULT OF FINAL VOTE IN COMMITTEE.....	20

## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### **on Social Business Initiative - Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation (2012/2004(INI))**

*The European Parliament,*

- having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the regions of 18 April 2012 ‘Towards a job-rich recovery’ (COM(2011)0173),
- having regard to the working document of the Section for the Single Market, Production and Consumption on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions ‘Social Business Initiative – Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation’, INT/606 of 22 February 2012,
- having regard to the Proposal of the Commission of 8 February 2012 for a Council regulation on the statute for a European foundation (COM(2012)0035),
- having regard to the Proposal of the Commission of 20 December 2011 for a directive on public procurement (COM(2011)0896),
- having regard to the Proposal of the Commission of 7 December 2011 on a regulation on European Social Entrepreneurship Funds (COM(2011)0862),
- having regard to the Communication from the Commission of 25 October 2011 ‘Social Business Initiative – Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation’ (COM(2011)0682),
- having regard to the Communication from the Commission of 25 October 2011 on a renewed EU strategy 2011-14 for Corporate Social Responsibility (COM(2011)0681),
- having regard to the Communication from the Commission of 13 April 2011 ‘Single Market Act – Twelve levers to boost growth and strengthen confidence. Working together to create new growth’ (COM(2011)0206),
- having regard to the Communication from the Commission of 27 October 2010 ‘Towards a Single Market Act – For a highly competitive social market economy’ (COM(2010)0608),
- having regard to the Proposal from the Commission of 6 October 2010 on a European Union Programme for Social Change and Innovation (COM(2011)0609),
- having regard to the Communication from the Commission of 3 March 2010 ‘Europe 2020 – Delivering smart, sustainable and inclusive growth’ (COM(2010)2020),

- having regard to the Proposal of the Commission of 6 October 2011 for a regulation on the European Social Fund and repealing Regulation (COM(2011)607),
- having regard to the Communication from the Commission of 16 December 2010 'The European Platform against Poverty and Social Exclusion: A European framework for social and territorial cohesion' (COM(2010)0758),
- having regard to the publication of the United Nations Development Programme and the EMES European Research Network of 2008 "Social Enterprise: A new model for poverty reduction and employment generation"<sup>1</sup>,
- having regard to the exploratory opinion of the EESC of 26 October 2011 'Social Entrepreneurship and Social Enterprises' IN/589,
- having regard to its resolution of 19 February 2009 on Social Economy<sup>2</sup>;
- having regard to its written declaration (P7\_DCL(2010)0084) adopted on 10 March 2011,
- having regard to its resolution of 13 February 2012 on the Statute for a European Cooperative Society with regard to the involvement of employees<sup>3</sup>,
- having regard to Rule 48 of its Rules of Procedure,

having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Industry, Research and Energy and the Committee on the Internal Market and Consumer Protection (A7-0305/2012),

- A. whereas enterprises of the social economy, employing at least 11 million people in the EU and accounting for 6 % of the entire workforce or 10 % of all European enterprises, that is, 2 million enterprises, significantly contribute to the European social model and to the Europe 2020 strategy;
- B. whereas different historical developments have led to legal frameworks for enterprises of all sorts, including enterprises of the social economy and social businesses, to show significant differences across Member States;
- C. whereas most types of enterprises in the social economy are not recognised by a legal framework at European level and are only recognised at national level in some Member States;
- D. whereas the effects of the current social, economic and financial crisis, as well as demographic changes, in particular the ageing of the population, challenge social welfare systems, including statutory and voluntary social insurance schemes, and therefore innovative social assistance systems should be promoted in order to ensure adequate and decent social security;

---

<sup>1</sup> [http://www.emes.net/fileadmin/emes/PDF\\_files/News/2008/11.08\\_EMES\\_UNDP\\_publication.pdf](http://www.emes.net/fileadmin/emes/PDF_files/News/2008/11.08_EMES_UNDP_publication.pdf).

