



Legal Ecosystems for Social Economy Peer Learning Partnership

PL4SE – PLP

AXIS 2 Background Paper

“Specific legal frameworks of entities in the Social Economy”

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INTRODUCTION

This background paper aims at preparing the participation of all partners on the **second online seminar (19th July) on the specific legal frameworks of entities in the social economy (AXIS 2)**.

This document collects the answers to the [Second Guiding Questions](#) from partners more directly involved in or who express their interest in providing an added value on the issue on “specific legal frameworks of entities in the social economy”.

To facilitate the comparability, replicability, emulation and inspiration principles that are on the base of the PLP process, all partners’ answers are organized and compiled under each one of the Guiding questions.

This document has **Two Chapters**:

- **Answers from public partners (partners representing national or regional authorities)**
- **Answers from non-public partners.**

Please, note that the answers provided by the “Employment and Social Development Canada” were coordinated with the Canadian CED Network. The Spanish partners (Direction General for Self-Employment, Social Economy and CSR of the Spanish Ministry of Labour and Social Economy and CEPES) jointly elaborated their answers.

This background document is complemented with another document to gather the “questions to cases” to get the comments and questions of all partners on the information collected in this document. Those questions and your main interest will feed the online seminar next 19th July.

PART 1 PUBLIC BODIES CONTRIBUTIONS

ISSUE 1 - "LEGAL ENVIROMENT: DEFINITIONS AND STATUTES"

Question 1.1. • The concept of social economy usually encompasses different enterprise and organisation forms that share common values and principles.

According to your experience, please, indicate which of the following are considered part of the “social economy” or what the regulated and no-regulated forms are currently being used to advance the social economy in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract and Relevant documents

- **Cooperatives:** A cooperative is an autonomous association of persons united voluntarily to meet their common economic and social needs through a jointly-owned enterprise. As usual each member of the cooperative has one vote regardless its share of the capital. The share of the capital is equally distributed among all members. The management of the enterprise is based on democratic decision-making process, transparency and solidarity. Cooperatives are strongly committed to the community where they operate.
- **Mutuals: Mutual Provident Societies:** they are voluntary non-profit legal entities that carry out insurance and social security activities in the interest of its members complementary to the compulsory public Social Security system. Their management is based on the democratic participation of all members.
- **Integration enterprises (wises):** These enterprises are cooperatives or commercial companies - in any business activity - that pursue the social and professional integration of people living in poverty or at risk of social exclusion by promoting their transition to the ordinary labor market. The disadvantaged people work temporarily (up to 3 years) in the enterprise which is the pathway to their integration in employment.

These enterprises are promoted and participated by other entities (mainly associations or foundations) that must hold at least 51% of the share capital. A minimum of 30% and a maximum of 70% of their staff (on an annual basis) must be workers following integration processes. At least 80% of the surpluses must be reinvested into the improvement and expansion of the productive structures of the enterprises.

- **Social Enterprises.** NA in Spain/No legal recognition of social enterprise
- **Associations:** Non-profit organisations of people who come together to achieve a common purpose. To be considered a Social Economy, they must comply with the principles of the Social Economy Law 5/2011, as the rest of social economy entities indicated in this chapter.
- **Foundations:** Non-profit organisations that, by the will of their creators, have their assets affected to carry out general interest purposes. To be considered a Social Economy, they must comply with the principles of the Social Economy Law 5/2011, as the rest of social economy entities indicated in this chapter.

- **Charities and Trusts** N/A. They are normally constituted as foundations or "public utility" associations.

- **Others.**

- **Special employment centers for social initiative:** Special Employment Centers of social initiative are productive enterprises participating in market operations with the aim of ensuring employment to workers with disabilities. Special Employment Centers of social initiative are structured and organised as ordinary companies but 70% of their staff must be people with disabilities (for disability assessed at 33% or greater).

The promotion entities of Special Employment Centers of social initiative must be both public or not for profit organisations and entities pursuing a social aim - expressly recognised in their statutes - whether they are associations, foundations, public law corporations, social initiative co-operatives or other social economy entities. These promotion entities must hold more than 50% of the share capital of the Special Employment Centers of social initiative.

Special social initiative employment center are also considered to be those promoted by commercial companies:

- Whose share capital is owned by any of the entities mentioned above and
- Provided that their articles of association or corporate agreements require them to reinvest all profits in job opportunities for people with disabilities and in improving its own competitiveness and their social economy activities, with the option of reinvesting them in the special employment center itself or in other special employment centers of social initiative.
- **Sociedades Laborales (*Labor societies are similar to workers' cooperatives*):** Commercial companies whose capital is owned for the most part by their workers with an open-ended contract. Maximum share capital per shareholder (worker members) is limited as well as the number of non-member employees and non-employee shareholders.
- **Cofradías de pescadores (*Fishermen's guilds: public corporation with private economic activity, similar to fishing cooperatives*):** They are non-profit public law corporations representing the fishing interests. They collaborate with the public authorities and they can also carry out economic activities on a private basis in order to improve the fishing activities of their members and communities.
- **Sociedad Agraria de Transformación (*Agrarian Transformation Societies: similar to agricultural Cooperatives*):** Civil companies whose purpose is the production, transformation and marketing of agricultural, livestock or forestry products, the improvement of the rural environment, and the promotion and development of agriculture.

Ministry of Labour and Social Policies – Italy

Abstract and Relevant documents

- **Cooperatives.** Social cooperatives, which acquire the status of social enterprises ex lege, are bodies of the Third Sector. Social cooperatives aim to pursue the general interest of the community in the human promotion and social integration of citizens through the management of social, health and educational services (type A) or the performance of different activities - agricultural, industrial, commercial or services - aimed at the employment of disadvantaged people (type B). Mutual aid societies are third sector bodies: they are non-profit organisations pursuing general interest objectives, on the basis of the constitutional principle of subsidiarity, by carrying out exclusively in favour of their members and their cohabiting family members one or more of the activities referred to in Article 1 of Law 3818/1886.
- **Social Enterprises.** They are entities of the Third Sector (Article 1 of Legislative Decree No 112/2017) . All private entities (associations, foundations, companies of any kind) that comply with the rules requiring the stable and principal exercise of a business activity in the general interest, not for profit, for civic, solidarity and socially useful purposes, according to responsible and transparent management methods and ensuring the involvement of workers, users and other stakeholders in their activities, can acquire the status of social enterprise.
- **Associations.** Associations may qualify as Third Sector organisations provided that they carry out activities identified by law as being of general interest, operate on a non-profit basis (prohibition on the distribution of profits, including indirect profits, devolution of assets in the event of dissolution or loss of status), have civic or solidarity or socially useful purposes, and have a democratic structure. The third sector code provides for third sector associations or so called 'typical' forms (social promotion associations, voluntary associations: both, in addition to the characteristics already mentioned, must operate mainly through their own volunteers and must comply with stricter governance rules; other types are the Associative Networks - associations of third sector bodies, created to carry out activities of representation and coordination of member bodies). Generally speaking, "association" is a legal form; it is their aims, the activities they carry out, their operating methods, their independence from public administrations, politicians, etc. that allow them to be classified as third sector organisations. If they carry out business activities one should refer to 'social enterprises'.
- **Foundations.** As in the case of associations, foundations are private bodies (in this case always with legal personality) that can acquire the status of third sector bodies if they comply with the general rules laid down for them (independence from public authorities, social, solidarity or civic purposes, non-profit, carrying out activities that the law qualifies as being of general interest). Foundations have fewer constraints on governance than associations (which are required to be democratic).
- **Charities and trusts.** Philanthropic entities are Third Sector entities established in the form of a recognised association or foundation, with the specific characteristic of providing money, goods or services, including investment, to support categories of disadvantaged persons or activities of general interest. In addition to general obligations, they have even more specific obligations of transparency.

- **Others.** In addition to the typologies already indicated, it is possible that other entities (with the exception of limited companies, which can only be social enterprises) acquire the status of third sector entities if they meet the general requirements. The qualification (i.e. registration in the Single Register) implies the need to comply with the code and the obligations of transparency and knowledge.

Employment and Social Development Canada & the Canadian CED Network

Abstract and Relevant documents

- **Cooperatives.** Co-ops can incorporate as such federally or provincially in every province. Canada Cooperatives Act <https://laws-lois.justice.gc.ca/eng/acts/c-1.7/index.html>
- **Mutuals.** Mutual Benefit Societies (also known as mutuals or fraternal benefit societies) can incorporate as such federally. Insurance Companies Act <https://laws-lois.justice.gc.ca/eng/acts/i-11.8/page-78.html>
- **Integration enterprises (wises).** N/A - Integration enterprises typically incorporate as charity, non-profit, or for-profit entities.
- **Social Enterprises.** Social enterprises can incorporate as such in two provinces - Nova Scotia (*community interest companies*) and British Columbia (*Community Contribution Company OR Benefit Corporation*). There is no federal framework for incorporation of social enterprises at the federal level.

"Nova Scotia Community Interest Companies Act

<https://nslegislature.ca/sites/default/files/legc/statutes/community%20interest%20companies.pdf>

BC Business Corporations Act

https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/02057_00"

- **Associations.** Non-profit organizations (associations) can incorporate as such federally or provincially in every province. Canada Not-for-profit Corporations Act <https://laws-lois.justice.gc.ca/eng/acts/c-7.75/>
- **Foundations.** Foundations must first incorporate as a non-profit organization federally or provincially. Then, they apply for charitable status as a foundation from the federal government. Canada Income Tax Act <https://laws-lois.justice.gc.ca/eng/acts/i-3.3/>
- **Charities and trusts.** Charities must first incorporate as a non-profit organization federally or provincially. Then, they apply for charitable status from the federal government. Canada Income Tax Act <https://laws-lois.justice.gc.ca/eng/acts/i-3.3/>

Ministry of Economy - Brazil - National Strategy of Impact Investing and Social Business - ENIMPACTO

Abstract and Relevant documents

- **Cooperatives.**
- **Mutuals.**
- **Integration enterprises (wises).**
- **Social Enterprises.**

- **Associations.**
- **Foundations.**
- **Charities and trusts.**
- **Others:**
 - Impact Business

Catalonia Region

Abstract

- **Cooperatives.** Enterprises that, acting with full management autonomy and under the principles of free membership and voluntary termination, with variable capital and democratic management, associate natural or legal persons with socioeconomic needs or interests in order to improve the economic and social situation of their components and the environment community doing a collective-based business activity, in which mutual service and pecuniary contribution of all members must be able to fulfill a function aimed at improving human relations and a putting collective interests above any idea of particular benefit
- **Mutuals.** Mutualism is understood to be the non-profit insurance activity that is carried out as its main activity, on a voluntary and complementary basis to the Social Security and for the purpose of mutual protection. Its purpose is the protection of members, the people they designate as beneficiaries of benefits or their assets, and which is democratically organized by criteria of representation of the member. 2. Social security mutual societies, in addition to the activity established by section 1, may carry out other activities and ancillary benefits of a social and service nature.
- **Integration enterprises (wises):** It is considered an insertion company that is qualified as such, that carries out any economic activity of production of goods or provision of services and whose corporate purpose has as its primary purpose the socio-labor integration of people in a situation or at serious risk of social exclusion. 2. Companies, labor societies and cooperatives that, legally constituted, comply with the provisions of this Law may be classified as integration enterprises.
- **Associations.** The associations are constituted by means of an agreement of three or more legally constituted natural or legal persons, who undertake to share knowledge, means and activities to achieve lawful, common, general or particular purposes, and are endowed with the statutes which govern the operation of the association. Likewise, in accordance with article 1.2 of Organic Law 1/2002, the provisions of this Law, within the scope of which all the rights are included, govern the right of association in general non-profit associations that are not subject to a specific membership regime.
- **Foundations.** Foundations are non-profit entities, made up of one or more founders, through the allocation of assets or rights of economic content and the use of their income or resources obtained by other means to fulfill purposes of general interest. Foundations acquire definitive legal personality with the registration of the founding charter in the Register of Foundations.
- **Others:**
 - **Special employment centers (CET):** They are companies that ensure paid work for people with disabilities and guarantee their labor integration. The goal of these centers is productive, like that of any other company, but their function is social. The purpose of the CETs is to ensure a paid job and the provision of personal and social adjustment services

required by staff with disabilities. CETs are also a means of integrating people with disabilities into the regular work regime. Almost the entire staff of the special work centers will be made up of workers with disabilities, without prejudice to the staff positions of non-disabled staff, which is also essential for the development of their activity. People with intellectual, physical, sensory or mental illness can join the CET as workers. Its workforce must have a minimum of 70 % of working people with a degree of disability equal to or greater than 33 %.

- **Social labor insertion companies (EI).** An insertion company carries out any economic activity of production of goods or provision of services. Its primary purpose is the socio-labor integration of people in a situation or at serious risk of social exclusion. Insertion companies must:
 - Be promoted and participated in by one or more promoting entities, which must be public law entities or corporations or non-profit entities whose corporate purpose includes the social insertion of particularly disadvantaged people.
 - Provide workers in the process of insertion with personalized and assisted processes of paid work, on-the-job training, social and work habituation and, where appropriate, intervention services or social support measures that allow their subsequent incorporation into the ordinary labor market.
 - Maintain, on an annual basis, a minimum of 30% and a maximum of 70% of workers in the process of insertion with respect to the total staff.
 - Apply at least 80% of the results or available surpluses obtained in each financial year to the improvement or expansion of production and insertion structures.

Instituto Nacional de la Economía Social - Mexico

Abstract

Cooperatives and mutuals are considered to be part of the social economy in Mexico among the mentioned types of entities in the guiding questions. On the other hand, the Mexican social economy also includes “ejidos” and “comunidades” (communities). They are legal entities that hold collective legal possession of lands managed according to democratic practices.

In addition, it is worth to mention the “Sociedades de Solidaridad Social” (“Social Solidarity Societies”) emerged in the 1970s that are governed in a similar way to cooperatives.

Finally, the “Fondos de aseguramiento agropecuario y rural” (agricultural and rural insurance funds) emerged at the beginning of this century. They are governed by the principles of mutuals.

- **Cooperatives.**

There is a General Law on Cooperative Societies (“Ley General de Sociedades Cooperativas”) that regulates their constitution, organisation and functioning at national level. There are also laws to promote cooperatives at sub-national level.

There is also a national regulation for saving cooperatives, called the Law to Regulate the Activities of Savings and Loan Cooperative Societies (“Ley para Regular las Actividades de las Sociedades Cooperativas de Ahorro y Préstamo”).

Some Links:

- General Law on Cooperative Societies:
http://www.diputados.gob.mx/LeyesBiblio/pdf/143_190118.pdf

- Law to Regulate the Activities of Savings and Loan Cooperative Societies
http://www.diputados.gob.mx/LeyesBiblio/pdf/LRASCAP_200521.pdf
 - Reference to a subnational Law:
http://www.congresohidalgo.gob.mx/biblioteca_legislativa/Leyes/43Ley%20de%20Fomento%20Cooperativo%20para%20el%20Estado%20de%20Hidalgo.pdf
- **Mutuals.** Except for mutual insurance companies which are regulated together with the private insurance companies through the Law on Insurance and Bonding Institutions, there is no specific regulation at national level. There are sub-national laws that rule their constitution, organisation and operation in some States. Please, find below links to the national law regulating mutual insurance companies and a sub-national mutual insurance company law are provided:
 - http://www.diputados.gob.mx/LeyesBiblio/pdf/LISF_220618.pdf
 - <http://www.aldf.gob.mx/archivo-bda54a328eb8cd16a4621971f12335c4.pdf>
- **Associations.**
They are not part of the social economy in Mexico. They are regulated by the Federal Civil Code, which rules the Civil Societies and Civil Associations. At the sub-national level, they are regulated by the Civil Code of each State.

Please, find below links to the Federal Civil Code and one reference to the Civil Code adopted by a sub-national government:
 - http://www.diputados.gob.mx/LeyesBiblio/pdf/2_110121.pdf
 - http://www.hcnl.gob.mx/trabajo_legislativo/leyes/codigos/codigo_civil_para_el_estado_de_nuevo_leon/
- **Foundations, Charities and Trusts.**
They are not part of the social economy in Mexico. At the national level, they are regulated by the Social Assistance Act ("Ley de Asistencia Social") and the Federal Law for the promotion of the activities carried out by the civil society organisations ("Ley Federal de Fomento a las Actividades Realizadas por las Organizaciones de la Sociedad Civil). Some States (subnational level) have adopted some laws for the welfare private institutions ("Ley de Instituciones de Asistencia Privada") and on charity ("Ley de Beneficiencia") in other cases.
- **Others.**
 - Other entities considered as part of the social economy in Mexico are the "ejidos" and "comunidades", which are governed only by the national Agrarian Law.
 - The Law of Social Solidarity Societies was enacted at national level in the 1970s at the beginning of the current century.
 - Finally, the Law of Agricultural and Rural Insurance Funds was enacted at national level.

Please, find below those three laws:

 - http://www.diputados.gob.mx/LeyesBiblio/pdf/13_250618.pdf (Agrarian Law)
 - http://www.diputados.gob.mx/LeyesBiblio/pdf/71_240418.pdf (Law of Social Solidarity Societies)

- <http://www.diputados.gob.mx/LeyesBiblio/pdf/LFAAR.pdf> (Law of Agricultural and Rural Insurance Funds)

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract and Relevant documents

- **Cooperatives.** The cooperatives considered within the social economy are: consumers of goods and/or services, producers of goods and/or services, and savings and loans. They are governed by the General Law on Cooperative Societies.

http://www.diputados.gob.mx/LeyesBiblio/pdf/143_190118.pdf

- **Mutuals.** "Mutuality" is the name of the associations that give their members - without issuing policies or contracts - coverage in the event of death, benefits in case of accidents and illnesses or compensation for damages (mainly automobile), among others.

"Mutual Societies" are not regulated by CONDUSEF (national commission in charge the protection of users and consumers), so a complaint due to non-compliance with a third party cannot be dealt with by this Commission. "Mutual Societies" are financial institutions that require authorisation to operate from the National Insurance and Bonding Commission - which also is the supervisor body- so CONDUSEF can address the complaint in case of non-compliance with an affected user. There are only two Mutual Societies in Mexico duly authorised: SPT, Sociedad Mutualista de Seguros and Torreón, Sociedad Mutualista de Seguros.

- <https://www.gob.mx/condusef/prensa/sabes-que-es-una-mutualista?idiom=es>

- **Social Enterprises.** They would be part of the Organisations of the Social Sector in the social economy. They are considered as enterprises that belong mostly or exclusively to the workers and any social organisation for the production, distribution and consumption of socially necessary goods and services in general.

- https://www.gob.mx/cms/uploads/attachment/file/629846/LESS_12-04-19.pdf

Brussels-Capital Region

Abstract

- **Cooperatives.** In Belgium, the cooperative society is a specific form of company which has the characteristic of having a variable number of members and pursuing a cooperative purpose. Cooperative societies can obtain approval from the federal Minister of the Economy and thus become a member of the general assembly of the National Council for Cooperation, Social Entrepreneurship and Agricultural Enterprise. Approval ensures that the cooperative societies concerned operate in accordance with cooperative values and principles. The conditions of approval are : membership in a cooperative society is voluntary, the shares confer the same rights and obligations by category of securities, the vote of associates at the general assembly is democratic, the statutory auditors and directors are appointed by the general meeting of shareholders, the dividend distributed to the associates is moderate, the directors exercise their mandate free of charge, The purpose of the society is to satisfy the needs of its associates and a portion of the annual resources is devoted to informing and training associates.

- **Integration enterprises (wises).** The Brussels Government may mandate certain approved social enterprises to carry out an integration programme consisting of a service mission of general economic interest which consists in the reintegration into the labour market of persons particularly far from employment known as workers of the target group, within the meaning of Article 2(c) of the Decision of the European Commission of 20 December 2011 on the application of Article 106, paragraph 2, of the Treaty on the Functioning of the European Union.
The Government may grant the social integration enterprise public service compensation to cover the wage cost for the support staff intended to promote the integration of the worker of the target group through the implementation of the integration programme.
- **Social Enterprises.** In the case of the Brussels-Capital Region, the regional “Legislative act on the accreditation and support of social enterprises (23 July 2018)” defines as ‘social enterprise/social economy’ legal persons under private AND PUBLIC law complying with a set of criteria. This definition goes beyond work integration social enterprises (entreprises sociales d’insertion) which had hitherto been at the focus of regional policies promoting the social economy. Legal persons under private law wishing to be accredited as ‘social enterprise’ have to fulfil all of the following criteria:
 - A) The implementation of an economic project which is characterised by:
 - 1° a continuous activity of production of goods and/or services;
 - 2° an economically viable activity;
 - 3° a minimum level of quality and sustainable paid work.
 - B) The pursuit of a social purpose which is characterised by:
 - 1° the inclusion in its articles of association of an explicit objective of activities and/or services aimed at the interest of the community or a specific group of people;
 - 2° the priority given to social objectives by limiting the distribution of profits on the one hand and pursuing sustainable production and consumption methods on the other hand;
 - 3° the demonstration of moderate wage tension.
 - C) The exercise of democratic governance which implies that the company implements:
 - 1° a high degree of management autonomy in both strategy and day-to-day management;
 - 2° a democratic power of decision not based solely on the ownership of capital;
 - 3° a transparent and participatory dynamic involving the main stakeholders concerned.
- **Associations.** An association is constituted by an agreement between two or more persons, called members. It pursues a disinterested aim in the exercise of one or more specified activities which constitute its object. It may not distribute or procure, directly or indirectly, any financial advantage to its founders, its members, its directors or to any other person except for the disinterested purpose determined by the articles of agreement. Any operation violating this prohibition is null and void.

Korea Social Enterprise Promotion Agency

Abstract and Relevant documents

- **Cooperatives**

- **"Cooperative"** means a business organization that intends to enhance its partners' rights and interests, thereby contributing to local communities by being engaged in the cooperative purchasing, production, sales, and provision of goods or services.
- **"Federation of cooperatives"** means a federation of cooperatives established pursuant to subparagraph 1 in order to promote common interests of the cooperatives.
- **"Social cooperative"** means a cooperative that carries out business activities related to the enhancement of rights, interests, and welfare of local residents or provides social services or jobs to disadvantaged people, among cooperatives under subparagraph 1, but that is not run for profit.
- **"Federation of social cooperatives"** means a federation of social cooperatives established pursuant to subparagraph 3 in order to promote common interests of the social cooperatives.

Please, refer to the file "[Comparison of cooperatives and social cooperatives](#)" for more details.

Practice: There are some differences (ex: Legal personality of corporation, authority of establishment, range of business activity, Distribution of benefits), Process of Liquidation) between Cooperatives and Social cooperatives.

- **Social Enterprises: "social enterprise"** means an entity certified as prescribed in Article 7 to be the one that pursues a social objective aimed at enhancing the quality of life of community residents by providing vulnerable social groups with social services or job opportunities or by contributing to the communities while conducting its business activities, such as the manufacture or sale of goods and services
- **Others:**
 - **Village company** means that is established and run by local residents, who mobilize local resources to sustain for profit projects necessary to solve community problems and promote community interests through income and job creation.
 - **Self-sufficiency company** means that is other such forms of enterprises run by one or more person in need using the skills they have acquired by participating in self-help and public works projects at local self-sufficiency centers.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

Article 1 of the French law of 31 July 2014 on the social and solidarity economy states:

The social and solidarity economy is made up of the activities of production, transformation, distribution, exchange and consumption of goods or services implemented:

1° By legal persons under private law constituted in the form of cooperatives, mutual societies or unions falling under the mutuality code or mutual insurance companies falling under the insurance code, foundations or associations governed by the law of 1 July 1901 relating to the contract of association or, where applicable, by the local civil code applicable to the departments of Bas-Rhin, Haut-Rhin and Moselle;

2° By commercial companies which, under the terms of their articles of association, meet some conditions (see information below on the “commercial companies” for more details on the conditions).

Consult: <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000029313296/>

- **Cooperatives.**
 - <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000000684004/>
- **Mutuals.**
 - https://www.legifrance.gouv.fr/codes/article_lc/LEGIARTI000038589881/
- **Integration enterprises (wises).**
 - <https://travail-emploi.gouv.fr/emploi/insertion-activite-economique/article/entreprises-d-insertion-ei>
- **Social Enterprises.** This status does not exist in the French legal framework
 - <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000000684004/>
- **Associations.**
 - <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000029313296/>
- **Foundations.**
 - <https://www.culture.gouv.fr/Sites-thematiques/Mecenat/Fondations-et-fonds-de-dotation/Les-fondations>
- **Charities and trusts:**
 - Trusts as institutions do not exist under French law. However, French case law recognises the validity of trusts set up abroad and the effects that those trusts may have in France provided that they respect the laws in effect in the country in which they were created and they do not infringe the mandatory rules of French law (eg, forced heirship). Auferil, S. (2019, 9 janvier). Private trusts, foundations and charities in France. Lexology. <https://www.lexology.com/library/detail.aspx?g=a7448418-556d-4af9-87a6-3bc486e0c5f5>

- **Others.**

- **Commercial companies under some conditions:**

According to the 2014 law, commercial enterprises are considered part of the social and solidarity economy if and only if:

- a) They comply with the conditions set out in I of this article ;
 - b) They seek to be socially useful within the meaning of Article 2 of this law ;
 - c) They apply the following management principles
 - the deduction of a fraction defined by order of the minister in charge of the social and solidarity economy and at least equal to 20% of the profits for the financial year, allocated to the constitution of a mandatory statutory reserve, known as the "development fund", as long as the total amount of the various reserves does not reach a fraction, defined by order of the minister in charge of the social and solidarity economy, of the amount of the share capital. This fraction may not exceed the amount of the share capital. Profits are reduced, if necessary, by previous losses;
 - The deduction of a fraction defined by order of the Minister in charge of the social economy and solidarity and at least equal to 50% of the profits for the financial year, allocated to retained earnings and mandatory reserves. Profits are reduced, if necessary, by previous losses;
 - The prohibition for the company to amortise the capital and to proceed with a capital reduction not motivated by losses, except when this operation ensures the continuity of its activity, under conditions provided for by decree. The repurchase of its shares is subject to compliance with the requirements applicable to commercial companies, including those set out in Article L. 225-209-2 of the Commercial Code.

