



International Conference “Unlocking the Potential of the Social Economy for EU Growth”

WORKING GROUP REPORT

On the first day of the Conference, November 17th, 2014, a total of 10 working groups (WG) were held to discuss relevant topics that had been previously identified via a public consultation. Rapporteurs and moderators produced individual reports for each WG and they are published as they were received, without undergoing any editing process. The reports are divided into five sections (Main recommendations; Starting point; Main issues discussed; Recurrent issues; and Concrete proposals) although not all of them were completed in all WG.

In addition to individual WG reports, a document highlighting the main recommendations from all of the WG is available at www.socialeconomyrome.it.

Please note that this is a working document, not edited for form or content.

WORKING GROUP 6: EMPLOYMENT AND THE SOCIAL ECONOMY

Moderated and Introduced by: Bruno Roelants (Cecop-Cicopa Europe)

Rapporteur: Riccardo Bodini (Euricse), Italy

Speakers:

1. Aviana Bulgarelli (EUROFOND/ISFOL), Italy
2. Giuseppina Colosimo (ACI), Italy
3. Camillo Deberardinis (CFI), Italy
4. Sara Depedri (Euricse), Italy
5. Claudia Fiaschi (ACI), Italy
6. Prodromos Kalaitzis (Copa-Cogeca), Greece

7. Gabriele Mandolesi (EU Project Challenging the Crisis), Italy
8. Manuel Mariscal (COCETA), Spain
9. Judith Puerhringer (ENSIE/BDV), Austria
10. Maria Nieves Ramos (ENSIE and FAEDEI), Spain
11. Michela Vogrig (Cosm), Italy
12. Darina Zaimova (Trakia University), Bulgaria

Main recommendations
<ul style="list-style-type: none"> - The Social Economy is a major source of employment in Europe. Its impact goes beyond the number of employees in its organisations and includes all of those individual entrepreneurs whose livelihood depends on being a member of a social economy enterprise (e.g. agricultural cooperatives). - Beyond this general role, the discussion provided many examples of the ability of the Social Economy to successfully tackle very challenging issues related to employment, ranging from worker buyouts as a means to successfully restructuring enterprises to re-engaging and motivating disconnected youth by giving them a sense of purpose. - The employment contributions of the Social Economy are not only significant in terms of number of jobs but also in terms of quality of the employment opportunities it provides (including for example the benefits they offer beyond salary, employment stability, workers trust and satisfaction, lower stress levels, etc.). - These contributions are made possible by the structural characteristics of social economy organisations, including in particular their democratic governance, which ensures that the organisation adopts a long-term perspective (which results in employment stability) as well as fostering worker participation and satisfaction. These structural characteristics also ensure a greater degree of concern for the community in which these enterprises operate and heighten their ability to tap local resources and generate sustainable and deeply rooted social and economic development (and hence new employment opportunities that are unlikely to be delocalised in search of lower labour costs). - The main recommendations that emerged from the discussion are summarized below: <ul style="list-style-type: none"> • Importance of comprehensive legal frameworks (like the one recently adopted in Spain) in order to promote and support the Social Economy and maximize its impact in terms of employment • Importance of specific training and education, both by including social economy-related topics in the curricula of secondary schools and universities and by creating Erasmus-type programs to offer internships in social economy organizations, in order to give young people across Europe a variety of experiences in the Social Economy • Strengthen the funds designed to preserve employment by successfully restructuring enterprises through worker buyouts. This should be done both by broadening the scope of their interventions (e.g. by funding purchase of immaterial goods like patents and licenses as well as equipment etc.) and by giving them direct access to the European Investment Fund. • Social economy organizations should strive to build up their reserves, as capitalization is key in order to be able to make the necessary investments and provide continued support for their members and workers. • With respect to work integration social enterprises, it is important to monitor the implementation of the new European public procurement directive and ensure that the provisions related to worker integration are applied correctly at the national level.

- The incentives and subsidies for worker integration social enterprises should be tied to the types of disadvantaged workers they work with. Enterprises that work with more disadvantaged workers face higher costs and should be supported more.

Starting point

When considering the issue of employment in the Social Economy, it is important not only to focus on **employment figures** as such, even though this is of course very important, but also on the following aspects under which the social economy might offer something specific beyond the sheer numbers of jobs:

- **Durability of employment:** to what extent does the social economy provide more stable and secure jobs than the average, in general and for specific social groups (like disadvantaged groups of society, or employees of an enterprise about to close down and being restructured under a social economy formula)?
- **Resilience of employment to crises and downturns:** to what extent is the social economy able to resist better to the crisis and maintain better its jobs than other types of economic actors?
- **Democratic control and participation:** to what extent does the social economy make it possible for various stakeholders, in particular the employees, producers and users, to really participate in, and democratically control their enterprise?
- **On the job training, upwards mobility within the enterprise and career prospects:** to what extent does the social economy enable people to move up the professional ladder and find satisfaction and self-realization in their career?
- **Income gap:** does the social economy provide a lower gap between the higher and lower income than the average?
- **Employability of the youth:** to what extent does the social economy provide an employment solution to the youth?
- **Gender:** to what extent does the social economy promote women's' employment, as well as women's' empowerment within the enterprise?
- **Social protection, labour standards and safety at work:** to what extent does the social economy provide levels of social protection, labour standards and safety at work that are higher than the average?
- **Demographic distribution and regional development:** to what extent does social economy employment help maintain a balance between smaller and larger towns, and rural and urban areas, and is thus an important factor in regional development?