<sup>2</sup> OJ C 76E, 25.3.2010, p.16.

<sup>3</sup> Texts adopted , P7\_TA(2012)0071.

- E. whereas the Single Market Act and the Europe 2020 strategy – which both aim to establish smart, sustainable and inclusive growth, and thereby to raise the quantity and quality of jobs, and to fight poverty – are strongly inter-linked, and whereas social enterprises can contribute significantly through their innovation potential and their relevant response to social needs;
- F. whereas the Commission recognises social economy actors and social enterprises as drivers of economic growth and social innovation, with the potential to create sustainable jobs, and of encouraging the inclusion of vulnerable groups into the labour market;
- G. whereas the Commission's proposals for a regulation on European Social Entrepreneurship Funds and the Programme for Social Change and Innovation (PSCI) should be welcomed;
- H. whereas social enterprises can help deliver social services which are key components of a welfare state and thereby contribute to achieving shared objectives of the European Union;
- I. whereas many social enterprises face difficulties in accessing finance in order to expand their activities, and therefore need specific, tailored support such as social banking, risk-sharing instruments, philanthropic funds or (micro) credits, especially in case of micro enterprises and SMEs; whereas, in this respect, EU Structural Funds and programmes play a significant role in facilitating access to financing for social enterprises, also for those with a high investment intensity;
- J. whereas most social enterprises promote policy reform by promoting good governance, in particular by involving workers, customers and stakeholders, and support mutual learning and social innovation, and thereby respond to growing demands of citizens for ethical, social and environment-friendly corporate behaviour;
- K. whereas social businesses, by their nature and modus operandi, contribute to establishing a more cohesive, democratic and active society, and often offer – and should offer – favourable working conditions as well as equal pay for equal work, and support equal opportunities for men and women, thereby enabling the reconciliation of working and private life;
- L. whereas the Commission's proposal to add the new category of disadvantaged persons to reserved contracts is noted;

## **Introduction**

1. Welcomes the Commission Communications 'Social Business Initiative' and 'Towards a job-rich recovery', with recommendations to national governments on improving the framework conditions for social enterprises which can lead to new opportunities and jobs, *inter alia* in the fast-growing area of health and social care (the so-called white sector) and in the environmental area (the so-called green sector) – two areas that offer new chances to the social and wider economy;
2. States that the social economy is part of the eco-social market economy as well as of the

European single market, and points to its high resilience to crises and to its solid business models; underscores that social enterprises often seek to meet social and human needs which are not – or only inadequately – met by commercial operators or the state; stresses that jobs in the social economy are more likely to be kept local;

3. States that social enterprise means an undertaking, regardless of its legal form, which:
  - a) has the achievement of measurable, positive social impacts as a primary objective in accordance with its articles of association, statutes or any other statutory document establishing the business, where the undertaking:
    - provides services or goods to vulnerable, marginalised, disadvantaged or excluded persons, and/or
    - provides goods or services through a method of production, which embodies its social objective;
  - b) uses its profits first and foremost to achieve its primary objectives instead of distributing profits, and has in place predefined procedures and rules for any circumstances in which profits are distributed to shareholders and owners, which ensure that any such distribution of profits does not undermine its primary objectives; and
  - c) is managed in an accountable and transparent way, in particular by involving workers, customers and/or stakeholders affected by its business activities;

#### **Recommended actions for various types of enterprises**

4. Emphasises that activities carried out by volunteers in various sectors of the social economy – including young people, starting their careers and bringing their enthusiasm and new skills, as well as elderly people, having vast experience and developed skills – constitute an important contribution to economic growth, solidarity and social cohesion, and give many people a meaning in life; asks for recognition and appropriate financial and structural support at local, national and European level;
5. Calls on the Commission and the Member States to ensure that social enterprises should not be disadvantaged by other types of enterprises that "cherry-pick" lucrative areas in the social economy; points out that these areas are mostly urban, so that other less profitable, mostly rural or peripheral areas – where logistics result in higher cost – are left with fewer and lower quality of services; stresses that users should have freedom of choice among a plurality of providers;
6. Stresses the importance of a strategy and of measures promoting social entrepreneurship and innovative social enterprises, especially with regard to young and disadvantaged people, in order to ensure better and easier access for entrepreneurs – both women and men – to EU and Member States' programmes and funding; calls for adequate support to continue the Erasmus For Young Entrepreneurs programme to improve its attractiveness and visibility also in the social economy; recalls, however, that self-employment has to be accompanied by the provision of sufficient guidance;