Question 1.2. • Does your legal environment includes specific legal frameworks (including court judgements, if applicable) to the entities indicated in question 1.1.? If yes, are they based on:

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract and Relevant documents

- **Cooperatives.**

- Specific statute:

There is a general law that incorporates specific rules for the different types of cooperatives. (Law 27/1999 of July 16, on Cooperatives - <https://www.boe.es/buscar/act.php?id=BOE-A-1999-15681>)

Also, it is important to mention the Law that regulates the European Cooperative Society in Spain (Law 3/2011, of 4th march) <https://www.boe.es/boe/dias/2011/03/08/pdfs/BOE-A-2011-4288.pdf>

- Sectoral scope:

There are specific regulations for cooperatives in the credit (Law 13/1989, of May 26, on Credit Cooperatives) and insurance sectors (Law 20/2015, of June 14, on the Regulation, Supervision and Solvency of Insurance Entities).

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Every Region (except the Canary Islands) has adopted general laws of cooperatives. These laws include specific rules for some kinds of cooperatives. Furthermore, some Regional Governments have adopted specific regulations based on size (small cooperatives) or sectors (rural development cooperatives).

More information: <http://www.observatorioeconomiasocial.es/area-juridica-cooperativas.php?autonomico=1&PHPSESSID=053569bcec0b26a9c2e87861a3d7a59b>

• **Mutuals.**

- Specific statute:

Royal Decree 1430/2002, 27th December, Regulation on Mutual Provident Societies
<https://www.boe.es/buscar/act.php?id=BOE-A-2003-1050>

- Sectoral scope:

Law 20/2015, of June 14, on the Regulation, Supervision and Solvency of Insurance Entities.
<https://www.boe.es/buscar/act.php?id=BOE-A-2015-7897>

- Is there a comprehensive and unique legal framework for Mutuals or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Some Regional Governments have adopted specific rules for the Mutual Provident Societies. More information:

<http://www.observatorioeconomiasocial.es/area-juridica-mutuas-mutualidades.php?autonomico=1&PHPSESSID=053569bcec0b26a9c2e87861a3d7a59b>

• **Integration enterprises (wises).**

- Specific statute:

Law 44/2007, of 13th December, on regulation of social integration enterprises
<https://www.boe.es/buscar/act.php?id=BOE-A-2007-21492>

- Is there a comprehensive and unique legal framework for Integration enterprises (wises) or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Some Regional Governments have adopted specific rules for integration enterprises:

<http://www.observatorioeconomiasocial.es/area-juridica-empresas-sociales.php?autonomico=1&PHPSESSID=053569bcec0b26a9c2e87861a3d7a59b>

- **Associations.**

- Specific statute:

Law 1/2002, of 22nd March, to regulate the Right of Association.

<https://www.boe.es/buscar/act.php?id=BOE-A-2002-5852>

- Sectoral scope.

Royal Decree 1740/2003, of 19th December, on the specific procedures of association of public interest.

<https://www.boe.es/buscar/act.php?id=BOE-A-2004-615>

- Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Some Regional Governments have adopted specific rules for associations:

<http://www.observatorioeconomiasocial.es/area-juridica-asociaciones-fundaciones.php?autonomico=1&PHPSESSID=053569bcec0b26a9c2e87861a3d7a59b>

- **Foundations.**

- Specific statute:

Law 50/2002, of 26th December, on Foundations

<https://www.boe.es/buscar/act.php?id=BOE-A-2002-25180>

- Is there a comprehensive and unique legal framework for Foundations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Some Regional Governments have adopted specific rules for Foundations:

<http://www.observatorioeconomiasocial.es/area-juridica-asociaciones-fundaciones.php?autonomico=1&PHPSESSID=053569bcec0b26a9c2e87861a3d7a59b>

- **Others.**

- **Centros Especiales de Empleo de iniciativa social (Special employment centers of social initiative)**

General Law of the rights of people with disabilities and their social inclusion (Royal Legislative Decree 1/2013, y Regulations (RD 2273/1985 y RD 1368/1985) (articles 43-45)

<https://www.boe.es/buscar/act.php?id=BOE-A-2013-12632>

- **Sociedades Laborales** (Labor societies; similar to workers' cooperatives)

Law 44/2015, of 14th October, on labor companies and companies owned by their workers

<https://www.boe.es/buscar/act.php?id=BOE-A-2015-11071>

- **Cofradías de pescadores (Fishermen's guild:** public corporation with private economic activity, similar to fishing cooperatives)

Law 3/2001, of 26th March, on state maritime fishing

<https://www.boe.es/buscar/act.php?id=BOE-A-2001-6008>

- **Sociedad Agraria de Transformación (Agrarian Transformation Societies: similar to agricultural cooperative**

Royal Decree 1776/1981, of 3rd August, about the Statutes of the Agrarian Transformation Societies.

<https://www.boe.es/buscar/act.php?id=BOE-A-1981-18431>

Ministry of Labour and Social Policies – Italy

Abstract and Relevant documents

- **Cooperatives.**

- Specific statute and sectorial scope.

Social cooperatives have to comply with the cooperative legal form and specific provisions concerning the sectorial field of activity or the modalities of operation (social cooperatives for work integration).

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

The rules on organisational structures are regulated by the civil code; special rules (law 381/1991) regulate the sectors of activity or the operational modalities to qualify as social cooperatives as well as public controls (legislative decree 220/2002). Sub-national provisions may regulate specific aspects in addition to the state regulations (as regards the possibility of operating in partnership).

- **Mutuals.**

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Mutual benefit societies are regulated by Law No 3818/1886 and partly by the Third Sector Code. For controls, the rules for cooperatives apply (Legislative Decree 220/2002).

- **Integration enterprises (wises).**

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Perhaps type B social cooperatives and social enterprises operating under Article 2 paragraph 4 of Legislative Decree 112/2017 respond to this typology. Please refer to the provisions provided for each type of entity.

- **Social Enterprises.**

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

The legal framework consists of Legislative Decree No. 112/2017, the Third Sector Code, in a supplementary way, as well as, for what is not provided for by these provisions, the Civil Code applies (for instance, in what concern the specific corporate structure of the entity). Legislative Decree 112/2017 provides some exceptions for social enterprises in cooperative form other than social cooperatives.

- **Associations.**

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

The Third Sector Code lays down specific provisions for organisational structures of associations (e.g. the way in which bodies are set up, the need for a democratic structure). The activities are those provided for by the Code for all third sector organisations (except for social enterprises, where the activities are slightly different) and must be carried out exclusively or predominantly. Each body can decide which activities to carry out among those provided for. For some types of third sector associations the Code provides for more specific provisions (e.g. social promotion associations, voluntary associations, etc.).

- **Foundations.**

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

For foundations, in addition to the activities, which must be included among those of general interest, the purposes and general characteristics, the Code provides for specific rules (e.g. an internal control body must always be provided for). In the absence of provisions in the Code, the Civil Code applies.

- **Charities and Trusts.**

- Specific statute and sectorial scope.

The Third Sector Code lays down specific rules on the legal form and activities, as well as on transparency rules for philanthropic bodies. The activities are those of charity and support to disadvantaged persons or activities of general interest.

Employment and Social Development Canada & the Canadian CED Network

Abstract

- **Cooperatives.**

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

A comprehensive and unique legal framework for cooperatives. Canada Cooperatives Act <https://laws-lois.justice.gc.ca/eng/acts/c-1.7/index.html>

- **Mutuals:**

- Sectoral scope.

Insurance companies and the specific statute.

- Is there a comprehensive and unique legal framework for Mutuals or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

A comprehensive and unique legal framework for Mutual Benefit Societies as part of the Insurance Companies Act. Insurance Companies Act <https://laws-lois.justice.gc.ca/eng/acts/i-11.8/page-78.html>

- **Associations:**

- Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

A comprehensive and unique legal framework for associations. Canada Not-for-profit Corporations Act <https://laws-lois.justice.gc.ca/eng/acts/c-7.75/>

- **Foundations**

- Sectoral Scope.

Foundations must first incorporate as a non-profit organization federally or provincially. Then, they apply for charitable status as a foundation from the federal government.

- Is there a comprehensive and unique legal framework for Foundations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Kind of. There is a legal framework for federal non-profits, as well as legal frameworks in each province for provincial non-profits. Once they are incorporated under one of those legal frameworks, they apply to become a registered charity under the federal Income Tax Act. Foundations are a subset of registered charities. Canada Income Tax Act <https://laws-lois.justice.gc.ca/eng/acts/i-3.3/>

- **Charities and trusts:**

- Sectoral Scope: Charities must first incorporate as a non-profit organization federally or provincially. Then, they apply for charitable status from the federal government.
- Is there a comprehensive and unique legal framework for Charities and trusts or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?
- Kind of. There is a legal framework for federal non-profits, as well as legal frameworks in each province for provincial non-profits. Once they are incorporated under one of those legal frameworks, they apply to become a registered charity under the federal Income Tax Act. Canada Income Tax Act <https://laws-lois.justice.gc.ca/eng/acts/i-3.3/>

Ministry of Economy - Brazil - National Strategy of Impact Investing and Social Business - ENIMPACTO

Abstract

- **Social Enterprises.**

- Is there a comprehensive and unique legal framework for Social Enterprises or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There is no specific legislation for social business in Brazil

- **Others.**

- **Impact Business.**

- o Specific statute: Decree Nº 9,97.7/19 created Enimpact and Impact Businesses.

Impact Businesses can be organized in different legal formats, including companies, social businesses, cooperatives and civil society organizations

Catalonia Region

Abstract and Relevant documents

- **Cooperatives.**

- Specific statute: Law 12/2015 of 9 July on Catalan cooperatives
- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Unique legal framework for cooperatives

- **Mutuals.**

- Specific statute: Law 10/2003 of 13 June on Catalan social security mutual societies

- **Integration enterprises (wises).**

- Specific statute: Law 27/2002, of 20 December, on legislative measures to regulate Catalan socio-labor insertion companies

Instituto Nacional de la Economía Social - Mexico

Abstract

- **Others.**

- Specific statute.

Please find here the Agrarian Law:

http://www.diputados.gob.mx/LeyesBiblio/pdf/13_250618.pdf

- Is there a comprehensive and unique legal framework for those entities or organisations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

It is a comprehensive and unique legal framework for “ejidos” and “communities”. It includes a prosecutor's office and courts with competence on them.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract and Relevant documents

- **Cooperatives.**

- Specific statute and sectoral scope

General Law on Cooperative Societies (Ley General de Sociedades Cooperativas)

http://www.diputados.gob.mx/LeyesBiblio/pdf/143_190118.pdf

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Both, because the General Law on Cooperative Societies covers the 3 aforementioned in precedent questions, but savings and loans are also regulated and must be aligned with the laws and regulations of the National Banking and Securities Commission.

- **Mutuals.**

- Specific statute.

National Insurance and Bonding Commission

<https://www.gob.mx/cnsf>

- Is there a comprehensive and unique legal framework for Mutuals or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

The National Insurance and Bonding Commission is the regulator of insurers but not the institution.

- **Social Enterprises.**

- Is there a comprehensive and unique legal framework for Social Enterprises or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There is no specific legal framework but the Social Economy Law mentions and recognises them even though it does not give legal personality to “social enterprises”.

Brussels-Capital Region

Abstract and Relevant documents

- **Cooperatives.**

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Yes. The Code of Companies and Associations of 23 March 2019 regulates the Cooperative Society and the European Cooperative Society.

- **Integration enterprises (wises).**

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Yes. The regional “Legislative act on the accreditation and support of social enterprises (23 July 2018)” integration enterprise" means the approved social enterprise which develops a specific integration programme.

- **Social Enterprises.**

- Is there a comprehensive and unique legal framework for Social Enterprises or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Yes. The regional “Legislative act on the accreditation and support of social enterprises (23 July 2018)” “social enterprise” means legal persons governed by public and private law which, pursuant to Chapter 2, comply with the following principles:

- (a) The implementation of an economic project;
- (b) The pursuit of a social purpose;
- (c) The exercise of democratic governance

- **Associations.**

- Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Yes. The Code of Companies and Associations of 23 March 2019 regulates the associations

- **Foundations.**

- Is there a comprehensive and unique legal framework for Foundations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Yes. The Code of Companies and Associations of 23 March 2019 regulates the Foundations. A foundation is a legal person without members, constituted [1 by a legal act]1 by one or more persons, referred to as founders. Its assets are used for the pursuit of a disinterested aim in the exercise of one or more specific activities which constitute its object. It may not distribute or procure, directly or indirectly, any financial advantage to its founders, directors or any other person, except for the disinterested purpose determined by the articles of first class. Any operation violating this prohibition is null and void.

Korea Social Enterprise Promotion Agency

Abstract

Yes, they are based on the specific statute in separately. We compiled a summary table. Please consult to this file [“Key Facts about Social Economy Enterprises”](#).

- **Cooperatives.**

- Specific statute: Please consult the file [“Framework act on Cooperatives”](#).
- The sectoral scope (social, economic or environmental objectives, for instance)
"In present, the proposed The Social Economy Basic Law includes following this cooperatives: Agricultural Cooperative, Fisheries Cooperative, Forestry Cooperative, Credit Union, Community Credit Cooperative, consumer cooperatives, SME cooperatives, Tobacco Growers Organization.
- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There are several legal frameworks ruling these entities according to their sectoral activities.

- **Social Enterprises.**

- Is there a comprehensive and unique legal framework for Social Enterprises or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There is a comprehensive and unique legal framework for social enterprise. Please, find here the "[Social Enterprise Promotion Act](#)".

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract and Relevant documents

- **Cooperatives.**

- The specific status of all cooperatives is governed by the law of 10 September 1947. http://recma.org/sites/default/files/307_010028.pdf
- Sectoral scope: In France, a legal framework also governs cooperatives according to their sectoral scope : https://coop14.fr/wpcontent/uploads/2020/05/Synthese_comparaison_statut.pdf

There is not one single legal framework that governs. A general framework has been put in place governing these structures, but specific frameworks have also been established a posteriori

- **Mutuals.**

- Specific statute: Code de la Mutualité : <http://www.legifrance.gouv.fr/affichCode.do?cidTexte=LEGITEXT000006074067>

A single legal framework lists the types of mutuals (that can be seen on the above mentioned link).

- Is there a comprehensive and unique legal framework for Mutuals or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

One single legal framework for mutuals does exist.

- **Integration enterprises (wises).**

- Specific statute. Any structure, be it a company, an association or a cooperative, which wants to be entitled to the status of "structure d'insertion par l'activité économique" must sign an agreement with the State. This agreement, thus created, gives rise to a specific status.

- Is there a comprehensive and unique legal framework for Integration enterprises (wises) or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

The structures for integration through economic activity are governed by different legal frameworks:

- La loi n° 98-657 du 29 juillet 1998
- Les décrets n° 99-106, 99-107 et 99-108 du 18 février 1999
- La circulaire DGEFP n° 99-17 du 26 mars 1999
- Le décret n° 2002-1469 du 17 décembre 2002
- La circulaire DGEFP/DGAS n° 2003-24 du 3 octobre 2003
- L'instruction DGEFP 13 août 2008
- La circulaire DGEFP n° 2008-21 du 10 décembre 2008
- Le décret n° 2009-340 du 27 mars 2009
- L'instruction DGEFP du 8 février 2011
- L'instruction DGEFP n° 2014-2 du 5 février 2014
- Le décret n° 2014-197 du 21 février 2014
- L'arrêté du 28 février 2017"

- **Associations.**

- <https://www.legifrance.gouv.fr/loda/id/JORFTEXT000000497458/>
- Specific statute: French Law of 1901 (which defines the overall legal framework of all associations)
- Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

The French Law of 1901 is set up as a unique legal framework for associations.

- **Foundations.**

- <https://www.legifrance.gouv.fr/loda/id/LEGITEXT000006069014/>
- Specific statute: In France, a specific statute does govern foundations, by Law No. 87-571 of 23 July 1987 on the development of patronage.
- Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

The French Law 87-571 is set up as a unique legal framework for foundations.

- **Others.**

- **Commercial companies.** These commercial enterprises are governed by the 2014 law, but do not have a specific status and instead have a set of criteria to meet.

Question 1.3. Could you inform if any of the entities that you mention in question 1.2 are necessarily or usually constituted as capital companies (public company or private company)?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Yes. Integration enterprises, Special employment centers and Labor societies.

Ministry of Labour and Social Policies – Italy

Abstract

Only social enterprises can be established (also) in the form of corporations. However, they cannot be of public nature.

Employment and Social Development Canada & the Canadian CED Network

Abstract

Others: Multi-stakeholder cooperatives (coopératives de solidarité) exist in some provinces (Alberta, Manitoba, Ontario, Québec) but these are a subset of cooperatives.

Catalonia Region

Abstract

It is necessary in the case of cooperatives to set up a company with a minimum capital of € 3,000

Instituto Nacional de la Economía Social - Mexico

Abstract

The participation of members (vote) in cooperatives and social solidarity societies is not linked to their contribution to the share capital. “Ejidos” and “comunidades” bring together a group of people that have received a plot of land to inhabit and produce, without the need to make any kind of contribution.

In the case of mutual societies and insurance funds, the members make a contribution to the share capital, although the vote of each member is a function of that contribution.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

Yes, they are usually incorporated as capital companies because they require a share capital to be registered in accordance with the law. And they are not public.

Brussels-Capital Region

Abstract

No

Korea Social Enterprise Promotion Agency

Abstract

No. In case of Social enterprise, Corporation is being included within the range (scope) and each cooperative or federation of cooperatives shall be a legal entity.

Article 8 (Requirements and Procedures for Certification of Social Enterprises)

(1) Any entity that intends to obtain certification as a social enterprise shall meet all of the following requirements:

① That it shall assume the form of an organization prescribed by Presidential Decree, such as a corporation or association as defined in the Civil Act, a company or limited partnership as defined in the Commercial Act, a corporation established under any Special Act, or a non-profit, non-governmental organization

Article 4 (Legal Personality and Domicile)

(1) Each cooperative or federation of cooperatives shall be a legal entity.

(2) Each social cooperative or federation of social cooperatives shall be a legal entity.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

Cooperatives are capital companies.

Question 1.4. About the scope. Which scope-oriented organisations benefit from a specific legal framework?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Work insertion social enterprises

Social cooperatives

Welfare organisations

Fair trade organisations

Environmental sustainability

Catalonia Region

Abstract

Work insertion social enterprises

Instituto Nacional de la Economía Social - Mexico

Abstract

Social cooperatives: They do not exist in Mexico; only the general term “cooperative societies” is applied. See answer to question 1.1.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

Social cooperatives. Only “cooperatives” are the ones I identify. The others proposed in the guiding questions are not recognized as such.

Brussels-Capital Region

Abstract

Work insertion social enterprises: Yes “Legislative act on the accreditation and support of social enterprises (23 July 2018)” integration enterprise” means the approved social enterprise which develops a specific integration programme

Social cooperatives: Yes. The Code of Companies and Associations of 23 March 2019 regulates the Cooperative Society and the European Cooperative Society

Korea Social Enterprise Promotion Agency

Abstract

Village company, Self-sufficiency company

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

None

ISSUE 2 - "ABOUT THE FEATURES"

Question 2.1 • Which are the common features associated to the COOPERATIVES in terms of:

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

- **Governance:** Democratic management and control by the user members of both the general meeting and the board of directors.
- **Distribution of benefits:** Returnable surplus to cooperative members and also part of the benefits. Distribution of benefits in proportion to the participation of the members in the cooperative activity. It is possible to pay interest on contributed capital if there are benefits.
- **Fiscal treatment:** Special fiscal regime for cooperatives (Law 20/1990) and double level of protection: 1st level for all cooperatives, 2nd level for cooperatives especially protected due to the status of their members (workers, consumers, farmers), lower economic capacity of the members and more mutuality (fewer operations with third parties). The results obtained from the activity with members are taxed (20%), although to a lesser extent than profits (25%).
- **Financial treatment (specific support):** Cooperatives can:
 - Accept investor members called “asociados” or “socios colaboradores”.
 - Issue bonds, participatory securities and special participations (subordinated debt), among others.
 - Access to third-party financing, including crowdfunding.

Cooperatives classified as non-profit may have access to special public funding.

- **Partnership with public authorities:** Public entities can be members of cooperatives and can hold a weighted voting right but not control of the cooperative. Co-operatives and public entities can enter into agreements; for instance, the transfer of public land for social housing or community energy cooperatives; services concession contracts or the constitution of joint ventures, among others.

Cooperatives classified as non-profit may have easier access to collaborate with the Administration, especially through agreements. In public procurement, some public contracts to provide social, cultural and health services may be reserved for organisations that reinvest their profits or distribute them according to participation criteria and that are owned by their employees or users, which favours worker and user cooperatives (Law 9/2017).

- **Social audit requirements; measurable social responsibility obligations:** Some cooperatives produce social responsibility reports, social impact reports and social balance sheets (or social audits) but they are not mandatory. There is no a common system in place to certificate such reports and information. Some cooperatives, as all other companies, are required by their size and number of employees (more than 500) to submit a statement on non-financial information and diversity. Those data are certified by an independent entity (Law 11/2018 of 28 December).

- **Compliance with cooperative principles:** The legislation is inspired by the cooperative principles that should guide the interpretation of the law and the conduct of cooperatives. However, there is no mechanism for monitoring compliance with them, beyond the loss of tax specific treatment in some cases, or, in extreme cases of non-compliance, the disqualification of the cooperative by the competent authority.
- **Autonomy from other companies and public administrations:** In order to avoid the control of the cooperative, law limits the maximum participation of one member in the cooperative, whether it is a public or private entity, but the existence of joint business groups is frequent.
- **Others:** Free access and exit of the members. Open doors

Employment and Social Development Canada & the Canadian CED Network

Abstract

- **Governance:**
 - a. Membership in the cooperative is open, in a non-discriminatory manner, to persons who can use the services of the cooperative and who are willing and able to accept the responsibilities of membership
 - b. Each member or delegate has only one vote;
 - c. No member or delegate may vote by proxy;
- **Distribution of benefits**
 - a. surplus funds arising from the cooperative's operations are used
 - b. to develop its business,
 - c. to provide or improve common services to members,
 - d. to provide for reserves or the payment of interest on member loans or dividends on membership shares and investment shares,
 - e. for community welfare or the propagation of cooperative enterprises, or
 - f. as a distribution among its members as a patronage return"

Catalonia Region

Abstract

- **Governance**
- **Distribution of benefits** Limited distribution of profits, 30% will provide two mandatory funds
- **Compliance with cooperative principles**
- **Others**

Abstract

- **Governance:** According to the General Law on Cooperative Societies in force, the highest authority of the cooperative is the general assembly. Each member has one vote and they elect the members of the two social bodies: the Board of Directors and the Supervisory Board. The law does not specify the method of election. This is why it cannot be guaranteed that in all cases the election of the social bodies will be by personal, direct and secret ballot.

The current law does not consider the existence of a sole administrator or general manager in charge of the collective management of the cooperative; however, the Law does state that savings and loan cooperatives must have a director or general manager.
- **Distribution of benefits:** The General Law of Cooperative Societies in force states that one of the principles for its operation is the "Distribution of income in proportion to the members' participation"; however, the Law does not specify any mechanism to implement this principle.
- **Fiscal treatment:** As far as income taxation is concerned, producer cooperatives are treated in the same way as any other company. Saving and loan cooperatives are exempt from that tax. Consumer cooperatives are also exempt only if sales to third parties do not exceed 5% of their total sales. In matters of excise and other taxes, the treatment is the same as for any company. The link to the Income Tax Law (see Title III) is provided here:
http://www.diputados.gob.mx/LeyesBiblio/pdf/LISR_230421.pdf
- **Financial treatment (specific support):** In this respect, there is specific characteristic. A “Banco de Fomento Cooperativo” (public bank for the promotion of cooperatives) was active until the 1990s, when the period of closure of parastatal entities began.
- **Partnership with public authorities:** The General Law on Cooperative Societies in force states that state-owned cooperatives may be established when the public authorities grant a concession or the administration of public goods or services to such a society; however, to date, no such cooperative societies have been established.
- **Social audit requirements; measurable social responsibility obligations:** This is not a common practice and this is not included in the current General Law on Cooperative Societies.
- **Compliance with cooperative principles:** There is no formal mechanism to verify compliance with the cooperative principles.
- **Autonomy from other companies and public administrations:** It is possible that a significant part of cooperatives lacked autonomy from public power during a dominant party political system lasted until the mid-1990s. The national government implemented various subsidy or cash transfer programmes from then until 2018. They focused on several economic sectors where cooperatives were used - to some extent – to apply some kind of political control. The consolidation of political alternation mitigated those effects. In our opinion, we can affirm that there are no mechanisms that undermine the autonomy of cooperatives at the present moment.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

- **Governance:** The General Assembly is the highest authority. Its resolutions are binding on all members - present, absent or dissident - provided that the resolutions have been passed in accordance with the Law and their internal regulations. Resolutions on the matters referred in the Law must be passed by a majority of votes at the General Assembly. The internal regulations may stipulate the matters to be adopted by a qualified majority. Any qualified member has the opportunity to belong to the administrative and supervisory bodies within the co-operative.
- **Distribution of benefits:** The annual returns reported in the balance sheets of the producers' cooperative societies shall be distributed according to the work contributed by each member during the year, taking into account that the work can be evaluated on the basis of the following criteria: quality, time and technical levels.
- **Fiscal treatment:** Cooperatives of production have the option to calculate their income tax - in accordance with the Regime for Business and Professional Activities. They must calculate the income tax for the year, without the need to submit provisional payments. They defer the total annual tax until the tax year in which they distribute their taxable profit to their members. Consumer cooperatives and savings and loan cooperatives are exempt from paying income tax; they will only withhold and pay the amounts payable by third parties.
- **Financial treatment (specific support):** This issue focuses on:
 - (From an internal point of view) the members themselves can create specific funds to financially support the cooperative
 - (From an external point of view): cooperative can benefit from existing support measures. However, they depend on the policy and programmes in force promoting the cooperatives, as well as their access to some international support programmes.
- **Partnership with public authorities:** INAES and some public departments at national level (Secretaries of Welfare, Labour and Economy (hablando de nivel Estatal)). In some ways, the agencies are making some efforts to promote, strengthen and make cooperatives more visible.

