

2.3 Legal framework for establishing social enterprises/cooperatives

2.3.1 Legal framework of the social economy

e-module 2 (Social) Entrepreneurship and cooperatives in theory
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This lecture addresses the following topics:

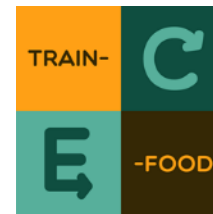
- The social economy in Europe
- The principles of social economy and the Sustainable Development Goals (SDG)
- Regulation of social economy in the project countries

In 2002, the main European social economy actors (the predecessor of the European association of social economy <https://www.socialeconomy.eu.org/>), adopted the Social Economy Charter, revised in 2015, defining the identity, core values and characteristics shared by all social economy actors.



Social
Economy
Europe

The social economy in Europe (2)



The Social Economy Charter has been of key importance to define the social economy in Europe and worldwide. For instance, the Charter is mentioned in the preamble of the Spanish Social Economy Law (5/2011).

The emergence and progress of digitalisation, blockchain and big data, or the global rise of inequalities and job insecurity, are trends quickly changing our world, bringing new opportunities but also new challenges, and urging us to debate about the future that we want to build collectively.

2.8 million social enterprises and organizations

13.6 million people employed

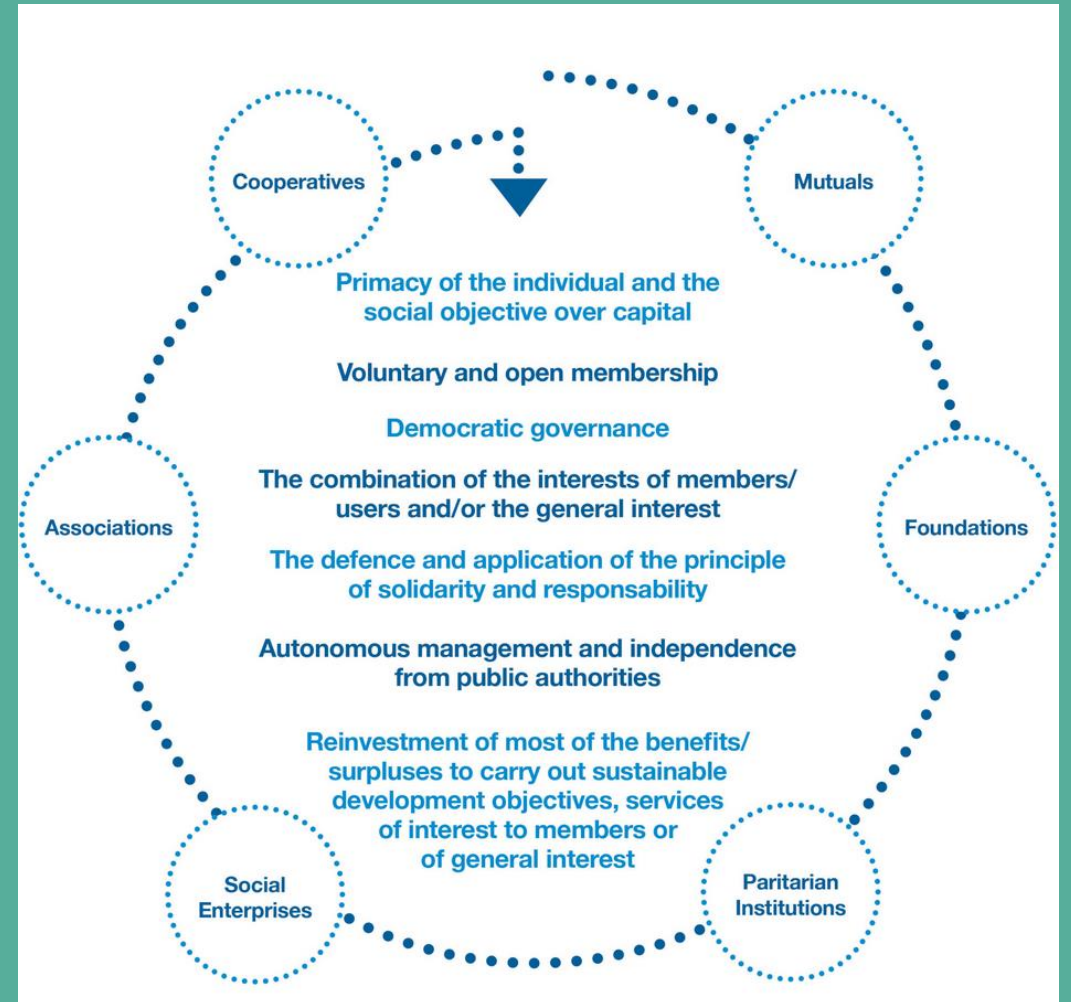
8% of EU's GDP

Source: European Economic and Social Committee study on the Recent Evolutions of the Social Economy in the European Union

The principles of social economy

The social economy is made up of a diversity of enterprises and organisations such as cooperatives, mutualities, associations, foundations and other forms social enterprises that can be specific to each country

They are united around the values of primacy of people and the social objective over capital, democratic governance, solidarity and the reinvestment of most profits to carry out sustainable development objectives, driven by their mission to serve the common good and general interest.



Social enterprises and organizations. Source: Social Economy Europe

05 The Sustainable Development Goals



The social economy is an opportunity and a driver for the implementation of the 2030 Agenda and its 17 Sustainable Development Goals (SDGs) at European and at global level, especially for the achievement of Objective 8 “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work”.



Regulation of the social economy in the project countries

It is important to know what kind of legislation exists specifically for social entrepreneurship and how social enterprises operate in countries in which no specific legislation exists. Many countries have recently introduced new legislation and strategies, while others are in the process.

