

Social entrepreneurship: employability and perspectives

Giorgia Perra

AICCON

www.aiccon.it

Agenda

1. Social economy in Europe
2. Social economy and social entrepreneurship in Italy
3. Challenges for social enterprises in the next future
4. Young people and social entrepreneurship

Agenda

1. Social economy in Europe
2. Social economy and social entrepreneurship in Italy
3. Challenges for social enterprises in the next future
4. Young people and social entrepreneurship

Definition of social economy

- The overall aim of the activities of social economy organizations includes both the **provision of goods and services to their members or community and the pursuit of general interest goals.**
- The **importance of social economy in the European development strategies** is increasing, in order to fill the gap generated by the austerity measures implemented during the crisis.
- Towards the achievement of Europe 2020 goals, it is necessary **to overcome the dualism State-market**, giving to the development concept an important role to **social dimension.**

Importance of social economy in Europe

| Country | Units | Paid workers | Volunteers |
|----------------|-----------|--------------|-------------|
| FRANCE | 192,497 | 2,318,544 | 12,646,908 |
| BELGIUM | 18,653 | 462,541 | 2,341,994 |
| BULGARIA | 24,342 | 121,300 | 784,501 |
| ITALY | 99,127 | 2,228,010 | 13,484,222 |
| UNITED KINGDOM | 875,555 | 1,633,000 | 11,774,457 |
| SPAIN | 200,768 | 1,243,153 | 598,298 |
| AVERAGE EU-27 | 103,163 | 523,264 | 3,830,572 |
| TOTAL EU-27 | 2,785,422 | 14,128,134 | 103,425,450 |

It is estimated that the social economy in Europe (co-ops, mutuals, associations and foundations) represents the **10% of all the European enterprises and engages from 6% to 6.5% of total European paid employment.** (European Commission – 2013)

Definition of social entrepreneurship

The SBI definition incorporates the **three key dimensions of a social enterprise**:

- **An *entrepreneurial dimension***, i.e. engagement in continuous economic activity, which distinguishes social enterprises from traditional non-profit organisations/ social economy entities (pursuing a social aim and generating some form of self-financing, but not necessarily engaged in regular trading activity);
- **A *social dimension***, i.e. a primary and explicit social purpose, which distinguishes social enterprises from mainstream (for-profit) enterprises; and,
- **A *governance dimension***, i.e. the existence of mechanisms to 'lock in' the social goals of the organisation. The governance dimension, thus, distinguishes social enterprises even more sharply from mainstream enterprises and traditional non-profit organisations/ social economy entities.

social entrepreneurship in Europe per country

| Country | Units | Legal form |
|----------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BELGIUM | 3,026 | WISE Social purpose company |
| BULGARIA | 5,000 | Co-operatives Enterprises NGO |
| FRANCE | 5,512 | Enterprises of reintegration by economic activities SCIC |
| SPAIN | 7,830 | Sheltered employment centres WISE Associations carrying economic activity Foundations carrying economic activity Social initiative cooperatives |
| UNITED KINGDOM | 70,400 | |

Source: DG ENT, ICFGHK (2014)

Agenda

1. Social economy in Europe
2. Social economy and social entrepreneurship in Italy
3. Challenges for social enterprises in the next future
4. Young people and social entrepreneurship

Incidence of social economy on the Italian production system (2011)

| | | Public sector | Private sector | | Total |
|-----------------------|----|---------------|----------------|----------------|-------------------|
| | | | Enterprises* | Social economy | |
| Organizations | u. | 12,183 | 4,372,096 | 355,045 | 4,739,324 |
| | % | 0.3 | 92.3 | 7.5 | 100.0 |
| Paid workers** | u. | 2,969,988 | 15,718,330 | 2,208,046 | 20,896,364 |
| | % | 14.2 | 75.2 | 10.6 | 100.0 |

