



October 2023 Policy Statement on Volunteering & Social Enterprises

CEV notes that:

1. The European Commission launched the [Social Economy Action Plan in 2021](#), as a follow-up of previous initiatives such as the [Social Business Initiative \(2011\)](#) and the [Step-up and Scale-Up Initiative \(2016\)](#). The Action Plan aims at enhancing the competitiveness of social enterprises in the single market through easier access to funding, higher visibility and a friendlier legal environment.
2. The [European Commission Action Plan for A New Circular Economy \(2020\)](#) recognises the importance of Social Enterprises in supporting the green transition while strengthening social inclusion.
3. The European Commission established the [European Cooperative Society](#) in 2003 to facilitate cooperatives' cross-border and trans-national activities.
4. According to the [European Commission report that maps social entrepreneurship in Europe](#), a specific legal form of Social Enterprise at the European level does not exist. Thus, miscellaneous private entities fall within the category of Social Enterprises. They have varying rules concerning limits on the amount of income generated that can be distributed as profit to individuals and the amount that should be invested in community projects and initiatives supporting the common good.
5. Volunteers are already engaged in Social Enterprises across Europe. According to the [Euclid Network European Social Enterprise Monitor \(2021\)](#), 37% of Social Enterprises in the EU receive volunteering support and 1 out of 5 Social Enterprises engage 10 or more volunteers.
6. According to the [Euclid Network Annual Consultation on the State of Social Enterprise Support in Europe and Neighbouring Countries \(2023\)](#), 56% of social enterprises

across the EU and in neighbouring countries display a moderate to low involvement of



volunteers in internal decision-making processes.

7. European policymakers are actively encouraging volunteering in the social enterprise sector.
8. The nature of social enterprises blurs the distinction between business clients (income and profit generating) and beneficiary stakeholder groups (recipients of the social impact activities). This hybrid nature of social enterprises makes it extremely challenging to ensure that volunteer engagement solely contributes to the nonprofit social impact activities of the entity and does not lead to higher profit margins and higher dividends to shareholders due to savings in employment expenses.

CEV believes that:

1. Social Enterprises represent an increasingly important part of the European circular economy, as their business model often encompasses innovation with a broad social dimension that aims to strengthen and empower the community.
2. Recent crises, such as the Ukraine war, the Covid-19 pandemic, cost of living crisis and increasing numbers and frequency of natural disasters has demonstrated even more clearly that volunteering needs to be an essential component of European policies to build a more sustainable, inclusive and resilient European society and **that volunteering best takes place in the not-for-profit NGO sector.**
3. Social Enterprises and Volunteering organisations bear some similarities in terms of missions and values as they both aim at having a positive social impact for the community through cooperation and solidarity.
4. Volunteering engagement can, under the right conditions, represent an added value to enhance Social Enterprises projects effectiveness, due to the value-driven, solidarity approach by the people involved and the stronger bond volunteers have with local communities.
5. The lack of a common European legal framework for Social Enterprises that takes into consideration volunteering is resulting in volunteers contributing to the personal financial gain of individuals (through business dividends), often without their knowledge, consent and/or understanding.

CEV asks that:



1. The European Union Institutions and Member States **make more of an effort** in supporting volunteering, taking the [Blueprint for European Volunteering 2030 as the main guidance](#) and give better recognition to the importance of volunteering in the not-for-profit civil society sector in building a more sustainable, inclusive and resilient European Society.
2. The European Union Institutions and Member States help keep volunteering ethical and value based, marking a clear distinction with paid work and/or compulsory community actions, for example as part of employability or criminal justice systems that may take place in social enterprise contexts and should follow the guidance provided in the [Blueprint for European Volunteering 2030](#) .
3. The European Union Institutions establish a common European legal framework for Social Enterprises, based on a common definition, that encompasses and safeguards volunteering engagement, on the basis of the already existing [European Cooperative Society](#) proposal and does not undermine the fundamental role that civil society nonprofit organisations play for the community, nor take away initiatives from them.
4. Volunteering engagement in Social Enterprises respects volunteering principles and values, taking place only in a not-for-profit context, ideally in collaboration with a not-for-profit entity (NGO) specialised in the community challenge and cause the Social Enterprise wishes to address.
5. Proper training and management of volunteers contributing to the community impact projects in which Social Enterprises are involved is foreseen, **as well as for those managing and coordinating their activities**. This recruitment, training and engagement of volunteers in Social Enterprises must not be driven by a cost-cutting approach but by a fully transparent process that corresponds to the applicable volunteering legal framework and recognises and values volunteers' vocation and actions within the context of the social impact activities/ not-for-profit activities of the social enterprise.
6. Volunteers engaged in Social Enterprises should be considered relevant stakeholders and thus, they should be regularly involved in internal decision-making processes.

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7. Processes and procedures should be established in Europe to ensure that when



volunteer engagement does not solely contribute to the nonprofit social impact activities of the entity and instead leads to higher profit margins and higher dividends to shareholders due to savings in employment expenses there is a mechanism to report and address this bad practice.

8. Volunteers engaging with Social Enterprises should be fully informed about their rights and responsibilities under the applicable volunteering legal framework by the Social Enterprise and also informed when and if any of their activities contribute to the personal financial gain of individuals (through business dividends).