

## WHAT EUROPEAN POLICY FOR SOCIAL ENTREPRENEURSHIP AND SOCIAL AND SOLIDARITY ECONOMY?

[RA2]

Room Dalai Lama  
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### MAIN FINDINGS

Currently, Europe is afflicted by a number of crises, whether as a result of the financial crisis that has come over from the United States or the sovereign debt crisis of European Union countries. In order to create sustainable growth and to put financial markets at the service of the real economy once more, the European Commission has adopted the Single Market Act, which includes 12 levers for growth, one of which is social entrepreneurship. Regarding the OECD, it has been working for fifteen years on the social and solidarity economy, in particular through the LEED programme. As for the European Investment Fund, it is considering creating a fund for financing social entrepreneurship. However, despite these very promising steps forward, many improvements are still needed, such as encouraging better use of structural funds or encouraging actors to seek more funds linked to social innovation. These improvements are needed for the regions, for the creation of social entrepreneur networks and for the European Union.

### SPEAKERS

**Michel Barnier**

Commissioner for Internal Market and Services,  
European Commission

**Laurent Laïk**

CEO, La Varappe Group / Chairman, Comité  
National des Entreprises d'Insertion (CNEI)

**Antonella Noya**

Senior Policy Analyst, LEED Programme, OECD

**Grégoire Schölller**

Cabinet Member and Representative of Michel  
Barnier

**Marc Schublin**

Director, Strategy and Stakeholders Relations,  
European Investment Fund

**Hughes Sibille**

Vice-Chairman, Crédit Coopératif

### MODERATOR

**Philippe-Henri Dutheil**

Former President of the Bar / Associate, Ernst &  
Young Société d'avocats / Member of Haut Conseil  
à la Vie Associative

## SUMMARY OF INTERVENTIONS

### Social enterprises faced with the crisis

**Michel Barnier** is in charge of the European plan for implementing social entrepreneurship policy. He believes that social enterprises should learn lessons from the crisis that is currently afflicting Europe. Financial markets should have order, transparency, responsibility and morals bestowed upon them once more and these markets have to once again be put at the service of the real economy. Therefore, this new growth has to take place in an intelligent manner and social entrepreneurship is an important lever in order to achieve this, along with the other eleven levers that make up the Single Market Act. In order to achieve these goals, this European act includes three chapters: the first corresponds to access to funding with the venture capital passport, developing solidarity-based investment funds, improving European structural funds (82 billion euros over seven years) or the creation of a European Stock Exchange devoted to social entrepreneurship. The second corresponds to the regulatory environment and aims to facilitate and simplify access to local public services funds for SMEs. The EU is currently working on a Statute for a European Foundation or possibly a European Social Enterprise. Finally, the third chapter corresponds to visibility for social entrepreneurship through the setting up of this platform.

According to **Antonella Noya**, the OECD's mission is to help its member states to define their public policies. The organisation promotes a plural economy. As for the LEED programme, it deals more specifically with creating jobs and businesses on a local level. Social entrepreneurship is not simply a trendy phenomenon but rather a durable trend which will affirm itself, and it is clear that public policy must create a favourable ecosystem for it. In order to achieve this, these policies must be co-constructed along with stakeholders who are also the policy beneficiaries. Work must be done to promote and improve understanding of social entrepreneurship and there is a vital need for a real strategy in order to bring about effective success.

### Possible strategies for developing social entrepreneurship

After underscoring the fact that social entrepreneurship is a factor for growth and not simply a quick fix solution, **Hugues Sibille** points out that social entrepreneurship is based on proximity, with a local and regional ecosystem. With this in mind, it is therefore important to rely upon stakeholder expertise and to manage structural funds better in order to ensure that they truly benefit social innovation within regions. Furthermore, one of the responsibilities of social entrepreneurs is to link up among themselves in order to participate in debates with the European Union to exchange innovation and good practices. The ERDF (European Regional Development Fund) could also be of use to social entrepreneurship. The French Public Investment Bank (BPI) should be linked up with actions on a European level, and the OSEO fund should be more involved in the social and solidarity economy. Finally, regarding the Social Business Initiative, an entire section should be set up within it devoted to economic intelligence.

For **Laurent Laïk**, an engineer who later became manager of an employability group made up of 450 people, there are two main problems linked to social entrepreneurship: one is due to social innovation and innovation for products and services; the other concerns the development of social enterprises and their expansion. For these businesses, the difficulty lies in obtaining funds for innovation and explaining the core of their vocation in different terms so that financial backers can understand the fact that these are hybrid models. It is also necessary to have quantified objectives for developing businesses which work on employability in France and in Europe and tools for measuring the social impact of their work should be provided.

### What role do institutions play?

**Marc Schublin** notes that the European Investment Fund (EIF), a branch of the European Investment Bank, provides guarantees for venture capital and he believes that it must be profitable as an institution. The EIF follows the policies of the European Union and is starting to take an interest in the social component, particularly through microloans. As a matter of fact, the EIF has already invested in 400 funds. Furthermore, the EIF is currently reflecting upon developing a fund of 300 million euros, which pools together other funds

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with the aim of funding social entrepreneurship. France is a very fertile breeding ground for investment, as Crédit Coopératif bears witness to. Finally, structural funds, which are ineffective, should be better organised.

In conclusion, **Grégoire Schöller** answers to Hugues Sibille and Laurent Laïk. He believes that the challenge is that of mobilising public authorities on all levels and creating awareness among civil servants in all

countries. This is the reason why the Week for the Single Market has been organised for the 8 to 15 October 2012. Furthermore, social entrepreneurship is very different depending on the country and it is indeed necessary to carry out economic intelligence work in order to map out social entrepreneurship in member states, as the European Union is currently doing. It is also necessary to put together a methodology in order to measure social impact.

REPORTER

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## MORE ON THIS TOPIC

- The Single Market Act: [ec.europa.eu/internal\\_market/smact/index\\_en.htm](http://ec.europa.eu/internal_market/smact/index_en.htm)
- European Structural Funds: [www.welcomeurope.com/fonds-structurels.html](http://www.welcomeurope.com/fonds-structurels.html)
- LEED Programme, OECD: [www.oecd.org/employment/leed/](http://www.oecd.org/employment/leed/)