

Social Economy Charter

A different model of enterprise and organisation, a different type of entrepreneurship

Social economy enterprises and organisations are economic and social actors active in all the economic sectors. They are characterized principally by their aims and by their distinctive model. Currently, Social Economy represents a different type of entrepreneurship, a different type of organisation.

Social Economy is formed of: cooperatives, mutual societies, foundations, associations, paritarian institutions, as well as newer forms like social enterprises.

There are 2 million social economy enterprises and organisations in the European Union, representing 10% of all the European enterprises. More than 11 million, about 6% of total employment, work for social economy enterprises.

However, the success of the social economy cannot be solely measured in terms of economic and financial performance, which is nonetheless necessary to the achievement of their goals, but must above all be gauged by their contribution in terms of social cohesion, good quality employment creation, citizenship participation in the economy, solidarity and territorial ties.

Social economy enterprises and organisations are particularly active in certain fields such as social security, social and healthcare services, insurance, banking, renewable energies, education, training and research, tourism, renewable energies, consumer services, industry, agrifood, handicraft, building, cooperative housing, associated work, as well as in the domains of culture, sport and leisure activities.

The social economy is a highly innovative sector, developing new initiatives to meet today's new challenges: rise of inequalities, sustainable development, population ageing in Europe, social exclusion etc.

All these initiatives fall under the heading of the development of European policies (on entrepreneurship, enterprise, social affairs and policies, employment, social innovation, sustainable development, development, education, local and regional development, CSR, enterprise governance etc.) to whom they contribute actively.

Social Economy, thanks to its defining characteristics and principles, is contributing to several key EU objectives, such as the achievement of a smart, sustainable and inclusive development; quality employment creation and retention, social cohesion, social innovation, local and regional development, international development and cooperation, environmental protection etc.

A diverse sector united by shared principles and common characteristics

The legal form a social economy enterprise or organisation may take varies from one Member State to another. However the social economy is distinguished from capital-based companies by shared principles and common characteristics, in particular:

- ***Primacy of people and of the social objective over capital***
- ***Democratic control by the membership¹***
- ***Voluntary and open membership***
- ***The combination of the interest of members/user and/ society (general interest)***
- ***The defense and application of the principles of solidarity and responsibility***
- ***Autonomous management and independence from public authorities***
- ***Reinvestment of the essential surplus to carry out sustainable development objectives, services of interest to members or of general interest***

An undeniable reality

The Social Economy:

→ is founded on the principles of solidarity and collective involvement in a process of active citizenship.

→ generates high quality jobs and a better quality of life, and offers a framework suited to new forms of enterprise, work and responsible consumption.

→ plays an important role in regional and local development and social cohesion

→ is socially responsible

→ is a factor of economic democracy

→ contributes to the stability and pluralism of markets

→ Contributes to key European Union's priorities and strategic objectives, such as: smarter, sustainable and inclusive development, social cohesion, full employment and the fight against poverty, participatory democracy, better governance, sustainable development etc.

¹ Does not concern foundations as they have no members



- *The Social Economy has a broad social foundation and conducts its activities in varied legal forms while demonstrating its competitiveness and its capacity to grow and adapt to new social and economic challenges.*
- *It is therefore a fundamental component of organized civil society. It takes positions and submits opinions to public authorities concerning the development, implementation and evaluation of policies that affect citizen's lives.*
- *The Social Economy makes a significant contribution to the development of amore plural society that provides greater participation, more democracy and more solidarity.*

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