7. Notes the diversity within the social economy; stresses that the development of any new legal frameworks at EU level should be optional for enterprises and preceded by an impact assessment to take into account the existence of various social business models across the Member States; stresses that any measures should demonstrate EU-wide added value;
8. Supports initiatives at EU level to extend and strengthen the already advanced association sector in various Member States; calls for a European statute for associations to complement existing legal statutes at Member States' level;
9. Welcomes the Commission's intention to present a proposal for simplification of the regulation on the Statute for a European Cooperative Society;
10. Welcomes the Commission's study on the situation of mutual societies in Europe with close involvement of the sector; stresses that mutual societies should, by means of a European statute, be recognised as a distinct and important actor within the European economy and society; underlines the benefits of a European statute to facilitate cross-border activity of mutual societies; encourages Member States that not yet introduced a national statute for mutuals to do so;
11. Welcomes the Commission's proposal for a regulation on the Statute for a European foundation statute<sup>1</sup>;
12. Recalls that in COM(2004)0018, the Commission committed itself to twelve concrete actions to support the development of cooperatives, and deplores the fact that so far only little progress has been made; calls on the Commission to ambitiously propose – in line with the 2004 initiative – further measures to enhance the operating conditions for cooperatives, mutuals, associations and foundations, and thereby support the development of the social economy in general;
13. Welcomes the adoption of the revised package of EU state-aid rules concerning social and local services whilst encouraging the Commission to further clarify these rules so as to facilitate their understanding and application by local and regional authorities, in particular with regard to social enterprises;

#### Enterprises fulfilling social objectives or achieving social impact

14. Stresses that social enterprises are important providers of Services of General Interest (SSGI); points out that such enterprises often stem from, or are closely linked to, civil society organisations, voluntary organisations and/or welfare associations providing person-oriented services and designed to respond to vital human needs, in particular the needs of users in vulnerable position; points out that social enterprises often find themselves between the traditional private and public sectors delivering public services, i.e., in the framework of public procurement;
15. Considers that the notion of corporate social responsibility (CSR) should be viewed separately from that of the social economy and social enterprises, even though commercial

---

<sup>1</sup> COM(2012)0035 final.

enterprises with significant CSR activities can have a strong interconnection with social business;

#### Financial Perspectives – improving the legal and fiscal environment

16. Believes that the PSCI programme for 2014-2020, with its microfinance and social entrepreneurship axis, contributes to the effort to guarantee better access to micro-credits for micro-enterprises in the social economy while taking into account the diversity of funding needs of social enterprises;
17. Believes that different financial instruments – such as the European Social Entrepreneurship Funds, the European Venture Capital Funds and the European Angels Funds (EAF) – are needed to improve access to financial markets for social enterprises;
18. Stresses the need to support social enterprises through sufficient financial means at local, regional, national and EU level, and points to the relevant funds under the Multiannual Financial Framework 2014-2020 (such as European Social Fund, the European Regional Development Fund, the Agricultural Fund for Rural Development, the Programme for Social Change and Innovation, the Programme for Research and Innovation, as well as Horizon 2020); explicitly asks support for innovative social enterprises, in particular those promoting quality employment, combating poverty and social exclusion and investing in education, training and life-long learning;
19. Underlines that access to EU funding must be simplified while allowing for adequate flexibility at Member State level, and that funding opportunities should be made available and clearly advertised and, in addition, that organisational, administrative and accounting requirements should be simplified;
20. Points out that the introduction of new forms of financial support will be preceded by an analysis of current instruments in order to verify their efficiency, and therefore considers it necessary to obtain the tools to measure and compare the social return on investment in order to promote the development of a more transparent investment market;
21. Considers it necessary to create conditions under which social enterprises can gain financial independence and engage in commercial business activity;
22. Believes that accountable management processes, supported by funding mechanisms subject to proper monitoring and transparency, are necessary to retain the focus of social entrepreneurship and social business;

