

Social Economy in Spain



Configuration of Social Economy in Spain

Law 5/2011 of 29 March on Social Economy currently configures Spanish Social Economy. It is undoubtedly an unprecedented turning point in the acknowledgement, visibility and development of the Sector, within the State and European Union.

The text of the Law defines Social Economy as the set of economic and business activities carried out by institutions in the private sector, which seek a general economic or social interest, or both, and in accordance with the following principles.

The principles that guide Social Economy in Spain are:

- ⇒ Priority of the people and the social objective over capital. This is established by means of an autonomous, transparent, democratic and participatory management that prioritizes decision-making based on the people and their contribution to the work and services carried out for the institution or its social objective over their contribution to share capital.
- ⇒ Turnover obtained from economic activity is mainly applied according to the work contributed and the service or activity carried out by the institution's partners or members and to the institution's end social objective.
- ⇒ Encouraging internal solidarity and social solidarity that favours a commitment to local development, equal opportunities for men and women, social cohesion, the integration of persons at the risk of social exclusion, generating stable and quality employment, conciliation of personal and professional life and sustainability.
- ⇒ Independence from the public authorities.

Similarly, as established by the Law, the following institutions are a part of the diverse business fabric that is Social Economy:

COOPERATIVES: A cooperative is a business form based on a democratic structure and operation. Its activity is developed in compliance with cooperative principles accepted and regulated at regional, national and international levels: voluntary and open adhesion of the members, democratic management, economical participation of members, education, training and information, and an interest in the community.

WORKER-OWNED SOCIETIES: Worker-owned Societies have a high potential to create businesses. In this type of corporation, the majority of the capital is shared by employees/workers. The fact that the workers are

also the shareholders encourages self-motivation in entrepreneurial projects. The minimum number of members is three, and constitution procedures are similar to those of other companies.

MUTUAL BENEFIT SOCIETIES: These organisations -made up of individuals- have a non-profit nature. With a democratic structure and management system, they provide voluntary insurance as a complement to the social security system.

SPECIAL EMPLOYMENT CENTRES: These companies combine economic feasibility and market participation with a social commitment to groups with less access to the job market. Their staff includes people with disabilities (it has to be over 70% of total employees). They develop productive and competitive capacity to introduce their products into the market.

INSERTION COMPANIES: Insertion companies are defined as "learning structures, in business corporate form, that aim to ensure job market access to disadvantaged groups by developing a productive activity. To that end, an insertion process is designed with a standard labour relationship". The staff must consist of a number of insertion employees, from 30 to 60% depending on the region. 80% of the profit is re-invested in the company.

FISHERMEN'S GUILDS: These are sector-based, public-law organisations of a non-profit nature. They represent the economic interests of fishing boat builders and fishing workers and operate as an advisory and collaborative body in the corresponding administrations in the area of sea fishing and fishery planning. Their goal is to meet their members' needs and to contribute to local development, social cohesion and sustainability.

DISABILITY ASSOCIATIONS: The main aim of this associative movement is to provide services where the profit-making sector fails to do so. This is usually the case with sectors having to do with people's fundamental rights, particularly with regard to especially vulnerable groups, like disabled individuals. Other features are innovation in the way social problems are dealt with, and the defence of social, legal and administrative changes aimed at protecting the rights and liberties of those with disabilities as the necessary basis for diversity, plurality and tolerance.

FOUNDATIONS: these are non-profit organisations whose equity is dedicated to a general interest objective in the long term, by the will of their creators. Social Economy Foundations must fully comply with the abovementioned Social Economy principles contained in Law 5/2011.

A Business Confederation with a **86,600 million euros turnover** and more than **2,350,000 jobs**

Established in 1992, the Spanish Business Confederation of Social Economy - CEPES (*Confederación Empresarial Española de Economía Social*) is a confederation with national scope and cross-sector nature. It is an institution of highest level in Spanish social economy and a platform for institutional dialogues with public authorities.

