

Annex D. Definitions of the social and solidarity economy and similar notions used in legal texts

The table below provides an overview of the definitions of the social and solidarity economy – or similar terms – included in national framework laws or specific laws across the countries targeted by the Global Action. This table aims to show the diversity of approaches used to define the social and solidarity economy although it must be acknowledged that the objectives and scope of the below-mentioned legal texts greatly differ.

Country	Name and date of the legislation	Definition
Bulgaria	Act on Enterprises of the Social and Solidarity Economy (240/2018)	<p>(Article 2) This act aims to promote the development of a social and solidarity economy as a branch of the economy with special rules for: 1. improvement of access to employment and training to acquire or improve professional qualification aimed to raise the living standard of the persons referred to in Item 4 of Article 7; 2. the creation of conditions for support of the social inclusion and independent lifestyle of the persons pursuant to Item 4 of Article 7; 3. reduction of social inequality and sustainable territorial development.</p> <p>(Article 3) Social and solidarity economy is a form of entrepreneurship aimed at one or several social activities and/or social goals, including by the production of various goods or the provision of services in co-operation with state or local authorities, or independently.</p> <p>(Article 4) The following shall be the principles of social and solidarity economy: 1. advantage of social before economic goals; 2. association for public and/or collective benefit; 3. publicity and transparency; 4. independence from state authorities; 5. participation of the members, workers or employees in managerial decision-making</p> <p>(Article 5) The subjects of social and solidarity economy shall include cooperatives, not-for-profit, legal persons operating for public benefit and social enterprises.</p>
France	Framework Law on the Social and Solidarity Economy (2014)	<p>(Article 1) I-The social and solidarity economy is a form of entrepreneurship and economic development adapted to all areas of human activity, to which legal entities under private law adhere if they meet the following cumulative conditions: A goal other than the mere sharing of profits; A democratic governance, defined and organised by the statutes, providing for information and participation, the extent of which is not solely linked to the capital contribution or to the amount of the financial contribution of the members, employees and stakeholders in the achievements of the company; A management in accordance with the following principles: The profits are mainly devoted to the objective of maintaining or developing the activity of the company; The compulsory reserves constituted, which may not be shared out, may not be distributed. The statutes may authorise the general assembly to incorporate into the capital sums taken from the reserves established under this law and to increase the value of the shares accordingly or to make distributions of bonus shares. II- The social and solidarity economy is composed of the activities of production, transformation, distribution, exchange and consumption of goods or services implemented:</p>

