The EU Pact for Skills – Large Scale Skills partnership for the Proximity & Social Economy ecosystem (P&SE LSP)

The Pact for Skills and the P&SE ecosystem

Launched in 2020, the Pact for Skills is one of the flagship actions of the European Skills Agenda that seeks to mobilize and support public and private organizations in upskilling and reskilling their workforce. Along with the other 13 industrial ecosystems identified by the 2020 New EU Industrial Strategy[1], the Proximity and Social Economy ecosystem is a crucial part of the EU economic landscape, working toward ensuring a fair and inclusive recovery for the European single market.

Based on the most recent analysis[2], the Proximity and Social Economy ecosystem includes 3.1 million enterprises and organizations, employing 30 million workers, producing 6.5% of EU value added.

Given the considerable implications on the EU economy, several European Union initiatives have placed an emphasis on the Proximity and Social Economy over the past decades. For example, the European Action Plan for Social Rights, the EU Industrial Strategy, European Action Plan for the social economy, and the Transition Pathways for Proximity & Social Economy.

In this context, the Large-scale Skills Partnership for the Proximity and Social Economy Ecosystem (P&SE LSP) was created in 2022 under the auspices of capitalizing on these actions by bringing together stakeholders across the ecosystem to lead the recovery and just green and digital transitions, ensuring the active participation of EU citizens in promoting upskilling and reskilling in the Proximity and Social Economy.

The Skills Alliance exists in synergy with the Blueprint Alliance projects within the Ecosystem: the B-WISE project (Blueprint for Sectoral Cooperation on Skills in Work Integration Social Enterprises), the baSE project (Blueprint for or advanced skills & trainings in the social economy), as well as the newly started ESIC project (European Social Innovation Campus).

As of 2023, the P&SE LSP counts almost 200 members. The partnership welcomes new members of the Pact for Skills interested in the Proximity and Social economy who share the

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[1] European Commission, Annual Single Market Report 2021, SWD(2021) 351 final
[2] Idem

Partnership's goals and want to contribute to the impact of the ecosystem.

The partnership acts with the support of the European Commission and designated support services.

The Challenges

Over the past several years, the Proximity and Social Economy ecosystem has experienced challenges, in particular those posed by the COVID-19 crisis, the refugee crisis, and inflation and energy supply issues linked to the war in Ukraine. Nevertheless, it has shown a particular resilience in addressing economic, environmental and societal challenges in the most inclusive and innovative ways and a great potential to act as a catalyst for a just transition.

Part of the P&SE ecosystem, social economy organizations and enterprises (hereinafter SEOs) and other legal forms and statuses (specific to some Member States' traditions) provide an excellent opportunity to increase autonomy and resilience of the industry while preserving their social objective. These organizations - e.g. cooperatives, mutual societies, associations (including charities), social enterprises - base their approach on collective governance and cooperation, democratic participation while at the same time, prioritize the local dimension and proximity. Strictly linked to proximity, the P&SE LSP membership also includes local authorities as well as "services and businesses fostering local and short value chains for mainly local production and consumption"[3].

As a result, the P&SE is a heterogeneous ecosystem, in terms of typologies, organizations and enterprises, sectors of activities and size of organizations, especially if compared to other ecosystems of the EU industrial strategy. SEOs are active in nearly all sectors of activities (and therefore ecosystems), and when it comes to technical or sector specific skills, these often overlap with those of the other ecosystems and blueprints. As a matter of fact, most P&SE LSP members could potentially be part of other ecosystems partnerships in the Pact for Skills as well.

However, specific to the P&SE ecosystem is its coherence strictly linked to the application of social economy values within the development of activities, e.g. human objective over profit, reallocation of resources for social purposes as well as democratic governance. The Skills Partnership focuses in fact on those skills that address the transversal specificities of the social economy, as part of its relevance to the Pact for Skills. The ultimate objective is to help stakeholders in the ecosystem develop the actions that will help them face the skills challenges,

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[3] European Commission. Directorate General for Internal Market, Industry, Entrepreneurship and SMEs., 2022. *Transition pathway for proximity and social economy ecosystem*. Publications Office, LU. https://doi.org/10.2873/44306, p.8

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including those related to the green and digital transitions.

