

# Journal of Public Policy and Administration (JPPA)

**Socially Responsible Public Procurement and the Social Economy: European and  
Global Institutional Approaches**

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**Article History**

*Received 7<sup>th</sup> February 2025*

*Received in Revised Form 10<sup>th</sup> March 2025*

*Accepted 16<sup>th</sup> April 2025*



How to cite in APA format:

Lamprinidis, L. (2025). Socially Responsible Public Procurement and the Social Economy: European and Global Institutional Approaches. *Journal of Public Policy and Administration*, 10(1), 46–62. <https://doi.org/10.47604/jppa.3297>

**Abstract**

**Purpose:** This paper examines Socially Responsible Public Procurement (SRPP) as a strategic institutional tool for advancing the Social Economy at both European and global levels. It investigates the alignment of SRPP with inclusive, sustainable development goals, focusing on key initiatives such as the EU Social Economy Action Plan, the 2023 Council Recommendation, and the UN General Assembly Resolution 77/281.

**Methodology:** The research adopts a comparative policy analysis framework, assessing legislative instruments, international resolutions, and governance models. It incorporates multi-level governance and evaluates the practical impact of SRPP on Social Economy Entities (SEEs), complemented by a review of global and EU-level policy milestones.

**Findings:** SRPP is revealed as a transformative procurement approach that embeds social objectives into public spending. When effectively implemented, it facilitates the growth of SEEs, promotes local resilience, and fosters inclusive labor markets. However, mainstream adoption is hindered by institutional fragmentation, limited awareness, and inconsistent application across Member States.

**Unique Contribution to Theory, Practice, and Policy:** The study offers concrete policy recommendations, emphasizing the need for a supportive legal and fiscal ecosystem, improved stakeholder capacity-building, and transnational cooperation. It positions SRPP as a pivotal driver for advancing the Proximity Economy and the broader social and solidarity-based economic models.

**Keywords:** *Social Economy, Socially Responsible Public Procurement (SRPP), Social and Solidarity Economy (SSE), Proximity Economy, Inclusive and Sustainable Development, EU Policy, UN Resolutions*

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## INTRODUCTION

The European Union in general and the European Commission in particular have recognised the particular importance of the Social Economy both for the development of an inclusive Europe that respects the social and natural environment and for addressing international economic and environmental challenges. In this respect, it is worth mentioning that the European Commission actively supports the further development of the Social Economy, recognising the contribution of its actors also during the recent Covid-19 pandemic. Through the use of Socially Responsible Public Procurement and the Action Plan for the Development of the Social Economy, it seeks to further support Social Economy Actors while supporting broader policies that in turn contribute to the implementation of the 2020 Strategy for a smart and sustainably developed and inclusive Europe.

Socially Responsible Public Procurement, as already mentioned in previous sections, is Public Procurement that takes into account one or more of the following social aspects<sup>2</sup>: employment opportunities, decent work, compliance with social and labour rights, social inclusion (including people with disabilities), equal opportunities, designing accessibility for all, taking into account sustainability criteria, including ethical trade issues and wider voluntary compliance with corporate social responsibility.

In other words, through Socially Responsible Public Procurement and the purchasing power of the public sector, companies can be given real incentives to develop socially responsible actions, as by integrating social aspects into Public Procurement it is possible to achieve positive social outcomes (Amitsis, 2022). Thus, PPPs can be a powerful tool to promote both sustainable development and the achievement of the European Union's social objectives.

The European Commission (2021), in its Action Plan for the Development of the Social Economy 3, 4, recognises that the provision of goods and services to both public authorities and conventional enterprises, as well as cooperation with them, is of key importance for the development of the Social Economy, as it generates income for Social Economy Organisations, enabling them to become financially self-sufficient. Given that public procurement accounts for 14% of European GDP<sup>5</sup>, it is largely recognised as a key policy tool to support the development of the Social Economy and Social Enterprises (Varga, 2021). With the revision of the EU rules on public procurement, the EU has become a key player in the field of public procurement.

It is worth mentioning here that the Directorate of the Social and Solidarity Economy (KALO) was transferred, by Presidential Decree 77/2023, from the Ministry of Labour and Social Security to the Ministry of Social Cohesion and Family. This fact is causing concern among officials and representatives of NGOs as to the feasibility of this transfer and whether this Action Plan can be implemented. Also, as already mentioned in a previous section, following communication with competent officials of the KALO Directorate, since 2023 a Contractor has been assigned to prepare a Strategy for Public Contracts for Social Reporting, however, until the end of October 2024 the relevant deliverable has not been officially received by the competent service agents. Possibly, in the year 2024, an Action Plan for Social Reference Public Contracts may be prepared by the Ministry of Social Cohesion and Family, where the Directorate of Social Economy now belongs, if the above study is officially received, with all that this implies for the use of the Social Reference Public Contracts as a tool for the development of the Social Economy.

