



Komunitní plánování jako nástroj pro posilování sociální soudržnosti a podporu sociálního začleňování a předcházení sociálnímu vyloučení sociálně znevýhodněných osob na trhu práce

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What Is Social Economy and Social Enterprise?

International Conference

Social economy and its tools for improving the lives of people and communities across Europe

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Tento projekt je spolufinancován Evropským sociálním fondem a státním rozpočtem České republiky.



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The common characteristics of social economy entities are:

- Emphasis on social objectives
- Emphasis on business aspects however not the need for maximum turnover and profit
- Their principal values are:
 - solidarity
 - social cohesion
 - social responsibility
 - democratic management
 - citizens' participation and autonomy
 - they are a combination of business interests and respect for public interests
- (Definition by the European Economic and Social Committee, e.g. in INT/242).



Social economy in view of EU policies

Social economy is among others in the centre of permanent attention of the European Economic and Social Committee (EESC), ILO and OECD.

The support of social economy is considered as a tool for:

- enhanced social inclusion
- development of local employment
- economic development contributing to a balanced development and welfare of local communities

The European Economic and Social Committee is currently initiating further activities aiming at the support of small and medium-sized enterprises, including the support of microenterprises that would reflect the position and needs of social economy entities better. This focus is in line with the European Commission's policy declared in EU strategic documents.



The European Economic and Social Committee (EESC) proposes a set of measures that will ensure further support and development of social economy in all 25 EU member states such as:

- support of research in social economy
- support of microenterprises
- interconnection of the support of small and medium-sized enterprises with social economy entities
- improvement of the access to bank loans (microloans)

The European Economic and Social Committee wants to increase the interest of the new EU member states in this type of enterprises (EESC, INT/242, clause 4.2).



Situation in the Czech Republic

There is no government document currently in the Czech Republic that would explicitly acknowledge the term of social economy, even though this concept is part of the social policies and local development policies in EU countries.

There is only a limited awareness of:

- what social economy means (there are various interpretations, particularly there are differences in what aspects of SE should be emphasised).
- there is explicit support of individual projects promoting social economy e.g. by the EQUAL Initiative Programme. The organisations that deal with this topic under EQUAL form the National Working Group.
- some social economy principles and objectives are implicitly included in important documents with a national effect, such as the National Social Inclusion Action Plan for 2004 - 2006 (Ministry of Labour and Social Affairs), the National Employment Action Plan and the Direction on the Implementation of Community Planning of Social Services (Ministry of Labour and Social Affairs).



Relevance of social economy for the development of non-governmental non-profit organisations

- Non-governmental non-profit organisations providing services are some of the most important social economy entities due to their traditional position in the area of social and health care (care for children, senior citizens and dependent persons, supported forms of employment of handicapped people etc.), in the area of services for socially excluded and marginalized groups as well as the friendly use of the environment – particularly in rural areas.
- By adopting the social economy concept, Czech NGOs can acquire a new and important role in local development. Besides their social impact, their activities are also important for the economic development: for the development of small enterprises, microenterprises and social cooperatives, the development of employment and local banking (microloans for non-profit enterprises). The implementation of social economy is expected to eventually lead to higher independence and sustainability of a certain part of NGOs.



Relevance of social economy for community planning

- Achievement of **higher efficiency** of social economy
- The innovativeness of the community planning system lies in the fact that it integrates **the managerial approach** used in the commercial sphere with the **psychological, sociological and** psychotherapeutic approaches used in the work with communities or groups.
- Community planning has thus become a **modern** managerial planning method that is used in social economy.
- Using this method, by a timely planning of **appropriate programmes**, projects and social services as well as by **establishing a cooperation between** commissioners, employers, providers and users, we can prevent the social exclusion of disadvantaged people in the labour market and society. The aim is to develop social services on the basis of local needs and to enhance SE capacities.
- The innovativeness of community planning lies particularly in the **process** of its implementation, in the **strength of the people** who implement the process and in their **communication** and **positive way of thinking**. The magic is further enhanced by **professional skills** in the area of project management, marketing and social services.



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Summary of 2003 - 2006

Year	Developed	Supported	Not supported	Waiting	Investments	CZK obtained through grants
2003	20	14	6	0	1, 146, 000	19, 013, 103
2004	16	13	1	2	1, 890, 000	51, 095, 465
2005	15	13	1	1	1, 223, 000	31, 650, 700
2006	19	5	3	11	1, 689, 160	13, 457, 693
total	70	45	11	14	5, 948, 160	115, 216, 961



Social enterprise

■ Social enterprises are entities performing **business activities**, operating in the market with **a social purpose**. A social economy is not defined by its legal status but by its character: its social objectives and outputs. The basis of a social enterprise is its social mission, integrated in its structure and management. Its profit is generated by its business activities. Social enterprises share a number of common characteristics:

1. Business focus – they are directly involved in the production of goods or provision of services, depending on the demand.

2. They have explicit **social objectives** such as the creation of jobs, education or provision of local services. Their ethical values may include e.g. the responsibility for the development of skills in local communities. Their profits are mainly reinvested in the achievement of their social objectives.



- 3. Social ownership** – another characteristic of many social enterprises is their social ownership. They are autonomous organisations whose management and ownership structures are usually based on the participation of various groups (employees, users, clients, local communities and social investors) or the Board of Directors who control the enterprise on behalf of a group of people. They are accountable towards their members and the community for their social, environmental and economic impacts.
- The UK government define social enterprises as follows:
“Enterprises with primarily social objectives, whose margins (profits) are mainly reinvested to the benefit of the enterprise itself or the community, rather than being driven by the need to maximise their profits for their shareholders and owners.”



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Thank you for your attention



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