Within the P&SE Ecosystem many organizations are active in the field of skills development: some of them focus on reskilling, upskilling and facilitating access to the labor market, while others encourage social economy entrepreneurship and social innovation to address societal challenges, strive for developing entire new markets and establish long term partnerships with mainstream business. This broad spectrum of education, vocational and training activities makes the P&SE ecosystem key in the EU's future skills development.

To ensure the social economy entities can continue creating inclusive employment, foster resilience, and sustainability, it is crucial to understand the specific skills needed to improve and grow the ecosystem, and in particular the skills that need to be developed for SEOs to contribute to the green and digital transitions. To remain competitive and to meet their economic and social responsibilities, SEOs need to invest significantly in the reskilling and upskilling of their workforce, putting social impact at the core of their investment decisions.

The social economy has a long and proven track record of labor market inclusion and is at the same time an important vector for an inclusive green and digital transition. By bringing together the Proximity and Social Economy components of the market, the ecosystem can promote better understanding of social economy principles and good practices to local authorities and business[4]. For example, with regards to local SMEs, implementing social economy cooperation and democratic principles could support a collective approach to the digitization and greening of local businesses, e.g. multi-stakeholder approach to local development.

The diversity of the P&SE ecosystem can be considered its value added while at the same time represents one of the biggest challenges to its success. Focusing on the upskilling and reskilling needs of the ecosystem will provide opportunities to invest in areas such as lifelong learning and employability, social inclusion, active citizenship, personal development and resilience, to ultimately ensure relevant careers and bring positive change into peoples' lives.

The ambition

This declaration represents a second iteration of the original commitments made in May 2022 by the P&SE LSP. This updated version was finalized in 2024, in light of newly funded projects within the ecosystem, recent changes of the LSP coordinators, and the results of a survey conducted among the LSP Members in the last trimester of 2023. For more information on the previous declaration, see Annex 2.

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[4] European Commission, "Proposal for a COUNCIL RECOMMENDATION on developing social economy framework conditions", COM(2023) 316 (final)

In line with the objectives of the Pact for Skills, the ambition of this partnership is to foster broad cooperation and knowledge sharing on the upskilling and reskilling opportunities within the ecosystem with a focus on transversal skills specific to Proximity and Social Economy organizations.

The P&SE partnership aims to identify statistical information on the state of the art of the ecosystem regarding the upskilling and reskilling of employees and entrepreneurs, while identifying key areas and needs. Regarding financial and non-financial resources for skills development activities, the LSP will promote accessibility and information sharing among LSP members.

Moreover, the partnership aspires to attract young talent and women by connecting with organizations that support these specific groups, looking into ways to promote the development of mentoring schemes and learning opportunities for social economy entrepreneurs and innovators. The final goal of the partnership is to support its members to develop up- and reskilling actions.

The P&SE LSP will monitor and keep track of the commitments by indicating Key Performance Indicators (KPIs) for each action. For each commitment, a timeline of the events has been envisaged starting from January 2024 until 2030. Depending on the progress made for each pledge, some of the timelines will be updated annually.

The proposal

To engage with the wider ecosystem and achieve our goals and objectives, the LSP will work along the lines of the following 5 pillars and the respective actions outlined below:

Pillar 1: Strengthen the partnership

Pillar 2: Map the state of the art of skills of the LSP

Pillar 3: Improve skills intelligence for the ecosystem

Pillar 4: Knowledge sharing

Pillar 5. Support partners to develop up- and reskilling activities

In the following section, we outline the different actions foreseen in each Pillar and corresponding KPIs – qualitative and quantitative ones. Defining and setting KPIs for this large-scale skills partnership for the P&SE ecosystem enables the measurement of the impact of the partnership on skills improvement, and on reducing skills gaps, and for all stakeholders to adapt the actions and direction of this partnership and make strategic

decisions about future activities.

