



# Social Economy and Social Enterprises: observations from international experience

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**Note:** In this document, the term ‘social enterprise’ is used to refer to enterprises in the social economy that operate partially or wholly on a commercial or quasi-commercial basis, irrespective of legal form.

## Disclaimer

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## Introduction

The purpose of this briefing paper is to look at international experiences of development of social enterprises and identify examples and lessons relevant to initiatives in Eastern Wielkopolska aimed at job creation and continued labour market participation of workers displaced by industrial transition, specifically workers from the lignite mining and power generation activities of the ZE PAK group. More broadly, the paper looks at the potential of the social and solidarity economy to contribute to delivering a Just and Green transition in accordance with local, regional, national, and European ambitions for decarbonisation of economic activities, environmental sustainability, and social solidarity.

The next section briefly outlines some of the key characteristics of social enterprises. The following sections consider some of the benefits social enterprises can provide to workers and local communities. The paper then indicates some potential opportunities for the development of social enterprises relating to green and digital transition. The final section of the paper concludes with some key considerations and lessons drawn from international experience of social enterprises and their development. The annex to the paper provides short summaries of 14 illustrative cases of social enterprises.

## Scope and characteristics of the social economy and social enterprises

Discussion of the social economy and the entities that operate within it is hampered by the lack of commonly agreed international definitions. Essentially, however, the social economy can be taken to refer to any business activities that, while striving to be economically viable, are also driven by a strong social, or increasingly environmental, mission. Generally, the basic aim of social economy entities (hereafter “social enterprises”) is to provide goods and services to their members – which can include the workers, themselves – or to their community, while pursuing social and other general interest goals.

**Social enterprises can take on a variety different legal forms** (e.g., private companies limited by guarantee, cooperatives, mutual and provident societies, associations, foundations, voluntary organisations, or charities). However, irrespective of their legal form, social enterprises are understood to have the following characteristics:

- The primary motivation for their commercial activity is to contribute to social or environmental goals, especially but not exclusively for the benefit of the local community.
- They place people before profits, and mostly use their profits towards pursuing social, or environmental goals, whether through reinvestment in their own business or by supporting other social enterprises, initiatives, or projects with a positive impact for the local community, or beyond.
- They practice methods of business organisation and/or business ownership that follow democratic or participatory principles or focus on social justice.

**In the EU, there are estimated to be 2.8 million social enterprises, employing almost 13.6 million people**, representing 10% of all businesses and more than 6% of all EU employees.<sup>1</sup> While the vast majority of social enterprises are micro, small and medium sized enterprises, some have grown to significant scale with international reach; for example the [Mondragon Group](#) is Spain’s 7th biggest industrial group, employing over 70,000 workers, and the [CGM Group](#), which is a network of social enterprises in Italy covering 40,000 workers.

**The goals pursued by social enterprises are highly varied.** There is a long history of social economy movements that have appeared as a response to unmet local demands for goods and services, or where existing provision is not affordable. This has led citizens to come together to develop their own supply, or to use their collective buying power to push down costs for their members, or more generally to deliver affordable goods and services and to help address poverty issues in the wider community. The vulnerability and potential for social and economic exclusion of certain groups is an easily recognisable characteristic of social enterprises that work towards integrating disadvantaged groups into the workforce (e.g., persons with physical or mental disabilities, ethnic minorities and immigrants, addicts or former prison inmates). Equally, there is an employment focus to many worker-owned social enterprises that have been set-up to secure jobs for workers threatened by business closures or to offer improved working conditions to workers in precarious and exploitative employment situations.

1. [single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu\\_en](https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy/social-economy-eu_en)

## The contribution of social enterprises to building sustainable communities<sup>2</sup>

The social enterprise sector is increasingly recognised as key to building healthy communities. In addition to creating new jobs and enabling non-profit organisations to sustain their services, areas where social enterprises can positively impact healthy and sustainable communities include:

- **Addressing Environmental Issues:** Recycling, education, ecotourism, car-sharing – all are social enterprise models of addressing critical environmental issues.
- **Stimulating Economic Revitalisation:** In specific communities social enterprise is a key element of economic diversity and early development particularly in inner-city and depressed rural communities.
- **Reducing Poverty:** Poverty is tackled by social enterprises by providing the training, skills, resources, and related opportunities for a living wage, building affordable housing, and operating appropriate support systems to move low-income persons out of poverty permanently.
- **Providing Accessible Health Care:** In rural communities, for immigrants, low-income families, seniors, and others, affordable and accessible health care is critical.
- **Integrating Immigrants:** Immigrants are a vital component of many communities, and the effective integration of their skills and culture can be offered through social enterprise.
- **Providing services and products to an underserved community:** Social enterprises are effective and efficient at helping meet the basic needs for the hardest to serve in many communities.
- **Developing social and cultural capital:** Social and cultural capital are key elements of healthy communities, and many social enterprises address these needs.

