

CREASSE Project: Promoting the rural and inclusive social and solidarity economy

Context of the Social and Solidarity Economy in SPAIN

1. DEFINITIONS OF SSE IN EUROPE

1.1 European Commission – Definition of the Social Economy Action Plan – *Definition of the social economy*

The European Commission defines the social economy in terms of its general principles and characteristics, namely:

The social economy encompasses a range of entities with **different business and organisational models**. They operate in a wide variety of economic sectors: agriculture, forestry and fisheries, construction, reuse and repair, waste management, wholesale and retail trade, energy and climate, information and communication, financial and insurance activities, real estate activities, professional, scientific and technical activities, education, human health and social work activities, arts, culture and media.

In the context of this Action Plan and related EU initiatives, the social economy encompasses entities that share the following fundamental common principles and characteristics: **the primacy of people, as well as the social and/or environmental purpose over profits, the reinvestment of most profits and surpluses to carry out activities in the interest of members/users ('collective interest') or society in general ('general interest')** and **democratic and/or participatory governance**.

Traditionally, the term social economy refers to four main types of entities that provide goods and services to their members or society at large: **cooperatives, mutual societies, associations** (including charities), and **foundations**. They are private entities, independent of public entities and with specific legal forms.

Social enterprises are now generally understood as part of the social economy. Social enterprises operate by providing goods and services to the market in an entrepreneurial and often innovative manner, with social and/or environmental objectives as their business activity.

Profits are reinvested mainly with a view to achieving their social objective. Their method of organization and ownership also follows democratic or participatory



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principles or focuses on social progress. Social enterprises take a variety of legal forms depending on the national context.

Terms such as "social economy enterprises", "social and solidarity enterprises" and "third sector" are also used by some stakeholders, countries and international organisations to refer to social economy entities. Labour integration social enterprises are a common type of social enterprise across Europe. They specialize in providing job opportunities to disadvantaged people.

Source: [European Commission Social Economy Action Plan 2021](#)

1.2 ILO definition – specifically has a definition of Social and Solidarity Economy

"The SSE encompasses companies, organizations and other entities that are engaged in economic, social and environmental activities at **the service of the collective and/or general interest**, which are based on the principles of **voluntary cooperation and mutual aid, democratic and/or participatory governance, autonomy and independence**, and the **primacy of people and social purpose over capital in the distribution and use of surpluses and/or profits, as well as assets**.

SSE entities aim for long-term viability and sustainability, and the transition from the informal to the formal economy and **operate in all sectors of the economy**. They put into practice a set of values that are intrinsic to their functioning and consistent **with care for people and the planet**, equality and justice, interdependence, self-governance, transparency and accountability, and the achievement of decent work and livelihoods. Depending on national circumstances, **SSE includes cooperatives, associations, mutual societies, foundations, social enterprises**, self-help groups and other entities that operate in accordance with the values and principles of SSE."

Source: ILO, [Resolution on Decent Work and the Social and Solidarity Economy](#), June 2022

1.3 OECD definition: considers SSE and SE to be the same

"**The social economy**, also called in some countries **solidarity economy** and/or **social and solidarity economy**, is **made up of a set of organizations such as associations, cooperatives, mutual societies, foundations and, more recently, social enterprises**. In some cases, community initiatives are part of the social economy, in addition to non-profit organizations, the latter group is often referred to as the solidarity economy.

The activity of these entities is usually driven **by social objectives**, values of solidarity, **the primacy of people over capital** and, in most cases, **by democratic and participatory governance**".

Source: OECD, [Recommendation on the Social and Solidarity Economy and Social Innovation](#), 10 June 2022

1.4 United Nations definition: it has a specific definition of Social and Solidarity Economy



The Social and Solidarity Economy (SSE) refers to forms of economic activities and relationships that prioritize **social and often environmental goals over profit motives**. It implies that citizens act collectively and in solidarity for the democratization of the economy and society, including producers, workers and consumers. It is often used as an umbrella term to encompass the "**social economy**", the "**solidarity economy**" or **third sector organisations and enterprises**. SSE is fundamentally about reasserting social control over the economy and relinking the economy with society and nature.

While many SSE organizations and enterprises (SSEOs) are established to respond to the specific needs of individuals and communities, some also aim to transform the economic operating system into one based on **values such as participatory democracy, solidarity, equity, human and Earth rights, self-determination, reciprocity, and cooperation**. All SSEOs emphasize human social values and ethics in economic activity and relations, and economic practices based on **democratic governance and self-management, reciprocity, solidarity, and active citizenship**.

In recent decades, the number of SSEOs has grown rapidly in both developed and developing countries. Organized at the grassroots level, they have helped mitigate long-term harmful trends, such as rising poverty and inequality, especially in the developed world, environmental degradation and deindustrialization that put skilled workers unemployed.

