Social Enterprise in Spain: A Diversity of Roots and a Proposal of Models

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As intermediary products, ICSEM Working Papers provide a vehicle for a first dissemination of the Project’s results to stimulate scholarly discussion and inform policy debates. A list of these papers is provided at the end of this document.

First and foremost, the production of these Working Papers relies on the efforts and commitment of Local ICSEM Research Partners. They are also enriched through discussion in the framework of Local ICSEM Talks in various countries, Regional ICSEM Symposia and Global Meetings held alongside EMES International Conferences on Social Enterprise. We are grateful to all those who contribute in a way or another to these various events and achievements of the Project.

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1. UNDERSTANDING CONCEPTS AND CONTEXT

The term “social enterprise” was first used, at the end of the 1980s, by organisations that promoted the social and labour integration of persons at risk of social and labour exclusion and other similar social activities. The social economy sector has since slowly introduced this term to describe its entities in order to gain recognition by society, and it is working to promote a generally accepted definition of social enterprise’s behaviour based on the principles and values of the social economy (participation, general interest...). According to Article 5 of Spanish Law 5/2011 on the Social Economy, work integration social enterprises and so-called “special employment centres” are part of the social economy, and so are all firms and entities carrying out activities following the values and principles of the social economy sector.

In this context, organisations of the social economy sector also are beginning to use the “social enterprise” concept. In Spain, a debate still exists regarding its exact definition. A mix of perspectives on this concept, with different nuances, can be observed. Besides, the current context of reduced governmental budgets and social services in Spain causes social organisations to adopt new approaches to this term of social enterprise, as this type of organisation is more likely to receive funds from the European Union.

This paper’s objective is to analyse all perspectives on the concept of social enterprise as well as the various social enterprise models existing in Spain. The document structure is organized as follow. In the first section, we present the context and the main concepts related to social enterprises in this country. In the second section, we provide an analysis of changes in the evolution of social enterprise criteria to identify established models and emerging patterns. In the third section, we put forward another typology, based on institutionalisation stages. Finally, we conclude by recommending an approach to future work and provide a basic bibliography on the subject.

1.1. The emergence of the concept of social enterprise in Spain

The fields in which the concept of social enterprise first emerged in Spain are probably academia and politics, which are more connected than field initiatives to debates and research in Europe. In the late 1990s, some research and dissemination papers began to use this concept to describe a new type of social initiatives, involving social and work integration as well as health services, that had been emerging in the previous decade in the country (see e.g. Vidal 1997; López et al. 1998; Alvarez 1999; Puig Olle 1998; Rojo 2000).

Indeed, at the beginning of the 1980s, different social organisations that had launched special programmes of training and labour integration, focusing on excluded people or people at risk of exclusion, experienced difficulties with regard to the subsequent social integration of their trainees. They then began to create labour initiatives as a follow-up of the training process they offered. These initiatives can be viewed as the predecessors of work integration social enterprises (WISEs) in Spain, and they are considered as the country’s first “social enterprises” (Alvarez 1999; FEEDI 2003; García y Esteve 2007), although they did not obtain legal recognition until 2007 (Law 44/2007). López
Aranguren (2002) identified four such pioneer organisations as the most coherent and consistent: Fundación Engrunes (created in 1982), Fundación Dexailles (1986), Traperos de Emaús (1970), and Fundación Tomillo (1983). Beside these four organisations, there were other experiences and initiatives, but with a large disparity in terms of approaches and strategies. But beyond their differences, all these initiatives—both the four abovementioned pioneers and the other initiatives—focused on a common goal, namely the fight against poverty and social exclusion caused by the lack of access to employment (Marcuello et al. 2008).

Other initiatives that emerged during these years and can be linked to social enterprise in Spain include “special employment centres” (centros especiales de empleo, or CEE; we will use the English acronym, SEC, hereafter), which dealt with the work integration of disabled people and gained legal recognition in 1982 (Law 13/1982 for the Social Integration of Disabled Persons), and cooperatives for social initiative, similar to Italian social cooperatives, which emerged to manage social services and cultural activities, were precariously financed by the government, and were finally recognised at the national level by Law 27/1999 on Cooperatives.

These three types of organisations (work integration social enterprises, special employment centres and cooperatives for social initiative) can be considered as predecessors of social enterprises in Spain, although they did not really self-identify with this concept, except maybe in the case of work integration social enterprises.

But despite the existence of these initiatives, the concept of social enterprise remained little used among practitioners or organisations related to the social economy in Spain during the 1990s. Its recognition at the general level did not come until the 2000s, with the establishment of the Ashoka Foundation in Spain. In 2006, Ashoka-Spain selected its first fellows, increasing knowledge about social entrepreneurship and social business activities among the media and thus among a broad sector of society. In fact, following the tendency that Ashoka initiated, the term of “social entrepreneur” is now used more frequently than that of “social enterprise”.

New consultancies and institutions also emerged in the 2000s as a result of the action of social entrepreneurs and support organisations based on the Anglosphere’s perspective, promoting social innovation and often focusing on some concrete issue of social enterprises’ life cycle (e.g. finance, scalability, seed capital, etc.). Among these organisations, we can include some business schools, associations, and banking foundations. All these organisations are related to the understanding that social enterprises are a vehicle for social innovation and bring about solutions to social problems, which neither the traditional market nor the public administration can provide. These support organisations pay more attention to what social enterprises are than to how they work and other organisational issues. This results in a heterogeneous conception of social enterprise, featuring a confusing relationship between social goals and economic goals, thus making the Spanish debate about what a social enterprise is even more confused.

The social economy sector also contributes to this debate and supports the idea that some traditional social economy organisations (not only WMSEs and special employment centres) should be recognised as social enterprises. This is the case of some agricultural cooperatives, which have a long tradition in Spain (statistics on these organisations have
been available since the 1930s), and represent in some cases the main model of social enterprise in rural areas. Traditionally, agricultural cooperatives have empowered people in those areas and were in many cases the only economic organisations in the country’s hinterland. Likewise, the emergence of saving banks and some credit cooperatives can be related to the action of social enterprises in rural areas, where people were otherwise denied access to all financial services.

In the social economy sector, some organisations have a clear view of themselves as political actors for social transformation. These organisations are part of the “Network of Alternative and Solidarity Economy Networks” (Red de Redes de Economía Alternativa y Solidaria, or REAS). The REAS was initiated in 2005 at the national level, but it had already been working in different regions since the beginning of the 2000s. This network groups economic organisations that are mainly linked to the social economy (e.g. associations, worker cooperatives and MSEs), with the goal of promoting a transformative vision of the economy and of grouping themselves qua “non-restrictive and non-speculative supportive economic organisations”—that is, organisations in which people and the environment are the goal, not the means.

Other business models have also recently emerged with the goals of overcoming the challenges of funding and increasing the viability of non-governmental organisations (NGOs). Some NGOs searched for a commercial approach to diversifying their funding sources, following a path that had been opened—although not in a very conscious way—by other NGOs in the mid-1990s (examples include inter alia the retail stores launched in various regions by Caritas, an NGO of the Catholic Church, or Intermon for fair trade).

Finally, the concept of social enterprise is also used to refer to those social movements, including associations and other transitional movements,1 that took the leap from the social field to the business arena. They were aware of the need to professionalise the alternatives they proposed, and to give them economic viability for increasing the dissemination of their principles and practices in the economic arena, so they acquired entrepreneurial characteristics. Likewise, other experiences originated in individual initiatives or informal movements that have developed business activities and opened small shops emphasizing fair, organic, and local trade.

In sum, the debate about the concept of social enterprise is still open in Spain. This concept has grassroots in the social economy sector, but organisations with an Anglo-Saxon perspective also use this term with increasing frequency. On the basis of the above analysis about the various sources of the concept of social enterprise in Spain, five major groups can be highlighted within the existing range of organisations and businesses that use this concept:

1. organisations coming from the social economy tradition;
2. organisations linked to social innovation and encouraged by platforms such as Ashoka;
3. transitional movements seeking new business models in different areas (e.g., common good economy, social movements);

1 A description of “transitional movements” is provided by Alloun and Alexander (2014). The international transition movement is represented in Spain by the Network for Transition (Red de Transición): http://www.reddetransicion.org/
4. traditional social movements and people wanting to go beyond the framework of the social economy;
5. opportunistic organisations searching for funding opportunities through the funding programmes of public and private institutions promoting social enterprises and social entrepreneurship.

1.2. Institutional recognition

The institutionalisation of social enterprise in Spain has progressed unstoppably. In this context, the outstanding challenge is to address the dialogue between existing initiatives, projects and perspectives that are emerging in parallel in order to advance the steps that must be taken in this area so as to increase their impact.

Regarding the legal framework, no specific legislation uses the name “social enterprise”. However, Law 5/2011 on the Social Economy, which provides the framework for the social economy sector, states in its Article 5, after explicitly identifying the entities belonging to this field (cooperatives, worked-owned firms, associations, foundations, and WSEs and special employment centres), that the social economy includes “those entities engaged in economic activities and those businesses operating with rules related to the principles listed in the previous Article (Art. 4)”. These principles are the following:

- primacy of people and the social goal over capital;
- allocation of the profit made to the pursuit of the social goal of the entity;
- promotion of internal solidarity and solidarity with society;
- independence from the government.

Furthermore, the preamble, paragraph II, notes that “there is a lively momentum, among social economy entities, that makes distinct unique entities, sharing the same principles as those previously cited, come together.” Thus, this law allows room to relate social enterprise and social entrepreneurship to the social economy.

Because no specific definition of social enterprise exists in Spain, there is no representative organisation for these initiatives; however, several entities are promoting this type of organisation. A major actor in this regard is the Spanish Business Confederation of the Social Economy (Confederación Empresarial Española de la Economía Social, or CEPES), which is the highest representative institution of the social economy in Spain. In light of Law 5/2011, CEPES claims to represent Spanish organisations referred to as “social enterprises” and “social entrepreneurs”, to the extent that both concepts are framed within the legal notion of the social economy according to European standards. The CEPES works for the recognition, visibility and institutionalisation of all types of organisations and legal forms linked to the social economy—which have used the concept of “social economy enterprises” more than that of “social enterprises”.

Some concrete models of social enterprises—such as WSEs, special employment centres and worker cooperatives—also have their own representative structures. WSEs are

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represented at the national level by the Federation of Work Integration Social Enterprises (Federación de Asociaciones Empresariales de Empresas de Inserción, or FAEDEI), which includes different territorial associations. Special employment centres are represented by the Spanish Federation of Special Employment Centres (Federación Empresarial Española de Asociaciones de Centros Especiales de Empleo, or FEACEM) at the state level. Both federations, FAEDEI and FEACEM, are formed by major national and regional associations. Finally, social co-operatives that take the form of worker co-operatives are represented by the Spanish Confederation of Workers’ Co-operatives (Confederación Española de Cooperativas de Trabajo Asociado, or COCETA). All these models (WISEs, SECs and worker cooperatives) also have their own legal frameworks, as explained above.

