

SEEDING

Social Economy Enterprises addressing
Digitalisation, Industrial Relations and the European Pillar of Social Rights

Final event (hybrid)

Tuesday 21st of September 2021 (10:00-16:30 CET)

The main (and last) event in the framework of the Seeding project took place on the 21st of September 2021 in a hybrid form. Participants had the opportunity to join online on Zoom and in person in Brussels. Overall ca 50 people attended the meeting, mostly but not exclusively representatives of project partner organisation and of social economy enterprises as well as invited guest speakers. The first part of the event was focusing on the results and outcomes of the Seeding project and hosted a session for guest speakers from the European Commission and ETUC. In the afternoon, the event continued as Digital Day, with speakers from companies like Google Cloud or the European Investment Bank. The event was moderated by Gianluca Pastorelli and Melinda Kelemen (online) in the morning also by Marta Bruschi in the afternoon.

Mr. Luca Pastorelli (executive president, Diesis Network) welcomed the audience and referred to the long and interesting journey of the SEEDING project, then he introduced the agenda, and the speakers then shared a few technicalities about the event. He made an emphasis on the digital social economy and its importance

Ms. Melinda Kelemen (project manager, Diesis Network) gave an overview of the Seeding project activities and said thank you for all who participated in or contributed on some way in the project. The project has been ongoing already more than two years, by the time of the final conference therefore most of the project activities and outcomes became available on the project website: the Background Report, the Case Study Report, 21 individual case studies, Policy Guideline and detailed information on the previous events, including recap videos and written summaries. The materials remain available on the Seeding project website.

Mr. Feliciano Iudicone (researcher, FGB) was responsible for coordinating the research activities of the Seeding project. His presentation was focusing on the research outcomes of the project. He shortly summarized the findings first: risk of job polarisation and job losses especially in Poland, Ireland and Italy due to automatization, the emerging issue of platforms, privacy issues due to monitoring of employees and telework effect on work-life balance. Regarding the policy recommendations, he explained that the

changing features of blue-collar work call for adequate and timely training to prevent redundancies. Then he brought couple of case studies as good examples: a Polish cooperative bank which introduced a right to training and provided many opportunities to learn for its employees. Discussing changes with workers and workers' representatives shall also help to prevent drawbacks on working conditions when digitalisation is phased in: Suara in Spain created a Digital Transformation Office to accompany change and get feedback by employees on relevant issues. In case of more complex companies, information sharing is more difficult with workers – Suara introduced digital tools to promote participation, smaller platform companies like HappyDev and ouishare aimed to democratize their decision-making processes as well. As to platform companies, the adoption of minimum rates of pay for self-employed may prevent race to bottom effects triggered by the business models of these and similar companies. The German platform company 4freelance committed to this goal, seeking to guarantee a minimum rate of pay (40 EUR / hour) to its members. The Irish case study Speedpak suggests an information procedure entitling unions to gain control over the use of non-standard employment schemes can also prevent precariousness of employment to stem from (platform) business models. Another problem with platforms and algorithms is that these can be indirectly discriminatory. A network in Poland, Panato, introduced a solution that ensures transparency of algorithms. AppTaxi in Italy decided to combine a user-friendly app to book taxi rides with a back-end human interaction to assign rides to drivers, preventing any possible impact of the algorithms or of rating systems on shifts. For -profit platforms sometimes are not great to practice co-operative approach – it is important to pay attention to this aspect as, instead, apps and platforms may help building communities (like Som Mobilitat did in Spain). At last, but not least, digital exclusion and problems of digital literacy are still a reality for small companies – innovation centres can help to address that kind of exclusions.

The session was followed by questions and answers: about financial funds and availability of financial mechanism, also access to new technologies and innovation.

Digitalisation and social economy – European perspectives

In the European session, first **Ms. Miia Rossi-Gray** (Social and Inclusive Entrepreneurship - DG EMPL.G.3) was given the floor to. Ms. Rossi-Gray was talking about the broader political context of the European Social economy action plan. As she said, the moment is great for Social Economy and its potential. Meanwhile Social Economy employs significant number of people in the European Union (estimated 2,8 million enterprises 13 million paid jobs), there is a big difference between member states, with numbers as low as 0.6 % and the highest 9.9 %. The Commission does not start from scratch, the former steps were the Social Business Initiative in 2011, the Start-up and Scale-up initiative in 2016 and these were followed by the

Action Plan for Social Economy in 2021. The Action Plan was drafted on broad consultations, previous position papers, expert groups, road map, hearings, mapping studies and interviews with stakeholders. The Action Plan aim to have a holistic approach and tackles issues like visibility of the sector, access to funding and markets, tailor made fundings, social innovations and skills.

Mr. Karel Vanderpoorten (Policy officer, DG Grow, European Commission) started with the fact that Social Economy become an important player in the European economy and DG Grow - since 2020 the EC recognised Social Economy as one of the 14 industrial ecosystem - is promoting the sectors more intensively and a transition pathway. Mr. Vanderpoorten mentioned the Renewed Industrial Policy from last year – it needed a “refurbishment” after Covid. Digital skills are important to improve – not only in all small businesses but also in social economy – and it can be quite pricey to use usual platforms (SomMobilitat is referred as a good example here). OpenFood network is the most often cited example – as the easiest and cheaper platform to set up and to use. The other issue is dealing with big data. Data sovereignty is an aim but how to reach it? The Commission try to develop certain instruments for social economy and other industrial sectors.