Thanks to the contribution of the EU Directive 24/2014 for public procurement, many opportunities were created for public authorities at all levels to use public procurement to achieve various policy objectives, including promoting environmental protection and pursuing social objectives. For example, the 'most economically advantageous tender' award criterion allows contracting authorities to include social aspects in public procurement. Since then, the Commission has taken various initiatives to raise awareness among stakeholders of the added value of green and socially responsible public procurement, to provide guidance and to disseminate good practice. For example, the Commission has recently published a revised guide on social purchasing<sup>6</sup> with practical advice and examples.

In recent years, some local and regional authorities and cities have realised the power of strategic public procurement to address social challenges, meet needs and promote systemic change.<sup>7</sup> However, most public tenders are still awarded on the basis of price alone and socially responsible public procurement is still much less known and developed than green public procurement.<sup>8</sup> The Commission, in its Action Plan for the Development of the Social Economy, states that it will step up its efforts to highlight the concrete benefits and ways of using public procurement and concession procedures to achieve labour and social policy objectives, improve working conditions and provide high-quality social services. At the same time, the Commission refers to the importance of strengthening the capacity of social economy actors to bid for public contracts and of facilitating access to private contracts for social economy actors. The European Commission recognises the importance of interactions between conventional enterprises and social economy actors through partnerships in order for the latter to develop and grow. The same document stresses that there is scope for a more systematic integration of social enterprises both in the value chains of contractors and in cooperation between them in the joint tendering of public contracts.

Among other things, the Commission states that:

- It will intensify its efforts to raise awareness of Socially Responsible Public Procurement among stakeholders
- It will encourage the exchange of good practice between EU Member States and take the necessary steps to train both public procurement officials and social economy actors on how to use public procurement and concession procedures to achieve social policy objectives. To this end, workshops will be organised in the Member States;
- It will launch a new initiative under the Single Market Programme in 2022 to support the creation of local and regional partnerships between social economy actors and conventional businesses to enable a "social market" market between businesses;
- It will reinforce the use of social clauses in the Commission's own proposal procedures, where possible. The Commission will also issue a report on strengthening the use of socially responsible public procurement in EU Member States. The Commission invites both Member States and other relevant public authorities to promote and monitor the use of socially responsible public procurement in their territory in cooperation with social economy stakeholders.

This article explores the role of the SRPP as a mechanism for institutionalising the Social Economy both at European and global level. It examines the key policy frameworks and strategic documents, focusing on the potential of public procurement to function not only as a bureaucratic process but as a tool for transformative governance. The study seeks to contribute to academic



and policy-oriented discussions on how public procurement systems can be used to support Social Economy Entities and offer policy recommendations for improving their operating environment.

### **United Nations Resolutions in Support of the Social Economy**

The United Nations, through a series of Resolutions, recognises the importance of the Social Economy for sustainable economic and social development, social transformation and the fight against poverty, etc. The following resolutions are indicative:

- Its resolution 70/1 of 25 September 2015, entitled "Transforming the world: the 2030 Agenda for Sustainable Development"<sup>9</sup>
- Its resolution 69/313 of 27 July 2015<sup>10</sup> on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development
- its resolution 71/256 of 23 December 2016<sup>11</sup> on the New Urban Agenda, which includes in its annex a commitment to support micro, small and medium- sized enterprises and cooperatives throughout the value chain, in particular social and solidarity economy enterprises, operating in both the formal and informal economy
- Its resolution 76/135 of 16 December 2021<sup>12</sup>, entitled "Cooperatives in social development", in which it recognised that cooperatives, in their various forms, promote the fullest possible participation in the economic and social development of indigenous peoples, local communities and all people whose inclusion enhances social and economic development and contributes to the eradication of poverty and hunger

The United Nations recognises that social entrepreneurship, including cooperatives and social enterprises, can contribute to poverty alleviation and accelerate social transformation by enhancing the productive capacities of vulnerable people and by producing goods and services that are accessible to them.

