





WHITE PAPER Responsible and sustainable practices In Self-Employed Entrepreneurship



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FOREWORD

By Fatima Bellaredj, CEO of the French General Confederation of Cooperative and Participative Societies (Confédération générale des SCOP)

In recent times, when our organisations have been and are facing successive crises (health, economic, democratic), it seems essential to integrate environmental and social issues into the economy. The state of the planet is leading us to a strategy for the survival of humanity in which it is just as essential to act to preserve the environment as it is to reduce the growing social inequalities. It is also essential to respond to the search for meaning in work, which is reshuffling the deck and challenging the economic world.

This is undoubtedly an opportunity for our social organisations. While they are not excluded from these questions of meaning, they have the advantage of working towards a fairer and more sustainable economy. In this respect, they are the precursors of a just transition.

The social economy offers a number of advantages in terms of Corporate Social Responsibility (CSR). It works on a daily basis to put people at the heart of businesses and helps to reduce inequalities. The seven areas of CSR are defined as governance, transparency and dialogue with stakeholders, human rights, working conditions and relations, the environment, good business practice, relations with consumers and, finally, social commitment. The social economy (SE) responds to these areas, although it does so unequally in some cases, but it is involved in them through the principles applied within its structures, such as the sharing of value and shared governance.

These principles are at the forefront of social progress in the world of work. They are the subject of strong expectations on the part of new generations, eager to work in meaningful jobs. In this respect, social economy enterprises play a decisive role in the change of economic paradigm for a just transition. They are providing entrepreneurial solutions in sectors that are as diverse as they are necessary: food through quality food, housing by facilitating access to sustainable housing, equipment through re-use, repair and recycling, culture and entertainment through accessible provision and popular education, good health through care and environmental professions, transport through sustainable and solidarity-based mobility,...





We need to embark on a just transition that is more radical than merely reasonable, on a transition that is more cooperative and collaborative than individualistic, on a transition of democratic governance in companies, on a transition of wealth and power sharing that could create favourable conditions for the success of this just transition, without being forced at the slightest jerk to sacrifice it on the altar of profit maximisation.

The multiple crises our societies are going through are a relentless reminder of this, and it has become essential to ensure that political decision-makers take the measure of the achievements of SE enterprises in responding to the challenges of regional transition.

INTRODUCTION

THE NEED TO PROMOTE SUSTAINABLE AND RESPONSIBLE ENTREPRENEURSHIP IN EUROPE

It is imperative to promote sustainable and responsible entrepreneurship in Europe, particularly in the light of the **different policies put in place by the European Union**. One of these key initiatives is the **European Green Deal[1]**, which aims to make the continent the first to achieve **climate neutrality by 2050**. This initiative aims to turn environmental and climate challenges into drivers for sustainable growth and innovation.

At the same time, the **GreenComp[2]** is a reference framework for sustainability competences. It provides a common ground to learners and guidance to educators, advancing a consensual definition of what sustainability as a competence entails. The framework seeks to adjust existing accounting rules to reflect environmental and social issues more fully and aims to enable companies to report transparently on their environmental and social performance, which may also stimulate the adoption of sustainable practices.

On the social side, the **European Pillar of Social Rights** was officially proclaimed by the European Union institutions in 2017. It represents a **set of social principles and rights designed to guarantee fair and decent working conditions for all European workers [3].**

In line with these European policies/guidelines, and to enable a just transition to a more sustainable and social economy, it is crucial to **actively involve all players in society.** This includes large companies, small and medium-sized enterprises, government bodies, non-governmental organisations, consumers and **self-employed entrepreneurs**. These latter **have an essential role to play in implementing a just transition towards a sustainable economic model** and training them in the issues of CSR, the European Green Deal and the European Pillar of Social Rights framework is of vital importance. This training will enable them to **adjust their practices to new environmental and social standards, remain competitive in a constantly changing market, and actively contribute to the transition towards a sustainable economy.**