Organisations whose origins are not traditionally linked to the social economy but that refer to themselves as to social enterprises are supported by organisations such as Ashoka, some business schools (ESADE or IESE), or associations of social entrepreneurs or promoters of social innovation\(^3\) that recognize their work and support the institutionalisation of the concept in fields beyond those traditionally covered by the social economy. Private programmes promoting social enterprises and social entrepreneurship provide financial assistance, training, and support to selected social enterprises. Among these support programmes, those that have received the most recognition are the Young Social Entrepreneur Award (Premios Jóvenes Emprendedores Sociales),\(^4\) the Social Entrepreneurship Project of “La Caixa” (Proyecto Emprendedor Social de “La Caixa”),\(^5\) the Momentum BBVA Project,\(^6\) and the UEIA Accelerator.\(^7\) However, the number of social enterprises that benefit from these programs is not really significant, given the low number of calls for social entrepreneurs or social enterprises, and the limited amount of resources earmarked for them.

The final aspect of institutionalisation is promotion by public authorities. Public programmes rather target those models with a longer tradition (such as WISEs, special employment centres and social cooperatives), which have specific offices, attending to their specific needs, in the regional governments. However, recently, the regional and local governments have also developed specific programmes to promote social enterprises and social entrepreneurship, thus following the current wave of interest for these concepts. Universities are also important public institutions as far as the promotion of social enterprise is concerned; in 2010, 14 public and private universities jointly created the Social Entrepreneurship University Network (Red Universitaria para la Emprendeduría Social, or RUES),\(^8\) and other universities have developed special programmes in this field.

\(^3\) An example is UpSocial, an association of entrepreneurs that aims to promote social innovation and to facilitate the scalability of social enterprises. Other initiatives are Socialnest, Hiberis, or Socialemprende, the association of social entrepreneurs in Spain.

\(^4\) [http://emprendedoressociales.universidadeuropea.es/](http://emprendedoressociales.universidadeuropea.es/)


\(^6\) [https://www.momentum.bbva.com/](https://www.momentum.bbva.com/)

\(^7\) UEIA is a project that aims to promote social entrepreneurship based on technology and ICT and to help social entrepreneurs realise their projects.

\(^8\) [http://www.ub.edu/web/ub/es/menu_eines/noticies/2012/01/058.html](http://www.ub.edu/web/ub/es/menu_eines/noticies/2012/01/058.html)
2. IDENTIFICATION OF SOCIAL ENTERPRISE (SE) MODELS

After presenting the framework and the level of institutionalisation of social enterprise in Spain, we identify SE models, which we then characterise using a common methodology that allows comparing the models between them.

This section is structured as follows: first, we present the methodology that we used as a compass for selecting and characterising social enterprises. We then present our data collection strategy. Thirdly, we describe and analyse each of the groups of SE that we identified. And finally, we present the research results and conclusions, putting forward a tentative typology of SE models in Spain.

2.1. Methodology

In order to identify organisations that could be classified as social enterprises in Spain and to characterise them, we took into account the suggested three dimensions and nine indicators defining the ideal-type of social enterprise proposed by Defourny and Nyssens (2012):

1. Economic dimension:
   - continuous production;
   - minimum level of paid work;
   - economic risk.
2. Social dimension:
   - explicit social aim;
   - limited profit distribution;
   - initiative launched by a group of citizens or a third sector organisation.
3. Governance dimension:
   - high degree of autonomy;
   - participatory nature;
   - decision-making power not based on capital ownership.

In addition to these indicators, we included three more elements in the characterisation of social enterprises. Indeed, based on the literature and the reality of these organisations, we considered that one item could be added to each of these three dimensions to identify the degree of social involvement of these organisations. These items are the following:

a) as far as the economic dimension is concerned, we also analysed the extent to which the funding model of the organisations relies on self-financing, rather than on public subsidies;

b) regarding the social dimension, we analysed the intention of social transformation displayed by the organisation, defined as the political tendency of the social enterprise to try to change the current norms instead of accepting them;

c) finally, we added to the governance dimension the “membership in networks” item, defined as the degree of external participation and integration in other associations of the same or superior level.
We used a sector-based approach in order to identify the different models of social enterprise. We proposed a matrix (see table 1) in which all items were analysed for the different fields of activity identified. This analysis model was purely descriptive; for each field of activity, the researchers, based on their knowledge, assessed (on a scale from 0 to 2) the degree to which each item could be considered to be present or absent in the organisations belonging to the sector: “0” referred to the absence of the considered element in most organisations in this sector; “1” referred to an indicator that could be observed in some organisations, but not in a majority; and “2” referred to the presence of the element in most organisations in the sector. Researchers were also given the possibility to differentiate, within each sector, among different groups of organisations, whenever they deemed that a group of initiatives shared similar characteristics in terms of the considered items.

After this process of “individual characterisation” of groups in each field of activity, we compared these groups in order to identify general models of social enterprise in Spain. Indeed, each model could possibly be found in several fields of activity; in other words, the characteristics of most of the social enterprises included in a group in an economic sector may be similar to the characteristics of initiatives in another group, in another sector. For instance, if group 1 in the education sector shared the characteristics of group 3 in the culture sector, these two groups could form a single model.

Due to the difficulties inherent in the comparison of groups and of their characteristics directly from the table, we designed a “spider-net” for presenting the results obtained by each group (“0” being the centre of the net, and “2” the circle farthest from the centre). Such representation provides a visual comparison among the characteristics of the different groups and, thus, makes it easier to spot the major characteristics that distinguish the different models of social enterprise in Spain.

2.2. Data collection strategy

Identifying social enterprise models in Spain is a broad and very elusive goal. Indeed, beside work integration social enterprises (which, as we mentioned above, is the traditional model of social enterprise in Spain), no other models are clearly identified, and there is no database or contact directory that could be used to obtain information. This is the reason why, as explained above, we used a sector-based approach to identifying models, before looking into them to analyse their main characteristics.

The methodology used to select the fields of activity involved two main steps: First, we carried out a brainstorming and reviewed the research carried out in the field and the available publications, with a view to selecting relevant organisations having recently worked towards social and environmental objectives; we made a proposal on such basis. Secondly, this proposal was submitted to practitioners of the social economy sector. This process finally resulted in the identification of eight main economic sectors in which social enterprises have emerged in Spain, namely:

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9 The proposal was reviewed by FAEDEI, the National Federation of Social Work Integration Social Enterprises.

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• work and social integration;
• education;
• social and health services;
• local and rural development;
• financial intermediation;
• culture;
• international cooperation and fair trade;
• sustainable development/energy.

In addition to the traditional sector of work and social integration (VMSE and SEC), we consider that education, social and health services, and local and rural development are sectors where enterprises have traditionally been established by social economy and non-profit organisations. Other sectors, such as financial intermediation, culture, international cooperation and the environment, are relatively recent areas of activity for social enterprises; they constitute a niche for innovative practices of social enterprises.

2.3. Results: analysis by fields of activity and groups

In this section, we analyse the characteristics of initiatives in the eight fields of activity selected. As explained above, different groups of enterprises with similar characteristics regarding the different items were identified within each sector; these groups are also presented in the next paragraphs.

2.3.1. Work and social integration

Social enterprises in the field of work and social integration are represented by special employment centres and work integration social enterprises. Both types of initiatives use a business company legal form—in most cases, they register as limited liability companies or as cooperatives—but they must also comply with additional legal requirements in order to be recognised as social employment centres or as VMSEs. They also have some specific features, beyond these legal requirements. Two different groups can be identified in this sector.

Group 1: Work integration social enterprises

The origin of work integration social enterprises (VMSEs) was linked to organisations promoting social integration, including local foundations and associations, neighbourhood groups, and organisations targeting groups with special difficulties in terms of social integration. In the late 1980s and early 1990s, people in neighbourhood associations showed particular sensitivity to the social exclusion and vulnerability of people in their nearby environment—a concern that could also be observed then in the rest of Europe.\(^{10}\) From then on, these initiatives have become one of the main types of social economy organisations in Spain. They are included in networks at the local,
regional and national levels. Furthermore, the requirements and characteristics defined by Law 44/2007 for the Regulation of Work Integration Social Enterprises are aligned with the principles and values of the social economy:

- Their main goal is the social integration and the labour training of people at risk of social exclusion or who are already experiencing social exclusion. WSEs are also used as a “step” towards the standard or regular labour market.
- These organisations limit their profit distribution. Legally, they must reinvest at least 80% of their annual surpluses in the improvement or expansion of their productive and work-integration structures.
- Their promoters and owners should be one or more non-profit organisations (natural persons can only create WSEs in collaboration with non-profit organisations).
- Workers engaged in the work integration process must represent at least 30% of the total workforce during the first three years of the organisation’s life, and 50% after this period; these workers must be qualified by the Public Employment Services as being “at risk of social exclusion and unemployed”.
- WSEs identify themselves as enterprises participating in the market through the sale of goods and services, and this must reflect in their funding sources: the main source of income must be the sale of goods and services on the market. Subsidies nevertheless remain an important source of income for WSEs: according to their Spanish Federation (FAEDEI), in 2011, 20.1% of WSEs’ revenues came from governmental subsidies, reaching an aggregate amount of € 83.3 million.
- One of the main results of work integration social enterprises is the integration into the mainstream labour market of the target workers; in other words, WSEs serve as a bridge between a situation of social exclusion and employment in the labour market. According to FAEDEI, in 2011, 52% of the target workers found a job in the mainstream labour market after completing their training process.

WSEs include labour integration as one of their social aims, promoting social and labour centres and employment workshops for solving the employment needs of their users. It appeared to be a natural step in the training process to address the social exclusion caused by the standardised system. WSEs also promote “external” entities that operate directly in the “real market”, assuming the risk inherent in competing on an equal footing with other, conventional firms.

11 FAEDEI provides data about these organisations. In 2009, FAEDEI comprised 153 of the 193 WSEs existing in Spain (79%); in 2012 (latest year for which data is available), almost all WSEs belonged to territorial associations which, in turn, belonged to FAEDEI. The Spanish Business Confederation of Social Economy (CEPES) also collects data on these organisations. In the years before 2012, it recorded at least 200 WSEs; in 2012, it listed 181 WSEs with 4,335 workers (55% of whom were workers engaged in the integration process). Regionally speaking, Catalonia, the Basque Country and Andalusia have more organisations than the other regions (respectively 55, 44 and 18 in 2012), while the other territories each have under 10 organisations. According to the CEPES, the largest work integration social enterprises in Spain are Engrunes and Formació i Treball; both are located in Barcelona (Catalonia). Engrunes is dedicated to waste management, the environment and construction, with a turnover of €6.36 million and 131 employees, while Formació i Treball is active in the service sector; it has a turnover of €5.5 million and 157 employees. Other major activities are waste treatment and management, building and landscaping services, hospitality, catering, and retail.

