

Annex to SEE Open Letter

**“Overcoming COVID-19- Time for solidarity:
An unprecedented crisis that requires an unprecedented
EU response to restore economic and social progress”**

A strong mobilisation of SEE members

AIM- The International Association of Mutual Benefit Societies

AIM is the international Association of Mutual Benefit Health insurers and health funds. AIM's members are solidarity-based, not-for profit organisations that function on the basis of a democratic governance. They are social actors providing health, sickness and other social benefits while promoting among others the respect, the inclusion and the protection of vulnerable groups.

AIM issued the [statement](#) “***Time for pandemic solidarity!***” calling for:

- all citizens to act responsibly following the measures and preventive actions that the EU has recommended, to slow down and contain the spread of the virus;
- the healthcare industries to put effective health technologies on the market at an affordable price, in order to ensure accessibility and affordability for health systems, healthcare professionals and for patients;
- European national governments to show solidarity among European Member States and act together to fight this virus;
- EU countries to act in a coordinated manner, showing the meaning of solidarity through concrete actions;
- Beyond the crisis and in a far-sighted approach, we call for a stronger role of the EU concerning public health including the fight against pandemics;
- European solidarity must also be offered to help mitigate the crisis and to extend social protection schemes around the world;
- the need for an appropriate European legal framework for social economy enterprises and the same financial support as any other entities.

CASES- Cooperativa António Sergio para a Economia Social (Portugal)

CASES reports that to face the effects caused by Covid-19, the Portuguese Government has taken exceptional measures for enterprises and other entities by providing guarantees, incentives to European programmes, special conditions for training programmes for workers and also by deferring legal obligations, contributions to Social Security, taxation, etc., that in some cases apply to social economy entities.

CASES has synthesised some important that are accessible for social economy enterprises and organisations [here](#).

Furthermore, CASES has taken its own initiative to help collect voluntary initiatives to respond to the COVID-19 crisis. [CASES's Online Platform for Volunteering Activities](#) which, within

the scope of its competencies in the area of volunteering, created an online platform that makes voluntary initiatives from all over the country available, including movements and platforms created to respond to people who need more support. This online area will allow those who want to volunteer to identify the initiatives that best suit their profile and availability. The information will be permanently updated, in order to monitor and complement all voluntary actions that are being promoted and implemented at national level. It is also possible to consult the Portugal Voluntary Platform, through the link www.portugalvoluntario.pt

CEPES- Spanish Confederation of Social Economy Enterprises:

The Spanish government is positively assessing the response and solutions that social economy enterprises are giving to the health, social and economic consequences of COVID-19. The social economy is responding to the most pressing health emergencies and social needs and it is also producing goods and providing basic services in vital sectors such as agriculture, fishing, health care, cleaning, laundry, transport and distribution, among many others.

The Spanish Confederation of Social Economy Enterprises (CEPES), as an organisation representing all Spanish social economy enterprises and organisations, is working with the Spanish government through the Ministry of Labour and the Social Economy to ensure that social economy enterprises benefit from and have access to the various measures that the Spanish government is taking to save jobs and businesses.

At the time of writing this brief report (06/04/2020), CEPES has proposed several sets of measures to the Government in coordination with all its members. The main measures proposed by CEPES are:

- **Guarantee that all social economy enterprises and organisations can apply for ERTES (Spanish short-term/temporary unemployment scheme) under the same conditions as other companies.**

Thanks to the CEPES proposals, the government has incorporated the possibility for the Board of Directors (Consejo Rector/Management Body) of **cooperatives** to decide on the application of an ERTE (temporary unemployment scheme). The capacity of taking this decision was previously reserved for the General Assembly, which in the current context is difficult to convene with all guarantees of participation given the lockdown due to COVID-19.

- **The government has created a financial line of State guarantees through the ICO (Official Credit Institute) for an amount of 1 billion euros for all types of companies and self-employed workers, so that they can also cover the financing needs of social economy companies.** In addition, CEPES has proposed to:
 - Analyse the incorporation of a 6-month moratorium on the repayment of loans by solvent enterprises and entities during the State of Alert period.
 - Avoid the establishment by the authorities of requirements and conditions that exclude the involvement of social economy financial institutions in the implementation of these financial measures (guaranteed loans).

- CEPES's dialogue with the government has clarified that all the **workers-members of cooperatives with a self-employee status** can continue with their economic activity, during the two-week period (from 31 March to 9 April) in which business activities are limited to those considered essential.
- To ensure that the **self-employed workers of the social economy** can access to all the support measures for workers (exemption from social security contributions, tax exemption, allowances, aid, etc.):

In particular, CEPES has requested the application of the exemption from social security contributions and the access to support measure in case of a cessation of the economic activity for **labour societies' shareholder-workers** who are legally self-employed workers, as the urgent and extraordinary measures to deal with the economic and social impact of COVID-19 do not provide for these **labour societies'** (sociedades laborales, an Spanish form of social economy) workers to become unemployed or to cease their business activities.