[1] European Green Deal, for more information: <u>https://www.consilium.europa.eu/en/policies/green-deal/</u> [2]GreenComp, the European sustainability competence framework, for more information: <u>https://joint-research-centre.ec.europa.eu/greencomp-european-sustainability-competence-framework_en</u> [3]European Pillar of Social Rights, available online: https://ec.europa.eu/social/main.jsp?catId=1226&langId=en

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What is SURE

The 2022-2024 European project SURE (Sustainable and Responsible Entrepreneurship), led by actors from France, Bulgaria, Italy and Belgium, offers tools adapted to self-employed entrepreneurs to help them contribute to the just transition. Indeed, the partners have identified a lack of CSR training resources for self-employed people, even though their commitment to implementing sustainable development is essential to achieve a just transition, in line with the European Union's objectives. Three results have been developed; the first one aims to help each self-employed entrepreneur assess its sustainable practices and to take steps to improve them by making appropriate recommendations. The second result provides key elements for trainers so that they can integrate the various dimensions of sustainable development into their entrepreneurship training. The third and final result, this white paper, offers a set of recommendations for self-employed entrepreneurs and political decision-makers to enable them to integrate a Corporate and Social Responsibility policy on the theme of green and social skills.

The three results are available at the following link: <u>https://sure-project.eu/publications/</u>

SELF-ASSESMENT TOOL



TRAINING TOOL



WHITE PAPER



FIVE PARTNERS FROM FOUR DIFFERENT COUNTRIES

CO-ACTIONS (France) – Cooperative of solidarity-based entrepreneurs

Co-actions is a cooperative of entrepreneurs (Cooperative d'Activité et d'Emploi) based in the Nouvelle-Aquitaine region. The aim of the co-operative is to support individual entrepreneurs in the development of their projects, and to share and work with public and private organisations as partners in local development, in order to promote a virtuous and supportive entrepreneurial solution. <u>https://co-actions.coop</u>

Agence LUCIE (France) – Sustainable development certification label

Based in Paris, Agence LUCIE promotes Positive CSR, and develops pioneering solutions for progress in CSR, accessible to all levels, sizes and means of organisations. Its tools are based on major international standards (ISO 26000, ODD, ISO 14001, etc.). <u>https://agence-lucie.com</u>

POUR LA SOLIDARITÉ (Belgium) – European think & do tank on Social and Solidarity Economy

POUR LA SOLIDARITÉ - PLS is an independent European think & do tank based in Brussels. PLS is committed to a Europe of solidarity and sustainability and focuses its activities on five thematic areas: Social Affairs, Corporate Social Responsibility and Diversity, Citizen Participation, Sustainable Development, Social Economy. <u>www.pourlasolidarite.eu</u>

CCI VRATSA (Bulgaria) – Chamber of Commerce and Industry of Vratsa

The Chamber of Commerce and Industry (CCI) in Vratsa oversees establishing the most favourable business environment for Bulgarian companies and facilitating their activity, working closely with public authorities and other nongovernmental organisations, SMEs, academic and research bodies, as well as with other business support structures and foreign Chambers of Commerce and Industry. <u>www.cci-vratsa.org/en/home/</u>

ARIS FORMAZIONE E RICERCA (Italy) – Training and Research Centre

Aris Formazione e Ricerca (Aris – Vocational Training and Research) is an organisation providing and designing integrated projects in the field of vocational training, advanced research and consultancy located in Perugia. ARIS associates 36 social enterprises and cooperatives and acts to share the knowledge and know-how acquired by each of them. <u>www.arisformazione.it</u>

RECOMMENDATIONS FOR SELF-EMPLOYED ENTREPRENEURS

Why self-employed entrepreneurs should be part of a CSR approach?

The project SURE concerns self-employed entrepreneurs, individual entrepreneurs, self-employed workers. It is important to note that local green initiatives are increasingly valued by all stakeholders in society, from the European Union, which has established a favourable framework for them, to consumers, who are trying to change their habits in order to limit their carbon footprint. Over time, incorporating CSR practices can become a core part of the self-employed worker practice and benefit both the business and society at large.

