

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 persons- 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 capacities to introduce their products into the market.

INSERTION COMPANIES: Insertion companies are defined as "learning structures, in business corporate form, that aim at ensuring 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 **76,000 million euros turnover** and more than **2,390,000 jobs**



The Spanish Business Confederation of Social Economy - CEPES (Confederación Empresarial Española de Economía Social) is a business organisation which has been created in 1992 as national and crosssector confederation for institutional dialogue with public authorities, becoming the highest representation of Spanish social economy.

As an organisation that pools existing economic actions under the social economy model, CEPES is **made up of 31 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´ Guilds and Disability Associations with more than **200 support structures at regional level**.

CEPES acts as only spokesman that integrates and organises all the confederated structures. CEPES defines itself as a social and economic partner which operates in the market and has repercussions on society through various actions. It has a personality of its own and applies a corporate model with its own specific values.

7. 5% of GDP, total turnover of members, and the interests of the followed are represented:

More than 43,000 enterprises

More than 2,390,000 jobs

More than 12,500,000 asociated 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 business 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 public authorities, 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.

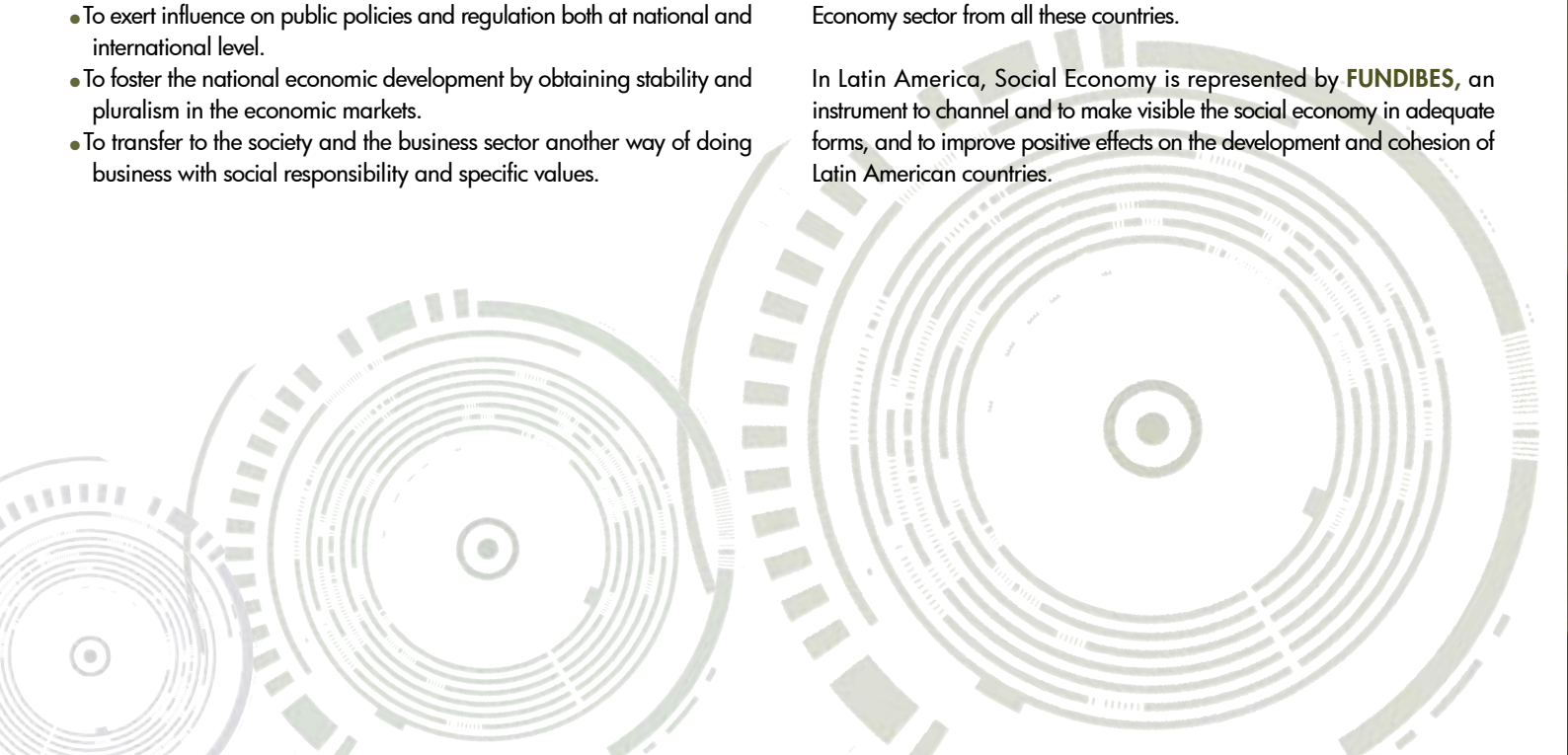
INTERNATIONAL SCENARIO:

