

**Ariadne Project
Country Specificities Chart – French Comments
Euricse – WP 4**

1. Why this chart?

One of the objectives of WP 4 is to create training modules to be used in various countries - either as standalone trainings or inserted into existing trainings. The purpose of this chart is to highlight the similarities across countries, yet also recognize the specificities of the social economy in each European country.

The chart below was developed by Euricse, with scientific supervision from Carlo Borzaga and the Euricse research area. The aim is to define the social economy - the sectors, the actors, and the context - and evaluate its development. The starting point for the development and use of the chart is the EMES definition of social enterprises, meaning enterprises that produce goods and services, as defined at the last Ariadne partners meeting in Liege.

2. Purpose of the chart:

These topics are intended to be part of the introductory training we are developing and modules for further study. When combined with the competency model developed in WP3, it will cover topics pertaining to management in the social economy from a theoretical/disciplinary perspective as well as a practitioner/managerial perspective. We have designed it to be flexible in terms of length of the training course, in the sense that it can be used as an overview or instructors can go into more depth on each topic. It also brings together the commonalities across Europe, but leaves room for specific country contexts.

3. Feedback from partners:

The review and confirmation of this chart from all the Ariadne partners is a necessary step for completing WP4. We ask that you read the chart and think about how it could be discussed and responded to in trainings in your country. Please tell us the following:

- a) Are all the necessary topics covered or is there something missing?
- b) Are the topics clear and understandable?
- c) Is there something you would not be able to respond to in your country?
- d) Is there something that is more important to highlight or something that is not relevant in your context?

4. Next steps between now and September Ariadne Partners meeting:

- a) Collect feedback from this chart from all partners by the end of August 2011
- b) Euricse will summarize the comments and revise the chart (early September 2011)
- c) We will then integrate it with the competency model (the revised version from Liege, post focus groups)
- d) During the September partner meeting Euricse will present a draft training model for discussion
- e) From September-December 2011 the training model will be refined and completed, taking into consideration the other variables discussed at Liege (target, methodology, format, etc.).

1. Specific characteristics

Definition of social economy in your country

Between private and public sectors, the social economy includes co-operatives, mutual, associations and foundations, employing 9.9% of all employees in 2008.

These are companies, who live in a market economy. But this are different companies, as born of a desire for solidarity in the service of man, they prefer the service compared to their profit and integrate into the economic social dimension.

The Charter of the Social Economy was published by the Liaison Committee activities mutual, cooperatives and associations (CNLAMCA). The values of this sector are :

- Solidarity is an original foundation of the social economy.
- The fair distribution of surplus without profit, social economy actors can generate surpluses. But they do not distribute according to the holding of equity, except in the cooperatives, but in a ceiling.
- Self-management and independent public body (no group, no pension funds or no competitor can take control of social economy enterprises because they are not publicly traded).
- Free membership which means total freedom in the initiative to join a social structure of the economy and also allows members to leave this structure whenever they want. The scope of the social economy has been established in connection with the network of regional chambers of the social economy (Cress). It consists of cooperatives, mutual societies, associations and foundations identified by their legal status.
- Democratic governance based on the principle "one person, one vote". And each member has the same right to vote regardless of its capital contribution in a cooperative, or of his working time in an association.

The social economy operates primarily in commercial, social action around people elderly or disabled to education, hospital, banking and insurance. But it is also present in the food industry, wholesale trade and some the building. All features which refer to its history and little areas invested by public and private competitors. Particularly developed in rural areas, the social economy is also well established in some cities.

Part of the social economy in the number of employees (total employees in the global sector) at December 31, 2008 by sector:

Activities of membership organizations	73%
Social activities without accommodation	69%
Sport, recreation and leisure	57%
Residential care and social	55%
Creative artistic activity and shows	48%
Employment-related activities	47%
Insurance	46%
Financial services except insurance and pension fund	30%
Education	21%
Beverage	21%
Travel Agencies and Related Activities	15%
Activities for human health	11%
Library, museum and cultural activities	11%

All sectors	10%
Accommodation	9%
Scientific research and development	8%

INSEE.