In addition, SSEOs play a critical role in delivering social services in all communities, especially at a time when government budgets are stressed and subject to cuts. In addition to providing fair services, SSEOs have generally demonstrated a remarkable ability as employers to maintain and create jobs in times of crisis where government and the market failed, including during the COVID-19 period. Therefore, a growing number of policymakers began to pay attention to the role and potential of SSEOs, as a means of implementing the SDGs at the local level.

2. LEGAL DEFINITION OF SSE IN SPAIN

In Spain, the **Social and Solidarity Economy (SSE)** is legally defined in [Law 5/2011, of 29 March, on the Social Economy](#). According to this legislation, SSE encompasses economic, and business activities carried out by entities that prioritise social objectives, mutual aid and solidarity over the maximisation of profits. These entities focus on serving their members or the community at large, promoting sustainable development, social cohesion, and ethical governance.

Key entities under the SSE umbrella include **cooperatives, mutual societies, foundations, associations, job placement companies and special employment centres**, among others. The law emphasizes democratic decision-making, the equitable distribution of economic results, and a commitment to job creation and improved social inclusion.

In practice, SSE in Spain reflects a strong tradition of collective action and solidarity, rooted in cooperative movements and social initiatives that aim to balance economic viability with the well-being of society.

3. TYPES OF ORGANIZATIONS PARTICIPATING IN SSE IN SPAIN

- **Cooperatives:** Enterprises owned and managed by their members, which prioritize democratic decision-making and equitable distribution of benefits. Applicable law: Law 27/1999, of 16 July, on Cooperatives.
- **Mutual Societies:** Organizations that provide insurance or welfare services to their members based on principles of mutual aid. Applicable law: Law on Mutual Benefit Societies (Royal Decree of 20 February 1926) and subsequent amendments.
- **Foundations:** Non-profit entities focused on philanthropic, educational, cultural, or social goals, which use assets to benefit the public. Applicable law: Law 50/2002, of 26 December, on Foundations.
- **Associations:** Non-profit groups formed by individuals with common interests, with the aim of achieving social or community goals. Applicable law: Organic Law 1/2002, of 22 March, regulating the Right of Association.
- **Job Placement Companies:** Companies designed to integrate people facing social exclusion into the workforce through training and employment opportunities. Applicable law: Law 44/2007, of 13 December, on the Regulation of Labour Insertion Companies.
- **Special Employment Centres:** Companies that provide employment and support services to people with disabilities, ensuring meaningful labour participation. Applicable law: Royal Decree 2273/1985, of 4 December, approving the Regulations of Special Employment Centres.
- **Social enterprises:** Organizations with a primary social mission that reinvest profits in achieving their social or environmental goals. Guiding framework: Law 5/2011, of 29 March, on Social Economy.

4. BRIEF HISTORICAL REVIEW OF THE DEVELOPMENT OF SSE IN SPAIN

The **Social and Solidarity Economy (SSE)** in Spain has deep historical roots, influenced by various social movements and collective initiatives over time. Its evolution is closely linked to the rise of cooperatives, mutual societies and trade unions in the nineteenth and early twentieth centuries, which sought to address the socio-economic needs of the most vulnerable groups and workers during industrialisation.

In the early 20th century, the **cooperative movement** gained significant traction, particularly in sectors such as agriculture, as a means of solidarity and mutual aid. Spain saw the creation of several cooperatives aimed at improving the economic conditions of rural communities and working people. In the same way, **mutual societies** provided health and care services to their members, laying the foundations of the modern Spanish social protection system.

During the **Franco dictatorship (1939-1975)**, many of these initiatives were repressed or restricted due to the authoritarian regime's control over civil society. However, clandestine cooperatives and mutual societies continued to thrive, particularly in rural areas, as a means of resistance and economic survival.

In the late **1980s and early 1990s**, after Spain's transition to democracy, there was a resurgence of the SSE, and the state began to formally recognize and support these organizations. The **1990s** saw the creation of new laws on cooperation and support for **job placement companies** aimed at tackling unemployment and social exclusion, especially in economically marginalised regions such as Extremadura.

The **2000s** marked the establishment of a more cohesive legal and institutional framework for SSE, culminating in the passage of [Law 5/2011 on the Social Economy](#), which formally recognised the sector and its contribution to sustainable economic development, employment and social cohesion. This law provided legal support to a wide range of entities, from cooperatives to social enterprises, and facilitated their integration into the wider economy.

Today, SSE in Spain continues to grow and evolve, driven by a strong network of cooperatives, mutuals, social enterprises and associations, with a focus on sustainable development, social inclusion and innovation.