RECOMMENDATIONS

- Position the self-employed entrepreneurs as agents of change: this is essential, on the one hand because self-employed people represent a large part of companies in Europe and on the other because they operate on a local scale that directly affects citizens.
- Assess the level of CSR in the self-employed entrepreneurs: this is possible with first result of the <u>SURE project</u>: the self-assesment tool. This will enable the self-employed entrepreneur to think about which areas of CSR it wishes to develop as a priority, and how to go about it.
- **Train in CSR issues**: several training courses are available to help self-employed people integrate this issue into their project. More and more trainers will be empowered to help self-employed entrepreneurs achieve this objective.

A training toolbox for trainers on sustainable development

SURE partners published a CSR and green skills training toolkit that can be used to:

- Train entrepreneurship trainers on the ecological transition and sustainable practices so that they can support individual entrepreneurs.
- Train trainers in the digital skills of multimodal training.
- Develop content to help self-employed entrepreneurs combine the development of their commercial activity with the social and ecological transition.
- **Promote ethical corporate governance**: this means encouraging transparency, accountability and informed decision-making within the self-employed entrepreneurship.
- **Involve employees**: because all stakeholders in the CSR reflection process can help identify practical and innovative solutions.
- Reduce the environmental impact of the self-employed entrepreneurship: by encouraging eco-responsible practices, such as efficient waste management, reduced energy consumption and the use of sustainable materials.
- Promote social commitment: for example, self-employed entrepreneurs can get involved in their local communities by supporting social, cultural or educational initiatives.
- Use responsible sourcing: by encouraging the purchase of local, sustainable and ethical products and services to contribute to a more sustainable supply chain.



Good to know

Challenges for self-employed entrepreneurships in adopting sustainable practices:

- **Financial constraints**: self-employed entrepreneurs do not always have the financial resources to invest in sustainable and responsible practices, even if this investment can be profitable in the long term.
- Lack of knowledge and awareness
- Lack of time
- **Legislative complexity**: the legislative framework for sustainability and social responsibility can be complicated to navigate, particularly for self-employed entrepreneurs that have few resources to comply with these regulations.
- Lack of successful experiences: this can discourage the adoption of sustainable and responsible practices.
- **Competitive pressures**: in some sectors, self-employed entrepreneurs may perceive the adoption of sustainable practices as a competitive disadvantage if their competitors do not adopt the same measures.

In order to overcome these difficulties, it is important that government actors, business support organisations and stakeholders work together to provide the right resources, incentives and advice for self-employed entrepreneurs.

THE EXAMPLE OF FRENCH COOPERATIVES OF ACTIVITY AND EMPLOYMENT



Interview with Baptiste Betinas

Carpenter and Co-Chairman

Cooperative of Activity and Employment (CAE) "CABESTAN"

Can you explain what a Cooperative of Activity and Employment is [4] and why an entrepreneur should join one?

For the past 10 years, I have been working as a carpenter and timber ecobuilder as an employee entrepreneur within CABESTAN, a CAE in the construction industry in the Auvergne Rhône Alpes Region on France. After university and a career that began as an environmental officer in a consultancy firm and then in local authorities, I changed career in 2007, first as an employee in a carpentry firm, then as a self-employed entrepreneur, before finally joining CABESTAN in 2014.

In my view, there are many advantages to joining a CAE for a self-employed entrepreneur:

- The CAE already allows me to share resources (administration, accounting, professional training, certifications, etc.).
- It also offers me personalised support that can be adapted as my business matures and develops.
- It protects me by giving me the status of salaried self-employed entrepreneur and allowing me to contribute towards my social security (work accidents, sickness, bad weather, unemployment insurance) and my pension.
- And last but not least, as a partner in my working cooperative "SCOP" (cooperative and participatory business or cooperative production business), I can play an active part in the governance of my company by exercising my right to vote at the Annual General Meeting, by taking part in the various working groups during the year or by becoming a director.

[4] In French: Coopérative d'Activité et d'Emploi (CAE).

