European Economic and Social Committee
Presentation of : "The Social economy in the European Union"
Brussels, 3 october 2012

The Social Economy in the European Union

José Luís MONZON & Rafael CHAVES

CIRIEC – INTERNATIONAL www.ciriec.ulg.ac.be
Centre international de recherches et d'information sur l'économie publique, sociale et coopérative

OUTLINE OF THE PRESENTATION

- Background of the CIRIEC's Study
- Objectives and methodology
- Main figures on European SE
- The emergence of legal status on SE
- The SE and the crisis

BACKGROUND:

2008: Study of CIRIEC-International

"*The Social Economy in the European Union*"

Full Report (English, French, Spanish):

http://www.eesc.europa.eu/?i=portal.en.social-economy-category-documents.3167

Summary Report (All official languages of the EU):

http://www.eesc.europa.eu/?i=portal.en.social-economy-category-documents.3166

2000: Study of CIRIEC-International "*The enterprises and organizations of the third system (SE) in the European Union*", European Commission - DGV (15 Countries)
(downloadable in: www.uv.es/uidescoop/ciriec)

MAIN OBJETIVES OF THE STUDY

1.- To **actualize** the study carried in 2008

2.- Analyse **definitions** of the social economy, taking into account current debates on social enterprises and other

2.- Provide **macro-economic data** on the social economy in the 27 Member States and the 2 candidate countries

3.- To analyze the **impact of the economic crisis** on the social economy in Europe.

4.- Examine **recent national legislation** on social economy

METHOD

- Report has been directed and written by the directors: Prof. Dr. José Luis Monzón & Prof. Dr. Rafael Chaves

- Advised by a Committee of Experts (D.Demoustier –France-, Ch.Ciara & A.Zevi –Italy-, M.Huncova –Chequia, R.Spear –U. Kingdom-)
- Colaboration of the Scientific Commission of CIRIEC-International
- Colaboration of our network of national correspondents
- Colaboration of the members of the EESC

- Empirical data based on a Questionnaire ad hoc, information from national experts and secundary sources of information

- Discussion of the work schedule, methodology, intermediary report and proposed final Report

WORKING DEFINITION OF THE SOCIAL ECONOMY:

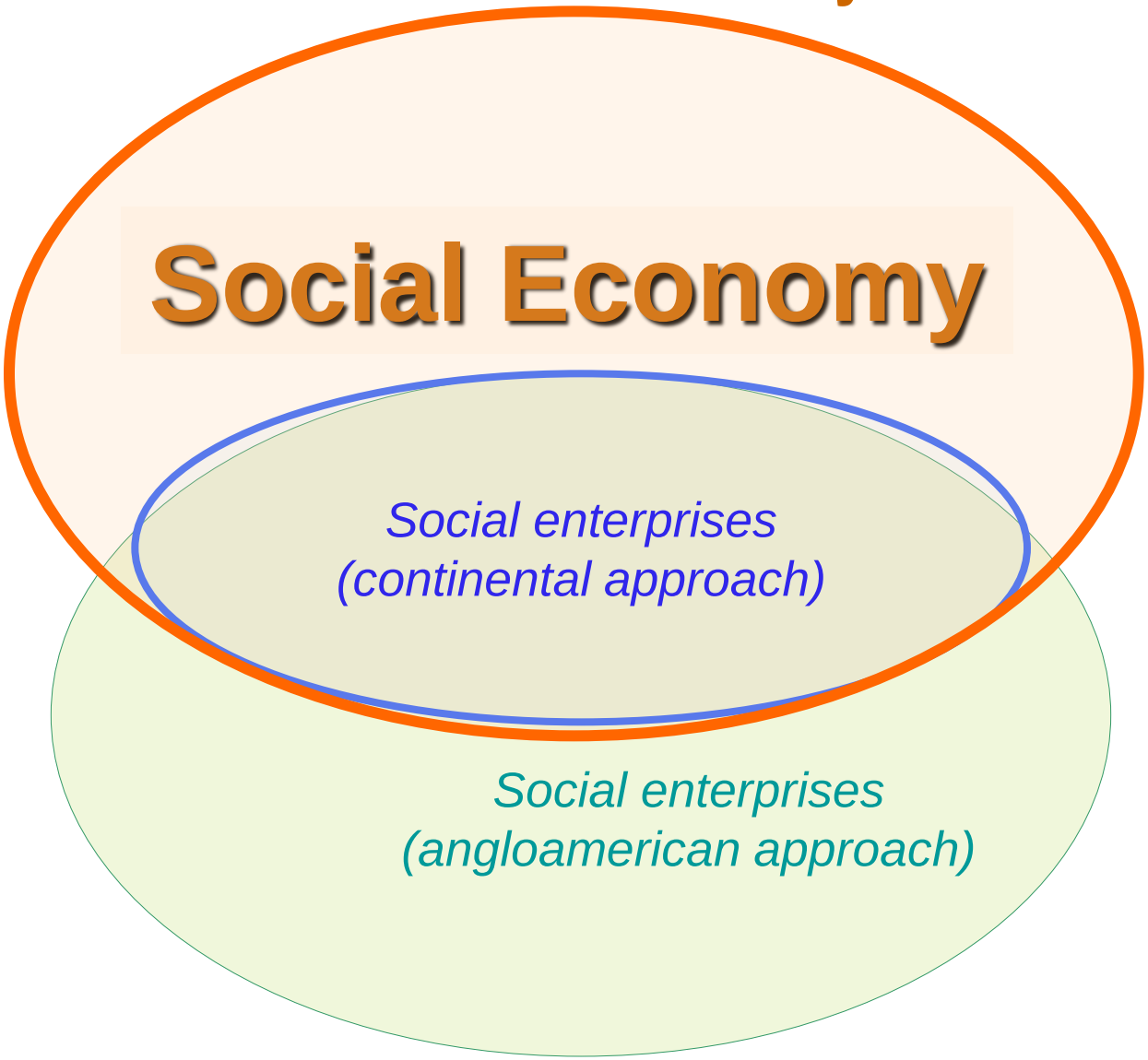
"The set of private, formally-organised enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote.

