



7th CIRIEC International Research Conference on Social Economy
Social and Solidarity Economy: Moving Towards a New Economic System

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BUCHAREST | ROMANIA | 2019



A new generation of public policies fostering social conomy in Europe.

Rafael CHAVES-AVILA and José Luís MONZON

Study carried for the EUROPEAN ECONOMIC AND SOCIAL COMMITTEE
By CIRIEC – INTERNATIONAL

www.ciriec.uliege.be

And University of Valencia (Spain)

OUTLINE OF THE PRESENTATION

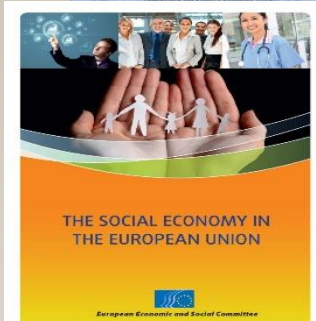
- **Background of the CIRIEC's Study**
- **Objectives and methodology**
- **A typology of social economy policies**
- **An overview of the public policies towards the SE in Europe**
- **Selection of the 20 best practices in social economy policies**
- **Challenges of the social economy policies**



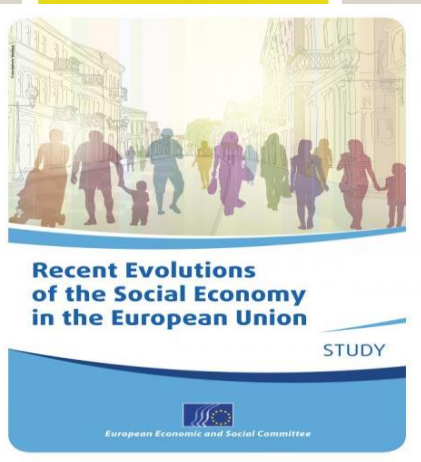
BACKGROUND



2008: Study of CIRIEC-International
"The Social Economy in the European Union"

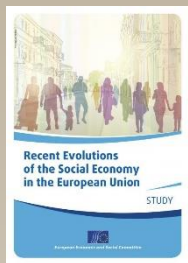


2012: Study of CIRIEC-International
"The Social Economy in the European Union"



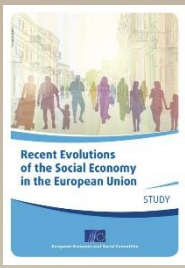
2017: Study of CIRIEC-International
"Recent evolutions of the Social Economy in the European Union"

2000: Study of CIRIEC-International *"The enterprises and organizations of the third system (SE) in the European Union"*, European Commission - DGV (15 Countries)



METHOD

- A partnership between CIRIEC-International and Social Economy Europe.
- Report directed by
Prof. Dr. José Luis Monzón & Prof. Dr. Rafael Chaves
- Advised by a Committee of Experts (N.Richez –France-, A.Zevi –Italy-, C.Barna –Romania, R.Spear –U. Kingdom-, G.Hahn –Sweden-, J.DeSa –Portugal-, M.Bouchard –Canada-). Specific chapters by M.Bouchard and G.Fajardo on Statistic methods and Laws on SE
- Colaboration of our network of national correspondents (89)
- Colaboration of the members of the EESC
- Colaboration of the CIRIEC staff
- Empirical data based on a Questionnaire ad hoc, information from national experts and secondary sources of information
- Discussion of the work schedule, methodology, intermediary report and proposed final Report