5. CURRENT LAWS AND POLICIES RELATED TO SSE IN SPAIN

- [Law 5/2011, of 29 March, on Social Economy](#). This law is the cornerstone of the Social Economy in Spain, establishing the legal framework and the recognition of entities such as cooperatives, mutual societies and social enterprises. It highlights its contribution to employment, social cohesion and sustainable development.
- [Law 27/1999, of 16 July, on Cooperatives](#). This law regulates the functioning and structure of cooperatives in Spain, providing a legal framework for their formation, operation and governance, ensuring that cooperatives maintain democratic control and focus on collective benefits.
- [Law 44/2007, of 13 December, on the Regulation of Labour Insertion Companies](#). This law aims to promote **labour insertion companies** (companies designed to integrate people at risk of social exclusion into the labour market), establishing their legal personality and offering economic incentives for their development.
- [Law 50/2002, of 26 December, on Foundations](#). This law regulates the creation and operation of foundations in Spain, supporting organizations that focus on charitable, educational and social purposes, ensuring their transparency, accountability and proper use of resources.
- [Law 1/2002, of 22 March, regulating the Right of Association](#). This law establishes the legal framework for the creation and operation of **associations**, providing the regulatory basis for non-profit organizations that focus on social, cultural, or community purposes.
- [Royal Decree 2273/1985 of 4 December 1985 on Special Employment Centres](#). This regulation regulates the operation of **special employment centres**, which are designed to provide employment opportunities for persons with disabilities, promoting their social integration and participation in the labour market.
- [Law 20/1990, of 19 December, on the Tax Regime of Cooperatives](#). This law provides incentives and tax benefits for cooperatives, encouraging their



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development and ensuring that cooperatives receive favourable treatment in areas such as tax rates and deductions.

- [Royal Decree 1430/2002, of 27 December, approving the Regulation of mutual insurance companies.](#) This regulation regulates the creation and operation of **mutual insurance companies**, which offer social protection and services to their members through models of mutual assistance and solidarity.

In addition to the state law, there are **regional Social Economy laws** such as the following:

- [Law 6/2016, of 4 May, on the Social Economy of Galicia](#)
- [Law 3/2022, of 13 June, on the Social Economy of the Canary Islands](#)
- [Law 7/2022 on the Social Economy of Aragon](#)

6. GOVERNMENT SUPPORT PROGRAMMES FOR ESE INITIATIVES IN SPAIN

- [Comprehensive Plan for the Promotion of the Social Economy.](#) This programme provides financial support, including grants and grants, for the development and consolidation of social economy entities, in particular cooperatives, social enterprises and associations that focus on employment and social inclusion.
- [European Social Fund \(ESF\).](#) The ESF supports various SSE initiatives through national and regional funding, aimed at promoting social inclusion, fighting poverty and improving employment opportunities for disadvantaged groups, such as people with disabilities or those facing long-term unemployment.
- [Stable Employment Creation Program.](#) This regional programme in Extremadura provides financial incentives for the creation and maintenance of jobs within social economy enterprises, with a focus on the integration of vulnerable populations into the labour market through cooperatives and social enterprises.
- [Cooperative tax benefits.](#) The Spanish tax system offers specific tax exemptions and deductions for cooperatives, including reduced corporate tax rates and profits for reinvested profits used for social and cooperative development.
- [Programme for the Promotion of Employment in the Social Economy.](#) This programme, launched by various regional governments, including Extremadura, offers subsidies and financing opportunities for the creation and growth of social enterprises, focusing on job creation, social inclusion and environmental sustainability.
- [Support for cooperatives in Extremadura.](#) The Regional Government of Extremadura offers various grants to cooperatives through the Social Economy Support Programme. These grants include grants for the creation of cooperatives, technical assistance, training and support services to foster the growth of new and existing cooperatives in the region.



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- **Rural Development Programs.** Both national and regional rural development programmes provide funds and resources to promote social economy initiatives in rural areas, focusing on job creation, sustainability and the revitalization of rural communities.
- **Integration programmes for vulnerable groups.** Several regional and national programmes focus on the integration of vulnerable groups (e.g. persons with disabilities, long-term unemployed, migrants) into the labour market through support to SSE organisations that promote inclusive employment practices.
- **Spanish Business Confederation of Social Economy (CEPES).** a state-wide business organization that represents and is a benchmark of the Social Economy in Spain, integrating and spokesperson for its concerns and proposals. It is the driving force behind this business reality in Spain, an interlocutor for the construction of public and social policies to promote the social economy business model, focused on people, and offers training and specialised advice on these models.

7. PUBLIC AWARENESS AND SUPPORT FOR SSE INITIATIVES IN SPAIN

In Spain, public awareness and support for the Social and Solidarity Economy (SSE) have increased markedly in recent years, although challenges remain in terms of widespread understanding and media attention. SSE, which encompasses cooperatives, social enterprises, mutual societies and other collective economic models, is gaining prominence, particularly in the context of sustainable development, social inclusion and job creation.