Are excluded from government, business and employers organizations, trade unions, and political or religious organizations. Defined as the social economy loses the term "solidarity" because it does not include integration companies (the statistical system does not know how to identify).

Source: INSEE 2008.

Historical evolution/pioneers:

The first forms of social economy emerged in the early nineteenth century during the rise of industrial capitalism. Despite their ban at that time by the Le Chapelier law (1791), workers began to organize by creating mutual aid societies. The first payments are funerals, then they will be funds to finance day of strikes.

They then extend unemployment and health protection. The fraternal benefit societies are then attached to a business or a territory, since the creation of an initiative by the pooling of workers close to meet a social need.

From a legal standpoint, these practices are becoming increasingly tolerated by the state, then a series of laws will give them official recognition. On this point, we must mention the fundamental role that took Albert de Mun in the development of social legislation under the Third Republic.

In 1864, the crime of coalition is removed and the right to strike is recognized, freedom syndicate in 1884 and the Charter of mutuality in 1898. In parallel, the first cooperatives appear in the 1880's, and freedom of association is authorized in 1901.

The social economy is first born in France at the base, when groups of employees in order to cope with the social constraints of the time. They will not be truly recognized, the cause of protest events (especially during the strikes). Over the years, the state will eventually recognize them and instead grant them public service missions.

Do national laws or other regulations exist that regulate:

- Act of 1901: establishes freedom of association.
- Law of May 7, 1917 which establishes an endowment to cooperatives on the charges of the Bank of France.
- 1930: Law on Mutual.
- Law of 10 September 1947 on the status of cooperation.
- June 11, 1970: Creation of the National Liaison Committee of mutual activities, and cooperative associations.
- December 15, 1981: Creation of the Inter-ministerial Delegation for the social economy is the prime contractor of the Act of July 20, 1983.
- July 20, 1983: four-part law constitutes the legal basis for the social economy.
- Law of 12 July 1985: supplementary law which established the Union of social economy as one firm takes the term social economy and for grouping the different cooperative structures; mutual; associations.
- March 2000 / April 2002: State Secretariat for Solidarity Economy under the Ministry of Labor, Guy Hascoët.

- February 19, 2001: creation of the joint company approval.
 - 2001: Ordinance of 19 April which recasts of mutual health organizations (separation of insurance business management and health achievement and supportive and just matching on the management of commercial insurance).
 - December 18, 2006: new instruction sheet on the taxation of associations whose activities with respect to non-members.
- Taxes/fiscal elements and supportive policies

2. Positioning/role in socio-economic system

Relationship with public authority:

The relationship between public authority and social-economic system was strong more specially in 1981. When Michel Rocard impulse the creation of the Inter-ministerial Delegation for Social Economy, the first official recognition of the sector in response to the request of the Social Economy players have only administrative contact to facilitate relations between State and the social economy. The DIES was then placed under the authority of the Prime Minister.

But years after years, the relationship change and become less strong to give a difficult situation today with the government.

The Inter-ministerial Delegation for Social Economy change of name and authority (Social Affairs, Youth and Sport, Jobs) between 1981 and 2000. In March 2000, the Delegation was transformed in State Secretariat for Solidarity Economy. With the political change there then becomes an Inter-ministerial Delegation for Innovation, Social Experimentation and Social Economy with the mission to support and promote nationally the development of innovative activities of general interest for the development and implementation of public policies, to study, propose and coordinate measures to promote the development of mutual societies, cooperatives, associations, and to ensure coordination between government agencies and social economy . A decree of January 2010 about Inter-ministerial Delegation for Innovation, Social Experimentation and Social Economy removes the benefit of creating a branch of social cohesion.

All this movements about the official public structure don't permit to optimize the societal impact of social economy sector on economy.