		<p>By legal persons under private law constituted in the form of cooperatives, mutual benefit societies or unions under the mutual benefit code or mutual insurance companies under the insurance code, foundations or associations governed by the law of 1 July 1901 relating to the contract of association or, where applicable, by the local civil code applicable to the departments of Bas-Rhin, Haut-Rhin and Moselle;</p> <p>By commercial companies which, under the terms of their articles of association, fulfil the following conditions:</p> <p>They comply with the conditions set out in paragraph I of this article;</p> <p>They seek to be socially useful within the meaning of Article 2 of this law;</p> <p>They apply specific management principles (see Framework Law for more details).</p>
Greece	Law on Social and Solidarity Economy (4430/2016)	<p>(Article 2.1)</p> <p>"Social and Solidarity Economy" is defined as the set of economic activities based on an alternative form of organisation of relations of production, distribution, consumption and reinvestment, based on the principles of democracy, equality, solidarity, co-operation, and respect for people and the environment.</p> <p>(Article 3.1)</p> <p>"Social and solidarity economy bodies" are:</p> <ol style="list-style-type: none"> "Social Cooperative Enterprises", Social Cooperatives of Limited Responsibility (CSOs) governed by Article 12 of Law 2716/1999 (A' 96), supplemented by the provisions of Law 1667/1986 (A' 196), Article 12 of Law 3842/2010 (A' 58) and this Law, Employees' Cooperatives, established by Article 24, Any other legal person not having a single person, if it has acquired legal personality, such as agricultural cooperatives of Law 4384/2016 (A' 78), civil cooperatives of Law 1667/1986, Civil Companies of Articles 741 et seq. of the Civil Code, if the following conditions are cumulatively met (...)
Italy	Law 106/2016 for the Reform of the 'Third Sector', social enterprise and universal civil service	<p>(Article 1)</p> <ol style="list-style-type: none"> The third sector is defined as the group of private entities established for the pursuit of civic, solidarity and social utility purposes on a non-profit basis, and which, in implementation of the principle of subsidiarity and in accordance with their respective articles of association or deeds of incorporation, promote and carry out activities in the general interest by means of voluntary and non-remunerative action, by mutuality, or by the production and exchange of goods and services.
Luxembourg	Act on Societal Impact Companies (2016)	<p>(Article 1)</p> <p>The social and solidarity economy is a form of entrepreneurship to which legal entities under private law adhere if they fulfil the following conditions:</p> <ol style="list-style-type: none"> Pursue a continuous activity of production, distribution or exchange of goods or services. Meet primarily at least one of the following two main conditions: <ul style="list-style-type: none"> They aim to provide, through their activity, support for people in vulnerable situations, either because of their economic or social situation, or because of their personal situation and particularly their state of health or their need for social or medico-social support. These persons may be employees, customers, members, subscribers or beneficiaries of the company; They aim to contribute to the preservation and development of social ties, the fight against exclusion and health, social, cultural and economic inequalities, gender equality, the maintenance and reinforcement of territorial cohesion, environmental protection, the development of cultural or creative activities and the development of initial or continuing training activities. To be autonomous in the sense that they are fully capable of choosing and dismissing their governing bodies and of controlling and organising all their activities. Apply the principle that at least half of the profits generated are reinvested in the maintenance and development of the company's activity.
Mexico	Law on the Social and Solidarity Economy (2012, last amended in 2019)	<p>(Article 3)</p> <p>The Social Sector of the Economy is the sector of the economy referred to in the eighth paragraph of article 25 of the Political Constitution of the United Mexican States, which functions as a socio-economic system created by socially owned organisations, based on relations of solidarity, co-operation and reciprocity, privileging work and the human being, formed and administered in an associative manner, to satisfy the needs of its members and the communities where they develop, in accordance with the terms established in the present Law.</p> <p>(Article 4)</p> <p>The Social Sector of the Economy shall be composed of the following forms of social organisation:</p>