The Social Economy also includes private, formally-organised organisations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them"

Shared features of the Social Economy:

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

The ‘fields’ of the Social Economy / Social enterprises



INDEX OF THE STUDY

Chapter 1.- Introduction and objectives
Chapter 2.- Historical evolution of the social economy concept
Chapter 3.- Identification of the actors or groups included in the social economy concept
Chapter 4.- The main theoretical approaches related to the social economy concept
Chapter 5.- Comparative analysis of the prevailing definitions relating to the concept of the social economy in each European Union member state and candidate countries
Chapter 6.- The social economy in the European Union and in the candidate countries in figures
Chapter 7.- The legal framework of the social economy actors in the European Union countries and candidate countries and the public policies in place, with special attention to recent new national legislation on social economy
Chapter 8.- The social economy in a Europe facing a global crisis
Chapter 9.- The European Union policies and the social economy, with special attention to the Europe 2020 strategy: facts and impacts.
Chapter 10.- Challenges and conclusions
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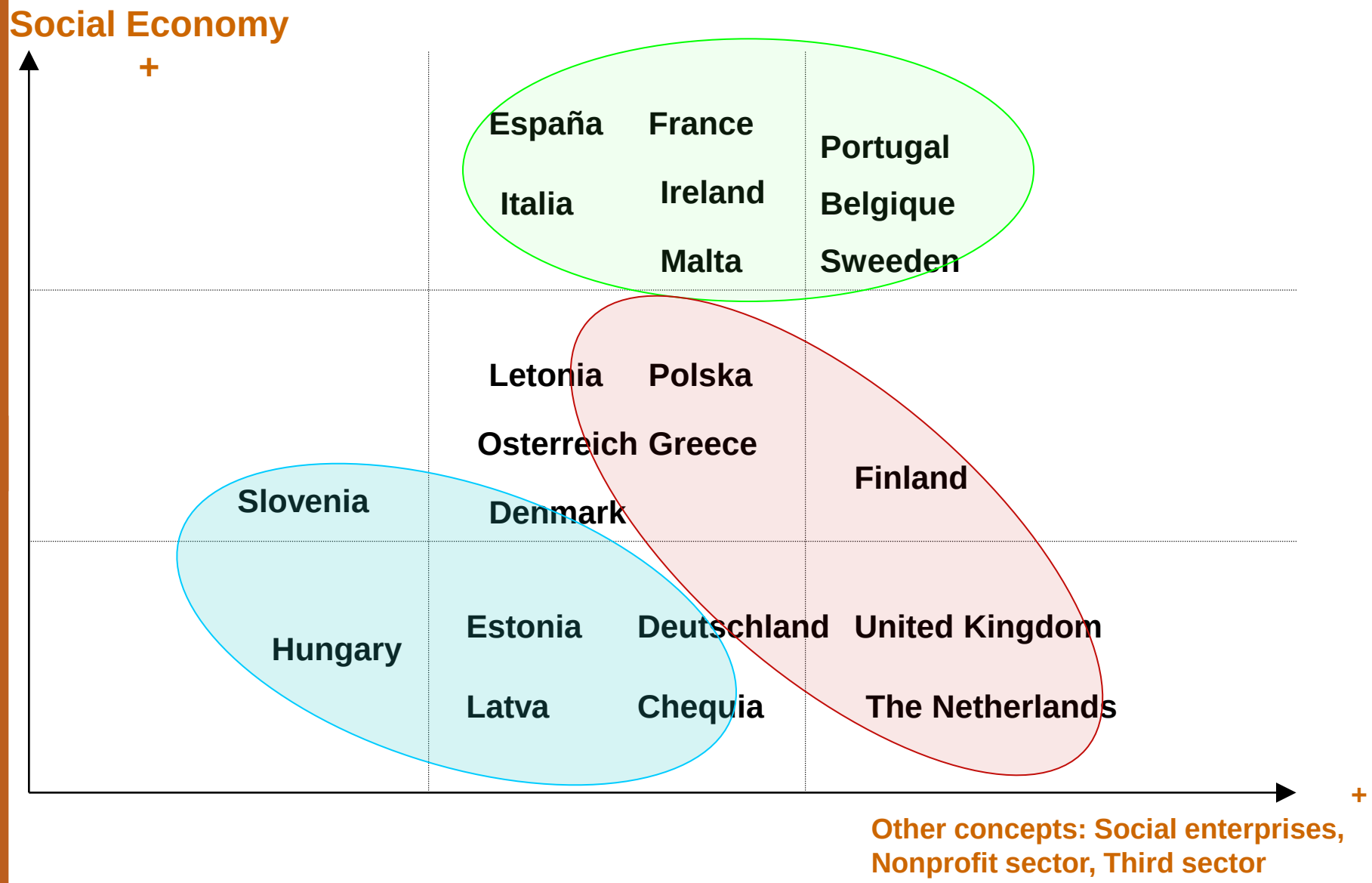
Appendix