Pillar 1: Strengthen the Partnership

Overall objectives: given its multifaceted and cross-sector nature, the P&SE ecosystem strives to include the different types of members represented within the ecosystem and the LSP.

Action 1: Diversify the stakeholders actively involved in the LSP and the coverage of the ecosystem, with respect to the current analysis of the membership profile of the LSP members, in terms of type of stakeholder and geographical representation.

> KPIs:

- 2025: Reaching at least 80% of the MS represented in the LSP.
- 2025: Ensuring that each stakeholder category (SEOs, VET & education providers as well as local authorities) accounts for at least 10% of members.
- Annual analysis of members and LSP coverage.

Action 2: Foster active engagement and inclusivity of the LSP Membership in the activities promoted by the LSP.

> KPIs:

- By 2025 and until 2030: At least 8% of members involved actively by attending the meetings and participating in the LSP activities.
- 2025: Establishing at least two regional and/or thematic working groups within the LSP.
- 2025: Encouraging at least two different members to lead a working group (thematic, implementation, or regional partnership).
- 2027: Grow number of working groups and leaders to four.

Pillar 2: Map the state of the art of skills of the LSP

Overall objectives: compiling knowledge (studies, projects...) on the state of the art of skills needs in the P&SE ecosystem. In addition, the LSP aims to draw a first map of training provisions that respond to these skills needs.

Action 1: Map the EU projects and research on reskilling and upskilling in the ecosystem.

> KPIs:

- short-term/annual 2025-2030: Factsheet containing annual monitoring of the 3 Blueprints on reskilling and upskilling SE ecosystem.

- Literature and resource reviewing (i.e. Social Economy Gateway, projects review…) to better understand the state of the art and level of up/reskilling of the ecosystem.
  - 2026: Analysis of at least 20 sources.
  - 2026: Creating a shared platform or link in a website to share the state of the art.

Action 2: Map training providers.

KPIs:

- 2025- 2030: Mapping for the SE ecosystem in at least 10 EU Member States and connecting them to the resources provided by the blueprints (maps, websites…).
- 2026 & 2030: Identifying 10-15 good practices.

Action 3: Map the skills needs of the ecosystem stakeholders in order to tackle the twin transitions (survey, outcomes from blueprints…).

KPIs:

- 2025-2030: Conducting a survey every two years to LSP (and beyond) to analyze skills needs and interests.

Pillar 3 - Improve skills Intelligence for the ecosystem

Overall objectives: Identifying the skills needs of the ecosystem to support the fair green and digital transitions. Working on the basis of the state of the art of Pillar 2, the LSP will start by identifying the skills needs pertaining specifically to the ecosystem and those which participate in the fair and inclusive transition. This is per se very innovative as very little exists in the matter. Then the LSP will address more specifically the skills necessary in the ecosystem to address the green and digital transitions. In the ecosystem there are two approaches to keep in mind pertaining to the twin transition: the greening and the digitalization of the ecosystem, as well as how the ecosystem directly supports the greening and digitalization of the EU through both global and local solutions. While in this pillar we will address the first (greening and digitalization of the ecosystem), in Pillar 4 we will address the sharing of knowledge with other ecosystems.

Action 1: Coordinate among existing sectoral blueprints, other relevant EU projects and forecasting exercises (anticipation skills needs in future).

KPIs:

- 2025-2030: coordinate at least one meeting per year to facilitate synergies and the sharing of outputs among Blueprints of the ecosystem and other relevant

initiatives.

- 2025: Have an active participation in the development of the Blueprint outputs where possible, starting with SocioComp carried out by the baSE project and dedicate at least one online session to share this output with the LSP members.

Action 2: Improve skills intelligence within the ecosystem by making accessible knowledge pertaining to specific aspects of the ecosystem contributing to the fair and inclusive transition: skills needs for SEOs occupational profiles (SEO manager, Practitioner within SEOs, SEO Supporters and employees in SEOs without managing or organizational tasks); skills needs linked to specific sector/typology of SEOs (ex. WISEs, multistakeholder coops…).

