



UNITEE

European-Turkish Business Confederation
Business Beyond Borders



FEDIF

Grand Est
Fédération des Entrepreneurs Franco-Turcs

Social and Solidarity Economy: Challenges and Opportunities for Today's Entrepreneurs

UNITEE Strasbourg, 21st March 2014



The European-Turkish Business Confederation (UNITEE) represents, at the European level, entrepreneurs and business professionals with a migrant background (New Europeans). Their dual cultural background and their entrepreneurial spirit present a central asset which can facilitate Europe's economic growth.

FEDIF Grand Est is the Federation of French-Turkish Entrepreneurs of the French Great East region. It represents trade and industry entrepreneurs of the East of France. The first objective of FEDIF Grand Est is to contribute to the economic development of the region by promoting entrepreneurship and supporting the regional enterprises.

On Friday, 21st March 2014, UNITEE and FEDIF Grand Est organised the panel discussion "Social and Solidarity Economy: Challenges and Opportunities for Today's Entrepreneurs" in UNITEE's Strasbourg Office. Catherine Trautmann, MEP, and Pierre Roth, Managing Director of the Regional Chamber of the Social and Solidarity Economy of Alsace, were invited to this event to discuss the topic of social and solidarity economy (SSE), a major issue in the context of economic crisis.

SPEAKERS

Moderator: Mme **Camille Serres**, Project Manager

Catherine Trautmann, MEP, Group of the Progressive Alliance of Socialists and Democrats in the European Parliament

Pierre Roth, Managing Director of the Regional Chamber of the Social and Solidarity Economy of Alsace (CRESS Alsace)



Aburahman Atli, Secretary General of FEDIF Grand Est and head of UNITEE's Strasbourg Office, opened the conference with a welcome speech in which he underlined the challenges and opportunities of this new form of economy in our worrying economic climate.

Catherine Trautmann is a Member of the European Parliament for the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament. She is a member of the Committee on Industry, Research and Energy and of the Committee on Budgets. Elected in the French Great East, she is yet again running for office during the European elections in May while also being active in the everyday politics of Strasbourg.

Pierre Roth is the Managing Director of the Regional Chamber of the Social and Solidarity Economy of Alsace (CRESS Alsace). This non-profit organisation represents associations, cooperatives and mutual insurance companies which constitute SSE. Mr Roth declared that SSE was not well known and that it was very important to present it more often. During his talk, he examined the ways and means of developing new, innovative projects with this special form of economy.

Defining Social and Solidarity Economy: Towards Democratic Governance

Mr Roth opened the discussion by formulating a definition of the topic. He reminded the audience that this form of economy goes back to the end of the 19th century and that it originated during the Industrial Revolution. Indeed, at that time, the working-class of Manchester united in order to create a mutual insurance for health care. The idea behind this was to put money on the side for workers who did not have social security covered by their employers, so that they could survive in times of need.

Today, there are two ways to define SSE: Firstly, SSE presents itself through the juridical status of companies such as mutual insurance companies, associations and the insertion sector.

Secondly, SSE is defined by certain values: Mr Roth explained the idea that SSE puts people at the heart of the company. It is not simply a formula but a special form of economy characterised by a certain number of principles that entrepreneurs try to apply each day. One of these principles is the concept of the primacy of man over capital. Indeed, it does not matter how much one individual brings to the company's capital, each and every one has the same voice – this is called the democratic governance of the company. As there are no exterior shareholders to pay, the distribution of dividends from shares is different of those from traditional companies. This means that the purpose of the company is to put in place actions for solidarity (such as the improvement of working conditions) or to put profit on the side for later investments.

Social and Solidarity Economy at Different Levels

Ms Trautmann stressed that there are more than 12 000 establishments in Alsace based on the model of SSE. This represents in total 11% of the economy and contributes to the employment of 50 000 workers.

At the national level, SSE represents 2.4 million workers, that is 10% of the GDP. It is therefore a real market economy, with France being one of the best representatives of SSE and hence a motor at the European level.

At the European level, the recognition of SSE is contested. Only public limited companies and limited liability companies with a cooperative status are recognised as being part of SSE. Still, there is a definition of SSE at the European level. The entity in question has to show social innovation (essential criterion to be recognised as such), its organisation method has to be special and its profit must be invested towards a social objective.

The Disagreement Concerning the Status of Associations

Recently, an important step was taken at the European level concerning mutual insurance companies, but not associations. Countries like France, Italy and Belgium have shown a strong commitment concerning this type of economy. However, the relation is more ambiguous for countries that left communism in the 1990s: SSE is definitely not a model for them, and its benefits have to be explained to them.

Ms Trautmann then pointed out that the President of the European Commission, José Manuel Barroso, refused to use the label of SSE when dealing with associations. The Commission therefore recognises the existence of associations but is not willing to admit that they can be part of another form of economy, namely SSE. Indeed, the Commission only recognises one type of economy: the market economy.

The MEP regretted that the Commission refused to go in this direction. Indeed, for the Commission, associations do not have economic activities and do not contribute to the market as such although Jacques Delors, former President of the Commission, was close to currents of thoughts dealing with social issues. In addition, Germany was always strongly opposed to this status for associations. Even the European Parliament refused to promote associations, being stuck in an "imperialist" vision of the functioning of the European Union (EU) and with very traditional views on the matter.

According to Ms Trautmann, one of the biggest difficulties is to recognise the actors of SSE as entrepreneurs. For instance, numerous associations cannot subscribe to Chambers of Commerce and Industries (CCI) because they are not considered as such. Finally, the MEP emphasised that the Commission is the institution primarily responsible for completing the internal market, which thus represents the traditional model. Therefore, the Commission only looks at the economy from the perspective of competition policy.

The Impact of the Crisis on Social and Solidarity Economy

Mr Roth admitted that the economic crisis ironically served SSE. Indeed, SSE was a motor, making the Commission feel obliged to prove that it could encourage positive measures (as opposed to austerity plans).

Furthermore, companies that had incorporated the model of SSE were less affected by the crisis. Indeed, since these companies did not distribute their benefits to their shareholders, they could use their reserve to save jobs and re-invest in the company.

Conclusion: An Economy that Deserves More Recognition

Mr Roth regretted the lack of political visibility of SSE and underlined that it needs more support. In 2009, a convention was signed between the local education office and the CRESS so that SSE could be taught in French schools. Benoit Hamon, French Minister of SSE and Consumption, introduced a reform so that SSE represents around 10% of the teaching of economy in schools. Furthermore, the interactive conference on social entrepreneurship and social economy, which was organised by the European Commission in Strasbourg on 16th and 17th January 2014, played an important role to promote this other form of economy at the European level.



UNITEE wishes to thank all the participants for their valuable contribution to this event!

UNITEE Strasbourg

Address: 16 Allée Spach
4th Floor
67 000 Strasbourg
FRANCE
Phone: 03 88 24 41 38
Fax: 03 88 31 37 82

PRESS & FURTHER INFORMATION

Camille SERRES
Project Manager
Phone (office): 03 88 24 41 38

Email: cserrres@unitee.eu

www.unitee.eu
<http://blog.unitee.eu>
https://twitter.com/UNITEE_Europe