12 http://www.faedei.org/es/
In sum, WISEs fit all the requirements to be considered as social enterprises, except those related to governance.\textsuperscript{13}

As far as the economic dimension is concerned, since they operate under the legal form of traditional enterprises, WISEs are conventional firms, although with some specific requirements. They produce goods and provide services, mainly related to public services, which they sell in the market to obtain revenues. They thus assume economic risk and hire employees to ensure this production.

As regards the social dimension, WISEs’ main goal is the work integration of their target workers. They must explicitly state this goal in their organisational documents in order to obtain the label of WISE. Some WISEs add a political dimension to this social goal; they strive to change their social environment, and not just the situation of their target group. Another requirement to obtain the label of WISE is that the enterprise’s main owner (owning more than 50% of the shares) be a not-for-profit organisation (a cooperative for social initiative, an NPO, a foundation, or even the government).

Regarding governance, legally speaking, workers have no decision-making power in the organisational activities, but the participatory nature of initiatives varies according to the organisational culture of the promoters of the WISE. WISEs are grouped in regional and national federations.

Group 2: Special employment centres

Special employment centres (centros especiales de empleo; we will use hereafter the English acronym, SEC) have been especially encouraged since the adoption of the Law on the Social Integration of Disabled Persons (Ley de Integración Social del Minusvalido, or LISMI) in 1982.\textsuperscript{14} According to this Law, SECs are identified by specific characteristics:

\textsuperscript{13} Representative examples of this group are Koopera Servicios Ambientales S.Coop. (http://koopera.org/), Traperos de Emaus, (http://www.emaus.org/) and Integrardid S.L. (http://www.reyardid.org/contenido/entidades-del-grupo).

\textsuperscript{14} The main data source for this section of the study was the Spanish Federation of Special Employment Centres (FEACEM), although data are also available from the National Centre for Disability (Observatorio Estatal de la Discapacidad, or OED) and the Spanish Business Confederation of Social Economy (CEPES). In 2010, according to FEACEM, there were 1,871 SECs (taking into account both for-profit and non-profit entities), employing 62,709 workers (94.3% of whom were disabled workers). In 2011, the CEPES counted 505 non-profit SECs, employing 29,831 workers. According to these figures, 27% of SECs could thus be classified as social enterprises; these non-profit SECs employed 48% of workers in the sector. It is worth noting that SECs are located in the major production regions: Catalonia, Andalusia, Madrid and the Basque country. According to FEACEM, these organisations are active in the following sectors: cleaning, telemarketing, industrial assembly, data processing, textile management, printing, and gardening. They engage in activities such as integral hospital waste management, management consulting and business management, development of accessibility projects, technological developments, insurance brokerage, and logistics. According to CEPES, the biggest SEC in Spain is Siro Venta De Baños, which is located in Palencia (Castile and Leon), has a turnover of €149,130,000 and 420 workers, and is dedicated to the manufacture and marketing of chips and snacks.
At least 70% of these organisations’ employees have to be legally recognised as being disabled (the remaining employees have management or production functions and are entrusted with the task of supervising persons with disabilities).

SECs can be promoted by the public or the private sectors, and they can be profit or non-profit entities (non-profit SECs being social enterprises).

Workers in special employment centres are people with physical, mental and sensory disabilities that have been recognised by an administrative decision.

These organisations conduct their business in the market; the sale of goods and services is one of their sources of funding. However, additional public and private funding is necessary to finance the support and monitoring teams and to make up for the lower productivity of the workers.

As far as the economic dimension is concerned, SECs constitute the legally recognised form of employment of disabled people. They must employ a minimum level of disabled people, but their legal recognition also entails advantages: they benefit from reduced social contributions for their workers and from other forms of economic support for employing disabled workers. Still, they have to obtain a significant share of their revenues from the sale of goods or services on the market and to compete as a normal business, since the main part of the wages of disabled people and the salaries of supervising staff must be covered by the organisation’s own revenues. SECs confirmed a trend in the perception of disability by public administration, from a perspective linked to donations or charity to the emergence of policies based on the civil rights of disabled people.\(^\text{15}\)

Regarding the social dimension, SECs were primarily promoted by social movements and associations of parents of disabled people and by people related to social services, who observed that the access to the labour market was very difficult for the disabled, which led them towards social exclusion. SECs’ explicit social goal is to integrate people with disabilities into the mainstream labour market and to keep them active. These organisations can be created by any person or legal entity; some of them are launched by public authorities, others by large banking foundations, and many by conventional businesses, which see in subsidies for employing disabled people a way to maximise their profits. Due to this diversity of economic goals, in some regions, the law differentiates between non-profit and for-profit SECs.

As for the governance dimension, no requirements are imposed in terms of organisational or decision-making structure of the organisation.\(^\text{16}\) The level of participation in the organisation thus depends on its organisational culture.


\(^{16}\) Even so, a large share of SECs can be included in the social economy, since they are promoted by non-profit organisations. These non-profit SECs are usually part of a holding made up of a SEC and a work integration social enterprise, which uses this organisational form as a way to integrate disabled people.
2.3.2. Education

On the basis of our exchanges with social entrepreneurship and social economy experts in the field of education, we consider that two different groups of SEs can be distinguished in this sector: traditional teaching cooperatives, and foundations.

Group 1: Teaching cooperatives

Teaching cooperatives are schools managed by teachers or the students’ parents. In Spain, there are 500 teaching cooperatives, representing between 10% and 12% of the private school network. These schools have a turnover of €320 million per year, and 75% are secular.\(^{17}\)

Teaching cooperatives appeared in Spain in the late 1960s. At this early stage, these initiatives took place primarily in the Basque country and Catalonia. The second stage began with the establishment of democracy. Teaching cooperatives have the following characteristics:

- Teaching cooperatives can be consumer cooperatives established by parents, or teacher-worker cooperatives that organise and carry out an educational function. As they are cooperatives, they are all set up outside of the state apparatus and belong to the social economy sector.
- They are usually formed as self-contained units, that is, the boundaries of the cooperative coincide with those of the school.
- They are collectively managed, with the equal participation of all members.

Thus, regarding indicators defining the ideal-typical social enterprise, we can point out that, as far as the economic dimension is concerned, these enterprises meet the four indicators to a large extent. Indeed, teaching cooperatives have a high level of continuous production (namely teaching), a high level of paid work (they pay salaries to the teachers), but a relatively low level of economic risk, as the members always know far in advance if they are going to have the necessary number of pupils. Finally, the schools are normally self-financing.

Regarding the indicators of the social dimension, entities in this group have an explicit social aim (namely serving their members) and a limited profit distribution (as they are cooperatives); they are initiatives launched by a group of citizens; and they have an explicit objective of social transformation, as they want to offer a different kind of education, with different values.

As far as the governance-related indicators are concerned, it is observed that teaching cooperatives have a high degree of autonomy; their participative nature is very strong (they make decisions in a democratic way, not based on capital ownership); and their

\(^{17}\) Data provided in 2004 by Carlos Sierra, president of the Spanish Union of Teaching Cooperatives (Unión Española de Cooperativas de Enseñanza, or UECOE) (http://www.uecoe.es/).
participation in networks is high, as they normally belong to associations and networks related to the social economy and social entrepreneurship.\(^\text{18}\)

**Group 2: Foundations**

This group includes the foundations active in the education sector, which are dynamic entities operating in the areas of social economy training, research and development.\(^\text{19}\)

These entities, since they are non-profit organisations, never distribute their profits. If there are positive results, they will first be used to offset losses from previous years and to reinvest. The foundations that integrate this group are institutional mechanisms that promote exchanges and cooperation between all types of organisations and social economy enterprises, as well as among industry players across the Spanish state and abroad.

Regarding the economic requirements of the ideal-type of social enterprise, we can point out that these organisations carry out activities such as courses and training, free talks, conferences of general interest, lobbying activities... They can thus be considered as being engaged in “continuous production”; however, they count on the participation of a lot of volunteers and do not always rely on continuous paid work, so this indicator is only partially met. Likewise, they do not carry out an economic activity as such, so the economic risk might be considered as low. Finally, these organisations are normally self-financing, although they also receive some funding from the public and donations.

Regarding the social dimension, entities in this group have an explicit social aim, as they are promoting social economy values, but they do not always meet a social need (they only meet the “explicit aim to benefit the community” indicator to some extent); they do not distribute profits; they are generally initiatives launched by a group of citizens, but sometimes the government can also play an important role in their creation; and they have an explicit objective of social transformation, because they want a different kind of education and an economic system with different values.

As far as governance is concerned, it is observed that these organisations have a high degree of autonomy; their participatory nature is very strong; and they usually make decisions in a democratic way, not based on capital ownership, but decisions are also very often significantly influenced by the main financer (so their decision-making is not fully democratic). Finally, they normally belong to associations and networks related to education and the social economy, but not to such a high level as organisations in group 1.

\(^{18}\) Representative examples of this group are Colegio la Hispanidad, \(\text{(http://www.colegiolahispanicadhuelva.es)}\), Colegio Virgen del Rocío, \(\text{(http://www.colegiovirgendelrocio.es)}\), or Colegio Don Bosco \(\text{(http://www.colegiodonbosco.es)}\).

\(^{19}\) Representative examples of this group are Fundación Escuela Andaluza de Economía Social, Fundación Florida Coop. V.
2.3.3. Social and health services

In the sector of social and health services, we can differentiate between SEs related to public utilities and those owned by private organisations.

**Group 1: SEs related to public utilities**

Social enterprises in this group arose when public health institutions transferred to families most of the responsibility for the provision of care to patients with certain health problems—in particular mental health problems. As a result, these patients found themselves in a very difficult situation: they were not given all the means that were necessary for their rehabilitation; their complete social integration was not pursued; and there was no support for their relatives, who lacked the resources to confront the gravity of the situation. Families were expected to take charge of these patients and assume all the responsibility, but this option was not viable, as these patients needed care services that relatives could not provide.

Groups of promoters, usually consisting of health professionals linked to the illness and of relatives, then founded associations to support these patients and their families.

In a first stage, these organisations usually relied mainly on membership fees and volunteer work to carry out their activities. Over time, many of them came to be recognised as public utility organisations, which entails an official recognition of the collaboration of not-for-profit entities with public authorities in the achievement of general interest objectives. Many of their activities focus on providing social services in cooperation with local, regional or national governments—an activity for which they receive payments. They also act as representatives of patients and relatives who must deal with different government organisations and private institutions, protecting and defending their fundamental rights, helping them participate in political, economic, social and cultural life and ensuring adequate health care and social assistance for them.