KPIs:

- 2025-2030: highlight skills gaps in training needs, results will be summarized in a briefing by 2030.

Action 3: Identify skills needs of SEOs linked to greening and digitalization of organizations and enterprises (ex. infrastructure, products, …).

KPIs:

- 2025-2030: highlight skills gaps in training needs, results will be summarized in a briefing by 2030.

Action 4: Identify projects and initiatives that increase awareness of local civil servants and government representatives' knowledge of SE in order to support the ecosystem.

KPIs:

- 2025-2030: highlight skills gaps in training needs, results will be summarized in a briefing by 2030 to share with the wider public.

Pillar 4 – Knowledge sharing & dissemination

Overall objective: Given both the heterogeneity and specificities of the ecosystem, there is no common understanding of the challenges linked to skills needs of the ecosystem per se nor in the frame of the twin transition. As a result, there is a lack of coordination of the different efforts within the ecosystem. The LSP addresses these issues by identifying knowledge sharing as one of its pillars. Through the dissemination of knowledge and best practices, financing opportunities, outreach to certain groups (women and youth in particular), collaborations with other ecosystems as well as HEI & VET, the ecosystem will be better equipped with necessary information, knowledge and tools to upskill & reskill its working force in line with the triple transition.

Action 1: Share best practices from Pillars 2-3

   KPIs:

- 2025-2030: Organizing at least one online session per working group.
- 2025-2030: identifying and sharing at least five good practices from each Blueprint project.

Action 2: Arrange matchmaking or info sessions to increase accessibility to funding opportunities, management, impact measurement and social inclusion, financial tools/instruments, incubators, investors for impact supporting upskilling and reskilling activities.

   KPIs:

- 2025-2030: organizing a matchmaking or an info session (at least once a year).

Action 3: fostering collaboration and synergies with other relevant ecosystems in the Pact for Skills for upskilling and reskilling activities.

   KPIs:

- 2025: Arranging at least one session specifically dedicated to sharing new tools and training/competence programs with the digital ecosystem.
- 2026-2030: organizing at least one encounter with each of the LSPs in ecosystems closely linked to the green transition (agrifood, renewable energy, mobility…).

Action 4: Attract young talent and women to social economy enterprises and social economy entrepreneurship.

   KPIs:

- 2028: organizing an event for women incubators and employment centers for women to raise awareness about the training practices and opportunities in the proximity and social economy and disseminating the action and results.
- 2028: organizing an event with youth organizations to raise awareness about the training practices and opportunities in the proximity and social economy and disseminating the action and results.

Action 5: Promote the inclusion of social economy in HEI curricula and increase the number of specialized graduates by liaising with existing HEI and research networks.

   KPIs:

● 2024 - 2030 number of meetings, presentations, information sessions about the Pact for Skills within HEI networks (universities and research centers).

Pillar 5 – Support partners to develop up- and reskilling activities

Overall objective: To ensure the ecosystem remains capable of meeting its economic and social responsibilities and responding to the green and digital transitions, there is a need to invest significantly in the up- and reskilling of its workforce. The LSP aims to support its partners in the development of a broad spectrum of skilling activities, including up- and reskilling, facilitating access to labour market, promoting social economy entrepreneurship and social innovation through the actions in the previous pillars in addition to supporting the following goals:

KPIs:

- 2025-2030: Encourage the cooperation among members of the LSP to develop sectorial Blueprints
- 2030: Supporting the objectives of the Pact for Skills

The Proximity and Social Economy Large-Scale Partnership of the Pact for Skills has committed to actions that promote the aim of 1,145,000 people participating in upskilling and reskilling across the ecosystem each year by 2030. For more information on this commitment, see Annex 1.

This ambition is expressed in support of the objectives of the European Year of Skills and of the headline target of the European Pillar of Social Rights Action Plan that at least 60% of all adults should be participating in training every year by 2030.

