

Key points of Víctor Meseguer's speech at the event on Social Innovation and poverty reduction (3/03/16, European Parliament, Brussels)

I. Presentation of the Social Economy

- The Social Economy represents a **pluralist different business model**, a different type of entrepreneurship.
- Although Social Economy actors may have different legal forms, they are defined by **shared principles and characteristics**:
 - Primacy of the individual and social objective over capital
 - Combination of the interest of members and general interest
 - Reinvestment of surpluses towards a social purpose
 - Principles of solidarity and responsibility
 - Democratic governance
 - Voluntary and open membership
 - Independence from public authorities and autonomous management
- Social economy enterprises and organizations are economic and social actors **active in all economic sectors**. The Social Economy embraces a universe of organizations such as: **cooperatives, mutual societies, foundations, associations** and newer forms like **social enterprises**.
- The Social Economy is therefore **diverse** and has a strong **entrepreneurial** component.
- According to the European Commission, social economy enterprises represent **2 million enterprises (10% EU business)**. According to the European Economic and Social Committee, the Social Economy **employs over 14.5 million Europeans (6,5% EU working population)**.

II. Social innovation

- As stressed by the report on *Social Entrepreneurship and Social Innovation in combating unemployment*, promoted by Hon. Verónica Lope Fontagné MEP (EPP, ES): *"Social innovation contributes to a type of growth leading to a more sustainable, inclusive society, generating economic, social and territorial cohesion"*.
- In line with the Council of the European Union and the European Parliament, the European Commission should have an inclusive approach towards the Social Economy, as a particular and innovative business model clearly contributing to Europe's

economic and social development, offering creative responses to Europe's main socio-economic and environmental challenges.

- Social innovation is a tool that can reveal and address some of the new causes of poverty → facilitating a **partnership approach between stakeholders** (civil society, social partners, Member States).

III. Social economy contributes to social innovation

- **As stated by the Commission:** social economy enterprises and organizations have revealed a **huge innovative potential**, coming-up with **creative solutions to major socio-economic and environmental challenges**, caused by **unemployment, exclusion** (social exclusion, access to accommodation, healthcare, social economy financial institutions, services enabling better integration of disabled people etc.), **lack of sustainable development** etc.
- The **Council Conclusion** on *The promotion of the social economy as key driver of economic and social development in Europe* state that **social economy enterprises and organisations are catalysts of social innovation**.
 - Good examples are: Work Integration Social Enterprise, social economy financial institutions (including ethical banks), renewable energies co-operatives, workers buy-outs, etc.
- **Need to boost partnerships between public authorities and social economy enterprises** and organisations → address major socio-economic challenges (public procurement is a major tool to boost those partnerships)
- Due to Social Economy's idiosyncrasy (their principles, their social commitments, their distinctiveness), Social economy enterprises and organisations may be prime movers on social innovation.
- There is given evidence of its **resilience during economic crisis**.

IV. MAJOR CONCLUSIONS

- Social economy enterprises must play a bigger role in the future of Europe → as a way of boosting social innovation and fostering sustainable and inclusive growth
- **Need of promotion and recognition of the Social Economy from EU institutions, especially from the Commission.**