The main sources of financing for these organisations consist of subsidies and public aid, but they also rely on aid from private entities, donations, membership fees and other resources of their own. Recently a need and a trend have been emerging among these organisations, which now look for clients outside the public administration to generate revenue for the company’s productive activity.

These SEs are usually non-profit organisations. They are normally constituted as associations, in which the general assembly is the most important body, expressing the will of the association. The assembly elects the association’s board of directors, which is the organ that runs the association. Board members are volunteers and rely on the—hired—management team to carry out the decisions. In other cases, these SEs are constituted as foundations, in which case the trust is the organisation’s governing and representation body.

With regard to staff, these organisations have both hired workers and volunteers, with the former outnumbering the latter.
An analysis of this group according to the selected indicators reveals the following characteristics.

These SEs provide services to people on a continuous basis. They combine monetary and non-monetary resources, and voluntary and paid workers, although most of their workers are hired. They support a medium level of economic risk as their financial viability depends partly on the efforts of their members to secure adequate resources to support the enterprise’s social mission and partly on the public administration. Their financial resources come from trading activities, from public subsidies and from voluntary resources.

They are initiatives launched by a group of citizens or a civil society organisation and they have an explicit social aim, namely to serve the interests of a group of patients and their families, providing them with social services, representation and protection. They strive to change the situation suffered by the patients and their relatives. As non-profit organisations, they are submitted to a non-distribution constraint.

They are governed by their assembly or trust, depending on their legal form, but their management and activities are to some extent dependent on public authorities. The democratic nature of their decision-making process depends on the legal form they adopt: associations (which are more numerous) have a democratic decision-making process, while foundations are guided by the donors’ will.

Group 2: SEs owned by private organisations

SEs owned by private organisations are companies with a social objective, which aim to achieve a positive transformation of the society within which they develop their activities. They have a clear socio-economic model, linked to the company’s mission, which prioritizes the SE’s social objective over the financial one, but without forsaking the financial sustainability that is necessary for the survival of the organisation. Their income depends on their productive activity: customers pay for the services they receive. These SEs’ financial resources do not come from subsidies or grants. As far as their legal form is concerned, they are registered as cooperatives or limited companies, and they are non-profit.

Whatever their legal form, they involve their stakeholders in their operational procedures, and their management system is based on respect for their employees, ethical behaviour and democratic, participatory and cooperative principles that promote community development.

As can be observed, enterprises in this group are very close to the ideal-typical social enterprise such as we have defined it, as they meet all the selected indicators to a very large extent.

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20 Representative examples of this group are AFES (https://saludmentalafes.org/) and FUNCASOR (http://funcasor.org/)
21 Representative examples of this group are Fundación Espriu (Grupo ASISA-Lavinia and Group Assistència-SCIAS) (http://www.fundacionespriu.coop/) and COS, Cooperativa de salut. (http://www.cos.coop/es/)
2.3.4. Local/rural development

We can distinguish three different groups in this sector: first, local action groups; secondly, small farming/agricultural businesses; and finally, organisations that are part of the rural development movement.

Group 0: Local action groups (not included)

Local action groups (LAGs), which manage the LEADER\(^{22}\) European Initiative and PRODER\(^{23}\) rural development programme, currently lead the implementation of European strategies for rural development under the LEADER methodology, developed through the Rural Development Programme of Spanish regions with funds from the European Agricultural Fund for Rural Development (EAFRD 2007–2013).

LAGs, also named rural development groups, are non-profit associations with different legal forms, constituted by public entities (e.g., municipalities and communities) and private entities (e.g., business and social entities, such as youth, women or cultural associations or unions) representing the socio-economic network of the territory, and which work together for the comprehensive and endogenous development of their regions. LAGs’ internal organisation gathers, in a given territory, public and private partners whose objective is the implementation of a regional rural development programme. In their decision-making bodies (namely the board and the general assembly), private-sector associations have at least 50% of the voting power.

LAGs operate in a specific territory and fight for social and economic development in this region. Their functions include grant management, certification, payment to beneficiaries, the control of project implementation, as well as other tasks such as information, entertainment, advice, and training for the population. According to Gallego (2008), “agricultural cooperatives are local development agents and their role is to become intermediaries between the regional and national government and the members of the ‘local action groups’ previously defined by LEADER methodology”.

Each LAG prepares a strategic development plan that sets the main priorities. Decisions are made through a bottom-up process. As just said, LAGs work in a specific territory; their philosophy is based on participation and criteria of innovation, networking and autonomy in the management of resources. In order to be approved as a LAG in a given territory, regional groups must apply with the regional government in the territory, according to the LEADER methodology of the European Fund for Rural Development (EFDR). Thus, it is the agents of each rural environment themselves who decide on the priorities for the implementation of this grant. LAGs can also carry out projects of cross-border or transnational cooperation, wherein different regions, sharing similar situations, work together to find solutions to rural problems.

\(^{22}\) “LEADER” stands for Liaison Entre Actions de Développement de l’Économie Rurale, i.e. “Links among rural economy development actions”.

\(^{23}\) Programa Operativo de Desarrollo y Diversificación Económica de Zonas Rurales en las Regiones Objetivo 1, i.e. “Operating programme for the development and diversification of rural areas in Objective 1 regions”.

ICSEM Project c/o Centre d’Economie Sociale HEC Management School, University of Liege Sart-Tilman, building B33, box 4 B-4000 Liege BELGIUM Website: http://www.iap-socent.be/icsem-project e-mail: icsem-socent@emes.net
The functions of LAGs are:

- to channel the participation of local people in the local programme;
- to promote and stimulate rural population initiatives;
- to provide information and advice to the regional members about the projects;
- to fund projects that contribute to regional development;
- to control the implementation of the projects supported;
- to manage public funds.

These initiatives have an explicit social aim, namely to promote social and economic development in rural areas. They pursue a social transformation goal: to promote policies for sustainable development so as to create a momentum for enhancing rural communities, guaranteeing the quality of the environment and supporting employment in rural areas.

They have a medium degree of autonomy, to the extent that they have to adapt their activity to the policies established by public authorities, but they decide on the priorities for their implementation and have autonomy in the management of resources. They have a democratic decision-making process and their nature is highly participatory; they are constituted by public and private entities representing the socio-economic network of the territory.

These initiatives thus fulfill many of the indicators of the ideal-typical social enterprise such as we have defined it, but they only partially correspond to these indicators on two aspects: First, they are initiatives launched by the public sector, and not by a group of citizens or civil society organizations. Secondly, they do not have any income from trading. Consequently, after studying them and highlighting their characteristics according to the perspective of analysis adopted, we consider that they are not social enterprises nor organisations to be considered in our framework. In fact, they could be considered as organisations supporting SEs rather than SEs themselves.

Group 1: Small farming/agricultural businesses

Small farming/agricultural businesses often use the legal forms of cooperatives, private liability companies or self-employed workers. Their activities focus on ecological livestock production, eco-tourism, and artisan work.

These private entities’ respect for the environment and the values that they transmit through their labour are particularly worth noting. They understand their own operation as a way of life that is integrated within the natural environment. These initiatives are included in the recent phenomenon of land stewardship24 and retention of old customs and traditions.

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24 Land stewardship is a set of strategies and instruments that seek to involve owners and users of the territory in the conservation and good use of values and natural, cultural and landscape resources. To achieve this, it promotes agreements and mechanisms for continuous collaboration between owners, custodians and other public and private agents (Basora and Sabaté 2006).
These companies often combine a production activity with distribution. The main economic activity is the recovery of traditional agriculture and traditional livestock farming, which respect the environment and avoid the costs, inconveniences and pressures usually imposed by large intermediaries. The key feature of these initiatives is their will to offer high-quality products and services at reasonable prices.

These firms insist on the idea of cooperation and mutual support among farmers, highlighting the fact that such union is crucial to face the hegemony of multinational food chains. Therefore, an association movement has been generated among these organisations. These enterprises apply good working and social practices, based on respect for human and social rights. The farming model is based on the respect for all the actors involved in the process of production and distribution, who all receive fair and equitable treatment. It follows a participative and sustainable business model that is integrated with the surrounding society, and it seeks to contribute to making an equitable and healthy world possible for all.

As shown above, initiatives in this group develop an entrepreneurial activity. Most of their workers are paid for their work; these enterprises’ financial viability depends entirely on the efforts of their members to secure adequate resources to support the enterprise’s social mission; and their financial resources come primarily from trading activities, and only to a very limited extent from public subsidies.

They have an explicit social aim, and a sustainable enterprise model, integrated with the environment. They seek to contribute to a more equitable and sustainable world. They pursue a social transformation goal, namely to promote the return to traditional agriculture and livestock farming, which respect the environment.

If we examine the governance of these organisations, we observe that they have a high degree of autonomy; depending on the legal form they adopt, they can either have a democratic decision-making process or be guided by capital ownership; and they are highly participatory in nature.²⁵

Group 2: Rural development organisations

Rural development is a process bringing about positive changes in rural areas, which can improve the lives of people taking part in the movement as well as the quality of life of society as a whole. This process includes two elements: the rural territory, and the people living both inside and outside this rural environment. It is characterised by its encompassing all those affected and it is present all over Spain. It is a nascent movement, but it brings together numerous groups, local experiences, rural people, businesses, and so on. It is also characterised by the formal diversity of the organisations that comprise it.

²⁵ Representative examples of this group are L’Olivera (http://www.olivera.org/php/index.php), and Huertos de Soria (https://www.huertosdesoria.org/)

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Activities carried out by enterprises in this group include: the improvement of the structure and efficiency of farms; modernisation of the food industry; creation and development of new economic activities in rural areas; rural social development; sustainable use of natural resources; improvement of infrastructure and services in rural areas; advances in rural governance; and increased value-added agribusiness.

The scope of activity of enterprises in this group consists of rural communities and their environment. The enterprises help the communities achieve food self-sufficiency in a sustainable and environmental-friendly way, while preserving their cultural identity and the integrity of resources. The sustainable, integrated and human rural development promoted by these organisations involves the management of economically viable, environmentally healthy, socially just and culturally acceptable resources.

The rural development movement brings together different initiatives; some of them have a productive dimension, while others do not. But in most cases, the productive activity does not represent the reason for the existence of the organisations. In our framework, we will only include those initiatives that perform an economic activity and derive the income that makes them economically sustainable from that activity.

These initiatives provide services to people on a continuous basis and their financial resources come from trading activities, from public subsidies and from voluntary resources. The level of economic risk they support is very high as their financial viability depends entirely on the efforts of their members to secure adequate resources to support the organisation’s social mission. They combine monetary and non-monetary resources, and voluntary and paid workers.