Brussels-Capital Region

Abstract

- **Governance:** Yes (Cf. 1.1.)
- **Distribution of benefits:** Yes (Cf. 1.1.)
- **Fiscal treatment:** Yes, only for Cooperative societies approved for the National Council for Cooperation
- **Financial treatment (specific support):** Specific financial instruments (loans and equity participation in cooperative societies)

Korea Social Enterprise Promotion Agency

Abstract

- https://elaw.klri.re.kr/kor_service/lawView.do?hseq=44518&lang=ENG
- **Governance** Please refer to **Article 11-2 (Council for Cooperative Policy Deliberation)** of Framework act on cooperatives. The Council for Cooperative Policy Deliberation (hereinafter referred to as the "Council") shall be established under the jurisdiction of the Minister of Strategy and Finance to deliberate on principal matters concerning policies on cooperatives.
- **Distribution of benefits.** Please refer to **Article 51&98 (Compensation for Losses and Distribution of Surplus)** of Framework act on cooperatives.
 - **(Article 51)** (2) A cooperative may distribute a surplus to members, as stipulated by articles of association, after it appropriates the earnings for the compensation for the loss under paragraph (1) and sets aside the legal reserve and voluntary reserves under Article 50.
 - (3) When a cooperative distributes a surplus pursuant to paragraph (2), the dividends of earnings from the use of the cooperative's business shall not be less than 50 percent of the total amount of dividends, but the dividends of paid-in contributions shall not exceed 10 percent of the paid-in contributions.
 - **(Article 95)** Each social cooperative shall set aside a surplus accruing after setting off a loss under paragraph (1) and setting aside the legal reserve under Article 97 for a voluntary reserve, but shall not distribute the surplus to members.
- **Fiscal treatment.** Please refer to Article **50&97 (Legal Reserves and Voluntary Reserves)** of Framework act on cooperatives.
 - **(Article 50)** When a cooperative has a surplus after the settlement of accounts for a fiscal year, it shall set aside not less than 10 percent of the surplus (hereinafter referred to as "legal reserve") until the amount reaches three times the total amount of contributions paid as at the end of the relevant fiscal year.
 - **(Article 97)** When a social cooperative has a surplus after the settlement of accounts for a fiscal year, it shall set aside not less than 30 percent of the surplus for the legal reserve until the amount reaches three times the total amount of contributions paid as at the end of the relevant fiscal year
- **Financial treatment (specific support):** Please refer to Article **10-2&10-3 (Management Support&Educational and Training Support)** of Framework act on cooperatives.
 - **(Article 10-2)** The Minister of Strategy and Finance may provide support, such as providing expert consultation and information in the fields of management, technology, tax affairs, labor affairs, accounting, etc., necessary for the establishment and operation of cooperatives, etc. and social cooperatives, etc.

- **(Article 10-3)** The Minister of Strategy and Finance may conduct education and training for the fostering of professional human resources, the improvement of ability of the members of a cooperative, etc. necessary for the establishment and operation of a cooperative, etc. and a social cooperative, etc.
- **Partnership with public authorities:** Please refer to Article 8 & 10 (**Cooperation with other Cooperatives or Federations and Cooperation by Central Government and Public Organizations**) of Framework act on cooperatives.
 - (Article 8). Each cooperative, federation of cooperatives, social cooperative, or federation of social cooperatives shall endeavor to cooperate reciprocally with other cooperatives, cooperatives under other Acts, foreign cooperatives, and related international organizations, promote mutual understanding with them, and develop joint projects
 - **(Article 10)** The central government and public organizations shall hear opinions from cooperatives, federations of cooperatives, social cooperatives, and federations of social cooperatives, and shall endeavor to have their opinions reflected.
- **Autonomy from other companies and public administrations:** Please refer to Article 10 (**Cooperation by Central Government and Public Organizations**) of Framework act on cooperatives.
 - **(Article 10):** The central government or a public organization shall not encroach the autonomy of a cooperative, federation of cooperatives, social cooperative, or federation of social cooperatives

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

- **Governance:** a democratic governance: law of 1947
- **Distribution of benefits:** The surpluses of the cooperative shall be set aside as a priority to ensure its development and that of its members, subject to Article 16. " : law of 1947 (Art. 1)
- **Fiscal treatment:** Cooperative companies are subject to corporation tax, but benefit from an exemption from corporation tax (IS) for profits distributed to employees as employee participation. SCOPs are also exempt from the territorial economic contribution and certain provisions exist to encourage the transformation of an existing company into a SCOP. For example, craft and agricultural cooperatives are exempt from corporation tax if they are transformed into SCOPs.
- **Financial treatment (specific support):** Local and regional authorities may grant subsidies to cooperative societies of collective interest with a view to participating in their development under conditions laid down by decree of the Council of State." : law of 1947 (Art. 19)

- **Partnership with public authorities:** The audit of cooperative societies and their unions was introduced by the law of July 31, 2014 on the social and solidarity economy. It completes the law of September 10, 1947 on the status of cooperation by inserting in particular article 25-1 providing that: "Cooperative companies and their unions whose activity exceeds a certain size, assessed on the basis of thresholds set by decree in the Council of State, shall submit every five years to an audit, known as a "cooperative audit", intended to verify the compliance of their organization and operation with the principles and rules of cooperation and the interest of members, as well as with the specific cooperative rules applicable to them, and, if necessary, to propose corrective measures. Cooperative societies of collective interest: Local authorities, their groupings and territorial public establishments may together hold up to 50% of the capital of each cooperative society of collective interest.
- **Compliance with cooperative principles:** The democratic characteristic of the cooperative's governance may involve that if it enters into agreements with other organisations, including public authorities, or raises capital from external sources, it does so on terms that ensure democratic leadership by its members and maintain its cooperative autonomy. PLUS : SCIC (Société coopérative d'intérêt collectif) which is composed of a college which may be entirely made up of communities.

Question 2.2 • Which are the specific features associated to the MUTUALS in terms of:

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

- **Governance:** Democratic management. Each member has one vote and holds control of the social bodies.
- **Distribution of benefits:** Distribution of returns (positive result of activity with mutualists) and rebates (negative result) in proportion to their participation (according to the statutes). It is also possible to charge interest on contributions to capital or mutual funds.
- **Fiscal treatment:** Specific tax treatment
- **Financial treatment (specific support):** Capital investors called “protective partners” usually participate in the mutual provident societies. It is common for the protective partner to be the owner of the company in which the mutualists work.
- **Partnership with public authorities:** The mutual accident insurance companies collaborate with the Public Social Security scheme. The mutual provident societies provide voluntary insurance as a complement to the compulsory Social Security system, so they collaborate in many management aspects. The social security of all civil servants in the administration, justice, education, health, etc., is managed by a public mutual insurance company (MUFACE).

- **Others.** Free access and exit of the members. Open doors, except for those mutuals based on obligatory membership (such as MUFACE or mutual accident insurance companies) which are therefore not considered to be part of the social economy.

Employment and Social Development Canada & the Canadian CED Network

Abstract

- **Governance:** For the purpose of section 554, a member of a society's group is any of the following:
 - (a) a subsidiary of the society;
 - (b) an entity in which the society has a substantial investment; or
 - (c) a prescribed entity in relation to the society.
- **Fiscal treatment**
 - (5) A society shall not engage in Canada in any financial leasing of personal property.

542.03

(1) Only a society that is authorized to insure risks within the class of life insurance may

(a) issue policies where the liabilities of the society in respect of the policies vary in amount depending on the market value of a fund consisting of a specified group of assets; or

(b) accept or retain, on the direction of a policyholder or beneficiary, policy dividends or bonuses or policy proceeds that are payable on the surrender or maturity of the policy or on the death of the person whose life is insured, where the liabilities of the society in respect of the amounts accepted or retained vary in amount depending on the market value of a fund consisting of a specified group of assets.

(2) A society that issues policies described in paragraph (1)(a) or accepts or retains amounts described in paragraph (1)(b) shall

(a) maintain separate accounts in respect of those policies or amounts; and

(b) establish and maintain one or more funds consisting of assets that are segregated from the other assets of the society and that are specified as the assets on the market value of which the liabilities of the society in respect of those policies or amounts depend.

(3) For the purpose of establishing or maintaining a segregated fund required by subsection (2), a society may, subject to the regulations, transfer an amount to the separate account maintained in respect of the segregated fund.

(4) A society may return the current value of an amount transferred under subsection (3) to the account from which the amount was transferred.

(5) A claim against a segregated fund maintained under subsection (2) under a policy, or for an amount in respect of which the fund is maintained, has priority over any other claim against the assets of that fund, including the claims referred to in section 161 of the Winding-up and Restructuring Act, except to the extent that the payment of that other claim is secured by a security interest in or on a specific, identifiable asset of the segregated fund.

(6) The liability of a society under a policy or for an amount in respect of which a segregated fund is maintained under subsection (2) does not, except to the extent that the assets of the fund are insufficient to satisfy a claim for any minimum amount that the society agrees to pay under the policy or in respect of the amount, give rise to a claim against any assets of the society, other than the assets of that fund.

(7) To the extent that the assets of the fund are insufficient to satisfy the liability of a society under a policy or for an amount in respect of which a segregated fund is maintained under subsection (2), that liability gives rise to a claim against the assets of the society, other than the assets of that fund, and that claim has the priority referred to in subsection 161(2) of the Winding-up and Restructuring Act.

Instituto Nacional de la Economía Social - Mexico

Abstract

There is only legislation adopted by sub-national governments. In order to answer this question, we will take the Law of Mutual Societies of the Federal District (now Mexico City) as an example.

- **Governance:** According to the Law of Mutual Societies of the Federal District in force, the highest authority is the general assembly. Each member can hold different number of votes (except in mutual societies that protect life. Each member has only one vote). The General Assembly elects the members of two social bodies: the Board of Directors and the Supervisory Board. The law does not specify the method of election of those bodies so it cannot be guaranteed that their election will be by personal, direct and secret vote in all cases. The current law states that the Board of Directors may appoint one or more directors for the management of the entity.
- **Distribution of benefits:** According to the current Federal District Mutual Societies Law, the mutual must operate in such a way that its activities do not produce profit for the entity or its members.
- **Fiscal treatment:** They are exempt from income tax; however, the tax treatment is the same as any other company for the consumption taxes and the rest of taxes.
- **Financial treatment (specific support):** No specificities are applied.
- **Partnership with public authorities:** The current Federal District Mutual Societies Act does not provide for any kind of association with the public authorities.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

- **Governance:** the governance bodies supervise and control the management of the enterprise. Oversight will not only depend on an internal body but also on external mechanisms and is based on the principles of fairness, honesty and transparency.
- **Distribution of benefits:** The principles of action in favour the society in general are applied: primacy of the person, freedom of membership, responsibility, independence and efficient management.
- **Fiscal treatment:** Contributions are considered as deductible, returns are considered as deductible.
- **Financial treatment (specific support):** They are financed by savings and periodic contributions (membership fees) by members. They are also financed by the income derived from the remuneration for certain services.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

- **Governance:** Mutuels operate on the democratic principle of equality between members: "one member, one vote". They are run by volunteers elected from within their ranks.
- **Distribution of benefits:** In order to function, any company - even a non-profit one - must allocate resources to its management. The service and operating costs of mutuels:
 - are used solely for the social protection of members: mutuels have no shareholders to remunerate and do not make a profit;
 - include costs related to the provision of services such as the management of third-party payment, the animation of democratic life, prevention and health education.

Question 2.3 • Which are the specific features associated to the INTEGRATION ENTERPRISES in terms of:

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

- **Governance:** They can adopt the form of a cooperative, a labor society or any other commercial company, but its corporate bodies are controlled by public or non-profit organisations. Cooperatives and labor societies may have the maximum allowed but not up to 50%.

- **Distribution of benefits:** They must allocate 80% of their benefits to the improvement or expansion of their productive and insertion structures. They can distribute 20% of their profits among their partners (most of which will be non-profit organisations).
- **Fiscal treatment:** There is no particular tax treatment, at least at national level. This treatment depends on those applied to cooperatives or commercial companies adopted by the integration enterprises.
- **Financial treatment:** There are several public measures to support the social purpose of the integration enterprises. These public aids are directed to complement the salaries of workers in social insertion processes and the support staff hired to adapt and monitor the vulnerable people.
- **Partnership with public authorities:** Integration enterprises may be incorporated and owned by public entities, or even controlled if the integration enterprise is a commercial company. They have a favourable treatment in public procurement. The law states that a minimum percentage of the right to participate in the procedures for awarding certain contracts or certain lots will be set out for Integration enterprises (Law 9/2017).

Question 2.3 • Which are the specific features associated to the SOCIAL ENTERPRISES in terms of:

Ministry of Labour and Social Policies – Italy

Abstract

- **Governance:** They cannot be set up by a single natural person, public administrations or profit-making enterprises. They must ensure the involvement of workers and users in the management.
- **Distribution of benefits:** If in corporate form, they can distribute limited profits (up to 50% after deducting losses from previous years).
- **Tax treatment:** Measures to support capital investment through tax deductions/deductions on taxable income and facilities for investors are foreseen.

Brussels-Capital Region

Abstract

- **Governance:** Yes (Cf. 1.1.)
- **Distribution of benefits:** Yes (Cf. 1.1.)
- **Fiscal treatment:** No
- **Financial treatment (specific support):** Calls for specific projects and specific financial instruments (loans and equity participation in cooperative societies)
- **Partnership with public authorities:** Public procurement with social clauses

Korea Social Enterprise Promotion Agency

Abstract

- **Distribution of benefits** Please refer to Article 8 of Social Enterprise Promotion Act (Article 8 : Requirements and Procedures for Certification of Social Enterprises)

That it shall use at least 2/3 of profits for social objectives, where it generates distributable profits for each fiscal year (applicable only to companies or limited partnerships as defined in the Commercial Act"

- **Fiscal treatment** Please refer to Article 9 of Social Enterprise Promotion Act
 - Article 9 (Articles of Incorporation, etc.)
Matters concerning dissolution and liquidation (if it is a company or limited partnership as defined in the Commercial Act and has distributable residual property, provisions stipulating that at least 2/3 of such distributable residual property is to be donated to another social enterprise, public fund, etc. shall be included"
- **Financial treatment** (specific support) Please refer to Article 10~14 of Social Enterprise Promotion Act
 - **Article 10:**Support for Business Management, Education and Training
The Minister of Employment and Labor may provide various support to a social enterprise, such as professional consultation and supply of information on the fields of business management, technology, taxation, labor relations, and accounting as necessary for the establishment and operation of the social enterprise. The Minister of Employment and Labor may provide education and training for nurturing specialized personnel necessary to establish and operate social enterprises and to enhance the abilities of employees of social enterprises.
 - **Article 11:** Subsidization of Facility Costs, etc.
The State and a local government may subsidize or finance land purchasing costs, facility costs, etc. as necessary for the establishment or operation of a social enterprise, or lend or permit the use of State or public property or articles.
 - **Article 12:** Preferential Purchases by Public Institutions.
The head of each public institution as defined in subparagraph 2 of Article 2 of the Act on Facilitation of Purchase of Small and Medium Enterprise-Manufactured Products and Support for Development of their Markets (hereinafter referred to as ""head of each public institution""') shall encourage preferential purchases of goods or services produced or provided by social enterprises (hereinafter referred to as ""social enterprise-produced products""').
 - **Article 13:** Tax Reduction or Exemption and Subsidization of Social Insurance Premiums
The State and local governments may grant reduction of or exemption from national or local taxes to social enterprises, as provided in the Corporate Tax Act, the Restriction of Special Taxation Act, and the Restriction of Special Local Taxation Act.

- **Article 14 : Financial Support to Social Enterprises Providing Social Services.**
The Minister of Employment and Labor may provide financial support to social enterprises providing social services within budgetary limits, for personnel expenses, operating expenses, advisory fees, and other expenses incurred in operating such social enterprises by means of an open invitation and screening."

Question 2.4 • Which are the specific features associated to the ASSOCIATIONS in terms of:

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

- **Governance:** Democratic management: the members of the association control all the bodies and each member has one vote.
- **Distribution of benefits:** The associations, if they obtain benefits, cannot distribute them among the associates.
- **Fiscal treatment:** Double level: General regime: partial exemption from some taxes. Special regime (Law 49/2002) very beneficial for public utility associations (general interest purposes).
- **Financial treatment (specific support):** Easier access to public funding due to their general interest purposes and non-profit nature. There are tax incentives to private funding (Donations) with deductions (35-40%) in the personal income taxes and the corporate taxes, only in favour of associations of public utility or recognised as development cooperation associations, and their federations.
- **Partnership with public authorities:** The collaboration with the Public Authorities for the provision of social services is promoted especially through agreements in the areas such as education, health, social services, etc. (Law 9/2017)

Ministry of Labour and Social Policies – Italy

Abstract

- **Governance:** democratic structure, equality of members, elective positions, representing all or the majority of the members, depending on the specific position held.
- **Distribution of benefits:** Prohibition of direct and indirect distribution of profits. obligation to devolve assets, non-transferability of membership fees.
- **Fiscal treatment:** The various types benefit from forms of tax relief. The most relevant ones concern voluntary associations, social promotion associations and in some cases philanthropic bodies.

- **Financial treatment (specific support)** : For some types (APS - Advocacy and social promotion associations and NPO), possibility of public contributions for special projects of general interest.
- **Partnership with public authorities:** All third sector bodies are involved in the planning and design of public interventions and must be consulted by public administrations. APS and NPO can enter into agreements with public administrations to carry out activities in the public interest. In these cases, they can only receive reimbursement of expenses incurred. In these cases, the administration may not use procurement rules.

Employment and Social Development Canada & the Canadian CED Network

Abstract

- **Governance:**
 - 124 Subject to this Act, the articles and any unanimous member agreement, the directors shall manage or supervise the management of the activities and affairs of a corporation.
 - 125 A corporation shall have one or more directors, but a soliciting corporation shall not have fewer than three directors, at least two of whom are not officers or employees of the corporation or its affiliates.
 - 126 (2) Unless the by-laws otherwise provide, a director of a corporation is not required to be a member of the corporation.
 - 152 (1) Unless the articles, the by-laws or a unanimous member agreement otherwise provides, the directors may, by resolution, make, amend or repeal any by-laws that regulate the activities or affairs of the corporation, except in respect of matters referred to in subsection 197(1).
 - 154 (5) Unless the articles otherwise provide, each member is entitled to one vote at a meeting of members.
- **Distribution of benefits**
 - 34 (1) Subject to subsection (2), no part of a corporation's profits or of its property or accretions to the value of the property may be distributed, directly or indirectly, to a member, a director or an officer of the corporation except in furtherance of its activities or as otherwise permitted by this Act.
- **Fiscal treatment**
 - 172 (1) The directors of a corporation shall place before the members at every annual meeting
 - (a) prescribed comparative financial statements that conform to any prescribed requirements and relate separately to
 - (i) the period that began on the date the corporation came into existence and ended not more than six months before the annual meeting or, if the corporation has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting, and
 - (ii) the immediately preceding financial year;

(b) the report of the public accountant, if any; and

(c) any further information respecting the financial position of the corporation and the results of its operations required by the articles, the by-laws or any unanimous member agreement.

- **Financial treatment (specific support):** Some federal funding programs are directed specifically at non-profits.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

- **Governance:** Law of 1901
- **Distribution of benefits:** Article 1 law 1901 "Association is the agreement by which two or more persons permanently pool their knowledge or their activity for a purpose other than sharing profits. = Non-profit purpose.
- **Partnership with public authorities:** Law of 1901 for associations allows public authorities to give financial aid to associations.

Question 2.5 • Which are the specific features associated to the FOUNDATIONS in terms of:

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

- **Governance:** The management of foundations is controlled by the board of trustees and there is an administrative control by the public Authorities (the “Protectorate”). There is no democratic management because foundations have no members.
- **Distribution of benefits:** Cannot distribute profits at any time
- **Fiscal treatment:** There is a special tax regime (Law 49/2002) very favorable. The law presumes the general interest purposes in any case.
- **Financial treatment:** There are measures to facilitate access to public funding in view of their general interest purposes and non-profit nature. General reductions can be applied to private funding donations with tax benefits (35-40%) in the personal income taxes and the corporate taxes.
- **Partnership with public authorities:** The collaboration with the Public Authorities for the provision of social services is promoted especially through agreements in the areas such as education, health, social services, etc. (Law 9/2017).

Ministry of Labour and Social Policies – Italy

Abstract

- **Governance:** Third-sector foundations have fewer constraints in terms of organisational structures but must necessarily have an internal control body.
- **Economic treatment:** third sector foundations may receive public grants for carrying out projects of general interest

Employment and Social Development Canada & the Canadian CED Network

Abstract

- **Distribution of benefits:** (2) The articles of a corporation shall provide that any property remaining on liquidation after the discharge of any liabilities of the corporation, other than property referred to in section 234, shall be distributed to one or more qualified donees, within the meaning of subsection 248(1) of the Income Tax Act.
- **Fiscal treatment:** Must submit annual financial statements to the federal government.
- **Financial treatment (specific support) :** Enjoy tax benefits, such as the ability to issue tax receipts for charitable donations.

Question 2.6 • Which are the specific features associated to CHARITIES AND TRUSTS in terms of:

Employment and Social Development Canada & the Canadian CED Network

Abstract

- **Distribution of benefits:** The articles of a corporation shall provide that any property remaining on liquidation after the discharge of any liabilities of the corporation, other than property referred to in section 234, shall be distributed to one or more qualified donees, within the meaning of subsection 248(1) of the Income Tax Act.
- **Fiscal treatment:** Must submit annual financial statements to the federal government
- **Financial treatment (specific support):** Enjoy tax benefits, such as the ability to issue tax receipts for charitable donations.

Question 2.7 • Which are the specific features associated to OTHER ENTITIES you mentioned in question 1.1. (Please, elaborate for each one the entities to want to mention) in terms of:

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Special employment centers

- **Governance:** There is no specific governance method since a special employment center of social initiative can be a public or private and profit or non-profit organization. The commercial activities of the center focus on the social objective rather than on the maximisation of profits. This fundamental characteristic distinguish special employment center of social initiative from the rest of special employment center of business initiative and has a critical impact on their production and management methods.
- **Distribution of benefits:** Special Employment Centers of social initiative must reinvest their profits in improving their activity or creating jobs for people with disabilities.
- **Fiscal treatment:** It depends on the legal form, but there is no specific tax treatment for the special employment centers of social initiative.
- **Financial treatment:** There are several public measures to support the social purpose of the centers. Theses public aids supplement the salaries of workers with disabilities or the support staff hired by the special employment centers of social initiative to monitor and support the workers with disabilities.
- **Partnership with public authorities:** Special employment centers of social initiative can be constituted and participated by public entities - even controlled. In addition, those centers can benefit from a favourable treatment in some public procurement processes. The law states that minimum percentages of reservation of the right to participate in the procedures for awarding certain contracts or certain lots will be established for the Special employment centers of social initiative (Law 9/2017).

Labor society (sociedades laborales)

- **Governance:** The control of the society is in the hands of the working members. None of them may hold more than one third of the share capital, except: a) if there are only two partners, in which case each member may hold a maximum of 50%; b) if the partner is a public entity, a non-profit organization or a social economy entity, in which case it may exceed this limit without reaching 50%. These limits prevent one member from controlling the society and it means that the power (votes) must to be shared among the members.
- **Distribution of benefits:** Together with the legal reserve, these societies must set up a special reserve fund of 10% of their profits to cover losses and to encourage the acquisition of capital by their workers. In other respects, profits can be distributed in proportion to the capital contributed by each member as they are commercial companies, but, being worker-members, they tend to

remunerate the work (salary) rather than the capital (dividends), so that in practice there are no major differences in the capital contributions of the various worker-members.

- **Fiscal treatment:** 99% rebate on taxes on capital transfers for the acquisition of assets and rights derived from the company from which the majority of the worker-members of the labor society are coming (Law 44/2015, art. 17).
- **Financial treatment:** Investor members can be members of the labor society but worker members must control the majority of the share capital.
- **Partnership with public authorities:** Public entities may be members of the labor societies. They can hold voting rights up to 49% of the total. In public procurement, certain contracts for social, cultural and health services may be reserved for organisations that reinvest their profits or distribute them according to participation criteria and that are employee-owned companies, such as the labor societies (Law 9/2017, DA 48th).