**Social enterprises are active in many if not most economic sectors**, although, in much the same way as their goals can vary, the focus of activities can differ significantly across countries and locations due to differing historical economic and social development factors. The development of social enterprises' activities can also come about as a response to changes in technology, business behaviour, consumer preferences and wider societal concerns. This is illustrated by the development of citizen energy cooperatives, usually conceived to ensure community access to secure and affordable energy supplies, which has been greatly spurred by a combination of growing environmental and climate awareness and the rapid development of renewable energy technologies that have enabled locally owned decentralised energy supply solutions. Similarly, the appearance of cooperatives of independent producers and workers (e.g., couriers, journalists, graphic designers, consultants, doctors, and lawyers) can be seen as a response to the expansion of non-standard labour conditions and contracts, particularly self-employment and freelancing, and where such cooperatives can be important for combatting job instability and loss of formal rights linked to these new work forms.

**At an EU policy level, there is increasing recognition of the potential of social enterprises** and of the role that can be played by the social economy in addressing today's key economic and social challenges. For example, in 2020 the EU Industrial Strategy recognised the 'social and proximity economy' as an industrial ecosystem in its own right and subsequently highlighted the potential of the social economy to contribute to the dual challenges of green (climate neutrality) and digital transitions. Moreover, by virtues of their participatory business

models that consider the needs of citizens, employees and other stakeholders, social enterprises can play an important role in ensuring that transitions are fair and inclusive. Specifically, social enterprises are seen to have great potential to contribute to the creation of local circular economy systems, and to promoting territorial competitiveness, resilience, inclusion, and cohesion. This could include being front runners in the green transition (e.g., local green deals, circular economy aspects such as green manufacturing and remanufacturing, local circular loops, regeneration and renovation, eco-innovation, ...) and digital innovators (e.g., developing open (social) digital innovation).<sup>3</sup>

**A social enterprise pathway for workers affected by energy transition aligns with Eastern Wielkopolska's own development plans.** Social economy development is one of the measures spelled out in Eastern Wielkopolska Development Strategy until 2040<sup>4</sup>, which foresees the promotion of the social and solidarity economy within the sub-region. The Strategy proposes to increase the potential and competitiveness of social economy entities and social enterprises through the development of support services to improve the quality of the products and services they provide, thereby strengthening their potential to contribute to social and professional reintegration. Further, the strategy also proposes to boost demand for the products and services of social economy entities and social enterprises by promoting their involvement in the delivery of social services and encouraging local self-governing administrations to open their procurement to social enterprises (e.g., through the use of social clauses in public procurement).

2. Adapted from The Canadian Social Enterprise Guide - 2nd Edition, [ceric.ca/wp-content/uploads/2022/03/the-Canadian-Social-Enterprise-Guide-1.pdf](https://ceric.ca/wp-content/uploads/2022/03/the-Canadian-Social-Enterprise-Guide-1.pdf)

3. [eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0351](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0351)

4. [arrtransformacja.org.pl/wp-content/uploads/2022/12/SRWW-przyjeta.pdf](https://arrtransformacja.org.pl/wp-content/uploads/2022/12/SRWW-przyjeta.pdf)

## What benefits can social enterprises provide to workers?

**Creation of new jobs or preservation of existing ones** is frequently one of the driving factors for the establishment of a social enterprise. The impetus can come from outside the workforce, for example where local institutions and public administrations either create new businesses to provide local job opportunities [e.g., [The Evergreen Cooperatives](#)], or provide support for new business start-ups [e.g., [Co-op Cincy](#)]. Often, however, the impetus can come from workers themselves, especially when faced by a business closure, or where the business owner no longer wanted to continue their role. While worker buy-outs may have the objective of continuing the existing business [e.g., [New Era Windows Co-operative](#)], often worker cooperatives – either by design or due to the lack of commercial viability of the existing business model – have taken business assets and built on the competence of the workforce to reposition the business in new sectors and activities [e.g., [ELAP](#), [Ri-Maflow](#)]. Of particular relevance, is the [Earthworker Cooperative](#) project to set-up worker-owned factory, making renewable energy appliances and components, with the explicit aim of creating clean-energy jobs in Victoria’s coal-power centre of the Latrobe Valley that will help to re-deploy skills from the coal industry into new energy technologies, while contributing to addressing the region’s high unemployment rate.