As an organisation that pools existing economic actions under the social economy model, CEPES **is made up of 29 organisations**. All of them are national or regional confederations and specific business groups representing the interests of Cooperatives, Worker-Owned Societies, Mutual Benefit Societies, Insertion Companies, Special Employment Centres, Fishermen's Guilds and Disability Associations with more than **200 support structures at a regional level**.

CEPES works as only spokesman by integrating and organising all the confederated structures; it is both an economic and social agent operating in the market and having repercussions on society through various actions. It has a personality of its own and applies a corporate model with its own specific values.

10% of GDP, total turnover of members, and the interests of the followed are represented:

Almost 45,000 companies

More than 2,350,000 jobs

More than 12,000,000 people

OBJECTIVES

- To spread and defend Social Economy and its movements and sectors.
- To exert influence on public policies and regulation both at national and international level.
- To foster the national economic development by obtaining stability and pluralism in the economic markets.
- To transfer to the society and the entrepreneurial sector another way of doing business with social responsibility and specific values.

- To express and defend the common interests of the member organisations in front of society, the administrations, and European and international institutions.
- To support and represent, in their common aspects, the interests of social economy before all parties and at the economic, social, cultural or political levels of the country and the European Union.
- To explore general and common problems of all social economy enterprises, to agree on appropriate solutions and to implement resulting joint action lines.
- To implement and facilitate services of common or specific interests of social economy organisations.
- To promote progress in methods and techniques of management, particularly by carrying out and disseminating research and by organising and implementing suitable training and information resources.

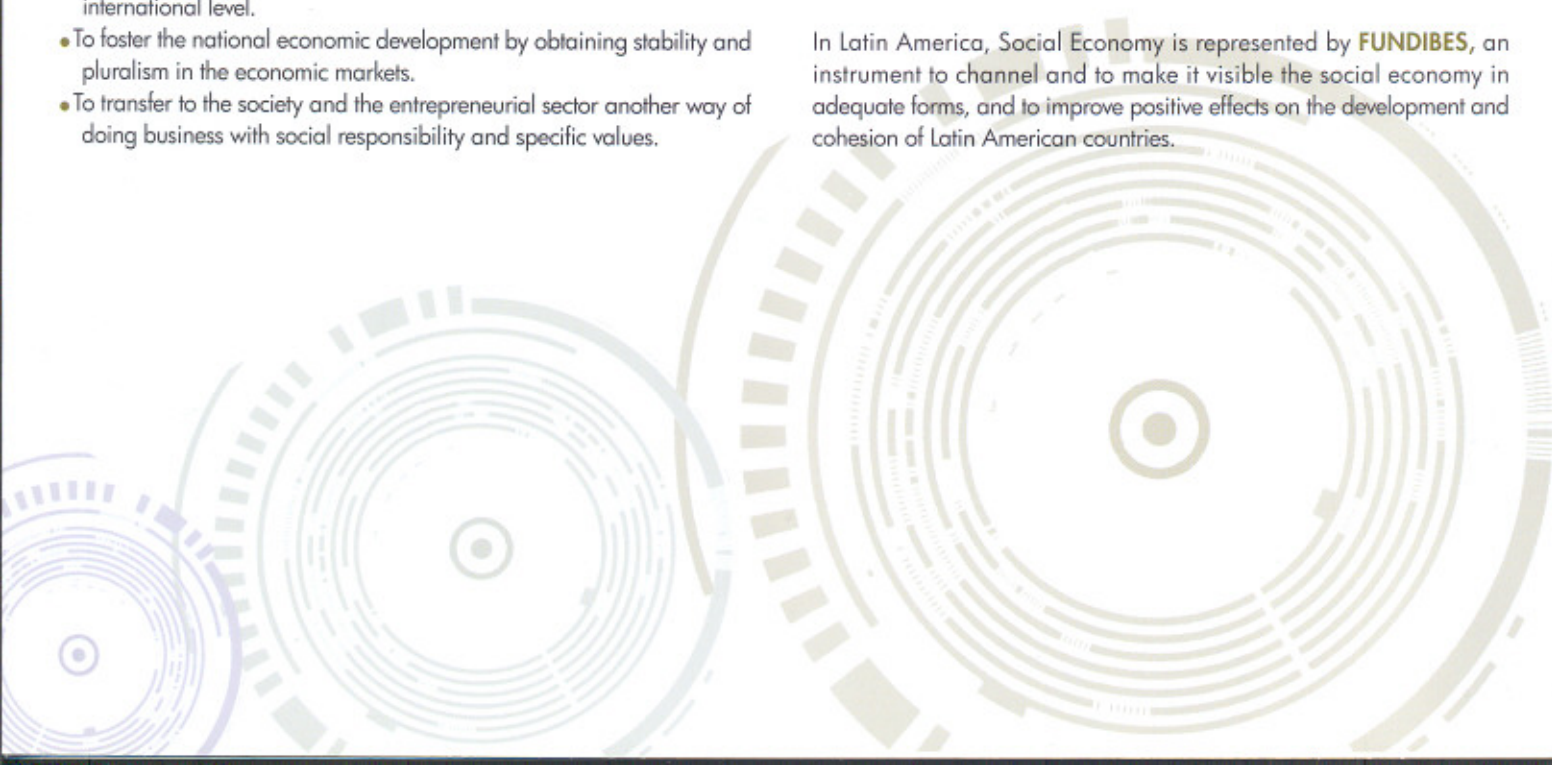
INTERNATIONAL SCENARIO:

