







Call for specific support measures for inclusive and integrated forms of employment during the Coronavirus crisis

A united call made by ENSIE, RREUSE, Social Firms Europe – CEFEC and CEC.

For the attention of the Presidents and representatives of the EU institutions and to the Members of the European Parliament

For the attention of Government Representatives

The Coronavirus Pandemic is affecting all of us right now, those closely impacted by the Coronavirus as well as those in confinement at home and businesses uncertain of their future and staff wellbeing. In this difficult time, we need to protect the disadvantaged, who are more vulnerable than ever. In particular, people with low qualifications, youth, long-term unemployed, those over 50 and members of disadvantaged minorities. We must also consider those otherwise socially marginalised, in particular women and migrants. The Work Integration Social Enterprises¹ (WISEs) and their workers, especially the disadvantaged individuals, are deeply concerned by the current situation. We request, together with the aforementioned WISE's representative networks, the following actions to be taken to alleviate the burden of the crisis on this already sensitive sector.

Firstly, we welcome the European Commission measures announced last week. However, we ask for the following actions to be taken into consideration:

- Ensure that Member States give special attention to WISEs and their workers by supporting them and monitor this attention.
- Ensure that the most vulnerable are directly concerned by the European Commission proposal for the Coronavirus Response Investment Initiative to facilitate the deployment of "the European Social Fund to temporarily support national short time working schemes which help cushion the impact of the shock".
- Develop a State Aid Framework Flexibility: allowing higher thresholds for the 'disadvantaged workers and severely disadvantaged workers' aids for employment and for the 'de minimis'.
- Develop a Fiscal Framework Flexibility for the suspension of payments of corporate and value added taxes and social contributions.

All States, whether they are members of the European Union, Candidate Countries or Members of the Eastern Partnership, are on the frontline of the battle against Coronavirus, and also of its economic

¹ The different economic actors striving for more inclusive and integrated forms of employment, Sheltered Workshops, Social Cooperatives, organizations offering counselling and training in order to make this type of social enterprises more visible.

consequences. In some States, WISEs and alternative forms of integrated and inclusive employment are widely recognised and the measures taken to attenuate the crisis will help them. In other countries, the sector is not recognised, but exists nonetheless. In the latter circumstances, States may have weakened policies on entrepreneurship and a lack of understanding for WISE's in general. Given WISEs face their highest threat, such cases should not be left aside in their young and vulnerable stages.

In order to help SMEs in general and WISEs in particular, we welcome measures announced in certain States, namely in France² and in The Netherlands³. We recommend that all States take the following considerations as soon as possible:

- Support for work and wages should concern all workers and especially the most disadvantaged ones.
- Ensure that funds already allocated to finance social enterprises should continue and be respected, on time without further obligations, even if the activities are suspended or closed down.
- These economic actors participate to the delivery of SGEI (Services of General Economic Interest), which are more crucial than ever in this period of crisis and they should be prioritised in every measure adopted.
- Accept, for a time, more flexibility in the regulation concerning WISEs, so they do not lose their qualification. For example, accept more flexibility in the proportion of disadvantaged workers in the whole workforce.
- Ensure that all national funding and business support schemes to alleviate financial losses due to the Coronavirus pandemic are also open and accessible to WISEs, Not-for-Profits and other social economy enterprises
- Ensure counselling and support for WISEs and vulnerable groups during this difficult time, e.g. by increasing accessibility to online platforms/tools for social enterprises providing counselling

Through these hard times, <u>ENSIE</u>, <u>Social Firms Europe – CEFEC</u>, <u>RREUSE</u> and <u>CEC</u> are available if you need advice or seek further information about good practices implemented in other countries helping WISEs to pursue their mission.

WISEs are part of a larger family, the social economy, and we are also calling for support measures that could help all social economy enterprises through this difficult time, represented at European level by <u>Social Economy Europe</u>.

Signed in Brussels, on 27th March 2020,

² In France, a Solidarity Fund has been put in place for small enterprise to cover their turnover losses. A part-time working arrangement to allow enterprises, where employees are facing wage losses, to benefit from a specific State allocation. There will be the possibility for employees who are facing a diminution of their activity to benefit from trainings in order to invest in their competences. The enterprises can also apply for a bank cash loan guaranteed by BPI France at 90 %. The Ministry of Labour, as well as other actors of the solidarity finance sector, are mobilised to propose complementary solutions to inclusive enterprises. For this reason, regular webinars are organised since Wednesday, 18th March with the various structures in the sector to inform them of progresses and hear their feedbacks.

³ Similarly, strong measures have been taken towards SME's in The Netherlands. For example, to allow companies to continue to pay their staff, entrepreneurs who expect a loss of turnover of at least 20%, can apply for a salary contribution for a period of three months (to up to 90% of the wage bill, depending of the loss of turnover). They will have an advance of 80% of the requested contribution. There will be, as in a lot of countries, the deferment of taxes: income, corporate, wage and turnover taxes. The fines are also reduced. The State will also propose a 50% guarantee on bank loans and bank guarantees. Furthermore, the small entrepreneurs on microcredits will have an interest discount.

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