**Providing good wages and employment conditions** can also be an important driving force for following a social enterprise route. Noticeably, one of the motivations behind the creation of social enterprises has been to secure living-wage jobs, especially for vulnerable workers [e.g., [The Evergreen Cooperatives](#)], and there is evidence, for example from the UK, that social enterprises are more likely than other private sector businesses to pay a living wage to workers.<sup>5</sup> Moreover, wage difference within social enterprises tend to be less pronounced. Whether this translates into higher wages relative to comparable jobs elsewhere in the private sector is difficult to establish, but there does not seem to be any systematic evidence that the employment in a social enterprise equates to lower wages.<sup>6</sup> Moreover, the general ethos of social enterprises is that they should provide the best possible working and employment conditions for their members/employees. This can be seen also in social enterprise initiatives that have aimed at formalising working conditions [e.g., [Gruppo SSI](#)] and

through the support of trade unions for worker-owned and other forms of social enterprises [e.g. [Co-op Cincy](#), [Earthworker Cooperative](#), [New Era Windows Co-operative](#)]. It is also evident from the recent development of cooperatives of independent producers and workers [e.g., [Smart](#)].

**Inclusion in decision-making through democratic and participatory governance** is another attribute of many social enterprises, either because workers are owners of the social enterprise with a direct right to participate in key decision-making processes in enterprises based on their shareholding, or because they operate participatory processes that allow all workers to have a say in key business choices or to elect representatives to act on their behalf. Often, social enterprises operate on a ‘one member, one vote’ principle which means that, irrespective of their ownership share of the enterprise, all members/workers have a voice in setting major guidelines for their enterprises and can also vote on the appointment of their leaders (managers, boards of directors, etc.).

## What benefits can social enterprises provide to local communities?

**Contributing to community development and wider social and environmental causes.** The key characteristic of social enterprises is that they contribute to social or environmental goals which, in the case of worker-owned enterprises may primarily be the creation of jobs for the workers themselves. Social enterprises may also use the surpluses to support local community causes, the wider cooperative movement, or other activities beneficial to all the members. This may include actions providing advisory services to the local community, especially its more vulnerable members [e.g., [Plymouth Energy Community](#)], offering training and mentoring projects [e.g., [Carbon Co-op](#), [Co-op Cincy](#), [The Evergreen Cooperatives](#), [Gruppo SSI](#), [Loco Home Retrofit](#)], investing in projects that benefit the community [e.g., [Emissions Zéro](#), [Plymouth Energy Community](#)], or providing facilities for community use [e.g., [Hobelwerk](#), [Ri-Maflow](#)].

**Retaining benefits in the community and strengthening local business ecosystems.** Beyond delivering goods and services for the community and contributing to community development, one of the key attributes of social enterprises is that the surplus from their business activities is retained within the community rather than going to its private owners. Even where social enterprises distribute part of their surplus to their

5. [www.socialenterprise.org.uk/app/uploads/2023/04/Social-Enterprise-and-Quality-of-Work-Jan-2023.pdf](http://www.socialenterprise.org.uk/app/uploads/2023/04/Social-Enterprise-and-Quality-of-Work-Jan-2023.pdf).

6. Note, remuneration rates can be difficult to establish for worker-owners that may be entitled to receive a share of the firm’s profits.

members, the general principle is that the members reinvest surpluses to maximise the cooperative's ability to deliver on its mission. Looking beyond the individual enterprise, often social enterprise initiatives are focused on promoting the development of a mutually supporting ecosystem of local businesses. This is also evidenced by the engagement of social enterprise in the development of locally based circular economy value chains based on proximity and collaboration.<sup>7</sup>

**Overcoming financial and skills constraints and building public awareness and acceptance** of social and environmental actions. Notably, partnerships between social enterprises and municipalities have become a feature of efforts to implement sustainable energy and climate actions plans at a local level. Such partnerships can enable public administrations to overcome their lack of technical expertise by mobilising the knowledge and skills within social enterprises and, similarly, to use the financial resources and capacities of social enterprise to make investments when public budgets are constrained. Further, by involving local citizens, enabling them to share in the surplus or to benefit from community projects supported from the surplus, and by providing access to affordable and fairly priced goods and services, local resistance to social and environmental projects (e.g., renewable energy and waste management projects) can be overcome.

## Green and digital transition opportunities for social enterprises

In the context of the dual green and digital transition, especially in the context of coal regions and the redeployment of workers from mining and power generation activities, international experiences alongside analysis of the Polish situation<sup>8</sup> point to several promising sectors for the development of social enterprise activities:

- **Renewable energy supply:** e.g., citizens and community-based energy projects that could create opportunities for redeployment of engineers and power engineers from the mining and power sector [e.g., [Emissions Zéro](#), [Plymouth Energy Community](#)].

