

# Building bridges between S3 and Social Economy: *Social economy to foster industrialization partnership*



Mikel Irujo Amezaga  
COR member for Navarra

# Social Economy in the EU

## Social economy in the EU

- **What they are** - there are 2 million social economy enterprises in Europe, representing 10% of all businesses in the EU. More than 11 million people – about 6% of the EU's employees – work for social economy enterprises. They have different legal forms and various objectives ranging from agriculture and banking to provision of employment and sheltered workshops.
- **Main objectives** - the primary objective of the traditional social economy enterprises is to serve the members and not to obtain a return on investment as the traditional mainstream capital companies do. The members act in accordance with the principle of solidarity and mutuality, and manage their enterprise on the basis of 'one man one vote' principle.
- **Social enterprises** - an important and growing group of social economy enterprises are the [social enterprises](#). Their main objective is to have a social, societal or environmental impact for the general interest.
- **Policy** - when policy-makers work to improve the business environment in Europe, they need to ensure that the specificities of these enterprises like ethos, working style, corporate governance, specific accounting modes, asset lock, profits retaining, special 'social' objectives are taken into account.



## Social enterprises and the social economy going forward

A call for action from the Commission Expert Group on Social Entrepreneurship (GECES)

OCTOBER 2016

### Five pillars to be developed:

1. Access to finance;
2. Access to markets;
3. Improving framework conditions;
4. Social innovation, technologies and new business models;
5. International dimension.



## EU Values (art. 1, 2 ad 3 TEU)

## Social Economy Values (Social Economy Europe)

Respect for human dignity and promotion of well-being of its people

Individual and the social objective over capital

Democracy, decisions are taken as openly as possible and as closely as possible to the citizen

Democratic control by the membership

Equality, pluralism, non-discrimination

Combination of the interests of members, users, and general interest (society)

