

First European Social Economy Conference
in Central and Eastern Europe

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Preparatory Dossier

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1. Introduction

This dossier aims to introduce the social economy and its key issues to all those who will participate in the Prague Conference, and to others who are simply interested in the subject. Rather than providing an exhaustive study, it is designed to encourage the reader to reflect further on the subject, in order to stimulate the debate in the countries of Central and Eastern Europe. Thus, it makes use of existing material written either on paper or on the Internet, inviting the readers to continue their endeavour through the indicated bibliography and web sites.

The social economy is essentially made up of co-operatives, mutual societies, associations and foundations. Its activities fall neither into the public sector nor into the for-profit traditional market economy sector. Need oriented, it is not directed solely at making profit. Its four intrinsic areas of development – 1) social, democratic and participative entrepreneurship; 2) employment and social cohesion/inclusion; 3) local development; and 4) mutual social protection – form the basis of a model for developing a practical experience of democracy that provides a response to citizens' needs and expectations. With its roots at local community level, the social economy has always favoured partnerships (with the public sector and local authorities, with trade unions and conventional business enterprises), which have helped give it a 'networked' structure and ensure its growth.

The social economy in EU countries consists of around 900,000 enterprises and represents roughly 10% of GDP and employment. In the Eastern European countries, a new civil society is coming into being as its more traditional social economy actors are adapting to the market economy, whilst retaining their sense of social responsibility. Backed by more than a century of experience, the social economy is actively contributing to a modern, pluralistic market economy and is asserting itself, with its economic, social, civil and participative aspects, as an essential partner in society. As such, it is a major contributor to the policies of the European Union and an integral part of the social and economic model of the future European Union, as Romano Prodi acknowledged in the case of cooperatives in a speech on 13 February 2002 (*European Co-operative Convention*, EU Social and Economic Committee, Brussels).

The Conference will therefore debate on the development of co-operative, participative and social entrepreneurship, as well as the emergence of social enterprises in Eastern Europe, and focus on the needs and conditions to enable their continuity and strengthening through the specific values, professional capacity and productivity gains of the sector. The following areas in particular will be examined: tools for financing, the role of the sector in employment, social cohesion and local sustainable development, and its experience in social and policy dialogue, partnerships and networking.

This dossier contains eight parts as follows. After this introduction, section 2 offers a basic overview of the social economy: a first sub-section (2.1.) briefly explains why the social economy offers a distinctive form of entrepreneurship; 2.2 discusses the role of the social economy; 2.3. mentions the key policy issues concerned, namely the need for information and the development of meso-level support institutions dedicated to the social economy, as well as the gradual public recognition, institutionalisation and standardisation of the sector.

Part 3 provides a summary of several cases of best practice in the social economy from EU and from candidate countries. These have been selected on the basis of their intrinsic quality, representative character and socio-economic impact on their respective countries or regions. Many other examples could have been proposed.

Part 4 analyses and compares the four main definitions of social economy as they were formulated by significant organisations dealing with the social economy in the EU: FONDA, CEP-CMAF, COR and the European Commission¹. It ends with a one-page synthesis on the main common denominators and characteristics of the four definitions.

Part 5 focuses on the relevance of the social economy in terms of local and territorial development, by considering the following features in the relationship between social economy and local development: quality employment, embedded social capital, strengthened democracy, and partnerships between the local authorities and the social economy actors.

Part 6 contains three tables on the various types of public policies aimed at organisations of the social economy, based on a study by CIRIEC-International (International Centre for Research and Information on the Public, Social and Co-operative Economy). The three tables highlight the key policies for the development of a strong and competitive social economy: supply policies concerning the structure of the organisations of the social economy; demand policies concerning the activity of the organisations of the social economy; and policies related to employment in the organisations of the social economy.

Part 7 provides employment figures on the social economy in the European Union, drawn from the above-mentioned CIRIEC-International study, with two tables, one on employment in the social economy in each EU member state, and another one on the evolution of employment in some sectors and countries.

Part 8 identifies the historical roots of the concept of social economy and its dissemination in today's world. In 8.1., Adam Piechowski identifies four strands of thought at the origin of the social economy in the XIX Century and early XX Century: socialism, "pan-cooperatism", liberalism and Christian solidarism. Importantly, Piechowski argues that each of these four apparently contradictory theoretical roots can be reflected within present-day social economy and that proper consideration should be given to all four strands of thought if the concept of social economy is to be effectively introduced in countries that are not familiarized with the concept. Sub-section 8.2. explains how the concept of social economy has already transcended Europe, receiving remarkable consideration in the Americas, both south and north. Finally, 8.3. shows that, with the new ILO Promotion of Cooperatives Recommendation, the social economy has just entered an era of standardisation at the world level.

We hope that this dossier may enhance the understanding of social economy and stimulate a lively and creative dialogue.

¹ As explained in Part 3, the French FONDA foundation includes leaders from CGSCOP, Credit Mutuel, Credit Cooperatif, IDES-ESFIN, and others. All these organizations were consulted in the 1980s when the concept of social economy was established for the first time at the governmental level in Europe . Thus, they have been at the roots of the creation of the concept of social economy. The CEP-CMAF is the only umbrella committee in Europe that groups the main types of actors that are related to social economy. The name stands for European Standing Conference of Co-Operatives Mutual Societies, Associations and Foundations. The COR is the EU Committee of Regions.

2. A basic overview of the social economy

by Bruno Roelants and Claudia Sanchez Bajo

2.1. A distinctive form of entrepreneurship

The following definition of social economy, approved in March 2002, is the most recent one available at the EU level²:

“The organisations of the social economy are economic and social actors active in all sectors. They are characterised principally by their aims and by their distinctive form of entrepreneurship. The social economy includes organisations such as cooperatives, mutual societies, associations and foundations. These enterprises are particularly active in certain fields such as social protection, social services, health, banking, insurance, agricultural production, consumer affairs, associative work, craft trades, housing, supply, neighbourhood services, education and training, and the area of culture, sport and leisure activities” (CEP-CMAF -- European Standing Conference of Co-operatives, Mutual Societies, Associations and Foundations, the European umbrella for the four main social economy categories of actors).

Furthermore, still according to CEP-CMAF, the success of enterprises in the social economy cannot be measured solely in terms of economic performance, which is nonetheless necessary to the achievement of their goals in terms of mutualism and solidarity, but must above all be gauged by their contributions in terms of solidarity, social cohesion and territorial ties.

Those enterprises can be distinguished from capital-based companies by specific features that are linked to their shared characteristics, and in particular:

- The primacy of the individual and the social objective over capital;
- Voluntary and open membership;
- Democratic control by the membership (except for foundations);
- The combination of the interests of members/users and/or the general interest;
- The defence and application of the principle of solidarity and responsibility;
- Autonomous management and independence from public authorities;
- Essential surpluses are used to carry out sustainable development objectives, services of interest to members or of general interest.

Furthermore, it appears that the social economy tends to provide a more secure environment than ordinary self-employment does. In their own way, the enterprises of the social economy allow ordinary citizens to do what the biggest firms have been doing since 1990: to merge and coordinate their resources and capabilities. They bring together the skills, knowledge, capital and labour of many, so that they can achieve appropriate scales in production and services, allowing them to be competitive.

² For a brief but in-depth comparison of the origins and main definitions of the social economy, see section 4.

In addition, social economy enterprises may provide benchmarking in the fields of corporate social responsibility and social audit of enterprises, especially after the Maastricht Treaty introduced a democratic dimension within the workplace for all firms.

2.2. The function and contributions of the social economy

As a central component of organised civil society, the social economy provides a landmark for pluralism, participation, democracy, citizenship and solidarity, while supplying ample evidence that such elements are compatible with economic competitiveness and the capability of adaptation to social and economic change. Indeed, the social economy:

- Is founded on the principles of solidarity and individual involvement in a process of active citizenship;
- Generates high-quality jobs and a better quality of life, and offers a framework suited to new forms of enterprise and work;
- Plays an important role in local development and social cohesion;
- Is socially responsible;
- Is a factor of democracy;
- Contributes to the stability and pluralism of economic markets;
- Corresponds to the European Union's priorities and strategic objectives: social cohesion, full employment and the fight against poverty and exclusion, participatory democracy, better governance and sustainable development.

By 1995, the European Commission recognized that between 30 to 50% of the population of the various EU member States was engaged in the social economy in one way or another. In addition, ethical and solidarity-based investments have not ceased to expand. Motchane³ explains that this type of investment amounts to 400 million euros in the EU and is generally channelled through the banking and insurance sectors that belong to the social economy and that, in addition, are highly efficient. *"With deposits of more than one thousand billion euros, approximately 900 million euros in credit, 36 million members and 601 million clients, the cooperative banks own 17% of the [EU] market. For mutualism and insurance cooperatives, the percentage in 1995 corresponded to 29,2% in Western Europe, 30,8% in Japan and 31,9% in the United States."*

An important collective study published in 1999 was made by CIRIEC-International (International Centre for Research and Information on the Public, Social and Co-operative Economy) in the 15 countries of the EU⁴. The study aimed at analysing the role of social economy in the labour market and at understanding which support structures and public policies would enhance the positive contribution of the sector for the general interest. As the study found out, the social economy sector accounts for about 10% of total employment in the EU, with 8,879,546 full time employees. Employment in the social economy has actually increased at a higher rate than the average rates of the national economies.

³ Jean-Loup Motchane, lecturer at Paris VII University, in <http://www.ecosol.org.br/textos/Motchane.doc> and <http://www.adufgrs.org.br/ad/68/> (translated from Portuguese). See also Denis Clerc: "L'économie sociale: de la théorie à la practice", Alternatives Économiques, N. 203, May 2002, p.79-83 www.alternatives-economiques.fr

⁴ Source: "Empleo y Economía Social en la Unión Europea: Una Síntesis" (Employment and Social Economy in the European Union: a Synthesis), by Rafael Chaves and Jose Luis Monzón, Valencia University, in Informe-Memoria de la Economía Social 1999, CIRIEC-España, Valencia: pages 61-80. The document in Spanish is an abridged version of the CIRIEC-International study of 1998 made in the 15 countries of the EU and titled "Les entreprises et organisations du troisième système: un enjeu stratégique pour l'emploi". This study was coordinated by B. Thiry, D. Demoustier, R. Spear, E. Pezzini, J.L. Monzon and R. Chaves.