7. OECD and European Commission (2022), Policy brief on making the most of the social economy's contribution to the circular economy. [www.oecd-ilibrary.org/industry-and-services/policy-brief-on-making-the-most-of-the-social-economy-s-contribution-to-the-circular-economy\\_e9eea313-en](http://www.oecd-ilibrary.org/industry-and-services/policy-brief-on-making-the-most-of-the-social-economy-s-contribution-to-the-circular-economy_e9eea313-en)

8. Bielecki, W., Erbel, J., Komuda, Ł., Szczerba, M., Zygmontowski J. J. (2022) Spółdzielcza transformacja: Operacjonalizacja sprawiedliwej transformacji dla regionów węglowych w Polsce [Cooperative transformation: operationalisation of the just transition for coal regions in Poland] ([link](#))

- **Thermo-modernisation and retrofit:** e.g., building renovation and energy efficiency improvement activities that could create opportunities for workers and professionals in construction and installation related activities [e.g., [Carbon Co-op](#), [Co-op Cincy](#), [Loco Home Retrofit](#), [Plymouth Energy Community](#)].
- **Manufacture of energy efficient appliances and systems:** e.g., development, production and installation renewable energy and energy efficiency technologies that could create opportunities for electrical or mechanical engineers and production workers [e.g., [Earthworker Cooperative](#), [ELAP](#), [New Era Windows Co-operative](#)].
- **Land reclamation and infrastructure repurposing:** e.g., reclamation of post-industrial and post-mining areas and repurposing of former industrial buildings and other infrastructure for industrial, commercial, leisure and tourism, or community-based activities, together with carrying out adaptation works to climate change (including reconstruction of water resources), that could create *inter alia* opportunities for heavy equipment operators and site/civil engineers [e.g., [Hobelwerk](#), [Ri-Maflow](#)].
- **Circular economy:** e.g., minimising waste generation and better waste management (including, repair and re-usage, and recycling of waste materials). Although collecting, handling and processing materials for recycling typically generates low-skilled employment, higher-skilled opportunities exist in technical sorting systems and logistics. While reuse and repair centres, usually locally based, offer a mixed job profile, and remanufacturing that is usually less standardised usually requires skilled employees. Job opportunities may also be created in areas such as customer support and sales, engineering and servicing, and IT support roles [e.g., [Ateliere Fără Frontiere](#)].
- **Personal social services:** e.g., provision of care services (e.g., including care for the elderly, children, people with disabilities, well-being and rehabilitation) responding to local demands and addressing gaps in available provision. Social sources not adequately covered by public providers that could provide opportunities for those willing to retrain in care activities [e.g., [Gruppo SSI](#)].
- **Digital systems and services:** e.g., development and operation of digital applications/tools and platforms for local business and public administrations, and provision of digital training services that could provide opportunities for administrative and ICT staff, or people willing to retrain to obtain relevant digital skills.

- **Platforms for independent professional and freelancer workers:** e.g., setting up cooperative platforms to associate and support fragmented, individual specialists (including self-employed and new start-up businesses of former miners and power workers) in areas such as repair work, assembly, casual and commission work, that enables them to have stable employment [e.g., [Smart](#), [Gruppo SSI](#), [Ri-Maflow](#)]

## Key considerations and lessons

This paper has tried to provide a brief introduction to some international experience of social enterprises, illustrate their variety in terms of scale, purpose, and areas of activity. Although social enterprises have been around for a long time, they have gained increased prominence in recent years as an additional and alternative tool for community development and for addressing economic, social, and environmental challenges at a local level.

Although a social enterprise is distinguished from a typical for-profit business through its focus on community development and wider social and environmental goals, it nonetheless must simultaneously achieve financial sustainability. This financial sustainability requirement means that if they are to be able to build, grow and maintain their business activities, social enterprises cannot ignore more entrepreneurial aspects of business development, including acceptance of inherent levels of economic risk in delivering goods and services in a competitive marketplace. Often this requires overcoming a lack of appropriate business skills and acumen, initially to translate business concepts into concrete projects and, subsequently, to operate and grow the enterprise's activities. This may be achieved internally, for example by recruiting suitably qualified managers, but also drawing on support networks that are often themselves delivered by successful social enterprises or consortia, or other implicated actors such as trade unions. More generally, integrative structures enabling collaboration among social enterprises, including sharing of resources and mutual support services, have proved important for building social enterprise ecosystems.

The interrelationships between public policies and administrations and social enterprises can play a pivotal role in the development of social enterprises. Beyond providing a suitable legal framework that adequately recognises the social or environmental commitment of social enterprises, a positive attitude of public administrations to building effective partnership

relations with social enterprises can strongly influence their development. On the one hand, this concerns recognition in public procurement procedures of the “merit value” of goods and services delivered by social enterprises. On the other, public administration can have a crucial role as an initial lead market, allowing a social enterprise to establish operations and demonstrate its capabilities ahead of, or alongside, developing an open market presence. Accordingly, preferential procurement – within the constraints of prevailing legal frameworks – and recognition of an affinity of missions of public administrations and social enterprises can spur the creation and growth of social enterprises.