Mr. Marco Cilento (Head of industrial policy, ETUC) welcomed the conclusions of the projects that based on real cases. In the trade union movement, digitalisation is always a big opportunity but also concerns for workers. The quicker is the change the deeper is the polarisation it causes so the unions needs to take actions to protect workers and its needs time, it is not only question of upskilling and training. Trade unions came to a very similar conclusions than social economy and the project did in terms of digitalisation – and very much appreciated that the Commission aware of these problems. Social dialogue and communication with workers in enterprises can help a lot. Industrial relations in general can help a lot. On the other hand, employee participation is something that should be better framed in EC initiatives.

The discussion that followed the European session were about possible cooperation between social economy and European Commission’s unit to improve the situation.

Digitalisation and social economy – national perspectives

Poland – Ms. Julia Koczanowicz-Chondzyńska (FISE)

Ms. Chondzyńska shared a few thoughts about developments in the field of digitalisation and social economy that happened in the last 1,5 years in the country. In Poland the condition of economy is not so bad, employment and unemployment data reflect this and also GDP data show. There is no special data for social economy, but the third sector as a whole (NGOs, coops, social enterprises) were subject to a research

conducted in the beginnings of 2021. The research shows that one year after Covid pandemic outbreak 65% of NGOs report deterioration of their condition and 57% reported lower income, on the other hand they had to be more innovative (e.g. running activities online) and took up new activities (like new programmes and acts). NGOs had to face also the same general problems as the companies faced in general in national economy and special problems like lack of financing, covid-19 based restrictions, lower income. Innovation and responding better to market needs helped them to survive. As a good example, the World of the Deaf People Foundation was presented. The foundation for example offered sign language interpretation on online meetings.

Germany – Mr. Hans-Gerd Nottenbohm (Innova eG)

Mr. Nottenbohm talked about a national campaign that includes 5 demands to improve the situation of cooperatives in the context of digitalisation in Germany.

1. Digital co-operative membership (instead of paper-based ones)
2. Digital incorporation, audit and registration (instead of the lengthy process currently in place)
3. Digital and hybrid general assemblies (currently it is possible and are legally valid under certain circumstances)
4. Digital crowdfunding (other means are not practical in Germany)
5. Digital platform cooperatives (to cope with and provide alternative to global platforms)

Italy – Ms. Sabina Bellione (CGM)

In Italy, digital divide is a problem in social economy. CGM utilised some financial tools helping social enterprises to do better. Using these financial sources, CGM is providing trainings of its members how to use digital tools well. CGM also pays attention to the younger people and aim to create bridge between generations and acknowledges the problem of digital divide. Digitalisation something that must be taught and learn and CGM takes an active role in it. It is also important to change set of minds, that digitalisation is not only a tool but a necessity to have digital transformations.

Slovenia – Mr. Sebastjan Piki (ASES)

Slovenia is currently presiding the EU – it has some effect on social economy as well. The two issues Mr. Piki talked about on one hand public finance and digitalisation on the other hand, social economy in Slovenia in these days.

Slovenia is an ex socialist country, so social services were run as public services. Social economy law was introduced only in 2011 and the sector had to build up from basically nothing. The question these days how to bring social economy into the mainstream economy and thinking since in Slovenia the sector is not a priority. Due to this, not a lot of financial support and tools are available, but still, the sector is greatly dependent on available public funds. The other issue is that social economy enterprises have some limitation to access markets and sell their services and good. This situation needs to be improved, to find better business models. One of the alternatives that is promoted by IED in Slovenia is the ESOP (employee stock ownership plan).

Spain – Mr. Pedro Blazquez (Coceta)

In Spain - based on data - social economy reacted better than traditional companies to digital challenges. The answer likely lays in social values and principles, the fact that in social economy are active in productive sectors and productive specializations. Companies in social economy are mainly SMEs and micro sized companies – that impose some problems. Talking about digitalisation competencies and reskilling is important. Most of the organisations received help from intermediate organizations with their digital transformation. Mr. Blazquez mentioned a few good examples from the social economy that coped well in terms of digitalisation, like Blockchainfue, Som Mobilitat and Ambulancias Barbate. Coceta aim to support their members with training and other way of help (other services) in the field of digitalisation.

Ireland – Ms. Tanya Lalor (Method Consults)

In the project, two case studies were developed, Speedpak - a social enterprise that aims to employ members of vulnerable groups and provide services to the commercial sector - and WeCreate. WeCreate is a coop that provides digital support to different type of companies, education for young people and community groups. Grow Remote was also mentioned as an initiative that connects individuals working remotely and employers willing to hire remote workers.