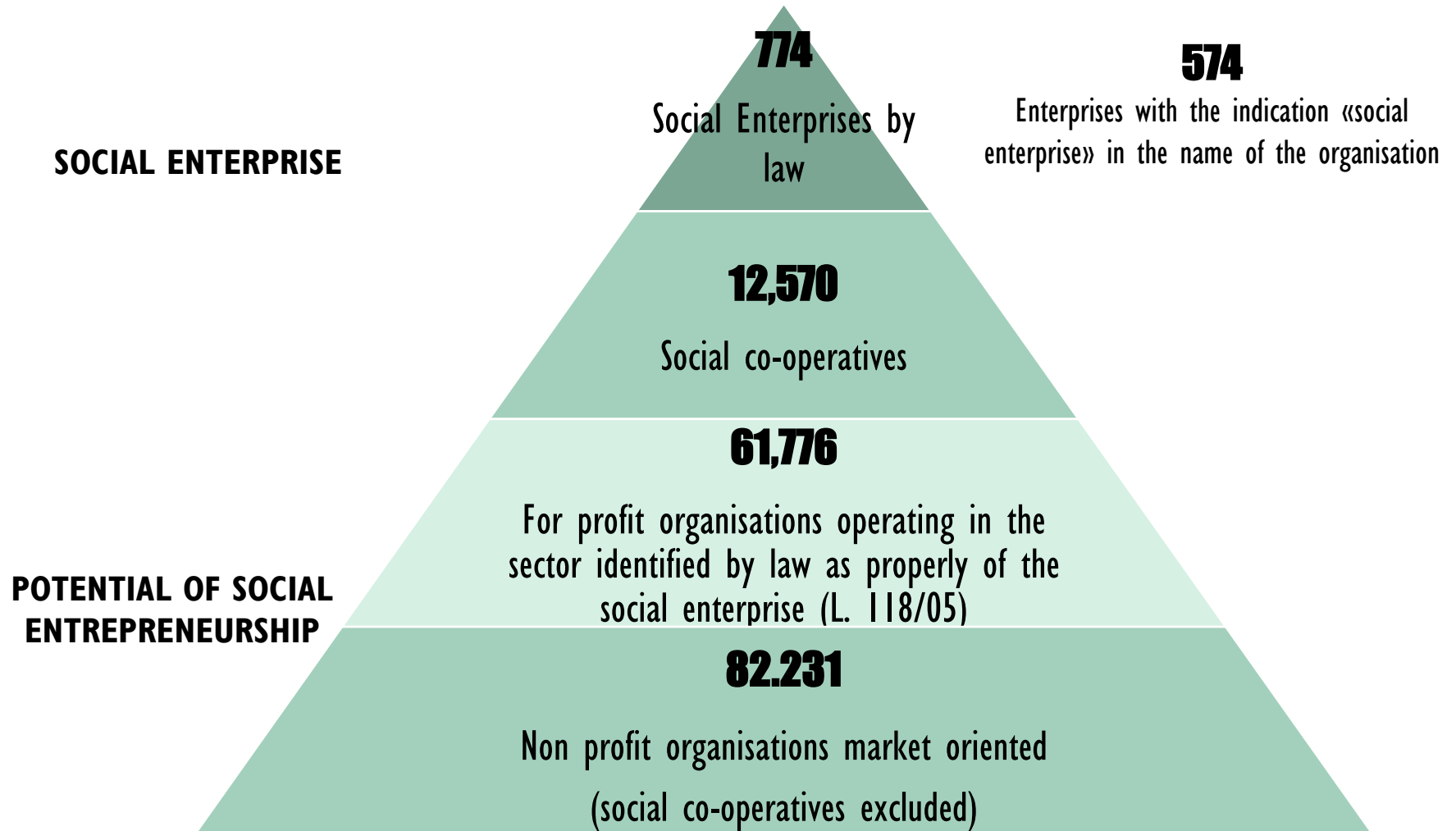
* Excluding cooperatives and enterprises controlled by cooperatives

** The category includes: employees (employees and self-employed), consultants and temporary workers

In 2011 Italian social economy organizations contributed for **3.4%** to the national GDP

Source: ISTAT, 2011

Social enterprise and the potential of social entrepreneurship in Italy



Source: Iris Network, Aiccon and Euricse on sources Unioncamere, Inps and Istat. (2013)

Employability of social enterprises in Italy

- **Social co-operatives** employ more than **500,000 people**, among which the 73,9% women and 62,9% with long-term contracts;
- **Social enterprises** by law employ **29,000 people**, among which 87% women and 70% with long-term contracts