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Annex 1: Commitments for the proximity and social economy ecosystem

The Pact for Skills Large-Scale Partnerships commitment to supporting the upskilling and reskilling of their workforce.

In support of the objectives of the **European Year of Skills** and of the **European Pillar of Social Rights Action Plan**, the Proximity and Social Economy Large-Scale Partnership of the Pact for Skills supports the objective that by 2030 5% of the proximity and social economy ecosystem workforce will participate in upskilling or reskilling actions each year.

Headline commitment

5% of workers participating in upskilling or reskilling actions annually by 2030.

This is estimated to mean approximately 1,145,000 workers each year by 2030.

The estimations in this commitment are based on estimated ecosystem size of workforce at 22,900,000 including projections of workforce growth and current levels of upskilling and reskilling actions calculated either in Erasmus+ Blueprint projects or existing external estimates.

For this purpose, actions of the LSP and their members are expected to influence the share of the workforce participating in up- and reskilling at ecosystem level, even if their actual membership doesn't reach the whole ecosystem.

The P&SE LSP will work to update, complete and improve these estimations and is willing to revise upwards its ambition in view of the better information available and the development of the partnership, and in particular will assess by 2027 the ambition to influence that by 2030 5% of the workforce will participate in upskilling or reskilling actions each year.

Additional commitments can be found in the LSP's Partnership Agreement hosted on the **Pact for Skills website**.

NOTES:

The **European Pillar of Social Rights** sets out 20 key principles and rights essential for fair and well-functioning labour markets and social protection systems. The European Pillar of Social Rights Action Plan turns the principles into concrete actions to benefit citizens and create a more Social Europe. It also proposes three headline targets for the EU to reach by 2030. One of them is that at least 60% of all adults should be participating in training every year by 2030. Delivering the Pillar of Social Rights is a shared responsibility for the EU institutions, national, regional and local authorities, social partners and civil society.

Upskilling or reskilling actions may include any formal or non-formal education or training supported by employers or associated training organisations in line with the definition of the European Labour Force Survey. Further, underrepresented groups can be understood as groups that make up a lower proportion of the workforce than they do in the general population.
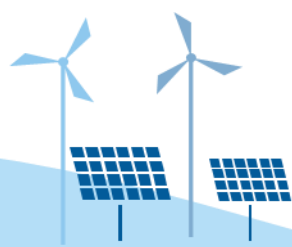
Annex 2: Previous Declaration

The EU Pact for Skills – Skills partnership for the Proximity & Social Economy ecosystem

The Challenge

While it has been severely affected by the COVID-19 crisis, the proximity and social economy ecosystem has shown a particular resilience and a great potential to help the EU's economic and social recovery as a whole, as its very raison d'être is to address economic, environmental and societal challenges in the most inclusive and innovative ways. This ecosystem is crucial to ensure a fair and inclusive recovery and to act as a catalyser of just transitions.

With their deep local footprint and their approach based on collective governance and cooperation, social economy organisations (e.g. cooperatives, mutual societies, associations, including charities, social enterprises), impact investors (e.g. foundations, impact funds), microfinance, ethical and cooperative banks, and other legal forms which are specific to some Member States traditions, provide an excellent opportunity to develop and engage in partnerships.

Many of these organisations are active in the field of skills development. Some of them focus on reskilling, upskilling and facilitating access to labour market. Others encourage social economy entrepreneurship and social innovation to address societal challenges and strive for developing entire new markets. This broad spectrum of activities makes them key in the EU's future skills development. The social economy has a long and proven track record of labour market inclusion and is at the same time an important vector for an inclusive green and digital transition. To ensure the social economy can continue creating inclusive employment, there is a need to reskill its own workforce taking into account in particular the green and digital transitions. To remain competitive and to meet their economic and social responsibilities, the industry needs to invest significantly in the re/upskilling of its workforce.

The ambition

Proximity and Social Economy have been identified as one of the fourteen industrial ecosystems for Europe's recovery. To address these, the European Commission has published a European Action Plan for the social economy, a roadmap aimed at

boosting the development of these enterprises and organisations, accompanied by a staff-working document called "Transition Pathways for Proximity & Social Economy".