The CAE avoids the pitfall of isolation inherent in individual entrepreneurship by enrolling the project leader in an active and supportive network, but also by inviting the entrepreneur to take part in a process of technical, administrative and civic progress within the company.

Being an salaried self-employed entrepreneur means gaining a better understanding of the issues at stake in the smooth running of the CAE, learning to argue, to take a stand, to build the conditions for quality dialogue enabling us to prioritise what brings us together (our shared company) so that we can look forward to our professional future with greater peace of mind and more awareness.

In my opinion, one of the richnesses and probably the main difficulty of the status of salaried self-employed entrepreneur lies in the need to constantly reconcile one's individual interest with that of the cooperative to be able to carry out one's activity in the general interest of the CAE. In a way, it is a life-size apprenticeship to life in society.

In your opinion, how can setting up a CAE help to develop more responsible and sustainable practices?

I am totally convinced that the social and environmental responsibility of companies can only be achieved with the active participation of employees and through a better distribution of the wealth they produce. SCOPs and CAE offer this dual possibility.

In my CAE, right from the start, entrepreneurs are invited to reflect on their past and future practices. What techniques? What materials? What kind of work and at what price? What quality of relationships with customers, suppliers and colleagues? We also give priority to the prevention of occupational hazards by offering a tailored training programme.

The question of the "meaning" given to work is thus at the heart of the motivations of the majority of CAE entrepreneurs, and the cooperative project at CABESTAN can be developed around the two pillars of trust and conviviality.



In addition to our General Assemblies, we also organise one- or two-day seminars, during which workshops, round tables and events are organised to address subjects related to our professional activities or to the democratic life of the company: stress management at work, re-use and the circular economy, the positive and negative impact of digital tools on our citizenship, the fight against sexism, etc.

The structure's political intention to help us progress is constant, and the exchange of practices between contractors allows for mutual education and the transmission of knowledge away from the mechanisms of free competition that usually govern the world of construction.

We are individual entrepreneurs, but above all we are employees of the same company, with a strong sense of belonging and the awareness that the diversity of our membership is its greatest strength (skills, gender, origins, religions, etc.).

In a CAE, you can carry out an individual entrepreneurial activity while taking on social, environmental and societal responsibilities, and giving pride of place to the notion of general interest.



RECOMMENDATIONS FOR DECISION MAKERS

RECOMMENDATIONS

- Support a cooperative framework to provide support for self-employed entrepreneurs: Coopératives d'Activités et d'Emplois (CAEs), like the Coopérative Co-actions in France, bring together autonomous entrepreneurs and provide them with economic and human support to develop a sustainable local economy. Similarly, it is worth encouraging the creation of partnerships between self-employed entrepreneurs and other players in society, such as NGOs, academic institutions and businesses, to promote collaborative CSR projects and initiatives.
- Inform and raise awareness of responsibility and sustainability issues: sustainable and responsible entrepreneurship is a key European issue. Every decision-maker, at local, regional, national and European level, can draw on GreenComp which lists 12 competences that form the basis of sustainability for all. By developing these skills, decision-makers will automatically create a more favourable framework for all structures, including self-employed entrepreneurs, wishing to integrate sustainable practices into their projects.
- Develop standards and regulations specific to the issue of responsibility and sustainability in self-employed entrepreneurship: this could include various standards and regulations such as tax incentives for sustainable practices, reporting requirements on social and environmental impacts...
- Facilitate access to CSR financing for self-employed entrepreneurs: for example, the creation of specific funds to support sustainable and responsible initiatives will encourage self-employed entrepreneurs to move towards this type of practice.
- **Promote best practices**: highlight sustainable and responsible enterprises by publicly recognising their players through awards or distinctions.

RECOMMENDATIONS FOR LOCAL PUBLIC AUTHORITIES



By Marie-Laure Cuvelier

Regional councilor Responsible for the social economy and opening regional action

Nouvelle-Aquitaine Region, France

The social economy (SE) has at its heart the pre-eminence of the human person and is by nature attentive and responsible towards its ecosystem, its territory and its stakeholders. This is in contrast to what is known as the conventional economy, whose companies can free themselves from any consideration for the Living World and devote their purpose to "making money", which obviously does not mean that they all act in this way.