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 has coordinated the **Euro-Mediterranean Network of Social Economy (ESMED)** with a view to boosting and reinforcing this entrepreneurial fabric throughout the Mediterranean. The ESMED Network are integrated by Algeria, France, Italy, Morocco, Portugal, Spain and Tunisia. Egypt and Turkey are in process of integration. The main goal of the ESMED Network is to coordinate the organisations of the Social Economy sector from all these countries.

In Latin America, Social Economy is represented by **FUNDIBES**, an instrument to channel and to make 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:

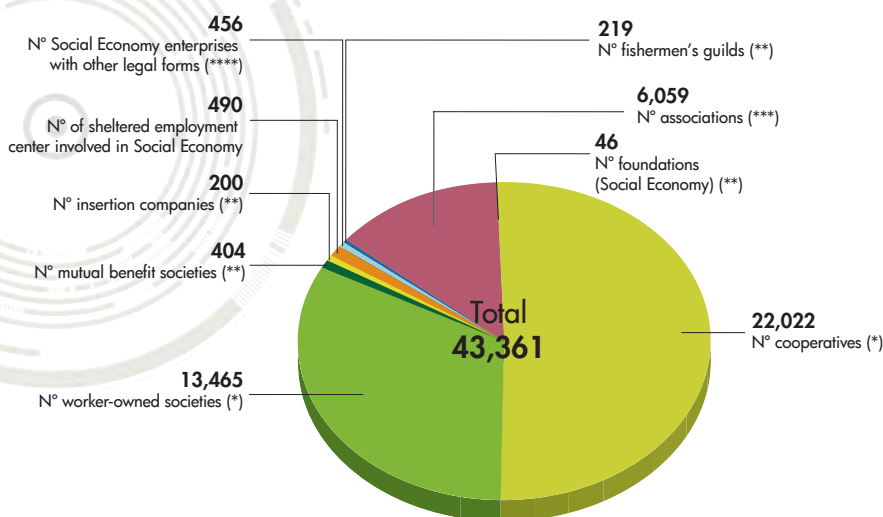
- To place the Social Economy in social and institutional dialogue.
- To become a proactive and constructive organization.
- To increase the visibility social economy enterprises as a clear example of how economic rationality and social progress are compatible.
- To contribute to transfer values to business.
- To place social economy enterprises as reference of socially and economically committed enterprises.
- To develop and enhance business in a strategic sector to increase the competitiveness of social economy enterprises.
- To strengthen the presence of Social Economy enterprises abroad.