Finally, the activities pursued by social enterprises should not be seen as being limited to work integration of vulnerable or excluded workers or addressing the needs of marginalised or fragile groups of the population. Social enterprises can be active across a wide spectrum of economic sectors and the delivery of social and other services to the wider community. There is plentiful evidence of social enterprises entering new fields and developing innovative approaches to the delivery of goods and services to the community (e.g., culture, renewable energy, environment, economic revitalisation, and local development, etc.) The possibilities for social enterprise development should, moreover, be reinforced by current economic and social policy developments and trends. Not least, given their emphasis on community benefit and collective well-being over profit maximisation, social enterprises should be able to carve out a significant presence in activities aligned to just green and digital transition, such as renewable energy and energy efficiency, circular economy, environmental rehabilitation, repurposing and reuse of former industrial land and infrastructure, training and reskilling of displaced workers, etc.

## Annex – International examples of social enterprises and initiatives

### Ateliere Fără Frontiere

Romania

<https://atelierefarafrontiere.ro/>

Asociatia Ateliere Fără Frontiere (AFF) is a Romanian non-profit organization, established in 2008, for the social, professional, and civic integration of vulnerable, excluded, and marginalized people. Since 2019, AFF is part of Groupe SOS, a global network working to achieve the Sustainable Development Goals. AFF has 4 socio-professional integration workshops - *educlick*, *remesh*, *bio&co farm* and *logietic* - in which they offer personalised social support services, insertion counselling, psychotherapy, and pedagogical support for skills training for disadvantaged people. Activities carried out in the workshops aim to promote a circular, sustainable, and inclusive economy, for example:

- *educlick* collects, disassembles and prepares electrical and electronic equipment waste (WEEE) for recycling and also collects and prepares computers for reuse, which are donated to schools in disadvantaged areas in Romania;
- *remesh* transforms advertising banners and meshes into fashionable, ethical and sustainable products and accessories;
- *bio & co* is an ecologically certified social farm that applies the principles of the European Union strategy “From Farm to Fork”, delivering seasonal organic vegetables to subscribers within a 30km radius, reducing the environmental footprint of food supply while providing a fair income for agricultural workers.

Through its Let's Click project, since 2020 AFF has supported over 450 schools, including 80,000 children and teachers by providing over 8,000 refurbished computers. Additionally, 300 marginalised adults were hired within their socio-professional integration programme – out of which 50% successfully entered the job market afterwards. For 2023, they have prepared another 4,000 computers for donation. They also want to expand the services they provide by including the refurbishment of other equipment such as printers and projectors, that are crucial in the digital education infrastructure.

#### Takeaways

- AFF's mission combines integration of vulnerable workers into the conventional labour market, while protecting the planet through circular and sustainable economic activities (e.g., better waste management).
- AFF's activities provide direct benefits to local communities (e.g., provision of refurbished computers to schools serving disadvantaged communities).

#### Additional Information Sources

- <https://digital-skills-jobs.europa.eu/en/inspiration/good-practices/lets-click-romania>

### Carbon Co-op

United Kingdom

<https://carbon.coop/>

Carbon Co-op is an energy services and advocacy co-operative that helps people and communities to make the radical reductions in home carbon emissions necessary to avoid runaway climate change. Carbon Co-op was formed by a group of residents in 2006 and constituted in 2011, to carry out changes in their own houses to reduce home energy emissions through energy efficient retrofit and other low carbon improvements, and to bring about improvements within their communities. Originally founded to undertake deep renovation of homes, it has now expanded its efforts into the area of smart energy and flexibility. Carbon Co-op has over 400 members and 10 staff working collectively to reduce their carbon emissions and promote carbon reduction measures to their communities across the North West of England. Under its People Powered Retrofit service, Carbon Co-op provided a training programme for local builders to ensure a local workforce ready to take on the job of upgrading homes, and that has trained more than 1 000 contractors.

#### Takeaways

- Residents group initially generating costs reductions by bulk buying low carbon technologies.
- Now implements retrofitting and related projects and provides advisory services.
- Training programme for local builders to ensure a local workforce ready to take on the job of upgrading homes.



## Co-op Cincy

United States

<https://coopcincy.org/>

Founded in 2011 Co-op Cincy aims to nurture a resilient, interconnected network of worker-owned businesses in Greater Cincinnati. Co-op Cincy was born out of a collaboration agreement between the United Steelworkers Union and the Mondragon Cooperative Corporation (Spain) with the intention of creating sustainable jobs in Cincinnati. Together with local non-governmental organizations and scientific institutions, the project partners developed a model of union co-ops inspired by the Mondragon example. Co-op Cincy provides support for start-ups, business, and transitioning of traditional businesses to the worker-owned model. It also assists its network of co-op businesses flourish through provision of technical assistance and coaching, co-op culture building, and loan access. Supported businesses are in diverse range of sectors (e.g., food production and distribution, catering, sustainable energy retrofitting, residential cleaning, home healthcare, childcare, massage).

### Takeaways

- Initiative to create a network of worker owned business providing sustainable jobs in a diverse range of sectors, especially employing workers from vulnerable groups (e.g., people of colour and women)
- Main funding comes from a combination of grants, sponsorship, and donations. Co-op Cincy provides loans through a partnership with Seed Commons, a national loan network.

