

What's the **added value** of social economy for the different actors involved?



- **Individuals**
are empowered as they learn about starting their own business. Others benefit from gaining access to more quality jobs and gaining a sense of community belonging.
- **Communities**
become more cohesive, since social economy can facilitate the development of inclusive local policies and contribute the common good of the local community.
- **The whole society**
benefits from innovative ideas and solutions that answer society's needs and contribute to changing mind-sets.

Caritas helps thousands of people out of poverty and exclusion by supporting and running hundreds of social economy initiatives across Europe. It makes sense that social economy is one solution toward building a stronger, more cohesive Europe!

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Social economy

Putting people before profits
benefits everyone!

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What is social economy?

Social economy puts **people before profits**. It invests in people, in their capacities and creativity, and empowers them, creating quality jobs and providing training as well as prioritizing social objectives, like helping people far from the labour market access work.

In a market economy, enterprises are meant to generate a profit. They operate in the market, providing goods and services and looking for customers' satisfaction. This is also true for the social economy. But the difference being that in a social economy, **the profit gained goes toward meeting social objectives**, not primarily toward generating individual wealth.

By **prioritising social objectives**, social economy contributes, in an innovative way, to tackling social, economic and environmental needs in society that have been overlooked or inadequately addressed by the private or public sectors. With this understanding in mind, Caritas are actively creating and implementing a variety of different types of social economy projects throughout Europe.

Some **examples** of Caritas' social economy initiatives

- Caritas Spain promotes **45 social economy initiatives** that employ more than 2,000 people. Among whom, approximately 750 had been facing particular difficulties accessing the labour market prior to Caritas' social economy engagement.
- Since the Caritas' programme on cooperative entrepreneurship began in the Netherlands in 2013, **25 social cooperatives** have been established in 15 municipalities, empowering 200 new entrepreneurs.
- The Mag-das Hotel in Austria is a social enterprise, run by **20 refugees from 16 different countries**, and that is financed and promoted by Caritas Vienna.
- Through the Elba project of Caritas Italy, the start-up and/or development of **21 social enterprises** in 7 southeast European countries have been financed and supported since 2015. A new project begins in 2017.

How does social economy **work**?

It invests profit into **social objectives** (i.e. via free professional training for unemployed people, including vulnerable people in the functioning of the enterprise, raising awareness on specific topics, etc.);

It creates spaces for **participating and sharing ideas** within a social economy enterprise;

It promotes **cooperation, awareness and engagement** among the community;

It contributes to **protecting the environment**.

Important **characteristics** of social economy

Social economy is an **innovative** and more **effective way** to respond to social needs in comparison with traditional approaches. Alongside specific actions addressed to vulnerable individuals and families, social economy activates **multilevel synergies** that seek solutions on issues of collective interest. This makes it possible to go beyond the care perspective, activating reciprocity practices, and at the same time producing both **social and economic value**.

Social economy does more than just respond to a social, economic or environmental need in society. It **enhances relationships** between residents, the local community and the wider society, while also promoting collective responsibility.

This requires the active participation of individuals (and sometimes families) in social economy initiatives, in addition to joint collaboration between different public and private actors and stakeholders. **This is helpful for identifying common objectives, building long-term strategies, and renewing practices and policies that contribute to the common good. Hence, combining social, labour, and economic development policies is a great innovation for Europe!**