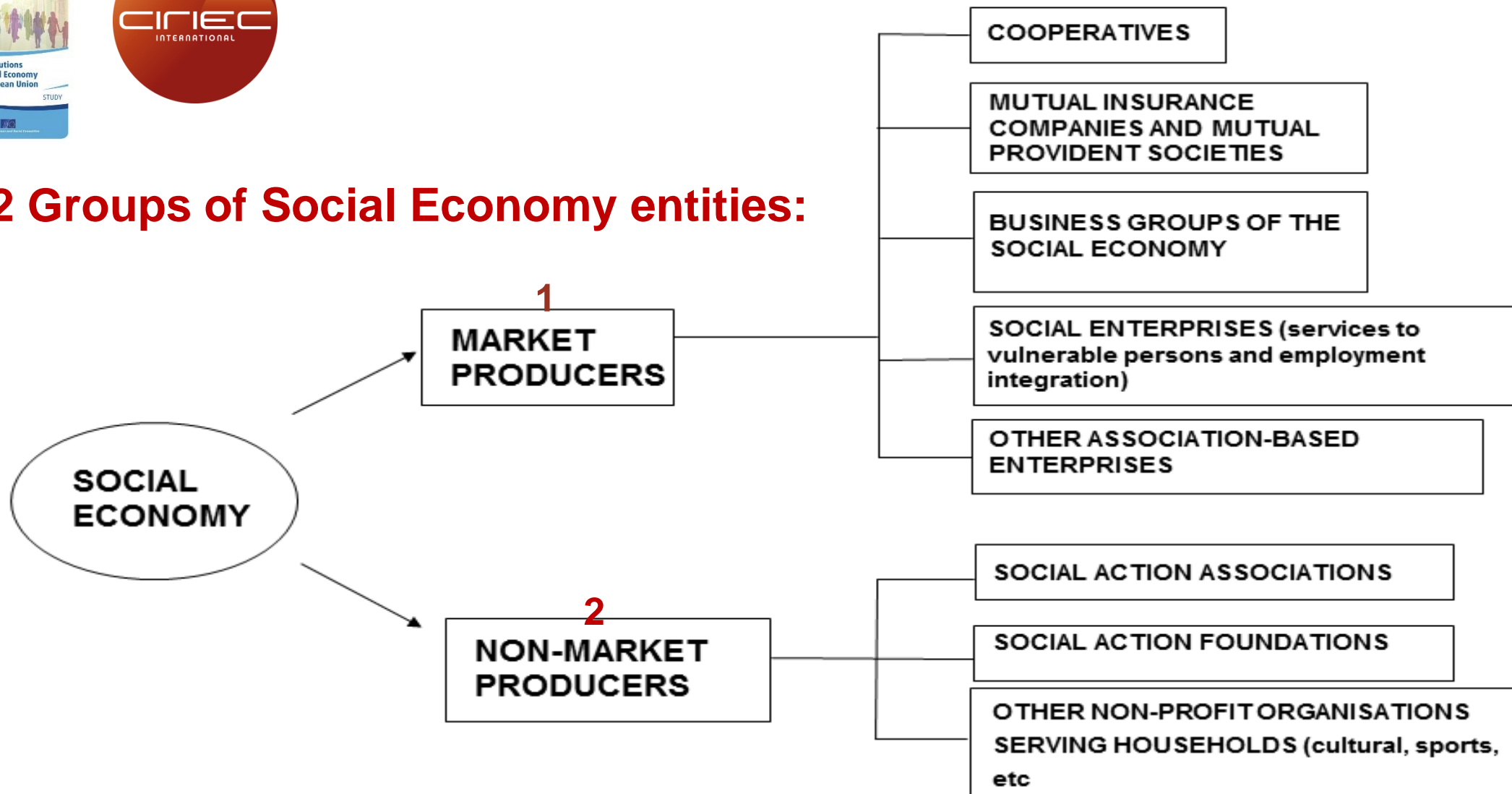
Shared features of the Social Economy:

- 1) They are private;
- 2) They are formally-organised;
- 3) They have autonomy of decision, meaning that they have full capacity to choose and dismiss their governing bodies and to control all their activities;
- 4) They have freedom of membership;
- 5) Any **distribution of profits** or surpluses among the user members, should it arise, is not proportional to the capital or to the fees contributed by the members but to their activities or transactions with the organisation.
- 6) They pursue an economic activity in its own right, to meet the needs of persons, households or families.
- 7) They are **democratic organisations**.

PRINCIPLES OF SOCIAL ECONOMY

1. Objective is to serve its members and/or the community
2. Democratic decision
3. Primacy of persons and work over capital in the distribution of the income or profits
4. Management autonomy from other entities

2 Groups of Social Economy entities:



THE SHARED CORE IDENTITY OF THE SOCIAL ECONOMY: FREE, VOLUNTARY, DEMOCRATIC MICROECONOMIC ENTITIES, CREATED BY CIVIL SOCIETY TO MEET AND SOLVE THE NEEDS OF INDIVIDUALS, HOUSEHOLDS AND FAMILIES RATHER THAN REMUNERATE OR PROVIDE COVER FOR INVESTORS OR CAPITALIST COMPANIES