The same phenomenon has been observed in all three types of employment that can be found in the social economy sector:

- Direct employment, within the organisations and enterprises of the social economy;
- Indirect employment, by enterprises and entities depending on the social economy (e.g. daughter companies of co-operative groups);
- Induced employment, i.e., created or saved employment externally to social economy organisations and enterprises (e.g. independent workers in agriculture, transport, trade, who use the services of co-operatives that support them).

The three main dynamics in which the social economy stands out in relation to employment have been, according to the CIRIEC-International study :

- The transformation of existing employment within the social economy sector. Its entities have been obliged to develop new strategies of internal and external flexibility, given the challenges stemming from globalisation and intensifying competition.
- The emergence of new employment, as a response to new social needs, which has found expression, for example, in the social co-operatives, with an accompanying evolution of the legal regulation and support structures.
- The consolidation of already created employment, through institutionalisation and stabilisation, overcoming its precarious, experimental, or temporary character.

2.3. Key policy issues

A. Information and meso-level support structures

Two basic elements are indispensable to the existence and development of the social economy: a) shared and accessible information, and b) meso-level support structures.

- a) Concerning *information and documentation* at EU level, we should mention the Aries website, that hosts the RES-e-NET Europe.⁵
- b) As far as *support structures* are concerned, their diversity is matched by the creativity with which they respond to the needs of the local economy. In France, for example, there are regional chambers of the social economy with the mission of developing the associations, co-operatives and mutual societies on the territory⁶. In Spain, the Enterprise Confederation for the Promotion of the Social Economy (CEPES) is the dynamic national umbrella of the sector⁷. The support organisations of the social economy are active in domains such as job creation in new enterprises, business and job continuity or rescue through worker equity participation, provision of services, local economic regeneration by re-investing funds into local communities, training and employment for disadvantaged or disabled persons, or setting up collective facilities for small enterprises so that they can be economically sustainable. Examples of best practice in this field will be examined in the following section.

At the EU level, several key Brussels-based social economy organisations regularly take positions and communicate them to the public authorities, at their initiative or at the request of the latter. Those

⁵ For Aries- Social Economy on line, see <http://www.aries.eu.int>

⁶ see <http://cres-pch.org> and <http://www.ardnpc.org/sociale>).

⁷ see <http://www.cep.es>

organisations represent the four types of social economy actors (co-operatives, associations, mutual societies and foundation):

- CCACE⁸ (Co-ordinating Committee of European Co-operative Associations), which in turn groups 7 sectoral cooperative organisations (ACME, CECODHAS⁹, CECOP¹⁰, COGECA¹¹, EUROCOOP¹², GEBC¹³, UEPS¹⁴) and 10 national cooperative umbrella organisations;
- AIM (International Association of Mutual Societies)¹⁵;
- CEDAG (European Council for Voluntary Organisations)¹⁶;
- EFC (European Foundation Centre)¹⁷.

Those four institutions form CEP-CMAF (European Standing Conference of Co-operatives, Mutual Societies, Associations and Foundations), the only EU-level representative institution for the social economy as a whole.

The CIRIEC-International study mentioned in sub-section 1.3. above also emphasises the importance of support organisations for the sector:

"The existence of support organisations for the entities of the social economy is a determining factor in the success or failure of the initiatives of this sector and its consolidation. There is no unique model or standard in terms of support structures, these must be adapted to contexts, territories, and life cycles of the enterprises belonging to the social economy. In each phase of the cycle there are specific needs that have to be matched with adequate support. Support structures sometimes specialize in one function but, in general, offer various kinds of services. The types of services provided are:

1. *Technical support to factors of production*
 - a. *Training*
 - b. *Finance*
 - c. *Supply and marketing*

2. *Economic and social support for economic sustainability of enterprises*
 - a. *Development (economic/ social)*
 - b. *Development of community links*
 - c. *Administrative and managerial support*
 - d. *Consulting and research*
 - e. *Networking and exchange of information*

3. *Political support*
 - a. *Promotion (e.g. promotion of the concept of organisation of the Social Economy)*
 - b. *Political activities in its strict sense*
 - c. *Regulation"*.

⁸ <http://www.ccace.org>

⁹ <http://www.cecodhas.org>

¹⁰ <http://www.cecop.org>

¹¹ <http://www.cogeca.be>

¹² <http://www.eurocoop.org>

¹³ <http://www.gebc.org>

¹⁴ <http://www.eurosocialpharma.org>

¹⁵ <http://www.aim-mutual.org>

¹⁶ <http://www.cedag.org>

¹⁷ <http://www.efc.be>

Consequently, the CIRIEC-International study identifies several types of public policies destined to the organisations of the social economy, dividing them between supply and demand policies, and policies dealing with employment issues in the social economy entities (see section 6 “types of public policies destined to organisations of the social economy”).

B. Public recognition, institutionalisation and standardisation of the social economy

In the candidate countries of Central and Eastern Europe, public authorities and part of society may be hesitant toward a forthright support for the social economy sector, given the imprint of past experiences. However, as can be observed in this dossier, academic, intellectual and political debates on the sector are lively, thought-provoking and highly motivated by social and economic concerns to which the social economy enterprises and organisations can provide helpful answers.

Over the last 10 years, slowly but indisputably, the social economy sector has entered a stage of institutionalisation and public recognition within the EU. Six EU member States have ministers with direct responsibility for social economy within their portfolio¹⁸. And although 7 out of 15 EU member states have not yet officially recognised the sector, the EU institutions have already done so: in 1990, the European Commission coined its own definition (analysed in section 4 of this Dossier), which can still be found on its website. The EU Luxemburg Employment Summit in 1997 also granted official recognition to the social economy. Last year, the European Commission recognized that the social economy contributes to such EU key policy objectives as employment and social policy, enlargement, regional development, public procurement, employee ownership and the organisation of work, and development aid¹⁹.

A landmark in the gradual recognition of the social economy at EU level was the first institutional meeting between the European Commission President and the European cooperative movement (European Cooperative Convention, 13 February 2002, at the EU Economic and Social Committee in Brussels). Addressing the Convention, EC President Romano Prodi said:

“I believe that co-operative enterprises have a very important role to play in helping Europe achieve its economic, social and political aims. Co-operatives are also a clear demonstration that the spirit of solidarity which is at their root in no way clashes with an entrepreneurial outlook - the combination thus produces a virtuous circle. That is why the Commission intends to do all it can to help co-operatives do business in Europe. Two years ago at the Lisbon Summit, European leaders set themselves a very ambitious goal for this decade: to transform the Union into ‘the most competitive and dynamic knowledge-based economy in the world, capable of sustaining economic growth with more and better jobs and greater social cohesion’. To achieve this goal requires swift and decisive action to reform not only our economies but also our social model”²⁰.

As an example of recognition at the national level, UK Prime Minister Tony Blair issued the following statement at the launching of the Co-operative Commission:

¹⁸ Ibid., 5.1. (structure of public administration) p. 28.

¹⁹ See European Commission DG Enterprise “Working Document ‘Cooperatives in Enterprise Europe’ (2001), section 4. (the contribution of co-operatives to Community objectives) p. 22-27, available on line on <http://europa.eu.int/comm/enterprise/entrepreneurship/coop/consultation> in EU languages and in Bulgarian, Czech, Estonian, Hungarian, Latvian, Polish, Romanian and Slovak.

²⁰ See:

http://www.europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/02/66|0|AGED&lg=EN&displa
y=

*"The Co-operative Movement represents a vital part of UK business. Not publicly, not privately, but co-operatively owned and controlled by its members to ensure that its commercial and community interests go hand in hand. I am pleased to be supporting this Commission. It will help identify new opportunities to foster a strong and successful Co-operative Movement for future generations"*²¹.

The relationship between specific parts of the social economy and the government sphere has taken different forms. In some EU countries, as we have seen, such relationship has led to the establishment of specific ministries or state secretariats, while social economy actors have remained completely within civil society. In the case of the UK, we can observe another form of evolution, by which a particular part of the social economy, namely co-operatives, has turned into a political actor, building a political party and, at present, being even part of government ²².

Recognition stemming from public authorities, national as well as from the European Commission, is in turn leading to the establishment of norms and standards. The European Commission Consultation Document *"Cooperatives in Enterprise Europe"* (Nov. 2001) moves in this direction by explaining that: *"Co-operatives and the wider social economy are now explicitly included in the mainstream European Employment Strategy. For example the Guidelines for the National Action Plans (NAP) for employment have, since 1998 called on Member States to report on social economy initiatives under the Entrepreneurship pillar"*²³. The document further makes it clear that all (i.e., present and future) EU governments will now have to recognise the concept of social economy in one way or the other: *"In some Member States there is no tradition of social economy (sometimes leading to a complete misunderstanding of the concept). Future Commission guidelines should therefore make clear what the social economy is by referring to its constituent elements (co-operatives, mutuals, associations and foundations) which exist in all Member States"*²⁴.

Meanwhile, the Council of the European Union, the highest EU body, has already approved a decision on how Member States should deal with the social economy. Following the publication of relevant documents from the European Commission, the European Parliament, the Economic and Social Committee and the Committee of Regions, the Council Decision on Guidelines for Member States' employment policies for the year 2001, states that *"Member States will (...) promote measures to enhance the competitive development and job creation capacity of the social economy, especially the provision of goods and services linked to needs not yet satisfied by the market, and examine, with the aim of reducing, any obstacles to such measures"*²⁵

Social economy actors in Europe, such as cooperatives, mutual societies, associations and foundations, will increasingly experience that they fall within the public policy space which is being created for the sector, with corresponding norms and standards. Consequently, it is predictable that social economy actors will want to be more than simple observers in this process.

²¹ see http://www.co-operatives.net/ch3/3_6.htm

²² Ibid. The Co-operative Party, which is the political wing of the British Co-operative Movement, is bound to Labour by an electoral agreement at the national level and currently has 25 Labour and Co-operative MPs, who are designated "Labour and Co-operative". At the local government level, the Party has over 700 Labour and Co-operative councillors and has recently published its Co-operative Agenda for Local Government.