Main issues discussed

- The Social Economy is a major source of employment in Europe, whose impact goes beyond the number of employees in its organisations and includes all of those individual entrepreneurs whose livelihood depends on being a member of a social economy enterprise (e.g. agricultural cooperatives).
- Beyond this general role, the discussion provided many examples of the ability of the Social Economy to successfully tackle very challenging issues related to employment, ranging from worker buyouts as a means to successfully restructuring enterprises to re-engaging and motivating disconnected youth by giving them a sense of purpose. For example, the Italian experience of CFI (a fund designed to support employment preservation through successfully restructuring enterprises) showed how significant results can be achieved even with a modest investment: it is estimated that the cost of preserving a job through their fund (covered by the Italian state) is 13.000 euros, and that the state has a return of over four times its investment. Furthermore, the mortality of the enterprises supported by the

fund is much lower than average (19% over the past six years as opposed to 40% for enterprises overall).

- It is important to quantify the employment contribution of the Social Economy not only in terms of number of jobs but also in terms of quality of the employment opportunities it provides (including for example the benefits they offer beyond salary, employment stability, workers trust and satisfaction, lower stress levels, etc.).
- The structural characteristics of social economy organisations (not just their area of intervention) are a major factor in order to guarantee quality (not just quantity) of employment: democratic governance is key in order to ensure long-term perspective (which results in employment stability) as well as worker participation and satisfaction. These structural characteristics also ensure a greater degree of concern for the community in which these enterprises operate and heighten their ability to tap local resources and generate sustainable and deeply rooted social and economic development (and hence new employment opportunities).
- Within the universe of social economy organisations, particular attention was paid to worker integration social enterprises (WISE) as a key actor whose role is becoming both more important and more challenging as a result of the crisis (there are more disadvantaged workers and new types of disadvantaged workers are emerging, e.g. youth, over 50, immigrants, etc.).

Recurrent issues that came up during the discussion

- There is a need for a comprehensive legal framework that defines the social economy and all of its different actors, while recognizing their specificities.
- Participation and democracy are key issues. The cooperative form is one that can inherently guarantee the democratic control by the workers. In addition, there might be other possible models and management practices that can facilitate participation and that should be further explored.
- Multistakeholder governance is particularly important, as it has a demonstrated positive effect in terms of ensuring the success of the enterprise and strengthening its connection with the broader community in which it operates.
- Importance of education, starting in schools and university, to increase awareness of the role of social economy organizations and to train workers and entrepreneurs who understand the specificities of these organizations.
- An important issue connected to training is the one pertaining to the certification of workers according to European standards and frameworks.
- Importance of intercooperation within the social economy, both in terms of business partnerships and in terms of advocacy and lobbying efforts
- Social economy organizations should develop a more integrated approach, combining worker integration with other activities in order to improve their performance and guarantee even more employment stability
- More support for the creation of new social economy enterprises, especially in key sectors like welfare, healthcare, general interest services, environmental protection, etc.
- Public procurement rules play an important role in affecting the ability of social economy organisations to provide quality employment opportunities
- Work integration social enterprises have to balance two aspects: the importance of providing stable employment opportunities (which leads to longer term jobs for disadvantaged workers within the WISE) and preparing workers for integration in the general labour market (which leads to a faster turnover of disadvantaged workers).

- In the Italian social cooperative model, disadvantaged workers are not the passive recipients of the intervention – rather, they are fully fledged members of the organization and they are treated as such.
- Special attention is paid to the employment of women and youth, as two broad categories whose needs should be taken into greater account.

Concrete proposals discussed

- Strengthen the funds designed to preserve employment by successfully restructuring enterprises through worker buyouts. This should be done both by broadening the scope of their interventions (e.g. by funding purchase of immaterial goods like patents and licenses as well as equipment etc.) and by giving them direct access to the European Investment Fund.
- Monitor the implementation of the new European public procurement directive and ensure that the provisions related to worker integration are applied correctly at the national level.
- Public procurement rules should favour employment stability by guaranteeing a more stable partnership with social economy organisations.
- Public procurement should not be based on a race to the bottom in terms of price, which results in the exclusion of the most disadvantaged workers.
- Creation of an Erasmus plus program to offer internships in social economy organizations, to give young people across Europe a variety of experiences in the social economy
- Inclusion of social economy-related topics in the curricula of secondary schools and universities
- The incentives and subsidies for worker integration social enterprises should be tied to the types of disadvantaged workers they work with. Enterprises that work with more disadvantaged workers face higher costs and should be supported more.
- Social economy organizations should strive to build up their reserves as capitalization is key in order to be able to make the necessary investments and provide continued support for their members and workers.

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