RESULTS

Graf. 1. National acceptation of the concept of “Social Economy” and other concepts



The Social Economy:

- **not a legal definition,**
- **then it is not a socioeconomic field only composed by Co-operatives, Mutuals, Associations and Foundations….**

Table 3.1. Components of the Social Economy, institutional forms

	Cooperatives	Mutuals	Associations	Foundations	Others
AUSTRIA	X	X	X	X	X1
BELGIUM	X	X	X	X	X2
DENMARK	X	X	X	X	X3
FINLAND	X	X	X	X	
FRANCE	X	X	X	X	X4
GERMANY	X	-	X	X	X5
GREECE	X	X	X	X	X6
IRELAND	X	X	-	-	X7
ITALY	X	X	X	X	X8
LUXEMBOURG	X	X	X	X	
PORTUGAL	X	X	X	X	X9
NETHERLANDS	X	X	X	X	
SPAIN	X	X	X	X	X10
SWEDEN	X	X	X	X	
UNITED KINGDOM	X	X	X	X	

Table 3.1. Components of the Social Economy, institutional forms

Table 3.1. Components of the Social Economy, institutional forms

	Cooperatives	Mutuals	Assoc.	Found.	Others
New Member States					
BULGARIA	X	X	X	X	
CYPRUS	X	n.d	n.d.	n.d.	
CZECH REPUBLIC	X	-	-	-	X11
ESTONIA	X	n.d	X	X	
HUNGARY	X	-	X	X	X12
LATVIA	X	X	X	X	
LITHUANIA	X	-	-	-	X13
MALTA	X	X	X	X	
POLAND	X	-	X	X	X14
ROMANIA	X	X	X	X	X15
SLOVAKIA	X	X	X	X	X16
SLOVENIA	X	X	X	X	
Candidate Countries					
CROATIA	n.d.	n.d	n.d.	n.d.	n.d.
ICELAND	n.d.	n.d	n.d.	n.d.	n.d.

