

POLICY BRIEF

YOUTH'S PARTICIPATION IN SOCIAL ECONOMY

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FÉDÉRATION EUROPÉENNE DES FINANCES
ET BANQUES ÉTHIQUES ET ALTERNATIVES

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Executive Summary

On 30 January, FEBEA organised a workshop to learn more about youth implication in social economy and ethical finance.

Since their emergence, the social economy and ethical finance have been a 'model for the future' ([Liege Roadmap, 2024:2](#)) expressing the concerns, aspirations and expectations of young people. However, their participation in these spaces could also be a challenge.

This policy brief explores this challenge and outlines a roadmap for re-launching youth engagement. By adopting a collaborative and empowering approach, we can unlock the immense potential of young people and ensure relevance for generations to come.



Key messages

Young Participation as a relevant pillar: essential for the viability and growth of social economy and ethical finance.

Offer **incentives** to attract and retain young involvement.

Move beyond engagement, focusing on empowering young individuals to **actively shape strategies and policies**.

Move from superficial involvement to **authentic collaboration**.

Integrate young voices into decision-making processes for genuine impact.

The main issue

The social economy and ethical finance movements were born out of grassroots activism. Driven by passionate individuals who valued participation and community, these movements aimed to transform society and reshape the economic system. Founded over 30 years ago, these pioneers have built vibrant organisations that have endured. However, a looming challenge is emerging - the original founders are ageing and attracting a new generation to carry the torch is proving difficult.

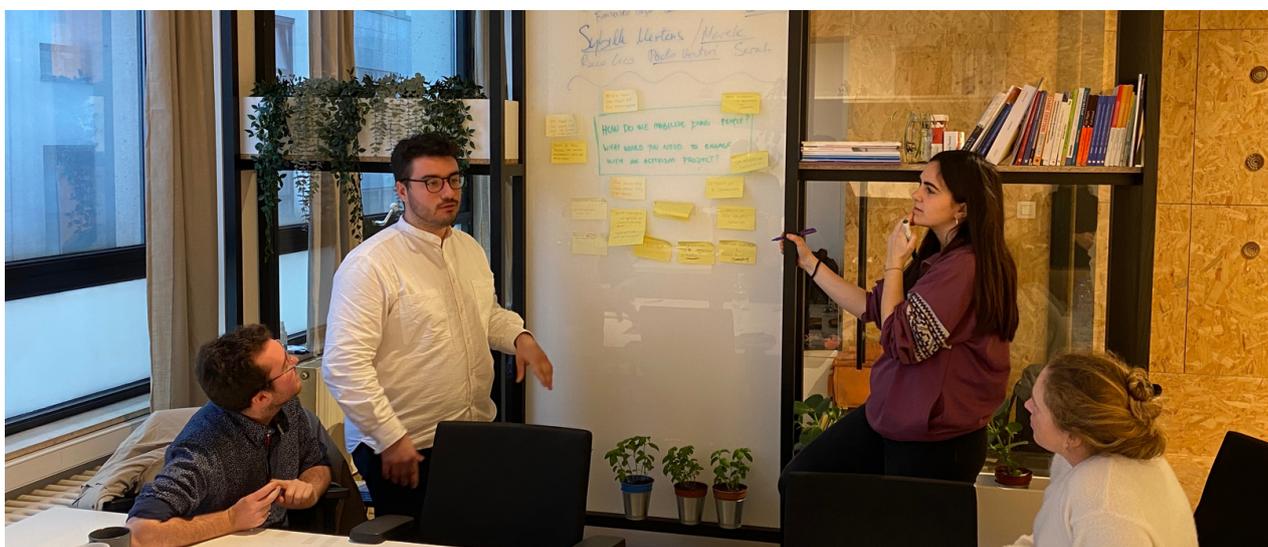
Participation is the lifeblood of these organisations. It empowers members to shape strategies, policies and activities, ensuring alignment with the shared ethical vision. This participatory model also ensures the ethical integrity of these institutions by fostering open dialogue and holding them accountable to their core values. Therefore, ensuring meaningful participation of young people is essential for the future viability and continued development of these organisations.

However, there is a gap between these organisations and young people. It is fundamental to bridge this gap and unlock the potential of youth participation, paving the way for a more vibrant and forward-looking social economy and ethical finance landscape.

Recognising this gap, FEBEA took a proactive step by organising a workshop on January 30th at its Brussels headquarters. This workshop aimed to bridge the gap between social economy and ethical finance organisations and young people, and unlock the potential of youth participation.