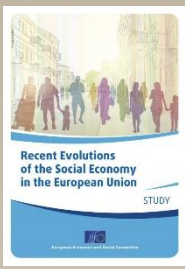


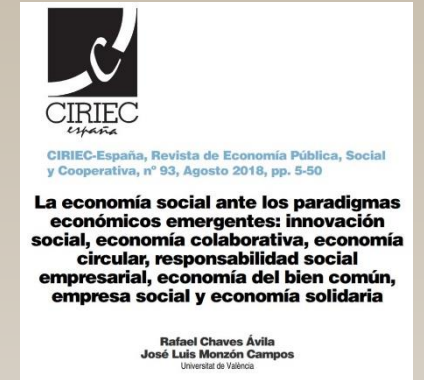
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3. The **social economy and related emergent concepts** in Europe



4. **Public policies** towards the SE at the EU level in (2010-16)

5. Public policies towards the social economy at the national and regional level in Europe in the recent period (2010-16)

6. A comparative analysis of the new SE national legislation in Europe



7. **The weight of the social economy** in the 28 EU Member States

8. Methods and indicators to evaluate the social economy and its impact

9. Conclusions

Bibliography

Appendix 1.2.3. Correspondents. Questionnaires per country. Glossary

The European social economy provides:

- over **13.6 million paid jobs** in Europe equivalent to about **6.3%** of the working population of the EU
- employment of a workforce of over 19.1 million, including paid and non-paid
- more than 232 million members of cooperatives, mutuels and similar entities
- over 2.8 million entities and enterprises

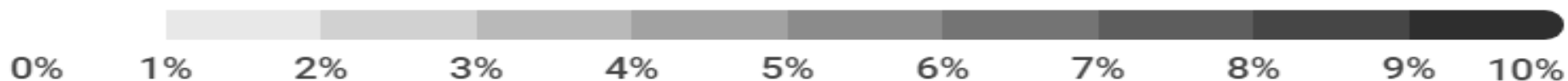


Table 1. (1) Paid employment in social economy. European Union (2014-15)

Country	Cooperatives and similar	Mutual Societies	Associations Foundations	Total
Austria	70.474	1.576	236.000	308.050
Belgium	23.904	17.211	362.806	403.921
Bulgaria	53.841	1.169	27.040	82.050
Croatia	2.744	2.123	10.981	15.848
Cyprus	3.078	(n/a)	3.906	6.984
Czech R.	50.310	5.368	107.243	162.921
Denmark	49.552	4.328	105.081	158.961
Estonia	9.850	186	28.000	38.036
Finland	93.511	6.594	82.000	182.105
France	308.532	136.723	1.927.557	2.372.812
Germany	860.000	102.119	1.673.861	2.635.980
Greece	14.983	1.533	101.000	117.516
Hungary	85.682	6.948	142.117	234.747
Ireland	39.935	455	54.757	95.147
Italy	1.267.603	20.531	635.611	1.923.745
..continue				
TOTAL EU-28	4.198.193	407.602	9.015.740	13.621.535

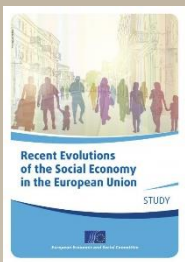


Table 1. (2) Paid employment in social economy. European Union (2014-15)

Country	Cooperatives and similar	Mutual Societies	Associations Foundations	Total
..continue				
Latvia	440	373	18.528	19.341
Lithuania	7.000	332	(n/a)	7.332
Luxembourg	2.941	406	21.998	25.345
Malta	768	209	1.427	2.404
Netherlands	126.797	2.860	669.121	798.778
Poland	235.200	1.900	128.800	365.900
Portugal	24.316	4.896	186.751	215.963
Romania	31.573	5.038	99.774	136.385
Slovakia	23.799	2.212	25.600	51.611
Slovenia	3.059	319	7.332	10.710
Spain	528.000	2.360	828.041	1.358.401
Sweden	57.516	13.908	124.408	195.832
U. Kingdom	222.785	65.925	1.406.000	1.694.710
TOTAL EU-28	4.198.193	407.602	9.015.740	13.621.535

Table 2. Paid employment in social economy compared to total paid employment. EU (2014-15)