Table 3.2. Components of the Social Economy, Other forms

X1:	Social Enterprises
X2	Sociétés à finalité sociale
X3:	Social Enterprises
X4:	Comités d'entreprise, voluntary social protection
X5:	Volunteer services and agencies, social firms of disadvantaged people, alternative enterprises of the womens' and ecological movement, self-help organisations, socio-cultural centres, work integration companies, local exchange and trading systems, neighbourhood and community enterprises
X6:	Popular companies
X7:	Credit Unions
X8:	Volunteering organisations; specific types of associations as associations of Social Promotion and Family Associations; Community Foundations; Non-Governmental Organizations; IPAB: Istituzioni di Pubblica Assistenza e Beneficenza
X9:	Misericordias; IPSS (Instituiçoes Particulares de Solidariedade Social)
X10 :	Sociedades Laborales, Empresas de Inserción, Centros Especiales de Empleo, Grupos específicos como la ONCE, Sociedades Agrarias de Transformación
X11	Association of Common Benefits
X12	Not-Profit Enterprises
X13	Credit Unions and Social Enterprises
X14	Centres of Socio-Economic Integration
X15	Unitati Autorizate Proteiate (Authorized Protected Units)
X16	Sheltered workshops, social services

The European Social Economy in figures

EXEMPLE OF NATIONAL FIGURES: THE SOCIAL ECONOMY IN FINLAND

Cooperatives and other similar accepted forms	Mutual Societies and other similar accepted forms	Associations, foundations and other similar accepted forms
- Agricultural Cooperatives (2010: 32.763 jobs 167.100 members 36 enterprises) - Consumer Cooperatives (2010: 48.082 jobs 2.360.200 members 53 enterprises) - Cooperative Banks (2010: 13.234 jobs 1.338.100 members 251 enterprises) - Worker Cooperatives (2010: 1.500 jobs)	-Mutual Insurance (2010: 8.072 jobs 73 enterprises) -Mutual Saving & Loans (2010: 33 enterprises)	- All entities (2005: 130.000 entities 84.600 jobs) -Social & Health Action Associations (2003: 19.857 jobs 1.364 entities) - Foundations (2003: 21.522 jobs 665 entities)
94.100 jobs 4.384 enterprises	8.500 jobs 106 enterprises	84.600 jobs 130.000 entities

(*) Source: PekkaPättiniemibased on Tiedotustilaisuus

Table 1 (1) Paid employment in Social Economy. European Union (2009-2010)

Country	Cooperatives	Mutual's	Associa's	TOTAL
Austria	61.999	1.416	170.113	233.528
Belgium	13.547	11.974	437.020	462.541
Denmark	70.757	4.072	120.657	195.486
Finland	94.100	8.500	84.600	187.200
France	320.822	128.710	1.869.012	2.318.544
Germany	830.258	86.497	1.541.829	2.458.584
Greece	14.983	1.140	101.000	117.123
Ireland	43.328	650	54.757	98.735
Italy	1.128.381	n.a.	1.099.629	2.228.010
Luxembourg	1.933	n.a.	14.181	16.114
Portugal	51.391	5.500	194.207	251.098
Netherlands	184.053	2.860	669.121	856.054
Spain	646.397	8.700	588.056	1.243.153
Sweden	176.816	15.825	314.568	507.209
United Kingdom	236.000	50.000	1.347.000	1.633.000
EU-15	**3.874.765**	**325.844**	**8.605.750**	**12.806.379**
New Member States	**673.629**	**36.788**	**611.338**	**1.321.755**
TOTAL EU-27	**4.548.394**	**362.632**	**9.217.088**	**14.128.134**

Table 1 (2) Paid employment in Social Economy. European Union (2009-2010)

Country	Cooperatives	Mutual's	Associa's	TOTAL
Bulgaria	41.300	n.a.	80.000	121.300
Cyprus	5.067	n.a.	n.a.	5.067
Czech Republic	58.178	5.679	96.229	160.086
Estonia	9.850	n.a.	28.000	37.850
Hungary	85.682	6.676	85.852	178.210
Latvia	440	n.a.	n.a.	440
Lithuania	8.971	n.a.	n.a.	8.971
Malta	250	n.a.	1.427	1.677
Poland	400.000	2.800	190.000	592.800
Romania	34.373	18.999	109.982	163.354
Slovakia	26.090	2.158	16.658	44.906
Slovenia	3.428	476	3.190	7.094
Acceding and Candidate Countries				
Croatia	3.565	1.569	3.950	9.084
Iceland	n.a.	221	n.a.	221
EU-15	**3.874.765**	**325.844**	**8.605.750**	**12.806.379**
New Member States	**673.629**	**36.788**	**611.338**	**1.321.755**
TOTAL EU-27	**4.548.394**	**362.632**	**9.217.088**	**14.128.134**