Since its foundation, CEPES has kept a high international profile, developing an important work line aimed at ensuring the presence of social economy in the main international agendas in the construction of the European Union, Latin American Cooperation, and Euro-Mediterranean partnership.

Although their main measures have focused on the European environment, links with Latin America and the Mediterranean basin have been gradually strengthened with more importance.

Since 2001 CEPES have coordinated with the **Mediterranean Network of Social Economy** with a view to boosting and reinforcing this entrepreneurial fabric throughout the Mediterranean. Covering Italy, France, Portugal, Spain, Tunisia and Morocco and Algeria. Its main goal is to coordinate the organisations of the social economy sector from these countries.

In Latin America, Social Economy is represented by **FUNDIBES**, an instrument to channel and to make it visible the social economy in adequate forms, and to improve positive effects on the development and cohesion of Latin American countries.



Main challenges of Social Economy in Spain

Social Economy Enterprises are highly committed to maintaining existing jobs and working fundamentally in:

- **The social assistance sector** has been working for years by supplying people with quality and caring services, especially in towns with less than 300,000 inhabitants.
- **The sector for children aged 0 to 3** in order to overcome the shortage of services and existing inequalities.
- The creation of companies in the **renewable energy and biomass production**.
- **Education and training** as a key strategic vector for the future. Not only to ensure existing jobs and boost competitiveness but also to train non-

qualified groups from other sectors undergoing a crisis and needing new skills.

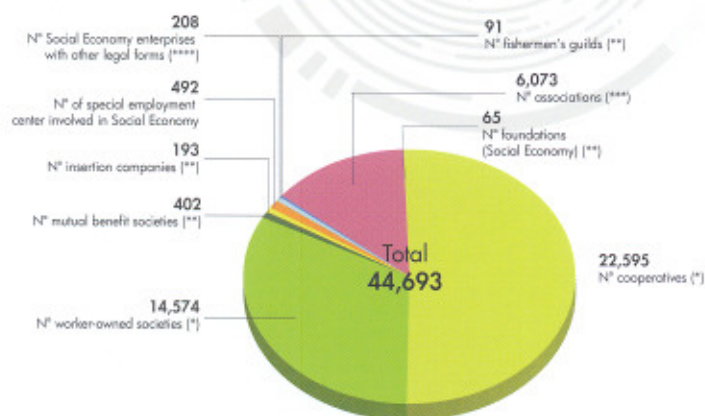
- **Investment in R&D&I** as a factor for improvement of quality and prosperity of products and services through technological centres of innovation or of universities.
- **Modernisation of agro-alimentary structures**; for years they have been pioneers in innovation, using the necessary resources to be able to meet new market demands.

CEPES will continue its role as negotiator to encourage dialogues promoting "this other way of doing business", which is increasingly necessary in an economy requiring cohesion, equity, transparency and social responsibility.