These initiatives, which are launched by a group of citizens or civil society organisations, pursue a goal of social transformation. They have an explicit social aim, namely to improve the lives of people involved in the movement, as well as the quality of life in society as a whole. Because of the social principles upon which they are built and of the social objective they pursue, their distribution of benefits is limited by internal rules. These social principles are also reflected in their governance model: they have a high degree of autonomy, their decision-making process is democratic, their nature is highly participatory, and they involve the rural communities in their activities.26

2.3.5. Culture

Artistic and cultural activities are regulated by Royal Decree 1435/1985 of August 1 (Real Decreto 1435/1985, de 1 de Agosto), which regulates the activity of artists in public shows. To be precise, this Royal Decree regulates the labour relationship between a public-show organizer (entrepreneur) and a worker (artist): the latter carries out an artistic activity within an organisation under the direction of the entrepreneur, in exchange for a payment. This regulation thus applies to the whole artistic and cultural sector, and not only to social enterprises within this sector.

26 Representative examples of this group are CIFAES-URPF en Tierra de Campos (https://coop57.coop/es/entidad/cifaes-universidad-rural-paulo-freire-en-tierra-de-campos); Heliconia (https://www.heliconia.es/)
In our study, after exchanges with representative people belonging to cultural cooperatives and cultural associations, we decided to distinguish three different groups. The first one emerged from some regional laws about cooperatives of a new type—namely “cooperatives with an entrepreneurial drive” (cooperativas de impulso empresarial). Enterprises in the other two groups were born in a more informal way.

Group 1: Cooperatives with an entrepreneurial drive

This group is composed of “cooperatives with an entrepreneurial drive”,27 a kind of cooperative only recognised in Andalusia28 and in Cantabria.29 These enterprises are similar to the “umbrella companies”30 which are well-known in other countries. In terms of origins, two main subgroups can be distinguished within this group:

- The first one includes firms created by professionals with knowledge and experience in the social economy entrepreneurial world, and whose objective is to provide technical and managerial support to those people who develop an activity involving a minimum level of creativity. In addition, this kind of firm has the social mission of promoting the informal economy of the artistic and cultural sector and of dignifying the figure of the artists in the territory. These companies work as follows: the artists become members of the cooperative; the cooperative reports to the social insurance the days that the artists are employed, and it issues the invoices and manages the monies received from customers. In addition, the cooperative offers support and orientation to artists who do not know how to launch their entrepreneurial activity in the cooperative.

- The second subgroup includes firms created by a group of people who are unemployed because of the current economic crisis; this is a very recent trend. People joining their efforts in this way to deal with their difficult situation are from the same professional sector. Although they do have a very clear idea of what they want, they do not know how to implement their ideas, and they need external agents who explain to them the possibilities they have—setting up a cooperative or another entity of the social economy. Some of them choose to set up—and thus become members of—a “cooperative with an entrepreneurial drive”, which

27 A representative example of this group is SmartIb (http://www.smart-ib.org/), which was inspired by SMart (Société Mutuelle pour artistes), an initiative born in Belgium in 1994. In Spain, SMart emerged in 2013 in Andalusia, and subsequently expanded to other regions. Nowadays, it has eight offices in Spain and is member of the SMart European project, alongside nine other countries (www.smart-eu.org). Other examples of this group are “Se Buscan Periodistas” (http://sebuscanperiodistas.com/) and “Impulsacoop Servicios Integrales” (http://emprender.coop/servicios-impulsacoop/).
28 Law 14/2011 on Cooperatives in Andalusia, art. 93.
29 Law 6/2013 on Cooperatives in Cantabria, art. 103.
30 An umbrella company is an intermediate platform which acts as an employer, entering a business-to-business contract with an employment agency. If a person chooses to operate through an umbrella company, then s/he is required to complete and submit time sheets and expense details to the umbrella company. The company will then collect payment from the client and pay the person’s salary with income tax, national insurance and membership fees deducted (http://www.nixonwilliams.com). Umbrella companies are broadly developed in the UK, where they operate under the IR35 tax law.
does not carry out an economic activity in itself, but offers technical and managerial support to professionals in the cultural sector, who are also members of the organisation. Similarly, these entities “channel” the members’ entrepreneurial initiatives with the aim of conducting activities in the market. Although there are still very few of these companies, their number has recently been increasing rapidly, and their members are from all around the country, and even from abroad.

Although this is a new entrepreneurial model, “cooperatives with an entrepreneurial drive” have a great potential. They plan to expand and internalise their activities, which are currently externalised. In addition, as new projects become successful, they plan to create new cooperatives, such as cooperatives focusing on economic activity, with the final aim of creating a cooperative group.

Among the main barriers and obstacles to the development of these companies’ activities are the slowness of bureaucratic processes and the lack of commitment of many cooperative members: some leave the organisation as soon as another economic opportunity, with a higher economic return, appears.

Regarding the indicators defining the ideal-typical social enterprise, with regard to the economic dimension, the main function of these enterprises is to serve their members by providing them with technical and managerial support (they can thus be considered as having a medium level of continuous production); the salaries are mostly symbolic or are covered by other organisations involved in the initiative; members can usually not afford a very high initial investment, so they are usually offer services with a controlled level of economic risk (medium level of economic risk); and finally, these organisations are self-financing and obtain revenues from sales.

As far as the social dimension indicators are concerned, they have the social aim of serving their members in the cultural field in both technical and moral terms, which can be considered as a “medium level” of completion of the social aim indicator (moderately explicit social aim); they have a limited profit distribution, as they are cooperatives; they are initiatives launched by a group of citizens; and they have an explicit objective of social transformation, as they want to dignify artists and value their work and they strive to help people who have suffered the damages of the economic crisis.

Regarding governance-related indicators, these enterprises have a high degree of autonomy; they have a very clear participatory nature; their decision-making process is democratic and not based on capital ownership; and their participation in networks is high, as they normally belong to associations and networks related to the social economy and social entrepreneurship.
Group 2: Worker-consumer cultural cooperatives

This group includes enterprises whose main objective is to support the diffusion of culture (e.g., literature, theatre, flamenco, circus, etc.) while providing jobs to their founding members. They are very recent and innovative initiatives in the cultural field; they offer their customers the possibility to obtain certain advantages once they become members. This is the reason why they become mixed cooperatives: they are both worker and consumer cooperatives.

Regarding the indicators defining the ideal-typical social enterprise, as far as the economic dimension is concerned, these enterprises offer a direct service to their clients and can thus be considered to fully meet the “continuous production” indicator; workers receive a salary for their work; these cooperatives implement mechanisms, such as the inclusion of the customers as collaborator-members, in order to “spread” the level of risk among the stakeholders (medium economic risk); and finally, these organisations are self-financing and obtain revenues from sales.

Regarding the social dimension indicators, entities in this group offer culture-related services and promote the cultural sector, which can be considered as a “moderate” social aim (moderately explicit social aim); they have a limited profit distribution, as they are cooperatives; they are initiatives launched by a group of citizens; and their objective can be partially considered as aiming to some extent at social transformation, since they want to promote culture and create jobs.

In terms of governance indicators, these enterprises have a high degree of autonomy; they have a very clear participatory nature; their decision-making process is democratic and not based on capital ownership; and their participation in networks is high, as they normally belong to associations and networks related to the social economy and social entrepreneurship.

Group 0: Associative initiatives promoting a specific cultural sub-sector (not included)

This group gathers entities (associations, foundations, federations, etc.) whose main aim is to represent a specific part of the cultural sector (e.g., cultural agents, plastic arts, flamenco, etc.). They are not-for-profit entities that were initiated after the establishment of democracy in Spain.

31 Representative examples of this group are the bookshop “La Extra Vagante” (http://www.laextravagante.es), the artistic space “La Carpa” (Espacio Artístico La Carpa, https://lacarpasevilla.wordpress.com/) or the Network of Bookstores “Con-sentido” (a pun based on the Spanish words for “pampered” and “make sense”) (http://letrasanfibias.com/red-con-sentido/). The concepts of “cultural guerrilla proposals” and “political enterprises” is used to define the field in which these enterprises emerge.

These entities do not develop an entrepreneurial activity, properly speaking, although they carry out initiatives to promote their sector and to advertise for their professionals. They often receive more or less public financing, depending on their size. However, these entities point out the lack of finance as the main obstacle that impedes the development of their activity. On the other hand, they are democratic and participatory organisations.

Regarding the indicators defining the ideal-typical social enterprise, as far as the economic dimension is concerned, these initiatives do not meet the “continuous production” indicator as their economic activity is intermittent and depends on the training sessions or shows that are being organised; the level of paid work is very low, as the people involved in these organisations are usually volunteers; the economic risk is also low, because the economic activity is based on private donations of volunteers and public subsidies (depending on the organisations’ size) and the amount of such subsidies is limited to the specific necessities of exhibitions.

Regarding the social dimension indicators, these initiatives can be considered to partially meet the criterion relating to the existence of an explicit social aim—namely, to promote the cultural sector; they do not distribute profits; they are initiatives launched by a group of citizens; lastly, their objective being to promote the mainstream and popular culture, it cannot really be considered as a social transformation objective.

Finally, as far as the governance-related indicators are concerned, it is observed that these entities are sometimes “at the disposal” of the public sector, so their degree of autonomy varies between medium and high; they have a very clear participatory nature; their decision-making process is democratic and not based on capital ownership; and they participation in networks is moderate, as they normally belong to associations related to their specific sector, but not to the same extent as the other groups in the cultural sector.

These initiatives thus fulfil several of the indicators of the ideal-typical social enterprise such as we have defined it, but they only partially correspond to these indicators on two aspects: First, their economic activity is very limited, making it difficult to classify them as enterprises. Secondly, they remain highly dependent on public subsidies (the bigger the organisation, the higher its dependence on subsidies) and they could sometimes be considered as being “at the disposal” of the public sector. Consequently, after studying them and highlighting their characteristics according to the perspective of analysis adopted, we consider that they are not social enterprises nor organisations to be included in our analysis. In fact, they could be considered as associations for the promotion of the popular culture, rather than as SEs.

2.3.6. International cooperation/fair trade

Several authors have identified fair trade as one of the fields in which social enterprises operate. According to the European Commission (1999), the concept of fair trade normally applies to commercial activities that strengthen the economic position of small producers and owners in order to ensure their inclusion in the global economy.
Two remarks should be made regarding the identification of social enterprise groups within the fair trade sector in Spain:

- Fair trade normally refers to a value chain located both in Southern countries (where procurement and manufacturing activities are carried out) and in Northern countries (where the goods are imported, sometimes transformed, and commercialised). The social enterprises that we take into consideration in this study refer to enterprises in the North (i.e. those carrying out import, transformation in some cases, and commercialisation activities).

