



Regulatory and legal framework of the Social Solidarity Economy (SSE) and ecosystem in Spain

MedTOWN Project

Co-production of social policies with social and solidarity economy actors to fight poverty, inequality and social exclusion



QUESTIONNAIRE PHASES PROJECTS AND LOCAL PARTNERS. MEDTOWN PROJECT. LOT 3.

DEMONSTRATIVE ACTION. NAME: Complementary Public Local Currency for the Channelling of Social Benefits to low income population

MUNICIPALITY, REGION AND COUNTRY ACTION: Seville, Andalusia, Spain

BRIEF DESCRIPTION OF THE CONTEXT:

The Social Economy has reference regulations at state and autonomous community level, generates employment and economic resources of around 10% of GDP, which makes it an actor to be taken into account. Given the context of uncertainty and change, and the challenges that this situation poses, it would be interesting to strengthen the role of the social economy and its representative actors at the institutional, political and social level.

MATRIX TO BE FILLED IN:

NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
1 Existing applicable SSE legislation	<p><u>State</u></p> <ul style="list-style-type: none"> Law 5/2011, of 29 March, on the Social Economy <p>Andalusia</p> <ul style="list-style-type: none"> Law 5/2018, of 19 June, amending Law 14/2011, of 23 December, on Andalusian Cooperative Societies. Law 14/2011, of 23 December 2011, on Andalusian Cooperative Societies. 	<p>Spanish Constitution: articles that refer to some of the social economy entities, such as Article 1.1, Article 129.2 or the social equality clause in Article 9.2, and other specific articles such as 40, 41 and 47, which reflect the strong roots of the aforementioned entities in the constitutional text.</p>	

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
2	Purpose of the regulation	The purpose of this Law is to establish a common legal framework for all the entities that make up the social economy, with full respect for the specific regulations applicable to each one of them, as well as to determine the measures to promote them in consideration of the purposes and principles that are specific to them.	
3 ¹	Consideration-Theoretical Definition ESS (According to regulations)	The Law defines the Social Economy as the set of economic and business activities carried out in the private sphere by those entities that, in accordance with the following principles, pursue the general economic or social interest, or both.	Indicate if there is no regulatory definition

¹ Necessary for making comparative terms of equivalent concepts

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
		<p>c) Promotion of internal solidarity and solidarity with society that favours commitment to local development, equal opportunities between men and women, social cohesion, the integration of people at risk of social exclusion, the generation of stable and quality employment, the reconciliation of personal, family and working life and sustainability.</p> <p>d) Independence from the public authorities.</p>	
4	<p>Scope of application of the SSE regulation</p> <p>Reference standards at the national level Regulatory development in Autonomous Regions with Law and regulation</p>		<p>Spanish Constitution: articles that refer to some of the social economy entities, such as Article 1.1, Article 129.2 or the social equality clause in Article 9.2, and other specific articles such as 40, 41 and 47, which reflect the strong roots of the aforementioned entities in the constitutional text.</p>
5	<p>SSE Stakeholders</p> <p>Spanish Confederation of Social Economy Entities (CEPES) as a state</p>	<p>Article 7. Organisation and representation. 1. Social economy entities may set up</p>	

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
	<p>group. Multiple sectoral and territorial groupings</p> <ul style="list-style-type: none"> - State Intersectoral Confederations - Organisations, federations and confederations of each CAAC 	<p>associations for the representation and defence of their interests, and these may group together, in accordance with the provisions of their specific regulations or, where appropriate, with Organic Law 1/2002, of 22nd March, regulating the right of association.</p> <p>3. The intersectoral confederations with a representative state scope shall be represented in the institutional participation bodies of the General State Administration that deal with matters that affect their economic and social interests., the state-level organisations that bring together the majority of social economy entities shall be represented in the bodies of the General State Administration in all those representative activities that are specific to them due to their legal nature and activity</p> <p>4. Likewise, the representative organisations, federations or confederations of each Autonomous Community shall be represented in the bodies of institutional participation of the Administrations of the Autonomous Communities that deal with matters that affect their economic and social interests, in the manner provided for by the Autonomous</p>	

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
		Communities	
6	Existence of specific figures in the SSE sector?	The social economy includes cooperatives, mutual societies, foundations and associations that carry out economic activity, labour companies, insertion companies, special employment centres, fishermen's guilds, agricultural processing companies and singular entities created by specific rules.	The social economy may also include those entities that carry out economic and business activity, whose operating rules comply with the principles listed in the previous article, and which are included in the catalogue of entities established in article 6 of this Law.
7	Administration - competent legislative body of ESS	Congress of Deputies and Senate.	Ministry of Labour and Social Economy Economic and Social Council of Andalusia
8	Administration - competent executive body ESS	State and regional governments and the regional parliaments of each Autonomous Community.	Ministry of Labour and Immigration and other ministerial departments
9	Administration-Competent supervisory body ESS	Council for the Promotion of Social Economy. The Council for the Promotion of the Social Economy shall be governed by the provisions of this Act, and shall be configured as an advisory and consultative body for activities related to the social economy, integrated, through the Ministry of Labour and Immigration, in the General State	In accordance with the powers attributed to it, and in accordance with the scope of this law, it shall have the following functions: a) To inform and collaborate in the drafting of projects on any legal or regulatory provision affecting social economy entities. b) To prepare the reports requested by the Ministry of Labour and Immigration and other ministerial departments. c) To provide a prior report, in accordance with 3. The Council for the Promotion of the Social Economy shall be made up of representatives of the General State Administration, of the regional administrations, of the most representative association of local