#### **Measurements, support and promotion**

23. Calls for a comparative study, initiated by the Commission and carried out in cooperation with social enterprises, of the various national and regional legal frameworks throughout the EU, and of the operating conditions and characteristics for social enterprises, including their size and number and their field of activities, as well as of national certification and labelling systems;
24. Emphasises that there is great variation among social enterprises in terms of form, size,



business activity, economy and co-operation; notes that there are social enterprises that are leaders in development in their spheres and that have adequate capacity for their own development, but that there are also those that are in need of know-how when it comes to establishing, developing and managing their enterprises;

25. Considers that, in order to increase the competitiveness of social enterprises across the EU, it is necessary to encourage the creation of social innovation clusters, which have added value beyond just the local area; considers, moreover, that social enterprises, if provided with adequate incentives, can be vital for the employment of qualified workers aged over 50 who have left the labour market;
26. Supports the Commission proposal to set up a multilingual, accessible and user-friendly online platform for social enterprises that should, *inter alia*, enable peer learning and the exchange of tried-and-tested models, foster the development of partnerships, facilitate information-sharing about access to funding and about training opportunities, and that should serve as a network for cross-border cooperation; calls on the Commission and the Member States to pay attention to social business under the Open Method of Coordination;
27. Supports the Commission's proposal to set up an expert group on social business (GECES) in order to monitor and assess the progress of the measures envisaged in its Communication COM(2011)0682;
28. Calls on the Commission and the Member States to consider the feasibility and desirability of developing a 'European social label' to be awarded to social enterprises to ensure better access to public and socially innovative procurement without infringing any competition rules; suggests that enterprises bearing such a label should be monitored regularly regarding their compliance with the provisions set out in the label;
29. Calls for EU public procurement rules that apply the principle of the "most economically advantageous tender (MEAT)" rather than the principle of "lowest cost" when contracting service provision out;
30. Asks the Commission to improve the understanding of, and the knowledge about, social enterprises and the social economy, and to improve the visibility of both, by supporting academic research, *inter alia* in the context of the 8th Framework Programme (Horizon), and to launch a regular activity report on social enterprises and their social performances; asks the Member States to follow-up on the Commission's call for proposals to have reliable statistics on social enterprises developed by national statistical offices;
31. Calls on the Commission and the Member States to integrate social enterprises in employment and social inclusion action plans, and supports the establishment of a 'European Award for Social Entrepreneurship' to recognise its social effects;
32. Points out that social enterprises require a maximum of support and acceptance through awareness-raising, not least by highlighting benefits beyond those of a purely economic nature, and calls for a broad information campaign, supported by the Commission, the Member States and social partners, to be launched by means of introducing an accessible, multilingual website that provides quick and easy information on social products and

services for citizens;

33. Calls on the Member States to consider the benefits of including principles of social business/social entrepreneurship and social responsibility in the content of teaching programmes of schools, universities and other educational institutions, and in life-long learning programmes, in order to help develop social and civic competences and to support job placements in social enterprises; calls as well on the Commission and on the Member States to support conventional and web-based education of social entrepreneurs and to promote a closer cooperation between social enterprises, commercial enterprises and the academic world in order to raise awareness, and a better understanding, of social enterprises, as well as to fight any stereotypes that might exist;
34. Considers that the introduction of a common European framework for data publishing will guarantee clearer and more effective information on investments in social enterprises;
35. Welcomes the Commission's commitment to study and consider the possibility of social enterprises using sleeping patents to facilitate their development, and hopes for concrete action in the near future;
36. Instructs its President to forward this resolution to the Council, the Commission and the Governments and Parliaments of the Member States.