Country	Employment in SE (A)	Total employment * (B)	% A / B
Austria	308.050	4.068.000	7,6%
Belgium	403.921	4.499.000	9,0%
Bulgaria	82.050	2.974.000	2,8%
Czech R.	162.921	4.934.000	3,3%
Finland	182.105	2.368.000	7,7%
France	2.372.812	26.118.000	9,1%
Germany	2.635.980	39.176.000	6,7%
Greece	117.516	3.548.000	3,3%
Hungary	234.747	4.176.000	5,6%
Italy	1.923.745	21.973.000	8,8%
Netherlands	798.778	8.115.000	9,8%
Poland	365.900	15.812.000	2,3%
Portugal	215.963	4.309.000	5,0%
Romania	136.385	8.235.000	1,7%
Spain	1.358.401	17.717.000	7,7%
Sweden	195.832	4.660.000	4,2%
U. Kingdom	1.694.710	30.028.000	5,6%
TOTAL EU-28	13.621.535	215.722.000	6,3%

* Paid employment aged between 15 and 65 years, Eurostat, 2015.



- **A typology of social economy policies (SEP)**

Table 1. Typology of Social economy policies

Soft policies. Policies aimed at creating a favourable environment for enterprises	Institutional measures	<ul style="list-style-type: none"> - measures aimed at the legal form of the Social Economy entities, recognizing them as a Private Player - measures aimed at recognizing the ability to operate Social Economy enterprises in the whole economic activity sector, removing any legal obstacle there may be - measures aimed at recognizing Social Economy enterprises as Policy Makers, an interlocutor in the design/construction and in the implementation of public policies - public bodies promoting Social Economy enterprises
	Measures of a cognitive kind	<ul style="list-style-type: none"> - measures for disseminating and increasing awareness and knowledge of Social Economy by the whole society and/or by target groups - measures for promoting training on Social Economy - measures promoting research on/into the Social Economy
Hard policies. Economic policies directly promoting enterprises	Supply measures, aimed at improving competitiveness among Social Economy enterprises	<ul style="list-style-type: none"> - measures focused on business functions, such as financing, consultancy/advice, training, employment and personnel management, cooperation and networks, R &D&I, quality, new computing and communication technologies, physical space, etc. These measures distinguished according to the life cycle of the enterprise (creation or stage of development of the business)
	Demand measures, aimed at the activity of Social Economy enterprises	<ul style="list-style-type: none"> - measures focused on ease of access to public and foreign markets (such as social clauses and reserved public contracts)

Source: Adapted from Chaves (2010:164).



- **Main public policies towards the social economy in Europe and main obstacles for its development**

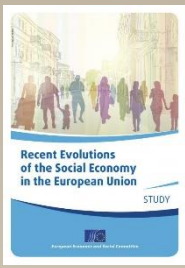
PUBLIC POLICIES

1. **Public policies** towards the social economy at the European level in the recent period (2010-16)

2. Public policies towards the social economy at the national and regional level in Europe in the recent period (2010-16)

3. A comparative analysis of the new national legislation on the social economy in Europe





PUBLIC POLICIES TOWARDS THE SOCIAL ECONOMY AT THE EUROPEAN LEVEL IN THE RECENT PERIOD (2010-16)

1. Rules: statutes and regulatory frameworks

Legal forms.

Tax treatment.

Regulatory frameworks and legal barriers to the development of social economy entities.

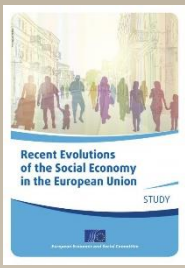
2. Government bodies and social dialogue

3. Visibility, training, research and participation of civil society

4. Hard policies: funds and policy field policies

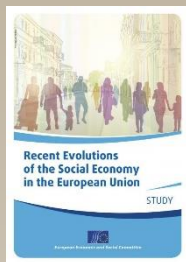
The emergence of two new policy fields policy for the European Commission: the social enterprises and the social innovation.

Waiting an Action plan to foster social economy in Europe



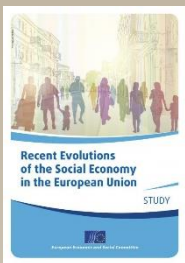
PUBLIC POLICIES TOWARDS THE SOCIAL ECONOMY AT THE NATIONAL AND REGIONAL LEVEL IN EUROPE IN THE RECENT PERIOD (2010-16)

- 1. Eco-systems and public policies frameworks**
- 2. New national legislations on the social economy**
- 3. Public bodies in governments and administrations**
- 4. National and regional action plans and targeted financing**
National and regional action plans
Targeted financing.
- 5. Public procurement rules**
- 6. Institutional barriers**