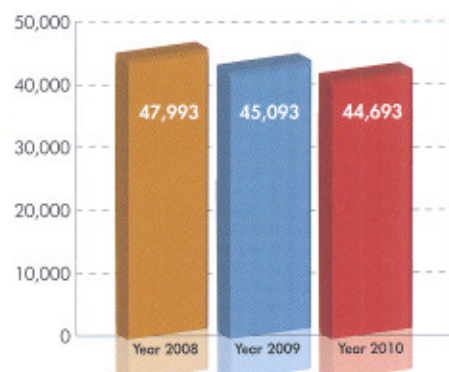


Figures of the Social Economy in Spain in 2010

Number of Social Economy Entities



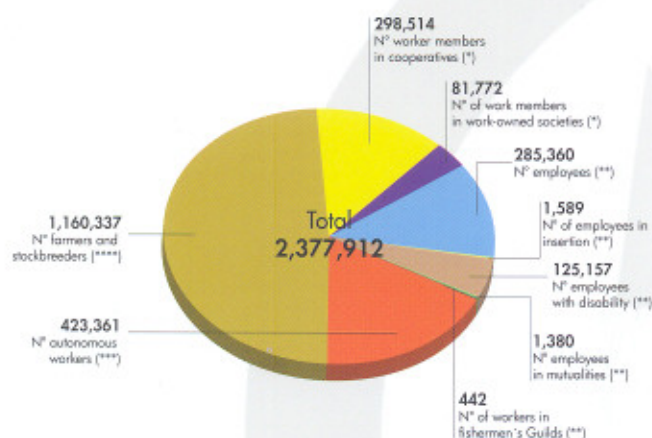
Development Number of Social Economy Entities



(*) Resource: Minister for Labour and Immigration, Director General of Social Economy, of self employment and Corporate Social Responsibility (cooperatives and work-owned societies). (**) Resource: data provided by CNEPS (mutual benefit societies), FAEDEI (insertion companies), FEACEM (special employment centers) and by REAS, UECOE, ONCE, F. ESPRIU for foundations. (***) Resource: data provided by CERMI, REAS and UNIDE (associations). (****) Resource: data provided by MONDRAGON CORPORATION, F. ESPRIU, Grupo CLADE, ATLANTIS and UNIDE.

Development Employment in Social Economy Entities

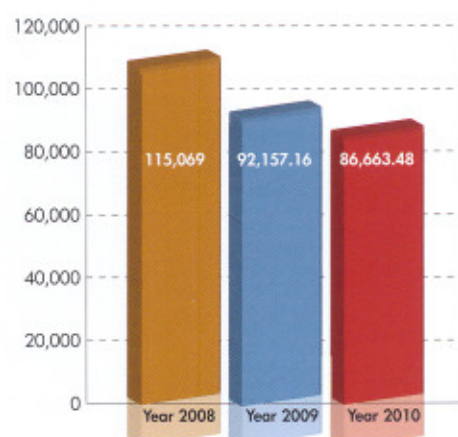
Total People that are Economically Linked to Social Economy



(*) Resource: Ministry for Labour and Immigration, Director General of Social Economy and Corporate Social Responsibility (work-owned societies) and Cooperatives. (**) Resource: Data provided by members of CEPES. (****) Resource: Data provided by MONDRAGON CORPORATION, CEPES ANDALUCIA, UECOE, UCOTRANS, UNACOMAR and CEPES EXTREMADURA. (*****) Resource: Spanish Agro-alimentary Cooperatives.