Table 2 (1) Paid employment in the Social Economy compared to total paid employment. EU (2009-2010) in thousands

Country	Employment in SE	Total Employment	%
Austria	233.528	4,096.300	5.70%
Belgium	462.540	4,488.700	10.30%
Denmark	195.490	2,706.100	7.22%
Finland	187.200	2,447.500	7.65%
France	2,318.540	25,692.300	9.02%
Germany	2,458.580	38,737.800	6.35%
Greece	117.120	4,388.600	2.67%
Ireland	98.740	1,847.800	5.34%
Italy	2,228.010	22,872.300	9.74%
Luxembourg	16.110	220.800	7.30%
Portugal	251.100	4,978.200	5.04%
Netherlands	856.050	8,370.200	10.23%
Spain	1,243.150	18,456.500	6.74%
Sweden	507.210	4,545.800	11.16%
United Kingdom	1,633.000	28,941.500	5.64%
TOTAL EU-15	*12,806.370*	*172,790.400*	*7.41%*
TOTAL EU-27	**14,128.134**	**216,397.800**	**6.53%**

Table 2. (2) Paid employment in the Social Economy compared to total paid employment. EU (2009-2010) in thousands

Country	Employment in SE	Total Employment	%
Bulgaria	121.300	3,052.800	3.97%
Cyprus	5.070	385.100	1.32%
Czech Republic	160.090	4,885.200	3.28%
Estonia	37.850	570.900	6.63%
Hungary	178.210	3,781.200	4.71%
Latvia	0.440	940.900	0.05%
Lithuania	8.970	1,343.700	0.67%
Malta	1.680	164.200	1.02%
Poland	592.800	15,960.500	3.71%
Romania	163.350	9,239.400	1.77%
Slovakia	44.910	2,317.500	1.94%
Slovenia	7.090	966.000	0.73%
Acceding and Candidate Countries			
Croatia	9.080	1,541.20	0.59%
Iceland	0.220	165.800	0.13%
TOTAL EU-27	**14,128.134**	**216.397.800**	**6.53%**

Table 3 (1) Evolution of paid employment in the Social Economy in Europe

Country	Jobs in 2002/2003		Jobs in 2009/2010		Δ%	
	Cooperatives	Associations	Cooperatives	Associations	Cooperatives	Associations
Austria	62.145	190.000	61.999	170.113	-0.23%	-10.47%
Belgium	17.047	249.700	13.547	437.020	-20.53%	75.02%
Denmark	39.107	120.657	70.757	120.657	80.93%	0.00%
Finland	95.000	74.992	94.100	84.600	-0.95%	12.81%
France	439.720	1.435.330	320.822	1.869.012	-27.04%	30.21%
Germany	466.900	1.414.937	830.258	1.541.829	77.82%	8.97%
Greece	12.345	57.000	14.983	101.000	21.37%	77.19%
Ireland	35.992	118.664	43.328	54.757	20.38%	-53.86%
Italy	837.024	499.389	1.128.381	1.099.629	34.81%	120.19%
Luxembourg	748	6.500	1.933	14.181	158.42%	118.17%
Portugal	51.000	159.950	51.391	194.207	0.77%	21.42%
Netherlands	110.710	661.400	184.053	669.121	66.25%	1.17%
Spain	488.606	380.060	646.397	588.056	32.29%	54.73%
Sweden	99.500	95.197	176.816	314.568	77.70%	230.44%
U. Kingdom	190.458	1.473.000	236.000	1.347.000	23.91%	-8.55%
Total EU-15	**2.946.302**	**6.936.776**	**3.874.765**	**8.605.750**	**31.51%**	**24.06%**