- To ensure that **cooperatives** and **labour societies** that have received public support for the creation of jobs through the incorporation of new members will not lose this subsidy if they apply for an ERTE (temporary unemployment scheme) or a temporary cease of the activity.
- Ensure that **Fishermen's Guilds** and their workers who are affected by the state of alarm can apply for ERTEs (temporary unemployment scheme) or requests to cease the activity as the other forms of enterprise.
- For **Cooperative Housing projects** currently under construction, CEPES has requested to:
 - Allow them to stop paying the interests of loans without requesting them to provide further bank guarantees.
 - Give them the possibility to re-absorb the houses of members leaving the Housing Cooperative, so that the house can be re-allocated to new members of the cooperative or other non-members users, ensuring the viability of the promotion of new housing projects once the alarm period is over.
- For the Sheltered Workshops (**Centros Especiales de Empleo de iniciativa social-CEEIS**), which in Spain need to ensure that at least 70% of the workforce is formed by people with disabilities, CEPES has proposed to:
 - Guarantee that in the event that the CEEIS has to take time off work or has carried out an ERTE as a result of the health crisis, and this circumstance results in the number of workers with disabilities falling below the 70% of the workforce required by law, the CEEIS will not lose its qualification as a special social initiative employment centre and the linked public support.
 - To guarantee that, in the event that a CEEIS ceases its activity temporarily as a result of the current health crisis, the CEEIS will not be disqualified for this eventuality.

- To stop counting the legal periods for employment or replacements of workers of people with disabilities to obtain subsidies for job creation projects in the case of sick leave, ERTE or temporary cessation of activity.
- To create a specific contingency fund to alleviate the economic and financial deficiencies caused by the current health crisis.
- **For Work Integration Social Enterprises (WISES/Empresas de Inserción)**, the following measures have been proposed by CEPES:
 - To guarantee that the WISEs will not lose their legal qualification in the following cases:
 - If they apply for an ERTE (temporary unemployment scheme) or for the total or partial cease of the activities due to the force majeure derived from the COVID-19 crisis, and this results in not reaching the ratio of workers in the process of work and social integration required by law with respect to the total workforce.
 - If as a consequence of the crisis, the working time of workers in a process of labour/social integration falls below 51% of a full-time work.
 - To avoid the requirement by public administrations, during the state of alarm, of the calculation of the percentage of workers in process of work integration with respect to the total staff or the minimum number of workers in the process of work integration for the calculation of subsidies to insertion companies.
 - To extend, in the case of the application of an ERTE (temporary unemployment scheme), to workers in a process of work-integration the contracts and insertion itineraries for the duration of the suspension period.
 - To guarantee the continuity of public contracts that have been interrupted and/or suspended, and its extension for the duration of the suspension period.
- **Exonerate from the payment of 100% of its social security contributions** to the following companies with more than 50 workers that have carried out ERTES or ceased the activity: WISEs, Special Employment Centres, social initiative cooperatives and associations and foundations that provide care for the disabled.
- **For residential facilities and sheltered/housing**, CEPES has proposed to:
 - Reinforce economically the resources to hire staff and replacements due to contagion and/or prevention.
 - Consider the **social services' workers in this domain as essential employees** during the state of alarm. Allow their mobility, security and resources.

- Provide funding lines for teleworking and the provision of remote support services and for training actions for psychological support for workers who have suffered stress and traumatic situations linked to the COVID-19 pandemic.
- To speed up the procedures for the recruitment of specialized staff to guarantee adequate care in these social economy residential facilities and sheltered housing.
- **Urgent distribution of medical protection material** (masks, safety glasses and any other self-protection equipment) to social economy enterprises and organisation operating in the sectors of direct care for people with disabilities, care of the elderly, homeless persons or minors in a situation of social risk, as well as in retail (food distribution).

The EFC- The European Foundation Centre:

In a [joint statement](#), the European Foundation Centre (EFC) and Dafne (the Donors and Foundation Networks in Europe), announce that if communities, services or organisations are affected by the COVID-19 outbreak, and receive grant funding from the EFC and/or Dafne, they commit to:

- **Adapting activities** – recognising that some may be experiencing difficulties in achieving some of the outputs or outcomes agreed for the grant during the outbreak, the EFC and Dafne would like to be able to maintain the grant payments at the originally-agreed levels during this period and invite those affected to have a conversation.
- **Discussing dates** – In order not to add pressure if struggling to meet a reporting deadline, the EFC and Dafne ask to get in touch to agree on a more realistic and convenient time.
- **Financial flexibility** – Funding might be needed to help cover sickness, purchase equipment, or deliver services differently, the EFC and Dafne state they will be reasonable if you need to move money between budget headings (where possible) to ensure your work can continue.
- **Listening** – the EFC and Dafne offer the possibility of getting in touch with them at any time to talk about the situation an organisation is facing.