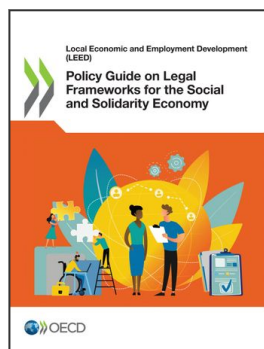
		<ul style="list-style-type: none"> – Communal farmlands (<i>ejidos</i>); Communities; Workers' organisations; Cooperative Societies; Enterprises that are majority or exclusively owned by the workers; and – In general, all forms of social organisation for the production, distribution and consumption of socially necessary goods and services. <p>(Article 8)</p> <p>The aims of the Social Sector of the Economy are as follows:</p> <ol style="list-style-type: none"> 1. To promote the values of human rights, social inclusion and, in general, the full development of the human being; 2. To contribute to the socio-economic development of the country, participating in the production, distribution and consumption of socially necessary goods and services. 3. To promote education and training by encouraging practices that consolidate a culture of solidarity, creative and enterprising culture; 4. To contribute to the exercise and improvement of participatory democracy; 5. To participate in the design of plans, programmes and projects for economic and social development, in terms of the applicable legislation; 6. Facilitate the participation and access to training, work, property, information, management and equitable distribution of benefits without discrimination of any kind to the Associates of the Sector Organisations; 7. Participate in the generation of sources of work and better ways of life for all people; 8. Promote the full creative and innovative potential of workers, citizens and society, 9. Promote productivity as a mechanism for social equity. <p>(Article 9)</p> <p>The Organisations of the Sector shall take into account the following principles in their internal organisation: Autonomy and independence from the political and religious sphere; Participatory democratic regime; Self-management form of work; Interest in the community.</p> <p>(Article 10)</p> <p>The Sector Organisations shall orient their actions on the following values: Mutual aid; Democracy; Fairness; Honesty; Equality; Justice; Plurality; Shared responsibility; Solidarity; Subsidiarity; Transparency; Trust; Self-management; and Social Inclusion.</p>
Portugal	Social Economy Framework Law (2013)	<p>(Article 2)</p> <ol style="list-style-type: none"> 1. Social economy shall be understood as the set of economic and social activities freely undertaken by the entities referred to in Article 4 of this law. 2. The activities provided for in paragraph 1 are intended to pursue the general interest of society, either directly or through the pursuit of the interests of its members, users and beneficiaries, when socially relevant. <p>(Article 4)</p> <p>The following entities, as long as covered by the Portuguese legal system, are part of the social economy:</p> <ul style="list-style-type: none"> – Cooperatives; Mutual associations; Charitable institutions; Foundations; Private social solidarity institutions not covered by the previous subparagraphs; Associations with altruistic purposes acting within the cultural, recreational, sports and local development scope; The entities covered by the community and self-managed sub-sectors, integrated under the terms of the Constitution into the cooperative and social sector; and – Other entities endowed with legal personality, which respect the guiding principles of the social economy as provided for in Article 5 of this law and are included in the social economy database. <p>(Article 5)</p> <p>Social economy entities are autonomous and act within the scope of their activities in accordance with the following guiding principles:</p> <ul style="list-style-type: none"> – The primacy of people and social objectives; – Free and voluntary membership and participation; – Democratic control of the respective bodies by their members; – Conciliation between the interests of members, users or beneficiaries and the general interest; – Respect for the values of solidarity, equality and non-discrimination, social cohesion, justice and equity, transparency, shared individual and social responsibility and subsidiarity;

		<ul style="list-style-type: none"> – The autonomous and independent management of public authorities and of any other entities outside the social economy; – The allocation of surpluses to the pursuit of the purposes of social economy entities in accordance with the general interest, without prejudice to respect for the specificity of the distribution of surpluses, proper to the nature and substratum of each social economy entity, as enshrined in the Constitution.
Romania	Law on Social Economy (219/2015)	<p>(Article 2)</p> <p>(1) The social economy is the set of activities organised independently from the public sector, the purpose of which is to serve the general interest, the interests of a community and/or personal non-pecuniary interests by increasing the employment of persons belonging to vulnerable groups and/or producing and supplying goods, providing services and/or carrying out works.</p> <p>(2) The social economy is based on private, voluntary, and solidarity-based initiative, with a high degree of autonomy and responsibility, and limited distribution of profits to members.</p> <p>(Article 3)</p> <p>(1) For the purposes of this law, social enterprises may be:</p> <ul style="list-style-type: none"> (a) cooperative societies of the first degree, operating on the basis of Law No 1/2005 on the organisation and functioning of cooperatives, republished; (b) credit cooperatives, operating under Government Emergency Ordinance No 99/2006 on credit institutions and capital adequacy, approved with amendments and additions by Law No 227/2007, as amended; (c) associations and foundations, operating on the basis of Government Ordinance No 26/2000 on associations and foundations, approved with amendments and additions by Law No 246/2005, as subsequently amended and supplemented; (d) mutual benefit societies for employees, operating pursuant to Law No 122/1996 on the legal status of mutual benefit societies and their unions, republished; (e) pensioners' mutual benefit societies, which are set up and operate on the basis of Law No 540/2002 on mutual aid houses for pensioners, as amended and supplemented subsequent additions; (f) agricultural companies, which operate on the basis of Law No 36/1991 on agricultural companies and other agricultural associations, as subsequently amended; (g) any other categories of legal persons which, according to the legal acts of establishment and organisation, cumulatively comply with the definition and principles of the social economy provided for in this Law. <p>(2) Federations and unions of legal persons referred to in paragraph (1) may be social enterprises.</p> <p>(Article 4)</p> <p>The social economy is based on the following principles:</p> <ul style="list-style-type: none"> (a) priority given to the individual and to social objectives over profit-making. (b) solidarity and collective responsibility; (c) convergence between the interests of the associated members and the general interest and/or the interests of a community; (d) democratic control of the members over the activities carried out; (e) voluntary and free nature of the association in the forms of organisation specific to the social economy; (f) separate legal personality, autonomy of management and independence from public authorities; (g) allocation of the major part of the financial profit/surplus to the attainment of objectives of general interest, of a community or in the non-pecuniary personal interest of the members.