Relationship with markets:

These structures are integrated into the global market (more and more today). For example, health's mutual are in situation of concurrence with others capitalistic firms (from European laws). It is a strong pressing for these structures because, historically, they didn't practice its activities in a context of liberalization of their markets. The repartition of number of employees and structures can be describe here :

	Effective	Structures
All associations	1 768 170	133 550
All cooperatives	308 490	22 800
All mutual	119 820	6 290
Foundations	63 180	1 110
All of the social economy	2 259 660	163 760

INSEE 2008.

In this table, the activity of the social economy does not include the unpaid work done within the associations, which has 16 million members in 2008. It does not recognize either the jobs of less than 30 days or less than 120 hours year.

Focus on social action:

Associations are important in social work. One area in the heart of the principle of solidarity, including support for elderly, physically or mentally disabled, children and the homeless. The associations together in 2008, with some foundations and mutual societies, 69% of employment employee social work without accommodation, that is to say essentially the home help. In their homes and rehabilitation centers, they employ 55% of employees in accommodation and medico social.

In the absence of accommodation, associative institutions employ an average of 25 employees, or as much as private or public actors. They are smaller than their competitors when it is necessary to accommodate patients. In popular education movements involved in recreation centers, charities or social work committees of local authorities, associations include 228,000 employees.

They employ more than 100,000 in the sport and the cultural world, areas where jobs are scattered across a myriad of small structures. Education and health are two major fields for the "third sector". The weight of the social economy is proportionally less than for social action, but the workforce is important.

The social economy groups and 340,000 employees in education, 21% of jobs. Associative and often almost exclusively linked to the Catholic Church, it operates from primary to tertiary.

The social economy represents 11% of employment in health activities under three components: associations, foundations and mutual.

Focus on Financial service :

The "third sector" is a major player in the financial sphere.

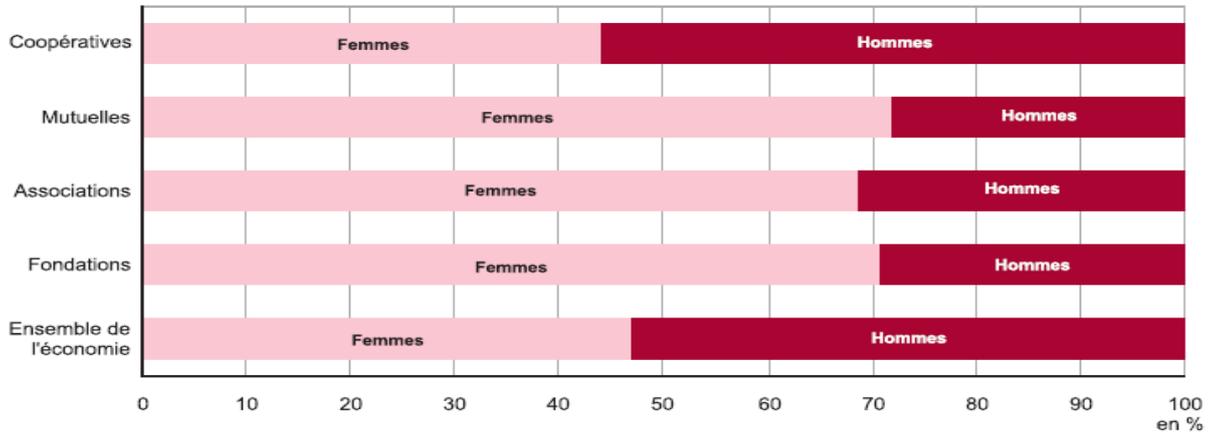
These structures were burned in first with mutual aid funds in the nineteenth century which provided their members against the disease and taking care of the funeral. Today they are large units with decentralized management, employing 80 000 employees in insurance and 40 000 for diversification, from health to social action or retail.

Cooperative banks employ 164,000 employees and have many similarities with each other. They follow the first credit union established to protect the population of workers and peasants wear. As mutual, they have a decentralized organization, but with a smaller number of players. Their action has gradually extended outside of the social economy through the purchase or creation of other banks. In doing so, cooperative banks have moved closer to other banks. Some have chosen to access the Exchange. Others have also diversified into investment banks that work partly overseas.