Fishermen's guilds

- **Governance:** Democratic management; each member has one vote and the fishermen control the governing bodies of the Fishermen's guild.
- **Distribution of benefits:** The Law classifies the fishermen's guilds as non-profit entities that provide services to their members and to sell their production in the best conditions for the fishermen.
- **Fiscal treatment:** In reply to a consultation to the Spanish Tax Agency (AEAT) of 1/01/2017 on the tax regime of fishermen's guilds, a distinction is made between their activities as a public corporation- which is partially exempt from corporation income tax - and their economic activities with members and third parties, which is subject of the general regime.
- **Financial treatment:** There several public aids to favour the fishermen's guilds, especially through the Operational Programme for Spain of the European Maritime and Fisheries Fund (2014-2020, running until 2023).
- **Partnership with public authorities:** The fishermen's guilds are public corporations that necessary collaborate with the Public Administration, acting as consultative bodies regarding the management of the fishing sector.
- **Others:** Free acces and exit of the members. Open doors

Agrarian Transformation Societies

- **Governance:** The members of the agricultural processing societies (SAT) owners of agricultural holdings, agricultural workers or legal persons pursuing agricultural purposes. They are managed democratically; each member has one vote, but if the agreement to be adopted involves new financial obligations for members, the vote is proportional to its capital share. However, no shareholder may hold more than one third of the share capital, and legal entities, as a whole, may not hold more than 50% of the capital.

- **Distribution of benefits:** The members of the agricultural processing societies must participate in its economic activities and are entitled to share the profits obtained, in proportion to their share in the capital and in the activity of the society.
- **Fiscal treatment:** Tax exemption on legal acts for the incorporation and increase of capital, and 95% rebate in economic activities tax (Law 20/1990).
- **Financial treatment:** There are public support schemes for agricultural processing societies in areas such as agriculture, livestock, restructuring and modernisation of farms, access to new technologies and innovation, organic production, environment or rural development, such as the Ministry of Agriculture's Strategic Plan of subsidies for 2021-2023.

Instituto Nacional de la Economía Social - Mexico

Abstract

Please, find below information on Ejidos (E); Communities (“Comunities”), Sociedades de Solidaridad Social (“Social Solidarity Societies) and Fondos de Aseguramiento Agropecuario y Rural (“Agricultural and Rural Insurance Funds”).

Ejidos:

- **Governance:** According to the Agrarian Law, the highest authority is the general assembly, without specifying the “weight” of the votes of each member, even though it is implicit that each member has only one vote. The general assembly elects the members of two social bodies: the Ejidal Commissariat (Comisariado Ejidal) and the Vigilance Council (Consejo de Vigilancia); however, the Law only specifies that the vote will be secret, but it does not specify that it will be personal and direct. This is why it cannot be guaranteed that in all cases the election will be by personal and direct vote. The current law does not consider the existence of a single administrator or general director for the collective management of the entity.
- **Distribution of benefits:** According to the Agrarian Law, the general assembly can agree on the collective exploitation of the land. In this case the mechanisms for the equitable distribution of the benefits must be established, although the Law does not specify any mechanism for this purpose. If the exploitation is not collective, the benefits of each “ejidatario” (member) are not distributable.
- **Fiscal treatment:** There is specific income tax treatment applied but ejidos not exempt from this. The treatment is the same as any other company for the consumption tax and the rest of taxes.
- **Financial treatment (specific support):** No specific principle or characteristics.
- **Partnership with public authorities:** The national government tends to protect such entities, for instance through the specialised prosecutor's office for their protection, which is part of the national government.

Comunidades

- **Governance:** According to the Agrarian Law, the Communities have an assembly of communal landholders (“comuneros”) and a Commissariat of Communal Property (Comisariado de Bienes Comunes) as a representative and management body. It does not specify whether each communal landholder has one vote, nor does it specify the form of integration and election of the Commissariat.
- **Distribution of benefits:** No specific characteristics
- **Fiscal treatment:** The same applies as for ejidos.
- **Financial treatment** (specific support): No specific principle or characteristics.
- **Partnership with public authorities:** The same applies as for ejidos.

Sociedades de Solidaridad Social:

- **Governance:** According to the Law on Social Solidarity Societies, the highest authority can be a general assembly or an assembly of representatives in which each member cannot represent more than ten members. The Law does not specify the weight of the member’s vote at the general assembly, although it is implicit that each member holds only one vote and that members have the number of votes of those they represent in the occasion of an assembly of representatives. The general or representative assembly elects an Executive Committee, a Financial and Supervisory Committee and a Membership Admission Committee; however, it does not specify how the members of these committees are to be elected. The current law does not consider the existence of a sole administrator or general manager in charge of the collective management
- **Distribution of benefits:** According to the Law on Social Solidarity Societies, the articles of incorporation must establish how to use profits, losses and the creation of the social solidarity fund, ensuring that the profits are distributed equitably, although it does not establish any basic criteria.
- **Fiscal treatment:** No specific tax treatment. It applies the same as any other company.
- **Financial treatment** (specific support): No specific principle or characteristics.

Fondos de Aseguramiento Agropecuario y Rural (Agricultural and Rural Insurance Funds).

- **Governance:** According to the current Law on Agricultural and Rural Insurance Funds, the general assembly is the highest authority. Each member can hold a different number of votes. The general assembly elects a Board of Directors and a Supervisory Board; however, the law does not specify the election system. This is why it cannot be guaranteed that in all cases the election will be by secret, personal and direct vote. The fund must nominate a director or manager appointed by the board of directors.

- **Distribution of benefits:** According to the Law on Agricultural and Rural Insurance Funds in force, the general assembly must approve the programme for the application of the surplus. The Law states that a part must be allocated to the Special Contingency Reserve (25% - Reserva Especial de Contingencia), the Social Fund (70%) and the Protection Fund (5%).
- **Fiscal treatment:** They are exempt from income taxation, but they are treated in the same way as any other company in terms of consumption and other taxes.
- **Financial treatment** (specific support): No specific principle or characteristics.
- **Partnership with public authorities:** The law states that the national government may carry out actions to promote and support these insurance funds.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

- **Governance:** Democratic governance cf. article 1 II.2° - loi ESS 2014

- **Distribution of benefits:**

Commercial companies which, according to their articles of association, fulfil the following conditions

- a) They comply with the conditions laid down [in Article 1 of the 2014 law] ;
- b) They pursue a social purpose within the meaning of Article 2 of this law;art
- c) They apply certain management principles :
 - The majority of the profits are devoted to the objective of maintaining or developing the business of the company;
 - The compulsory reserves constituted, which cannot be shared, may not be distributed.

The articles may authorise the general meeting to incorporate into the capital sums taken from the reserves set up under this law and to increase the value of the shares accordingly or to make distributions of bonus shares

ISSUE 3 - "SPECIFIC LEGAL FRAMEWORKS"

Question 3.1 • Are the entities to which you refer in question 1.1 that exist in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level recognized by constitutive laws (Constitution, Constitutive Act, international regional treaties or agreements, etc.)? Does it implies a mandate to public authorities to develop such organisations and entities?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Yes

Ministry of Labour and Social Policies – Italy

Abstract

The Third Sector Code expressly refers to a number of articles of the Constitution: art. 2 (recognition by the State of the inviolable rights of persons as individuals and in the social formations in which they develop their personality; duty of all citizens to political, economic and social solidarity); art. 3 (equality of all citizens before the law without discrimination based on sex, ethnic, political or religious affiliation or personal and social conditions and the State's obligation to make this equality effective in order to allow the development of the human person and the participation of all in the life of the country); art. 18 (freedom of association), 118 last paragraph (duty of all levels of government to favour the autonomy of citizens who intend to carry out activities of general interest on the basis of the principle of subsidiarity).

Further constitutional provisions protect the social function of mutual and non-profit cooperation and the development of cooperatives, providing for controls to ensure compliance with their aims (Article 45). Religious bodies, and in particular those belonging to the Catholic religion, are protected by international agreements with the Vatican State: if they carry out activities related to the third sector, they can benefit from the facilitations provided for other secular bodies but do not have to comply with the provisions on governance (the Code only applies to the carrying out of activities and does not impose rules on internal arrangements). Also the Italian Red Cross, for its general interest activities governed by the Third Sector Code, enjoys a special status deriving from the relevant international agreements (it complies with the rules of the Third Sector with some exceptions provided for by the special laws regulating its order).

The Republic recognises the social function of co-operation of a mutual nature and without the aim of private speculation. The law promotes and encourages its growth by the most suitable means and ensures, through appropriate controls, its character and aims.

Employment and Social Development Canada

Abstract

No

Catalonia Region

Abstract

Yes

Instituto Nacional de la Economía Social - Mexico

Abstract

Only cooperatives, ejidos and communities are referred to in the eighth paragraph of Article 25 of the Political Constitution of the United Mexican States. Ejidos and communities are also expressly referred to in the second paragraph of Article 27 of the Constitution.

Link to the Constitution: http://www.diputados.gob.mx/LeyesBiblio/pdf/1_280521.pdf

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

The ones mentioned above. Mutuels and cooperatives are the ones that are recognised and it does involve any mandate.

Korea Social Enterprise Promotion Agency

Abstract

Yes- Please refer to answer of 1-2

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

They are not.

Question 3.1.1. (Following precedent question) If yes, is this the basis for the legal framework of the specific entities to which you refer in question 1.1. in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Yes

Catalonia Region

Abstract

Yes

Instituto Nacional de la Economía Social - Mexico

Abstract

The basis for all general laws, federal laws and sub-national government laws is the Political Constitution of the United Mexican States. Municipalities do not have legislative competences.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

Yes, the Social Economy is the legal framework for those entities.

Korea Social Enterprise Promotion Agency

Abstract

Yes. Please refer to answer of 1-2

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

The laws listed above are the basic general frameworks governing the characteristics of the entities listed.

Question 3.1.2. (Following question 3.1.) If not, how are public authorities empowered to adopt legal frameworks for entities to which you refer in question 1.1.?

Employment and Social Development Canada & the Canadian CED Network

Abstract

The Canadian Constitution empowers provinces to incorporate companies with provincial objects.

Question 3.2. • What are the main contribution and added value of the current legal framework to the development of those specific entities? Are there any room for improvement?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

It is in itself important the recognition of the entities and the provision of a legal framework that allows them to organise and function. There is room for improvement to provide more guarantees to members about their rights, obligations and responsibilities, and more guarantees about the solvency of the entities to third parties. In other cases, they do not have an appropriate tax status, both too much and too little.

Ministry of Labour and Social Policies – Italy

Abstract

The aforementioned constitutional provisions provide the interpretative criteria that should guide public administrations in the application of the rules.

Employment and Social Development Canada

Abstract

In general, Canada's laws allow for the necessary legal structures needed in the social economy.

Instituto Nacional de la Economía Social - Mexico

Abstract

Some legal improvements have been outlined. For the time being, INAES advised a group of deputies (the majority fraction) in the Chamber of Deputies of the Congress of the Union, to integrate an initiative that proposes two new laws and reforms to six others. This first legislative effort, if approved, would be an important step forward.

Please, consult this [document](#) for more information.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

Its greatest contribution is to jointly recognise them taking into account their essence and specific features, which identify them as a part of an ecosystem.

Brussels-Capital Region

Abstract

A legal definition ensures uniformity between different organizations. The legal framework makes it possible to define what is and is not allowed in these organizations. The legal framework allows, in a second step, recognition with possible financing. Sometimes, the legal framework can act as a brake because there are too many cumulative conditions to respect and little room for innovation.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

The added value of these legal frameworks lies in the flexibility they offer for the creation and organisation of these entities. The weak point is certainly the fragmentation between these different legal frameworks. The SSE law of 2014 has removed a certain number of obstacles (with modification of the respective laws) and has given a transversal framework to these different entities and clarified the common points, but without impact on the transversality of public policies. A complementary entry would perhaps be that of limited lucrativity.

Question 3.3. • Are there any international norm that National/Federal, Sub-Federal/Sub-National or Local/Municipal Authorities should take into account when legislating on the specific entities mentioned in your answer to questions 1.1.?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Yes. The European Union rules governing the free exercise of economic activity, respect of free competition, the prohibition of unfair conduct or public aid to companies. Also the rules governing economic sectors such as credit, insurance, etc. if acting in the market. In Spain, the legal norms adopted by the European institutions within their competences are applicable, mainly Treaties, Regulations or Directives, and international conventions that have been approved by the Spanish Government and ratified by the National Parliament. The latter are usually binding on the national Governments, but do not usually have direct effect on citizens.

Employment and Social Development Canada & the Canadian CED Network

Abstract: No

Instituto Nacional de la Economía Social - Mexico

Abstract

There is no international standard for national authorities to consider when legislating on the above-mentioned social economy entities. In terms of labour standards, Mexico is a party to international labour treaties and this is a factor when legislating on this issue.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

No. There is no International Law recognised by a Federal one. There is a level of attachment to international regulations. The local law recognises the Federal one.

Brussels-Capital Region

Abstract: Yes, in particular the European regulations on state aid.

ISSUE 4 - "PUBLIC DEPARTMENTS"

Question 4.1. • Is there a Public department in charge of policies for the whole social economy in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level or is it exclusively in charge for the promotion and regulation of each organisation you mention in question 1.1.? Is any link established with such public Department and the dedicated Ministry as the case may be, in charge of SDGs?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

The Ministry of Labour and Social Economy adopts common policies in favour of social economy as a whole that benefit the different legal entities under the social economy. It is also worth to mention that the Ministry also adopts specific measures for some social economy entities (in particular, cooperatives, labor societies and integration enterprises), manages the register of cooperatives and the administrative qualification of “Labor societies” and “integration enterprises” at national level in close coordination with the Regional Governments.

The regional Governments have also competence over the policies to foster social economy as a whole and they also dedicate measures to promote specific entities under the social economy.

Public Authorities (central government, regional and in many cases local authorities) develop and implement policies (i.e. strategies) in favor of the Social Economy based on their legislative powers in the area of social economy.

Also, it is important to mention that there are other public departments in charge of specific social economy entities in sectors such as financial (credit and insurance), agriculture and fishing, transport, housing or in the third sector of social action.

Ministry of Labour and Social Policies – Italy

Abstract

Competence is shared between various administrations at different levels of government. The administrations cooperate with each other to ensure a coordinated framework in public policies. Among the central administrations involved are the Ministry of Labour and Social Policy, the Ministry of Economic Development for cooperatives and for the promotion and support of enterprises (including social enterprises), the Ministry of Economy and the Revenue Agency for tax matters. At sub-state level, the competences of regions (and sometimes municipalities) are identified on a territorial basis. The regions have specific competences on the management of the single register of the third sector and on the financial support to third sector bodies, as well as on the planning and design of public social interventions in their territories.

Employment and Social Development Canada & the Canadian CED Network

Abstract

No

Catalonia Region

Abstract

Yes

Instituto Nacional de la Economía Social - Mexico

Abstract

The National Institute of Social Economy (INAES) was created by the National Government in 2013 (by provision of the Law of Social and Solidarity Economy enacted in 2012) under the Welfare Secretariat.

Some few States (at sub-national level) have an office oriented to the promotion of the social economy.

Furthermore, some national departments at national level promotes the cooperatives societies together with the INAES: secretaries of Communications and Transport; Agricultural, Territorial and Urban Development; and Labour and Social Welfare.

Most of the sub-national governments have an office for cooperative promotion.

On the other hand, only INAES (at national Government level) deals with mutuals; in the case of mutual insurance companies they are regulated by the National Insurance and Bonding Commission. There are registry offices in those States that have adopted a law on mutuals.

The Ministry of Agrarian, Territorial and Urban Development is in charge of ejidos and communities, through three bodies: the National Agrarian Registry; the Agrarian Prosecutor's Office; and the Agrarian Courts.

Sub-national governments do not have jurisdiction over ejidos and communities.

In the case of Social Solidarity Societies, INAES is the competent body although the law states that the Ministry of Agrarian, Territorial and Urban Development operates the the registration of these entities together with the Ministry of Labour and Social Welfare, which in fact no longer carries out such registrations.

The Agricultural and Rural Insurance Funds are under the competence of the National Insurance and Bonding Commission. The promotion actions of those entities are carried out by the Ministry of Agriculture and Rural Development.

With regard to the SDGs, there is no Secretariat responsible for the Agenda 2030. SDGs are promoted by an office that depends on the Presidency of the Republic. INAES collaborates with that office.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

INAES is in charge of this at Federal level, including the promotion of the sector.

At the national level, the Nodes (“nodos”) that are promoted by INAES itself could be an example or an attempt. I think we need to understand what we can do through this figure and perhaps give them visibility from the government level.

Brussels-Capital Region

Abstract

Yes. Brussels Economy and Employment – Brussels Regional Public Service of the Brussels Capital Region. The administration of the Ministry of employment

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

State Secretariat for the Social and Solidarity Economy, under the Ministry of Finance (Bercy), while the SDGs are carried by the Ministry of Ecological Transition.

Question 4.2. • Is this department established by the specific legal framework of those organisations in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

The creation of public departments in the Administration Structure are strongly linked with the importance of the Public authorities attach to social economy in coherence with the general mandate set out in the Spanish legal ecosystem of the Social Economy. The Spanish Law on Social Economy states that the public authorities, within the scope of their respective powers, will pursue the promotion of the Social Economy. This is also in line with the call of the Spanish Constitution of 1978 to promote the co-operative societies and to create the means to facilitate the access of workers to ownership of the means of production.

The institutional basic Statutes or Norms that regulate the Autonomous powers of the Regions (the so-called Autonomous Communities in Spain) also recognizes the importance of the social economy or some of the entities under the Social Economy.

Catalonia Region

Abstract: No

Instituto Nacional de la Economía Social - Mexico

Abstract: Yes

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

The Social and Solidarity Economy Law is the legal framework.

Brussels-Capital Region

Abstract

The regulation of 23 July 2018 defines Brussels Economy and Employment of the Brussels Regional Public Service as the competent administration.

Korea Social Enterprise Promotion Agency

Abstract

Additionally, there is establishment article of Korea Social Enterprise Promotion Agency in the Social Enterprise Promotion Act. KoSEA was established in December 2010 with the mission of developing flourishing ecosystems for the social economy in Republic of Korea under Article 20 of the Social Enterprise Promotion Act. Its roles and responsibilities pertain to a wide scope of activities related to promoting Social Economy Enterprises (SEEs). Pursuant to Article 116 of the Framework Act on Cooperatives and Article 32.2 of the Enforcement Decree to the same Act, KoSEA also supports the self-sufficiency and sustainability of cooperatives by providing training, marketing support, and other services necessary to strengthen their management.

Article 20 (Establishment, etc. of the Korea Social Enterprise Promotion Agency)

(1) The Minister of Employment and Labor shall establish a Korea Social Enterprise Promotion Agency (hereinafter referred to as ""Promotion Agency"") to efficiently perform duties to foster and promote social enterprises.

Article 32 (Enforcement Decree of the Reamework act on Cooperatives Article 32(Entrustment of Authority)

Please refer to the file ["Scope of SE defined by individual legislations"](#) for more details.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

Neither. The establishment of these departments is a matter for the government.

ISSUE 5 - "REGISTRY AND OTHER MEANS OF FORMAL IDENTIFICATION"

Question 5.1. • Is it necessary to be officially registered to formally recognize the entities you refer in question 1.1. in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level? Is this registry created by the specific legal framework of those entities or must they be registered in the general register of companies?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

There is no common register for the whole social economy entities.

Each Regional Government manages its own register of cooperatives. All these registers are connected and coordinated with the Ministry of Labour and Social Economy that compiles at national level all the information from regional registers of cooperatives.

On the other hand, some legal forms under the Spanish social economy must be first registered in the general register of commercial companies. This is the case of the labor societies. They are capital enterprises that must get an administrative qualification to be recognized as labor societies.

Spanish integration enterprises and special employment centers must follow a similar process. Integration enterprises and special employment centers can be created under the form of a capital company, among others. In this case the integration enterprise and the special employment centers, they have first to be registered in the registry that corresponds to their legal form (commercial company or and afterwards to get the administrative qualification as such issued by the Regional Government where they are located.

At the national level there a register for associations and another for foundations. Some regional governments also have registers for associations and foundations. Regional governments also manage the register for agricultural processing companies (Sociedades agrarias de transformación).

Ministry of Labour and Social Policies – Italy

Abstract

Yes, in order to qualify as a third sector body, it will be necessary to be registered in the single national register of the third sector. From the registration derives the possibility to access the benefits provided. The Register is provided for by Legislative Decree No. 117/2017 and is regulated in a homogeneous manner. It is in the process of being implemented, while at the state and regional level there are special registers in place that are to be merged into the Single Register. Social enterprises, social cooperatives and mutual aid societies are registered in the Register of Enterprises in a special section; additional special obligations are provided for social cooperatives.

Employment and Social Development Canada & the Canadian CED Network

Abstract

There is a federal registry for cooperatives and for registered charities (including foundations).

Catalonia Region

Abstract

Yes. Specific registers

Instituto Nacional de la Economía Social - Mexico

Abstract

In the case of cooperatives, they were registered (between the 1930s and 1990s) by the National Cooperative Registry. This registry was eliminated in 1994.

Since then, they have been registered in the “public registry of commerce” (registry of commercial companies) under the control and responsibility of the national government, but it operates in coordination with the sub-national governments.

Register of Ejidos and communities are managed by the National Agrarian Registry (which is under the responsibility of the national government).

Registers of mutuels are managed by sub-national governments that adopted an specific law on mutual societies. In addition they must be registered in the public register of commerce (already mentioned).

Social Solidarity Societies engaged in primary activities are controlled by the Ministry of Agrarian, Territorial and Urban Development and they registered by the National Agrarian Registry, while those engaged in other activities must be registered by the Ministry of Labour and Social Welfare. However, it is not operational.

Finally, agricultural and rural insurance funds are registered with the National Insurance and Bonding Commission, which authorises their operation, but they are also registered in the public register of commerce.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

Registration is necessary to be formally recognised. Registration (at Federal level) is carried out by INEGI but it does distinguish any category.

Brussels-Capital Region

Abstract

No. A company can be a cooperative society without having a licence as a social enterprise. An association ditto.

Korea Social Enterprise Promotion Agency

Abstract

Please, consult here the [“Certification Process Social Economy Organizations”](#)

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

For associations: Article 5 of the Law of 1901, declaration and registration in the Official Journal.

1st question: yes - 2nd question: no

Question 5.2. • Must these entities comply with any other qualification or certification to be recognized?.2•Do initiatives have a specific thematic focus? How and on which basis has it been defined?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

See precedent answer to question 5.1. for integration enterprises, labor societies and especial employment centers.

Employment and Social Development Canada & the Canadian CED Network

Abstract

No - just be incorporated/registered under the relevant legislation.

Catalonia Region

Abstract

Not yet

Instituto Nacional de la Economía Social - Mexico

Abstract

No at the present moment.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

No

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

No

Question 5.3. • Do the specific registries/qualification/certification for the entities you mention in your answer to question 1.1. provide a concrete benefit beyond the capacity to legally operate? If yes, which one/s?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Administrative qualification of integration enterprises and especial employment centers allow those enterprises to have access to tax benefits and to other public aid, as well as to reserved contracts launched by Public Authorities in their public procurement processes to hire specific services or products in order to provide a positive social impact.

Ministry of Labour and Social Policies – Italy

Abstract

Tax benefits and access to public grants; in some cases it allows agreements with local authorities. Private individuals who invest in Third Sector organisations or make donations also benefit from tax advantages. This encourages investment and donations.

Employment and Social Development Canada & the Canadian CED Network

Abstract

Registered charities (including foundations) can issue tax receipts for donations received and may claim a rebate on federal sales tax.

Catalonia Region

Abstract

Not yet

Instituto Nacional de la Economía Social - Mexico

Abstract

INAES considers that it would desirable to adopt a certification that guarantees that social economy entities act in accordance with their values and principles. Such certification should be a condition for access to benefits established by the different government policies. This is not currently the case.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

Not applicable because there are no certifications or qualifications.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

These registers give these structures legal capacity.

ISSUE 6 - "REPRESENTATION AND CONSULTATION"

Question 6.1. • Does the specific legal framework recognize the capacity of entities you mention in question 1.1. to establish their own representative organizations? Does the legal framework recognize those organisations as partner or interlocutor of the public authorities to develop policies or initiatives regarding the entities in the social economy? Or if there is another piece of legislation that facilitates and recognize that role?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Social Economy entities have created their own representative organisations– at national, regional and local level - in accordance with other regulations governing the right of association.

For instance, CEPES brings together 29 members, most of them representative organisations of different legal forms of social economy at national level:

- The national representative organization of worker cooperatives (COCETA).
- The National Union of Housing Cooperatives (CONCOVI)
- The Union representing the Spanish consumer cooperatives (HISPACOOOP)
- The national confederation of Agro-alimentary Cooperatives
- The national entity acting as the voice of the health cooperatives (Fundación Espriú)
- National Federation of Fishermen's Guilds
- National Union of Maritime Cooperatives (UNACOMAR)
- The national organization representing labor societies (LABORPAR)
- The Spanish Confederation of Mutual Societies (CNEPS)
- The National Federation of Business Associations representing integration enterprises (FAEDEI)
- Spanish Federation of the associations representing the especial employment centers (FEACEM)
- The national organization representing entities (mostly special employment centers and associations) engaged in the provision of care, support, education, training and employment of people with disabilities (AEDIS).
- The national network of Alternative Economy and Solidarity Economy (REAS)

Those entities have all their capacity to contact any Public Departments or other organisations to defend their interest. CEPES (as umbrella organization) represents the common interest of all its members and does not interfere in the activities carried out by its members in their capacity to promote the specificities of the entities that they represent.