## Earthworker Cooperative

Australia

<https://earthworkercooperative.com.au/>

The goal of the Earthworker Cooperative is to establish a network of worker-owned cooperatives committed to sustainable enterprise throughout Australia. The cooperative believes that the problems of climate change, job insecurity and growing inequality are intertwined and must be tackled simultaneously, through greater grassroots economic ownership.

Earthworker's pilot project is the establishment of Australia's first worker-owned factory, making renewable energy appliances and components. Located in the Latrobe Valley, the [Earthworker Energy Manufacturing Cooperative](#) is part of ensuring a just transition for communities affected by the move from fossil fuels to renewable sources of energy. It aims to create clean-energy jobs in Victoria's coal-power centre of the Latrobe Valley – helping re-deploy skills from the coal industry into new energy technologies and addressing the region's high unemployment rate. With a community investment by over a hundred Earthworker Cooperative members, the cooperative was able to secure plant, equipment and IP required to manufacture patented premium-quality solar hot water tanks from a bankrupt company. After a couple of years of fundraising, business planning and enormous community input, it began commercial operations in 2018, producing heat pump hot water systems, water storage tanks, and evacuated tube solar hot-water systems.

The cooperative sells its products to customers, governments and through union Enterprise Bargaining Agreements. The Maritime Union of Australia is the first major union to place the Earthworker Clause into their Agreements. This means that waterfront workers will be able to obtain local cooperative-manufactured products, as part of their negotiated wage rise, which means they create climate jobs and reduce their energy bills.

### Takeaways

- Worker-owned cooperative in a coal region explicitly established to create clean-energy jobs and re-deploy skills from the coal industry into new energy technologies and addressing the region's high unemployment rate.
- Development of partnership with trade union to secure a preferential market for the cooperative's products that also benefits union members.

### Additional Information Sources

- <https://theecologist.org/2019/oct/17/earthworker-taking-power-back>
- <https://transformativecities.org/atlas/energy5/>

## ELAP

Czechia

<https://www.elap.eu/>

Founded in 1990, ELAP is a production cooperative focused on the development and production of machine control systems, semi-automatic and automatic lines and technological units. Its founding members, who originally worked in the agricultural automation centre at the Bruntál State Farm, chose a cooperative business model as it offered job security and long-term stability, especially when developing the business into new and unexplored fields. Over time, its business has expanded from developing control system for a plastic injection molding machine to different materials (rubber, ceramics, aluminium alloys) and to automation and robotic systems in various branches of industry. ELAP employs twenty workers, nine of whom are members of the cooperative. The cooperative employs six assembly workers, and eight technical and engineering workers for the preparation of projects and their technical implementation. Looking forward, two topics are of particular interest: handling the generational change with the retirement of the founder members and finding entrepreneurial activities that enable the cooperative to adapt to the current period characterised by a decline in industrial production, an energy crisis, and a lack of technically educated people.

### Takeaways

- Cooperative model followed as it was considered to offer job security and long-term stability, especially when developing the business into new and unexplored fields.
- Redeployment and adaption of existing skill base and expertise (agricultural automation) to new economic activities/sectors

### Additional Information Sources

- <https://cecop.coop/stories/elap-czechia>

## Emissions Zéro

Belgium

<https://www.emissions-zero.coop/>

Created in 2007, Emissions Zéro (EZ) is a citizen cooperative that invests in the production of renewable energy in Wallonia and Brussels. It aims to boost development of 100% Belgian green electricity and to promote citizens' control over energy production and consumption. EZ selects profitable projects to be able to develop the cooperative while offering a reasonable financial return to the partners active in the production of green electricity. Its projects include:

- Installation and operation of 2 wind turbines, of which it is a 50% owner in partnership with two municipalities. Construction of a wind turbine, without the help of a developer, is planned for 2023.
- Provision of financial support to the Monceau-sur-Sambre hydroelectric power station on the Sambre River, which is 75% cooperative owned (by EZ and 9 citizen cooperatives). EZ provided half the cooperative funding in the form of a subordinate loan of €250,000.
- 64% stake in an agricultural and civic biogas plant in Ochain, operational since 2017 for the production of electricity and heat (heating + domestic hot water);
- Third-party investor in PV installations, and operating PV on roofs of public buildings, car parks, and schools. It provides a total of 17000 MWh of electricity annually.
- Financing of two biomass boilers for heating of a nursing and care home in Cul-des-Sarts (Couvain).

### Takeaways

- Mobilisation of citizens to finance renewable energy projects (share offer) in partnership with local municipalities, thereby retaining local ownership.
- Progression from financing 'own' projects to becoming a third-party investor in 'other' renewable energy projects.