- According to Huybrechts and Defourny (2010), carrying out fair trade activities is not sufficient in itself to be considered as a social enterprise. In other words, the commercialisation of responsible or fair products is not a sufficient condition to be considered as a social enterprise; this involves other requirements, linked to the core social mission of the organisation.

In Spain, fair trade emerged in the 1980s and consisted of small businesses or shops that were usually linked to socially-driven entities, with specialised offers that differed from those in conventional distribution channels.

Later, some NGOs joined the fair trade movement, developing advocacy and education campaigns, as well as import and commercialisation activities. In 1998, the existing organisations realised the importance of combining their efforts and of promoting coordination in the sector. Hence, 17 organisations founded the National Fair Trade Committee (Coordinadora Estatal de Comercio Justo), an umbrella body that today includes 30 organisations and more than 100 shops.

In the first decade of the 21st century, the distribution of fair trade products broadened to other networks. This was partially caused by the introduction of the fair trade label, which allowed for-profit companies to certify their own products. The distribution of fair trade products in Spain moved from specialised small businesses to conventional supermarkets and other big operators. Currently, almost half (49.3%) of fair trade products sold in Spain each year are sold in conventional supermarkets.

In this situation, organisations that import raw materials or products have witnessed a reduction—in favour of conventional supermarkets—of their role in the commercialisation of goods. In five years, the landscape of the Spanish fair trade sector has experienced a complete transformation that continues today.

In the research carried out for the ICSEM Project, we identified two types of social enterprise in the fair trade sector.

**Group 1: Fair trade importing organisations**

This group consist of organisations importing all kinds of fair trade products (food products, cosmetics, jewellery and handicrafts, toys, textiles and merchandising) from Southern countries. These organisations have the following characteristics:
• They contact the producers and manage the import logistics. Many goods are final products, so they are directly distributed in Spain.
• In some cases, these organisations transform the raw materials or the intermediate products into a final product on the Spanish territory. For instance, Alternative 3 is a company that imports green coffee and then roasts and manufactures it in Terrasa (Catalonia).
• These organisations usually help the small producers and local farmers of the South by providing training and organisational and financial support.
• They carry out education and advocacy campaigns about fair trade in the Spanish society.
• Their commercial networks are composed of corporate shops (physical or online) and other small independent shops (see group 2). Today, 11 importing organisations exist in Spain: Adsis Equimercado, Alternativa 3, Espanica, Fundación COPADE, Fundación Vicente Ferrer, IDEAS, Intermón Oxfam, Mercadeco, SETEM, Taller de Solidaridad and Xarxa de Consum Solidari.

These organisations are diverse and different motivations drive their activities, but in general they meet to a large extent the indicators defining the ideal-typical social enterprise, even though a case-to-case analysis should be done for some organisations.

From an economic point of view, they have a high level of continuous production (normally import activities, but in some cases also transformation); they rely on a considerable amount of paid work; and they operate in a competitive market, where there is an economic risk. With the exception of the big NGOs, the main source of income for the organisations belonging to this group is the sale of products.

From the social perspective, these organisations have a clear social aim, namely ensuring fair wages for producers (usually in the South), but the extent to which the initiatives meet the indicators relating to the limitation imposed on profit distribution and to the collective, citizen-initiated nature of the dynamics varies from case to case.

As far as the governance dimension is concerned, these initiatives have a high degree of autonomy and there are normally participatory mechanisms to give voice to and enable the participation of both workers in the North or producers in the South.

Group 2: Fair trade small shops

Fair trade small shops are the most “typical” organisations related to the distribution of fair trade products. The variety of products is wider than in other channels, such as supermarkets or shops run by big operators, and they usually have close relationships with customers.

They are usually small in size and revenue, and their distribution network is local (e.g., a neighbourhood, a small city or a region). The managers and promoters have a strong commitment to the fair trade movement: they are also involved in advocacy and education activities.
According to the CECJ\textsuperscript{33} report (2012), the total amount of sales of these small shops has decreased by 28.8\% since 2008, but it still represents today 45.6\% of the total revenue of fair trade importers; it remains their main channel of distribution. In 2012, the products sold in these shops were mainly handicrafts (more than 33\% of sales), coffee (21\%) and cocoa products (13.4\%), and cosmetics (5.6\%). Other products represented smaller percentages.

Carrying out the analysis based on the selected indicators, we notice that almost all of the organisations in this group correspond quite closely to the ideal-typical social enterprise.

Regarding the economic dimension, these organisations are small businesses focused on the commercialisation of fair trade products and their main source of income is the sale of products: they thus have a continuous activity selling services; they bear significant economic risk; and they use paid work. Incomes from sales are sometimes complemented by subsidies or donations. According to a study by Huybrechts and Defourny (2010), approximately 94\% of the income of these entities comes from the sale of goods.

As far as the social dimension is concerned, there is a clear commitment to improve the conditions of producers from the South; this is precisely the main rationale of these small businesses, which are normally launched by a group of citizens or a civil society organisation. Regarding profit distribution, different practices exist; this aspect would require further studies.

Regarding the governance dimension, these small businesses are highly autonomous, and their decision-making processes has a participatory nature.

Finally, it is important to note that other agents in the fair trade sector are not considered as social enterprises, although they have similar characteristics:

- Traditional retail businesses (supermarkets and big operators) manufacture their own fair trade products from certified raw materials, or they commercialise some of the products distributed by importers. In any case, their objectives are purely for-profit, and they do not embrace social enterprise principles.
- Fairtrade Labelling Organisations International (FLO), which is composed of certifying bodies of fair trade importers and producers, certifies 78.8\% of the fair trade products that are sold in Spain. However, the singularity and complexity of organisations of this type is beyond the scope of this study.
- Some international and national NGOs carry out some activities related to fair trade, but they pursue much broader goals, such as the promotion of human rights, international development, water sanitation, and so on. Organisations in which fair trade does not play an important role and does not constitute a significant part of the mission have not been considered as specific “fair trade sector social enterprises”. In many cases, the funding of these NGOs is based to a large extent on donations and subsidies, so commercial activities do not constitute their main source of income.

\textsuperscript{33} Spanish Network of Fair Trade, or Coordinadora Española de Comercio Justo (http://www.comerciojusto.org/).
• Small herbalist or organic food shops represent 7.2% of the total amount of sales of importers. Even though their values are sometimes related to those promoted by social enterprises, they do not follow social enterprise principles.

2.3.7. Financial intermediation

Vilanova and Vilanova (1996) observed that social enterprises in the financial intermediation sector financed initiatives related to self-employment; cooperatives; housing initiatives with social and ecological criteria; projects related to the generation and use of clean, decentralised and renewable energies; waste recycling; organic agriculture and ranching; fair trade; education and training using innovative pedagogies; employment for marginalised groups; projects related to the integral development of areas, villages or neighbourhoods; ecological transport, and so on.

According to the (more recent) work of Pérez Fernández (2002), social enterprises in the financial intermediation sector may have two different origins: a) they may emerge from initiatives launched by savers with a social and ecological awareness, who wish to control the use made of their money; or b) they may emerge from initiatives launched at borrowers’ initiative, who, facing the lack of resources and of access to credit and capital markets (Vidal 1996), create an alternative financial system (Sasia 2012). But on the basis on information collected during conversations with experts from the main representative entities in this sector, we chose to distinguish three groups of initiatives.

Group 1: Ethical financial cooperatives

Ethical financial cooperatives emerged in 2005, when a group of citizens who did not want their savings to finance projects that were not socially responsible and sustainable came together and set up their own entity to offer financial intermediation services and grant loans to entrepreneurs who presented socially responsible and sustainable initiatives. 34

A specific characteristic of ethical financial cooperatives is their way of spreading to other territories. They usually emerge from a group of citizens who bring inspiration from and knowledge about initiatives of this kind in other territories, and take action to establish a similar initiative in their own territory.

Generally, they are very recent initiatives, with many volunteers, among whom altruistic people whose goal is to achieve social transformation. These entities have a very high level of participation, and their profits are reinvested in the organisation to fund their activities promoting social transformation.

Regarding the considered indicators defining the ideal-type of social enterprise, as far as the economic dimension is concerned, these initiatives have a continuous economic activity in the market; the people involved in these organisations are usually volunteers or workers with only a symbolic salary, so the level of paid work is rather low; the members cannot afford any initial investment, so they try to invest in sustainable projects, but they are often supported by the initiatives already established in other territories. The

34 Representative examples of this group are Fiare Banca Etica (http://www.fiarebancaetica.coop/) and Coop 57 (http://coop57.coop/).
economic risk is thus moderate; the fixed costs, which are shared by stakeholders in the territory, are low, and some variable costs are supported by initiatives in other territories.

Regarding the social dimension indicators, entities in this group pursue an explicit social aim—namely, financing sustainable and socially responsible projects; they do not distribute profits, as all profits are reinvested in the organisation; they are initiatives launched by a group of citizens; and their social transformation objective can be considered as strong, since they want to change the economic system through the economic system.

Finally, regarding governance factors, these initiatives have a high degree of autonomy, as they are completely independent from any other entity; they have a highly participatory nature; their decision-making process is democratic, and not based on capital ownership; and their participation in networks is high, as they belong to associations and networks related to the social economy and social entrepreneurship.

Group 2: Ethical financial foundations

This group includes entities that carry out activities of financial intermediation and that support sustainable and socially responsible projects but do not pursue a social transformation goal. Unlike enterprises in the previous group, these initiatives are thus similar to commercial and conventional banks in the private banking sector in terms of objectives, organisation and management. They are neither democratic nor participative, and they distribute their profits. However, the banks included in this group differ from traditional banks in that they only finance socially sustainable and responsible projects; focusing on clients driven by social and environmental values is part of their business strategy. In Spain, these banks were created very recently, in 2005. Their initiatives have become popular, and they are experiencing rapid expansion.

Regarding the considered indicators defining the ideal-typical social enterprise, we can point out that, as far as the economic dimension is concerned, these initiatives develop an economic activity and have a continuous production; their employees receive a salary for their work; they invest in sustainable projects, which implies a medium level of economic risk; and finally, these organisations are self-financed through their financial products.

Regarding the social dimension indicators, these initiatives have an explicit social aim—namely, financing sustainable projects--; they distribute profits; they are only rarely initiatives really launched by a group of citizens; and they cannot really be said to pursue a deep social transformation objective, since they do not aim to transform the economic system.

In terms of governance indicators, enterprises in this group have a high degree of autonomy; their participatory nature is low; their decision-making process is not democratic, although it is not based on capital ownership (the decision-making is done by the board of the foundation, whose members are not chosen through a democratic

35 A representative example of this group is the Spanish section of Triodos Bank (https://www.triodos.es/).
process); and their participation in networks is high, as they normally belong to associations and networks related to the social economy and social entrepreneurship.

