
**THE INTERNATIONAL CENTER OF RESEARCH
AND INFORMATION ON THE PUBLIC, SOCIAL AND
COOPERATIVE ECONOMY (CIRIEC), A NETWORK TO
BETTER UNDERSTAND AND PROMOTE THE SOCIAL
ECONOMY AND COOPERATIVE ENTREPRENEURSHIP**

Bernard THIRY*

CIRIEC is a non-governmental international scientific organization. It is a worldwide network with many members (12 national sections, other institutional members, researchers, ...).

For many years CIRIEC has realized and published a lot of scientific works on the social economy and especially on cooperatives.

*This is a long-standing tradition going back to the foundation of CIRIEC in Geneva (Switzerland) in 1947¹ or even to the foundation of its review *The Annals of Public and Cooperative Economics* in 1908.²*

Most of these works are now realized by working groups set up with members of our scientific network.

These groups usually publish their final results as a “collective” book under the editorship of those professors who take in charge the scientific coordination of a group.

Among the many books published within 30 years on cooperatives and other Social economy organizations I may mention:

*- ZEVİ A. and MONZÓN CAMPOS J. L. (eds), *Coopératives, marchés, principes coopératifs*, Bruxelles, De Boeck, 1995*

*Prof. Dr., General Director of CIRIEC

1) See for example LAMBERT P., *La doctrine coopérative*, Bruxelles, Propagateurs de la coopération, 1959. P. LAMBERT was the second director of CIRIEC (1957-1977).

2) See *The Annals* are 100 years old, *Annals of Public and Cooperative Economics*, Vol 79, N°3/4, September-December 2008.

- COTE D. (ed), *Les holdings coopératifs. Evolution ou transformation définitive ?*, Bruxelles, De Boeck, 2001

- CHAVES R. and SCHEDIWIY R. (eds), *Gobierno, democracia y directivos en las empresas cooperativas*, *Revista de economía publica, social y cooperativa*, N°48, April 2004

- BOUCHARD M. J. (ed), *The Worth of the Social Economy. An International Perspective*, Peter Lang, 2009

- CHAVES R. and DEMOUSTIER D. (eds), *The Emergence of the Social Economy in Public Policy. An International Analysis*, Peter Lang, 2013

- BOUCHARD M. J. and ROUSSELIERE D. (eds), *The Weight of the Social Economy. An International Perspective*, Peter Lang, 2015.

Of course, CIRIEC and its national sections also realize many other researches and publications.

For example, CIRIEC carried out some important research programs for the European Union institutions (European Commission, European Parliament, European Economic and Social Committee, ...) and for international institutions (International Labour Organization, COPAC (Committee for the Promotion and Advancement of Cooperatives³) and so on).

The purpose of this article is obviously not to synthesize all this work. It is simply to present the main topics currently dealt with by CIRIEC's scientific network and to develop the current issues on its agenda.

The two main themes studied by the members of CIRIEC's scientific network during the last years are, firstly, the relation between social economy organizations and territories and, secondly, the evaluation of the social economy especially in the European Union.

³COPAC is a multi-stakeholder partnership of global public and private institutions: United Nations Department of Economic and Social Affairs (UNDESA), ILO, ICA, FAO and World Farmers Organization (WFO).

Social economy and territories

The relation with the territory, the region, or the local area is a key feature of the social economy, even to the point of sometimes being considered as one of its constitutive values.

This is particularly true for the cooperatives: a good illustration for it is that some of them have been strongly involved in nation-building process, for example the MONDRAGON coop group in the Basque country (Spain) and the DESJARDINS coop movement in Québec (Canada).

*To better understand this relation CIRIEC set up a working group with researchers from ten countries and two continents (Europe and the Americas). The results of this group will soon be published (Xabier ITÇAINA and Nadine RICHEZ-BATTESTI (editors), *Social and solidarity-based economy and territory: between interaction and co-construction*, Peter Lang, forthcoming).*

Both Social economy and territories are spaces for interaction between various players and both are to a large extent, social constructions.

As defined by B. PECQUEUR and X. ITÇAINA, a territory is “a gathering of players in a given spatial context that seek to bring out, then attempt to resolve under environmental constraint, a shared societal or production problem”⁴.

Among these players, we can find cooperatives and other SE organizations that may play a pivotal role as they are used to develop specific governance models mixing corporate models, social and general interest objectives and necessity to stay close to their members.

Both Social economy and territories are spaces for social innovation.

Many cases analyzed in this international comparative analysis carried out by the CIRIEC group show the strong ability of cooperatives

⁴) PECQUEUR B. and ITÇAINA X., « Economie sociale et solidaire et territoires : un couple allant de soi ? », RECMA-Revue internationale de l'économie sociale, 2012, 325, pp. 48-64.

and other Social economy (SE) organizations to mobilize resources and to build social capital to cope with the consequences of economic and social crises, to satisfy the new needs of the people and to resolve problems that neither the public authorities nor the market have succeeded to resolve.

They are able to develop new experiments, new forms of organizations and new solutions (short food supply chains, new modalities of job creation, responsible finance, management of common goods, ...) taking advantage of their strong territorial anchorage and of their specific governance.

Cases from Spain, France, Venezuela, Brazil, Romania, ... show also the very great diversity of territorial cooperation and territorial governance with specific roles played by SE organizations.

The more traditional forms of SE organizations such as cooperative banks and agricultural cooperatives, generally of large size, tend also to reinvent their relation to the territory, sometimes seeing it as a factor for competitiveness.