## EXPLANATORY STATEMENT

The subtitle of the Communication from the European Commission of 25 October 2011 on the Social Business Initiative should be referred to expressly at the outset, as it describes the complex objectives of the EU in a welcome concise form:

Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation.

The objective formulated here includes both recognition of the existing structures and the opening of new, innovative forms in social business, both of which will be necessary in the future in order to meet challenges in the social arena in the context of the Europe 2020 strategy and successfully implement the relevant primary tasks. Here are two cornerstones of this European concept:

- A. We are undeniably faced with an ever-increasing need for social services, for example in the health and nursing sectors — due not least to the demographic changes arising as a consequence of an increasingly ageing society.
- B. Europe is striving for economic growth to increase global competitiveness with the potential for new jobs, which are mainly to be found in the ‘green’ and ‘white’ economy.

The conclusions indicate that the political agenda pursued by the EU is correct: from the resolution on Social Economy in 2009 and the Social Investment Fund in 2012, to the initiative for social enterprise.

Unlike many other sectors of the economy, social enterprise requires additional financial instruments. The Commission’s initiatives should be swiftly followed by adequate measures at national and regional levels.

In order to facilitate the rapid development of social enterprise in conjunction with the targeted promotion of the persons and organisations engaged in such activities, the European Parliament report presented here seeks to anchor precise, clear and open general conditions for the next phase of the European social economy that will afford new opportunities.

The report also recognises that the phase ahead of us should be accompanied by a high degree of innovation and experimentation, the success or failure of which should be evaluated by the EU institutions together with the Member States within a defined period. Specific conclusions for the corresponding optimisation measures and steps are to be drawn from this, making it possible to continue efficiently with the long-term development of social entrepreneurship.

In summary: orderly framework conditions and action plans should leave room for diversity and plurality where these already exist, or establish them if they have been lacking so far.

A useful basis for this can be provided by the key measures proposed by the Commission, such as the mapping of social entrepreneurship in Europe, the establishment of a certification database, or extensive information platforms for mutual learning. Likewise, the establishment of a kind of seal of quality should help with the further development of social enterprises.

Two aspects are often juxtaposed:

1. The definition of social entrepreneurship and how it is perceived involve terms such as common public interest, benefit to society, social and environmental impact, and factors such as increased repatriation of profits or models for employee participation and openness/transparency principles.
2. The basis for the planned flourishing development of social entrepreneurship is the generally accepted conviction that social enterprises are an integral component of the eco-social market economy in the European internal market; social entrepreneurship also requires orderly competition that leads to continuous quality improvement and efforts aimed at greater efficiency.

However, the aim of this report is to ensure that these two aspects come together in the interests of the positive development of social entrepreneurship.

The slogan of one Austrian non-profit organisation expresses this common understanding in an apposite way:

‘Anyone who needs help deserves action.’

Orderly competition: one specific feature of social services is the fact that they are often provided more economically in urban areas than in rural areas (reasons: logistical density, distances, etc.). Naturally, unregulated competition cannot be allowed in this case, otherwise enterprises seeking profit would concentrate on individual areas, while others would be transformed into ‘poor services for poor people’.

The next phase of development must also pay particular attention to social banking, highly efficient examples of which can be found in Austria (e.g. the *Zweite Sparkasse* savings bank), helping many people who find themselves in social need.

Social franchising models will also gain greater attention in the future in terms of the possible value of social enterprises of this type.

So, let us get to work in getting the most out of social entrepreneurship. After all: the future begins right now!