Just to mention that some other members of CEPES are regional organisations representing the whole social economy in some regions (Andalucía, Aragón, Galicia and Navarra) and the cooperatives in Catalonia, Madrid and Valencia regions. Those organisations play a key role at regional level as interlocutor of their associates in front of the Regional Authorities.

Ministry of Labour and Social Policies – Italy

Abstract

The Code provides for a National Council of the Third Sector to be consulted for the adoption of particular measures and provides the criteria for identifying the representative organisations that may appoint its members. At national and territorial level, the law provides for the possibility for third sector bodies, including through their representations, to take part in the planning and design of public interventions.

However, the establishment of representative organisations is not provided for by law but by the constitution itself and is free. The representative organisations are consulted as social partners by the national government.

Employment and Social Development Canada & the Canadian CED Network

Abstract

No

Catalonia Region

Abstract

Yes

Instituto Nacional de la Economía Social - Mexico

Abstract

Freedom of association is a right recognized by the Constitution. However, the long period of the dominant party political regime promoted privileges that are still observed in the current laws.

In the case of cooperatives, the law states that they may be grouped into unions, federations and confederations. These must be integrated into the Higher Council of Cooperatives. The Law devotes an entire title to regulating their forms of representation. There specific mention for savings and loan cooperatives that they may only be grouped into federations, which may only be integrated into a confederation.

No provision on this is made for mutuals.

In the case of ejidos and communities, the law stipulates that they may create unions, rural associations of collective interest and any type of commercial or civil society.

The Agrarian Law does not promote privileges by the fact that “corporatism” was strong when the National Peasant Confederation was created by presidential decree in the 1930s. This Confederation grouped the great majority of the agricultural producers.

In the case of the Social Solidarity Societies, the law established that they could organise themselves into national Federations, which in turn could jointly create the National Confederation of Social Solidarity Societies.

Finally, the law establishes mechanisms of association of the Agricultural Insurance Funds. The Law calls them “integration bodies”, which are local, subnational and national. They provide technical advisory services and monitoring operations to the insurance funds; legal representation; constituting and administering a Protection Fund and the Common Risk Retention Funds, which make up the Protection System.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

No. The legal framework does not promote the autonomy and creation of representative bodies of cooperatives or mutual. The legal framework does not promote the participation of these actors in the policy making process.

Brussels-Capital Region

Abstract

No.

Korea Social Enterprise Promotion Agency

Abstract

Yes. The legal framework recognizes those organisations as partner or interlocutor of the public authorities to develop policies or initiatives regarding the entities in the social economy.

Please refer to Article 71 (Reporting on Establishment, etc.) of Framework act on cooperatives

Please refer to Article 114 (Authorization for Establishment, etc.) of Framework act on cooperative.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

Self-organisation of structures to set up representative organisations (heads of networks, federations, etc.), some of which have been recognised by the 2014 law: CRESS + ESS France (territorial and national representation).

Question 6.2 • To what extent do initiatives based on legal frameworks of those entities seek to widen cooperation with and work on those entities to other policy departments and policy-levels (including municipalities, other public bodies etc.). Which instruments are proposed?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

The different entities in the social economy benefits from the policies directed to promote the whole social economy. This implies not only the policies under the competence of the Ministry of Labour and Social Economy but also those adopted by other ministerial departments in charge of policies related to the development of entrepreneurship, social affairs, implementation of the Agenda 2030 (SDGs) or territorial cohesion among many others.

Employment and Social Development Canada & the Canadian CED Network

Abstract

They don't

Catalonia Region

Abstract

The Generalitat (Catalan Government) recognizes the importance of the social economy and, in particular, of cooperatives and the cooperative movement for the economic and social development of Catalonia. Therefore, in compliance with the provisions of articles 124 and 45.5 of the Statute of Autonomy of Catalonia, it must stimulate the initiatives of the social economy by adopting measures that favor the forms of participation in the company, the access from workers to the means of production and social and territorial cohesion.

2. The Generalitat, through the department responsible for cooperatives, must promote the activity carried out by cooperatives with measures that favor job creation; business collaboration and the internationalization of cooperatives and that strengthen the ways of financing these companies.

3. The Generalitat, within the scope of its powers, may promote the application of favorable tax incentives to cooperatives and the elaboration of rules that facilitate the constitution and operation of cooperative societies, especially when the activities have a social function and of general interest.

4. The departments of the Generalitat, within the scope of their competences, must adopt the appropriate measures to promote cooperativism and the social economy, especially at all levels of education, introducing the subject in the educational plans and in publicly owned media or receiving some form of public support.5. The Generalitat must promote the necessary mechanisms and adopt the necessary regulatory provisions to promote, in viable projects, the continuity of business activity through the cooperative formula or other formulas of the social economy, in the event of retirement or cessation of activity by the employer and in the case of companies in difficulty to continue the activity.

6. Public administrations must promote public-private cooperation with social economy entities in various fields, including innovation, management of public facilities and services, community actions, economic promotion, participation. Citizenship, social housing, insurance, personal and business finance, education, health, social services and public health.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

These legal frameworks do not provide for cooperation between the above-mentioned structures and public authorities of any kind (unlike the 2014 SSE law which defines subsidy, the logic of co-construction of public policies, etc).

ISSUE 7 - "RESSOURCES"

Question 7.1. • Is the specific legal framework endowed with consistent budget and resources? Where do they come from?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

On the basis of the general mandate of the Public administrations to foster social economy (as mandated by the Spanish Law of social economy) and in line with the national Strategy of Social Economy, the Ministry of Labour and Social Economy launches several programmes and initiatives (for instance an annual call for grants) that benefit all social economy entities. Some initiatives inside those programmes are directed to support some specific social economy entities.

Ministry of Labour and Social Policies – Italy

Abstract

The Code of the Third Sector provides for specific resources each year to finance projects and initiatives whose implementation is entrusted to certain types of third sector bodies. A part of these resources is transferred every year to the Regions for the financing of local actions. (Articles 72 and 73 of the Code). Further resources are provided by other administrations (Fund for investments in the social economy of the Ministry of Economic Development, for social enterprises and social cooperatives; finally, other administrations or regions can finance specific interventions of a sectoral or territorial nature

Employment and Social Development Canada & the Canadian CED Network

Abstract

No

Catalonia Region

Abstract

No, the budget and resources come from the general budgets of the Catalan government. Mainly from the budget of the Catalan government and there are also funds that come from the Spanish government

Instituto Nacional de la Economía Social - Mexico

Abstract

The budget has its own regulatory framework.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

The Law mentions: Programmes will operate with public resources allocated in the Federal Expenditure Budget, as well as with the resources derived from the agreements established with the Federal Entities and Municipalities. It is a decision of the Federal, State and Local governments to allocate resources.

Brussels-Capital Region

Abstract

Specifically for WISEs, yes. The Brussels-Capital Region has specific budgets to cover the costs of supervising workers in the target group.

Korea Social Enterprise Promotion Agency

Abstract

"Please consult the ["Government support for social enterprises in 2021 at a glance"](#)

" ① Cooperatives (Ministry of Economy and Finance)

- (Purpose) Advancing a balanced growth of national economy and social integration through the activities of cooperatives owned by its members (users).
- (Legal basis) Framework Act on Cooperatives (2012).
- (Eligibility) Cooperatives, social cooperatives and federations established in accordance with the law.
- (Benefits) While there is no direct support (in terms of finance and tax), individual government agencies may offer benefits*.

* (ex.) If a (social) cooperative is certified as social enterprise or village company, applicable benefits are offered.

② Social enterprises (Ministry of Employment and Labor)

- (Purpose) Enhancing the quality of life of community residents by providing vulnerable social groups with social services or job opportunities or by contributing to communities.
- (Legal basis) Social Enterprise Promotion Act (2007)
- (Eligibility) Company that pursues social objectives while conducting business activities.
- (Benefits) Vulnerable population employment cost, business development cost, support for public procurement.

③ Village company (Ministry of Interior and Safety)

- (Purpose) Solving common regional problems through profit projects using various local resources and realizing the interests of the local community through income and job creation.
- (Legal basis) Special Act on Promotion of and Support for Urban Regeneration (2013).

- (Eligibility) Company established by regional community (at least 5 persons) through joint investment.
- (Benefits) Business cost, support for education and consulting.

④ Self-sufficiency company (Ministry of Health and Welfare)

- (Purpose) Assisting economic self-sufficiency (self-reliance) of and creating jobs for low-income vulnerable residents.
- (Legal basis) National Basic Living Security Act (Article 18).
- (Eligibility) Company run by two or more welfare recipients or near-poverty residents, more than a third of which is comprised of national basic livelihood security or other welfare recipients and near-poverty residents (more than a fifth must be welfare recipients).
- (Benefits) Initial establishment cost, manpower cost, self-sufficiency fund."

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

No

Question 7.2 • Does the legal framework include specific support programmes to ease the access of organisations that you mention in question 1.1. to financial instruments in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level? in case there is an overall legal framework in your National/Federal, Sub-Federal/Su-National or Local/Municipal area, how is elaborated? Who takes the initiative inside the Public Administration to draft those frameworks according to your experience? Is there any formal or information consultation process with social economy representative organisations?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Even though the Spanish Law 5/2011 on Social Economy and the specific legal framework of social economy does not elaborate on the specific instruments to access to financial instruments, the general ecosystem for social economy based on the Spanish Law 5/2011 has increased the relevance of social economy in key instruments such as the General State Budgets. The budget heading for social economy of the Spanish General State Budgets have increased by 39% in 2021.

The funds jointly earmarked by the National Government and the “Autonomous Communities” to social economy were 60 M€ in 2020.

Employment and Social Development Canada & the Canadian CED Network

Abstract: No

Catalonia Region

Abstract

No, it includes the generic obligation to promote cooperatives

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

There is no specific support. If they are not adopted by the legal framework, they cannot be eligible for public support as part of public policy strategies.

Brussels-Capital Region

Abstract

Yes. The regulations of 23 July 2018 provide that the Government shall put in place mechanisms to support social enterprises, including:

- (1) an annual call for projects for innovative projects ;
- (2) adapted financing products (loans and equity investments);
- (3) support measures for the creation, growth or scaling up of social enterprises or project leaders of such enterprises ;
- (4) measures to promote the economic models of social enterprises

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

No

ISSUE 8 - "SPECIFIC STRATEGIES AND LINKAGES TO OTHER PROGRAMMES/POLICIES"

Question 8.1 • Do the specific legal frameworks mandate public authorities to implement strategies to foster the organisations or entities that you mention in question 1.1.?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

The Spanish Law on social economy gives a general mandate to promote the whole social economy as a task of general interest. This mandate benefits the different entities under the social economy.

Employment and Social Development Canada & the Canadian CED Network

Abstract

No

Catalonia Region

Abstract

Reference to the answer question 6.2

Instituto Nacional de la Economía Social - Mexico

Abstract

Yes

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

Legal framework does not include them, although it would be worth exploring how legal frameworks could support social economy entities at all three levels.

Brussels-Capital Region

Abstract

No

Korea Social Enterprise Promotion Agency

Abstract

Yes

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

No

Question 8.2. If so, what kind of strategies have been put in place to promote those entities? Are these strategies directed to promote these organisations in some particular economic or social sectors or are they directed to promote their enterprise or organisational models? Which are their main objectives? which extent do the overall legal frameworks foresee partnerships between social economy representative organisations and public authorities to implement those policies? Which instruments are proposed?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

The Government has adopted a Spanish Strategy to foster social economy as a whole that included specific measures and legislative reforms for each one of the entities in the social economy and also common measures to promote the whole social economy.

Instituto Nacional de la Economía Social - Mexico

Abstract

Programmes to promote cooperatives were eliminated in the beginning of 1990s, such as the development bank already mentioned, as well as the ejidos and communities. Those programmes were replaced by subsidies or cash transfer schemes. They became sources of corruption and electoral promotion and they were cancelled by the current government

Mexico is in the process of constructing a policy for the promotion of the social economy. This focuses on promoting its enterprise or organisational models which has broader aims. This policy is supported on a medium-term horizontal programme ([Programme for the Promotion of the Social Economy 2021-2024](#) to be published). Its objectives can be summarised as follows: 1. to extend the culture of the social economy; 2. to improve the social economy ecosystem in order to facilitate its development; 3. to contribute to strengthening the entrepreneurial capacities of social economy entities; 4. to contribute to the development of social economy financial entities (savings, credit, insurance); and 5. to contribute to the design and implementation of a specific financing policy for social economy entities.

Korea Social Enterprise Promotion Agency

Abstract

Article 5 (Establishment of Master Plans for Promotion of Social Enterprises)

(1) The Minister of Employment and Labor shall establish a master plan for the promotion of social enterprises (hereinafter referred to as ""master plan"") every five years, after deliberation by the Employment Policy Deliberative Council established under Article 10 of the Framework Act on Employment Policy (hereinafter referred to as ""Policy Deliberative Council""), in order to systematically promote and support social enterprises.

Article 11 (Policies on Cooperatives)

(1) The Minister of Strategy and Finance shall preside over policies on cooperatives and formulate a master plan for the promotion of autonomous activities of cooperatives (hereinafter referred to as ""master plan"") every three years.

ISSUE 9 - "LINK WITH OVERALL LEGAL FRAMEWORK ON THE WHOLE SOCIAL ECONOMY"

Question 9.1 Are the specific legal frameworks of the organisations that you mention in question 1.1. connected with an overall legal framework on the whole social economy - in case there is any - in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Each one of the entities in the social economy is regulated by its specific legal framework.

The aim of the Spanish Law of Social Economy 5/2011 are:

- to set up a definition on social economy based on the common principles and values shared by all these enterprises and entities;
- to recognise the different entities that make up the social economy;
- to set up a mandate to promote the development of the ensemble of these enterprises and entities;
- to ensure that policymakers and the legislator take Social Economy enterprises into account in public policies.
- to increase the recognition and visibility of social economy

Law 5/2011 does not interfere on the specific legislation ruling each of the social economy entities. The Spanish Law is the general framework for the whole social economy.

Employment and Social Development Canada & the Canadian CED Network

Abstract

N/A (no overall legal framework for the social economy)

Catalonia Region

Abstract

Currently only specific legal frameworks

Instituto Nacional de la Economía Social - Mexico

Abstract

The national Law on Social and Solidarity Economy - enacted in 2012 - expressly refers to cooperatives, ejidos and communities and others; however, the laws regulating each of these entities have specific

contents. It will be necessary to harmonise these laws with each other, as well as to harmonise the laws of sub-national governments related to them.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

The Social and Solidarity Economy Law are connected with the specific laws of each legal figure.

Brussels-Capital Region

Abstract

No, except for the wises

Korea Social Enterprise Promotion Agency

Abstract

Yes. The government's active social economy policy and institutionalization have a profound influence on the development of the Korean social economy and are a great foundation for promotion the social economy. The Korean government introduced a strategy for developing the social economy into an impetus for inclusive growth in the nation, by achieving a paradigm shift and establishing ecosystems of a virtuous cycle for the social economy.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

Yes: Law on SSE – 2014

Question 9.2. In case there is any, does the overall legal framework on social economy complement or support the specific entities in the social economy in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract: See precedent answer to question 9.1.

Instituto Nacional de la Economía Social - Mexico

Abstract

In our opinion, this set of laws should be made complementary, which will require a major legislative effort.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

No, the national Law does not complement them. It only recognises them.

Le Réseau des collectivités Territoriales pour une Economie Solidaire - France

Abstract

Yes. The law of 2014 includes a title for each of those status

"TO GO FURHTER"

Which are the main advantages associated to the existence of a specific legal frameworks of entities in the social economy or with the regulated forms currently being used to advance - according to any particular context - the social economy in those regions or countries where this concept is not applied or it is not a part of their legal tradition?

Spanish Government – Director General for Self-Employment, Social Economy and CSR (Ministry of Labour and Social Economy) and CEPES

Abstract

Besides the recognition that the Law of social economy brings to its common values and principles shared by all social economy entities, the specific legal frameworks allow them to apply their enterprise models and to achieve their objectives such as job creation in a collective and participative manner, access to social services or social inclusion of vulnerable people, among many others.

Instituto Nacional de la Economía Social - Mexico

Abstract

A specific legal framework for social economy entities offers the following main advantages: 1. to make them visible as a matter of public interest; 2. to establish criteria that defines the characteristics of the entities that are part of the social economy; and 3. to designate a public authority in charge of the promotion and development of social economy from a transversal approach, involving both different departments at federal public level (with an intergovernmental approach) and the sub-national and local governments.

Secretaría de Economía, Gobierno del Estado de Puebla, México

Abstract

They recognise and formalize social economy as legal entities and the activities carried out by the Social Economy.

PART 2 NON-PUBLIC BODIES CONTRIBUTIONS

ISSUE 1 - "LEGAL ENVIROMENT: DEFINITIONS AND STATUTES"

Question 1.1. • The concept of social economy usually encompasses different enterprise and organisation forms that share common values and principles.

According to your experience, please, indicate which of the following are considered part of the "social economy" or what the regulated and no-regulated forms are currently being used to advance the social economy in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

SSE International Forum

Abstract

- **Cooperatives.** According to the International Cooperative Alliance (ICA), "A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.". The International Labour Organization (ILO) is using the same definition.
- **Mutuals.** There is no precise definition of what a mutual is and within the EU, mutuals exist in a wide variety of legal forms. According to the Association Internationale de la Mutualité (AIM), mutuals can be recognised by five characteristics: 1) First of all, mutuals are private legal entities, governed by private law. 2) Secondly, mutuals are groups of persons (natural or legal). Mutuals are non-profit organisations, although their financial stability is one of their main concerns. 3) Thirdly, the management of mutuals is democratic. 4) Fourthly, the principle of solidarity is very important among the members, and is often enshrined in the rules. 5) Finally, surpluses are used for the benefit of the members, who are the owners of the mutual. Thus, the primary mission of a mutual is to satisfy the common needs of its members and not to make a profit or ensure a return on capital.
- **Integration enterprises (wises)**
- **Social Enterprises.** According to the European Commission, a social enterprise is ""a Social Economy operator whose main objective is to have a social impact rather than to make a profit for its owners or shareholders. It operates by providing goods and services to the market in an entrepreneurial and innovative way and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its business activities. "" . The European Commission's definition of a social enterprise has three criteria: (1) social objectives; (2) the allocation of a part of the profits to these objectives; (3) the objective of a certain democratic governance. However, in order to comply with the SSE criteria as defined in the European Charter for the Social Economy adopted in 2002 in Salamanca, Spain, the Social Enterprise should respect four other principles : The primacy of the person, limited profitability, collective ownership, and democratic character could be discussed.
- **Associations.** There is no precise definition of what an association is. According to the french law (Article 1 of the Law of 1901), association is defined as "the agreement by which two or more persons permanently pool their knowledge or their activity for a purpose other than to share profits

- **Foundations.** There is no single legal definition of a foundation however the French law defines it as "All countries require that the foundation's assets be dedicated to a specified purpose. The foundation laws require that the foundation pursue public-benefit purposes only but some foundation laws allow foundations to pursue any lawful purpose, including private purposes. Private purposes include, for example, the advancement of one family, relatives of the founder, trust funds for the funders' children's education, etc
- **Charities and trusts.**
- **Others.** It is the competence of the States to define their own conception of SSE taking into account the realities of each context and local particularities.
For instance, in Spain they include: the labor societies, the insertion enterprises, the special employment centers, the fishermen's guilds, the agrarian transformation societies.
In Portugal, you can find the misericórdias.
In Uruguay, you will find the companies democratically self-managed by its workers in its diverse legal forms. Mexico identifies as part of the SSE the ejidos and the communities. Third sector in Italia.

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

- **Cooperatives:**
 - Worker cooperatives: One of several broad-based employee shared ownership forms that include Employee Stock Ownership Plans (ESOPs) and Employee Ownership Trusts (see Row 18)
 - Consumer cooperatives: membership based on use of services (including purchasing of goods).
 - Purchasing or Shared Services cooperatives: Purchasing cooperatives combine member demand to achieve better pricing, availability, and delivery of products or services. (Most shared-services cooperatives are legally organized as a cooperative or as a non-profit corporation that operates on a cooperative basis)
 - Agricultural Cooperatives (aka producer cooperatives): membership based on contribution of shared goods or services. The members use the coop to better negotiate prices and market their products.
 - Housing Cooperatives: A housing cooperative is formed when people join on a democratic basis to own or control the housing and/or related community facilities in which they live. Usually they form a not-for-profit cooperative corporation.
- **Mutuals.** The history of cooperatives in the US can be traced back to the foundation of mutual aid societies, notably in Black communities. There are fraternal benefit societies which often are not considered or aligned with the solidarity economy movement.
<https://www.psupress.org/books/titles/978-0-271-06216-7.html>
- **Social Enterprises.** Social enterprises are not defined by law in the USA. However, there has been significant discussion about the role of social enterprises in community development and the ways that this may be regulated in the future.

Social enterprises span the spectrum of nonprofit to for-profit entities. In general, three types of social enterprise models are recognized in the USA:-

- Opportunity Employment: organizations that employ people who have significant barriers to mainstream employment
- Transformative Products or Services: organizations that create social or environmental impact through innovative products and services.
- Donate Back: organizations that contribute a portion of their profits to nonprofits that address basic unmet needs.

More information:

- https://www.law.nyu.edu/sites/default/files/upload_documents/Tepper%20Report%20-%20State%20of%20Social%20Enterprise%20and%20the%20Law%20-%202017-2018.pdf,
 - <https://www.trust.org/contentAsset/raw-data/1b34bbc3-de52-477a-adae-850a56c2aabe/file>
- **Associations.** Associations in the USA are, by definition, non-legal entities. The official legal definition of an association is: "Any group of people who have joined together for a particular purpose, ranging from social to business, and usually meant to be a continuing organization. It can be formal, with rules and/or by-laws, membership requirements and other trappings of an organization, or it can be a collection of people without structure. An association is not a legally-established corporation or a partnership. To make this distinction the term "unincorporated association" is often used, although technically redundant.
 - **Foundations, Charities and trusts.** Foundations, charities, and trusts all fall into one legal category. Legally, there are two types of foundations in the US: private foundations (usually funded by an individual, family, or corporation) and public charities (community foundations and other nonprofit groups that raise money from the general public).

A non-profit organization is a group organized for purposes other than generating profit and in which no part of the organization's income is distributed to its members, directors, or officers. Non-profit corporations are often termed "non-stock corporations." They can take the form of a corporation, an individual enterprise (for example, individual charitable contributions), unincorporated association, partnership, foundation (distinguished by its endowment by a founder, it takes the form of a trusteeship), or condominium (joint ownership of common areas by owners of adjacent individual units incorporated under state condominium acts). Non-profit organizations must be designated as nonprofit when created and may only pursue purposes permitted by statutes for non-profit organizations. Non-profit organizations include churches, public schools, public charities, public clinics and hospitals, political organizations, legal aid societies, volunteer services organizations, labor unions, professional associations, research institutes, museums, and some governmental agencies.

Non-profit entities are organized under state law. For non-profit corporations, some states have adopted the Revised Model Non-Profit Corporation Act (1986). For non-profit associations, a few states have adopted the Uniform Unincorporated Non-Profit Association Act (See Colorado §§ 7-30-101 to 7-30-119).

Some states exempt non-profit organizations from state tax and state employment programs such as unemployment compensation contribution. Some states give non-profit organizations immunity from tort liability (see Massachusetts law giving immunity to a narrow group of non-profit organizations) and other states limit tort liability by enacting a damage cap. State law also governs solicitation privileges and accreditations requirements such as licenses and permits. Each state defines non-profit differently. Some states make distinctions between organizations not operated for profit without charitable goals (like a sports or professional association) and charitable associations in order to determine what legal privileges the respective organizations will be given.

For federal tax purposes, an organization is exempt from taxation if it is organized and operated exclusively for religious, charitable, scientific, public safety, literary, educational, prevention of cruelty to children or animals, and/or to develop national or international sports. Social security tax is also currently optional although 80 percent of the organizations elect to participate.

<https://nccs.urban.org/publication/nonprofit-sector-brief-2019#the-nonprofit-sector-in-brief-2019>

- **Others.**
 - ESOPs and Employee Ownership Trusts (EOT) are forms of broad-based employee share ownership. ESOPs are regulated under federal retirement investment account regulations (ERISA).

Definition: An employee stock ownership plan; as defined in section 4975(e)(7) of the Internal Revenue Code of 1986 which meets the requirements of section 409 of the Internal Revenue Code of 1986

The Global platform for promoting social economy (GSEF)

GSEF Mexico

Abstract

- **Cooperatives:** At the national level, the General Law of Cooperative Societies establishes that "The cooperative society is a form of social organization made up of individuals based on common interests and on the principles of solidarity, self-help and mutual aid, with the purpose of satisfying individual and collective needs, through the realization of economic activities of production, distribution and consumption of goods and services
- **Mutuals** (including Mutual Benefit Societies so far): Many mutual societies were constituted according to the General Law of Institutions and Mutual Insurance Companies, now there are Mutual Laws in the states of the Mexican Republic, also called entities and that are still in force.
- **Integration enterprises (wises):** Cooperative Societies will be grouped into cooperative integration bodies called federations, if they group together cooperatives of the same type or in unions to group cooperatives of various types. The federations and unions can be integrated into confederations, the confederations will be integrated into a single Superior Council of Cooperativism.