The workshop featured Jóvenes por Fiare, a successful youth initiative developed in Spain by FEBEA member Banca Etica (FIARE Banca Ética in Spain). Additionally, FEBEA welcomed representatives from diverse organisations, including ShareAction, the European Microfinance Network, and our members the Belgian ethical financiers CREDAL and Hefboom, creating a diverse environment for knowledge exchange.

Through this collaborative effort, FEBEA facilitated discussions on how to empower young people to actively contribute to social economy and ethical finance. This included understanding their drivers and motivations, as well as identifying potential barriers to their participation. This comprehensive approach aims to create actionable strategies to foster a more inclusive and vibrant social economy and ethical finance landscape for future generations. FEBEA intended to bring together active stakeholders of the Social Economy and young activists to share their views on the actual landscape and to try to dwarf the existing gap.



Results of the workshop

To facilitate a deeper understanding of youth perspectives and unlock their potential in social economy and ethical finance, FEBEA's workshop addressed three topics namely the social economy's appeal, the mutual benefit of participation and strategies for engaging youth people.

Below are the most important findings of the discussion.

Social Economy's appeal

Attractiveness: While acknowledging the social economy's positive aspects, participants observed that working conditions may not be as attractive as those in the private sector. In this sense, the precariousness of the sector's working conditions, despite the alignment in terms of values, is pushing the younger generation towards 'mainstream' sectors.

Barriers to Entry: Financial constraints, including lack of income during volunteer activities, emerged as significant hurdles for young people.

Generational Disconnect: A perceived lack of awareness among both youth and older generations regarding existing opportunities in the social economy was highlighted.

Outdated Engagement: Some participants viewed traditional activism as unappealing or outdated, necessitating alternative engagement strategies.

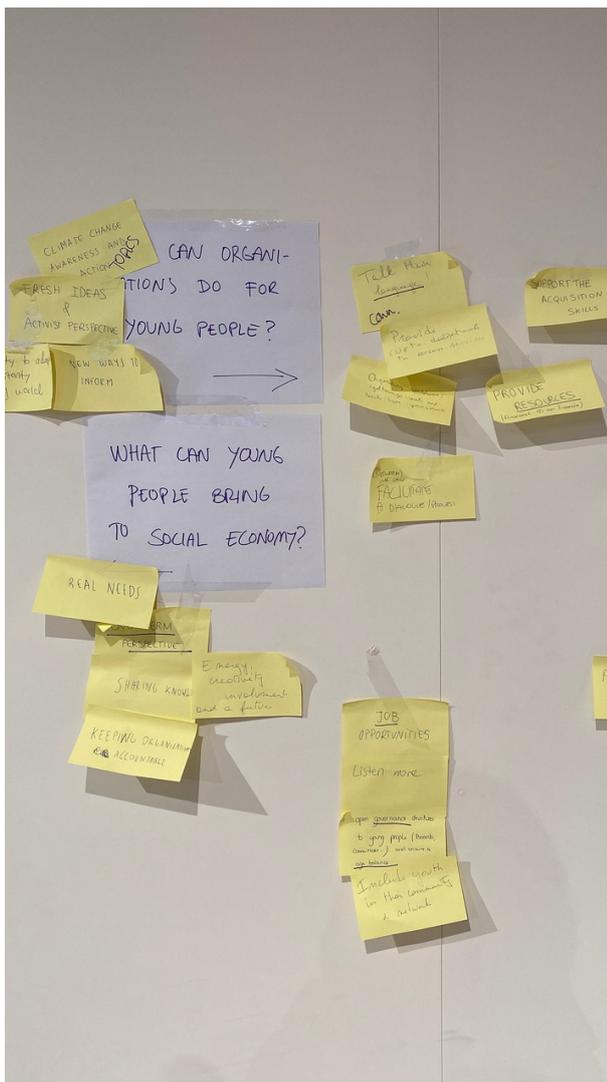
Power Dynamics: a shift was noted in perceived power structures, with some participants expressing concerns about a potential top-down approach replacing the bottom-up model.

Microfinance as an Exception: Microfinance was recognised as an area successfully attracting young people, offering a potential model for other sectors.

Exploring Mutual Benefits

Organisations' Role: Participants identified the potential for organisations to offer opportunities, resources, skills development, and inclusive governance structures to attract and empower young people.

Youth Contribution: Young people were recognized as bringing fresh perspectives, innovative ideas, and a future-oriented vision to the social economy.



Strategies for Engaging Youth

Community Building: Creating a sense of belonging and community through events, travel, and collaborative efforts was deemed crucial.

Empowerment and Autonomy: Providing tools, resources, and freedom while fostering collaboration.

Addressing Basic Needs: Recognizing the need for financial stability and work opportunities is essential for attracting and retaining young people.