Recent relevant developments in national regulation on social economy in the European countries (2011-2016)

Country	Type	Name of the Law / Plan / Label
Bulgaria	Draft	Draft for specific Law of Social Economy on national level (2016)
Croatia	Plan	Strategy for the Development of Social Entrepreneurship for 2015 – 2020, April, 2015
Denmark	Law	Act. 711 2014 about registration of social-economic enterprises
France	Law	Loi n° 2014-856 2014, National Law on Social and Solidary Economy
	Accreditation	Accreditation ESUS, entreprise solidaire d'utilité sociale
Greece	Law	Social economy and social enterprises (2011)
	Law	Law 4430/2016 on Social and Solidarity Economy (2016) (National Law)
Italy	Law	Law n. 106 – 6 June about Third Sector Reform (2016)
	Draft	New bill on social enterprise and new law on the regulation third sector (2017)
Poland	Draft	Social economy (2012)
	Plan	National Program of Social Economy Development, 2014
Lithuania	Law	Order no. 4-207 about 'Concept of Social Entrepreneurship' of the Minister of Economy (2015)
Luxembourg	Law	Law of 12 decembre 2016 regarding the creation of companies with a social impact.
Malta	Draft L. & Label	Draft Social Enterprise Act in June 2015 and a label of 'social enterprise organisation'.
Netherlands	Law	Law on Social enterprises (2012)
Portugal	Law	Lei 30 May 8th de Bases da Economia Social e o Código Cooperativo (2013) (National Law on Social Economy)
Romania	Law	Law 219/15 of Social Economy, 23 July (2015)
	Ordinance	Methodological Norms for applying the Law of Social Economy
Slovenia	Law	Act on Social Entrepreneurship (2011)
Spain	Law	Ley 5/2011, de 29 de marzo, de Economía Social (2011) (National Law)



National plans that boost social economy established in European countries (2011-2016)

Country	National Plan
Bulgaria	Action plan for social economy (2014-2015; 2016-2017)
Poland	National Programme for Social Economy. Establishing of the National Committee for the Development of Social Economy
Portugal	National Agreement between government and social sector ("Compromissos de Cooperação para o Setor Social e Solidário")
Romania	Solidar - Support for consolidating Social Economy programme, under POCU - Human Capital Operational Programme
Spain	National Programme to foster social economy and POISES - Operational Programme - ESF 2014-2010 to social inclusion and social economy.
Sweden	Multiannual program for support of work integrated social enterprises, by Department of Labour jointly with Department of Enterprise.
United Kingdom	The Compact, agreement between the government and the voluntary and community sector. Established in 1998, it establishes a way of working that improves their relationship for mutual advantage.

MAIN INSTITUTIONAL OBSTACLES FOR THE DEVELOPMENT OF THE EUROPEAN SOCIAL ECONOMY

1. Lack of awareness and understanding
2. Lack of leadership, strategies and government specialized agencies
3. Lack or unsuitable financial and tax schemes
4. Institutional barriers
 - *Branch and sector regulations obstacles*
 - *Lack or unsuitable statutes and laws on SE*


- Selection of the 20 best practices in social economy policies (SEP)



New study:

***‘Best practices of public policies regarding the European Social Economy post the economic crisis’,
CIRIEC/EESC, 2018
(AVAILABLE ON-LINE).***