- **Social Enterprises:** They are the socially owned companies referred to in Article 4 of the Law of the Social and Solidarity Economy, Regulatory of the Eighth Paragraph of Article 25 of the Political Constitution of the United Mexican States, in relation to the social sector of the economy.
- **Associations:** Civil Associations are governed by the Civil Codes of the states of the Republic and are governed by the Federal Law for the Promotion of Activities Carried out by Civil Society Organizations; It is also known as Civil Society Organizations, in Mexico they are considered as part of the private sector, rather than the social sector of the economy.
- **Foundations:** They are governed by the Federal Civil Code and those of each of the states of the Republic and by the Private Benefit Boards of the States, in Mexico they are considered as part of the private sector, rather than the social sector of the economy.
- **Charities and trusts:** Charity organizations are governed by the regulations of social assistance in the terms of the General Health Law, and with the Private Charity Boards; It is not common in Mexico that they are associated with the social sector, if not with the private sector or with Religious Associations, instead trusts are associated more with the public sector or with Social Assistance.
- **Others:** The Social Sector of the Economy in Mexico is made up of the following social property organizations: Ejidos, Communities, workers' organizations, Cooperative Societies, Companies that belong mainly or exclusively to the workers, and in general, of all forms of social organization for the production, distribution and consumption of socially necessary goods and services.

GSEF South Korea

Abstract

Please refer to this [REPORT](#) to get more information about:

- Cooperatives
- Mutuels
- Work Integration Social Enterprises (WISE)
- Social Enterprises
- Associations
- Foundations
- Charities and trusts
- Community Businesses (Village Enterprises)
- Self-sufficiency enterprises (self-support enterprises)
- Social Ventures

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

- **Cooperatives.** Cooperatives are autonomous legal persons, of free constitution, of variable capital and composition, who, through the cooperation and mutual help of their members, in compliance with cooperative principles, aim, non-for-profit, to meet the economic, social or cultural needs and aspirations of those
- **Mutuals:** Mutual associations are legal persons of private law, of an associative nature, with an unlimited number of members, variable property funds and indefinite duration which, essentially, through the mutual help and contribution of their associates, practice, in the interest of them and their families and in obedience to mutual principles, reciprocal purposes of social protection and human development
- **Associations:** an association is a legal person composed of natural and/or legal persons, without profitable purposes, grouped around common objectives and needs. They have an unlimited number of members, indefinite capital and indefinite duration. There are different types of associations* that integrate the social economy if they respect their guiding principles.
- **Foundations** are non-for-profit collective assets created on the initiative of one or more legal entities (institutors or founders) for the purpose of managing a heritage mass, not less than the value of 250,000€ or, if the asset is less than this value, the founders will have to demonstrate their sufficiency in order to pursue the end of the foundation (or the ways to meet the insufficiency) , under penalty of recognition being denied.
- **Charities and trusts:** IPSS (Private Institutions of Social Solidarity), legal persons, with non-for-profit purposes, constituted exclusively on the initiative of individuals, with the purpose of giving organized expression to the moral duty of justice and solidarity, contributing to the realization of the social rights of citizens, provided that they are not administered by the State or another public body. The objectives of the IPSS are achieved through the provision of goods, provision of services and other initiatives to promote the well-being and quality of life of people, families and communities*. The Houses of Mercy arise from the will of a group of citizens and hence their nature of brotherhood. The objective that animates the creation of a Mercy is always the same: to provide support to the community by fulfilling the 14 works of Mercy. The Houses of Mercy have their identity closely linked to the Catholic Church and for this purpose these institutions are governed by civil law, but also by canon law. The support provided to the community by the sororities is essentially based on social responses for children, the elderly, and people with disabilities, etc., and health, through ERPIS, hospitals, clinics, continuing care, among others
- **Others:**
 - **Misericórdias; Associações de Desenvolvimento Regional; Organizações não Governamentais;** Regional Development Associations - are legal persons under private law, and may be associations, foundations, civil or commercial societies, cooperatives, complementary groupings of european companies or groupings of economic interest. Non-governmental organizations - legal persons of private law, without profitable purposes - according to specific objectives and merits: development; environment; women and people with disabilities.

Cooperatives Europe

Abstract

- Cooperatives
- Mutuels
- Integration enterprises (wises). I would'nt refer to these enterprises as a specific category but include them in social enterprise.
- Social enterprises
- Associations. Association with an economic activity to be differenciated from NGO's
- Charities and trusts. It's not an objection, I think it would be interesting to discuss during the meeting about charities and foundations to be certain that we all are on the same page.

International Cooperative Alliance

Abstract

- **Cooperatives.** are the main drivers of social economy concept as they pioneered the idea of articulating rules to organize shared interests into a economic entity, meaning social concern being addressed by joint enterprise, undertaken through democractic management and self-reliance.
- **Mutuels.** are part of social economy based on their embededness in a mutualistic enterprise, and perhaps embody directly all for one and one for all philosophy in their enterprise form
- **Social Enterprises**
- **Associations.** Fundamental form of organization recognized by all laws as part of basic civil rights of humans
- **Fundations.** Always have a benefactor or a philanthophy who reinvests large funds for charitable and social aims - usuallythrough structured programmes and relatively more human resources than charities
- **Charities and Trusts.** Always without any element that is profiteering - in letter and in spirit
- **Others.**
 - SHGs are deemed to be pre-cooperatives - usually comprised of three persons and ply in an informal way. The latter two are examples from the companies Act in India, and similar formations are found in a number of other countries where the company code encompasses a not for profit company which many a time is run vide democratic or representative methods.

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

- **Integration enterprises (wises):** Their fundamental and initial objective is the social and professional integration of individuals who through their exclusion and their relegation to a marginal role in society have fallen victim to increasing social and professional handicaps. The work integration social enterprises continue to play an ongoing role in the social and professional requalification training that restores to individuals at risk, individuals that are vulnerable and have become marginal, the status of gainfully employed workers. They offer such individuals the opportunity to prepare themselves for their integration into the labour force and to gain access to employment and the training to acquire needed skills. WISEs are real enterprises, producing goods or services and pursuing their main social inclusion objective. The work integration social enterprises initiate educational programs designed on the basis of existing potential within the enterprise. <https://www.ensie.org/wises-data/what-are-wises>
- **Social Enterprises:** The European Commission uses the term 'social enterprise' to cover the following types of business:
 - Those for who the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation
 - Those whose profits are mainly reinvested to achieve this social objective
 - Those where the method of organisation or the ownership system reflects the enterprise's mission, using democratic or participatory principles or focusing on social justice"

Question 1.2. • Does your legal environment includes specific legal frameworks (including court judgements, if applicable) to the entities indicated in question 1.1.? If yes, are they based on:

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

- **Cooperatives.**
- Specific status.

"Cooperatives can be defined as legal business entities created under state law that are owned and operated for the purpose of benefiting those individuals who use its services. At the federal level, cooperatives are regulated for taxation purposes.

Worker cooperatives: One of several broad-based employee shared ownership forms that include Employee Stock Ownership Plans (ESOPs) and Employee Ownership Trusts (see Row 18). All confer benefit to workers on the basis of their employment. While taxed at the federal level, the legal definition is vague; there's an ongoing effort to get the US Small Business Administration to create a standard definition for all federally funded small business programs (with input from the field).

However, there have been legislation designed to fund and support worker cooperatives; these have included worker cooperative definitions such as this:

Worker Cooperative.—The term “worker cooperative” means a values-driven business that puts worker and community benefit at the core of its purpose, and in which—

- (1) workers own the business and they participate in its financial success on the basis of their labor contribution to the cooperative; and
- (2) workers have representation on and vote for the board of directors, adhering to the principle of one worker, one vote.

Other cooperative forms have different legal definitions.

These definitions are often not clearly articulated but are rather addendums to legislation that clarify target beneficiaries. And so, providing legal definitions for each may not be very useful. A description of the major entity forms are below:

Consumer cooperatives: membership based on use of services (including purchasing of goods).

Purchasing or Shared Services cooperatives: Purchasing cooperatives combine member demand to achieve better pricing, availability, and delivery of products or services. (Most shared-services cooperatives are legally organized as a cooperative or as a non-profit corporation that operates on a cooperative basis)

Agricultural Cooperatives (aka producer cooperatives): membership based on contribution of shared goods or services. The members use the coop to better negotiate prices and market their products.

Housing Cooperatives: A housing cooperative is formed when people join on a democratic basis to own or control the housing and/or related community facilities in which they live. Usually they form a not-for-profit cooperative corporation.

Most have state level statutes that define what constitutes a 'cooperative', its membership, and its governance. Worker cooperatives generally have fewer state statutes due to the relatively recent interest in the form from mainstream community and economic development communities. I've included a link to a list of state statutes for various cooperative forms in the relevant documents section:

- <https://www.law.cornell.edu/uscode/text/26/1381>
- <https://www.law.cornell.edu/uscode/text/26/1042>
- https://www.law.cornell.edu/uscode/text/38/2044#f_1
- State statutes: <https://ncbaclusa.coop/resources/state-cooperative-statute-library/>

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There is no comprehensive legal framework for cooperatives; each state has its own statutes that borrow from other statutes. At the federal level, there are definitions for distinct cooperative forms but these are not as descriptive or connected to be defined as a comprehensive legal framework.

- **Foundations, Charities and trusts.**

Non-profit/charitable foundations/organizations are incorporated at the state level. The traditional common law definition of charity, as derived from English common law, sets out four charitable purposes: the relief of poverty, the advancement of education, the advancement of religion, and other purposes beneficial to the community (Commissioners for Special Purposes of Income Tax v Pemsel, AC 531 (1891)).

This tradition has influenced the American law of charities (see generally AW Scott, WE Fracher, and Mark L Asher, Scott and Asher on Trusts (5th ed., 2006)). In the modern era, the traditional definition has been largely superseded in the US by the tax law definition of charity, that is, an organisation that pays no tax on its income and whose donors derive a tax benefit due to their charitable donations.

- Specific statute.

Federal tax law is in the Internal Revenue Code 1986, as amended from time to time. The Internal Revenue Code (IRC) cannot be understood without reference to the Income Tax Regulations issued by the Department of the Treasury. The Internal Revenue Service (IRS) () administers the federal tax system.

- Is there a comprehensive and unique legal framework for Foundations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There are several frameworks, organized at the state level. The frameworks designate that these entities must not be organized around profit seeking. However, there are no obligations for non-profits to be working toward the social good.

- **Others.**

- **ESOPs and EOTs**

- The specific statute: See above.

- Is there a comprehensive and unique legal framework for Foundations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Yes, there is a unique law for ESOPs as defined in Employee Retirement Income Security Act (ERISA) law. See above

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

- **Cooperatives**

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

All cooperatives in Mexico are governed by the General Law of Cooperative Societies and by their Constitutive Bases (statutes) regarding their organization and operation;

Additionally, savings and loan cooperatives govern their specific activities by the Law to Regulate the Activities of Savings and Loan Cooperatives (LRASCAP), housing cooperatives are also governed by the Housing Law, fishing cooperatives also govern by the General Law of Fishing and Aquaculture. etc.

- **Mutuals**

- The General Law of Mutual Insurance Institutions and Societies, published on August 31, 1935, was repealed on April 4, 2015.
- Specific statute.
The first mutual societies were constituted according to the General Law of Institutions and mutual insurance companies, many more current ones were established in accordance with the Law of Mutual Societies of their states of the Mexican Republic. and they are also governed by their own statutes.

Its scope is only in its states, except for honorable exceptions.

There was a federal law and there are state laws that give effect to some mutual societies.

- **Integration enterprises (wises).**

- The General Law of Cooperative Societies establishes that the federations, confederations and the Superior Council of Cooperativism are organizations of cooperative

In Mexico, it is called integration organism to regional unions and federations that group cooperatives and also confederations formed by unions and regional federations, these bodies are governed by the General Law of Cooperative Societies and by their own statutes.

The scope of the unions and federations is regional and that of the confederations is national in scope.

- Is there a comprehensive and unique legal framework for Integration enterprises (wises) or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Cooperative integration organizations are governed by the provisions of the General Law of Cooperative Societies.

- **Social enterprises**

- Specific statute and sectoral scope

In Mexico, the social sector is made up of social property organizations, which are governed by specific laws and by their own statutes.

The social sector is national in scope and is made up of bodies of diverse legal nature. And yes, they are governed by their specific laws and by their own statutes.

- Is there a comprehensive and unique legal framework for Social Enterprises or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There are several legal frameworks for companies in the social sector, this makes mutual understanding and therefore the full integration of the social sector more difficult.

- **Associations**

- Specific statute and sectoral scope.

Associations are governed by the Civil Code and by their own statutes.

Generally, the associations are state or regional in scope, are non-profit entities and do not have predominantly economic objectives and are not profit-making.

- Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There is a Federal Civil Code and civil codes in the states

- **Foundations**

In Mexico, foundations are considered entities of the private sector and of a welfare nature that are governed by their own statutes and by the private charitable board.

- Is there a comprehensive and unique legal framework for Foundations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There is a unified legal framework, even though there are civil codes in the states, they are similar to the Federal Civil Code.

- **Charities and Trusts**

In Mexico, charities and trusts are not considered as members of the social sector, they are identified with the private sector, they are not mentioned in the Law of the Social and Solidarity Economy, Regulatory of the Eighth Paragraph of Article 25 of the Political Constitution of the United Mexican States, regarding the social sector of the economy. Of course, they are governed by the Federal Health Law as social assistance entities. Trusts are generally established for the management of real estate or payment of principal.

- **Others.** The companies and organizations of the social sector are governed by the Law of the Social and Solidarity Economy, Regulatory of the Eighth Paragraph of Article 25 of the Political Constitution of the United Mexican States, in relation to the social sector of the economy; in addition to the specific laws to which we have already referred, according to the economic activity of the cooperatives.

GSEF / South Korea

Abstract

- **Cooperatives**

- Specific statute: Framework Act on Cooperatives
- Sectoral scope:
Main objective of cooperatives is to enhance its partners' rights and interests, thereby contributing to local communities by being engaged in the cooperative purchasing, production, sales, and provision of goods or services.
- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Framework Act on Cooperatives plays a role as a somewhat comprehensive legal framework for cooperatives (general) and social cooperatives. Meanwhile, there are eight different types of cooperatives created by separate laws, including Agricultural cooperatives, Credit unions, Fishery cooperatives, Consumer cooperatives, etc. This bisected approach resulted from the development history of cooperatives in Korea.

- **Mutuals**

- The specific statute:
Separate laws for individual mutuals; Framework Act on Cooperatives for some (recently created small-scale) mutual
- Sectoral scope:
The sectoral scope varies, but main objective is to provide the members of a mutual with benefits.

- Is there a comprehensive and unique legal framework for Mutuals or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Separate legislation have been made for individual mutuals. After the enactment of Framework Act on Cooperatives, some mutuals have been established as a social cooperative. Thus, there is no unique and comprehensive legal framework that covers all of the entities.

- **Integration enterprises (wises):**

- The specific statute :
Social Enterprise Promotion Act
- The sectoral scope:
To create decent jobs and opportunities for the socially disadvantaged group of people.
- Is there a comprehensive and unique legal framework for Integration enterprises (wises) or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

WISE is considered as one of 'types' of social enterprise. There is a comprehensive legal framework for social enterprises, which is Social Enterprise Promotion Act.

- **Social Enterprises:**

- Specific statute :
Social Enterprise Promotion Act
- Sectoral scope
The sectoral scope varies
- Is there a comprehensive and unique legal framework for Social Enterprises or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Yes. There is a comprehensive legal framework for social enterprises, which is Social Enterprise Promotion Act.

- **Associations:**

- Specific statute
There are several legislature involved with the association.

- Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There exist several laws that could be a legal ground for the association.

- **Foundations:**

- Specific statute:

Civil Act

- Is there a comprehensive and unique legal framework for Foundations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Yes. Civil Act works as a comprehensive and unique legal ground for the foundations.

- **Charities and trusts:**

- Specific statute

In Korea, charities are often created as a foundation. In this case, Civil Act is a legal framework directly involved with charities. Trust is mainly based on Trust Act.

- Is there a comprehensive and unique legal framework for charities and trusts or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Yes. Trust Act is a unique legal framework for creating trust.

[International Association of Mutual Benefit Societies \(information on Portuguese Social Economy\)](#)

Abstract

- **Cooperatives.**

- Specific status:

There is a specific Cooperative Code - Law No. 119/2015 of August 31, amended by Law No. 66/2017 of August 9

- The sectoral scope:

Yes, there is sectoral legislation.

- Agricultural Cooperatives - Decree-Law No. 335/99 of August 20 :: This regime was amended by Decree-Law No. 23/2001 of January 30
 - Craft Cooperatives - Decree-Law No. 303/81, of November 12
 - Marketing Cooperatives - Decree-Law No. 523/99, of December 10
 - Consumer Cooperatives - Decree-Law No. 522/99, of December 10
 - Credit Cooperatives (C.C.A.M.) - Decree-Law No. 24/91, of January 11 :: This regime was amended by the following diplomas: Decree-Law No. 230/95, of September 12; Decree-Law No. 320/97 of November 25; Decree-Law No. 102/99 of March 31; amended and republished by Decree-Law No. 142/2009 of 16 June; Cultural Cooperatives - Decree-Law No. 313/81, of November 19
 - Teaching Cooperatives - Decree-Law No. 441-A/82, of November 6
 - Housing and Construction Cooperatives - Decree-Law No. 502/99, of November 19
 - Fisheries Cooperatives - Decree-Law No. 312/81, of November 18
 - Cooperatives of Worker Production - Decree-Law No. 309/81, of November 16
 - Service Cooperatives - Decree-Law No. 323/81, of December 4
 - Social Solidarity Cooperatives - Decree-Law No. 7/98, of January 15
- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?
Both.

- **Mutuals:**

- Specific status: There is a specific Code for Mutual Societies - Decree-Law No. 59/2018 of 8/2
- Is there a comprehensive and unique legal framework for Mutuals or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There is a single legal regime regardless of the purposes developed by mutual societies

- **Integration enterprises (wises):** There has already been a legal regime for companies to enter into the sector of employment support measures, but it is currently repealed

- **Social Enterprises:** There is no legal regulation for social enterprises

- **Associations:**

- Specific status:
There is a general set of legal norms integrated into the Civil Code - Decree-Law No. 47344

- Sectoral scope:

Yes, there is a wide range of sector-specific legislation. Yes, there is specific legislation for certain types of associations

- Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Both

- **Foundations**

- Specific statute:

There is the Framework Law of Foundations - Law No. 24/2012 of July 9, 2012

- Is there a comprehensive and unique legal framework for Foundations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Applicable legislation is dispersed

- **Charities and trusts:**

- Specific statute:

There is a specific statute to these entities - Decree-Law No. 119/83, of February 25, which approves the Statute of Private Institutions of Social Solidarity, amended by Decree-Law No. 172-A/2014. The canon law also applies to the Mercies

- **Others:** Misericórdias; Associações de Desenvolvimento Regional; Organizações não Governamentais;

- Specific statute:

The Associations of Regional Development have their own legal regulations - Decree-Law 88/99, 19.Mar, amended by Decree-Law 540/99.13.Dez / Ordinance 282/99, 26.Apr.

NGOs may have different legal natures, but the status of NGOs is granted by The Instituto Camões, IP, upon registration valid for a period of two years.

Cooperatives Europe

Abstract

- **Cooperatives.**

- The specific statute.

Regulation (EC) No. 1435/2003 on the Statute for a European Co-operative Society (SCE) aimed at helping cooperatives to develop cross border activities and is a legal tool for cooperative from different member states to join together.

There is no specific scope, but an SCE should have as its principal object the satisfaction of its members' needs and/or the development of their economic and/or social activities.

- Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

It is one and unique legal framework. No specific sectoral split.

International Cooperative Alliance

Abstract

- **Cooperatives.** Cooperatives are one of the dominant forms, not the only one.
 - Is there a comprehensive and unique legal framework for cooperatives or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Both. Some countries have both together, i.e. sectoral laws with one general, and some countries have general laws with specific parts for sectors.

- **Associations**
 - Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Usually found in societies legislations or/and laws specific for associations, in a general and overarching way.

- **Foundations**
 - Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Foundations are more a social concept than legal concept and are thus found and founded under more than one and one kind of legislation

- **Charities and Trusts**
 - Is there a comprehensive and unique legal framework for associations or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

Usually and historically found under the Charitable societies/Trust or Community benefit societies or trusts Act. Pertinent to add that Trusts were originally designed for profits.

- **Others.**
 - Example of the Not for profit company under section 8 of the Indian Companies Act 2013

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

- Integration enterprises (wises)

- Specific scope and sectoral scope.

At European level there is not a specific legal framework for WISEs but a definition can be extrapolated in the Social Business Initiative (2011). Looking at the different European countries, existing laws explicitly require an SE to perform its activities in an entrepreneurial form and in certain cases well upon the characteristics that an activity must possess to be considered entrepreneurial.

There are laws that recognize SEs only as WISEs. It is not the type of business but work integration of people with difficulty accessing the labour market that makes the enterprise socially useful. The law therefore prescribes that, regardless of the nature of the business, WISEs must employ a certain minimum percentage of disadvantaged people or worker.

Another important criterion of classification of existing laws on SE is that between laws that recognize the SE only as a work integration social enterprise (WISE), and laws according to which the SE is identified by the performance of several activities of social utility, including, but not limited to, work integration of particular disadvantaged persons or workers. There is no apparent reason to limit by law the scope of SEs to work integration.

- Is there a comprehensive and unique legal framework for Integration enterprises (wises) or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

No, there is not a comprehensive and unique legal framework at European level.

- Social Enterprises:

- Specific statute.

Despite the fact that no new EU level legal forms were adopted, there has been a positive evolution with regard to the legal recognition of SE and social economy organisations. More specific legal frameworks have been put in place together in many countries. Since 2011, 16 EU Member States have introduced new legislation concerning social enterprises. The analysis revealed interesting patterns as to how ideas and concepts found their way into regulatory and institutional frameworks and how the SBI was influential in helping to spread them (from SBI follow-up study). The specific legal form found across EU jurisdictions is either a particular type (or, if one prefers, a modified type or sub-type) of cooperative: the social cooperatives or a particular type (or, if one prefers, a modified type or sub-type) of company.

<https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8373&furtherPubs=yes>

- Is there a comprehensive and unique legal framework for Social Enterprises or are there several legal frameworks ruling these entities according to their specific or sectoral activities? Or both?

There are 2 European regulations in which you can find the 'social enterprise' definition:

- o 'European Union Programme for Employment and Social Innovation ("EaSI")' - Regulation (EU) No 1296/2013
- o European social entrepreneurship funds (EuSEF) - Regulation (EU) No 346/2013.

There will be also a 'social enterprise' definition in the new European Social Funds +.

The definitions above are not defining the social enterprise according to their sectoral activities but according their main characters.

<https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:32013R0346>

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R1296>

Question 1.3. Could you inform if any of the entities that you mention in question 1.2 are necessarily or usually constituted as capital companies (public company or private company)?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

Yes, cooperative companies and ESOPS are formed as corporations. Housing coops, consumer coops, and occasionally the other coop forms are incorporated as non-profits and managed cooperatively. Also, social enterprises are typically capital companies but, as mentioned above, there is no legal definition for these entities.

The Global platform for promoting social economy (GSEF)

GSEF / México

Abstract

No, none of them is incorporated as a private sector or public sector company.

GSEF / South Korea

While social enterprises are not necessarily constituted as capital companies, a majority of social enterprises in Korea is for-profit company (incorporated company or registered individual business). This also applies to self-sufficiency enterprises, social ventures, and community businesses. One thing to note is, however, that many cooperatives have a sort of 'dual identities' of being a social enterprise and a cooperative at the same time, because 'cooperative' is a separate legal entity for business registration. On the other hand, foundations and associations in Korea should be 'non-profit' in the Korean legal system.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

With the exception of cooperatives, which have mandatory social capital, they are all associations of people, safeguarding the very nature of foundations which have a special capital for a special purpose.

Cooperatives Europe

Abstract

The European Cooperative Society (SCE) is clearly a separate and distinct statut from the European Society statute (SE) set up for the public limited companies

International Cooperative Alliance

Abstract

Yes. Example of the not for profit company under section 8 of the Indian Companies Act 2013. These are also called Farmer Producer companies, registered by the registrar of companies.

Question 1.4. About the scope. Which scope-oriented organisations benefit from a specific legal framework?

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

Work insertion social enterprises

Others. The Social Sector of the Economy in Mexico is made up of the following social property organizations: Ejidos, Communities, Workers' Organizations, Cooperative Societies, Companies that belong mainly or exclusively to workers, and in general, all forms of social organization for the production and distribution and consumption of socially necessary goods and services. All these organizations are governed by the Law of the Social and Solidarity Economy, Regulatory of the Eighth Paragraph of Article 25 of the Political Constitution of the United Mexican States, in relation to the social sector of the economy; in addition to specific laws such as the General Law of Cooperative Societies, the Agrarian Law, the General Law of Fisheries and Aquaculture, among others that govern the specific activities of each cooperative.

[International Association of Mutual Benefit Societies \(information on Portuguese Social Economy\)](#)

Abstract

Work insertion social enterprises There has already been a legal regime for companies to enter into the sector of employment support measures, but it is currently repealed

[International Cooperative Alliance](#)

Abstract

Social cooperatives

Ethical finance organisations

[European Network for Social Integration Enterprises \(ENSIE\)](#)

Abstract

Work insertion social enterprises: There are laws in the EU member states that recognize SEs only as WISEs so only following the scope of work integration of the social enterprise.