19.6.2012

## **OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY**

for the Committee on Employment and Social Affairs

on Social Business Initiative - Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation  
(2012/2004(INI))

Rapporteur: Bogdan Kazimierz Marcinkiewicz

### **SUGGESTIONS**

The Committee on Industry, Research and Energy calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the Commission's proposal on increasing access to financing for social enterprises by establishing a regulatory framework for introducing investment instruments at EU level; encourages the Commission to propose practical legislation as soon as possible given the largely unexplored innovative potential of these social enterprises; points out that the introduction of new forms of financial support will be preceded by an analysis of current instruments in order to verify their efficiency and therefore considers it necessary to obtain the tools to measure and compare the social return on investment in order to promote the development of a more transparent investment market; firmly believes that different financial instruments – such as European social entrepreneurship funds or European venture capital funds, the issuing of solidarity bonds, and initiatives on Business Angels – are needed and should be encouraged and promoted;
2. Emphasises that there is great variation among social enterprises in terms of form, size, business activity, economy and co-operation. There are social enterprises that are leaders in development in their spheres and which have adequate capacity for their own development, but there are also those that are in need of know-how when it comes to establishing, developing and managing their enterprises;
3. Considers that the definition of social enterprise in the Communication on social business initiative is a positive step towards recognising the specific nature of this type of organisation; asks that this description be used in all EU institutions; insists on the necessity of this description being used in the draft regulation on European funding for the Social Business Initiative; insists, moreover, that the three key dimensions that distinguish social enterprises – namely social objective/aim, entrepreneurial activity and governance

favouring participation – be taken into consideration;

4. Emphasises that the concept of ‘social business’ is unequivocally associated with democratic governance of an enterprise that fully ensures economic democracy, stakeholder involvement and transparency, and enterprise change management in line with the principles of the European Union, the OCSE and the United Nations; calls on the European Commission to take these aspects into account when analysing and identifying best practices and replicable models, when creating a public database of labels and certification applicable to social enterprises in Europe in order to improve visibility and facilitate comparisons, and when making proposals to improve the legal environment;
5. Considers it necessary to create conditions under which social enterprises can gain financial independence and engage in commercial business activity; notes that, in many Member States, financial mechanisms and reduced procurements force social enterprises to focus on obtaining grants and funds from governmental institutions, rather than on increasing the quality of their services or products, which would help boost their competitiveness; emphasises the need to broaden access to debt and equity instruments at the relevant stage of enterprise development, taking into account the specific way in which social enterprises operate;
6. Considers that, in order to increase the competitiveness of social enterprises across Europe, it is necessary to encourage the creation of social innovation clusters, which have added value beyond just the local area; considers, moreover, that social enterprises, if provided with adequate incentives, can be vital for the employment of qualified workers aged over 50 who have left the labour market;
7. Asks the Commission and the Member States to take the necessary steps in order to provide equal chances for social enterprises when they participate in public procurement;
8. Welcomes the Commission’s move to simplify the accounting principles for SMEs, which will help make savings even more effective;
9. Considers that the introduction of a common European framework for data publishing will guarantee clearer and more effective information on investments in social enterprises;
10. Believes that problems in the social enterprises market are, on the one hand, the lack of appropriate know-how and, on the other hand, the insufficient attention paid to the specificities of social enterprises, and that therefore it is important to share knowledge internationally, where appropriate, as well as in individual Member States, and also to ensure that advice, training – including initial and continuing training – and information are available in this context; believes that by supporting and promoting social enterprises, we can make the most of their growth potential and capacity to create social value;
11. Calls on the Commission and the Member States to develop vocational training programmes, including those based on the use of communications and information technology, that are dedicated to businesses providing social services and/or goods and services for vulnerable people;
12. Emphasises that it is essential to create greater awareness of social enterprises, especially

those operating in a social economy, through appropriate information campaigns; believes, moreover, that this objective requires that greater visibility be given to the advantages and purposes of social entrepreneurship by drawing on assessments and indicators other than those of a purely economic nature; notes that in many cases the operations of social enterprises, especially those operating in a social economy, are hampered by awareness problems or by the stereotypes surrounding such enterprises; notes, therefore, that, in the Commission's view, the top priority is to broaden awareness within all public authorities, especially local communities, as using local potential could help to involve those local communities and at the same time increase the attractiveness of the social enterprises working in the regions concerned;

