

There is widespread confusion at EU level on the exact nature of social economy enterprises. Very often, there is a confusion between “work insertion social enterprises” and “social economy enterprises”. Those two categories are not mutually exclusive, on the contrary. But social economy enterprises are much more diverse : many of them provide high-quality services such as health care or environment-friendly products. Some of them even provide financial services with a social dimension, such as banking cooperatives, which have proved much more socially responsible in the face of the current financial crisis than other types of banks.

The consequence of the specific feature of social economy enterprises is straightforward : traditional “for-profits” which engage in socially or environmentally responsible behaviour permanently face the threat of being taken over by short-term profit looking investors, especially in the case of listed companies. Social economy enterprises are “genetically” equipped to better face such threats. For this very reason, they may be considered as “models” of socially responsible behaviour, even though this does not mean they always deliver on promises in concrete terms.

Although the single market act defines corporate social responsibility as a wider concept than social businesses, we do not share this view and consider that social responsibility is the right yardstick against which the “social” or “environmental” quality of the business can be assessed.

Social innovation also is very often mentioned as one of the key features of social enterprises. However, it is very difficult, if not impossible to define, and is too often mentioned for the sake of communication policies than according to well-defined standards. Too often also, social innovation is illustrated by flagging small size “start-ups” as if the very fact of starting a business was fulfilling the requirement to be innovative...

Social innovation may have to do with products or processes. In complex settings such as persons-related services, innovation is a permanent requirement in order to take into account the diversity of individual situations. It is also closely linked to evidence-based processes and policies, which require a proper scientific backing.

Fostering the development of social economy enterprises in the internal market is not only a matter of access to venture capital : it is also a matter of legal framework. Without European statutes, as is presently the case for mutual societies, foundations and associations,

cross-border action is very often hampered by administrative barriers and costs. European statutes may be instrumental for the sake of administrative simplification.

The reasons for an European statute for European associations are straightforward and are to a large extent similar to those recently put forward by the feasibility study for an European statute for foundations. Finally, such a statute would not only benefit largescale organisations wishing to expand in other countries : it would also benefit thousands of small-scale organisations in bordering regions which face difficulties in developing their activities cross-borders. The European Parliament has recently adopted a written declaration calling for such statutes 8. The European Economic and Social Committee has also repeatedly called for it. This should now be considered by the European Commission as a high-level priority. Without pillars, there will be no temple.

*This text is taken from CEDAG president Patrick De Bucquois' contribution to the EESC hearing on social entrepreneurship, July 28th 2011.*

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