Ireland the 6th most advanced digital economy in Europe, but there is a gap between large multinationals and SMEs. Covid further deepened this gap. In addition, according to CSO, 20 % of those who lost their jobs during Covid, did not anticipated to get their job back – so training become important. Remote work and platform work rose as well.

To strengthen social economy in Ireland there are several recent policies and initiatives, like the National Social Enterprise Policy for Ireland, training and mentoring measures targeting social enterprises or there is

a local and rural development policy and active local agencies. Digital hubs, better internet connection helped a lot under Covid and measures were supported by capital funding.

The discussion that followed the national session were about member based social economy enterprises vs. traditional companies and digitalisation (in Germany), digital skills (DG Grow) also representatives from Croatia, Romania and Serbia were sharing related information like speed of internet broadband, if companies and their size matters, also visibility of social enterprise sector in their country.

Digital Day

The second part of the SEEDING final conference continued in the afternoon as a “Digital Day”. The afternoon was opened by **Mr. Luca Pastorelli, the president of Diesis Network** who once more stressed the potential of social economy in the twin transition. The Digital Day largely focused on understanding what entails Digital Transformation and how challenging it is, not only for the Social Economy sector but for other industries as well. The Digital Day hosted diverse set of speakers, from representant of tech company: Google to the project manager of City & Me from Serbia, and the founder of start-up Startin’BloX, to the expert from European Investment Bank (EIB). It gave the audience the opportunity to look at Digital Transformation from various perspectives that the speakers presented, ask critical questions and discuss what is the way forward for Social Economy in the digital age.

Mr. Gianluigi Bruschi (Google Cloud) started with a broad definition of Digital Transformation. He emphasised that there is a need to understand well the concept first and identify why you wish to embark on such transformational journey. Further, he laid out Google practice that focuses on people-led approach, whereby *“tapping into the brilliance of your people you discover new insight and drive experimental projects that will allow to find the right tech - and deploy it in the right way - to serve the users better in the digital age”*. He took the audience through the principles of the *Google Organisational Digital Transformational Journey* that outlines the key themes of successful digital transformation (*such as vision & leadership; culture of innovation; customer centricity; people operations and technology and data & automation*). He finished his intervention by emphasising that Digital Transformation needs adequate partnerships and collaborations where each stakeholder brings relevant expertise and knowledge (i.e., cross-sectorial) in order to successfully implement such transformation and reach the desired effect.

We have further welcomed two guests who gave the example of concrete initiatives on how digitalisation impacts society and how some of the major societal challenges could be tackled by using technology to our advantage.

Mr. Aleksandar Stamenković (City & Me) presented the application that has been developed in the city of Niš and coordinated by Young Ambassadors and JustStart in Serbia with support of Trag Foundation in Serbia within “Balkan Green Ideas” Competition. He explained how the application facilitates a clear communication between the city and citizens, encourage activism and action of citizens in the field of recycling, cycling, landscaping, as well as involve them in decision-making at the building and local community levels. As important part of City & Me, he presented Viber chatbots as a new approach for communication and interactions with citizens or targeted audience. He admitted that City & Me is a digital response to the needs of the citizens to communicate, be active, and act sustainably in the communities.

Mr. Louis Cousin (Startin’Blox) represented the cooperative that its primary aim is to stimulate the emergence of a decentralized and democratic web, relying on open interoperability standards- open source. Louis brought closer to the audience the functionality of the platform and how It develops a web infrastructure enabling organizations and citizens to take full control over their IT solutions and data. He explained that this requires establishing and maintain partnerships with highly diverse communities around Europe, from the most to the least IT qualified. He further drew main criteria that the cooperative follows such as open source: they belong to the organizations, which have full control over their development, deployment and evolution. Louis stressed how important is to create open-source community, which relies on expertise from and within the community (i.e., managers and facilitators) rather than the third parties. Finally, he explained how the cooperative provides organisations with applications for horizontal collaboration (to share your data with other organisations) and social innovation.

The afternoon was closed by **Mr. Eugenio Leanza**, Head of Division at the European Investment Bank (EIB)*. His discourse focused how Social Economy Enterprises could enhance the impact by harnessing interoperability of its ecosystems and networks. He emphasised that interoperability has important economic consequences. If market players are not interoperable (due to causes such as patents, trade secrets, or coordination failures), the result may well be a market failure or a monopoly by a corporate entity which may disregard the value elements at the core of the Social Economy movement. He also stressed that a better control of the SSE movement on its digital Interoperability is a necessary step to regain in the long-term a full control on the value creation processes generated by the activities of its members.

Closing remarks (**Ms. Marta Bruschi, Diesis Network**). One of the Diesis Network's goals is to unlock the growth potential of the digital social economy. In this sense, the goal of Diesis Network is to raise awareness about the potential of the digital social economy and its positive outcome and maximisation of social impact. We are committed through the implementation of a number of initiatives such as research

studies, projects, workshops and events such as this one, to find opportunities for new partnerships and collaborations to create resources, that aspiring Digital Social Entrepreneurs need to attain the goal of becoming more digital and achieving digital inclusion.

**E. Leanza's opinion and views do not represent the official policy, views or statements of EIB.*

28th of September, 2021.