In this context, the European Social Economy formed by 2.8 million enterprises and organisations, employing 13.6 million people (6.3% of the EU's working population), wishes to develop its full potential to lead the recovery and just green and digital transitions, ensuring the active participation of EU citizens, as well as to strengthen Europe's resilience and strategic autonomy. This Alliance builds on existing projects as the B-WISE project, Blueprint for Sectoral Cooperation on Skills in Work Integration Social Enterprises.

At the same time, investors for impact and social finance, which put social impact at the core of their investment decision, could enhance the opportunities to invest in areas such as lifelong learning and employability, social inclusion, active citizenship, personal development and resilience, to ultimately ensure future-proof careers and bring positive change into peoples' lives.

The ambition of the partnership is to identify statistical information on the up-/re-skilling of social economy's employees and entrepreneurs, identify key areas and needs in terms of up-/re-skilling, mobilize public and private capital in upskilling and reskilling to enable the up-/re-skilling of 5% of the workforce and entrepreneurs each year to tackle the transitions in the social economy.

The proposal

In order to reach this target, the partners jointly commit to:

- ✓ establish a skills alliance for the Proximity & Social Economy Ecosystem;
- ✓ update and share intelligence about the ecosystem and its development in order to get continuous skills needs updates and provide guidance to education providers.
- ✓ map information (e.g. data, qualitative case-studies, best practices) on the training activities currently carried out in the proximity and social economy ecosystem.

The Commitment and key performance indicators

Commitments:

> **Pillar 1:**   *Enlarge the pact*
> **Pillar 2:**   *Develop reskilling and upskilling activities while fostering talent attraction and strengthening social*

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inclusion, in coordination with the Environmental, Social and Governance (ESG) framework

Pillar 3: *Improve skills Intelligence for the ecosystem*

Pillar 4: *Provide financial and non-financial contribution to skills development activities*

Corresponding KPIs:

- ➢ **Pillar 1 – Enlarge the Pact**

    - • Increase the number of stakeholders involved and the coverage of the ecosystem in terms of countries and regions

- ➢ **Pillar 2 – Develop reskilling and upskilling activities while fostering talent attraction and strengthening social inclusion in coordination with ESG framework**

    - • Upskill and reskill 5% of the workforce each year, including social economy entrepreneurs
    - • Attract young talent and women to social economy enterprises and social economy entrepreneurship
    - • Increase the number of graduates in social economy business programs and strengthen the cooperation of the ecosystem with universities and researchers
    - • Increase the number of successful trainings certifications
    - • Increase the number of mentoring schemes and recognised work-based learning training for targeted groups
    - • Increase the number of mentoring and management schemes for highly qualified positions in social economy enterprises
    - • Increase the number of specific competence programs involving digital skills, focusing in particular on specific social economy sub-sectors, such as healthcare, social services and green social economy (for assistive technologies development and platform economy etc.)
    - • Increase the number of mentoring and management schemes for highly qualified positions in social economy enterprises
    - • Increase the number of vulnerable people upskilled and/or reskilled within the social economy

➢ **Pillar 3 - Improve skills Intelligence for the ecosystem**

- • Develop sectoral blueprints, and forecasting exercises (anticipation skills needs in future)
- • Develop impact measurement and management
- • Increase amount invested by investors for impact in sectors related to upskilling and reskilling – e.g. educational activities

➢ **Pillar 4 - Provide financial and non-financial contribution to skills development activities**

- • Strengthen impact and ESG investment
- • Increase number of financial tools/instruments and investors for impact supporting upskilling and reskilling activities
- • Increase the number of social economy entrepreneurs receiving support by incubators, accelerators and other social economy support organisations
- • Develop capacity-building programs in key areas such as access to finance, public and private procurement, and pan-European projects.
- • Increase number of agreements/partnerships for joint public-private investments channelled in upskilling and reskilling