

# Local and social services provided by Social Economy and Social Business in Spain.

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# Why Social Economy for the provision of social and local services

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Tradition of Social Economy in social/welfare services

Outsourcing of services

Economic impact linked to the Social Economy provision of local services

- Employment
- local development

Social Economy law imposes promotion of Social Economy to Public authorities **within their competences**

- One way to achieve this could be by using them as providers of local services

# Are they doing that?

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No reliable statistics about what proportion of local services, and specifically social ones, are provided by Social Economy business (in relation with others).



We know that:

- Social Economy business (specially social cooperatives) are providing services at the local level, but not are the main providers of this kind of services, not even in the social and welfare field.
- This is a bit surprising, as this Entities share a lot of goals and features with the public ones: general (collective or mutual) interest, democracy, etc.

# Against the provision of local services by SE

After consultation of the parties involved ( policymakers, SE bussines and representatives, academics), the problems seem to be these:

- Ignorance on the part of the municipalities of the possibilities of SE as providers of local services
- Ignorance on the part of the entrepreneurs of the of SE models
- Competences/Purwies of local governments
- Issues about public procurement
  - Models of provision of services
  - Competition rules
  - Budget deficit limitations

# Legal framework

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## Legal purviews

- ▶ Law 7/1985, of April 2, Regulating the Local System.
- ▶ Modified by Law 27/2013, transferring competences from local to Regional Governments

## Public procurement

- ▶ Public sector procurement law (2011) based on 2004/18/CE Directive
- ▶ Future trasposition of 2014/24/UE Directive

# Purwies of local Governments

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## Before 2013 law:

- ▶ **LG as holder:**
  - ▶ Essential services (monopoly /compulsory)
  - ▶ Other
- ▶ **Competences by delegation**
- ▶ **They could pursue anything within their interest (improper competences)**

## After 2013 law:

- ▶ **LG as holder:**
  - ▶ Essential services (monopoly /compulsory)
  - ▶ Other: some are reduced
    - ▶ Health care
    - ▶ Social services
    - ▶ Social and labor insertion
- ▶ **Improper competences (employment, social housing, etc):**
  - ▶ Not concurrence
  - ▶ Budget sustainability

# Impact in Social Economy

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A big part of Social Economy providing local services are at the social services:

- Social assistance
- Welfare / personal care / disabled people
- Housing
- Labour insertion



These enterprises have produced a significant amount of employment



But also Social Economy enterprises are one of the most adequate targets of Local governments in their employment policies, as they are interested in the generation of cooperatives, or labour societies out of local unemployed.





## And of course:

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- ▶ The concentration of Social services at the Regional level promotes the procurement of bigger enterprises, usually non Social Economy ones.

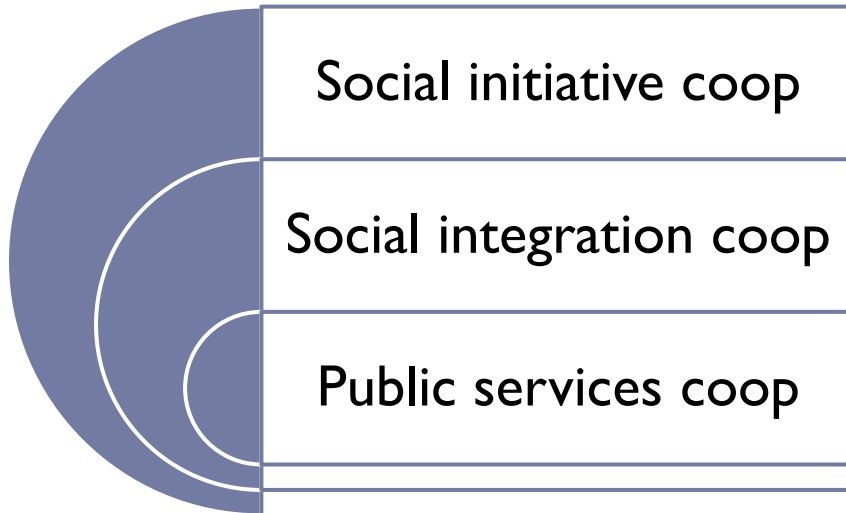


The distribution of public competences between the different levels of Public authorities is not neutral for the Social Economy

# Provision of local services by SE

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## Local as member of coop



## Other



### Public procurement

- Problem: social clauses



### Grants/supporting

- Problem: state aid

# Provision through sharing cooperatives

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## “Social” coop

### Non profit coop:

- Colective interest services
- Public services
- Social integration

### Social initiative coop

- Social services

They can be shared by local authorities

## Public services coop

- ▶ In some regional coop laws:
- ▶ Coops **promoted by** public authorities
- ▶ Local authority would be a member owning the majority of the capital
- ▶ Users/Consumers are the other members

# Public Procurement of SE

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Social clauses: inclusion of social considerations into public procurement processes, either as:

A prerequisite (Admission Criteria or Reserve Market)

A valuation element (Award Criteria),

Clause of breakpoint

or as an obligation inherent in the contract (requirement of Implementation).

# Public procurement law (2011)

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Market reservation : Special employment centers (WISE)



Valuation clauses: (criteria directly linked to the subject of the contract )

- environmental requirements
- special needs of disadvantaged people



Breakpoint:

- Disabled people,
- people on risk of social exclusion,
- non profit entities
- Fair trade

# Requirement of Implementation:

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- ▶ environmental considerations or **social considerations**,
- ▶ in order to **promote the employment** of people with particular difficulties in entering the labor market,
- ▶ eliminate **inequalities** between men and women in the market,
- ▶ reduce unemployment,
- ▶ promote **training** in the workplace,
- ▶ or other purposes that are established with reference to the **coordinated employment strategy**

# Good practices and guides

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## Some examples



## Some Guides and Forums

- Guidance for Sustainable Procurement. Social Inclusion Criteria  
Author: Santiago Lesmes Zabalegui  
IDEAS

- A guide contract clauses of social character. Author: Generalitat de Catalunya

- Forum on Socially Responsible Procurement

Thank you for your attention

Image:ACAVALL, treatment of mentally disabled children (Valencia) Source.SocialNest