## The Evergreen Cooperatives

United States

<https://www.evgo.com/>

Launched in 2008 by a working group of Cleveland-based institutions (including the Cleveland Foundation, the Cleveland Clinic, University Hospitals, Case Western Reserve University, and the municipal government), the Evergreen Cooperative Initiative is working to create living-wage jobs in six low-income neighbourhoods in Cleveland. The initiative focuses on economic inclusion and building a local economy from the ground up. Evergreen Initiative first creates the jobs, and then recruits and trains residents to fill them. It first established a cooperative laundry serving medical facilities. The next cooperatives dealt with photovoltaic installations, thermal modernisation of buildings and food production. Since 2018, the investment fund Evergreen Cooperatives is also buying companies and transforming them into new employee-owned businesses.

### Takeaways

- Initiative to create cooperative businesses providing living-wage jobs in low-income neighbourhoods.
- Acting as the initiator, the local government provided limited funds, mainly in the form of loans. However, its participation and authority made it possible to obtain financing from private and federal funds. Further development of the cooperative is guaranteed by a revolving fund to which they contribute 10% of their profits for common purposes.
- Supports cooperative businesses across diverse sectors (energy, laundry, food). Initially creating the business then recruiting and training residents to become workers in these businesses.
- The Evergreen Cooperatives buys up companies and transforms them into worker-owned businesses.

## Gruppo SSI

Spain

<https://grupossi.es/>

The cooperative group Grupo SSI has the function of providing a comprehensive response to the social needs of people with social vulnerability and dependency in the Basque Country, Spain. Grupo SSI was founded in 1986, to answer the challenge of formalising the caregiving profession in Bilbao, rapidly expanding to 500 employees within four years and it currently employs 570 people. Now Grupo SSI is a group of worker cooperatives, specialised in different care services focusing on different social challenges, especially around the silver economy and care of the elderly. In addition to delivery of personal social services, the group provides professional training, entrepreneurship mentoring, and is involved in research, development and innovation projects.

### Takeaways

- Cooperative provides formal structure for previously non-professionally and unorganised service providers

### Additional Information Sources

- <https://cecop.coop/stories/grupo-ssi-spain>

## Hobelwerk

Switzerland

<https://www.hobelwerk-winterthur.ch/de/bauen.html>

Hobelwerk is a project for redevelopment of a former wood processing site in Winterthur into a residential and commercial area, undertaken by the mehr als wohnen (more than living). The complex will include apartments, studios, commercial and community spaces over 15000 m<sup>2</sup>, for over 400 persons. It will offer a mix of micro, small, family and large apartments providing living space for people from different life situations and cultures: individuals, small and large families, shared apartments, people with special housing needs, older people, people with different living budgets, children and young people. With a wide range of communal indoor and outdoor spaces, more than living promotes solidarity in this diverse neighbourhood.

### Takeaways

- Repurposing of former industrial site for residential, commercial and community spaces.
- Persons wanting to rent an apartment must buy shares in the cooperative (covering the costs of land and constructions). The cooperative does not make a profit and rents are set to cover only costs of the cooperative (interest of borrowed finance, administration, repairs and maintenance).

## Loco Home Retrofit

United Kingdom

<https://locohome.coop/>

Launched in December 2021, Loco Home Retrofit (LHR) is a co-operative of householders, contractors and advisers focused on promoting energy efficiency within homes, tackling the climate crisis and keeping energy bills affordable. LHR follows a community wealth-building approach that places knowledge, control, wealth and benefits back into the hands of the community. Members share their experiences and expertise, as well as connecting potential customers to trusted local contractors for their retrofitting projects (e.g., insulating homes and replacing gas boilers with zero emissions alternatives such as heat pumps). LHR enables local professionals to gain the requisite knowledge to move into the energy efficiency retrofit sector through open access events and resources. It provides an advice service to help homeowners fully understand their retrofitting options, and pursues retrofitting projects in partnership with industry, social landlords, local authorities and other stakeholders.

### Takeaways

- Diverse membership households (citizens) and contractors (local business)
- Sharing experiences and expertise of members as well as connecting residents to trusted local contractors for their retrofitting projects
- Address knowledge, skills and resource shortage for retrofitting activities through support to local professionals to gain the requisite knowledge (open access events and resources) and customer leads to move into the energy efficiency retrofit sector.

## New Era Windows Co-operative

United States

<https://newerawindows.com/Content/newerawindows.com.html>

Following bankruptcy of the original business, followed by an unsuccessful partial reopening, industrial dispute, and an eventual deal in 2012 to allow the workers to buy what they needed to run their own factory, New Era Windows was created as a worker-owned windows manufacturer. The company promotes an economic model that values both quality products and quality jobs, and which makes its mission to care for community and environment.

### Takeaways

- Trade union support coming from the United Electrical Workers Union, in partnership with The Working World, which had worked with dozens of worker controlled factories in Latin America, and the Center for Workplace Democracy, an organisation dedicated to supporting worker control.