The Anthropocene epoch is forcing us to recognise that our human activities are having catastrophic consequences on the biosphere, that natural resources are not infinite and that climate disruption is the result. There is no plan(et) B.

Corporate Social Responsibility (CSR) is therefore an incentive for organisations to assume their responsibilities towards society and the environment. CSR criteria are largely based on SE principles, like a SE filter sifting through the practices of companies in the conventional economy.

For a long time now, SE entrepreneurs have been leading the way in terms of meaning, social utility and cooperation, in a search for economic equilibrium, where the profit motive is deliberately limited, considering the company for what it is: an emancipating tool at the service of the common good. From the outset, SE has been a laboratory for experimenting with different ways of doing business, working differently and working together differently. Freed from, or at least more distant from, the injunction to grow bigger and earn more, SE entrepreneurs embody a model that is possible, desirable and, above all, compatible with planetary limits.

Although CSR is an interesting first step in terms of questioning and moving towards more virtuous practices, it does not go far enough. In fact, it can remain at the stage of greenwashing or socialwashing, or even display impressive CSR scores for these practices in terms of Quality of Working Life (QWL), when its very purpose is, for example, the production of a polluting product and/or some of its suppliers are located in anti-democratic countries using methods comparable to slavery.

The French region of Nouvelle-Aquitaine is therefore proposing to go even further, in particular by funding an ambitious research programme on Corporate Territorial Responsibility (CTR), co-sponsored by Bordeaux Sciences Agro and the Terr'ESS chair at Bordeaux IEP (Institute of Political Studies).

The CTR concept goes further and is much closer to a SE approach, placing companies at the heart of their local ecosystem. This implies that companies should consider what they bring to the area in which they are based, that they should be familiar with it, that they should not come to damage what already exists but to enrich and complement it, that they should create social as well as economic value, through jobs that cannot be relocated and activities that benefit the local population, that they should forge links with local partners, also improving the dynamic of cooperation in the area by favouring short supply chains to reduce the environmental footprint.

CTR is based on a long-term vision, with the idea that businesses are key players in the development of our Region. They are not only creators of wealth, but also catalysts for local social, economic and environmental progress. The Nouvelle-Aquitaine Region is proud to be at the forefront of this approach. Of course, social economy enterprises have their place in this process, and are part of the story that is shaping a more cohesive, resilient and prosperous future for our region.

PERSPECTIVES

The territorial impact of self-employed entrepreneurship is a powerful lever for transforming local communities. It is imperative to recognise the fundamental role of self-employed entrepreneurship in achieving a just transition[5] towards an economic society that respects the environment and social rights. To make this transition a success, we need to guide and direct these players in the right way, through policies and initiatives that promote sustainable innovation, social inclusion and environmental responsibility. By providing self-employed entrepreneurs with the necessary resources, encouraging cross-sectoral cooperation and promoting responsible business practices, we can shape a future where economic prosperity goes hand in hand with social equity and the preservation of our planet.



[5] Léa RENARD, Aëla MOCAER , *La Transition Juste : introduction à un concept de solidarité*, 2023, available online: <u>https://www.pourlasolidarite.eu/fr/publication/la-transition-juste-introduction-un-concept-de-solidarite</u>



Result of the European project SURE (Sustainable and Responsible Entrepreneurship), this white paper contains a set of recommendations on Corporate Social Responsibility (CSR) related to self-employed entrepreneurship.

Conducted from January 2022 to May 2024 and supported by the European Erasmus+ programme, the SURE project aims to design resources to train and equip those responsible for supporting business creation and self-employed entrepreneurs on the themes of ecological and social transition, CSR and sustainability competences. The project wants to put CSR principles at the heart of the business model and the daily practices of self-employed people.

All the results of the SURE project are available on the project website or by contacting the project partners: <u>https://sure-project.eu/</u>.



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