13. Underlines the opportunity provided by the communication to encourage the participation of social enterprises in the public procurement market; calls, in this regard, on the Commission to take measures to encourage the use of social clauses or procurements reserved for enterprises that employ disadvantaged persons;
14. Welcomes the Commission's commitment to study and consider the possibility of social enterprises using sleeping patents to facilitate their development, and hopes for concrete action in the near future;
15. Calls on the Commission to take the necessary steps to ensure that the standards drawn up by European standardisation bodies become more accessible to social enterprises.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	19.6.2012
<b>Result of final vote</b>	+: 50 -: 1 0: 3
<b>Members present for the final vote</b>	Amelia Andersdotter, Josefa Andrés Barea, Zigmantas Balčytis, Ivo Belet, Reinhard Bütikofer, Maria Da Graça Carvalho, Giles Chichester, Jürgen Creutzmann, Pilar del Castillo Vera, Christian Ehler, Vicky Ford, Gaston Franco, Adam Gierek, Norbert Glante, Fiona Hall, Kent Johansson, Romana Jordan, Krišjānis Kariņš, Lena Kolarska-Bobińska, Philippe Lambert, Bogdan Kazimierz Marcinkiewicz, Marisa Matias, Jaroslav Paška, Aldo Patriciello, Vittorio Prodi, Miloslav Ransdorf, Teresa Riera Madurell, Michèle Rivasi, Paul Rübig, Salvador Sedó i Alabart, Francisco Sosa Wagner, Konrad Szymański, Patrizia Toia, Ioannis A. Tsoukalas, Claude Turmes, Niki Tzavela, Marita Ulvskog, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras, Henri Weber
<b>Substitute(s) present for the final vote</b>	Antonio Cancian, António Fernando Correia de Campos, Ioan Enciu, Roger Helmer, Jolanta Emilia Hibner, Ivailo Kalfin, Seán Kelly, Werner Langen, Mario Pirillo, Peter Skinner, Lambert van Nistelrooij
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Jorgo Chatzimarkakis



28.6.2012

## **OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION**

for the Committee on Employment and Social Affairs

on Social Business Initiative – Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation  
(2012/2004(INI))

Rapporteur: Małgorzata Handzlik

### **SUGGESTIONS**

The Committee on the Internal Market and Consumer Protection calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Acknowledges that social businesses have the potential to be important drivers for innovation and, as such, to provide responses to the current social and economic problems and to contribute significantly to cross-border cooperation, thus supporting growth in the sector; encourages, therefore, the development of a supportive and streamlined regulatory framework that promotes the structural diversity of social business, answers to the specific nature of their activities and provides financial support better suited to social entrepreneurship and social businesses, in particular SMEs, thereby promoting their growth and sustainability;
2. Believes that accountable management processes, supported by funding mechanisms subject to proper monitoring and transparency, are necessary to retain the focus of social entrepreneurship and social business;
3. Highlights that the recognition of social businesses at the EU level should not be limited to including social objectives in certain commercial enterprises, but should also take into account the specific nature of each category of social business, particularly businesses in the social and charitable economy; emphasises that in order to do this, there is a need to adopt and implement funding tools that allow such businesses to carry out their activities in accordance with their own goals and objectives, and to foster solidarity between them; emphasises as well that better knowledge of social businesses, and a qualitative, multi-party and independent assessment of their activities, would enhance the contribution they make to society as a whole, and raise awareness about how social cohesion is a source of economic and social wealth and not just a cost;
4. Welcomes the proposal for microcredits in support of European SMEs;