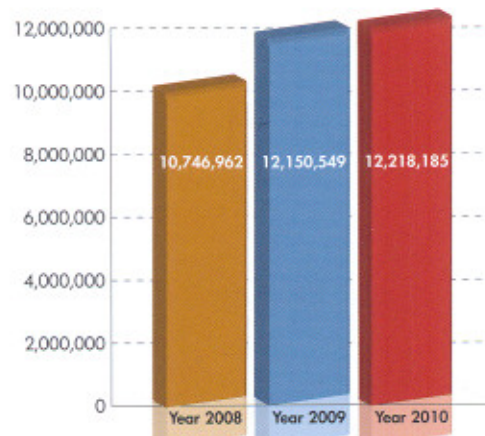
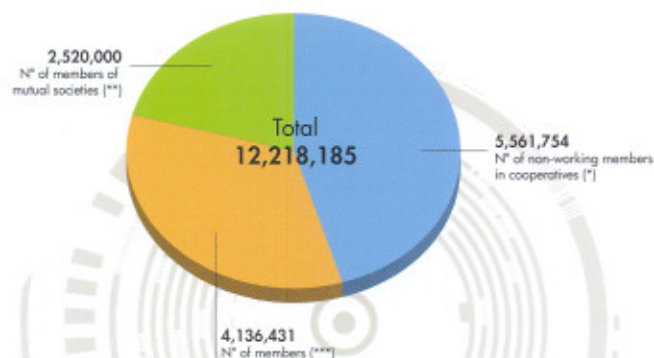
Turnover: 86,663.48 million euros

Development in Turnover (million euros)



Asociacionism

Development of Asociacionism in Social Economy Entities



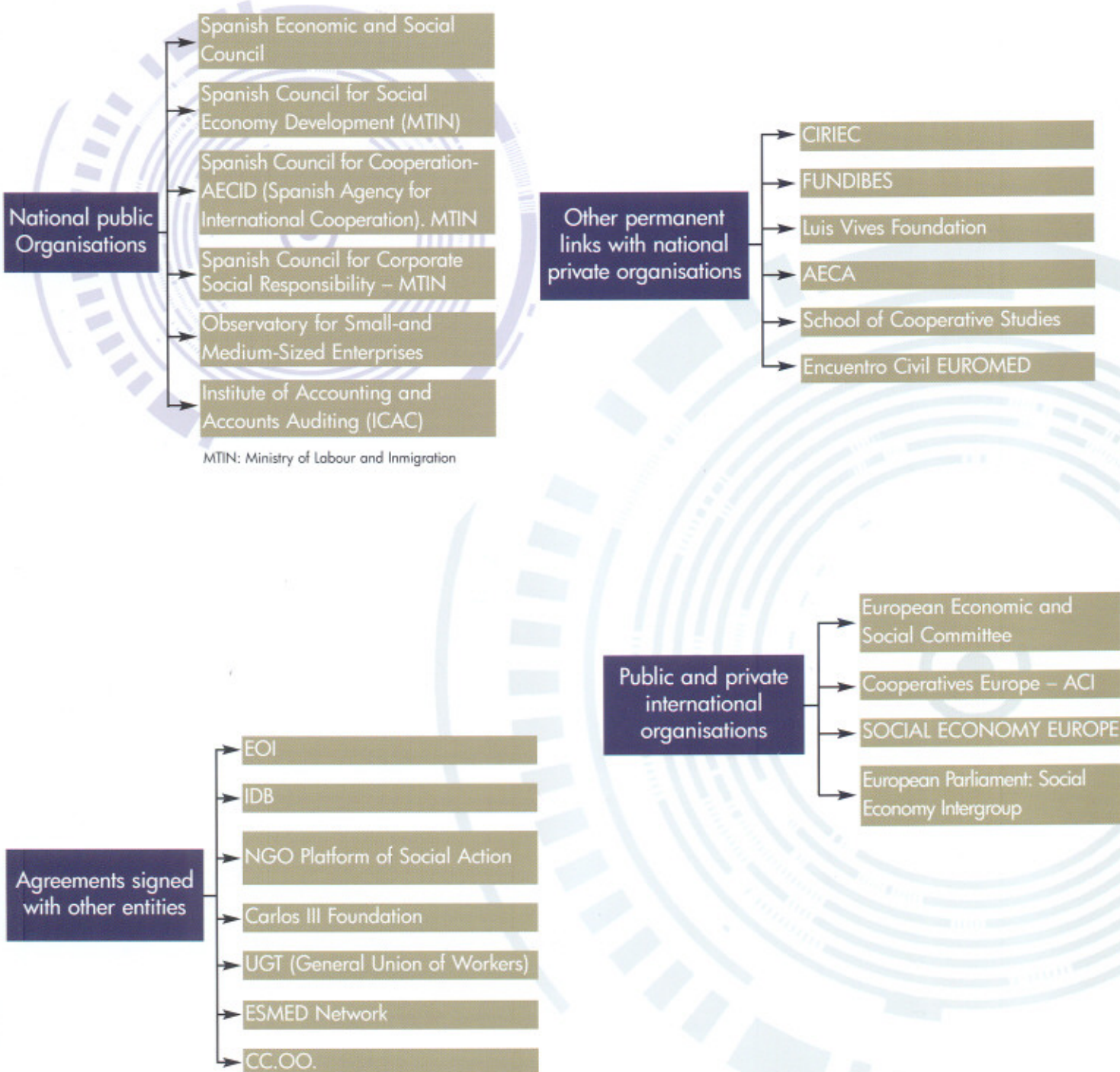
(*) Resource: CEPES. Data provided by members of CEPES.