Table 2. Selection of success cases of social economy policies in Europe

 <p>Soft policies. Environment/ecosystem policies</p>	<p>Institutional measures</p>	<p><i>Measures aimed at the legal form as a Private Player:</i> Case 1. Law on Social Economy (Romania) Case 2. Agreement for solidarity society of social utility (France) <i>Measures aimed at recognizing Social Economy enterprises as Policy maker:</i> Case 3. State Committee for Social Economy Development and Incorporating social economy into the mainstream public policies at the national and regional level (Poland) Case 4. Social Economy Europe (EU), the EU-level representative organisation of the SE Case 5. Regional economic cooperation clusters (France) Case 6. Operational Programme to Social Economy and Social Inclusion – POISES (Spain)</p>
	<p>Cognitive measures</p>	<p><i>Measures focused on awareness, disseminating and knowledge of Social Economy:</i> Case 7. The « Concept » and National action plan on social economy (Bulgaria) Case 8. Satellite accounts of SE compulsory by the Law on Social Economy (Portugal) <i>Measures for promoting training on Social Economy:</i> Case 9. National agreement between Education Ministry and Pupil coop. networks (Fr.) <i>Measures promoting research on Social Economy</i> Case 10. Universities research/masters network (France and Spain)</p>
<p>Hard policies. Business/economic policies</p>	<p>Supply measures</p>	<p><i>Measures focused in access to funds:</i> Case 11. The European Social Fund (EU) Case 12. Percentage tax designation mechanism for financing social entities (It. & Hungary) Case 13. Lotteries and games as a financial scheme: the cases of ONCE and RAY (Esp. & Finl.) Case 14. Mutual funds (Italy) Case 15. Entrepreneurship funds: Legge Marcora, Brasero financial tool and the Capitalising unemployment benefit scheme (Italy, Belgium and Spain) <i>Measures focused on business support (consultancy, networking, incubators,etc.):</i> Case 16. SE platforms at national level: CNCRES, CEPES and CEPS (France, Spain, Portugal) Case 17. Government network agencies to promote social economy (Belgium)</p>
	<p>Demand measures</p>	<p><i>Measures focuses in ease access to public markets:</i> Case 18. Procurement and reserved contracts (Spain) Case 19. Social Value Act (United Kingdom) Case 20. Riforma del Terzo Settore – Reform of the Third Sector (Italy)</p>



Soft policies. Environment/ecosystem policies

Institutional measures

Measures aimed at the legal form as a Private Player:

Case 1. Law on Social Economy (Romania)

Case 2. Agreement for solidarity society of social utility (France)

Measures aimed at recognizing Social Economy enterprises as Policy maker:

Case 3. State Committee for Social Economy Development and Incorporating social economy into the mainstream public policies at the national and regional level (Poland)

Case 4. Social Economy Europe (EU), the EU-level representative organisation of the SE

Case 5. Regional economic cooperation clusters (France)

Case 6. Operational Programme to Social Economy and Social Inclusion – POISES (Spain)



Soft policies. Environment/ecosystem policies

Cognitive measures

Measures focused on awareness, disseminating and knowledge of SE:

Case 7. The « Concept » and National action plan on SE (Bulgaria)

Case 8. Satellite accounts of SE compulsory by the Law on SE (Portugal)

Measures for promoting training on Social Economy:

Case 9. National agreement between Education Ministry and Pupil coop. networks (Fr.)

Measures promoting research on Social Economy

Case 10. Universities research/masters network (France and Spain)



Hard policies. Business/economic policies

Supply measures

Measures focused in access to funds:

Case 11. The European Social Fund (EU)

Case 12. Percentage tax designation mechanism for financing social entities (It. & Hungary)

Case 13. Lotteries and games as a financial scheme: the cases of ONCE and RAY (Esp. & Finl.)

Case 14. Mutual funds (Italy)

Case 15. Entrepreneurship funds: Legge Marcora, Brasero financial tool and the Capitalising unemployment benefit scheme (Italy, Belgium and Spain)

Measures focused on business support (consultancy, networking, incubators, etc.):

Case 16. SE platforms at national level: CNCRES, CEPES and CEPS (France, Spain, Portugal)

Case 17. Government network agencies to promote social economy (Belgium)



Hard policies. Business/economic policies

Demand measures

Measures focuses on ease access to public markets:

Case 18. Procurement and reserved contracts (Spain)

Case 19. Social Value Act (United Kingdom)

Case 20. Riforma del Terzo Settore – Reform of the Third Sector (Italy)



- **Challenges of the social economy policies**

CHALLENGES, RISKS AND LESSONS

1. The challenge of assessing social economic policies (SEP)

than the development of a rigorous and operational assessment methodology of these policies is the establishment of synthetic indicators and general and specific criteria

2. Risks in the design and implementation of social economy policies

- risk of partiality and fragmentation in the conception of SEPs
- risk of instrumentalization of the social economy via these policies
- risk of undervaluing the potential of civil society for leading social and economic development projects and policies

3. Lessons for a holistic social economy policy

Mainstreaming. SEP must impregnate the whole government apparatus and its policies, avoiding 'ghettoization' in a single Directorate General and in a particular instrument.

Partnership. SEP must have the complicity and involvement of the social economy at all levels.

Strategic. SEL must not be limited to an isolated instrument or mechanism but bring several mechanisms together (like the list of cases that are presented in this report) in a broader and multi-annual strategy.



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