Slovakia	Act on Social Economy and Social Enterprises (2018)	<p>(Article 3)</p> <p>The social economy is the sum of productive, distributional or consumer activities carried out through economic activity or non-economic activity independently of state bodies, whose main goal is to achieve a positive social impact.</p> <p>(Article 4)</p> <p>(1) The subject of the social economy is a civic association, foundation, non-investment fund, public benefit organisations, religious organisations, trade companies, cooperatives or sole proprietors which:</p> <ul style="list-style-type: none"> (a) are not majority controlled by a state body, the state body does not finance them for the most part, does not appoint or elect a statutory body or more than half of its members and does not appoint or elect more than half of the members of the management body or supervisory body, (b) are engaged in an economic or non-economic activity within the framework of social economy activities, and (c) if they undertake or perform other gainful activity in accordance with special regulations, they do not perform them exclusively for the purpose of making a profit or use the profit from them in the manner provided for in this Act. <p>(2) For the purposes of paragraph 1 letter a) financing is not the provision of support under this Act or special regulations.</p>
Slovenia	Social Entrepreneurship Act (2018)	<p>(Article 2)</p> <p>Social economy is defined as an economy consisting of social enterprises, cooperatives, companies for people with disabilities, employment centres, non-governmental organisations (associations, institutes, institutions or foundations), which are not established solely for the purpose of making a profit, operate for the benefit of their members, users or wider communities and produce commercial or non-commercial products and services.</p>
Spain	Law 5/2011 on the Social Economy	<p>(Article 2)</p> <p>The term social economy refers to all economic and entrepreneurial activities carried out in the private sphere by entities which, in accordance with the principles set out in article 4, pursue either the collective interest of their members or the general economic or social interest, or both.</p> <p>(Article 4)</p> <p>The social economy entities act on the basis of the following guiding principles:</p> <ul style="list-style-type: none"> – Primacy of people and social purpose over capital, which takes the form of autonomous and transparent, democratic and participatory management, leading to prioritising decision-making more in terms of people and their contributions of work and services provided to the entity or in terms of the social purpose, than in relation to their contributions to the social capital. – Application of the results obtained from the economic activity mainly according to the work contributed and the service or activity carried out by the members or their members and, where appropriate, to the social purpose of the entity. – Promotion of internal solidarity and with society that favours commitment to local development, equal opportunities between men and women, social cohesion, the insertion of people at risk of social exclusion, the generation of stable and quality employment, the reconciliation of personal, family and working life and sustainability. – Independence from public authorities. <p>(Article 5)</p> <ol style="list-style-type: none"> 1. The social economy includes co-operatives, mutual societies, foundations and associations that carry out economic activity, labour companies, insertion companies, special employment centres, fishermen's associations, agricultural processing companies and singular entities created by specific regulations that are governed by the principles set out in the previous article. 2. The social economy may also include those entities that carry out economic and entrepreneurial activity, whose operating rules comply with the principles listed in the previous article, and which are included in the catalogue of entities established in article 6 of this Act. 3. In any case, social economy entities shall be regulated by their specific substantive rules.

Note: Authors' translation of official legal texts

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