²³ Ibid., section 4.2. (specific areas of cooperative contribution) p. 22-23

²⁴ Ibid., section 4.2. (specific areas of cooperative contribution) p. 23.

²⁵ European Union Council Decision of 19 January 2001 on Guidelines for Member States' employment policies for the year 2001, art. 11, 2001/63/EC, Official Journal of the European Communities, L 22/18, 24.01.2002

3. Cases of best practice in the social economy

3.1. Enterprise cooperation and immigration based on solidarity: the project *Work without borders within tomorrow's Europe*

between CGM (Gino Mattarelli Consortium for Social Cooperation) Italy, and NAUWC (National Auditing Union of Workers' Cooperatives), Poland

Date of establishment

- CGM: 1987
- ZLSP/NAUWC: 1995
- Project Work without borders within tomorrow's Europe: 2002

Description

CGM is an Italian consortium grouping social cooperative enterprises, active social, health and educational services for the elderly, disabled persons, minors of age, drug-addicts etc. (A-type cooperatives), or in the labour insertion of disadvantaged persons through various entrepreneurial activities (B-type cooperatives). CGM's support for such activities includes technical consultancy, training classes, commercial and financial support, project design and management of European projects having a strategic and innovative character, dissemination of cultural and printed products that foster the culture of social cooperation. Over the last few years, CGM has developed more entrepreneurial aspects, encouraging the transfer of enterprise experience within its nation-wide network, and within European networks.

NAUWC's main activity is auditing member co-operatives (which is compulsory among Polish co-operatives), training, consultancy and representation towards government and other Polish and international organisations. It is now trying to promote enterprise groupings and consortium systems among its affiliated cooperatives.

Within the framework of the project SCOPE (Strengthen Cooperative and Participative Enterprises in Central-Eastern Europe), CGM and NAUWC have launched the project *Work without borders within tomorrow's Europe*, out of a demand to intervene with co-operative values and mission in trying to counteract efficiency-led or even criminal speculation in the field of immigration. The idea is to approach the question of immigration from the angle of reciprocity and integration: in this sense, this is a pilot project that can be replicated in other geographical areas and other sectors of the economy.

The project aims (a) to consolidate health-social cooperatives in Poland on the basis of a consortium-type strategy, and (b) to organise the immigration of nurses from Polish health cooperatives affiliated to CGM to Italian cooperatives affiliated to the CGM consortium. Indeed, while nurses are in shortage in Italy, they are in excess in Poland.

A general agreement has been signed between CGM and NAUWC, and specific ones are being signed between NAUWC and the local consortia affiliated to CGM and adhering to the project (so far Ravenna, Brescia, Cremona, Como, Bergamo and Mantova). NAUWC organises the selection of nurses and language training in Poland, while CGM handles the question of recognition of the Polish nursing diplomas. 300 Polish nurses have already begun to work in Italian social cooperatives (under the Ravenna local consortium), and others are presently preparing to do the same. They are offered the same labour conditions as Italian nurses.

Co-financing requests have been introduced for the further phases of the project, which will include the consolidation of Polish health service cooperatives through consortia, and a framework for long-term cooperation between the Polish and the Italian health-social cooperatives.

Basic statistics

CGM:

- Number of workers: 24 000 (out of whom 1 700 are disadvantaged workers)
- Number of volunteers: 4 000
- Number of enterprises: 1 100, grouped in 71 local consortia
- Turnover: 749 million EURO (foreseen for 2002)

NAUWC:

- Number of workers in member coops: 25 000
- Number of affiliated enterprises: 500
- Number of regional offices: 16

Contact data

CGM:

- Address: Via Rose di Sotto 53, 25126 Brescia, Italy
- Tel: 39 030 2893411
- Fax: 39 030 2893425
- Contact person: Pierluca Ghibelli,
- e-mail: pierluca.ghibelli@consorziocgm.it
- Website: <http://www.retecgm.it>

NAUWC

- Address: ul. Zurawia 47, 00-680, Warsaw, Poland
- Tel : 48 - 22 - 628 27 63
- Fax : 48 - 22 - 630 06 27
- Contact person : Adam PIECHOWSKI,
e-mail <piechowskia@krs.com.pl>

3.2. Providing shelter to almost half of a country's population: the Estonian Co-operative housing movement

Estonian Union of Co-operative Housing Associations (EKL)

Date of establishment (EKL): 17.04.1996

Description

The Estonian Union of Co-operative Housing Associations (EKL) is an organisation representing the Estonian co-operative housing sector on regional, state and international level. EKL has gone through a fast development having today 800 member co-operatives. It acts as a partner for state in development of housing legislation.

It has started several development projects for promoting the conditions for housing co-operatives. In 2001 a project "Low interest loans for housing co-operatives" was started. With the help of Tallin City Government 1 million EEK of renovation loans was given out for housing co-operatives. In 2002 was started a new project enabling housing co-operatives very good insurance conditions.

The main activities of EKL are:

- Training and study visits
- Magazine "Elamu" and different booklets
- Consulting (legal, accounting)
- Development projects (credit, renovation etc)
- Member card (offering different services from different companies)

Basic statistics

- N° of housing cooperatives in Estonia: 6200
- N° of inhabitants living in housing cooperatives: ca 600 000 (45% of Estonian population)
- Member cooperatives of EKL: 800
- N° of inhabitants living in EKL housing cooperatives: 100 000 (6.5% of Estonia's population)
- EKL's workforce: 12 employees and
- EKL's regional offices: 9

Contact Data

- Address: Sakala 23 A, Tallinn, 10141, Estonia
- Tel: 372 6275740
- Fax: 372 6275751
- e-mail: ekl@ekyl.ee
- Contact persons: Andres Jaadla (Chairman of the board)
Marit Otsing (Director for International Liaison)

3.3 Spain's 7th enterprise group: Mondragon Cooperative Corporation (MCC), in Euskadi

Date of establishment

- First educational institution (Escuela Politecnica): 1943
- First cooperative (Ulgor): 1956
- First second-degree support institution (Bank: Caja Laboral): 1959
- Corporation (MCC): 1993

Description

“MCC is a business group made up of 150 companies organised in three sectoral groups: Financial, Industrial and Distribution, together with the Research and Training areas. Mondragón Corporación Cooperativa is the fruit of the sound vision of a young priest, Don José María Arizmendiarieta, as well as the solidarity and efforts of all our worker-members. Together we have been able to transform a humble factory, which in 1956 manufactured oil stoves and paraffin heaters, into the leading industrial group in the Basque Country and 7th in the ranking in Spain (...). MCC's mission combines the basic objectives of a business organisation competing in international markets with the use of democratic methods in its organisation, job creation, promotion of its workers in human and professional terms and commitment to the development of its social environment”.

Jesus Catania, President (from website mentioned below)

Central to the success of the Mondragon group is the whole array of support structures that have been gradually established by the cooperatives themselves, catering for different needs: sectoral development, social protection, industrial R&D, training and education (now with a full-fledged university), consultancy, funding, etc. One of the most important of such support institutions is the group's bank (Caja Laboral), which played a federating role from its foundation in 1959 up to 1993, when the corporation was established.

Until the late 80s, the group was almost exclusively centred on the Basque regions of Spain in its activities. This has changed radically over the last decade. Now the group's distribution cooperative Eroski has become one of Spain's leading supermarket chains, visible all over the country, and some production cooperatives from other regions have recently joined the group, which is also undergoing a rapid process of internationalisation, with production plants in 11 other countries.

Basic statistics

- Number of workers: 60 000
- Number of enterprises: 150
- Turnover (industry and distribution activities): 8 billion EURO (2001)
- Administered assets (financial activities): 7.9 billion EURO (2001)

Contact data

- Address: P° Jose Maria Arizmendiarieta n°5, 20500 Mondragon, Guipuzcoa, Spain
- Tel: 34 943 779300
- Fax: 34 943 796632
- e-mail: wm@mcc.es
- Website : www.mcc.es

3.4 East-West solidarity in favour of abandoned children: Romanian-Italian volunteer association “Bobul” / “Il Chicco” (i.e “the Grain”), in Iasi, Romania

Date of establishment: 1993

Description

The Association was established in 1993 in Iasi, in Romania’s depressed Eastern region. The main purpose of the association is to offer a concrete and lively response to the problem of children that are abandoned in Romanian orphanages, where they are often abused physically, psychologically and sexually. The association welcomes, cures and educates the children and teenagers who come from such institutions, and inserts them into their own social, educational, professional and religious context.

« Bobul » operates through self-contained family houses, where « mothers-educators » and specialized personnel cure and educate a limited number of children of various ages and with different forms of problems and/or disabilities, establishing with them an intensely affective relationship, thus creating an atmosphere similar to an ordinary family. The children with disabilities live with the others, in order to avoid them being marginalized and to ensure reciprocal human learning. Parallely, the association offers the necessary rehabilitation therapies, such as physiotherapy, psychotherapy, logopedy etc., and a strong psycho-pedagogical support to foster personal growth and potential.

The association favours the active integration of the child or teenager in his/her country’s context, elaborating individual projects in which the person is the “hub” of a “networking” activity, with continuous and stimulating social, school, work and informal relations. Therefore, an important effort is done to foster real insertion at school, in the local community, sport centres, voluntary work, cultural activities, and the world of work.

The main present social rehabilitation and re-insertion projects within the family houses are:

- Sheltered work and community life (11 teenagers), with the establishment of a sheltered workshop for the production and trade of bread and handicraft.
- Total social integration (15 teenagers and children).
- Partial social integration (14 teenagers and children)
- Permanent assistance and therapy to teenagers and children with serious disabilities.

The main difficulties in the implementation of those projects is the absence of skilled personal, the difficulty of developing economic activities, a social environment that is hostile to children with disabilities, and the fact that most state schools are still closed to such children.

Basic statistics

- 6 family houses, plus one farm for food self-support
- 50 children are currently being taken care of

Contact data :

- Address : Il Chicco, Bulevardul Chimiei nr.35, bloc F2-1,scara A, etaj4, apartament 3/4
6600 Iasi, Romania
- tel/fax : 0040.232.271392
- e-mail: ilchicco@mail.dntis.ro
- Contact person: Stefania De Cesare (president, MA in Educational Sciences)

3.5. An institutional complex for urban regeneration: Pfefferwerk in Eastern Berlin

Date of creation: 1991

Description

Pfefferwerk gGmbH is a charity active in an area of Eastern Berlin, dealing with services to persons and to community such as childcare, housing improvement, development of the local culture and environmental services. It is part of a wider project including different structures responding to different needs. Thus, beside the charity there are a limited company, a cooperative, several associations (for culture, sport etc) and a foundation, all concentrated in the same area of Berlin. This particular structure responds to the necessity of identifying the best possible structure for each kind of services, without remaining linked to a sole model. Obviously, the various organisations refer to a common ground and are committed to social and democratic aims.