The following table includes the laws that regulate social economy or social entrepreneurship in the project' countries (Austria, Croatia, Cyprus, Malta, Slovenia and Spain).



Regulation of the social economy in the project countries

Table1. Laws and strategies on WISE or SE in project countries.

Country	Law/Strategy
Austria	Law of 9 April 1873 on Cooperatives (RGGI No.70 as amended by the Federal Law BGBl 91/1976)
Croatia	Strategy for Civil Society Development 2006-2011, 2012-2016 Strategy for Social Entrepreneurship Development (2015) Act 157/2013 on Vocational Rehabilitation and Employment of PWDs Act on Cooperatives (OG 34/2011, 125/2013, 76/2014)
Cyprus	National Action Plan for the Development of Social Enterprise Ecosystem 2021 Social enterprise law (23/12/2020) Cooperative Societies Law (Law 22/1985)
Malta	Co-operative Societies Act 2001 [Chapter 442 of the Laws of Malta] White paper - Social enterprise act (June 2015)

Country	Law/Strategy
Slovenia	Strategy for Social Entrepreneurship 2013-2016 Strategy for the Development of Social Economy 2019-2029 Act on Work Rehabilitation and Employment of People with Disabilities(2004) Act 20/2011 on Social Entrepreneurship Act on Cooperatives (1992)
Spain	Law 5/2011 on the Social Economy Law 27/1999 on Social Initiative Cooperatives Law 20/1990 on the fiscal regime of cooperatives Law 44/2007 on Social Integration Enterprises Legislative Royal Decree 1/2013 on PWDs Law 44/2015 on Participated Labour Companies

WISE - Work integration social enterprise
SE -Social enterprise
PWD - Person with disabilities

Regulation of the social economy in the project countries



For example, in Spain, the current configuration of the Social Economy is marked by the approval of Law 5/2011, of March 29, on the Social Economy, which undoubtedly represents an unprecedented turning point for the recognition, visibility and development of the sector, both within the State itself and within the European Union.

Other countries, such as Slovenia, have regulated social entrepreneurship or have strategies for the development of social entrepreneurship or social economy (like Croatia, Slovenia, Cyprus).



Regulation of the social economy in the project countries



In the case of Austria, no consensus exists regarding whether it would make sense to give the different legal traditions of social enterprises a unified legal frame.

Very recently in Cyprus, the incorporation of the Social Enterprises Law in the legislative arsenal will definitely serve to further the development and promotion of social entrepreneurship in Cyprus.

All the countries have developed laws on cooperatives, and some of them recognize cooperatives as one form of social enterprise or social economy (Slovenia, Spain).





TRAIN-CE-FOOD project

<https://trancefood.si/en/home-english>

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