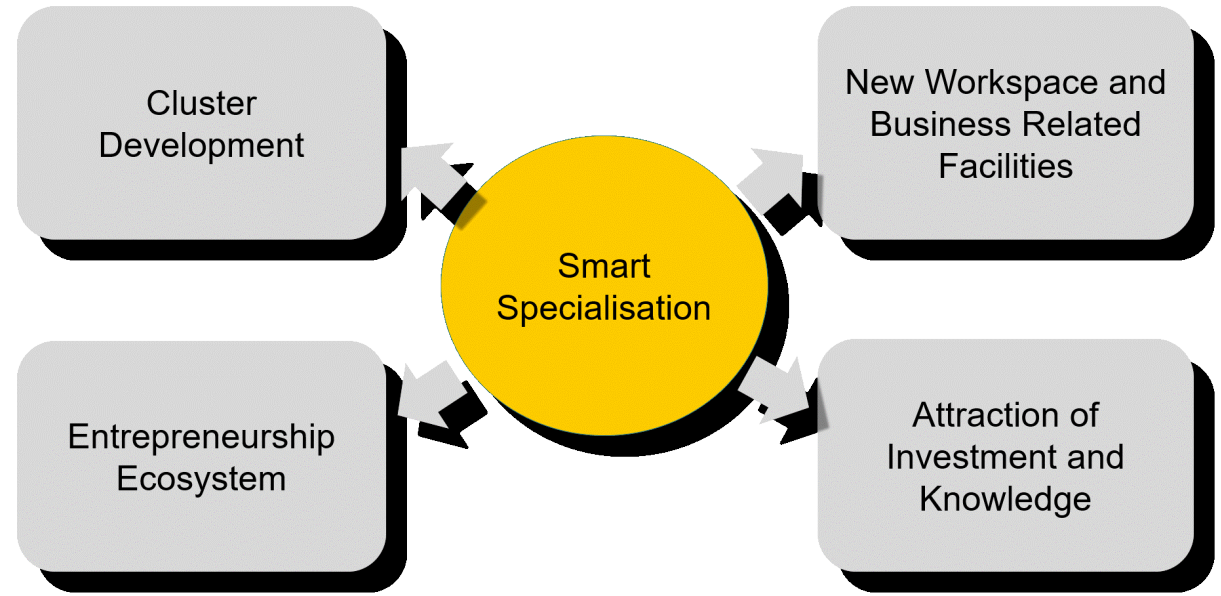
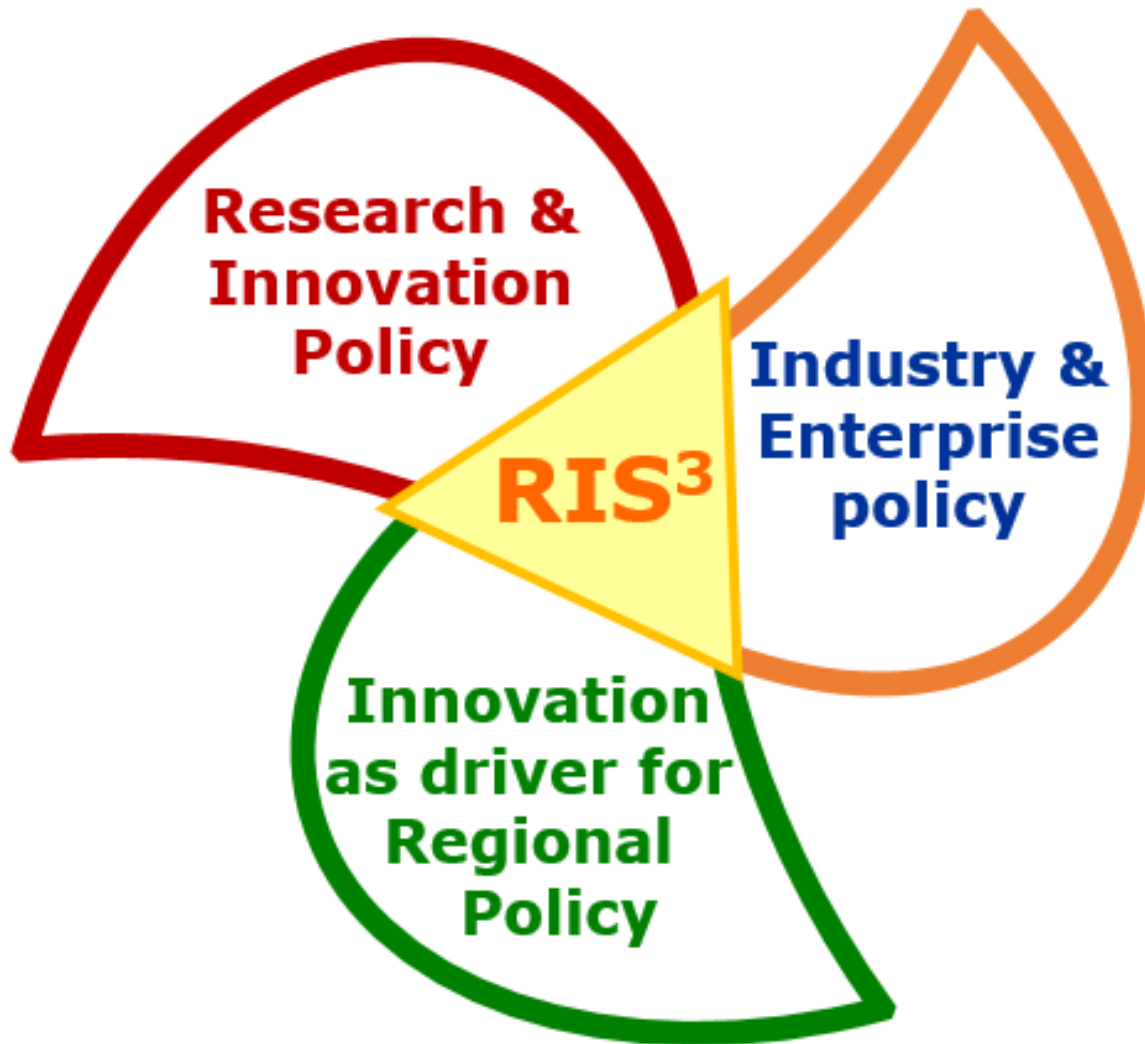
Solidarity

Reinvestment of the surplus to carry out sustainable development objectives, services of interest to members or of general interest

Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements (art. 50)

Voluntary and open membership

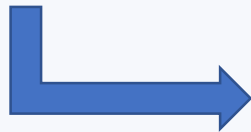
# S3 v. Pillars of GECES Report



**Five pillars** to be developed:

1. Access to finance;
2. Access to markets;
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4. Social innovation, technologies and new business
5. International dimension.

## Social Economy linked to Smart Specialisation Strategy



### BUDGET

A total budget of

# €10.7m

for a three-year period, 2017-2019.

## Strategic lines and goals

### 1. SUSTAINABLE AND QUALITY EMPLOYMENT

Set of measures aimed at creating and maintaining employment, improving the quality and equality of employment, improving employability and equal opportunity employment through Social Economy companies.

- » Increase the number of people employed in the Social Economy by at least 20%.
- » 80% open-ended employees that are partners in SE companies
- » Increase hiring in Social Economy companies of people with inclusion difficulties in the job market: 400 jobs
- » 3,500 people participating in training

### 2. SOCIAL INNOVATION

Set of measures created to meet the social demands and/or regional needs through innovative or collaborative projects generating business activity and jobs.