The services are provided using a networking model and with the participation of different groups. Indeed, almost all local stakeholders (such as local retailers, other associations etc.) participate in shifts in the different activities carried out by the organisation. The common aim is the creation of integrated services to the local population.

The resources come mainly from public procurement, entrusted on the basis of quasi-market criteria, with a smaller percentage from sales of goods to individuals.

Basic statistics

- Immaterial resources, mainly in terms of project's leader availability, covered by public powers, private businesses and a relevant quota of voluntary work:
 - project engineering: 680 000 €
 - training activities: 1 350 000 €
 - awareness raising activities: 1 250 000 €
- Material investment: 500.000 €, mainly in equipment of the site
- Total running cost of the charity: app. 3 648 000 € per year
- Workforce: app. 190, out of whom around. 100 in insertion plans.

Contact data:

- Address: Pfefferwerk gGmbH, Fehrbelliner St. 92, D – 10119 Berlin
- Tel. 49.30.44383442
- Fax. 49.30.44383100
- e-mail: pfefferwerk@t-online.de
- Website: <http://www.pfefferwerk.de>
- Contact person: Mr. Torsten Wischnewski

3.6. How an old cooperative of the disabled adapts to the market economy and expands: STYL, Plzeň, Czech Republic affiliated to the Union of Czech and Moravian Producers' Co- operatives (SCMVD)

Date of establishment

- STYL: 1957
- SCMVD: 1953

Description :

Styl Plzeň v.d.i. is part of the original group of employers of disabled persons in the Czech Republic, with a long tradition before 1989. It is a rather large enterprise with a traditional manufacturing programme, engaged in clothing, bookbinding, stationary, cable assembly and gasket production, having successfully engineered its transition towards the market economy, both in terms of internal restructuring and of the European market.

Until the beginning of the nineties, the cooperative enjoyed a good income from its operations. But later, the internal market disintegrated with the liquidation of the cooperative's main customers, and a serious financial crisis ensued. STYL successfully established new commercial links in Germany through the German Chamber of Commerce, with the production of clothing manufacturing and assembling of products. In 1993, the enterprise underwent a change of organisation and production structure with the participation of the Dutch consulting firm HPM Ltd., and the first protected workshops were established. At the same time, co-operation started with a noted Dutch firm in cable assembly, and the quality system in accordance with ISO 9002 was successfully established in three production plants. In 1997, the building of a new plant „Gaskets“ in Plzeň was completed.

Styl Plzeň v.d.i. is one of the most successful co-operatives within the framework of SČMVD (Union of Czech and Moravian Producers' Co- operatives), an organisation engaged in active lobbying with the government and collective negotiations with the trade unions, and in support activities for its affiliated enterprises, especially in the fields of marketing activities (e.g. organisation of commercial fairs) and financing (through a development fund). Furthermore, SCMVD has made an in-depth database on its affiliated enterprises and their products on CD ROM and on Internet.

Styl Plzeň v.d.i. belongs to the largest employers of disabled people in Czech Republic. It is a living proof that actors of the Social economy in candidate countries can also be medium to large enterprises if they are able to combine their entrepreneurial role with their social mission.

Basic statistic :

STYL:

- Turnover annually 2,7 million EURO
- Employees 410
- Rate of handicapped employees 55 % (225)
- Part of export 60 %
- Sheltered workshops 12 with a total of 180 employees

SCMVD

- N° of affiliated enterprises: 390 (out of which 50 with disabled people, like STYL)
- N° of workers in affiliated enterprises: 30 500 persons (out of which 7 700 disabled)

Contact data :

STYL Plzeň VDI:

- Address : Radobycicka 24, 305 49 Plzeň, Czech Republic.
- Tel: 420-19-723 56 41
- E-mail : druzstvo@styl-plzen.cz
- Web site : www.styl-plzen.cz
- Contact person: Miroslav Šrédľ, president

SCMVD:

- Address: Vaclaske Nam. 21, 113 60 Praha 1, Czech Republic.
- Tel: 420 2 241 093 12
- Fax: 420 2 26 03 01
- e-mail: svoboda@scmvd.cz
- Contact person: Jiri Svoboda
- Web site: www.scmvd.cz

3.7 A micro-credit model from developing countries, creating 1000 jobs per year: the Association for the Right to Economic Initiative (ADIE), France

Date of establishment: 1990

Description

ADIE is an association helping people who are excluded from the job market and from the banking system in creating their own job, by providing them access to credit.

The idea was to adapt to the French context the experience of micro-credit, which has developed considerably in Third World countries, helping millions of people create their own jobs. In France, where 7 million people live in poverty, the demand for micro-credit has been growing steadily over the last decade: it is estimated at 20 000 to 30 000 potential job self-creators, but it could attain 100 000 persons if the regulatory environment was simplified and if sufficient financial resources were available.

Applicants willing to start or develop a self-employed activity can contact any of the 22 regional offices of the association, where the feasibility of their project is evaluated, and where a financing scheme is established. They will then receive a loan ranging between 500 and 5000 EURO, repayable over 2 years, and they will receive the necessary training and follow-up. They can apply for further loans until they are able to apply for conventional credit.

ADIE's resources come from various public sources and from private donations. The association has signed agreements with several banks, providing them 80% guarantee on loans, but provides also loans on its own funds.

The criteria for financing are the viability of the project, the precarious situation of the applicant (unemployed or beneficiary of the minimum income), her/his capacity and determination, as well as the support of her/his human environment. ADIE finances projects in all sectors, most of them being in services, retail trade and handicraft. A few examples: window cleaners, taxi drivers, market seller, florist, chimney sweeper, stylist, joiner, electrician, snail breeding, etc.

Basic statistics

- Jobs created since establishment in 1990: 11 000 (average: 1000 jobs per year)
- Percentage of jobs created by women (2001): 30% (national average: 27%)
- Annual number of loans: 3500 in 2001 (against 2344 in 2000)
- Rate of job survival after 2 years: 70% (same as national average)
- Regional offices : 22
- Workforce : 200 persons
- Volunteers : 600 persons
- Long-term unemployed or recipients of minimum income : 73.5% of loans

Contact data

- Address: 14 rue Delambre, 75014 Paris, France
- Tel : 01 42 18 57 87
- Fax : 01 43 20 19 50
- E-mail: adie@adie.org
- Website : www.adie.org

3.8. Employee-owned firms, the core of Slovenia's economy: ISKRAEMECO affiliated to the Slovene Association of Employee Ownership (DEZAP)

Date of establishment

- Iskraemeco: 1920
- DEZAP: 1994

Description

Intra-firm worker shareholding amounted to 23% of total shareholding in Slovenia at the end of the privatization programme in 1997, and may have gone down to 16-17% today, therefore remaining quite substantial²⁶. Workers employed in firms with majority employee-ownership are probably as many as 100 000, i.e., 13% of the total labour force of the country, and 22% of staff working in enterprises. Furthermore, these enterprises represent the core element of the Slovene economy²⁷.

Iskraemeco, an employee-owned firm is one of the leading European companies in manufacturing devices and equipment applied to electric energy and power consumption metering, registration and control. One of the strategic goals of the company is market globalisation and internationalisation of production. According to total income and number of employees, Iskraemeco is among the biggest companies in Slovenia. Its headquarters, including other strategic departments, are located in Kranj, while the other activities are spread worldwide.

The first discussion about whether and how to privatise the company began at the end of 1992, soon after the Law on Ownership Transformation was passed in Slovenia. Following an internal debate, Iskraemeco approved majority employee-ownership as a central strategic goal. A special committee made up by the representatives of the company management and of the trade union conducted the whole ownership transformation procedure. Such committee structure turned out to be very positive, because, through the representatives of the trade union, the employees were constantly informed of the privatisation procedure, and could even actively participate therein. On this basis, the employees trusted the company management and eventual doubts gradually disappeared.

The transformation was carried out very quickly by Slovene standards, and was completed by September 1994 when 60% of the shares were held by the employees and former employees through internal distribution and internal buyout, 20% by the Development Fund (a public fund created to collect shares and sell them to private investment funds), 10% by the Pension Fund and 10% by the Compensation Fund (also public funds). In 1996, the private investment funds sold their shares to the Pension fund. In 1998, employee shareholders set up their own Fund (Iskraemeco DUS) with Equity corresponding to the majority part of Iskraemeco shares.

During the same period, a process of renovation of technological and business processes and production sites took place. Assembly production lines were abolished and integrated working places were introduced, and quality was adjusted to ISO9001 international standards.

4 out of 8 of the company's vision items are "*ownership of employees*", "*maintenance of work posts*", "*satisfaction of customers, employees and owners*", and "*environment-friendly technology*". Iskraemeco also maintains that the ownership and management structure is linked to the economic success of the enterprise, because employees are deeply involved in management and production processes.

²⁶ According to Bozo Lednik, ex-Director of DEZAP

²⁷ According to Miroslav Stanojevic, lecturer at the Institute of Social Sciences of Ljubljana University

Iskraemeco is a member of the Slovene Association of Employee Ownership (DEZAP), which main activities are:

- Lobbying for legislation favouring the existence and development of employee ownership
- Professional help to employee owners
- Developing a legal framework for employee ownership in companies
- Education and training of employee owners on every area which concern employees ownership
- Developing networks of employee-owned companies for mutual information and mutual help
- International cooperation.