5. Highlights the importance of the contribution of social businesses, in all sectors, to strengthening social cohesion and inclusion and to understanding and meeting the needs of consumers in general, and of vulnerable consumers in particular; stresses that social businesses, while primarily aiming to satisfy social and public policy needs, also strive to meet the growing demands of citizens for ethical behaviour that is more respectful of human beings, the environment, social standards and sociality;
6. Calls on the Commission to adopt measures aimed at raising the general public's awareness about the activities of social businesses and increasing its confidence in these businesses, and to encourage the general public actively to support this type of business;
7. Calls on the Member States to promote, encourage and develop social economy institutions by removing obstacles to starting and developing social businesses, promoting training and retraining in the field of social economy institutions, and increasing aid to entrepreneurs in social businesses;
8. Stresses that social businesses, by the nature of their activities and their modus operandi, help to build a more cohesive, democratic and 'active' society that contributes to job creation and sustainable and inclusive economic growth, notably by promoting solidarity and sustainability, social cohesion and inclusion, stable jobs of good quality, equal opportunities for men and women, and the reconciliation of personal, family and working life;
9. Considers that corporate social responsibility and 'social enterprise' are complementary aspects of the same policy and should consequently be developed in a coordinated manner, without duplicating the efforts made by Member States;
10. Is of the opinion that the reform of the EU's public procurement rules provides a good opportunity to improve respect for social standards and to increase the participation by, and improve access for, social businesses in public contracts; welcomes the regime for social services included in the Commission's proposal on the revision of the public procurement directives, and stresses the importance for local contracting authorities of this tool for providing quality services fostering social cohesion;
11. Notes the Commission's proposal to add the new category of disadvantaged persons to reserved contracts; underlines the potential of the new provision on reserved contracts for fostering innovative social and territorial development while respecting the principles of the competitive awarding of contracts;
12. Asks the Commission to conduct a thorough impact assessment in order to develop a long-term strategy for safeguarding social and environmental goals and enhancing the participation of social businesses in public procurement, without hampering the competitive awarding of contracts and without creating incentives to circumvent the rules; asks the Member States to remove obstacles to starting and developing the economic activities of social economy institutions, particularly with regard to the implementation of administrative procedures;

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	21.6.2012
<b>Result of final vote</b>	+: 27 -: 2 0: 2
<b>Members present for the final vote</b>	Pablo Arias Echeverría, Adam Bielan, Sergio Gaetano Cofferati, Birgit Collin-Langen, Lara Comi, Anna Maria Corazza Bildt, Cornelis de Jong, Christian Engström, Evelyne Gebhardt, Malcolm Harbour, Toine Manders, Hans-Peter Mayer, Sirpa Pietikäinen, Robert Rochefort, Heide Rühle, Christel Schaldemose, Andreas Schwab, Catherine Stihler, Róza Gräfin von Thun und Hohenstein, Emilie Turunen, Bernadette Vergnaud, Barbara Weiler
<b>Substitute(s) present for the final vote</b>	Raffaele Baldassarre, Mario Borghezio, Simon Busuttil, Pier Antonio Panzeri, Laurence J.A.J. Stassen, Marc Tarabella, Kyriacos Triantaphyllides, Anja Weisgerber, Kerstin Westphal

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	18.9.2012
<b>Result of final vote</b>	+:               36 -:               5 0:                0
<b>Members present for the final vote</b>	Regina Bastos, Edit Bauer, Heinz K. Becker, Pervenche Berès, Vilija Blinkevičiūtė, Philippe Boulland, Milan Cabrnock, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Minodora Cliveti, Marije Cornelissen, Emer Costello, Andrea Cozzolino, Frédéric Daerden, Sari Essayah, Thomas Händel, Marian Harkin, Nadja Hirsch, Stephen Hughes, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Veronica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Siiri Oviir, Licia Ronzulli, Elisabeth Schroedter, Nicole Sinclair, Jutta Steinruck, Traian Ungureanu, Inês Cristina Zuber
<b>Substitute(s) present for the final vote</b>	Jan Kozłowski, Svetoslav Hristov Malinov, Antigoni Papadopoulou, Birgit Sippel, Csaba Sógor
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Cornelia Ernst