At the same time, the United Nations calls on Member States to urgently take the necessary steps to take a deeper, ambitious, transformative and comprehensive response to the adverse impacts of the coronavirus pandemic (COVID-19), climate change, and geopolitical tensions and conflicts, as economies have become more fragile and existing inequalities have deepened. Social economy actors (SEAs) are recognised by both the United Nations and the International Labour Organisation as important actors for sustainable development, promoting the 2030 Agenda, which we have mentioned in a previous section, promoting and ensuring decent work, supporting local economies, promoting gender equality in work, further empowering women's participation in the workplace, developing networks and partnerships at local, regional, national and international levels, etc.

Social protection, social justice, democratization of the economy, ensuring decent and sustainable incomes, and promoting dialogue among stakeholders are further enhanced through activities of NGOs. The United Nations recognizes the great importance of NGOs in achieving the above.

Following the above Resolutions and the recognition of the importance of NGOs by the United Nations, on 18 April 2023, the United Nations General Assembly Resolution 77/281 "Promoting Social and Solidarity-based Economies for Sustainable Development" calls upon Member States to take further measures to support the Social Economy:

- Encourages Member States to promote and implement national, local and regional

strategies, policies and programmes to support and strengthen the social and solidarity economy as potential model for sustainable economic and social development, taking into account national circumstances, plans and priorities, including by developing, where appropriate, specific legal frameworks for the social and solidarity economy, making visible, where feasible, the contribution of the social and solidarity economy

Encourages relevant entities of the United development system, including United Nations country teams, to give due consideration to the social and solidarity economy as part of their planning and programming instruments, in particular the United Nations Collaborative Framework for Sustainable Development, so as to provide support to States, upon their request and in accordance with their mandates, and to identify, formulate, implement and evaluate coherent and enabling policy measures

- Encourage multilateral, international and regional financial institutions and development banks to support the social and interdependent economy, including through existing and new financial instruments and mechanisms adapted to all stages of development
  - Requests the Secretary-General to prepare a report, within existing resources, in cooperation with the United Nations Inter-Agency Working Group on the Social and Solidarity Economy, on the implementation of this resolution, taking into account the contribution of the social and solidarity economy to the achievement of the 2030 Agenda for Sustainable Development and an inclusive and sustainable development, job-rich, resilient and sustainable recovery, and decides to include in the provisional agenda of its seventy-ninth session, under the item entitled 'Sustainable development', a sub-item entitled 'Promoting the social and solidarity economy for sustainable development'

From the above, and especially from the last resolution, it is easy to see that NGOs are particularly recognised by the United Nations, as:

- Linking these actors to the achievement of Sustainable Development, the 2030 Agenda and ensuring decent wages and working conditions
- They call on Member States to support NGOs through the development of appropriate ecosystems (institutional framework, training, financial tools, etc.)
- Special mention is made of the use of Public Procurement as a tool for the development of the Social Economy
- The use of existing and the creation of new financial instruments is proposed, as well as multilateral cooperation between credit institutions and development banks for the further financial support of NGOs.

### **Recommendation of 27 November 2023 of Council of the European Union on support for the Social Economy**

According to the Council of the EU, social economy actors can create and maintain quality ; contribute to the social inclusion and labour market integration of disadvantaged groups and equal opportunities for all. This is in line with the framework of an inclusive recovery, as highlighted in the guidelines for Member States' employment policies set out in Council Decision (EU) 2022/2296(13) . Social economy actors can stimulate sustainable economic and industrial development and promote the active participation of citizens in society<sup>14</sup>. They also make an important contribution to the Union's welfare systems by complementing public

services, revitalising rural and deserted areas of the Union and playing an important role in international development policy<sup>15</sup>.

The Council recognises that social economy actors often seek to create economic opportunities that promote social inclusion and the integration of disadvantaged groups, including people with disabilities and people with mental health problems, into the labour market. Social enterprises, in the same text, are a type of enterprise that focuses on the social and labour integration of vulnerable groups by providing them with jobs at different skill levels with inclusive and flexible working conditions.

It is generally recognised by the Council that:

- Social Economy start-ups can be a powerful vehicle for job creation and positive social change. The social economy can provide opportunities for certain underrepresented groups, such as women and young people, to enter the labour market or to create social enterprises
- NGOs also promote the inclusion of young people, especially those not participating in education, employment or training (NEETs<sup>16</sup>)
- NGOs can promote fair working conditions by involving workers in their governance and decision-making
- NGOs can help promote local development, territorial cohesion and innovation
- NGOs support skills development and strengthen economic democracy etc.