Basic statistics

ISKRAEMECO

- Number of employees: 2115 (2000)
- Income: 110 million EURO in 2001 (10% increase on 2000), 95% through exports
- Investment: 7.1 million (2000)

DEZAP:

- Number of affiliated enterprises: 9
- Other affiliated organisation: Association of free trade unions of Slovenia (250 000 members)

Contact data

ISKRAEMECO, d.d

- Address: SAVSKA LOKA 4, 4000 KRANJ, SLOVENIA
- Contact person: Saso Peterlin, Finance manager, tel 386 4 206 4139,
- e-mail: saso.peterlin@iskraemeco.si
- <http://www.iskraemeco.si/>

DEZAP :

- Address : Pivovarni¹ka 6, 1000 Ljubljana, Slovenia
- Tel.: +386 1 47 36 187
- Fax.: +386 1 23 22 157 or +386 1 47 36 180
- Contact person: Petra Kozel, e-mail

petra.kozel@kiss.uni-lj.si
petrakoz@volja.net

3.9. A catalyst for assistance to migrant workers: the Integrated Service Centre for Immigrants (CSI) – Genoa, Italy

Date of establishment: 1992

Description

CSI is an association dealing with services of social secretariat, first welcome, legal counselling, work insertion, housing, education and cultural mediation in favour of immigrants. It was established following an initiative of the Regional Federation for Solidarity and Employment, the local immigrants' coordination committee, the trade unions and the Municipality of Genoa:

- The Regional Federation for Solidarity and Employment is an association bringing together all stake-holders dealing with local development, such as associations, consortia of social cooperatives, the regional branches of national cooperative associations, as well as the trade unions, representatives of the conventional for-profit enterprises and the local public authorities.
- The Immigrants' coordination committee represents all local organisations dealing with immigration
- The trade unions are local representatives of the three main national trade union confederations (CGIL-CISL-UIL)
- The Municipality of Genoa is the local public authority bearing the responsibility of providing services to immigrants

It should be underlined that the main part of the employees are immigrants themselves. Indeed, the director and the other employees have been selected among educated-immigrants. This was due to two main reasons: the first is the clear willingness to involve the “leaders” of the different communities within the experience; the second was the necessity to cope with problems of cultural mediation among different ethnic groups

Apart from services of first welcome, specific services related to different fields or interest of the beneficiaries are offered, from legal counselling to access to training and to housing. This approach allows a better integration of immigrants within the social tissue of the city, thus raising the social capital of formerly depressed areas.

This initiative is a classic example of co-programming between the social economy and the local authorities, as far as a service that should be provided by the local public authority has been analysed and put into practice by a partnership, using a participative approach. Moreover, this is an example of different stakeholders participating in a social economy initiative.

Basic statistics

- | | |
|---|----------|
| • Number of regular employees: | 6 |
| • Immaterial investment for start up in terms of man/hours: | 2266 m/h |
| • Material investment for start-up: | 66.000 € |
| • Running costs (appr.): | 76.500 € |
| • Number of cases taken in charge in last 3 years: | 20.000 |

Contact data: Mr. Kandji Modou, Director – Via Milano 42/A – I – 16126 Genova. Tel. +39.010.255423/fax. +39.010.256821

3.10. One of the major not-for-profit institutions in Slovakia: Healthy City Foundation in Banska Bystrica

Date of creation: 1992

Description

The Healthy City Foundation is an example that illustrates the success of the community foundation model in Central and Eastern Europe where at the end of the 1980's civil society lacked many of the mechanisms and support structures found in the West of the continent.

The population of Banská Bystrica, in Central Slovakia, increased five times between 1946 and 1994 to reach some 700,000 inhabitants; this rapid growth created many problems, especially in the areas of environment and infrastructure. In 1991 the city made a commitment to the "Healthy Cities" project of the World Health Organisation (WHO), whose mission was to make the city the best possible place to live in, in particular through the strengthening of *"the physical, mental, spiritual and social health of the city through broad and intensive involvement and public participation in local decision-making"*.

In October 1994, with the financial support of the City Council of Banská Bystrica, the foundation became a community foundation. It has become the biggest non-profit organisation and the most important grantmaker in the region of Banská Bystrica. It plays a catalyst role in promoting partnerships among government, businesses and the non-profit sector and in empowering local citizens in supporting their initiatives. It is responsible for the majority of the innovative approaches to sustainable development in its area of intervention.

The Healthy City Community Foundation makes grants four times per year to civic associations, foundations, non-profit organizations and informal groups of citizens in the cities and districts of Banska Bystrica and Zvolen. Grants are based on the following criteria:

- how a project contributes to improving the local environment
- how a project strengthens civic cooperation
- the applicants ability to successfully implement the project

The foundation offers grants under different programmes:

- The rural Program supports mutual cooperation between various active groups within a village and between villages in the region. Examples of project areas: protection of children against stress and noise, promotion of tourist areas, childrens' summer camps, local building renovation, etc.
- The Neighbourhood Program focuses on supporting neighborhood civic activities. Projects include: training courses promoting a healthy life, playgrounds, etc.
- The Women's Program supports activities initiated by women activists and focuses on improving women's lives. Projects include training classes in women's health and pregnancy, health promotion of gypsy children, promotion of gypsy culture, vocational courses for gypsy women etc.
- The General Program promotes projects that meet the main condition of improving the quality of life in their community. Examples are: help to people with mental disabilities, maintenance of derelict blocks of flats among gipsy communities, art classes for disabled children, etc.
- The Environmental Program promotes projects such as educational courses for children on the environment, cleaning up of mountain streams, eco-camps for children, etc.

Basic statistics

- Foundation's endowment: 300,000 EURO (in 2000)
- Annual operating budget: 25 000 EURO
- Annual number of project grants: 130 (in 2000)
- Maximum amount for a grant: 250 EURO
- Grantees:
 - local NGOs: 40%
 - informal civic initiatives: 33%
 - schools: 16%
 - specialized institutions: 8%
 - local authorities: 3%

Contact data

Address: Strieborne Namestie, 297401 Banska Bystrica, Slovakia

Tel: 088 415 6059

Website: www.changenet.sk/nzmbb

4. How to define the social economy?

by Bruno Roelants

A simplistic, but not altogether untrue way to put it would be: “*Nobody knows exactly what it is, but everybody knows that it exists*”. Although, as we will see, the social economy has not yet been 100% defined, it has already gained official recognition at the EU level and in several EU member States, as we saw in section 2. The concept found its origin in France, where it gained government recognition in the early 1980s. It has since then gradually extended to other EU member states: Belgium, Spain, Italy, Portugal, Sweden, Luxembourg, Ireland and the UK.

As discussed in section 2, the recognition of the social economy necessarily brings about the gradual establishment of norms and standards, including, first of all, the definition of the sector. The European Commission consultation document “*Cooperatives in Enterprise Europe*”²⁸, already mentioned in section 2, provides clues as to who the social economy actors are. The recent dates of this document (November 2001) and of 3 out of the 4 definitions examined hereunder (February/March 2002) are clear indications that the process of establishing the norms and standards of the social economy in the EU has just entered a critical stage. Such normative process, like any of its kind, will have a direct impact on EU-level and national-level policy making for those socio-economic actors that are supposed to be included in the concept. Therefore, for those actors, it is essential to know:

- Whether they fall under the recognised and normalised social economy category, on the basis of the existing definitions below;
- If that is the case, whether they are able and willing to participate in the establishment of the norms and standards of the social economy.

The four definitions of the social economy examined below have been established respectively by 1) a group of French persons belonging to organisations linked to the origin of the concept (FONDA); 2) the EU level apex committee grouping the 4 types of organisations that recognise themselves as being part of the social economy, namely cooperatives, mutual societies, associations and foundations (CEP-CMAF); 3) the EU Committee of Regions (CoR); and 4) the European Commission.

The table below compares the 4 definitions according to a series of parameters. We will then try to find the common and differing points, so as to have an idea of what the social economy is about.

²⁸ See reference in footnote 19.

4.1. Analytical Table of the Main Definitions of Social Economy

	FONDA 5.02.02	CEP-CMAF 14.02.02	COR 12-02-02	EU COMMISSION 1989/90
SOURCE OF AUTHORITY/LEGITIMACY OF THE DEFINITION	The drafters of FONDA's document include leaders from CGSCOP, Credit Mutuel, Credit Cooperatif, IDES-ESFIN, etc. Those organizations were consulted in the 1980s when the concept of social economy was established for the first time at the governmental level in Europe (see also COR's own definition of the concept below). Their document was originally written in French.	This is the only umbrella committee in Europe that groups the main types of actors that are related to social economy. The name stands for European Standing Conference of Co-Operatives Mutual Societies, Associations and Foundations.	The EU Committee of Regions has devoted its attention to defining "social economy", in contrast to the European Parliament and Council, which have not yet issued a statement in this regard. This hints at the strong relation between social economy and local territory. Official approval of this document is expected on March 14 th .	Within the European Commission, the DG enterprise was created by Romano Prodi's administration. This new DG covers cooperatives and mutuals, while associations and foundations remain connected to DG Employment and Social Affairs.
CONCEPT	« a type of entrepreneurship, which, in its very way of organising and producing, responds, in effect, to the present expectations in terms of sustainable development and social responsibility »	« cannot be measured solely in terms of economic performance, which is nonetheless necessary to the achievement of their goals as mutual societies and in terms of solidarity, but must above all be gauged by their contributions in terms of solidarity, social cohesion and territorial ties. [It] is socially responsible. [It is] A different type of entrepreneurship, [with] Distinctive specific features [and] An undeniable reality.”	“a "hybrid" with social objectives and requirements. The form this takes varies from one country to another. (...) The concept of social economy is of French origins. “	“part of a stakeholder economy, whose enterprises are created by and for those with common needs, and accountable to those they are meant to serve”.

	FONDA 5.02.02	CEP-CMAF 14.02.02	COR 12-02-02	EU COMMISSION 1989/90
ACTORS	A specific type of enterprises (cooperatives, associations and mutual societies are mentioned, though not foundations)	a "type of entrepreneurship". "includes organisations such as cooperatives, mutual societies, associations and foundations." "A component of organised civil society"	"economic enterprises producing products and/or services, but they are not limited companies with share capital." "more or less co-operatives, mutual societies and associations with an economic activity."	"Significant economic actors (co-operatives, mutual societies, associations and foundations)".
ACTIVITIES	Within and by their territory of implantation (ANY, as the document does not limit activities to any particular field).	Activities fall "Under European policies (on social welfare, employment, enterprises and entrepreneurship, education, research). "Fields of social protection, social services, health, banking, insurance, associative work, craft trades, agricultural production, housing, supply, consumer affairs, neighbourhood services, education and training, and the area of culture, sport and leisure activities".	"social-economy firms are an important partner for local authorities in local development strategies and in building a new local plural welfare. This does not of course prevent the principle of fair play being applied by local authorities or companies from the traditional commercial sector and the social economy competing fairly over the implementation of local development strategies. In particular the social economy can fill a gap in providing social goods and services which are not provided by traditional market operators or government;"	"Sources of entrepreneurship and jobs, where traditional "investor driven" enterprise structures may not always be viable. Important because it contributes to efficient competition in the markets."