Table 3 (1) Evolution of paid employment in the Social Economy in Europe

Country	Jobs in 2002/2003		Jobs in 2009/2010		Δ%	
	Cooperatives	Associations	Cooperatives	Associations	Cooperatives	Associations
Austria	62,145	190,000	61,999	170,113	-0.23%	-10.47%
Belgium	**17,047**	**249,700**	**13,547**	**437,020**	**-20.53%**	**75.02%**
Denmark	39,107	120,657	70,757	120,657	**80.93%**	0.00%
Finland	95,000	74,992	94,100	84,600	-0.95%	12.81%
France	439,720	1,435,330	320,822	1,869,012	-27.04%	30.21%
Germany	466,900	1,414,937	830,258	1,541,829	**77.82%**	8.97%
Greece	**12,345**	**57,000**	**14,983**	**101,000**	**21.37%**	**77.19%**
Ireland	35,992	118,664	43,328	54,757	20.38%	-53.86%
Italy	**837,024**	**499,389**	**1,128,381**	**1,099,629**	**34.81%**	**120.19%**
Luxembourg	**748**	**6,500**	**1,933**	**14,181**	**158.42%**	**118.17%**
Portugal	51,000	159,950	51,391	194.,207	0.77%	21.42%
Netherlands	110,710	661,400	184,053	669,121	**66.25%**	1.17%
Spain	488,606	380,060	646,397	588,056	32.29%	**54.73%**
Sweden	**99,500**	**95,197**	**176,816**	**314,568**	**77.70%**	**230.44%**
U. Kingdom	190,458	1,473,000	236,000	1,347,000	23.91%	-8.55%
Total EU-15	**2,946,302**	**6,936,776**	**3,874,765**	**8,605,750**	**31.51%**	**24.06%**

Table 3 (2) Evolution of paid employment in the Social Economy in Europe

Country	Jobs in 2002/2003		Jobs in 2009/2010		Δ%	
	Cooperatives	Associations	Cooperatives	Associations	Cooperatives	Associations
New Member States						
Bulgaria	n.a.	n.a.	41.300	80.000	n.a.	n.a.
Cyprus	4.491	n.a.	5.067	n.a.	12.83%	n.a.
Czech Rep.	90.874	74.200	58.178	96.229	-35.98%	29.69%
Estonia	15.250	8.000	9.850	28.000	-35.41%	**250.00%**
Hungary	**42.787**	**32.882**	**85.682**	**85.852**	**100.25%**	**161.09%**
Latvia	300	n.a.	440	n.a.	46.67%	n.a.
Lithuania	7.700	n.a.	8.971	n.a.	16.51%	n.a.
Malta	238	n.a.	250	1.427	5.04%	n.a.
Poland	469.179	60.000	400.000	190.000	-14.74%	**216.67%**
Romania	n.a.	n.a.	34.373	109.982	n.a.	n.a.
Slovakia	82. 012	16.200	26.090	16.658	-68.19%	2.83%
Slovenia	4.401	n.a.	3.428	3.190	-22.11%	n.a.
Acceding And Candidate Countries						
Croatia	n.a.	n.a.	3.565	3950	n.a.	n.a.
Iceland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total EU-15	**2.946,302**	**6,936,776**	**3,874,765**	**8,605,750**	**31.51%**	**24.06%**

Legal recognition of the Social Economy /Enterprise Status

Country	Law	Name of the Law / Project of Law
Spain	YES	Social economy (2011)
Greece	YES	Social economy and social enterprises (2011)
Belgium (Wallonie, Bruxelles, Flandres)	YES	Social economy (2008, 2012, Décret régional)
Finland	YES	Social enterprise (2003)
Lithuania	YES	Social enterprise (2004)
Italy	YES	Social enterprise (2005)
Slovenia	YES	Social enterprise (2011)
Portugal	Bill	Social economy (2012)
Poland	Bill	Social economy (2012)
Netherlands	Bill	Social enterprises (2012)
Romanía	Bill	Social enterprises (2012)
France	Bill	Solidary economy (failed), new bill

The Social economy facing crisis

1. The social economy entities facing financial crisis
2. The social economy facing the economic and employment crisis
3. The social economy facing the public sector and welfare state crisis

The impact of the crisis in the Social Economy in Europe in few figures:

In **Italy**, employment levels continued to rise in the 106 biggest social cooperatives: they grew from 75,828 employees in 2008 to 81,156 in 2009 and 84,243 in 2010.

In **Spain**, the European country with the highest unemployment rate, employment in cooperatives fell by 9% between 2008 and 2012 while salaried employment in the private sector as a whole fell by 19%, over twice as much.

In **Germany**, according to the figures from Creditreform-Datenbank, in 2010 only 0.1 % of the insolvencies concerned involved cooperative enterprises, the lowest figure among of any form of enterprise

In the **United Kingdom**, in an era of retrenchment of welfare state, employment in the voluntary sector rose from 642,000 jobs in 2007, to 765,000 in 2010, 2.7% of the UK workforce. Nevertheless, the financial crisis has led to drastic cutbacks in public funds for the voluntary sector in 2011 and 2012, directly affecting employment levels in these organisations

Thank you for your attention!