Based on the above, NGOs have a positive impact on the development of the European economy and public financial support, in turn, can play an important role in the start-up and development of Social Economy actors in order to achieve the above. However, the Council notes that NGOs face greater difficulties in accessing financial resources than other businesses. For example, despite the existence of some improvements, an analysis of the social enterprise finance markets has revealed a persistent mismatch between the supply and demand of finance for social enterprises in the Union, in terms of access to debt and equity. Since social economy entities aim to create positive social or environmental impacts and can distribute profits to their financiers and owners only to a limited extent, if at all, they are generally not suitable for investors seeking significant financial returns. The support measures available to address this issue tend to be fragmented and vary considerably in their effectiveness.

Measures range from grants and subsidies to consultancy and capacity building services and are often provided by incubators. There is therefore still plenty of room for improvement in terms of providing tailored funding for different stages of the life cycle of a social economy entity, and further support for mobilising private finance and other complementary measures to improve access to finance for social economy actors could be useful. One such approach involves providing individual savers or employees participating in employer-sponsored pension or savings plans with the option of choosing a savings plan that invests a portion of their savings in a social enterprise.

Education, training and employment, i.e. they are "absent" from any major institutional provision of the Social State.

Against this background, the Council of the EU on 27 November 2023 makes a recommendation to Member States to support the Small Business Actors, recommendations related to the improvement of the institutional framework, tax incentives and the general

improvement of the ecosystem in which operate. Of particular interest are the Council's recommendations on the use of public procurement as a tool to support and further develop social economy actors. In particular, it is recommended that Member States encourage their contracting authorities to purchase goods and services strategically, to pursue social objectives, taking also into account social innovation and environmental objectives. To this end, they are encouraged to make full use of the tools available under Union's public procurement rules, including those for organising certain services, known as services to the person and services of general interest, through a special scheme inspired by the principle of solidarity.

Promoting the adoption of socially responsible and innovative solutions in public procurement can involve different types of policy instruments, such as:

- The adoption of policy guidelines and strategic procurement strategies, including possible formal targets, with the support of leadership and commitment from the political level to key decision-makers and budget managers
- Providing guidance at the appropriate administrative level(s) to facilitate the access of social economy actors to public procurement
- Raising awareness among contracting authorities and businesses about the added value of socially responsible public procurement and providing expertise to contracting authorities and NGOs
- Encouraging contracting authorities to refer in the tender documents to specific obligations arising from social and labour legislation and collective agreements, as well as social and environmental criteria applicable to the supply of goods and services, to require tenderers to confirm their compliance with them and to establish monitoring measures
- Encouraging a structured, transparent and non-discriminatory dialogue with NGOs and other stakeholders to design a socially responsible public procurement strategy

It is also recommended that Member States encourage their contracting authorities to make better use of the flexible provisions of the existing EU legal framework to help NGOs gain access to the market, for example:

- Promoting market dialogue, in particular by conducting transparent and inclusive preliminary market consultations with a targeted range of potential suppliers
- The exclusive use of awarded contracts for social enterprises for integration into employment or for bodies employing disabled or disadvantaged workers representing at least 30% of their , in accordance with Article 24 of Directive 2014/23/EU of the European Parliament and of the Council<sup>17</sup> , Articles 20 and 77 of Directive 2014/24/EU of the European Parliament and of the Council<sup>18</sup> and Articles 38 and 94 of Directive 2014/25/EU of the European Parliament and of the Council<sup>19</sup>
- Setting proportionate and inclusive selection criteria to allow small and innovative social enterprises to bid for contracts
- Moving away from the lowest price logic by using common award criteria in line with the "most economically advantageous tender" rule and social contract clauses, and setting performance or functional requirements at various stages of procurement procedures, including technical specifications



- The division of contracts into lots, in accordance with Article 46 of Directive 2014/24/EU and Article 65 of Directive 2014/25/EU, also with a view to facilitating cooperation between contracting undertakings<sup>20</sup> and social economy operators, and the use of simplified procedures, in particular for social and other specific services, in order to make the procedure more accessible to NGOs
- The requirement of specific labelling in the technical specifications, award criteria or contract performance conditions when they intend to purchase a contract.

### **Liege Roadmap for the Social Economy in the European Union**

The Congress Palace in Liège (Belgium) hosted a new European Social Economy Meeting on 12 and 13 February, organised by the Belgian Presidency of the EU Council 2024<sup>21</sup>. The three Belgian regions of Wallonia, Flanders and Brussels joined forces to present a broad overview and offer participants the best possible experience. The event was co-organised with the Belgian regional administrations, stakeholders and experts, including CIRIEC International and CIRIEC Belgium, at the request of the Walloon government.