	FONDA 5.02.02	CEP-CMAF 14.02.02	COR 12-02-02	EU COMMISSION 1989/90
VALUES	Sustainable development/ inter-generational character/ collective heritage Solidarity Social responsibility	"Voluntary and open membership, accompanied by democratic control by the membership ²⁹ ." "solidarity and responsibility." "Autonomous management and independence from public authorities." "social cohesion"	Open and transparent management, democracy, participation "adds value to the process of local development and social progress through building local social capital by enhancing trust relations and community confidence, civic engagement and participation in society and by stimulating greater social cohesion reconnecting excluded and marginalized people".	"voluntary participation, membership and commitment" democratic control "autonomy and independence" (Foundations are explicitly excluded from these characteristics, their values and characteristics being different form the other three types).
OBJECTIVES	* The equilibrium of territories and social cohesion. * Peace and security. * That the accumulated experience by the social economy enterprises serve for the definition of standards and of evaluation tools of the convergence framework over the issue of social responsibility of all enterprises, which is being elaborated at European level.	[Meet] "new challenges (increasing lack of involvement on the part of public services, social integration, sustainable development, solidarity between generations)". [Should be measured by] "solidarity, social cohesion and territorial ties, [and] economic performance". "development of a plural society that provides for greater participation, more democracy and more solidarity." "plays an important role in local development and social cohesion". "contributes to the stability and pluralism of economic markets."	"goods and services ...delivered by a "hybrid" with social objectives and requirements. " "the social economy creates social enterprises and a new entrepreneurial culture of the social entrepreneur (OECD), mainly oriented towards the inclusion of marginalized groups of people through active participation and a new approach: combining a new mix of resources (public, market, voluntary work), to create jobs. The social economy can therefore meet needs where the public sector or the market cannot;"	"meets new needs." "job creation and new forms of entrepreneurship and employment; enhances solidarity and cohesion ; contributes to the integration of the economies of the candidate countries."

²⁹ Does not concern foundations as they have no members.

	FONDA 5.02.02	CEP-CMAF 14.02.02	COR 12-02-02	EU COMMISSION 1989/90
STRATEGIES	<ul style="list-style-type: none"> * Solidarity among territories, risks and profit; * creation of economic and social value; legitimacy of a plural economy. * formation of sustainable networks... promotion of pluri-societies. * Financing of projects (should take into account) the creative dynamics. * To preserve the non-divisibility of reserves of cooperatives and mutual societies, permitting associations to constitute their own funds and to respect such progressive accumulation. * Particularly, the application of the right of competition should be reviewed on the basis of the European Council's constitutional decision of December 6 2001 that legitimises a differentiated treatment. 	<p>The use of surpluses, depending on the social objective and/or members' wishes, for reinvestment or distribution (creation of jobs, activities, new enterprises, refund on invested capital, service to members, socio-cultural activities, etc.).</p> <p>[Has] a broad social foundation and conducts its activities in varied legal forms while demonstrating its competitiveness and its capacity to grow and adapt to new social and economic challenges.</p> <p>corresponds to the European Union's priorities and strategic objectives: social cohesion, full employment and the fight against poverty, participatory democracy, governance.</p> <p>generates high-quality jobs and a better quality of life, and offers a framework suited to new forms of enterprise and work.</p>	<p>"help local authorities to transform passive social security and employment benefits into active social investment for sustainable development."</p> <p>"by coupling the spirit of entrepreneurship with social purposes, it can combat passive dependency in social welfare systems. This can lead to win-win situations in which public resources for services are supplemented by market and voluntary resources".</p> <p>"The Committee of the Regions stresses that, to strengthen the young and fragile democracies in the CEEC, the development of a strong social economy and organized civil society, e.g. via partnerships, is essential. There is a strong necessity for cooperation and exchange between the EU and the candidate countries." "The European Commission should set up a database of partnership and social-economy best practice, from which the applicant states can also benefit, and promote and finance the bilateral or group exchange of best practice..."</p> <p>"transferring the good practices ...especially with social economy organisations to the candidate countries, to strengthen social cohesion,</p>	<p>"Key role in involving their members and European citizens more fully in Society."</p> <p>"managed in accordance with the principle of "one member, one vote."</p> <p>"flexible and innovative."</p> <p>"voluntary participation, membership and commitment."</p> <p>"voluntary and open membership."</p>

			employment creation, governance and democracy..." "establishment of curricula and training programmes".	
RELATION between HUMAN BEING / SOCIETY and CAPITAL	[There is] "another relationship regarding the creation of economic and social value by placing the person (individual) at the centre of this creation." "The social contract links the members among themselves and the enterprise with its environment, and not according to a relationship with capital." "The capital is reduced to its role of financial tool but does not confer any power within the enterprise".	"primacy of the individual and the social objective over capital." "combination of the interests of [private] members/users and/or the public interest." "The use of surpluses, depending on the social objective and/or members' wishes, for reinvestment or distribution."	"not profit-oriented"	"primary purpose is not to obtain a return on capital."

Main common denominators and characteristics

Actors: The more restrictive definition concerning the actors is the CoR one, stating that these are: "more or less co-operatives, mutual societies and associations with an economic activity." There is a total consensus between the four definitions on the fact that **cooperatives and mutual societies** are part of the social economy. Concerning **associations**, the social economy includes **at least those with an economic activity**. Concerning the fourth institutional pillar, foundations, 2 of the 4 definitions (Fonda and CoR) do not mention them.

Activities: There is absolutely no a priori limitation in terms of sectors in which the social economy can operate. Common denominators have to do with the territorial implantation and the production of social goods. Fonda and CoR texts make plain the **link with the territory and local development**. The CEP-CMAF text does the same indirectly, through an enumeration of activities that are linked to the territory. The CoR text further mentions the **delivery of "social goods"**, one of which is **employment creation**, mentioned in all 4 definitions.

Values: (a) **solidarity and social cohesion**, (b) **social responsibility and commitment**, (c) **democracy and participation**, (d) **autonomy and independence** seem to be the main common denominators to the 4 definitions. Other values, compatible with the former, are added in part of the definitions, such as the **intergenerational character** (Fonda), **trust and confidence** (CoR). However, both the CEP-CMAF and the EC definitions admit that some of these values, and especially democracy and participation, do not apply to foundations.

Objectives: the consensus between the 4 definitions appear to be that the social economy **meets a series of needs that other sectors of the economy cannot meet completely on their own**. These needs have to do with **social cohesion and equilibrium** (including job creation, the enhancement of entrepreneurship, and the stability of markets), the **construction of a plural, participatory, democratic, and solidarity-based society**.

Strategies: the 4 definitions hint at the need for **networking** and **citizens' participation at the territorial level**, the creation of a **strong link between territories, entrepreneurship and social purposes**, and the **enhancement of financial mechanisms to reinforce the link with the territory** (e.g., indivisible reserves, social reinvestment).

Relation between human being / society and capital: all four definitions converge to acknowledge that the social economy is characterized by the **primacy of the individual and the social objective over capital**.

5. The relevance of the social economy for local and territorial development

by Luigi Martignetti,

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From different standpoints, the social economy plays a key role at the local level.

For the benefit of concision and clarity, we shall succinctly mention four main characteristics of the relationship between social economy and local development:

- quality employment,
- embedded social capital,
- strengthened democracy, and
- partnerships between local authorities and social economy actors.

Quality Employment

First of all, as an entrepreneurial tool, social enterprises are key actors in the creation of local quality employment in various fields: in some cases, social enterprises have become the main local employer. This takes place for two main reasons. On the one hand, the social economy is by definition a local and/or regional embedded economy (vis-à-vis the global economy). Indeed the very kind of “production” of many social enterprises is necessarily local in that they produce so-called "relational goods". These goods are those that are characterised by the contemporary presence of both the producer and the beneficiary of production (i.e., the client).

Second, many fields in which social economy actors are involved are characterised by a labour-intensive scheme, therefore inducing a large number of jobs. For example, one can refer to some experiences of "village cooperatives" in Scandinavia or in Ireland, where almost all the villagers are involved or employed by a single, common, cooperative. In a similar way, one can also make reference to the experiences of social cooperative's consortia in Italy or those of social enterprises in Spain, mainly dealing with services to persons. Very often, these social economy actors can be major employers, having more than 1000 employees each.

Embedded Social Capital

However significant, the economic aspect is probably not the major element concerning the local impact of the social economy. As frequently claimed, the social economy does play a key role in both building and improving the local, embedded, social capital. With this expression we normally refer to the value of the entirety of social relationships as well as to the local solidarity networks within a given territory. This notion may be enlarged, but for the time being it seems better to concentrate on this concise definition.

Strengthened Democracy

As a relational economy, the social economy necessarily creates strong ties among different groups rooted in the same territory (we could simplify by saying between the producers and the beneficiaries, having in mind that in some cases these two groups may partly match). The manner in which these ties are created and the general behaviour of the communities result from an internal characteristic of social enterprises, namely internal democracy. It is certain that the structure of social enterprises creates an in-house arena for training participants to democracy.

In traditional capital-intensive enterprises, the lack of this aspect often creates short-circuits between the internal work-environment (in which the worker spends a huge amount of time) and the external (socio-political) environment. On the contrary, social enterprises may be seen as a continuation of civil and democratic society mechanisms.

Partnerships between Local Authorities and Social Economy Actors

The aspects shortly summarised above allow us to briefly consider the relationship between social economy and local authorities (municipalities, counties, regional or other kinds of locally elected authorities).

A thorough analysis of partnerships between local and regional authorities and the social economy has been carried out by the EU Committee of Regions in its opinion paper *“Partnerships between local and regional authorities and social economy organisations: contribution to employment, local development and social cohesion”*³⁰.

