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Policy Landscape & Gap Analysis in Catalonia

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29th January 2019 | Sixth meeting, Westport

**“Social enterprise”
concept in Spain**

**“Social economy”
prevails**

Main National Stakeholders

Institutional & Organisations

- Directorate-General for Self-Employment, Social Economy and Corporate Social Responsibility
- Council for the Promotion of Social Economy
- Spanish Confederation of Enterprises of Social Economy
- Spanish Third Sector Platform
- CIRIEC Spain

National Support Structures

Policies & Laws

The Spanish Constitution expresses the global legal substrate & values of social enterprises:

- Article 1.1 Social Wellness
- Article 129 Promotion of Cooperatives
- Article 9.2 Social Equality Clause

Law 5/2011 of Social Economy

- ✓ Builds the legal framework for the specific legal forms that existed previously, but it doesn't create the “social economy entity” legal type

Spectrum & Fiscal Framework

Social enterprises legal forms	Fiscal Benefits	€
Social Initiative Cooperatives	<ul style="list-style-type: none"> - Profits exempt or application of 10% of revenues. - Reductions of 95% in the Economic Activities Tax. 	
WISEs: Special employment centres (CEE)	<ul style="list-style-type: none"> - Direct subsidy & annual business tax reductions for each disabled worker. - Subsidy for workplace adaptation. 	
WISEs Employment Integration (EI)	<ul style="list-style-type: none"> - Reductions in social security contributions for risk of exclusion workers. - Subsidies for integration process & investment focused on social goals. 	
Associations & Foundations carrying economic activity	<ul style="list-style-type: none"> - Exemptions related to the non-profit nature of these organisations. - Tax exemptions for donors. 	
Cooperatives with general interest goals	<ul style="list-style-type: none"> - Similar fiscal regime to cooperatives. - Same tax regime as for associations & foundations when they are non-profit. 	

***“Social enterprise”
concept in Catalonia***

Regulatory Decree of Social Enterprises in Catalonia

Rationale & Objectives



- ✓ The EC (GECES) explicitly recommends “to create a legal framework for social enterprises”
- ✓ The Directorate-General for Social Economy is working on this since 2017
- ✓ Goal: define a “social enterprise model” in Catalonia that goes beyond the legal form
- ✓ Social enterprises that meet the requirements will receive a “seal” that will benefit them in accessing to public procurement (reservation contracts and preliminary selection of bidders, according to the legal regulation for contracts that are related to services for people)

Regulatory Decree of Social Enterprises in Catalonia

Social enterprise “seal”: requirements



- ✓ Democratic governance & participation of workers/partners in a 40% (minimum) of the management body
- ✓ Reinvestment of part of the benefits to achieve social goals
- ✓ Independence of public authorities and other enterprises based in capital which are not social enterprises
- ✓ Quality of employment, salary ratio (1-6), good labour conditions, equality, labour and family conciliation

3 different “seals”

Generic Catalan
social enterprise

Social enterprise
“services for people”

Social enterprise
“labour insertion”

Main Catalan Stakeholders

Institutional & Organisations

- Directorate-General for Interdepartmental Coordination (Ministry of presidency)
- Directorate-General for Social Economy, Third Sector, cooperatives Self-employment
- Catalan Third Social Sector Platform
- Catalan Third Social Sector Confederation
- Catalan Institute of Finance
- Social Business City Barcelona

Regional Support Structures

Policies & Laws

Social economy is a competence assumed by Catalonia, typified in the Statute of Autonomy (2006):

- Article 124.4 Exclusive competence for the promotion & planning of the social economy sector

Directorate-General for Social Economy of the Catalan Government

- ✓ Plans, manages & executes the policies related to social economy, cooperatives and the third sector

Department of Labour: Grants & subsidies €

- Grants to finance companies of the social economy, in collaboration with the Catalan Institute of Finance
- Subsidies to incorporate working partners in cooperatives & labour societies
- Subsidies to capitalize cooperatives and labour societies
- ***“Singular” Projects, “Ateneus Cooperatius” Network and “Aracoop” projects to boost social economy and cooperativism***

Budget 2018: 14 M € for social economy

- ✓ “Singular” Projects: 8 M €
- ✓ “Ateneus Cooperatius” Network: 3,9 M €
- ✓ “Aracoop” projects: 0,5 M €

Results 2018

- ✓ 115 social economy entities created thanks to “Ateneus Cooperatius”
- ✓ 210 new cooperatives registered in Catalonia (record since 2006)
- ✓ 587 people integrated into the labour market
- ✓ Almost 28.000 participants

III Support Plan for the Third Social Sector (2016-1018)

Transversal collaboration agreement between:

- Government of Catalonia
- Catalan Third Social Sector entities



✓ To face all emerging social economy challenges

✓ 6 areas of action defined in 32 measures to contribute, improve, build up and strengthen social entities



1. Information, evaluation & transparency
2. Participation in social policies
3. Contribution to economic empowerment & financial stability
4. Improvement of the collaboration between public administrations & the third social sector
5. *Support to innovation, internationalisation & competitiveness improvement*
6. Recognition & promotion of the citizens & corporate support

Measure 24



“Advice, train & support the third social sector entities for the internationalisation of their activities & services”

Instruments

- 40 ACCIÓ’s Trade & Investment worldwide offices – 110 countries
- Prospective missions
- Individual promotion plans: service “Aracoop International”

Gap Analysis in Catalonia

PROBLEMS

Difficult market & trading conditions (45%)

Competition within the market (40%)

Insecure or declining grant funding (35%)

Cashflow difficulties (35%)

Lack of time/capacity to develop potential (35%)



NEEDS

Marketing (46%)

Business model development (46%)

Financial management/access to finance (39%)

Management tools (36%)

Human resources management (26%)

COMMUNITY SERVICES PROGRAMME

- ✓ Innovative approach: co-founding salaries (financial) and business support (non-financial) to help to deliver a community service, that responds to the goals/challenges identified in a specific group
- ✓ *Catalonia could think about delivering a similar programme, focused on the community and not on individuals, through “Ateneus Cooperatius” Network*

CLANN CREDO

- ✓ Ireland’s leading provider of loans to community organizations generating a social return and with capacity to repay a loan
- ✓ *Catalonia could learn from the flexibility of Ireland’s financing system*

JUST ENTERPRISE

- ✓ Single point of entry, managed by Scottish Enterprise and Highlands & Islands Enterprise, through which a social entrepreneur can access to multiple support services
- ✓ *Catalonia could think about the “single point of entry” (now every support organisation offers its services individually)*

FIRST PORT

- ✓ Outstanding programmes and “contests” for “start-up” social enterprises
- ✓ *Catalonia could replicate some of them*



CARAVAN OF IDEAS

- ✓ Mobile consulting hub to find innovative solutions for societal challenges
- ✓ *Catalonia already thought about a caravan some time ago, but the project never succeeded. Maybe it is time to recover that idea!*

PARTNERSHIP FOR SOCIAL INNOVATION

- ✓ Platform for discussion and action on all topics related to tackling societal challenges: everyone involved sits down together regularly to share ideas
- ✓ *Although there are already similar assemblies in Catalonia, we could learn from Örebro’s methodology and enthusiasm*



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Thank you!

Questions welcome



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