Public perception of SSE is generally favourable, aligned with values such as solidarity, social justice and environmental sustainability. The growing emphasis on corporate social responsibility and ethical business practices has further contributed to this positive vision. However, the sector still faces challenges in gaining widespread public recognition, often overshadowed by traditional profit-driven business models, particularly in mainstream media.

In Spain, the social economy is being promoted mainly by the Ministry of Labour and Social Economy through the implementation of various public policies and plans, such as the [Comprehensive Plan to Promote the Social Economy 2024-2025](#).

Some regions of Spain, such as the Basque Country, Catalonia and Extremadura, have a rich history of cooperative and social economy initiatives. In Extremadura, substantial efforts have been made to promote SSE. The Regional Government of Extremadura has launched programmes aimed at boosting the visibility and sustainability of the SSE, offering financial aid for the creation of cooperatives, training programmes and the promotion of the SSE in rural areas.



Recently, the Regional Government of Extremadura unveiled the **Social Economy Strategy 2024-2027**, which seeks to strengthen the cooperative sector, with a focus on the integration and increase of women's participation in leadership roles. The first **White Paper on the Social Economy of Extremadura** reports that, in 2019, the region had 2,387 SSE entities, which represents almost 3% of the total social economy in Spain. These entities employed more than 20,000 people and generated an annual turnover of 2,500 million euros, which represents 12% of the regional GDP. While most were agri-food cooperatives, the social economy in the region also includes consumer cooperatives, credit unions, educational entities, local energy communities, mutual societies, and social organizations.

The efforts of the government, regional administrations, local authorities and various social economy organisations have aimed to promote SSE through educational campaigns, conferences and public events. The **Spanish Business Confederation of Social Economy (CEPES)** (<https://www.cep.es/>) at the national level, and the **Extremadura Association of Labour Societies (EXLAB)** (<https://www.aexlab.org/>), as a regional organisation dedicated to the promotion of worker cooperatives in Extremadura, play a key role in these initiatives.

Social economy actors, such as cooperatives, social enterprises, and mutual societies, benefit from government support through various programs and policies. However, SSE initiatives still struggle to gain recognition and support from the public, especially outside of urban centres. Media coverage, while improving, often highlights specific success stories rather than positioning SSE as a central force in the economy. Despite these challenges, awareness of SSE is increasing and there is growing optimism as more people look for alternatives to traditional profit-driven business models.

8. IDENTIFIED NEEDS RELATED TO SSE IN SPAIN

The Social and Solidarity Economy (SSE) in Spain faces several challenges, including **a lack of widespread public recognition, limited media coverage, and insufficient integration into mainstream economic and political frameworks.**

These obstacles hinder their growth and visibility, especially in rural areas. While some regions, such as **Extremadura**, have made notable progress in promoting SSE, there are still significant barriers to its development, such as **bureaucratic hurdles, limited access to funding, and difficulty in attracting younger generations to the sector.**

The **Spanish Social Economy Strategy 2023-2027** identifies several weaknesses:

- Low training for SSE entrepreneurship in university education (89.1%).
- Insufficient participation of the SSE in key ecosystems such as the innovation or entrepreneurship ecosystem (89.1%).
- Low presence of SSE in technological entrepreneurship (89.1%).
- Difficulty in accessing venture capital and other forms of investment that involve taking over the management of the company. This affects, for example, both companies rescued by their workers and technology companies (84.4%).



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- Insufficient knowledge of HE among key prescribers (consultancies and entrepreneurship support centres, in general)(81.8%).

Within the framework of the **CREASSE** project, the creation of focus groups is not only proposed as a diagnostic tool, but as a space for collective action and dialogue. These spaces bring together actors from the social economy, political leaders, academics and citizens, which makes it possible to identify common needs and co-create solutions adapted to the territory of Extremadura. This participatory approach encourages the implementation of innovative initiatives and enhances the visibility of SSE, directly addressing a critical weakness: its insufficient integration into key ecosystems at regional and European level.

The project also articulates other complementary lines of action. Specialised **training** provides entrepreneurs with tools to promote their initiatives; **awareness-raising activities** contribute to disseminating the values of SSE in society; and the **visibility of created businesses** allows good practices to be recognised and replicated. CREASSE also promotes **connection beyond the region**, weaving networks with other European countries to learn from international experiences and generate new opportunities for collaboration.

Finally, initiatives such as **sectoral networking** or the **entrepreneurial ideas competition** reinforce innovation and cooperation, two strategic axes to overcome the barriers faced by the SSE. In this way, the project not only opens a space for dialogue, but also becomes a comprehensive platform to consolidate a stronger, more resilient and integrated social economy ecosystem within the European framework.