On the basis of this major document, we underline here below some key aspects of such relations. In representative democracy, local elected authorities have a clear mandate from electors and have to respond to them; now, one can ask how the participative aspects within social economy can merge with representative democracy.

In fact, as the experience shows, there is no contrast or contradiction between these two aspects. On the contrary, the participative and responsible behaviour developed in the social economy experiences by and large provides strong support for representative democracy, through continuous support for, and supervision of elected representatives.

Experiences in several countries and territories show that dialogue and the existence of mechanisms of information, consultation, co-programming and, in some cases, power sharing, have strengthened trust in representative democracy and have developed a sense of belonging within the community.

Thus, it is not rare to observe how cities become highly committed to partnerships between local authorities and social economy actors. We can also witness an increased participation in local elections.

We can therefore conclude that the strong local and democratic inspiration of the social economy represents an additional wealth for local territories, that has to be fully exploited by creating stable and long term, democratic, responsible and transparent partnerships.

³⁰ Available on www.cor.eu.int

6. Types of public policies aimed at organisations of the social economy

based on CIRIEC-International (International Centre for Research and Information on the Public, Social and Co-operative Economy)

6.1- Supply Policies concerning the Structure of the Organisations of the Social Economy

Institutional Measures	Recognition as private actor (private agent) Recognition of this actor's freedom to act in all economic sectors Elimination/compensation for legal impediments due to the utilisation of Differentiated Statutes Recognition as actor in the application of Public Policy Programmes (Executing Agent) Recognition as actor in the elaboration of Public Policy (Co-decision Agent) Fiscal support measures
Financing Measures	Differential instruments of financial support (Promotion funds, allocation of income from lottery)
Real Services support Measures	Existence of public organisations that support the social economy with the following services: → Information → Education → Network creation → Advisory -technical, commercial,.. → Research
Dissemination and Education Measures	Creation of a public opinion environment that is knowledgeable of and receptive towards the social economy.

6.2- Demand Policies concerning the Activity of the Organisations of the Social economy

Government Spending at various levels > clients of the Organisations of the Social Economy
Preference for Spending in Sectors of social and general interest (proximity services) > "New Keynesian policy articulated at sub-central levels of government": → Reduced spill-over effects, → Strong impact on local employment → Covering unsatisfied needs
Positive Discrimination towards Social Economy Organisations in public procurement of the following Services: → "Quart coopératif" in France → Social clauses and insertion ones → Positive and tacit discrimination for local and regional governments in Italy
Problems due to lack of regulation concerning the relations between the Public Sector-Social Economy in the provision of the following Services: → Stability of contracts/ accords of services → Prompt payments
Operational Mode for demand solvency (cheques-service or cheques to the enterprise)

6.3- Policies related to Employment in the Organisations of the Social Economy

General Principles → Policy of employment creation linked to needs of social interest that are not satisfied by neither market nor state → Policies aiming at disadvantaged workers in the labour market (more than 40 years-age, youth, etc.)
Support Measures for employment creation/stabilisation in the Social Economy → Direct employment creation through labour costs (generally in activities of social and general interest) → Help for collective self-employment by unemployed persons → Help for employment stabilisation in the social economy (access to associate-member condition) Problems to avoid/prevent/solve → "Ghetto-isation" of such created employment, "substitution effect" → Inadequate quality of this type of employment when subsidised by the quality of the new services being offered
Support Measures for Workers Training in the Social Economy Organisations → General Framework, no specific measures for training → Enterprises of social and work insertion
Other Measures related to employment policies → Services for counselling, placement and advice on employment (Placement Agencies with the characteristics of social economy) → Distribution of employment measures (Associated worker part-time)

Source: "Empleo y Economía Social en la Unión Europea: Una Síntesis" (Employment and Social Economy in the European Union: a Synthesis), by Rafael Chaves and Jose Luis Monzón, Valencia University, in Informe-Memoria de la Economía Social 1999, CIRIEC-España, Valencia: pages 61-80.

The document in Spanish is an abridged version of the CIRIEC-International study of 1998 made in the 15 countries of the EU and titled "Les entreprises et organisations du troisième système: un enjeu stratégique pour l'emploi". This study was coordinated by B. Thiry, D. Demoustier, R. Spear, E. Pezzini, J.L. Monzon and R. Chaves.

7. Figures on social economy employment in the EU

based on CIRIEC-International

Table 7.1: Employment in the Social Economy by EU Country

Country	Absolute Employment (EFT) ³¹	% of civil salaried employment
Austria	233,662	8.0
Belgium	206,127	7.1
Denmark	289,482	13.8
Finland	138,580	8.1
France	1,214,827	6.8
Germany	1,860,861	6.4
Greece	68,770	3.3
Ireland	151,682	15.8
Italy	1,146,968	8.2
Luxembourg	6,740	4.6
Netherlands	769,000	16.6
Portugal	110,684	3.5
Spain	878,408	9.9
Sweden	180,793	5.8
United Kingdom	1,622,962	8.4
Total	8,879,546	

Source: CIRIEC-International Study already mentioned, undertaken in 1998-1999 in the 15 EU countries.

Table 7.2: Employment Evolution in Selected Sectors and Countries

Country	Number of Employees	Evolution of Employment
Worker Cooperatives	164,352	+10% from 1990 to 1995
Labour Limited Companies (SAL) Spain	62,567	+17% from 1995 to 1998
Agriculture Cooperatives Portugal	17,416	-2.4% from 1994 to 1996
Distribution Cooperatives Sweden	32,000	-11% from 1992 to 1997
Cooperative banks France	1,137,000	+0.7% from 1994 to 1996
Health mutual societies Nederland	1,078	-6.4% from 1991 to 1996
Associations from the health and social sector UK	245,000	+5% per year
Associations from the educational and research sector Germany	168,000	+4.5% from 1990 to 1995
Associations from the cultural, sport and leisure sectors Denmark	41,801	+2.5% annually (+7.8% between 1994 and 1997).

Source: Idem.

³¹ Equivalent to Employment Full Time

8. The roots of the concept of social economy and its dissemination across the world

8.1. The four ideological roots of the social economy, and their present impact

by Adam Piechowski

International Relations Director of the National Cooperative Council, Poland.

Contemporary social economy, like the co-operative movement, has its roots plunged deeply into the past, in the social philosophy concepts that appeared in the 19th century, but that have preserved their presence until now, of course being subject to a long-lasting evolution. These concepts referred to the ideas of socialism, liberalism and Christian solidarism.

The first French “utopian socialists” – Claude Henri de Saint Simon and Charles Fourier -- criticized their contemporary capitalist system and propagated the ideas of a total reconstruction of the state system and of establishing new social structures as well as new labour relationships; the “new society” was to be based upon voluntary productive associations such as Fourier’s “phalansters”. Robert Owen, inspired by these ideas, believed that the main aim of all social actions was to create a “new man”, that could only be attained by a total reconstruction of social and economic conditions that form human consciousness. Such reconstruction could be carried out through total co-operation by all individuals in all fields of economic life with such voluntary socio-economic associations as “Owen’s villages” or co-operative societies. Owen’s ideas were those that laid the ground to the first (or estimated to be the first) co-operative society established in Rochdale, UK, in 1844. The followers of utopian socialist concepts, later connected with socialist (finally communist) and worker’s movements and Marxist ideas always believed that the supreme aim of all social actions, including co-operatives’ and trade unions’ activities, would be the transformation of the whole society, which meant responding to interests and needs not of individuals but of social groups and classes in a collective way. They did not neglect the economic role of co-operatives in assisting the poorest groups of society in achieving well being, but emphasised their educational role and other non-economic collective profits connected with membership and aiming at changing social consciousness and preparing the future proletarian revolution. The same concerned other kinds of social organisations.

Charles Gide’s ideas, also born from early socialist concepts, instead of social revolution proposed the evolutionary transformation of the local communities, states and finally the whole world into a huge “co-operative republic”. This could be achieved through self-help, self-organisation of society, by various forms of co-operatives, social associations etc., which, on a voluntary basis, would fulfil all functions previously fulfilled by state organs and would eventually replace the latter. Such a vision, called “pan-co-operatism”, was of course utopian, but, by stressing the role of self-organisation of society, brotherhood, social solidarity, democracy, social justice and overcoming social exclusion, it became very close to the contemporary ideas of social economy and may be treated as one of its main sources.

Two other ideological sources of the social economy, liberalism and Christian solidarism, had no such ambition of totally reconstructing the existing society – they aimed at preserving its structures, possibly improved and better adjusted to the needs of all social strata. According to the concepts of liberalism (and later neo-liberalism), society as a whole (and even smaller social groups) does not exist as a separate being and is only a gathering of single individuals linked by a huge network of various bonds and relationships. The supreme good of humanity is the full autonomy of all individuals and their right to fulfil their personal interest, including getting rich. Since a real society does not exist, there is also nothing like “general social good”; in the relationships among individuals, and the key role is played by economic profit. Naturally, developing sustainable economic co-operation among individuals will be more profitable for them than the creation of

conflicts. And only for this strictly pragmatic reason (and not for any other moral reasons as in the case of other social philosophies) it is justified to found institutions that minimize conflicts and assist in establishing bonds of co-operation. Among such institutions, co-operatives and other voluntary associations have an important role to play. One of the founding fathers of the co-operative movement – Herman Schulze-Delitzsch – adhered to such concepts. The first co-operative banks (and later other kinds of co-operatives) that he founded in Germany focused on assisting not the poorest social groups, but those who already had something: small and medium scale producers, artisans, and medium wealthy farmers. According to the liberal concepts, by assisting them in their individual business development, we shall contribute to job creation, to the general well-being and so we shall lift up the poorest ones as well. The followers of H. Schulze-Delitzsch were always sensitive to the entrepreneurial dimension of their organisations, but they also stressed members' autonomy and internal democracy. Liberal concepts should therefore be included among the sources of contemporary social economy.