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 2011

Number of Social Economy Entities



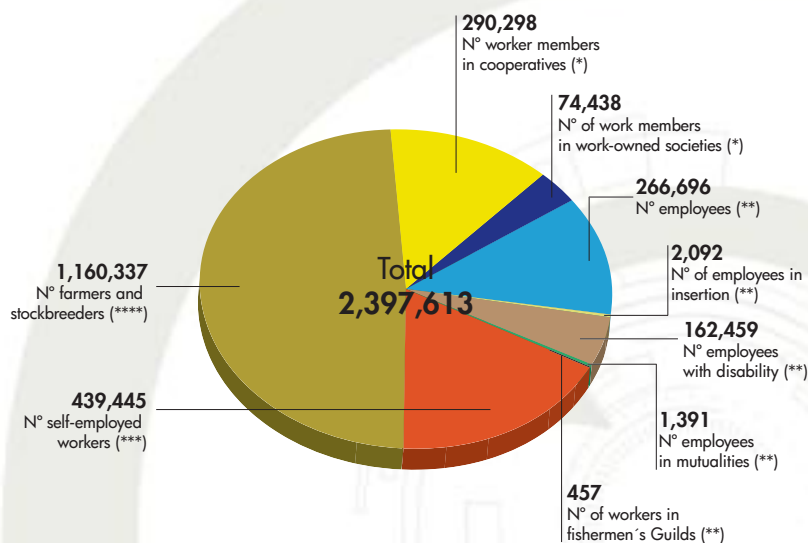
(*) Resource: Ministry of Employment and Social Security. General Director of Self-Employment, Social Economy and CSR. Cooperatives and work-owned societies.

(**) Resource: data provided by CNEPS (mutual benefit societies), FAEDEI (insertion companies), FEACEM (special employment centers) and by REAS, UECEO, MONDRAGON Corporation, ONCE, F. ESPRIU, CLADE Group and UNIDE (foundations).

(***) Resource: data provided by CERMI, REAS and FUNDOSA Group for associations.

(****) Resource: data provided by MONDRAGON Corporation, F. ESPRIU, Grupo CLADE, ATLANTIS, UNIDE, FUNDOSA Group, ONCE and REAS.

Total People who are Economically Linked to Social Economy



(*) Resource: Ministry of Employment and Social Security. General Director of Self-Employment, Social Economy and CSR (work-owned societies and Cooperatives).

(**) Resource: CEPES data partner.

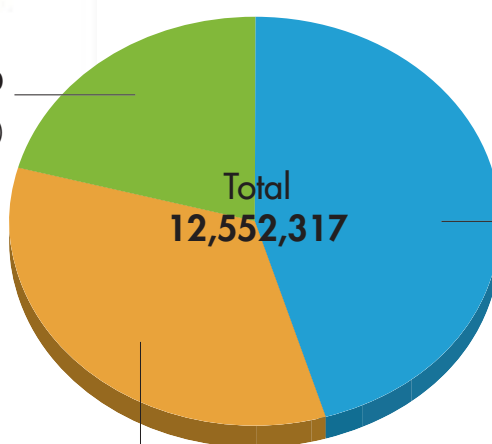
(***) Resource: Data provided by MONDRAGON Corporation, CEPES ANDALUCIA, UECEO, UCOTRANS and REAS.

(****) Resource: Spanish Agro-alimentary Cooperatives.

Turnover: **76,162 million euros**

Asociacionism

2,530,000
N° of members of
mutual societies (**)



5,823,529
N° of non-working members
in cooperatives (*)

4,198,788
N° of members (***)