Representative Social Economy organisations, political representatives, institutional leaders, university professors, scientists and other stakeholders discussed the role of Social Economy in inclusive, green and digital transitions, with aim of building a more social and sustainable Europe.

The event, entitled "Social Economy at the heart of transitions", was a follow - up to the European conference held last November in San Sebastian, organised by the Ministry of Labour and Social Economy of the Spanish Government. Over the course of two days, the Liege event hosted three plenary sessions dedicated to each of the transitions, six best practice workshops and four round tables on public strategies and policies, state aid, the integration of the social economy and access to finance. In addition, business visits, networking spaces and a space called "Social Economy Village" were organised, where kiosks, videos and animations were used to showcase some of the achievements and initiatives of social economy organisations and businesses.

The social economy as a key pillar of the new EU agenda<sup>22</sup>: the event was attended, among others, by Oliver Röpké, President of the European Economic and Social Committee (EESC), and Christie Morreale, Vice President of the Walloon Government, Minister for Employment, Training, Health, Social Action and Social Economy, Equal Opportunities and Women's Rights (Belgium). All of them argued that the social economy should be a crucial pillar of the new European agenda. Amparo Merino, Minister of State for the Social Economy of the Government of Spain, also stressed that the current European legislative period, which is coming to an end, "has been a legislative period for winning rights, not for reducing them, and this is particularly evident in the field of the Social Economy". He therefore insisted on the importance for the next European Commission to preserve the Social Economy and its European Action Plan as one of its priorities.

Sarah de Heusch, Director of Social Economy Europe, spoke about the digital transition, encouraging social economy businesses to embark on this path. She also mentioned that the social economy is an important factor in addressing the digital divide and shaping a democratic digital space, with a focus on digital commons.

### **Social Economy at the Heart of Policies <sup>23</sup>:**

Juan Antonio Pedreño, President of the Social Economy of Europe, also highly appreciated this meeting and its impact, as the conference brought together some twenty countries that have shown a strong commitment to the model. "All these countries put the social economy at the heart of their policies, identify the model at the heart of their economy and declare their intention to develop policies and implement the recently adopted EU Council Recommendation on the social economy", explained Juan Antonio Pedreño, who added: "This will allow the development of legal frameworks, laws and strategies to promote the social economy in the different countries within two years."

Juan Antonio Pedreño also underlined that the Luxembourg Commission has adopted internal regulations to ensure the continuity of the Commission as the driving force of public policies in the social economy. The same committee unanimously approved that in the next legislative There should be a commissioner responsible for the social economy in the EU body.

### **The Road Map of Liege <sup>24</sup>:**

The meeting concluded on 13 February with the signing of the "Liege Roadmap for the Social Economy in the European Union", which expands on last year's San Sebastian Manifesto with new commitments from governments to promote the sector in the EU.

The commitments include the promotion, creation and development of curricula and training centres dedicated to Social Economy and Social Entrepreneurship, as well as the creation and development of postgraduate programmes, chairs and research-action programmes in the social economy in universities.

Governments also undertake to encourage the creation of statistical tools adapted to the Social Economy at local, regional, national and European level, in order to support the collection of data and studies that specify the reality of the social economy and provide a more accurate picture of its ecosystem and impacts.

### **The Main Points of the Liège Road Map<sup>25</sup>:**

The European Ministers responsible for the Social Economy invite the Council of the European Union and the European Commission:

- Include support for the development of the Social Economy in the policy orientations for the next European Commission 2024-2029, as well as in its future annual work
- Continue and strengthen the Commission's implementation of the 2030 Action Plan for the Social Economy, in part by proposing a timetable for the coming years
- Ensure cross-recognition at EU level and between Member States of social economy actors and thus promote their internationalisation within the single market, in particular by the swift adoption of the proposal for a Directive of the European Parliament and of the Council on European cross-border associations
- Promote a gender perspective in public policies related to the social economy, including by supporting the women's entrepreneurship, taking into account sustainable development, (Objective 5 - " Equality")

Systematically integrate the Social Economy in European projects and in all value chains of the traditional economy, including by promoting joint projects.

