



Conférence Européenne Permanente  
des Coopératives, Mutualités,  
Associations et Fondations

European Standing Conference  
of Co-operatives, Mutual Societies,  
Associations and Foundations

## THE SOCIAL ECONOMY

### *A different type of entrepreneurship*

The organisations of the social economy<sup>1</sup> are economic and social actors active in all sectors. They are characterised principally by their aims and by their distinctive form of entrepreneurship.

The social economy includes organisations such as cooperatives, mutual societies, associations and foundations. These enterprises are particularly active in certain fields such as social protection, social services, health, banking, insurance, agricultural production, consumer affairs, associative work, craft trades, housing, supply, neighbourhood services, education and training, and the area of culture, sport and leisure activities.

New initiatives are being developed to meet today's new challenges (sustainable development, increasing lack of involvement on the part of public services, social integration, solidarity between generations).

Some of these initiatives have already received legal recognition, such as enterprises with social goals (Belgium), social cooperatives (Italy), cooperative enterprises serving the general interest (France), etc.

The social economy accounts for 10% of all European companies, and 10% of total employment.

The success of enterprises in the social economy cannot be measured solely in terms of economic performance, which is nonetheless necessary to the achievement of their goals as mutual societies and in terms of solidarity, but must above all be gauged by their contributions in terms of solidarity, social cohesion and territorial ties.

All of these initiatives fall under the heading of the development of European policies (on social topics, employment, enterprises and entrepreneurship, education, research, local and regional development, CSR, enterprise governance, etc.) to whom they contribute actively.

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<sup>1</sup> The concept of social economy includes the various denominations used in the different countries like "solidarity-based economy ('économie solidaire'), the third sector, CMAF (Co-operatives, Mutual Societies, Associations and Foundations), etc.

## ***Distinctive specific features***

The legal form an entity in the social economy may take varies from one member state to the next. However, these enterprises are distinguished from capital-based companies by specific features linked to shared characteristics, in particular:

- **The primacy of the individual and the social objective over capital**
- **Voluntary and open membership**
- **Democratic control by the membership<sup>2</sup>**
- **The combination of the interests of members/users and/or the general interest**
- **The defence and application of the principle of solidarity and responsibility**
- **Autonomous management and independence from public authorities**
- **The essential surplus is used to carry out sustainable development objectives, services of interest to members or of general interest.**

## ***An undeniable reality***

The social economy:

→ is founded on the principles of solidarity and individual involvement in a process of active citizenship

→ generates high-quality jobs and a better quality of life, and offers a framework suited to new forms of enterprise and work

→ plays an important role in local development and social cohesion

→ is socially responsible

→ is a factor of democracy

→ contributes to the stability and pluralism of economic markets

→ corresponds to the European Union's priorities and strategic objectives: social cohesion, full employment and the fight against poverty, participatory democracy, better governance, sustainable development,...

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***The social economy has a broad social foundation and conducts its activities in varied legal forms while demonstrating its competitiveness and its capacity to grow and adapt to new social and economic challenges.***

***It is therefore a fundamental component of organised civil society. It takes positions and submits opinions to public authorities concerning the development, implementation and evaluation of policies that affect citizens' lives.***

***The social economy makes a significant contribution to the development of a plural society that provides for greater participation, more democracy and more solidarity.***

Brussels, 10 April 2002 - Original version in French

<sup>2</sup> Does not concern foundations as they have no members.