ISSUE 2 - "ABOUT THE FEATURES"

Question 2.1 • Which are the common features associated to the COOPERATIVES in terms of:

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

- **Governance:** One member, one vote
- **Distribution of benefits:** Patronage based on contribution unique to the form: labor in the case of worker coops, amount spent in the case of consumer coops, etc.
- **Compliance with cooperative principles :** Nominally, all coops follow the International Cooperative Alliance's 7 Cooperative Principles

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

- **Governance:** Governance is ensured in the Savings and Loan Cooperatives, by Cooperative Education, clear statutes, Assemblies of delegates, audits, social balance and the supervision of the National Banking and Valuation Commission. In other types of cooperatives, much remains to be done.
- **Distribution of benefits:** The savings and loan cooperatives are transparent regarding the application of surpluses to strengthen their capital reserves and the allocation of resources for social works, according to assembly agreements, in other types of cooperatives there is still a lack of transparency in the destination of the surpluses. cooperative education, social balance and supervision of the authority.
- **Fiscal treatment:** The prudential regulation and the professionalization of the service to the partners, in addition to the administrative systems ensure adequate tax treatment.
- **Financial treatment (specific support):** Administrative systems and permanent supervision based on financial indicators and parameters to ensure adequate capitalization rates ensure good financial management.
- **Partnership with public authorities:** Ongoing supervision by competent authorities reinforcing internal oversight efforts have yielded good results.

- **Social audit requirements; measurable social responsibility obligations:** The permanent audit on the social responsibility of cooperatives is reflected in the Social Balances that are generated in cooperatives, however, there is still a lot to do with some types of cooperatives.
- **Compliance with cooperative principles:** Compliance with the Cooperative Principles is evident in the Social Balance carried out by cooperatives and which is presented in the assemblies of savings and loan cooperatives, among others.
- **Autonomy from other companies and public administrations:** There is still much to do, since sometimes the demands of the authority exceed the limit and end up imposing some internal policies in matters of capitalization, reserves, risk management and prevention of money laundering in the savings and loan cooperatives.
- **Others:** There is a common characteristic between the organizations and companies of the Social Sector of the Economy in Mexico and it is the property regime, all the members are social property, different from public property and private property, but all of them have in common the solution of economic needs, with a humanistic and supportive philosophy, and although they are profitable, they are not lucrative.

GSEF / South Korea

Abstract

- **Fiscal treatment**
- **Partnership with public authorities**
- **Social audit requirements: measurable social responsibility obligations**
- **Autonomy from other companies and public administrations:** It depends. Some (social) cooperatives closely work with the public authorities by making the public market most important to them.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

- **Governance:** Cooperatives are democratic organisations managed by their members, who actively participate in policy-making and decision-making. Members who perform functions as elected representatives shall be accountable to all the members who elected them. In first-degree cooperatives, members have equal voting rights (one member, one vote), and cooperatives of other degrees are also organized in a democratic manner.
- **Distribution of benefits:** Members contribute equally to the capital of their cooperatives and control them democratically. At least part of this capital is usually common property of the cooperative. Co-workers usually receive, where appropriate, a limited remuneration for the subscribed capital as a condition for being members. The co-workers allocate the surpluses to one

or more of the following objectives: the development of their cooperatives, possibly through the creation of reserves, part of which is at least indivisible; benefit of members in proportion to their transactions with the cooperative; support for other activities approved by members.

- **Fiscal treatment:** Only social solidarity cooperatives enjoy tax benefits
- **Financial treatment (specific support):** The Accounting Standardization System -DL 158/2009, as amended by Law 66-B/2012
- **Partnership with public authorities:** Yes, there may be
- **Compliance with cooperative principles:** Cooperatives, in their constitution and operation, obey the following cooperative principles, which are part of the declaration on cooperative identity adopted by the International Cooperative Alliance: Principle 1 - Voluntary and free participation Principle 2 - Democratic management by members Principle 3 - Economic participation of members Principle 4 - Autonomy and independence Principle 5 - Education, training and information Principle 6 - Intercooperation Principle 7 - Interest in the community
- **Autonomy from other companies and public administrations:** yes. Cooperatives are autonomous self-help organizations controlled by their members. In the event that they enter into agreements with other organisations, including governments, or use external capital, they shall do so in such a way that democratic control by their members is ensured and their autonomy as cooperatives is maintained.

Cooperatives Europe

Abstract

- **Governance:** The cooperative is owned by its members. This a key principle that is the guideline of the governance of the cooperative enterprise. The SCE refers to national Law but mentions that the control of the cooperative should be vested equally in members, although weighted voting may be allowed, in order to reflect each member's contribution to the SCE. Members of the board are elected among the members of the cooperative during the General Assembly.
- **Distribution of benefits:** In reference to SCE: should be limited interest on loan and share capital; Reference to ICA principle, Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Surplus can be allocated to a reserve that are totally or partly indivisible.
- **Fiscal treatment:** At European level, there is no specific fiscal treatment, taxation being a national competency. . There were national legal cases where a specific fiscal regime was qualified as state aid.
- **Partnership with public authorities:** Not aware of any partnership between an SCE and a public authorities, but I would'nt understand on which basis it could not be possible.
- **Social audit requirements; measurable social responsibility obligations:** There is currently discussion on non financial reporting requirement that would apply to SCE and national

cooperatives. the scope of the proposed draft is extended to include ‘all large companies’, not only ‘public interest entities’ as it is currently the case.

- **Compliance with cooperative principles:** In the SCE, there are no reference to the ICA principles as such, but some key principles are mentioned in the preamble. However, we think it could be a good recommendation to invite EU authorities or national authorities, to clearly refer to ICA principles when working on cooperative legal framework.
- **Autonomy from other companies and public administrations:** It is possible for so called conventional companies and public company to set up a European cooperative society. However they need to be recognised by the article 54 of the European Treaty. This article was questioned during the discussion on the SCE, as this provision could be perceived as contradictory with the principle of the autonomy

International Cooperative Alliance

Abstract

- **Governance:** Democratic, representative, general assembly is the supreme body, supervisory council found in several cases, dispute resolution mechanism embedded in structure.
- **Distribution of benefits:** On equitable basis and only after the benefits are used first to replenish the funds and reserves created under by laws.
- **Fiscal treatment:** Supported in national budgets; one an link the indivisible reserve the posterity which in turn can be linked to fiscal aim of a country.
- **Financial treatment (specific support):** Transactions with members must follow the principle of mutuality and thus be accorded favourable tax treatment.
- **Partnership with public authorities:** There is almost always a partnership with public authorities. This is diminished in highly industrialized countries of the global north but even there, there is a certain expectation that the state has from the coops, thus establishing the common feature of coop-state equation in all jurisdictions.
- **Social audit requirements; measurable social responsibility obligations:** Not found often but is being increasingly demanded for by stakeholders.
- **Compliance with cooperative principles:** No measurable way to ascertain compliance and no organization to enforce compliance, save for the most basic features like having a GA and in it having elections etc.
- **Autonomy from other companies and public administrations:** This is perhaps the feature that is least uniform feature. Autonomy is tough to achieve for coops that are usually, at least until now, created to benefit rural or rural based industry and enterprise.

Question 2.2 • Which are the specific features associated to the MUTUALS in terms of:

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

- **Governance:** Mutual societies are generally small that associate jewelers, travelers, poultry farmers and various trades; Most of these are governed by state mutual company laws; There have been no governance problems in the mutuals since their organization is small and they frequently hold mutual education workshops.
- **Distribution of benefits:** They generally generate the mutual aid fund from their surpluses and with additional contributions from their members to provide mutual aid in funeral services, some contingencies in health, and to finance productive projects.
- **Fiscal treatment Fiscal treatment:** Because they are not lucrative, they have a tax regime in which they can have some tax exemptions.
- **Financial treatment (specific support):** They often resort to short-term bank loans with a low interest rate, which they manage to pay for with their productive projects.
- **Others:** We regret that savings and loan cooperatives cannot provide loans to legal entities, as this would help form a very interesting and mutually beneficial support network with mutuals.

GSEF / South Korea

- **Partnership with public authorities:** It depends.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

- **Governance:** The functioning of the bodies of mutual associations and the election of their members shall be governed by democratic principles and methods, in accordance with the procedure laid down in their statutes. Without prejudice to the provisions for associations of higher degree, in the mutual associations each member is granted the right to one vote. They work with a Management Office; a Fiscal Council and a General Meeting composed of all members.
- **Distribution of benefits:** It is forbidden to distribute surpluses, including technicians, without prejudice to the possibility of adjusting the benefits or quotas in accordance with the following article. Surpluses can also be re-dressed in social projects.

- **Fiscal treatment:** Benefit from the system of tax exemptions applicable to IPSS and Public Utility Persons
- **Financial treatment (specific support):** Yes, the SNC-ESNL Non-Profit Not-For-Profit Standardization System (SNC-ESNL - DL 36-A/2011 of 9 March, as amended by Law 66-B/2012 of December 31, and DL 64/2013, May 13) applies.
- **Partnership with public authorities:** Yes, they can cooperate with public sector entities
- **Others:** Mutual associations observe, in their constitution and operation, the following principles:
 - (a) principle of freedom;
 - (b) Principle of democraticity;
 - (c) principle of equality and non-discrimination;
 - (d) Principle of independence and autonomy;
 - (e) principle of solidarity;
 - (f) Principle of responsibility.

Question 2.3 • Which are the specific features associated to the SOCIAL ENTERPRISES in terms of:

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

- **Governance:** We are not aware that there are governance problems in social enterprises, most of them are very small.
- **Distribution of benefits:** There are also no known cases where there is a problem with the distribution of operating remnants.
- **Fiscal treatment:** The tax regime of social enterprises varies according to the economic activity of each company.
- **Financial treatment (specific support):** In financial matters, social enterprises do not have notable financial problems, since the projects are the size of the company, that avoids problems and, of course, the professional work of healthy finance counts a lot.
- **Partnership with public authorities:** The relationship with the authorities is good, most of the social enterprises do not have a supervision that reduces their autonomy, otherwise it is that of the savings and loan cooperatives.
- **Others:** Integration of the social sector of the economy is necessary, since there is no collaborative relationship between cooperatives, ejidos or communities, not even between housing cooperatives, fishing cooperatives, transport cooperatives and savings and loan cooperatives.

GSEF / South Korea

Abstract

- **Partnership with public authorities:** It depends.

European Network for Social Integration Enterprises (ENSIE)

Abstract

- **Governance:** In some cases there is a participative governance, in some others, depending also on the national framework, is not possible a participative governance because people in integration stay too little in the enterprises.
- **Distribution of benefits:** Almost all the WISEs are non-profit entities, the profit is fully reinvested in the enterprises or just partially redistributed among members of the WISEs.
- **Fiscal treatment:** WISEs have different fiscal treatment depending on the country (some example of fiscal facilities: Corporate tax exemption (on profits); VAT exemption or reduced rate; Tax reductions granted to private and/or institutional donors).
- **Financial treatment (specific support):** WISEs have different financial treatment depending on the country (Subsidy for the recruitment of disadvantaged workers; Social insurance costs for the disadvantaged workers employed reduced or covered by subsidies; Public contributions aimed at reducing the cost of labour of workers that are not disadvantaged).
- **Partnership with public authorities:** WISEs work many times in partnership in public authorities especially in the framework of public procurement (use of reserved contracts and social considerations); possibility of private-public partnership

Question 2.4 • Which are the specific features associated to the ASSOCIATIONS in terms of:

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

- **Governance:** Governance does not report strong problems in the Associations, since they have a board of directors, generally small and as they are of an honorary nature, there are no rivalries between their members.
- **Distribution of benefits** As they are not for-profit organizations, they have no problems managing the remnants and as there is no surplus to distribute, there is no room for conflict.

- **Fiscal treatment:** In their tax regime there are no major complications, they often resort to deducting some expenses and avoiding some taxes to leave with a favorable balance.
- **Financial treatment** (specific support): The healthy finances of the Associations allow them to comply with the annual plans and budgets without looking for surpluses other than for institutional reserves.
- **Partnership with public authorities:** The relationship of the Associations with the authorities is good, since they do not have systematic supervision or interference in their internal life, they respect their autonomy.
- **Others:** The lack of integration between the Associations as a support network between civil society organizations is evident.

GSEF / South Korea

Abstract

- **Fiscal treatment**
- **Financial treatment**
- **Partnership with public authorities:** It depends

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

- **Governance:** They have a composition of three bodies: Board of Directors; Fiscal Council and General Meeting.
- **Distribution of benefits:** People's associations, there is no capital remuneration.
- **Fiscal treatment:** It depends on the typologies.
- **Financial treatment (specific support):** The SNC-ESNL referred to above shall apply.
- **Partnership with public authorities:** In general, cooperation with the public sector is

Question 2.5 • Which are the specific features associated to the FOUNDATIONS in terms of:

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

See the statutes of Foundations above.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

- **Governance:** Foundations are supervised by the Private Charitable Board that allows them to ensure their governance. Foundations are not known to have governance problems, since often the founding partner is president for life.
- **Distribution of benefits:** In the foundations there is no distribution of remnants and both in their statutes and because of the tutelage of the private Charity Board, they are generally careful in the transparent management of their resources.
- **Fiscal treatment:** The tax regime of foundations is simple and offers advantages of being a non-profit legal entity, since it offers you the possibility of deducting taxes.
- **Financial treatment** (specific support): In the financial sphere, foundations face as authorized donees to issue tax-deductible receipts to the obligation to send monthly reports on money laundering prevention.
- **Partnership with public authorities:** Foundations generally have a good relationship with the authorities, but they often consider the requirement to prevent money laundering as excessive, which violates their autonomy and puts them at risk of having to pay excessive fines if they make a mistake.
- **Others:** Like other members of the social sector of the economy, they are not organized, they are not integrated as a sector and therefore they have not been able to generate economies of scale to save costs and improve their productivity.

GSEF / South Korea

Abstract

- **Governance**
- **Partnership with public authorities:** It depends.

-

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

- **Governance:** Private foundations must have an administrative body, which is responsible for managing the foundation's assets, as well as deliberating on proposals to amend the statutes, modify and extinguish the foundation; an executive body, with day-to-day management functions; and a supervisory body, which is responsible for monitoring the foundation's management and accounts. Foundations may also have one or more optional bodies, including a board of founders or trustees, with the mission of ensure compliance with the foundation's statutes and respect for the will of the founder or founders.
- **Distribution of benefits:** There isn't one. It is a heritage of affection for an end.
- **Fiscal treatment:** Social solidarity foundations are equated to IPSS, benefiting from the repeated tax regime.
- **Financial treatment (specific support):** The SNC-ESNL above is
- **Partnership with public authorities:** Yes, they can cooperate with public sector entities

Question 2.6 • Which are the specific features associated to CHARITIES AND TRUSTS in terms of:

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

See the statues of Foundations above.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

- **Governance:** The nobility of its altruistic aims and the gathering of people of good will contribute to good governance.
- **Distribution of benefits:** The distribution of benefits among its members does not exist, they do everything with altruistic purposes and no surpluses or remnants are projected.
- **Fiscal treatment:** The tax regime is simple and allows you to deduct taxes and resort to some exemptions from payments if proper tax planning is done.

- **Financial treatment (specific support):** Finances in a charitable entity requires a very structured fundraising program, in order to meet the requirements of those who request donations, or to maintain a stock of furniture and equipment for people in need.
- **Partnership with public authorities:** The relationship with the authorities is generally good and there is no knowledge of any conflict, it is important to continue so that they keep up to date compliance in sending reports on the prevention of money laundering, for this they must integrate a pattern of benefactors and control the forms of payment, through the banking system.
- **Others:** There is no adequate integration among charitable organizations, generally isolated work is carried out and they do not have a support network that gives them better results and greater management capacity before the State.

GSEF / South Korea

Abstract

- **Governance**
- **Partnership with public authorities**

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

- **Governance:** In each institution there is at least one collegiate administrative body and another with supervisory functions, both consisting of an odd number of holders, one of whom is the president. In institutions in an associative manner there is always a general meeting of
- **Distribution of benefits:** They are associations of people there is no remuneration of capital.
- **Fiscal treatment:** Benefit from the tax exemption scheme.
- **Financial treatment (specific support):** The SNC-ESNL referred to above shall apply.
- **Partnership with public authorities:** yes. The State accepts, supports and values the contribution of institutions in the realization of the social rights of individual citizens. The contribution of the institutions and the support provided to them by the State are achieved in forms of cooperation to be established through agreements. Institutions may, by means of agreements, manage facilities and equipment belonging to the State or local authorities.

Question 2.7 • Which are the specific features associated to OTHER ENTITIES you mentioned in question 1.1. (Please, elaborate for each one the entities to want to mention) in terms of:

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

- **Governance:** The organizations of the Social Sector of the Economy lack integration and have been carrying out isolated work, so that governance in these organizations is their vulnerable factor, since the social control that integration organizations could exercise to strengthen them and ensure adequate governance is lacking.
- **Distribution of benefits:** In cooperatives it is more evident the distribution of surpluses or operating surpluses to members in proportion to their transactions or with the work contributed, because there are principles and values that demand and regulate it, on the other hand, in other types of social enterprises they do not. There is neither the norm nor the social control that requires transparency in this area.
- **Fiscal treatment:** The lack of integration of the Social Sector bodies reduces their management capacity before the state to demand a fiscal regime appropriate to their legal nature and their level of operation.
- **Financial treatment** (specific support): The organizations of the Social Sector require an integration that allows them to generate economies of scale for the acquisition of administrative systems, to improve financial health, without this representing a high acquisition cost.
- **Partnership with public authorities:** The autonomy of the Social Sector bodies may be violated by the State due to the weakness represented by the lack of integration of the sector, which gives it greater representation and management capacity.
- **Others:** As an adverse factor for the integration of the Social Sector organizations, we have the diversity of their legal nature, which generates capillism and sectarianization of the sector; and this makes it vulnerable to the State and to other sectors of the economy.

ISSUE 3 - "SPECIFIC LEGAL FRAMEWORKS"

Question 3.1 • Are the entities to which you refer in question 1.1 that exist in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level recognized by constitutive laws (Constitution, Constitutive Act, international regional treaties or agreements, etc.)? Does it imply a mandate to public authorities to develop such organisations and entities?

SSE International Forum

Abstract

There is no constitutional consecration of the Social Solidarity Economy. No constitution, on any continent, explicitly refers to this notion. Many constitutional provisions provide a solid basis for state support for enterprises in this sector. This starts with the numerous references to cooperatives. Indeed, some twenty constitutions worldwide, on all continents, express the direct support of State for cooperatives.

We provide only a few representative example:

- Article 148 of the Constitution of the Republic of Yemen states that "the State shall encourage and sponsor local development cooperatives, as they are one of the most important means of local development".
- The Constitution of the Republic of the Philippines, in its Article 12 section 15, goes further by underlining the contribution of cooperatives not only to the local economic development of a state, but also by contributing to the achievement of social justice. In this sense, it states that "Congress shall create an agency to promote the viability and growth of cooperatives as instruments of social justice and economic development".
- The Plurinational State of Bolivia, in article 55 of its Constitution, after mentioning the basic principles of the cooperative system which is "based on the principles of solidarity, equality, reciprocity, equity of distribution, social purpose and non-profit for its members", instructs the State to "promote and regulate the organisation of cooperatives through the law".
- In Taiwan, according to Article 145 of the Constitution, "cooperative enterprises shall receive encouragement and assistance from the State".
- Article 45 of the Constitution of the Republic of Italy, states that "The Republic recognises the social function of cooperation of a non-speculative and mutually supportive nature. The law promotes and encourages cooperation by appropriate means and guarantees its character and objectives by appropriate controls".

These provisions come from very different States, whether by their geographical location or their political or socio-economic system, demonstrating the ability of cooperatives to integrate into any society. Whatever the context, it is always with the aim of fair, endogenous development and solidarity that the cooperative is attached. In addition to this general support, several constitutions also link cooperatives to certain more specific objectives: housing, emancipation of employees, rural development, consumer protection, to name but a few.

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

No

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

Yes, all Social Sector organizations have a current legal framework that is appropriate to the diverse legal nature, this legal framework is also reinforced by agreements with multilateral organizations such as the ILO, which establishes recommendations to member countries such as Mexico, which can be seen obliged to comply with the recommendations, for example: regarding the promotion of Cooperatives, but much remains to be done so that the Social Sector as a whole has a framework law that gives it greater cohesion, integration and strength.

GSEF / South Korea

Abstract

No. They are not recognized by the constitution.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

Private foundations lack recognition. And cooperatives, mutual societies, IPSS and Houses of Mercy depend on registration in the supervisor authority.

Cooperatives Europe

Abstract

EU level: Article 54 of the EC Treaty "Companies or firms formed in accordance with the law of a Member State and having their registered office, central administration or principal place of business within the Community shall, for the purposes of this Chapter, be treated in the same way as natural persons who are nationals of Member States. "

"Companies or firms" means companies or firms constituted under civil or commercial law, including cooperative societies

International Cooperative Alliance

Abstract

Yes. Cooperatives and Associations. Others as well but the mentioned two forms dominate.

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

The reality is very different in the EU. There some countries in which WISEs are regulated by law and others in which they are regulated by agreement and others where there is no recognition. (In my knowledge) This never implies a mandate to public authorities to develop such organisations or entities.

Question 3.1.1. (Following precedent question) If yes, is this the basis for the legal framework of the specific entities to which you refer in question 1.1. in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

Yes, but having a current legal framework that strengthens the integration of the sector is a pending issue, because if we start from the fact that the organizations must have in common the nature of social property that differentiates them from the private sector and the public sector, they should be governed by the principles and cooperative values or of the solidarity economy to draw up a new legal framework that unites them and that they cease to be of a diverse legal nature, to be governed by a single law for the organisms of the Social Sector of the economy, as there is a cooperative law that governs housing, fishing, transportation and savings and loans, among others.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

Yes, the jurídic base results from the law

Cooperatives Europe

Abstract

Yes

International Cooperative Alliance

Abstract

Not necessarily. Sometimes, constitutional mentions come later than legislation - this is the case for cooperatives in several countries. On the other hand, associations are fundamental and go back earlier than constitutions in several instances and thus are protected by customs as a source of law.

Question 3.1.2. (Following question 3.1.) If not, how are public authorities empowered to adopt legal frameworks for entities to which you refer in question 1.1.?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

At the federal level, definitions are needed to ensure cooperative entities are correctly identified as the target beneficiaries for federal funding and resources. This gets advanced through legislation and/or by relevant agency action (such as the Small Business Administration) in defining terms.

At the state level, specific incorporation statutes can be advanced through state legislatures. For example, worker cooperative entity statutes have been advanced in some places by amending existing coop state statutes such as consumer coops to include specific language on the worker ownership form (e.g. majority-owned by workers, board comprised of worker-owners, one member, one vote governance process, etc)

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

My answer was affirmative, however I want to emphasize a fact that led to considering cooperatives as a type of commercial society, because in Mexico the Congress of the Union did not have the power to legislate on cooperative matters, but to legislate in This is the reason why cooperatives appear in the Mercantile Societies Law with that nature, now that Congress already has powers to legislate on cooperativism, a more appropriate legal framework for cooperatives can now be defined, including defining the scope of Cooperative Law as a branch of Social Law, differentiated from Commercial Law, Civil Law and Labor Law, based on the theory of the legal act that is already recognized in Mexico.

GSEF / South Korea

Abstract

One of the driving powers for legislation on social economy entities was the pressure from the civil society of Korea. Since the late 1990s, Korean civil society and social economy sector have continuously asked lawmakers and policymakers to adopt social economy as a policy for creating jobs and supporting the socially disadvantaged. This effort led in creating Social Enterprise Promotion Act and other legislation for the development of the social economy.

International Cooperative Alliance

Abstract

For cooperatives it is usually through consultation with cooperative representative bodies. This is often done at the decentralized level for the 'traditional legal framework' for cooperatives in several countries. At the same time, cooperative law making also takes place at the federal level, especially for laws covering the entire state.

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

In the different EU countries the legal framework for WISEs exists is there has been or there is the political will to fix it.

Question 3.2. • What are the main contribution and added value of the current legal framework to the development of those specific entities ? Are there any room for improvement?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

There is a lot of room for improvement. Our current federal definitions are pretty patchwork and are not inclusive of the various ways communities have used cooperative forms to make ends meet.

ESOPs have some of the strongest language as they are heavily regulated under employee retirement investment accountant law.

The primary value of clear definitions at the federal agency level would be normalization of these forms as a fundamental part of the US economy.

For worker cooperative, this would make it easier to change existing federal small business lending programs to substitute its existing personal guarantee criteria on all loans, making it easier for worker coops, and particularly low-wage workers and workers of color, to access financing to start and grow their businesses.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

The main contribution to the legal framework of the Social Sector of the economy is the publication of the Law of the Social and Solidarity Economy, Regulatory of the Eighth Paragraph of Article 25 of the Political Constitution of the United Mexican States, with regard to the Social Sector of the Economy, published on May 23, 2012 in the Official Gazette of the Federation, which came to define the Social Sector and the organizations that comprise it, its nature and scope, and which can serve as the basis for drawing up a framework law for the Social Sector of the economy, to strengthen its integration as a sector and define its operating rules.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

It is necessary to codify and extend to all families of the social economy the tax benefits regime. The relationship model with government has to be changed. It has to involve all the representative entities of the social economy and fall on the activities that these entities develop. Foster the Social Economy Cluster and establish legal frameworks that favor networking and collaborative work that improve stake in the sustainability of these organizations.