- » Social responsibility: 40 companies with management system
- » Social research and development innovation: 8 projects
- » Local development: 12 projects
- » Economic model: 400 member businesses

### 3. BUSINESS DEVELOPMENT

Sets of measures focusing on growth, cooperation and improvement of the competitiveness of the network of Social Economy companies.

- » Creation of social economy companies: 300 companies created
- » Company internationalization programme: 30 participating companies
- » Navarcoop cooperative: 20 participating companies

### 4. PARTICIPATORY GOVERNANCE

Set of measures aimed at strengthening participation of members and different interest groups in Social Economy projects, solidifying the commitment to the Social Economy model, and transferring the participatory governance model to areas beyond the Social Economy.

- » Participation: 2 pilot projects y 2 educational centres
- » Philosophy of the model: 100 companies



### Navarra's Social Economy:

- > **1,100** social economy businesses.
- > **18,800** employed people, representing near **8% of the working population** in the private sector in Navarra.
- > **€2,150M** estimated turnover
- > More than **28,000** associates and volunteers at Social Economy companies

The majority of companies and employment –more than 60%– is concentrated around Cooperatives and Labour Companies, mainly associated work companies, although there is also a substantial number of entities and employment at Foundations – more than 20%.



*“Navarre shall be the  
wonder of the world”*

W. Shakespeare, Loves Labours Lost (Scene I)

# Industrial Modernisation Thematic Platform

- Aims to support EU regions committed to generate a pipeline of industrial investment projects following a bottom-up approach - implemented through interregional cooperation, cluster participation and industry involvement.
- OPEN CALL: Expressions of interest for setting-up and co-leading new partnerships in new thematic areas related to Industrial Modernisation.
- Deadline: 31st of March 2018.
- <http://s3platform.jrc.ec.europa.eu/industrial-modernisation>

Revitalising our regions



Tech

# Social Economy challenges in the EU

## Strengths

*Greater adaptation capacity*  
*Collective entrepreneurship*  
*Business cooperation*  
*Roots in the territory*

## Weaknesses

*Size of the companies and business atomization*  
*Dependence on local markets*  
*Lack of participatory leadership*

## SWOT

## Opportunities

*Growth potential of the Social Economy*  
*Suitability of the model*  
*Social innovation*  
*Europe 2020 Strategy*

## Threats

*Limitation and dispersal of support policies*  
*Growing competitiveness of the markets*  
*Limited associative culture*



# Social Economy Thematic Partnership

A significant challenge for the sector lies in its fragmented nature, making it difficult to position the social economy agenda clearly on the EU policy 'map'

Main goal

improve the competitiveness of Social Economy companies through the increase of the added value provided, in an interregional cooperation perspective

## Aim of the partnership:

- Explore the **embedding of the social economy sector in the region's S3**
- Improve a **better cooperation among the social economy enterprises** in Europe in order to strengthen the social economy sector. Explore the S3 as a tool to foster that cooperation
- Stimulate **cross-border operations** to enable them to use the full potential of the Internal Market
- Create **European value chains** of social economy enterprises belonging to different regions in Europe and improve the cooperation between them and how can S3 act as a link between social economy enterprises all over Europe
- Develop **social economy clusters**, developing more holistic and cohesive approaches to S3 by fully embracing the (interregional) 'quadruple helix' approach
- Foster the ability to **attract talent** to sector companies
- Promote the **internationalisation** of the business fabric of the Social Economy with size and capacity for management and responsiveness to the market

# New Proposal of the Commission European territorial cooperation goal (Interreg) COM 2018/374



## INTERREG: REMOVING CROSS BORDER OBSTACLES AND SUPPORTING INTERREGIONAL INNOVATION PROJECTS

Interregional and cross-border cooperation will be facilitated by the new possibility for a region to use parts of its own allocation to fund projects anywhere in Europe jointly with other regions.

Building on a successful pilot action from 2014-2020, the Commission proposes to create the **Interregional Innovative Investments**. Regions with matching 'smart specialisation' assets will be given more support to build **pan-European clusters** in priority sectors such as big data, circular economy, advanced manufacturing or cybersecurity.

### Article 61 - Interregional innovation investments

At the initiative of the Commission, the ERDF may support interregional innovation investments, as set out in point 5 of Article 3, bringing together researchers, businesses, civil society and public administrations involved in smart specialisation strategies established at national or regional levels.

(e) 11.5 % (i.e., a total of EUR 970 000 000) for interregional innovation investments (component 5).