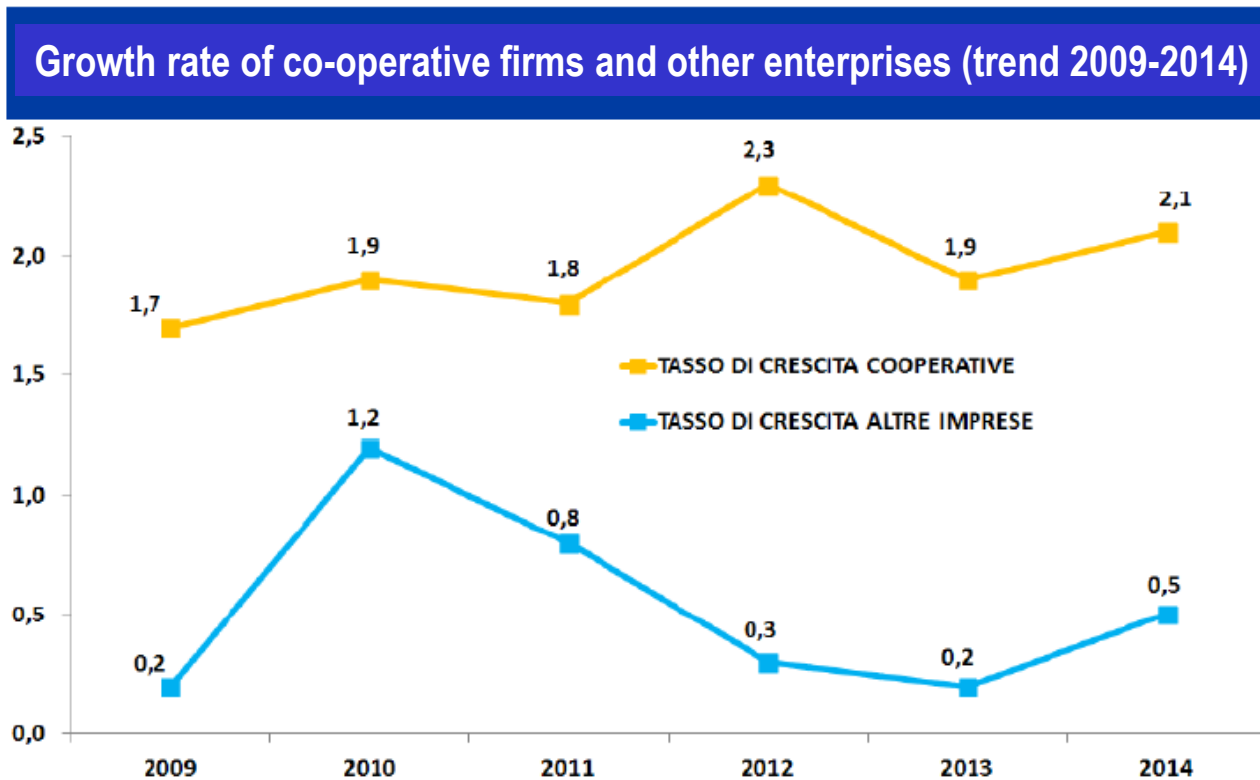


LABOUR INTENSIVE ENTERPRISES

Social economy in Italy: a dynamic sector also during the crisis

In 2014 in Italy was founded 7,500 co-operative firms.

According to the data of the Italian Chamber of Commerce - Movimprese the growth rate of co-operative firms was always positive from 2009 to 2014 and higher of that registered by the for profit organisations.



Source: Alleanza delle Cooperative Italiane (2015), data Camere di Commercio – Movimprese

Agenda

1. Social economy in Europe
2. Social economy and social entrepreneurship in Italy
3. Challenges for social enterprises in the next future
4. Young people and social entrepreneurship

Challenges of social enterprises in the next future

- Reduction of Public expenditure on social services;
- Emerging new needs and new forms of vulnerability;
- Finding new way of producing social value (buy social, cross-fertilisation, hybrid organization, social innovation);
- Measuring social impact.