- Promote public policy actions with specific involvement of the Public Economy as a third player in public-private partnerships
- Enable funding and support for the development of consortia of actors, Social Economy business incubators, social innovation clusters and micro- projects, in order to facilitate support for the Social Economy (for example through the creation of local Social Economy business networks)
- Ensure that tax systems do not hinder the development of the Social Economy and assess whether tax systems adequately encourage its development
- Facilitate access to public procurement for social economy actors, encourage the full use of the tools available under the Union's public procurement rules and :
- issue and develop more calls for projects and proposals, taking into account the social and green objectives pursued by social economy actors,
- encourage European, national, regional and local public authorities to incorporate more sustainability and inclusiveness criteria into their public procedures,
- and the promotion of other forms of participation by public economic operators in the design and provision of goods and services
- Encourage the development of regulatory frameworks and strategies for the Social Economy at both national and regional level, through the organisation of participatory peer learning processes involving, where appropriate, civil servants from all public authorities and, in this context, promote the creation of specific departments and the training of civil servants on issues related to the Social Economy within public authorities
- Supporting awareness of the principles and values of the Social Economy and the entrepreneurship of Social Economy actors at all levels of education and among the general public
- Encourage the creation and development of educational curricula and skills centres dedicated to the Social Economy and end and social entrepreneurship, in order to provide training, education and re- education in the social economy to the general public and youth; also encourage, where appropriate, the creation and development of postgraduate programmes, chairs and action research programmes in the social economy in higher education
- Encourage the creation of statistical tools adapted to the Social Economy, at local, regional, national and European level, in order to support the collection of statistical data and studies that specifically describe the reality of the Social Economy and thus provide a more accurate picture of its ecosystem and its impact
- Support the creation of national and regional Social Economy Coordinators in public bodies, with clear mandates and responsibilities, and organise themselves as a network at EU level to better ensure coherence in policy- making between national authorities and EU institutions

The above proposals make clear the importance attached by stakeholders to the development of the Social Economy. It is clear that an appropriate ecosystem is needed for its development. The existence of tax incentives, the use of the important tool of public procurement to support

NGOs, and the information/awareness-raising of stakeholders (public, civil servants, etc.) about social enterprises are necessary conditions for the development of the social economy. Of course, the implementation of the above proposals, which constitute the Liege Roadmap, depends on the attitude of the new European Commission and the new European Parliament, as they emerged after the European Elections of 9 July 2024. In any case, it is useful to monitor the effective implementation of this Liege Roadmap for the Social Economy in the European Union, where it will become clear whether the Social Economy will be at the heart of the European policies developed and implemented in the period 2024-2029.

### **The Economy of Proximity**

The Proximity Economy<sup>26</sup> is another approach to development of the economy by the EU, where the Social Economy is a subset of the EU. In September 2024, a study entitled "Scoping the socio-economic performance the EU proximity economy" was carried out for the European Commission<sup>27,28</sup> in order to assess the socio-economic importance of the "proximity economy" as an industrial ecosystem and its contribution as a sustainable, innovative and resilient ecosystem<sup>29</sup>. More specifically, the aim was to define the concept of proximity, assess how it adds value and analyse how it affects different sectors. Further, it was to develop an understanding of how the concept is applied across the EU and to determine how it could be measured. The findings of the above study are set in the context of wider EU policies and global challenges. The specific objectives of the study were as follows:

To refine the concept of the proximity economy and to define the types and business models of organisations operating in this context

- Analyse the links with other concepts such as the circular/sharing/cooperative economy and the social economy

The Commission is committed to the cooperation between companies, services and end- users, as well as between companies and organisations located in a nearby geographical area. The aim of the proximity economy is to create greater economic, environmental and social sustainability by reducing distances and strengthening local value chains

- To map the different policy approaches to proximity economics across the EU
- Identify the impact of proximity on relevant sectors such as retail, food, construction, manufacturing, etc.

The proximity economy is closely linked to the goals of a just and green transition and the business models of the social economy. Thanks to its local approach, the proximity economy can address market failures, increase local resilience and self-sufficiency and involve people from disadvantaged backgrounds in the labour market (30).

The importance of the diversity of business models is recognised, emphasising place-based, community-based and sustainability-based practices, reflecting the unique dynamics of the proximity economy. The research identified a number of possible business models in the proximity economy, including:

- Traditional agri-food businesses that include the producers who supply products directly to local markets. Large-scale enterprises also invest in local small shops and direct sales of products, although this is more aligned with the local economy than with the proximity economy.



- Non-traditional businesses "Retail Remix": offering a variety of products and services, courses and events; a shift to smaller, more shops that are integrated into the neighbourhood; transparent communication with an emphasis on green and social values; and the introduction of new models such as subscription services and the sharing economy.
- Social enterprises: include social cooperatives, al-insurance organisations, institutions and social technology enterprises. These businesses focus on community engagement, sustainability and the use of local knowledge and resources.
- Local online platforms to support entrepreneurship community-based, facilitating and supporting local interactions, as well as crowd-funding platforms that focus on funding local projects and local collaborative platforms that enable community-driven digital collaboration.