**Group 0: Other groups (not included)**

It is important to point out the existence of other initiatives, which differ from those described above but can also be considered as social enterprises active in the sector of financial intermediation. These initiatives include:

- Ashoka;
- entities closely linked to the territory where they are active, and which constitute a tool for local development (e.g. Caja Rural, Cajas Gallegas, and Ontiyent);
- saving banks that have become traditional banks but retain a section that supports and finances sustainable and socially responsible projects (e.g., Obra Social La Caixa);
- credit departments at the service of the members of a non-financial cooperative dedicated to an activity that differs from financial intermediation.

Entities in this last group vary widely in nature; consequently, different groups should be distinguished among them. However, in order to simplify and establish a generic classification of social enterprises in the financial intermediation sector, we have taken into consideration in our analysis only the two previous groups, because they are the closest to the ideal-typical social enterprise.

**2.3.8. Sustainable development/energy**

“Sustainable development” is an approach to development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs (Brundtland Report 1987). Based on this definition of sustainability, various forms of energy generation and agricultural production can be considered to be governed by the principle of sustainability, as they do not compromise the development of future generations (Fernández Pérez 2002; Bermejo 2005). The results of the present study revealed the existence of two major groups of initiatives in this field; they are described below.

**Group 1: Companies striving for a sustainable world**

This group consists of companies that strive for a sustainable world. Particularly worth highlighting in this regard are energy companies that pursue a dual purpose: to spread and promote the use of renewable energy and to develop a participatory energy model in setting prices. These companies are usually new consumer cooperatives, often referred to as “energy cooperatives”. They have had a long tradition in Spain, as they have existed since the first decade of the 20th century (Zaad, 2012), but they have really emerged under their modern form since 2010, with Som Energia, S. Coop. and other similar cooperatives.36

36 Representative examples of this group include Som Energia (https://www.somenergia.coop/es/), Barrizar (http://barrizar.com/) and Enerplus (http://www.enerplus.es/) in the field of renewable energy cooperatives, and Germinando (http://germinando.es/) and Coato (http://www.coato.com/) in the field of ecological agriculture.
These companies are engaged in green electricity trade, and they usually strive to evolve into enterprises engaged in the production of green electricity themselves. An interesting feature of these cooperatives is the fact that they reinvest their profits in renewable energy. Their aim is to generate their own renewable energy production, equivalent to the amount of energy they sell, instead of purchasing energy from the market (however, since the production of energy is more demanding, in financial terms, than simply trading, it takes longer for these companies to achieve this goal). Electricity contracts with these companies thus support increased renewable production. In addition, an open and participatory energy model is promoted in these cooperatives: the consumers are partners in the firm. An example of initiative that could be included in this group is Enercoop Group, a consolidated company dedicated to raising awareness about green energy, its trade, and investment in renewable energy projects. The Group’s social objectives show its commitment to society and sustainability, which is reflected in its activities—granting scholarships to students and funding projects such as museums, nursing homes, and so on.

This group of sustainable initiatives also includes companies engaged in organic farming and environmental protection, whose purpose is to convert conventional farms to the practice of sustainable agriculture (e.g., integrated organic production, fight against erosion, etc.). In order to achieve this, they provide practical and guidance services on the ground and training courses, and carry out awareness-raising campaigns in society. These companies have been developing over the past two decades. In parallel, over the last five years, because of the economic crisis, “urban gardens” have begun flourishing. These are public lands donated by city councils or landowners to citizens for growing organic gardens. These initiatives sustain many families while promoting the integration of retired or unemployed people.

Regarding the indicators defining the ideal-typical social enterprise, as far as the economic dimension is concerned, these initiatives produce and distribute green energy or organic food on a continuous basis. Such activity represents their main source of funding; in other words, these companies are market-oriented, as their economic and financial viability depends on their market activity. They do rely on paid work, even though the number of volunteers is higher that the number of paid workers. The economic risk is supported by the members, and, although all partners invest in sustainable projects when the firm generates profits, the founding partners receive some public and private donations in the start-up stage. And finally, these organisations are normally self-financing, although they also receive some donations.

Regarding the social dimension indicators, it is observed that entities in this group have an explicit objective of social transformation, as they invest a large part of their profits in sustainable development projects and promote environmental and sustainability values in the community in which they are located. They have a limited profit distribution, as they are cooperatives; they reinvest their profit in sustainable projects; and they are initiatives launched by a group of citizens.

Finally, regarding governance factors, they have a high degree of autonomy and a highly participatory nature; their decision-making process is democratic and not based on capital ownership; and their participation in networks is high, as they normally belong to associations and networks related to the social economy and social entrepreneurship.
Group 2: Companies using sustainability as a business strategy

This group consists of companies that use sustainability as a business strategy to attract customers, without having the specific purpose of striving for a sustainable society. Hence, the goal of these companies is to maximise their profits, but they are aware of the potential of the company’s commitment to the environment and take advantage of this business opportunity. Many of these companies have been created by people with high-level specialised training (e.g., engineers, biologists, and economists), who come together to undertake a business activity within the field of sustainability. This is the case of some companies who sell green energy but otherwise operate as any traditional market entity. These companies are also engaged in the installation of plants generating green energy because they know that such development is attractive to customers, but they do not pursue a social or environmental transformation goal as such. Similarly, many companies engage in organic farming simply because it is positively perceived and highly valued by customers. Additionally, many infrastructure companies use the word “environment” in their name or social mission as a marketing strategy to give the impression that they implement corporate social responsibility strategies.

In summary, these companies describe themselves as “social firms”, but the analysis of their functions, structure and activity shows that their business model is close to the traditional capitalist model.

As far as the economic indicators defining the ideal-typical social enterprise are concerned, these companies have a continuous production, as they produce and distribute green energy or organic food. It is their main source of funding; these companies are market-oriented, as their economic and financial viability depends on their market activity. They have paid workers. The founding partners make an initial investment in the start-up stage of the firm and bear a high economic risk. Finally, these firms are normally self-financing.

Regarding the social dimension factors, entities in this group do not have an explicit social aim; they use sustainability as a business strategy to attract customers but do not pursue the specific purpose of striving for a sustainable society. They do not impose limitations on profit distribution. In general, they are initiatives launched by a group of citizens.

Finally, regarding governance factors, these organisations have a high degree of autonomy, but their participatory nature is very low. Their decision-making process is based on capital ownership and partners who invest funds are usually very influential in the decision-making process. As to the participation of these initiatives in networks, it can be considered to be of a medium level, as they sometimes belong to associations and networks related to the social economy and social entrepreneurship in order to take advantage of their support.

37 Representative examples of this group are Gesternova SA (http://www.gesternova.com/) and Noray ingeniería y medio ambiente SL (http://www.noray.net/).
Table 1. Analysis of the identified groups of SE in Spain in terms of indicators

<table>
<thead>
<tr>
<th>Segment</th>
<th>Indicators</th>
<th>Economic dimension</th>
<th>Social dimension</th>
<th>Governance</th>
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<td>Continuous</td>
<td>Explicit social</td>
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<td>production</td>
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<td>Paid work</td>
<td>Limited profit</td>
<td>Participatory</td>
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<td>decision-making</td>
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<td>Financing</td>
<td>(citizens or NPO)</td>
<td>power</td>
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<td>Social</td>
<td>Membership in</td>
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<td>transformation</td>
<td>networks</td>
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<td>mission</td>
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<td>High degree of</td>
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2.4. Results: proposal for a restricted typology of SE models in Spain

Table 1 summarises the characteristics of the various groups of SE identified in Spain in terms of correspondence with the EMES indicators defining the ideal-typical social enterprise. As explained above, in order to map the social enterprise field in Spain, we used a total of 12 variables: nine indicators proposed by EMES, to which we added three new variables.

We considered that the number of items presented in the table made it difficult to discern models. Therefore, we also represented the data included in the matrix under the form of spider graphs (see appendix 1), hoping that such visual tool would facilitate the analysis. However, once again, we had to conclude that the amount of data made the differentiation of models difficult.

Consequently, with a view to generating a more usable set of data, we grouped the four indicators in each of the three major dimensions (economic, social and governance dimensions), and thus obtained a score comprised between 0 and 8 points for each dimension.

We are aware that such grouping entails a “simplification” that could hide nuances among groups; in other words, two groups could obtain the same score for a dimension while clearly differing at the level of indicators. This is for example the case for group 2 of work integration social enterprises and group 1 of local development initiatives, which obtain the same score (6) for the economic dimension, although the values they obtain for each indicator of this dimension are different. However, we accept this problem with a view to operationalising our data and to offering a first proposal of SE typology.

On the basis of this analysis, we defined five major models of SE, which are presented below.

Table 2 shows the values obtained by the different groups of SE for each of the three dimensions analysed here. The order in which the various groups in each field of activity are presented in this table is based on their proximity or distance from the ideal-typical social enterprise: in each field of activity, those groups closest to the ideal-type of social enterprise are presented first. The first column of the table indicates the model to which the various groups belong, according to our proposed typology. These models were created by classifying the groups according to the score they obtained for each dimension, considering that 7-8 points corresponds to a high level; 5-6 points, to a medium level; and below 5, to a low level.
Table 2. Ranking by dimensions and proposal for classifying the identified groups in five models

<table>
<thead>
<tr>
<th>Models</th>
<th>Field of activity</th>
<th>Group</th>
<th>Group code</th>
<th>Economic dimension</th>
<th>Social dimension</th>
<th>Governance dimension</th>
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<td>WSE G1</td>
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<td>6</td>
<td>5</td>
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<tr>
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<td>WSE G2</td>
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<td>Ed G1</td>
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<td>8</td>
<td>8</td>
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<td>Model 2</td>
<td>Education</td>
<td>G2</td>
<td>Ed G2</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Model 2*</td>
<td>Social/health services</td>
<td>G1</td>
<td>S/H G1</td>
<td>5</td>
<td>8</td>
<td>5</td>
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<tr>
<td>Model 5*</td>
<td>Social/health services</td>
<td>G2</td>
<td>S/H G2</td>
<td>8</td>
<td>8</td>
<td>8</td>
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<tr>
<td>Model 4</td>
<td>Local development</td>
<td>G1</td>
<td>LD G1</td>
<td>8</td>
<td>6</td>
<td>5</td>
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<tr>
<td>Model 5</td>
<td>Local development</td>
<td>G2</td>
<td>LD G2</td>
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<td>8</td>
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<tr>
<td>Model 3*</td>
<td>Culture</td>
<td>G2</td>
<td>Cult G2</td>
<td>7</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Model 1*</td>
<td>Fair trade / international cooperation</td>
<td>G1</td>
<td>FairT G1</td>
<td>8</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Model 2</td>
<td>Fair trade / international cooperation</td>
<td>G2</td>
<td>FairT G2</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Model 5</td>
<td>Sustainable development</td>
<td>G1</td>
<td>Sust G1</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Model 1</td>
<td>Sustainable development</td>
<td>G2</td>
<td>Sust G2</td>
<td>8</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Note 1: Colours are used to make the identification of models easier. Each colour corresponds to a model.
Note 2: Models with an asterisk (*) are characterised by slight nuances in specific cases.