Collaboration and Partnerships: The importance of collaborating with universities and the private sector to engage young people through relevant channels was emphasised.

Finding Common Ground: The importance of aligning with the needs and aspirations of young people and finding sustainable ways for them to participate, considering their individual capabilities, was emphasised.

Implications

The FEBEA workshop highlighted key aspects of youth participation in the social economy and ethical finance:

Awareness gap and knowledge deficit:

Young people's limited understanding of the social economy and its opportunities is a significant barrier to engagement.

This calls for targeted outreach and education initiatives to bridge the knowledge gap and showcase the diverse opportunities available.

Resource constrains

Membership fees, unpaid volunteering and competing financial priorities are major barriers for young people seeking to get involved.

Exploring alternative funding models, offering flexible payment options and providing financial support can help overcome these financial barriers.

Rethinking engagement

Traditional methods of engagement may not be effective with young people. There is a need to adopt innovative and more accessible communication channels that meet young people's preferences and interests.

Building trust and fostering a sense of community through interactive experiences and collaborative efforts is also key.

Power dynamics and governance structures

Perceived top-down structures and lack of representation for young people can be discouraging.

Involving young people in decision-making processes, creating inclusive governance models and fostering open communication can address these concerns and empower young voices.

Building bridges and fostering collaboration

The workshop highlighted the **potential for collaboration** between organisations, young people, academia and the private sector.

By working together, leveraging different expertise and sharing resources, this diverse network can create a **more inclusive and dynamic environment for youth participation**.

In conclusion, the findings of the workshop serve as a critical call to action. By addressing the barriers identified, adopting innovative strategies and fostering collaboration, the social economy and ethical finance sector can unlock the immense potential of young people. This can lead to a more vibrant, inclusive and sustainable landscape for generations to come.

Recommendations

We need to go beyond simply including young people in meetings without any real 'power'. For example, by reviewing structures to create age-balanced representation. This intergenerational exchange fosters innovation and ensures the relevance of the sector for future generations.

Reshaping the power dynamics

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From engagement to empowerment

Let go of the outdated notion of 'youth engagement' as mere participation. Empower young people to lead initiatives, to contribute their unique talents and to be led, not controlled. It's not about abdication, it's about unlocking the full potential of collaboration.

Authentic collaboration and communication

Embrace modern communication channels and partner with youth-led organisations. Create engaging and authentic content that resonates with young audiences, fostering meaningful connections and unleashing a wave of youth engagement.

Tackle the financial barrier

Implement innovative funding models and initiatives to ensure that financial constraints don't prevent young people from participating.

Conclusion

Ensuring the participation and engagement of young people in social economy and ethical finance is essential for the future viability and development of these organisations. This also means changing the paradigm of participation and finding ways to get closer to the young generation. The starting point should be to move beyond the concept of engagement to that of empowerment. But also to reshape the current power dynamics so that young people can be represented and counted when it comes to making decisions.

FEBEA is committed to supporting its members in this journey, but also to contribute to the current debate on empowering the young generation by working closely with other EU networks and policy makers.

Jóvenes por Fiare

Jóvenes por Fiare is an initiative created by the ethical bank Fiare Banca Etica to engage young enthusiasts in Ethical Finance and encourage their active participation in the field of Social Economy. This initiative was launched in 2018 to address the ageing of the social base of the ethical bank, initially gathering a group of young individuals closely involved in the bank's activities.

The group has a dual purpose: to raise awareness about ethical finance among other young people and to provide education and training on the principles of ethical finance and social economy to the participants of the group.

Currently, the group consists of around 60 young members in both Spain and Italy. A counterpart group in Italy has been gradually expanding over the past few months.



Febea

FEBEA – the European Federation of Ethical and Alternative Banks and Financiers – is a non-profit association based in Brussels. It gathers 33 financial institutions whose aim is to finance social and solidarity economy (SSE) and projects with social, environmental and cultural value in 17 European countries, serving more than 700,000 people.

Its objective is to support the exchange of experiences and promote cooperation between social economy and social finance practitioners.

Each FEBEA member is integrated in the SSE Sector in its country, focusing on mobilising savings and equity from responsible citizens and using these funds to finance sustainable development and local communities. FEBEA is member of GECES, the European Commission's expert Group on Social Economy and Social Entrepreneurship and of Social Economy Europe, the main European network of social economy practitioners.

FEBEA members finance:

- The creation of jobs, social employment in particular;
- Social enterprises and social economy;
- The non-profit sector and participatory economics;
- New forms of social entrepreneurship
- People or groups of people who are victims of social or professional exclusion or are unbanked;
- Sustainable development: renewable sources of energy, organic farming, biodiversity, etc.;
- International solidarity and fair trade.



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