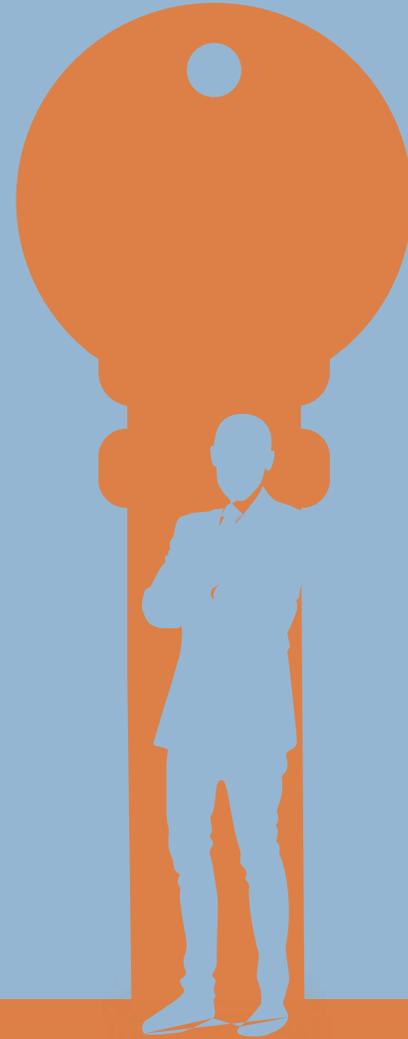


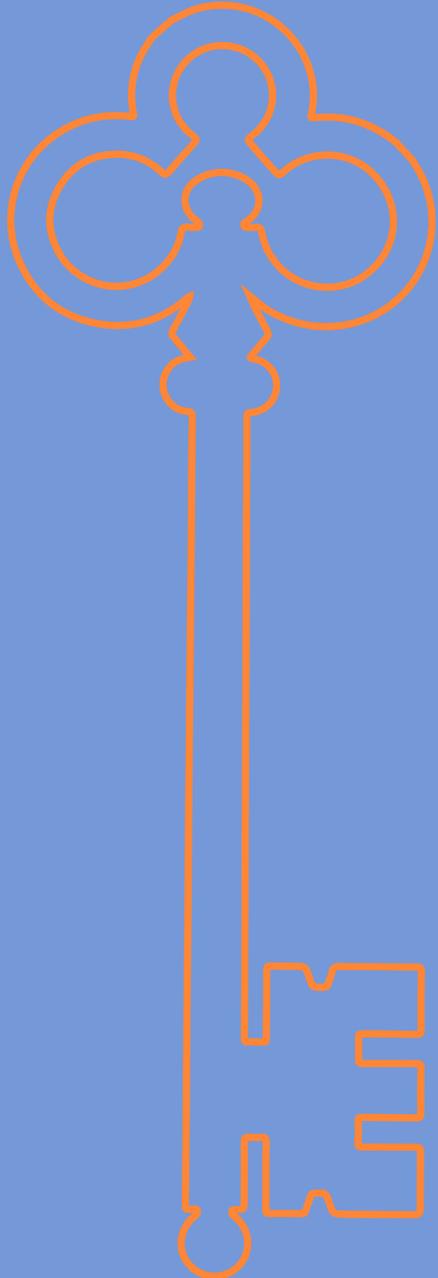
1.1 Introduction in the Social Entrepreneurship concept



ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory “Social Forces”

4.9.2: Design and Development of the Training Material





Contents

- Conceptual approach of Social and Solidarity Economy
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- Priority to people and labor, and no to capital when distributing income
- Conceptual Approach to Social Entrepreneurship
- Social Enterprises features
- Social entrepreneur features

Conceptual approach of Social and Solidarity Economy

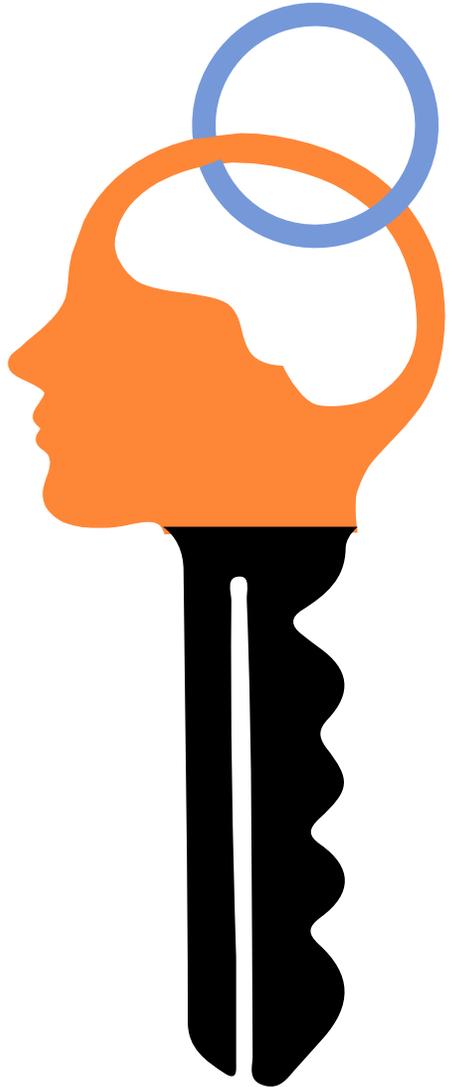


*Social and Solidarity Economy includes **all economic activities** based on an alternative way of organizing relations of production, distribution, consumption and reinvestment.*

Social and Solidarity Economy is a combination of two different perspectives: Social Economy and Solidarity Economy.