Agenda

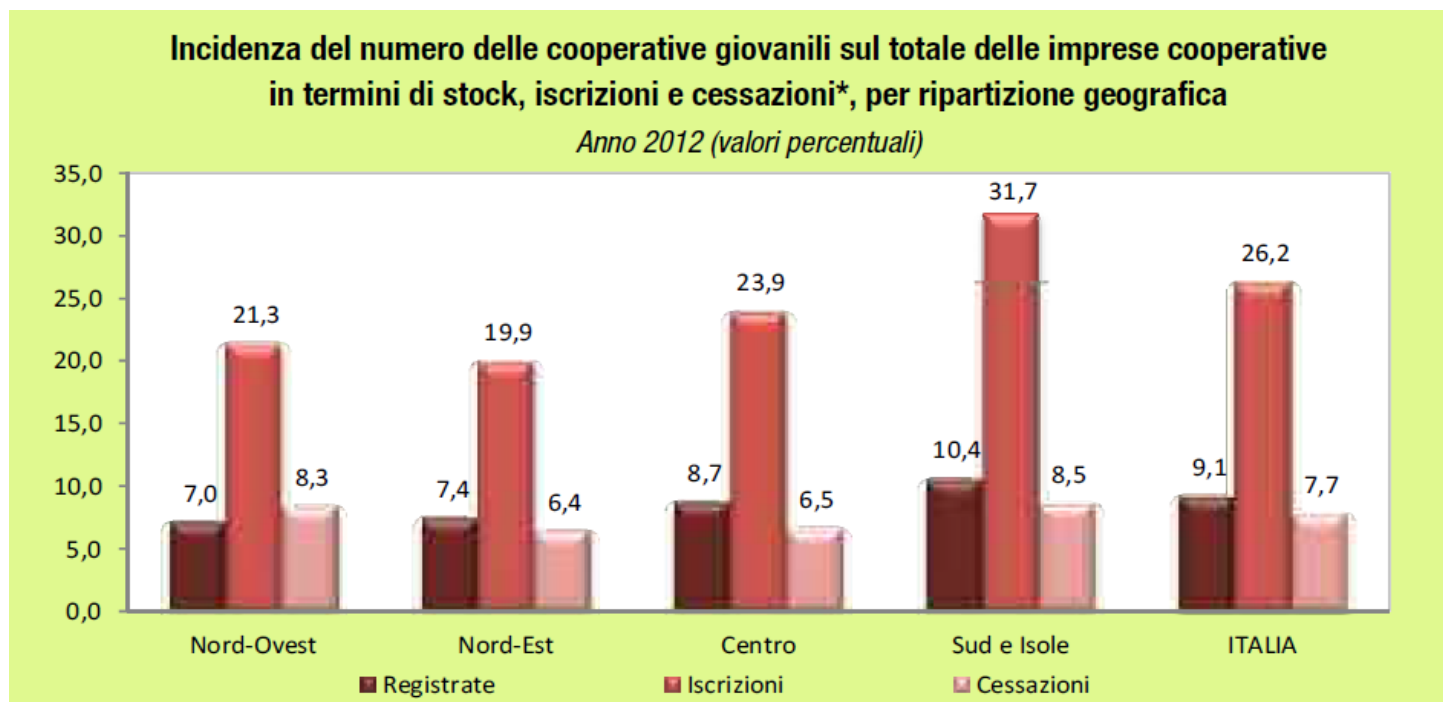
1. Social economy in Europe
2. Social economy and social entrepreneurship in Italy
3. Challenges for social enterprises in the next future
4. Young people and social entrepreneurship

Youth unemployment rate

- **More than 4.5 million young people** (aged 15-24 years) **are unemployed** today in the EU.
- The EU **youth unemployment rate is more than double the overall unemployment rate** (20% compared with 9%) and masks big differences between countries: there is a gap of more than 40 percentage points between the Member State with the lowest rate of youth unemployment (Germany at 7%) and the Member States with the highest rates, Greece (50%) and Spain (49%).
- Overall **employment rates for young people fell** by more than four percentage points between 2008 and 2014 (from 37.3% to 32.5%) – about eight times as much as for adults.
- High youth unemployment co-exists sometimes with increased difficulties in filling vacancies. This points to the existence of **labour market mismatches**, due to inadequate skills, limited geographic mobility or inadequate wage conditions.

New young co-operatives in Italy

- In 2012 young co-operatives were **13,474** (9.1% of total co-operatives in Italy), with a growth rate of **12.2%** (higher than the average of young for profit enterprises – 10.1%).
- The propension to entrepreneurship in Italy is 9.8% between young people.



Giorgia.perra3@unibo.it