Citizens and businesses can benefit from the proximity economy and foster their technological and innovative attitude thanks to the role played by cognitive and digital proximity solutions. In addition, the experts underlined the link between European smart specialisation strategies and the proximity economy. Regions that exploit their natural advantages and promote partnerships between actors with different levels of skills and expertise can support technology transfer, innovation and the diffusion of ideas to specific places or regions.

The dimensions and characteristics of the proximity economy are closely linked to the EU's industrial strategy and its main points, including strengthening the resilience of the single market in a changing industrial landscape, exploiting opportunities linked to localisation of production, accelerating the twin transitions (green and digital), strengthening Europe's open strategic autonomy and creating synergies and partnerships for these objectives.

The proximity economy is also aligned with several UN Sustainable Development Goals (SDG 7: Affordable and clean energy; SDG 8: Decent Work and Economic Growth; SDG 9: Industry, innovation and infrastructure; SDG 10: Reduced inequalities; SDG 11: Sustainable cities and communities; SDG 12: Responsibility and ownership of production; and SDG 13: Climate Action. As well as the New Urban Agenda, the IPCC Report 2022 (Working Group III) and the World Economic Forum's Inclusive Growth and Development Report.

In conclusion, the importance of the "Proximity Economy" as a sustainable, innovative and resilient industrial ecosystem is recognised. It is a human-centred ecosystem that contributes to the development of more sustainable and resilient areas across Europe. At the same time, there is still considerable scope at both European and national (Member State) level for a supportive policy approach that can unlock its full potential.

## Conclusions

From the analysis so far it is becoming increasingly clear that:

- The importance of the Social Economy is recognised internationally as it contributes both to inclusive growth that respects the social and natural environment and to addressing international economic and environmental challenges.
- The United Nations, the International Labour Organisation and the EU recognise and support the further development of the Social Economy with their proposals.

- From the EU Action Plan for Social Economy to Liège Roadmap, the importance of having an appropriate ecosystem that will contribute to the development of the Social Economy is clear.
- The Social Economy is related to the Proximity Economy, as both approaches emphasise the resilience of the local economy, the strengthening of small and medium-sized enterprises, the support of vulnerable social groups, the protection of the environment, etc.
- The existence of a favourable tax environment, appropriate financial mechanisms to support NGOs, combined with the information of public bodies (procurement departments, etc.) on NGOs and the sensitisation of the public to the issues of the Social Economy (ethical markets - Fair Trade, etc.) are necessary conditions for the development of the latter.
- Socially Responsible Public Procurement can be a tool for the development of the Social Economy, if the relevant actions and recommendations mentioned above are implemented.
- The Social Economy as it has been understood is related to labour, social and environmental development. An inclusive growth that also contributes to innovation, as called for by the EU 2020 Strategy.
- The key to success is networking and dialogue between stakeholders (contracting authorities, contractors and social enterprises) to create the right synergies.
- Finally, it is necessary to integrate social and environmental objectives in public procurement, either as selection criteria or as performance clauses, in order for public procurement to cease to be a bureaucratic tool (the sole criterion being low price) and to become a tool for achieving broader strategic objectives (the most economically advantageous tender).

<sup>1</sup> See more in the Communication from the European Commission "Building an economy for people: an action plan for the social economy", COM (2021) 778/9.12.2021.

<sup>2</sup> According the guide "Social markets - a guide to taking social aspects into account in public procurement"

<sup>3</sup> See more, <https://ec.europa.eu/social/BlobServlet?docId=24989&langId=en>

<sup>4</sup> Following the EU Action Plan for the Social Economy, in 2023 Greece presented its own corresponding Action Plan, entitled "Action Plan for the Social Economy and Social Innovation", see. More [https://ypergasias.gov.gr/wp-content/uploads/2023/03/%CE%95%CF%80%CE%B9%CE%BA%CE%B1%CE%B9%CF%81%CE%BF%CF%80%CE%BF%CE%B9%CE%B7%CE%BC%CE%AD%CE%BD%CE%BF-%CE%A3%CF%87%CE%AD%CE%B4%CE%B9%CE%BF-%CE%94%CF%81%CE%AC%CF%83%CE%B7%CF%82-%CE%9-A%CE%9F\\_%CE%9A%CE%9A.pdf](https://ypergasias.gov.gr/wp-content/uploads/2023/03/%CE%95%CF%80%CE%B9%CE%BA%CE%B1%CE%B9%CF%81%CE%BF%CF%80%CE%BF%CE%B9%CE%B7%CE%BC%CE%AD%CE%BD%CE%BF-%CE%A3%CF%87%CE%AD%CE%B4%CE%B9%CE%BF-%CE%94%CF%81%CE%AC%CF%83%CE%B7%CF%82-%CE%9-A%CE%9F_%CE%9A%CE%9A.pdf) .