Cooperatives Europe

Abstract

It is true that few SCE are incorporated. However, as for the few incorporated SCEs, the ratio between SCEs and national co-operatives is more or less the same as the one between SE and national capitalistic companies.

The SCE regulation is very useful, symbolically, to respond to the aspiration of these entrepreneurs and it respects the principle of plurality of business forms. However, the complexity of the Regulation, particularly due to hierarchy of various legal rules, is a negative factor for the start up phase of SCE.

We would recommend to at least simplifying the interactions and relations between the different sources of Law of SCE

As last remark, it is -to point out that a simple regulation is not enough for the promotion of the cooperative business model.

International Cooperative Alliance

Abstract

Enshrining, if not all then the basic structure of the ICA statement on the Cooperative Identity. Yes. there is room to provide guidelines and explainers to the various provisions of the identity statement in the law.

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

In some EU countries the legal framework still doesn't exist: there is a large room for improvement

Question 3.3. • Are there any international norm that National/Federal, Sub-Federal/Sub-National or Local/Municipal Authorities should take into account when legislating on the specific entities mentioned in your answer to questions 1.1.?

SSE International Forum

Abstract

The growing interest in SSE at the international level is reflected in recently adopted Declarations in international forums. The investment of the International Labour Organisation (ILO) in cooperatives is already known and has been extended to SSE.

Thus, we can note the abundance of declarative recognition promoting co-operatives and SSE in general : ILO, Centenary Declaration on Decent Work, 2019, Part II, A, ix, page 3 ; ILO, Abidjan Declaration "Towards more social justice: Shaping the future of work in Africa Realising the potential of a socially just future of work", 14th African Regional Meeting Abidjan, Côte d'Ivoire, 3-6 December 2019, 1)d)v, page 3. ; United Nations, United Nations Conference on Trade and Development, Trade and Development Board, Sixty-first Session, Geneva, 15-26, September 2014 ; United Nations, United Nations Conference on Trade and Development, Fourteenth Session, Nairobi, 17-22 July 2016 ; United Nations, General Assembly, seventy-first session, item 19 of the provisional agenda, Sustainable Development, Entrepreneurship for Development Report of the Secretary-General, 2016, A/71/210. We can also note the emergence of an "hard law" based on other instruments make explicit references to co-operatives or the SSE : ILO Promotion of Cooperatives Recommendation, 2002 (No. 193); United Nations resolution 74/119 of 18 December 2019, entitled "Cooperatives in social development"; United Nations resolution 71/221 of 21 December 2016, entitled "Entrepreneurship for sustainable development"; United Nations resolution 71/256 of 23 December 2016 entitled "New urban agenda". Les 10 éléments de l'agroécologie, guidant la transition vers des systèmes alimentaires et agricoles durables, adoptés par le Conseil de la FAO (163ème session) en décembre 2019, comprennent des références à l'économie circulaire et solidaire. The example of cooperative law, an integral part of SSE law, can serve as a lever and example for the design of an international law on the Social Solidarity Economy. Indeed, under the impulse of the ILO, recommendation number 193 on the promotion of cooperatives was adopted in 2002. Its binding force is modest, but combined with the recognition and valorisation of this legal instrument by international organisations such as the International Cooperative Alliance or combined with the reference made in positive legislation to the principles promoted, this recommendation concerning cooperative law lays the foundations for a strong international cooperative law.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

Recommendation 193 of the ILO on the promotion of cooperatives is an international standard that member countries, such as Mexico, must abide by in order to define the legal framework of the Social Sector of the economy, to achieve a balanced society that requires the existence of public sectors and strong private and strong cooperative, mutual sector and other social and non-governmental organizations.

Within this context, governments should establish a policy and legal framework favorable to cooperatives and compatible with their nature and function, and inspired by cooperative values and principles. The aforementioned ILO recommendation establishes the importance of promoting the application of the ILO's fundamental labor standards and the ILO Declaration on fundamental principles and rights at work, to all workers in cooperatives without distinction. some; and to ensure that cooperatives cannot be created or used to evade labor legislation nor does this serve to establish disguised employment relationships, and to fight against pseudo-cooperatives, which violate workers' rights, ensuring that labor legislation work is applied in all companies.

[GSEF /South Korea](#)

[Abstract](#)

When legislation on social economy entities in Korea was created, definition and perspectives of the internationally authoritative bodies or the best practices were incorporated. Any explicit statement supporting the social economy from the authoritative bodies would still help Korean lawmakers and practitioners overcome the politically charged (and ignorant) objection to the social economy initiatives.

[International Association of Mutual Benefit Societies \(information on Portuguese Social Economy\)](#)

[Abstract](#)

Yes there are. There are at EU level laws that are consistent to rule market players, that is capital companies (solvency; consumer protection competition). These rules are being applied at several national levels to entities that not only they do not operate in internal market (for exemple mutuals) as also they have not the same capital structure like capital companies. These facts have to be taken in consideration because they have built a true and effective market distortion as well as unfair competition. This problem, at EU level, as to be addressed.

[Cooperatives Europe](#)

[Abstract](#)

ICA principles and values common to all cooperatives enterprises world wide.

They are the following: Voluntary open membership, democratic member control, member economic participation, autonomy and independence, education training and information, cooperation among cooperatives, concern for the community. On this basis, and taking into account the culture and legal system of each European country, there are different type of legal framework specific to cooperatives.

[International Cooperative Alliance](#)

[Abstract](#)

Enshrining, if not all then the basic structure of the ICA statement on the Cooperative Identity. Yes. there is room to provide guidelines and explainers to the various provisions of the identity statement in the law.

ISSUE 4 - "PUBLIC DEPARTMENTS"

Question 4.1. • Is there a Public department in charge of policies for the whole social economy in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level or is it exclusively in charge for the promotion and regulation of each organisation you mention in question 1.1.? Is any link established with such public Department and the dedicated Ministry as the case may be, in charge of SDGs ?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

No such department exists, though various federal agencies engage with various social economy forms depending on their purview (e.g. worker cooperatives and the US Small Business Administration, community development financial institutions and the US Treasury Department, and agricultural/producer cooperatives and the US Department of Agriculture). No connection to SDGs.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

The Law of the Social and Solidarity Economy, Regulatory of the Eighth Paragraph of Article 25 of the Political Constitution of the United Mexican States, in relation to the social sector of the economy, creates the National Institute of Social Economy, which we know as the (INAES), as a decentralized administrative body of the Secretariat, which will have technical, operational and managerial autonomy. The Institute aims to implement, as part of the National Social Development Policy, public policies for the promotion and development of the social sector of the economy, in order to strengthen and consolidate the Sector as one of the pillars of economic and social development. of the country, through participation, training, research, dissemination and support for productive projects in the Sector.

GSEF / South Korea

Abstract

At the national level, responsibilities of the government for boosting the social economy entities are spread over a number of Ministries in Korea: social enterprises to Ministry of Employment and Labor; cooperatives to Ministry of Strategy and Finance; community businesses to Ministry of the Interior and Safety; self-sufficiency enterprises to Ministry of Health and Welfare; and Social Ventures to Ministry of SMEs and Startups. This situation represents the trajectory of legislation for the Korean social economy and oftentimes 'silo effects' for social economy policymaking and implementation. That is why many in the Korean social economy sector as well as lawmakers have worked hard to create Framework Act on Social Economy, which is still being discussed at the National Assembly of Korea. After Moon Jae-In administration began, a new organization (Secretary to President on Social Economy) has been created to coordinate policies across the ministries. As for the 'department level', it has become more common to have 'social economy department' at all levels of governments, specifically for the Metropolitan/Provincial governments and for the local governments.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

There is no

Cooperatives Europe

Abstract

One Unit within the European Commission has social economy, and indirectly cooperative among its responsibilities. In practices, when talking about legal statute and legal framework, other units are concerned.

International Cooperative Alliance

Abstract

No dedicated authority for social economy as such, but for cooperatives yes. No link to the dept. in charge of SDGs, but the possibility of that happening in the next 5 years is quite high.

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

European Commission, DG EMPL, Unit 'Job creation' but also DG GROW, Unit 'Proximity, Social Economy, Creative Industries'

Question 4.2. • Is this department established by the specific legal framework of those organisations in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

No, the Institute is part of the Ministry of Social Welfare and is not legally linked to the entities of the social sector, since in the laws of cooperatives or mutual societies or in the agrarian law there is no reference to the Institute, there has been no articulated with the entities and only carries out isolated projects such as promotion actions, but has not made important or significant contributions to the sector, it is necessary to have greater ties and that the sector entities be considered as subjects in the development of the sector's public policies.

GSEF / South Korea

[Abstract](#)

No

Cooperatives Europe

[Abstract](#)

No

International Cooperative Alliance

[Abstract](#)

Usually at national level. There is supranational experience but through national registers in the EU and OHADA.

ISSUE 5- "REGISTRY AND OTHER MEANS OF FORMAL IDENTIFICATION"

Question 5.1. • Is it necessary to be officially registered to formally recognize the entities you refer in question 1.1. in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level? Is this registry created by the specific legal framework of those entities or must they be registered in the general register of companies?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

Yes, they are registered according to state statutes and are taxed at the federal level. Some state statutes are more prescriptive in defining what constitutes, for example, a worker cooperative. Others are more loose.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

Yes, the entities must be legally constituted through public deed, and this must be registered in the Public Registry of Property and Commerce, as established by the specific law of each organism or entity of the Social Sector, this is the case of the majority of the entities in the sector, with the exception of the ejido and the agrarian communities, since they must have a Certificate of Agrarian Endowment of Land and must be registered in the National Agrarian Registry.

GSEF / South Korea

Abstract

Social Enterprise Promotion Act clearly states that social enterprises need to be 'certified' by the government for being called 'social enterprises' in Korea. (will be fined otherwise.) Meanwhile, cooperatives can 'register' by filing up the documents that the government requires. All of these are based on the legal framework for each social economy entity. Technically speaking, registration and certification should be done on the basis of specific legal framework, rather than general registry of a business. The only exception is to create cooperatives, as they need to be registered as a 'cooperative' in the business register.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

Private foundations lack recognition. And cooperatives, mutual societies, IPSS and Misericordias depend on registration in the Guardianship

International Cooperative Alliance

Abstract

Yes. The registries are created by specific legal framework unless cooperatives are part of the general code on companies and associations.

Question 5.2. • Must these entities comply with any other qualification or certification to be recognized?.2•Do initiatives have a specific thematic focus? How and on which basis has it been defined?

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

No, with the exception of Cooperative Savings and Loan Societies, which have registered a total amount of assets equal to or greater than the equivalent in national currency to 2,500,000 UDIS (Investment Units), equivalent in national currency to \$ 17,052,497.50 (\$ 852,624.87 USD) will require authorization to carry out or continue to carry out savings and loan operations, and must be authorized by the National Banking and Securities Commission to continue operating.

GSEF / Korea

Abstract

Yes. Each of the social economy entities has its own criteria (or requirement) to become the specific entity.

International Cooperative Alliance

Abstract

Not necessarily.

Question 5.3. • Do the specific registries/qualification/certification for the entities you mention in your answer to question 1.1. provide a concrete benefit beyond the capacity to legally operate? If yes, which one/s?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

Potentially. If states pass legislation that direct resources to cooperatives, registered businesses will have an easier time accessing them.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

In general, the organizations of the Social Sector do not require any additional authorization to operate, except for the aforementioned exception, however, entities, for example savings and loans, can only carry out operations that the National Banking and Securities Commission allows them according to with the amount of its assets and with its capitalization ratio. Additionally, some entities or organizations of the Social Sector obtain certification in the Quality Management system, in compliance with the current ISO 9001 standard, all this as part of the administrative efficiency of the entity.

GSEF / Korea

Abstract

For 'certified' social enterprise, financial support including subsidy is provided on top of other benefits including tax exemption and opportunities to participate in public procurement.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

Registration conferred the status of Legal Person of public utility, but the law has just been repealed

International Cooperative Alliance

Abstract

Yes. Using the name "cooperative" is one; additionally any rights or treatment accorded by public authorities at different times are extended to those entities registered under the specific regulation for coops.

ISSUE 6 - "REPRESENTATION AND CONSULTATION"

Question 6.1. • Does the specific legal framework recognize the capacity of entities you mention in question 1.1. to establish their own representative organizations? Does the legal framework recognize those organisations as partner or interlocutor of the public authorities to develop policies or initiatives regarding the entities in the social economy? Or if there is another piece of legislation that facilitates and recognize that role?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

There is no specific prohibition or allowance in joining or forming representative bodies. There are representative bodies for each cooperative form such as the US Federation of Worker Cooperatives. The apex organization of all cooperative forms is the National Cooperative Business Association. Membership is voluntary. There are efforts at the State level to establish a representative body as a state's certifier of worker cooperatives. This is to ensure that businesses seeking cooperative-specific resources or incentives are legitimate worker-owned businesses.

The Global platform for promoting Social Economy (GSEF)

GSEF / Mexico

Abstract

Yes, their respective laws establish recognition and tax incentives and that the agencies will be consulted regarding public policies in the sector; However, they are only called to consultation forums, in which they play a passive role, which only gives legitimacy to the imposition of new criteria in public policy. It does not consider them as subjects of its own development, despite the fact that the organizations elaborate and propose some legal reform initiatives.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

Yes, the legal frameworks allow representative structures, but not with the breadth they should have, both as for representative entities, only a few are heard, or in matters, it does not cover all the economic activities carried out by the entities.

Cooperatives Europe

Abstract

There are cooperatives business organisations at European level, but it's not linked to the European legal framework.

International Cooperative Alliance

Abstract

Yes. Mostly it is the same legislation and it recognizes the role of representative orgs. vis-a-vis public authorities.

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

There is no a legal framework which recognizes the capacity of WISEs to establish their own representative organizations but the 'old' EaSI program (which will be included in the ESF+ in some days) foresees the possibility to work in partnership with the European Commission in the framework of the Framework Partnership Agreements that the DG EMPL establishes with key EU-level NGOs working for social inclusion

Question 6.2 • To what extent do initiatives based on legal frameworks of those entities seek to widen cooperation with and work on those entities to other policy departments and policy-levels (including municipalities, other public bodies etc.). Which instruments are proposed?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

All representative bodies have some sort of policy advocacy capacity and interface with policymakers and agency staff in shaping and informing cooperative specific legislation. This happens at all jurisdictional levels though the National Cooperative Business Association conducts the most robust federal advocacy support across all cooperative sectors, working with sector-specific representative bodies (like USFWC) to inform sector-specific policy.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

The result is very poor in terms of achieving cooperation in the sector, since the initiatives that are exposed in the forums are proposals from the State towards the entities are regulatory in nature and do not respond to felt needs or initiatives proposed by the sector, often legislators are unaware of the sector.

[International Association of Mutual Benefit Societies \(information on Portuguese Social Economy\)](#)

[Abstract](#)

There is a National Council for the Social Economy, but where not all the representative entities of the various “families” (entities) of the Social Economy, not all representative entities within the same family participate. National organisations have unsuccessfully proposed extending participation in this forum. In the public consultation on the recovery and resilience plan Portuguese it was proposed to draw up and include a plan for the social economy that involved all actors, but did not reflect the document put by the government to the European commission.

[International Cooperative Alliance](#)

[Abstract](#)

Not necessarily covered under the laws for cooperatives, unless in the case of sectoral laws

ISSUE 7 - "RESSOURCES"

Question 7.1. • Is the specific legal framework endowed with consistent budget and resources? Where do they come from?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

No, except for CDFIs. This comes from the CDFI Fund which is administered by the US Treasury Department.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

No, the legal framework does not speak of any budget, the resources are provided by the sector's own organizations; eventually the State offers training events at no cost, or in the best of cases, as in Mexico City, the State Government offers seed capital for the creation or strengthening of cooperatives, when what they require is accompaniment in the field, for the formation of cooperatives and for their technical training, rather than the formation of cooperatives, it is necessary to form cooperatives.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

The participation of the State in Social Action (day care centers, nursing homes, home support) are supported by the social protection system of citizenship financed by the Single Social Tax and by transfers of the State Budget (OE). In health, conventions are financed by Transfers from the OE.

Cooperatives Europe

Abstract

No

International Cooperative Alliance

Abstract

Not necessarily. Promotional bodies, if statutorily created, almost always have provisions concerning budgets, part of which is raised by cooperatives themselves.

Question 7.2 • Does the legal framework include specific support programmes to ease the access of organisations that you mention in question 1.1. to financial instruments in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level? In case there is an overall legal framework in your National/Federal, Sub-Federal/Sub-National or Local/Municipal area, how is elaborated? Who takes the initiative inside the Public Administration to draft those frameworks according to your experience? Is there any formal or information consultation process with social economy representative organisations?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

No but we are working on that: worker cooperative generally cannot access US Small Business Administration loan products due to personal guarantee requirements. Alternative policies are being sought with the agency for mitigating lending risk. Accessible capital is a key constraint to the expansion of worker cooperatives.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

Yes, the legal framework speaks of various incentives, the problem lies in the operation of these support programs, since they are often projects prepared from the desk in which the entities play a passive role, that is, they only receive the support, but does not formally commit them to anything.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

Yes, but it doesn't include everyone. There is a specific funding line for the training of CNES member entities, which as we have already mentioned did not include all families, not all entities.

ISSUE 8 - "SPECIFIC STRATEGIES AND LINKAGES TO OTHER PROGRAMMES/POLICIES"

Question 8.1 • Do the specific legal frameworks mandate public authorities to implement strategies to foster the organisations or entities that you mention in question 1.1.?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

No but legislation or priorities set for legislation by Congress have directed federal agencies to include cooperatives in their implementation.

A recent example of this is the State Small Business Credit Initiative, a \$10B credit program to fund state, territory, and Tribal government small business credit support and investment programs. Congress requested that the Treasury Department determine how to support employee ownership (worker coops and ESOPs) with these public dollars.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

Yes, some of them, such as the aforementioned example of Mexico City, in which there is a Cooperative Development Law, which obliges the State to carry out some promotion actions for the creation and strengthening of cooperatives, even offering exemption in payment of taxes for the first two fiscal years and that can be extended up to five years, but it is an exceptional situation that cannot be seen in any other entity in Mexico.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

Yes and no. Public authorities promote the satellite account of the social economy and this aspect is positive, because it allows knowing the weight of these organizations in the economy of the country, but it is insufficient. The basic law of the social economy was passed in 2013 and the most favorable fiscal framework provided for in Article 11 remains unregulated.

Cooperatives Europe

Abstract

There is no specific policy at European level linked to a specific legal framework.

International Cooperative Alliance

Abstract

Not necessarily in the law, esp. not where there are general/framework laws.

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

The European action plan of social economy

Question 8.2. If so, what kind of strategies have been put in place to promote those entities? Are these strategies directed to promote these organisations in some particular economic or social sectors or are they directed to promote their enterprise or organisational models? Which are their main objectives? Which extent do the overall legal frameworks foresee partnerships between social economy representative organisations and public authorities to implement those policies? Which instruments are proposed?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

There are a lot of parts to this question so I will keep it high level: yes, various city governments have programs that focus on education and outreach, technical assistance, and capital access States have similar programs, and there are a few strategies at play in various Federal agencies for specific cooperative sectors. There is no universal framework for support: this is where policy advocacy comes in. Cities and States concerned about small business closures due to owner retirement, the widening racial wealth gap, and the growing precariousness of contract and gig work have looked at support worker cooperatives and ESOPs to address these challenges.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

As I have mentioned, this type of support is only offered in Mexico City, and it is aimed at a segment of the lower class, which is often underemployed or unemployed, with the aim of grouping them together to form legally constituted cooperatives, even if they are It grants initial capital for the purchase of equipment or tools, but they are not given sufficient follow-up or support, nor the cooperative and financial education to ensure the success of their venture.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

The satellite account aims to promote knowledge of the sector's weight in the economy, individualizing the contribution of each of the families of the social economy. The data are publicly disclosed through a conference organised for this purpose

ISSUE 9 - "LINK WITH OVERALL LEGAL FRAMEWORK ON THE WHOLE SOCIAL ECONOMY"

Question 9.1 Are the specific legal frameworks of the organisations that you mention in question 1.1. connected with an overall legal framework on the whole social economy - in case there is any - in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

United States Federation for Worker Cooperatives and Democracy at Work Institute

Abstract

No

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

No, they are isolated efforts that are carried out at the state level, and are not linked to the national legal framework of the Social Sector of the economy, hence the need to establish a law that unifies the efforts of the Federal Government and the States to offer support, not only economic, but cooperative training and technical training for the Social Sector organizations unified by principles and values that strengthen it and give it its own identity, since some organizations feel more identified with the private sector, or with assistance organizations or charity, perhaps that is why there is no mention of them in the Law of Social and Solidarity Economy ...

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

Yes. The specific legal frameworks are articulated with the basic law of the social economy, but it is necessary to standardize the tax regime

Cooperatives Europe

Abstract

Cooperatives are one the actors concerned by the future action plan on social economy.

International Cooperative Alliance

Abstract

Not the predominant case. Cooperative laws are not explicitly mentioned as part of the social economy legal spectrum, save the mention of cooperatives in national constitutions where the social objective/aim is clearly stated.

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

This will be probably introduced in the European action plan of social economy

Question 9.2. In case there is any, does the overall legal framework on social economy complement or support the specific entities in the social economy in your National/Federal, Sub-Federal/Sub-National or Local/Municipal areas or at supranational level?

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

Yes, in Mexico there is the Law of the Social and Solidarity Economy, Regulatory of the Eighth Paragraph of Article 25 of the Political Constitution of the United Mexican States, in relation to the social sector of the economy, but it has not yet been widely disseminated, including It is unknown by some organizations in the sector, it is true that it is still necessary to expand and improve it to some extent, but it is a good starting point that defines who is part of the sector and what support the State offers, including this law gives life to the Institute of Economics Social and Solidarity (INAES), but it is necessary to strengthen this institute and that its support reaches more organizations, but above all, that it contributes to the unification of the Social Sector of the economy, until it is governed by a single law.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

The basic law of the social economy is only framework law.

Cooperatives Europe

Abstract: Not applicable there.

"TO GO FURHTER"

Which are the main advantages associated to the existence of a specific legal frameworks of entities in the social economy or with the regulated forms currently being used to advance - according to any particular context - the social economy in those regions or countries where this concept is not applied or it is not a part of their legal tradition?

SSE International Forum

Abstract

In accordance with the history, context and idiosyncrasies of each State, the elaboration of an the Social Solidarity Economy legal framework is a political project. Indeed, without any political aim, the Social Solidarity Economy proudly assumes its political dimension. Moreover, very often, as in the case of the recent Tunisian law, the competent authorities show their political agreement by voting unanimously, or almost unanimously, for national legal SSE law. In this way, the public authorities show their commitment to the need to recognise and promote an economic model that places people and their environment at its centre. In the context of the current crises, this became a real need. The adoption of a right to the Social Solidarity Economy is therefore a strong political signal to all socio-economic and political actors, at all levels. It is also a political economy project, democratising development and working for the redistribution of the produced wealth.

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

One of the advantages of having a legal framework for the Social Sector of the Economy is that it can serve as a basis for the unification of the sector in the same legal figure, or at least, to share the same philosophy with the principles and values of the economy solidarity, and to articulate joint actions that allow to generate economies of scale, reduce costs, improve productivity and levels of well-being in the population and to contribute to the national economy.

International Association of Mutual Benefit Societies (information on Portuguese Social Economy)

Abstract

The visibility and recognition of the existence of ways of solving self-managed societal problems, which are more sustainable. The legal certainty it brings to all stakeholders, but above all to beneficiaries.

Cooperatives Europe

Abstract

The regulation on SCE was a political element to promote and defend cooperatives in countries where cooperatives were instrumentalised by political regimes. It also raised awareness on cooperative legal framework and opened the door to a modernisation of the cooperative legal system.

International Cooperative Alliance

Abstract

It is important that specific legal frameworks operate for specific forms of enterprises and associations for, it is useful to identify the nature, scope and character of these entities, which in turn benefits stakeholders including the state to accord corresponding treatment and have certain expectations from such entities.

European Network for *Social* Integration Enterprises (ENSIE)

Abstract

Legal frameworks are important tools for establishing work integration social enterprises (this is shown clearly in Italy where the law on social enterprises in which WISEs are included is present since 1991 and nowadays we could calculate more than 23000 social enterprises and more than 6500 WISEs). It can provide clarity by defining which entities can be considered as WISEs, what are their duties, main objectives, and fiscal aspects of their operation. SE and WISEs legal frameworks can both define social enterprise as well as to structure it, through the creation of new legal forms and regulations.

<http://dati.mise.gov.it/index.php/lista-cooperative>

Any other relevant issues to be added

The Global platform for promoting social economy (GSEF)

GSEF / Mexico

Abstract

It is important for the integration of the social sector of the economy to overcome the isolation or distancing that exists in the organisms of the sector itself, due to the different legal nature and laws that regulate them and due to internal rivalry between those who agree on greater regulation for the sector and those who want it to be reduced to its minimum expression; In the field of cooperatives, for example, there are two initiatives to reform the law, and the differences between the leaders and groups that promote them prevent legislators from being able to resolve any of them. It is important that the unity of the sector is based on principles and values, avoiding sectarianism and the fragmentation of the social sector.

Cooperatives Europe

Abstract

Cooperatives have diverse normative frameworks at national, European and international levels. They do not constitute an exception, but the application of specific operational principles

With regard to this specific identity, the Member States - in the fields recognized by the Treaties, can therefore enact particular clauses for co-operative societies and take into account any particular constraints (if not all to the same degree) that co-operatives may have.