

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

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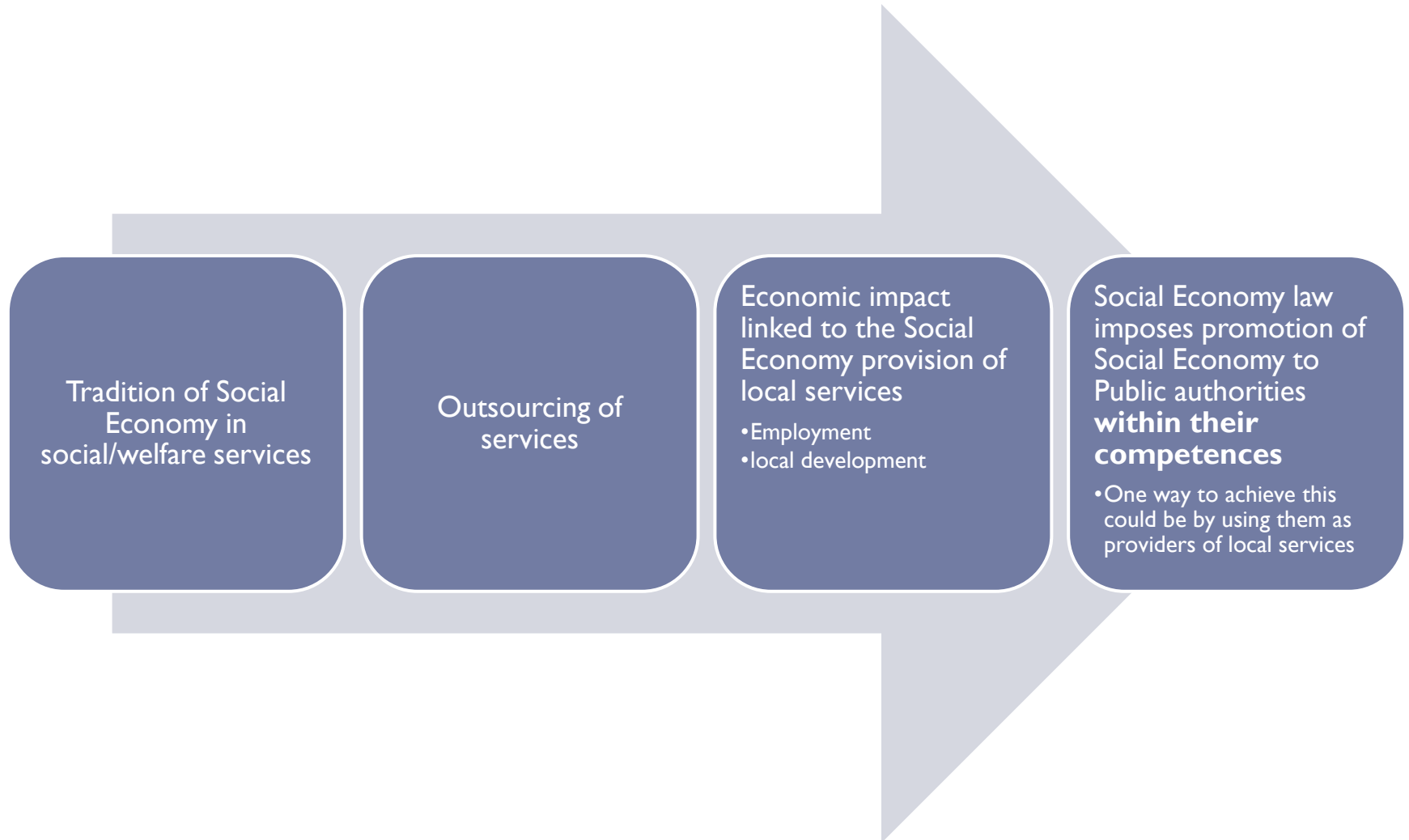
SOCIAL ENTREPRENEURSHIP FOR THE EMPLOYMENT CRISIS AND WELFARE STATE (EMPRESOCIAL)

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Why Social Economy for the provision of social and local services



Are they doing that?

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 business 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 SE models
- Competences/Powers of local governments
- Issues about public procurement
 - Models of provision of services
 - Competition rules
 - Budget deficit limitations

Legal framework

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

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

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:

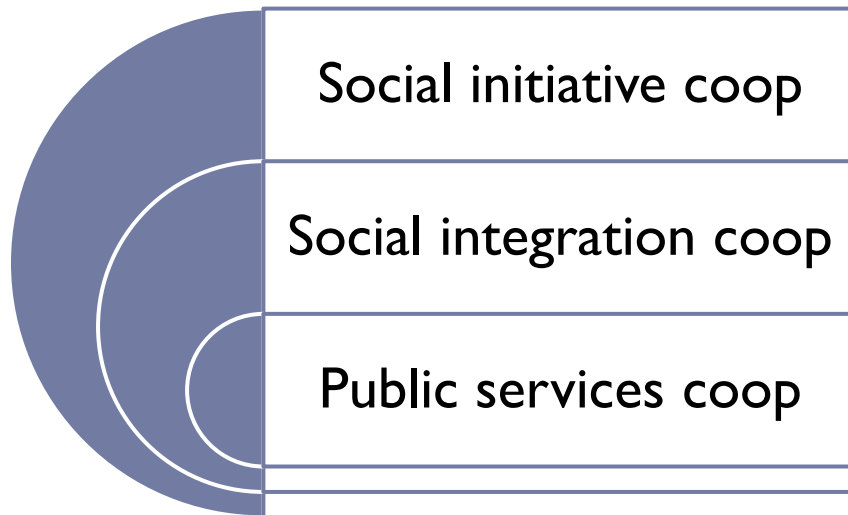
- ▶ The concentration of Social services at the Regional level promotes the procurement of bigger enterprises, usually non Social Economy ones.



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

Local as member of coop



Other



Public procurement

- Problem: social clauses



Grants/supporting

- Problem: state aid

Provision through sharing cooperatives

“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

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)



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:

- ▶ 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

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