The third source – Christian solidarism – had some features in common with both doctrines presented above. According to the social learning of the Roman Catholic Church, which found its fullest expression in the encyclical “Rerum Novarum” of Pope Leon XIII (1891), human society is a really existing community of individuals (like in the case of the adherents of socialism) combining the physical and spiritual aspects of human beings, and linked by various natural bonds. The fundamental units of the social structure are families; the key role in social organisation is played by the division of labour. This can be reached through various “corporations”, i.e., small groups based upon Christian solidarity and enabling the social and economic inclusion of individuals and families into society's mainstream. Co-operatives are one of the forms of such corporations. The first co-operatives referring to such concepts were founded long before the publishing of the encyclical mentioned above. Their founding father was Friedrich Wilhelm Raiffeisen who first established credit and saving co-operatives operating mainly in the poorest rural regions. Also other Raiffeisen's model co-operatives were usually small, anchored in local communities, based on strong links among members, mutual confidence, the ideas of self-help and voluntary work for common benefit.

All these three concepts (or four if we consider “pan-co-operatism” as a separate one) are present in the contemporary co-operative movement of Europe. In some countries (e.g. Italy), different national organisations of co-operatives referring to these distinct philosophies exist alongside each other. In other countries, one of the doctrines at one point attained a dominant position, sometimes as the result of natural evolution or local traditions, sometimes as an effect of state policy, as in the case of former communist countries, where the only admissible type of co-operatives was a socialist (or rather a caricatured socialist) one strictly subordinated to the state. However nowadays, some of the regenerated co-operatives refer to other sources – as for example new Polish credit unions that see themselves as being the followers of “Kasy Stefczyka” from the period before World War 2, i.e., small credit and saving unions, the Polish version of Raiffeisen's co-operatives. Some co-operative banks also remind the tradition of “Banki Ludowe”, co-operative banks organized in the Poznan region in 19th century according to Schulze-Delitzsch's rules.

The concept of social economy would probably be richer and more easily acceptable in the countries where this notion is unknown or little known if equal consideration could be provided to all three (or four) doctrines – apparently contradictory, but, paradoxically, conducting to the same social goals.

8.2. How the concept of social economy is extending to other regions than Europe

by Claudia Sanchez Bajo

The concept of social economy has transcended the European region, particularly towards the Americas, where debate and action on the topic are on the rise. Due to lack of space, we shall briefly mention a few examples of national initiatives and trans-national research projects.

In North America, Quebec can be considered as a centre of intellectual activity on the social economy. In 1987, the University of Quebec in Montreal established the Guy-Bernier Chair for Cooperation, in alliance with the Montreal Federation of Desjardins cooperative saving banks. Since then, it has produced a number of studies not only on cooperatives, especially those of saving and credit, but also on the social economy as a whole.³² In 2001, the University's School of Management Sciences, in partnership with the above-mentioned Chair, set up a two-year MBA on Collective Enterprises that focuses on cooperatives, social economy enterprises, philanthropy and non-profit associations, mutuals and international organisations.³³

In Central America, the Costa Rican cooperative movement organized in 2000 the *First Social Economy National Symposium*. It focused on the definition of the concept, on exchanges of experience with other national realities (in Central and South America, and in Europe), as well as on strategic action for the future. Another important characteristic was that it also tackled the question of fair trade among social economy organizations internationally³⁴.

In Brazil, as Paul Singer³⁵ explains, there has been a rebirth of the social economy under different modalities in the 1990s. The first is the creation of solidarity ventures from capitalist firms that are either in crisis or bankrupt and that are taken over by their own employees with the aid of unions and specialized entities.³⁶ The second modality is the creation of different kinds of cooperatives in the agrarian reform settlements established by the MST - Movement of Landless Rural Workers. The third modality is the formation of cooperatives based on the organisation of unemployed people and socially excluded workers.³⁷ A fourth modality is that led by the CUT labour unions and a network system of rural credit unions.³⁸

Singer's research was part of a broader transnational research programme funded by both the MacArthur and the Gulbenkian Foundations called "Reinventing Social Emancipation", in which Professor Boaventura de Sousa Santos³⁹ (director of the Centre for Social Studies, at the Faculty of Economics, University of Coimbra, Portugal) played an important role, and that was carried out by researchers in Brazil, Portugal, India, South Africa and others. The project started in January 1999

³² See <http://www.er.uqam.ca/nobel/ccgb/cahiers.html>

³³ See <http://www.er.uqam.ca/nobel/ccgb/MBA.html>

³⁴ See: "Economía Social: Experiencias y Estrategias – Ponencias y Conclusiones del I Simposio de Economía Social, San Jose, 23-24 de Marzo, 2000"; San Jose de Costa Rica: Asamblea de trabajadores del Banco Popular y de Desarrollo Comunal, 2000.

³⁵ "The recent rebirth of the Solidary Economy in Brazil", see abstract in:

<http://www.ces.fe.uc.pt/emancipa/research/en/difusao.html>

³⁶ Examples are the National Association of Workers in Self-Management Firms (Associação Nacional de Trabalhadores em Empresas de Autogestão) and Unisol. Singer also examines Conforja, a large foundry which was taken over by four worker cooperatives.

³⁷ The third modality is led by Caritas (an entity of the National Council of Bishops of Brazil [Conselho Nacional dos Bispos do Brasil]), by Citizens' Action against Poverty and for Life (Ação da Cidadania Contra a Miséria e pela Vida), and by Technological Incubators of Popular Cooperatives (Incubadoras Tecnológicas de Cooperativas Populares), which is connected to different Brazilian universities.

³⁸ The CUT, the largest union federation in the country, established the Agency for Solidary Development (Agência de Desenvolvimento Solidário) and the CRESOL system is a network of rural credit unions in rapid expansion in the South of Brazil.

³⁹ See http://www.ces.fe.uc.pt/ces/cv/boaventura_de_sousa_santos.html

and was concluded in December 2001. It had four trans-national working groups, of which one dealt with the social economy. Papers and interviews are expected to be published in 2002.⁴⁰

Brazil also hosted the World Social Forum with a specific workshop called "*Solidarity economy, pillar of a humanising globalisation*". Under various names, such as solidarity economy, social economy, solidarity socio-economy, human economy, popular economy and economy of proximity, the workshop observed emergent practices of economic and social relations that seek to improve the quality of life of individuals. The workshop expressed that their roots were multiple and their cultural dynamics diverse, from the practices of reciprocity of indigenous peoples to the cooperative created at Rochdale, England, in the mid- XIX century. Yet, the workshop statement affirmed that those practices shared some points of convergence: the recognition of the value of human work, the satisfaction of needs for all as the basis of technological creativity and economic activity, the recognition of women's rights and place in the economy, the search for a relation with nature based on respect, and the values of cooperation and solidarity.⁴¹ The workshop ended with a list of 18 proposals for further work. These proposals included for example: the elaboration of the concept of social efficiency; the definition of methodologies to analyse, measure and value social economy enterprises; the introduction of ethical principles and rules in every economic activity; the request that multilateral financial institutions (WTO, IMF, World Bank etc.) include the social economy in all their programmes as an indispensable component for sustainable and multi-dimensional human development; the building of networks and information strategies; and closer cooperation with local authorities.

8.3. The beginning of world-wide standardisation of the social economy: OECD and ILO by Bruno Roelants

The LEED (Local Economic and Employment Development) Programme of the OECD (Organisation for Economic Cooperation and Development) "*identifies, analyses and disseminates innovative ideas relating to local development and the social economy*". Established in 1982, it focuses on the following types of activities: decentralisation of employment policies, entrepreneurship, globalisation and local authorities, local partnerships and social innovation. The members of the programme, apart from the EU member states, include candidate countries such as the Czech Republic, Hungary, Slovakia, Poland and Turkey, as well as extra-European countries such as Australia, Canada, Mexico, New Zealand, and the United States. Other countries, such as Slovenia, Germany, Japan and Korea, have expressed their interest in joining the programme:⁴²

The Promotion of Cooperatives Recommendation, 2002, (International Labour Organisation), voted on 20 June 2002, is not only the first-ever world-wide normative text on cooperatives and on their promotion. It also refers to the social economy, although not mentioning it by name directly. In its article 4, it states that "*Measures should be adopted to promote the potential of cooperatives in all countries, irrespective of their level of development, in order to assist them and their membership to: (...) establish and expand a viable and dynamic distinctive sector of the economy, which includes cooperatives, that responds to the social and economic needs of the community*"⁴³.

⁴⁰ For further information see <http://www.ces.fe.uc.pt/emancipa/en/index.html>

⁴¹ See synthesis of the workshop at http://www.forumsocialmundial.org.br/eng/tpropostas_economia_solidaria_por.asp

⁴² <http://www.oecd.org/EN/about/0,,EN-about-545-nodirectorate-no-no-no-5,00.html>

⁴³ French version (official, alongside the English one): "*Des mesures devraient être adoptées pour promouvoir le potentiel des coopératives dans tous les pays, quel que soit leur niveau de développement, afin d'aider celles-ci et leurs adhérents à :*

h) créer et développer un secteur bien particulier de l'économie, viable et dynamique, comprenant les coopératives, qui répond aux besoins sociaux et économiques de la collectivité ».

In article 6, the Recommendation stipulates that “*A balanced society necessitates the existence of strong public and private sectors, as well as a strong cooperative, mutual and the other social and non-governmental sector. It is in this context that Governments should provide a supportive policy and legal framework consistent with the nature and function of cooperatives and guided by the cooperative values and principles (...)*”⁴⁴.

This text represents an important precedent for other social economy actors to receive similar attention in terms of public policy at the world level in the future. It also ushers in a stage of normalisation of the social economy and of its promotion world-wide.

These trends show that, in spite of different terms being used (“*social economy*”, “*solidarity economy*”, “*third sector*”, “*distinctive sector of the economy*”, or “*cooperative, mutual and the other social and non-governmental sector*”), the social economy increasingly corresponds to a distinctive public policy space, with its distinctive norms and standards. As it occurred recently at the ILO in the case of cooperatives, social economy actors will increasingly need to take an active part in the definition of those norms and standards, in order to avoid these being defined exclusively by external actors.

⁴⁴ French version (official, alongside the English one): “*L’équilibre d’une société exige qu’il existe des secteurs public et privé puissants, ainsi qu’un puissant secteur coopératif, mutualiste et autres organisations sociales et non gouvernementales. C’est dans ce contexte que les gouvernements devraient mettre en place une politique et un cadre juridique favorables, conformes à la nature et à la fonction des coopératives et fondés sur les valeurs et principes coopératifs énoncés au paragraphe 3 (...)* ».