## Plymouth Energy Community

United Kingdom

<https://plymouthenergycommunity.com/>

The Plymouth Energy Community (PEC Trust) is a member-led organisation aiming to empower the local community to create a fair, affordable, zero carbon energy system with local people at its heart. In the following year, a sister cooperative for investments in renewable energy sources was launched (PEC Renewables) and in 2020 PEC Homes was established to build community owned, net zero affordable housing developments. PEC has a team of 25 employed staff, 700 members and supporters and 500 investor-members, who receive a fair interest on their investment. Part of the cooperative's profit is allocated to projects that benefit the local community (e.g., installation of free solar panels for schools and community organisations).

### Takeaways

- Initial impetus from the City Council, recognising the potential of a community-owned organisation to help addressing fuel poverty and carbon emissions in the city.
- Local government support for preparing an initial business plan and recruiting founding members (including residents and local organisation)
- Mobilise citizens to finance renewable energy and energy efficiency projects (share offer).
- Expanded to providing advisory services and development of affordable housing.

## Ri-Maflow

Italy

<https://rimaflow.it/>

After closure of the Maflow automobile component factory in 2012, with the loss of 330 jobs, the workers launched the Ri-Maflow project that eventually resulted in workers taking over the factory. Recognising that it would be impossible to regain their traditional market, the cooperative developed various production and service activities, mainly in the field of recycling and ecology (e.g., reuse and recycling of electrical and electronic equipment). Subsequently, the cooperative moved to a more modern facility in another former factory. The activities of the cooperative expanded to include logistic strategies for local farmers, production of biological food, and sharing of spaces and tools with local artisans. The former factory hosts a cafeteria, a bar, an organic market, 35 artisan workshops (e.g., furniture restoration, bike repair, jewellery-making), an ICTs repair centre, caravans/campers storage, and a paper recycling depot where plastic-coated wallpaper is processed.

### Takeaways

- Redeployment and adaption of existing skill base and expertise (automotive components) to new economic activities/sectors.
- Expansion of range of services to support development of local businesses.
- Repurposing of former industrial buildings for diverse commercial and community-based activities.
- Activities are carried out with low investment capital as self-restored second-hand machinery is used. Exhibitions, cultural activities, and a bar cover financial needs.

### Additional Information Sources

- <https://sharingandcaring.eu/case-study/rimaflow-recovering-and-self-managing-work>
- [https://www.ilo.org/wcmsp5/groups/public/@ed\\_dialogue/@actrav/documents/publication/wcms\\_312039.pdf](https://www.ilo.org/wcmsp5/groups/public/@ed_dialogue/@actrav/documents/publication/wcms_312039.pdf)
- <http://www.cadtm.org/Italy-RiMaflow-an-exemplary-workers-struggle-of-the-21st-century>
- <https://rimaflow.it/wp-content/uploads/BILANCIO-SOCIALE-2021-Rimaflow-WEB.pdf>

## Smart

Belgium

<https://smartbe.be/>

Smart began in 1998 as a non-profit organisation for artists in Belgium that, over time, has become a cooperative of freelancers and entrepreneurs from different sectors of activity. Smart operates as a shared enterprise, allowing members to carry out their work independently while sharing the services and tools (e.g., administrative and payroll, insurance, management platform, shared workspaces, training and advice) needed to manage their business. Persons joining SMART become employees, allowing them to share administrative credentials, such as a VAT number, while facing fewer personal risks than if they operated as a freelancer or independent entrepreneur, including removing the risk of individual bankruptcy. Moreover, Smart provides a gateway to a network of several thousand peers who have made the same choice and with whom they can exchange, share, and cooperate. Members contribute through an annual share contribution (€30), and payments based on business performance (turnover and employment budget). Smart has 19,000 workers in Belgium, and a network of partners in 8 countries throughout Europe (Austria, Germany, France, Italy, Netherlands, Spain, and Sweden)

### Takeaways

- Originally created for artists, the flexible and protective model of Smart attracted workers from other sectors of activity facing the same need for autonomy and security. Moreover, it can propose mutualised services that would otherwise be more expensive or difficult to access.
- Smart has a diversified profile of members: some with entrepreneurial aspirations of growing their business and creating jobs, while others work in sectors of activities or jobs where intermittency is widespread, and for others the choice freelance working reflects an inability to find a job on the labour market that suited them. Smart also caters for workers to develop a second job alongside a main job that provides them with economic stability, or occasionally generating income from side-jobs or a hobby.

### Additional Information Sources

- [https://www.scielo.sa.cr/scielo.php?pid=S1659-49322022000100001&script=sci\\_arttext](https://www.scielo.sa.cr/scielo.php?pid=S1659-49322022000100001&script=sci_arttext)

# **Social Economy and Social Enterprises: observations from international experience**