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
	Administration, without participating in the hierarchical structure of the latter. It shall act as a body for collaboration, coordination and dialogue between the social economy and the General State Administration.	<p>article 6 of this Law, on the preparation and updating of the catalogue of social economy entities of the Ministry of Labour and Immigration.</p> <p>d) To report on programmes for the development and promotion of the social economy.</p> <p>e) To carry out studies and reports on issues and problems affecting the social economy and, in particular, on the strengthening of knowledge, institutional presence and international projection of the social economy.</p> <p>f) Ensure the promotion of and respect for the guiding principles of this Law.</p> <p>g) To issue a prior report on the adoption of the measures for statistical information on social economy entities under the terms of the first additional provision of this Act.</p> <p>h) Any other functions and powers attributed to it by legal and regulatory provisions.</p>	<p>entities, of the representative intersectoral confederations at state level, as well as of the majority sectoral entities of the social economy referred to in article 5 of this Act that are not represented by the aforementioned intersectoral confederations, of the most representative trade union organisations and of five persons of recognised prestige in the field of the social economy appointed by the Ministry of Labour and Immigration.</p> <p>4. The Presidency of the Council for the Promotion of the Social Economy shall be held by the Secretary of State for Employment.</p>

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
10 Certifications/Registration of SSE Actors	Register of cooperatives Specific regional register of insertion companies EWC autonomous register	Article 6. Catalogue of social economy entities. The Ministry of Labour and Immigration, following a report by the Council for the Promotion of the Social Economy, and in coordination with the Autonomous Communities, shall draw up and keep up to date a catalogue of the different types of entities comprising the social economy, taking into account the principles established in this Act and in coordination with the existing catalogues at Autonomous Community level. The catalogues of social economy entities shall be public. Publicity shall be effective by electronic means.	
11 Measures promoting or fostering the SSE	For the application of this Act, the Government shall be responsible, in general, through the Ministry of Labour and Immigration, for encouraging, within its scope, the implementation of actions for the promotion, dissemination and training of the social economy, without prejudice to the powers of other	2. The public authorities, within the scope of their respective competences, shall have as objectives of their policies for the promotion of the social economy, among others, the following: a) To remove the obstacles that prevent social economy entities from starting up and	Including tax benefits, social security, subsidies, etc.

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
	<p>ministerial departments in relation to the economic, business and social activity carried out by social economy entities for the fulfilment of their corporate purpose.</p> <p>In the development of activities to promote the social economy, the competences of the Autonomous Communities shall be respected. The General State Administration shall promote the necessary cooperation and collaboration mechanisms with the Autonomous Community Administrations for the development of activities to promote the <i>social</i> economy.</p>	<p>developing their economic activity. To this end, special attention will be paid to the simplification of administrative procedures for the creation of social economy entities.</p> <p>b) Facilitate the various social economy initiatives.</p> <p>c) Promote the principles and values of the social economy.</p> <p>d) To promote vocational training and retraining in the field of social economy organisations.</p> <p>e) Facilitate access to technological and organisational innovation processes for entrepreneurs in social economy organisations.</p> <p>f) To create an environment that fosters the development of economic and social initiatives within the framework of the social economy.</p> <p>g) Involve social economy organisations in active employment policies, especially in favour of the sectors most affected by unemployment, women, young people and the long-term unemployed.</p> <p>h) Introduce references to the social economy in the curricula of the different educational stages.</p>	

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
		i) To promote the development of the social economy in areas such as rural development, dependency and social integration.	
12	Other SSE-related legislation		
13	Possibility of the creation of a new ESS regulation	<p>The legislative initiative corresponds to the Government, the Congress and the Senate, in accordance with the Constitution and the Rules of Procedure of the Houses.</p> <ul style="list-style-type: none"> The Assemblies of the Autonomous Communities may request the Government to adopt a draft law or submit a bill to the Bureau of Congress, delegating to that House a maximum of three members of the Assembly in charge of its defence. 	Government and relevant ministry
14	Possibility to amend existing legislation ESS	The Cortes Generales are responsible for	Government and relevant ministry, through specific groups linked to the SSE
15	Possibility of Implementation of (new or amended) SSE regulations	The Cortes Generales are responsible for	Government and relevant ministry, through specific groups linked to the SSE