ENSIE- The European Network of Social Integration Enterprises:

ENSIE has issued [a joint statement](#) together with Social Firms Europe – CEFEC, RREUSE and CEC calling on 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.

The joint statement recommends 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.

ESS-FRANCE – The French Chamber of the Social and Solidarity Economy (France):

ESS-France is working to ensure that all social and solidarity economy actors, including associations, can access to the French government's measures in response to the COVID-19 crisis, particularly:

- State guarantees for bank loans to social and solidarity economy enterprises and organisations;
- Ensure that all social and solidarity economy enterprises and organisations can access the French Government measures to support employment and save jobs throughout the economic slowdown (short-term unemployment schemes);
- ESS-France is also actively promoting through its network the active participation in the government's platform [Réserve Civique](#), aimed at collecting solidarity initiatives carried out by associations or public entities and mobilising volunteers.
- ESS France actively promotes via its social networks the general mobilization of all networks and actors in the social and solidarity economy to fight the pandemic, promote solidarity initiatives and support social and solidarity economy enterprises and organisations to overcome the economic crisis.

A synthesis of measures adopted by the French government can be found [here](#).

FEBEA – the European Federation of Ethical and Alternative Banks and Financiers:

FEBEA's members are mobilising to respond to the COVID-19 outbreak's consequences at local and national level. **Their various initiatives available [here](#)**, carried out while ensuring protection for employees and clients, aim to:

- propose immediate measures for individuals, enterprises and organisations with open loans/ mortgages and with liquidity problems;
- mitigate the effects of the crisis on the population most at risk, via the collaboration with social economy organisations;
- contribute to fund-raising campaigns to help hospitals and local communities facing the crisis;
- offer services, contents and online activities during the confinement period;
- prepare the post-crisis period, to foster the re-activation of economic activities.

FTS –Forum Nazionale Terzo Settore :

Forum Terzo Settore, the national representative of the Italian third sector, is in permanent dialogue with the Italian Government mainly through the Ministry of Labour and Social Policies, with whom it is working to ensure that any emergency measure is accessible to all third sector actors. Forum Terzo Settore has ensured that the **Cassa Integrazione**, an Italian institution which aims at financially supporting employees in technical unemployment, has been extended to all third sectors actors. Furthermore, FTS is calling for: a fund for the commercial entities of the third sector (non-refundable grant that functions as a restart support for third sector enterprises), an increase of the social fund of the Ministry of Development as well as an adaptation to ensure facilitated accessibility through a reduction of bureaucracy; investments for the digital transition of the third sector; and a retroactive update in the context of public procurement contracts taking into account costs endured because of the COVID-19 crisis.

REVES – European Network of Cities and Regions for the Social Economy:

REVES has published the following statement in its website:

In the current Covid-19 context, the European Commission has tabled a number of proposals to adapt EU legislation in order to rapidly make (financial) support and assistance available to all Member States.

In this context, the European Commission decided, for instance, to loosen state aid rules and set up a **State Aid Temporary Framework**.

The **Coronavirus Response Investment Initiative**, approved also by the European Parliament in its extraordinary plenary session on 26 March 2020, should make it possible to redirect European Structural and Investment Funds. Member States will, for instance, be enabled to use hitherto unused ESIF budget for 2019 (which, in theory, should be paid back to the European Commission) to support measures fighting (the impact of) Covid-19.

Measures related to public health emergencies will become eligible for the **European Solidarity Fund**.

Also the **European Central Bank** and the **European Investment Bank** launched **specific programmes to help Member States and enterprises (in particular SMEs and mid-caps)**.

In addition, the European Commission proposed the activation of the general escape clause of the Stability and Growth Pact.

Finally, different forums of exchange have been established, among them a **specific database on social and solidarity economy initiative**.

Also and especially in the Covid-19 crisis, the social and solidarity economy all over Europe is currently in the first line and often a key player in the mobilisation of solidarity. It plays a crucial role in finding and operating solutions in the area of health, social and other basic services, inclusion of the most vulnerable up to research and production. However, it is also facing a number of challenges and does often not receive the same attention, recognition and support as other (economic) actors. Social and solidarity economy enterprises and organisations, but also local/regional governments cooperating with the social and solidarity economy: Please share with us difficulties you come across – be it at local, national or European level, but also what ideas and suggestions you have to solve them. Social Economy Europe and its members (among them REVES) intend to mobilise policy-makers and make your voice heard by tabling concrete proposals.

For more information on EU measures relating to Covid-19, please visit the homepage of the [European Commission](#)