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

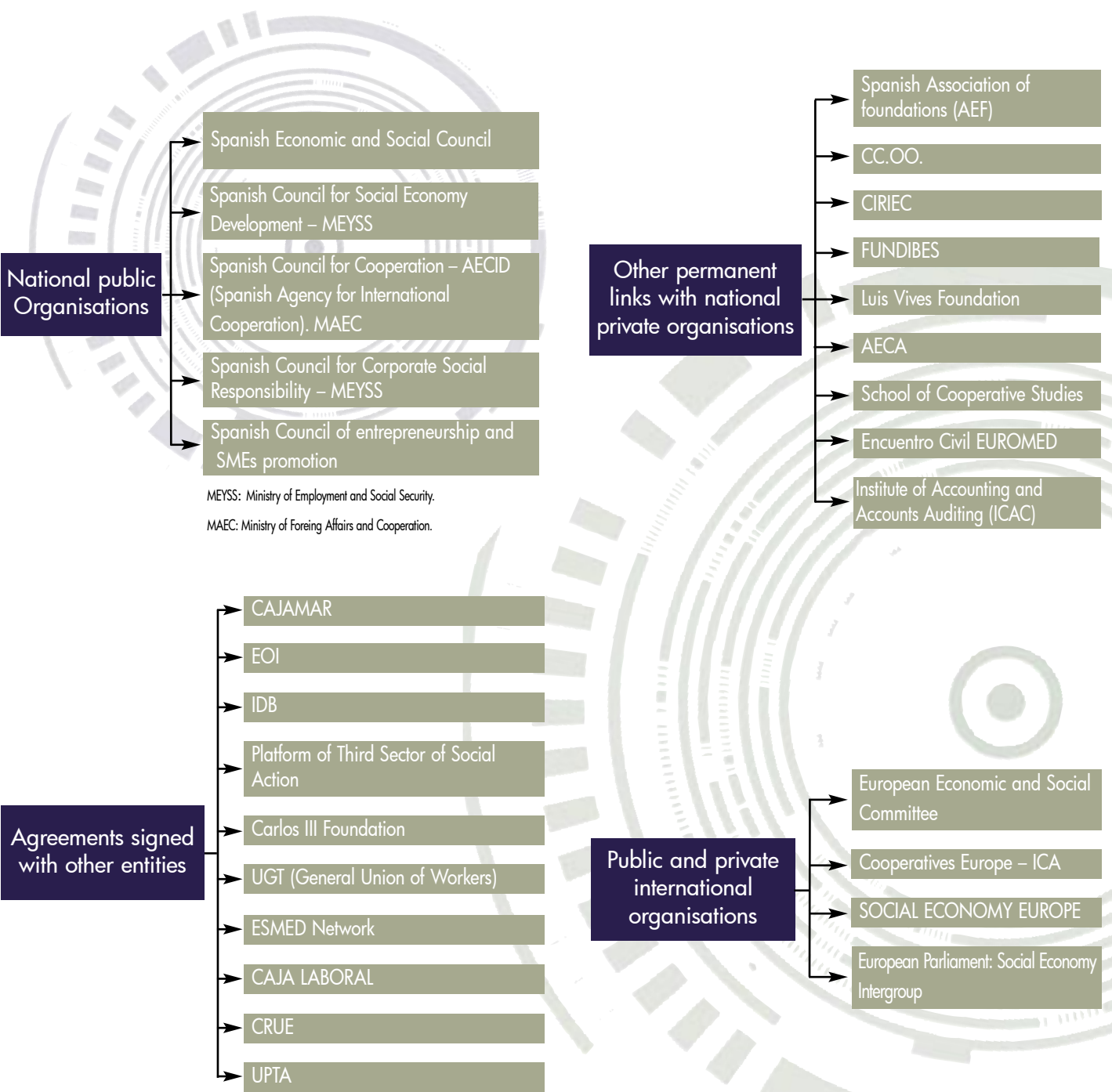
(**) Resource: CEPES. Data provided by CNEPS.

(***) Resource: Data provided by ONCE, CERMI, ESPRIU FOUNDATION, REAS, FNCP 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 dialogue ranges in order 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)
- AGRO-ALIMENTARY COOPERATIVES** (www.agro-alimentarias.coop)
- 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)
- FAEDEI:** Federation of Insertion Companies' Business Associations (www.faedei.org)
- FEACEM:** Spanish Business Federation of Sheltered Employment Centers Associations (www.feacem.es)
- FNCP:** Spanish National Federation of Fishermen' Guilds (www.fncp.eu)
- HISPACOOOP:** Spanish Confederation of Consumers' and Users' Cooperatives (www.hispacooop.es)
- ONCE:** Spanish National Organisation for the Blind (www.once.es)
- REAS:** Alternative and Solidarity Economy Network (www.economiasolidaria.org)
- UCOTRANS:** Spanish Federations of 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.grupoasces.com)
- ATLANTIS GROUP:** (www.atlantis-seguros.es)
- CAJAMAR, CAJARURAL, Credit Cooperative** (www.cajamar.es)
- ESPRIU FOUNDATION:** (www.fundacionespriu.coop)
- FUNDOSA GROUP:** (www.funaciononce.org/fundosa)
- GROUP CLADE:** (www.grupclade.coop)
- MONDRAGON Corporation:** (www.mondragon-corporation.com)
- UNIDE:** Spanish Union of Retailers Cooperative Society (www.unide.es)