Focus on agricultural sector :

The food supply chain is one of the highlights of the social economy through cooperatives that provide equipment, seeds and animals to farmers. The industry includes 65,000 salaried jobs in 2008 in cooperatives and associations in 3000, largely in the distribution and processing, agricultural employment remained essentially self-employed.

	<p>Agricultural cooperatives are involved in a wide variety of products and are sometimes key players in their field. They also have a weight important in the champagne and wine. Excluding food, cooperatives employ 25 000 employees in the distribution in 2008, mutual few thousand.</p> <p>The social economy is very active in the industry despite the existence of cooperative production (Scop), structures that are managed by their employees while recognizing the contributions of foreign capital. The cooperative movement and some associations also collect 13,000 employees in construction.</p> <p>Relationship with networks:</p> <p style="text-align: center;">Listing of social economy networks :</p> <p>ONESS : Observatoire National de l'Economie sociale et solidaire.</p> <p>CEGES : Conseil des entreprises, Employeurs et Groupements de l'Economie Sociale.</p> <p>USGERES: Union de Syndicats et Groupements d'Employeurs Représentatifs dans l'Economie Sociale.</p> <p>MES : Mouvement pour l'Economie Solidaire.</p> <p>RIUESS : Le Réseau Inter-universitaire de l'économie sociale et solidaire.</p>
<p>3. Future prospects</p>	<p>Managerial dimension:</p> <p>After to describe the managerial dimension, it can be better to present the global situation in social economy sector. The specificities are a large presence of female but also a strong repartition between "Executives and intellectual professions", "Associate professionals" and "Employees".</p> <p style="text-align: center;">Female-dominated jobs and part-time</p> <p>The social economy is a highly feminized: 70% of jobs are held by women in mutual societies, associations and foundations, as against 45% in the rest of the economy). The part-time employment is more developed than elsewhere in "full-time equivalent" this sector focuses only 9.1% of employment (compared to 9.8% of employment). This helps explain the difference between the weight of this sector in number of employees and its share of national payroll.</p> <p style="text-align: center;">Breakdown of employees by gender and family in the social economy</p>



Champ : France.
Source : Insee, Clap 2006 (hors agriculture).
Source : INSEE 2006.

The workers are not very present in the social economy; outside the cooperatives employ 21% of workers, against 27% nationally. As mutual associations rely more employees (45% and 39% against 32% national average) and associate professionals (34% and 32% against 23% national average). The nature of jobs is related to the same field of intervention of the social economy, concentrated in the financial, personal services and education, health, and social action.

Listing of social economy occupational categories and comparison with total economy :

Occupational categories	Cooperative	Mutual	Associations	Foundations	Total economy
Farmer	-	0	0	-	0
Artisans, shopkeepers and entrepreneurs	-	0,5	0,2	-	0,5
Executives and intellectual professions	16,8	18,2	16,9	15,2	18,1
Associate professionals	38,9	33,7	32,0	37,5	22,9
Employees	22,5	44,7	38,6	38,9	31,7
Workers	21,3	2,9	12,3	8,2	26,8
Total	100	100	100	100	100

Source : INSEE 2006.

These characteristics explain a different style of management in the social economic sector. With a strong part of female employees whom work at part-time and a less percentage of workers (if you compare with total economy result). An other point can be describe, the importance of value in this sector. It is more difficult to manage a team in social economy structure if you didn't come of this sector. The principle of legitimacy is essential. It is a justification of the inter-promotion (when you pass of employees or workers at manager). There characteristics explain a different dimension of management in social economy.

Prospects for innovation and development:

- What type of innovation (product, market, process, organizational, service)
- Who's pushing for the innovation (the organization itself, market demand, public authority, community, etc)
- Awareness and potential of innovation capacity of the organizational form (since social enterprise is innovative in and of itself)

European prospects:

- Awareness of EU regulations, policies, funding opportunities regarding social economy
- Best-practices across Europe – know and compare to inform enterprise in your country