The combination of these two perspectives as a "Social and Solidarity Economy" has both a conceptual dimension, given its many common principles and practices, and a strategy seeking to build a more effective movement for change, with the participation of a wider coalition of bodies.

Social Economy bodies



- 🔑 Non-profit organizations
- 🔑 Unions
- 🔑 Foundations
- 🔑 Mutual Insurance Companies
- 🔑 Cooperatives
- 🔑 Social enterprises that have not the form of cooperative (commercial ventures that do not distribute profits or significantly limit profitability and re-invest all or most of their profits to achieve a social goal).

Basic Principles of Social Economy



**Provision of services / goods
without the exclusive pursuit
of profit**



Democratic decision-making



Independent administration



**Priority to people and labor,
and no to capital when
distributing income**

Provision of services / goods without the exclusive pursuit of profit

Social Economy Bodies ≠ Conventional Enterprises

A **common feature** of the social economy bodies, which separates them from the conventional enterprises, is the **general purpose of their activities**.

These bodies do not aim at profitability and its distribution to shareholders, but:

- ✦ at **providing goods and services** (including employment opportunities) to their **members or their community**
- ✦ at **pursuing general interest objectives** (i.e. activities that benefit the broader society, such as the provision of services of general interest).



Independent administration

Independence in the administration of social economy bodies



It is a **criterion for distinguishing** it from the public sector services



Democratic decision-making

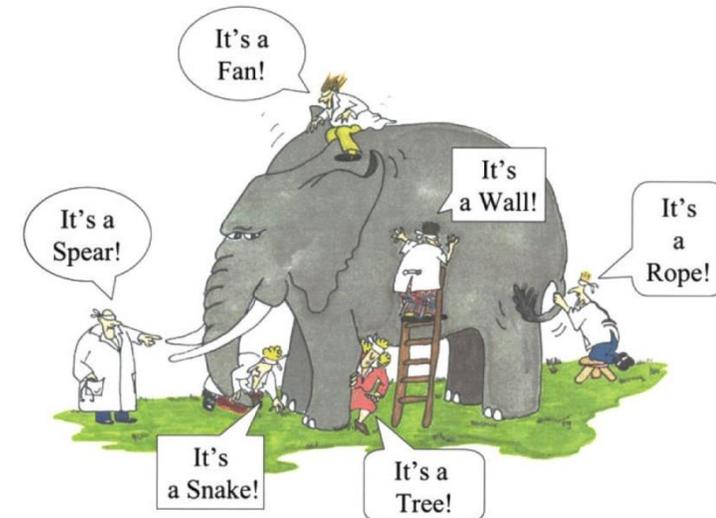
Democratic decision-making processes

Critical decisions are taken by **voting of all members**

The **'one person - one vote'** technique (and not 'one corporate share - one vote') applies or at least there is a **strict limitation on the number of votes per person** in the decision-making bodies

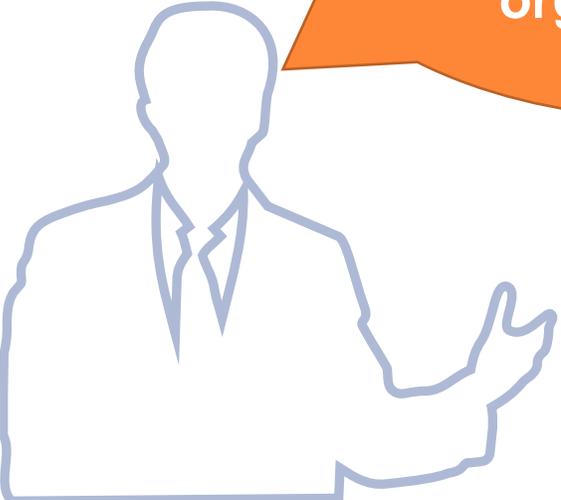
Participation of the following representatives in the management board of the bodies:

- ✓ Employees
- ✓ Users
- ✓ volunteers
- ✓ donors etc (**multi stakeholder ownership**).



Priority to people and labor, and no to capital when distributing income.

In the distribution of revenue man and labor come first, while capital follows.



This principle covers a wide range of practices applied by social economy organizations



Limited return of capital



Distribution of the surplus among employees or members/users in the form of a bonus



Creation of reserve for business development



Direct use of the surplus for social purposes

Social Enterprises features

Social Enterprises features

- i. Continuous production of products and services
- ii. High degree of autonomy
- iii. High degree of economic risk
- iv. Limited salary
- v. Prominent purpose of benefiting society
- vi. Initiative promoted by the population groups of society
- vii. Active participation of all people affected by the enterprise's activity
- viii. The decision making relies on those members who are not the owners of the capital
- ix. Limited profit distribution - Reinvestment of profits