<sup>5</sup> See more COM(2017) 572 final, pg. 3

<sup>6</sup> See more, <https://ec.europa.eu/docsroom/documents/45767?locale=en>

<sup>7</sup> See more COM (2021) 778 final pg. 11

<sup>8</sup> ibid

<sup>9</sup> See more, <https://www.un.org/en/development/desa/population/migration/generalassem->

bly/docs/globalcompact/A\_RES\_70\_1\_E.pdf

<sup>10</sup> See more, [https://www.un.org/en/development/desa/population/migration/general-assembly/docs/globalcompact/A\\_RES\\_69\\_313.pdf](https://www.un.org/en/development/desa/population/migration/general-assembly/docs/globalcompact/A_RES_69_313.pdf)

<sup>11</sup> See more, [https://www.un.org/en/development/desa/population/migration/general-assembly/docs/globalcompact/A\\_RES\\_71\\_256.pdf](https://www.un.org/en/development/desa/population/migration/general-assembly/docs/globalcompact/A_RES_71_256.pdf)

<sup>12</sup> See more, <https://documents.un.org/access.nsf/get?OpenAgent&DS=A/RES/76/135&Lang=E>

<sup>13</sup> See more Council Decision (EU) 2022/2296 of 21 November 2022 on guidelines for the employment policies of the Member States (OJ L 304, 24.11.2022, p. 67).

<sup>14</sup> See. More in Council Recommendation (EU) of 27 November 2023 on developing social economy framework conditions (C/2023/1344, 27.11.2023, pg.1)

<sup>15</sup> Ibid

<sup>16</sup> The relatively new term NEETs (young people not in education, employment or training) refers to young people aged 15 to 24 who are not in education, employment or training.

<sup>17</sup> See more Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 094, 28.3.2014, p. 1)

<sup>18</sup> See more Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 094, 28.3.2014, p. 65)

<sup>19</sup> See more Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 094, 28.3.2014, p. 243)

<sup>20</sup> These are private undertakings or private sector undertakings carry out works, supplies or services with specific social or environmental characteristics, in accordance with Article 43 of Directive 2014/24/EU and Article 61 of Directive 2014/25/EU;

<sup>21</sup> See also <https://www.socialeconomynews.eu/en/the-european-social-economy-meeting-in-liege-places-the-social-economy-model-at-the-core-of-green-digital-and-inclusive-transitions/>

<sup>22</sup> Ibid

<sup>23</sup> Ibid

<sup>24</sup> Ibid

<sup>25</sup> See more, [https://socialeconomy2024.eu/wp-content/uploads/2024/02/LiegeRoadmap-SocialEconomy-3-final\\_propre.pdf](https://socialeconomy2024.eu/wp-content/uploads/2024/02/LiegeRoadmap-SocialEconomy-3-final_propre.pdf)

<sup>26</sup> The proximity economy refers to an economic model that emphasises localism, accessibility and proximity in the relationships between producers and consumers.

<sup>27</sup> European Innovation Council and SMEs Executive Agency - EISMEA

<sup>28</sup> See more at <https://single-market-economy.ec.europa.eu/news/new-report-socioeconomic->

performance-eu-proximity-economy-2024-09-16\_en

<sup>29</sup> Key Features of the Proximity Economy:

**Local Production and Consumption:** Promotes the production of goods and services locally, reducing the need for imports and long-distance transport. This results in lower transport costs and a reduced environmental footprint.

**Supporting Small and Medium Enterprises (SMEs):** The proximity economy emphasises support for small and medium-sized enterprises operating locally, boosting local employment and prosperity.

**Social Cohesion and Community Development:** Strengthening the local economy promotes social cohesion as communities develop stronger links through economic activity, and residents feel more connected to local businesses and production.

**Environmental Benefits:** By reducing transport and boosting local supply and consumption, the proximity economy helps to reduce carbon emissions and protect the environment.

**Circular Economy:** Often associated with the circular economy, as proximity facilitates the recycling and reuse of materials and products locally.

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