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
16 Issues in the determination or application of SSE regulations	<p>There is a basic state legislation that covers the regulatory needs of the SSE as a whole.</p> <p>At the regional level, the legislative development addresses specific criteria for each region, establishing the corresponding regulation with the specific details.</p>	<p>Conceptual differences exist on elements such as:</p> <ul style="list-style-type: none"> - Non-profit and for-profit co-operatives among the different regional regulations - Specific typologies of special cooperatives, mixed cooperatives, second-degree cooperatives, cooperative groups, etc. 	
17 SSE and other regulations applicable to the Demonstration Action (Concrete Project)	<p>Regulations on Electronic Means of Payment and the E-money Law</p>		
18 Other SSE-related subjects and policy areas	<p>Rebates, subsidies and benefits linked to the SSE</p>	<p>Article 9. Incentives for the incorporation of workers into social economy entities, by means of Social Security rebates.</p> <p>Article 10. Capitalisation of unemployment benefit for recipients of benefits when they intend to become worker or worker-members in cooperatives or worker-owned companies.</p> <p>Article 10a. Capitalisation of unemployment benefit for the acquisition of worker-owned company status or transformation into a cooperative by trading companies in insolvency proceedings.</p>	

Co-production, a model for fair and sustainable societies



NO. ASPECT TO REPORT	ACTIONS	OTHER ACTIONS/CLARIFICATIONS	OTHER CLARIFICATIONS
		<p>Article 11. Reductions in Social Security contributions for worker-members or worker-members of co-operative societies during maternity leave, adoption, fostering, risk during pregnancy, risk during breastfeeding or suspension due to paternity.</p> <p>Article 12. One-off payment of the severance benefit.</p>	
19	<p>Other issues to highlight</p>	<p>A particularly interesting case is that of the Insertion Companies and Special Employment Centres which have a 5% market reserve by law for access to contracts with the Public Sector.</p>	

CHALLENGES AND RECOMMENDATIONS:

To reflect the value of the Social and Solidarity Economy as a typology of enterprise with greater relevance in the configuration of public policies and support for the social base.

Greater legitimacy and relevance of the Social Economy in the general socio-economic environment.

MEASURES TO BE IMPLEMENTED:

To be completed by the local partner

Co-production, a model for fair and sustainable societies



OTHER INTERESTING SUGGESTIONS/NOTES:

There are a number of guiding principles that provide a framework for what is considered to be a Social and Solidarity Economy Entity.

Specific allowances and exemptions are defined for Social Economy entities.

Article 9. Incentives for the incorporation of workers into social economy entities, by means of Social Security rebates.

Article 10. Capitalisation of unemployment benefit for recipients of benefits when they intend to become worker or worker-members in cooperatives or worker-owned companies.

Article 10a. Capitalisation of unemployment benefit for the acquisition of worker-owned company status or transformation into a co-operative by trading companies in insolvency proceedings.

Article 11. Reductions in Social Security contributions for worker-members or worker-members of co-operative societies during maternity leave, adoption, fostering, risk during pregnancy, risk during breastfeeding or suspension due to paternity.

Article 12. One-off payment of the severance benefit.

CONFLICTING ASPECTS DETECTED (if any):

Definition of the profit motive according to the type of cooperative.

Collection of unemployment benefits in worker cooperatives, as they are considered as self-employment in the case of the members of the Governing Council.

EXAMPLES OF ACTIONS DEVELOPED IN THE COUNTRY IN THIS AREA OF SSE, REFERENCES AND HOW THEY HAVE BEEN DEVELOPED (if any)

There are other new emerging legal (and organisational) figures that are not specifically mentioned in the Social Economy Law, but it is important to pay attention to their evolution, such as the Social Enterprise: According to the European Commission, in the social enterprise, the social mission is more important than profitability or the distribution of dividends. And it establishes three qualities that would be found in a social enterprise:

- Those for which the objective of the common good is the motive for their commercial activity;
- Those that reinvest the majority of their profits in the achievement of the social objective;

Co-production, a model for fair and sustainable societies



- Those in which the organisational method and ownership system reflects the entrepreneurial mission using democratic and participatory principles and focusing on social justice.

A second type of organisation is the B-Corp: B Corps are companies that are transforming the way of doing and being a company. Their mission is not only to maximise shareholder value, but also to create social, environmental and economic value for all their stakeholders: employees, suppliers, customers, communities, the environment and, of course, shareholders.

In this sense, the creation of a new legal figure that will recognise Companies with a Purpose - the Benefit and Common Interest Companies (SBIC) - has been propitiated and is included, through a compromise amendment, in the Create and Grow Law approved at the end of June 2022. All companies in Spain that generate a social and environmental benefit, as well as an economic return, will be eligible for this new figure.

Co-production, a model for fair and sustainable societies

