

Madrid Declaration "The Social Economy, a business model for the future of the European Union"

Madrid, May 23, 2017

There are currently 2 million social economy enterprises in Europe, employing more than 14.5 million people, roughly 6.5% of the work force in the EU-27 and 7.4% in the EU-15¹, and representing 8% of EU GDP².

The common values of the social economy, such as the primacy of people and the social objective over capital, democratic and/or participatory governance, reinvestment of most of the benefits to ensure the long-term sustainability of the enterprise and the provision of services to their members and local communities, actively contribute to social cohesion and hence to an innovative, smart, sustainable and inclusive growth, in addition to the creation of quality employment in Europe.

These common values also contribute to a future of economic and social progress and are key to achieving the objectives of the Europe 2020 strategy, in particular with regard to the social and labour inclusion of the most disadvantaged and vulnerable groups, as recognised by the EU Council Conclusions "The promotion of the social economy as a key driver of economic and social development in Europe" (December 7, 2015). This document, together with those prepared by the European Parliament, the European Commission, the European Economic and Social Committee and the Committee of the Regions, constitute a rich heritage on which to build a European policy for the Social Economy, which translates into concrete measures in favour of development.

It should also be noted that social economy shares the values and guiding principles contained in the United Nations Sustainable Development Goals, especially of Goal #8 "Promote sustained, inclusive and sustainable economic growth, full and productive employment and a decent job for all", according to REX/472 opinion of the European Economic and Social Committee and the conclusions of the public hearing "The external dimension of the social economy" held in Brussels on March 14, 2017.

¹ Source: European Commission (2013) « Social Economy and Social Entrepreneurship Social Europe Guide », Volume 4).
² « Social enterprises and the social economy going forward: A call for action from GECES », October 2016.

Member States and European institutions are aware of the social economy dimension and have expressed their commitment to the sector through the Rome Strategy "Unlocking the potential of the social economy for EU growth" (18 November 2014). They are also committed to adopt the recommendations contained in GECES' General Report 2016 "Social enterprises and the social economy going forward".

In this context, the Luxembourg Declaration "A roadmap towards a more comprehensive ecosystem for social economy enterprises" (December 4, 2015) is a milestone representing the agreement by Luxembourg, France, Italy, Slovakia, Slovenia and Spain to promote social economy policies based on common values.

These efforts continued with the Bratislava Declaration "The social economy as a key player in providing effective responses to current societal challenges in the EU and the world" (December 1, 2016), signed by the aforementioned Member States plus Cyprus, Romania, the Czech Republic and Greece.

The Ljubljana Declaration (April 25, 2017) aims for stronger and structured cooperation between EU and South East Europe. It supports the creation of a network of social economy organizations on the regional level and states that the European Union and the countries of SE Europe should take appropriate actions to create an ecosystem for social economy enterprises in the process of tackling the emerging challenges concerning migrants and refugees.

Therefore, taking into account the previous statements, the signatory Member States:

- Reaffirm our support for the recommendations contained in the previous declarations on common understanding and support for diversity in the forms of social economy, on the need to take into account and promote the particularities of the social economy enterprises in the Single Market, on the importance of including and supporting the social economy enterprises through programs, projects and funds and on innovative and sustainable development of an adequate financial ecosystem.**

- Emphasize the importance of developing and implementing satellite accounts, following commonly accepted international models, in order to**

determine and make visible the effective contribution of the social economy enterprises to economic growth and social cohesion in the European Union.

- **Agree that the national and European policies to support entrepreneurship, should consider social economy entrepreneurship as a formula for the creation of inclusive employment and a fairer, more equitable and sustainable society.**

- **Believe that the participation of the social economy in educational activities, training and vocational training for skills and lifelong learning should be encouraged and that the possibility of promoting and including social economy entrepreneurship within curricula at different educational stages should be considered.**

- **Express the desire to promote high-level shared mechanisms of coordination for policies and measures in favour of the social economy and to deepen mechanisms already in place between Member States, both bilaterally (e.g. in the Iberian collaboration between Portugal and Spain) and multilaterally (e.g. Luxembourg Monitoring Committee) as well as with non-EU countries (such as the regional collaboration with Southeast European countries or with Ibero-American and South Mediterranean countries). All with the aim of promoting and developing social economy enterprises in the European Union policies related to the internationalization of social economy enterprises, the international cooperation for development and the fulfilment of the Sustainable Development Goals (SDG).**

- **Call the European Commission to include in its working plan for 2018 a European Action Plan 2018-2020, adequately financed, which will promote the social economy enterprises in Europe and boost social innovation. This action plan should address the economic and social development and social cohesion of all citizens, with a particular emphasis on the disadvantaged and vulnerable ones, and should involve – through specific system actions – all actors operating in the social economy.**

- **Invite the European Commission to strengthen the role of social economy and its economic and social values taking into account the principles included in the European Pillar of Social Rights and the positive contribution of social economy enterprises in tackling current social and labour market challenges faced by the EU, in the context of the White Paper on the Future of Europe (COM(2017)2025 of 1 March 2017).**