(**) Resource: CEPES. Data provided by CNEPS.

(***) Resource: Data provided by ONCE, CERMI, ESPRIU FOUNDATION and UNIDE.

Cepes' institutional representation in public and private organisations at national and international levels

In recent years the presence of CEPES in the national and international institutional dialogues has made a considerable progress. One of the strategic goals of CEPES is to strengthen its active presence at relevant communication levels with a view to influencing legislation and public policies in all areas. By CEPES, Spanish Social Economy is represented in the following national and international organisations:



MEMBERS OF CEPES

NATIONAL ORGANISATIONS

AFEM: FEAPS Association for the Employment of Mentally Challenged (www.ceeafem.org)

CERMI: Spanish Committee of Representatives for Disabled People (www.cermi.es)

CNEPS: Spanish Confederation of Mutual Benefit Societies (www.cneps.es)

COCETA: Spanish Confederation of Worker's Cooperatives (www.coceta.coop)

CONCOVI: Spanish Confederation of Housing Cooperatives (www.concovi.es)

CONFESAL: Spanish Confederation of Worker-Owned Societies (www.confesal.es)

AGRO-ALIMENTARY COOPERATIVES (www.agro-alimentarias.coop)

FAEDEI: Federation of Insertion Companies' Business Associations (www.faedei.org)

FNCP: Spanish National Federation of Fishermen' Guilds (www.fnep.eu)

HISPACOO: Spanish Confederation of Consumers' and Users' Cooperatives (www.hispacoo.es)

ONCE: Spanish National Organisation for the Blind (www.once.es)

REAS: Alternative and Solidarity Economy Network (www.economiasolidaria.org)

UCOTRANS: Spanish Union of Transport Cooperatives (www.ucotrans.es)

UECOE: Spanish Union of Education Cooperatives (www.uecoe.es)

UNACOMAR: Spanish National Union of Seafarers Cooperatives

REGIONAL ORGANISATIONS

CCC: Catalonia Cooperative Confederation (www.cooperativescatalunya.coop)

CEPES-ANDALUCIA: Business Confederation of Social Economy in Andalusia (www.cepes-andalucia.es)

CEPES EXTREMADURA: Business Confederation of Social Economy in Extremadura (www.cepes-extremadura.org)

CEPES NAVARRA: Confederation of Social Economy Entities of Navarra

FECOMA: Federation of Cooperatives in Madrid

KONFEKOOP: Confederation of Cooperatives of Basque Country (www.konfekoop.coop)

VALENCIAN COOPERATIVE CONFEDERATION (www.concoval.es)

SOCIAL ECONOMY BUSINESS GROUPS

ASCES GROUP: Association for the Cooperation of the Social Economy Enterprises (www.grupoasc.es)

ATLANTIS GROUP: (www.atlantis-seguros.es)

ESPRU FOUNDATION: (www.fundacionespru.coop)

FUNDOSA GROUP: (www.funaciononce.org/fundosa)

GROUP CLADE: (www.grupclade.coop)

MONDRAGÓN CORPORATION: (www.mcc.es)

UNIDE: Spanish Union of Retailers Cooperative Society (www.unide.es)