In the following, we group the information presented in table 2 by model, and we describe and explain each model. The two first models significantly stray from the ideal-type of SE in more than one dimension (economic, social or governance-related indicators), while the last three are closer to the ideal-type.
Model 1

High score on the economic dimension
Low scores on the social and governance dimensions
Groups belonging to this model: WISE G2*, Fin G2, FairT G1* and Sust G2

Enterprises belonging to model 1 are characterised by the fact that they score high on the economic dimension but score low on the social and governance dimensions; in terms of these two dimensions, enterprises belonging to this model hardly meet the indicators considered.

It is worth noting that the second group of WSEs (WISE G2) scores lower on the economic dimension than the high level that normally characterises this model; and the first group in the fair trade sector (FairT G1) has a medium level of participatory governance (notably above that of the other groups) although, in terms of social dimension, it scores low—like the other groups of this model—to be considered as a social enterprise.

<table>
<thead>
<tr>
<th>Models</th>
<th>Field of activity</th>
<th>Group</th>
<th>Group code</th>
<th>Economic dimension</th>
<th>Social dimension</th>
<th>Governance dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1*</td>
<td>Work/social integration</td>
<td>G2</td>
<td>WISE G2</td>
<td>6</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Model 1</td>
<td>Financial intermediation</td>
<td>G2</td>
<td>Fin G2</td>
<td>7</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Model 1*</td>
<td>Fair trade / int. cooperation</td>
<td>G1</td>
<td>FairT G1</td>
<td>8</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Model 1</td>
<td>Sustainable development</td>
<td>G2</td>
<td>Sust G2</td>
<td>8</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

Model 2

Medium scores on the economic, social and governance dimensions
Groups belonging to this model: Ed G2, S/H G1*, Cult G3 and FairT G2

This model is characterised by medium scores in all three dimensions. Enterprises achieving only medium scores on the economic dimension could nonetheless be argued to be close to the EMES ideal-type of social enterprise if they achieved high scores on the other two dimensions, but this is not the case of the four groups in this model, which overall also obtain medium scores on the social and governance dimensions.

It is worth noting that the first group in the social and health sector (S/H G1) obtains the highest possible score on the social dimension, but medium levels in the other two dimensions, while the other groups have medium scores in the three dimensions.

<table>
<thead>
<tr>
<th>Model</th>
<th>Field of activity</th>
<th>Group</th>
<th>Group code</th>
<th>Economic dimension</th>
<th>Social dimension</th>
<th>Governance dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 2</td>
<td>Education</td>
<td>G2</td>
<td>Ed G2</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Model 2*</td>
<td>Social/health services</td>
<td>G1</td>
<td>S/H G1</td>
<td>5</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Model 2</td>
<td>Fair trade / int. cooperation</td>
<td>G2</td>
<td>FairT G2</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>
**Model 3**

Medium-high scores on the economic and social dimensions  
High score on the governance dimension  
Groups belonging to this model: Cult G1 and Cult G2

Model 3 is characterised by medium-high scores on the economic and social dimensions and a high score on the governance dimension. Groups belonging to this model demonstrate a deep care for their governance structure while not forgetting the other dimensions, one of which (the economic dimension for Cult G1, the social dimension for Cult G2) nevertheless remains at medium levels.

<table>
<thead>
<tr>
<th>Model</th>
<th>Field of activity</th>
<th>Group</th>
<th>Group code</th>
<th>Economic dimension</th>
<th>Social dimension</th>
<th>Governance dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 3</td>
<td>Culture</td>
<td>G1</td>
<td>Cult G1</td>
<td>5</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Model 3*</td>
<td>Culture</td>
<td>G2</td>
<td>Cult G2</td>
<td>7</td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>

**Model 4**

High score on the economic dimension  
Medium-high scores on the social and governance dimensions  
Groups belonging to this model: WISE G1 and LD G1

This model scores high on the economic dimension; it has a medium score on the governance dimension, and medium-high scores on the social dimension.

<table>
<thead>
<tr>
<th>Model</th>
<th>Field of activity</th>
<th>Group</th>
<th>Group code</th>
<th>Economic dimension</th>
<th>Social dimension</th>
<th>Governance dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 4</td>
<td>Work/social integration</td>
<td>G1</td>
<td>WSE G1</td>
<td>8</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Model 4</td>
<td>Local development</td>
<td>G1</td>
<td>LD G1</td>
<td>8</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>

**Model 5**

High scores on all dimensions (except for two groups that obtain a medium score on the economic dimension)  
Groups belonging to this model: WSE G1, S/H G2, LD G2, Fin G1 and Sust G1.

This model includes the groups that are the closest to the ideal-type of social enterprise. In fact, group 1 in the field of sustainable development (Sust G1) and group 2 in the area of social and health services (S/H G2) fit closely with all the indicators of the ideal-typical social enterprise according to our approach (they obtain a total of 24 points, which is the highest possible score); they are followed closely by the second group in the field of local development (LD G2), which obtains 23 points.
3. ANALYSING SE MODELS FROM THE PERSPECTIVE OF INSTITUTIONALISATION STAGES

We can also include, in our analysis of social enterprise in Spain, a temporal perspective, and analyse social enterprises in terms of their level of institutionalisation. This approach reveals that some groups share common characteristics and trends; from this perspective, we can distinguish three models of SEs in Spain—which, to some extent, correspond to fields of activity identified in our analysis:

- the traditional model: it corresponds to work integration social enterprises (WISEs);  
- the intermediate model: this model includes social enterprises that attempt to meet social needs in different sectors;  
- the emerging model: SEs belonging to this model can be considered as “emerging” either because of the novelty of the sectors in which they emerge (culture and energy) or because entities in the field of activity in which they operate only recently starting to accept and use the term of “social enterprise” (fair trade).

1) The traditional model: Organizations in the work/social integration sector correspond perfectly with the tradition of those entities that work for the inclusion in the labour market, which emerged in Spain and in Europe at the end of 1980s. The most characteristic feature of these social enterprises is their link with the community organisations that created them. A strong public-private partnership (with public authorities providing funding) and the production of goods or services for the market are the main sources of income of SEs belonging to this model.

2) The intermediate model: A large group of SEs in various fields—local development, financial services, education and, to some extent, social and health services—can be said to belong to the intermediate model, in that these organizations have a long history qua economic organizations active in the social field, but do not belong to the “core” sectors of social enterprise (which are more related to social inclusion) and are thus not institutionalized to the same degree. Several “sub-models” can be distinguished here, depending on the degree to which they correspond to the various indicators defining the ideal-typical social enterprise (inter alia an explicit social aim, a limited distribution of income, a participatory nature, a decision-making power not based on capital ownership...). This diversity within the intermediate model reflects the movement that is currently being introduced in Spain and
which is based on heterogeneous concepts, introducing business models with entrepreneurial visions into the social sphere. Overall, these various sub-models do not fit very well with the ideal-typical concept of social enterprise, and they have a lower tendency to pursue a social transformation goal and to belong to social networks than social enterprises in the other two models (traditional and emerging).

3) **The emerging model:** This model is observed, as noted above, in specific areas of activity, such as culture, fair trade and sustainable development. In the sectors of culture and sustainable development, organizations have only recently started considering themselves as social enterprises. But however recent the trend, among these organizations, towards considering themselves as social enterprises, table 1 shows that they achieve levels, in all three dimensions analysed, that are sufficient to be really considered as social enterprises. With the exception of the second group in the sustainable development sector (which scores low on the social and governance dimensions), the other three groups achieve medium-high scores on the governance dimension—8 points in table 2—and, in the sustainable development sector, on the economic dimension. The case of the fair trade sector is different: this sector has a long tradition, but initiatives in this sector did not define themselves as social enterprises, but rather as traditional NPOs. Comparing this sector with others is made difficult by the facts that its chain of distributed value has international implications and by the entry of supermarkets and importing companies in the sector, which can commercialise socially responsible products without being social enterprises.

4. CONCLUSIONS

In the present work, we attempted to identify models of social enterprise in Spain.

We first reviewed the origins of social enterprises and the existing approaches from a theoretical point of view. We identified five origins of social enterprise in Spain:

1. social economy organisations;
2. organisations linked to social innovation and encouraged by platforms such as Ashoka;
3. transitional movements seeking new business models in different areas (e.g. common good economy or social movements);
4. traditional social movements and people wanting to go beyond the framework of the social economy;
5. opportunistic organisations searching for funding opportunities through the funding programmes of public and private institutions to promote social enterprises and social entrepreneurship.

It appears that, although the rise of the concept of social enterprise in Spain is much related with the establishment of organisations inspired by the Anglo-Saxon tradition, the nature of this concept must be mainly related to the way of working of social economy organisations.

In a second stage, we carried out empirical observations in the field. We focused on the sectors in which we considered that social enterprises could be established; our analysis highlighted the high degree of variety and heterogeneity of SE models in the country. Table 1 provides a summary of this analysis; it presents the characteristics of the different groups of SE that we identified in terms of correspondence with the various indicators retained to characterise social enterprises (nine EMES indicators and three additional ones). These
different groups were then analysed in detail (section 2.3). By analysing the different groups of SE in terms of their correspondence with three major dimensions (economic, social and governance dimensions), we put forward a tentative typology of social enterprise models in Spain, discerning five major models (section 2.4).

In the third section, we presented a different approach, including a temporal perspective and based on institutionalisation stages. On such basis, we defined another typology, with three different models.

In conclusion, this research detects two possible criteria to classify the models of social enterprise in Spain: one centred on the characteristics of the ideal-type of social enterprise developed by EMES and complemented by three additional indicators, and another one centred on the institutionalisation level. Although these two approaches result in different typologies, the two typologies could overlap; however, in order to confirm this possibility and obtain a generally typology, further research, using different analytical tools, is required and should be developed in future studies.
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APPENDIX: SPIDER GRAPHS: CHARACTERISTICS OF SOCIAL ENTERPRISE MODELS IN SPAIN

The following “spider graphs” provide a more visual expression of table 1.
Local development (Group 1)

Culture (Model 1)

Int. coop. and Fair Trade (Group 1)

Financial intermediation (Group 1)

Local development (Group 2)

Culture (Model 2)

Int. coop. and Fair Trade (Group 2)

Financial intermediation (Group 2)
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