Two small chapters of the foreseen book deal with this topic. I think that this is not enough considering the importance of those organizations in terms of production, employment and inter-cooperation.

The cooperative banks, mutual and cooperative insurance companies, consumer and agricultural cooperatives are very often threatened by an isomorphism process: in order to cope with competitive pressures coming from other types of enterprises, they tend to do the same as these.

This can involve a less close relation to members, a more formal governance, a more profit-oriented management, an opening of the capital to other private enterprises, and so on.

This can be a very successful commercial strategy; but this evolution can pave the way for a complete loss of the specificities of SE organizations.

On the contrary, many SE enterprises have chosen to reestablish

a close relation to members and to refresh their democratic governance model in order to compete successfully on the market.

An international evaluation of the success of this type of strategy could be a very interesting issue to be put on the agenda of CIRIEC's network.

Evaluation of the social economy

Under the joint coordination of Marie J. BOUCHARD and Damien ROUSSELIERE, a publication was brought out in 2015 presenting the results of another CIRIEC working group on the production and interpretation of statistics on the social economy (M. J. BOUCHARD and D. ROUSSELIERE (editors), The weight of the social economy, Peter Lang, 2015).

How define the “weight” of the Social economy (SE)? How might it be measured? Cooperatives, mutuals and non-profit organizations play a very important role in the production of services (sometimes also of goods), in the creation of employment but also in social cohesion, social innovation, regional/local development and protection of the environment.

Observations seem to confirm the capacity of SE organizations as a leveler, an equalizer between economies, counteracting short-term economic cycles and crises.

However, there is a lack of statistical information as to its weight, its scale and its performance in many countries and many regions.

The CIRIEC book fills in the gap in the literature on the SE. It explains why it is important to have statistics on this sector and to understand why these should be produced and considered in order to have SE better understood and better grasped in the future.

This scientific research output offers researchers and policy-makers an overview of the present picture and appraisal of these measuring matters.

14 chapters take stock of the accepted knowledge and insights

and raise questions on the significance of the methods used and on the interpretation of statistics on the SE.

The book bears witness to the pioneering work made by CIRIEC-Spain on this theme⁵ : the creation of an Observatory on the social economy in Spain in 2005, for Latin America in 2008 (OIBESCOOP), the development of a conceptual framework to identify the SE as an institutional sector in the national accounting system in concordance with the United Nations System of National Accounting (SNA) and the European System of National Accounts (ESA), the mapping of the SE organizations in the European Union, ...

The book is divided into two main parts: methodological questions on the production of statistics, and lessons learnt from specific national studies.

The first part explores what representation ensues from the varied methodologies and examines the questions of identifying, qualifying and classifying the entities.

It discusses also issues of international comparison (always a difficult task!) and of the appropriate measurement of the production of the SE organizations.

The second part, more illustrative, is based on experimental evaluations conducted in Belgium, Brazil, Canada, France, Japan, Portugal and the UK. A total of 30 experts took part in this collective CIRIEC work.

As a partial response to the lack of statistical information pointed out in this book, the COPAC (Committee for the Promotion and Advancement of Cooperatives) decided to set up a technical working group on cooperative statistics in order to improve the quality and accessibility of these.

5) MONZÓN J. L., "The pioneer work of CIRIEC-España", in BOUCHARD M. J. and ROUSSELIERE D. (eds), *The weight of the social economy*, Peter Lang, 2015, pp. 31-37. See also MONZÓN J. L., *La Economía Social en la literatura económica y en los hechos: 30 años de historia del CIRIEC-España*, CIRIEC Working Papers 2016/04.

The work is still in progress and CIRIEC experts are involved in it. In their preliminary report, Marie J. BOUCHARD, Damien ROUSSELIERE and Madeg LE GUERNIC present a conceptual framework for the purpose of the measurement of cooperatives and of its operationalization in line with the Resolution III concerning further work on statistics of cooperatives, which was adopted by the 19th International Conference of Labour Statisticians (ILO, 2013).

It is well known that it is not easy to have an operational definition of a cooperative for statistical purpose.

The most widely-used definition set up by ICA is not easy to use for collecting data:

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically-controlled enterprise.

Some researchers have tried to propose a more operational definition, and a special mention must be made to the definition provided in the Manual for Drawing up Satellite Accounts of SE companies.

In this manual realized on behalf of the European Commission, J. BAREA and J. L. MONZÓN propose a working definition of cooperatives, mutual societies and other similar companies belonging to the social economy:

The set of private, formally-organized enterprises with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and services, insurance and finance, where decision making and any distribution of profits or surpluses among members are not directly linked to capital or fees contributed by each member, each of whom has one vote. ⁶

This definition covers more entities than only cooperatives, including many cooperative-like entities and is designed to be used to establish within the general framework of national accounts a specific

satellite account for SE companies.

Clearly the proposed approach is different from the one proposed by L. SALAMON and the Johns Hopkins university project that deals with non-profit organizations and excludes most of cooperatives and other cooperative-like companies.⁷

The report for the COPAC will also deal with issues related to the boundaries of the cooperative sector, such as the inclusion of hybrid entities. Should we include in the cooperative sector the subsidiaries and the non-cooperative enterprises in which cooperatives have a controlling interest? What about the so-called “false cooperatives” that are entities with cooperative legal statute but which do not comply to any cooperative principle and which have chosen this legal statute in order to avoid more restrictive legal statutes?

It may also be argued that the use of the value added as measure of production raises specific methodological and conceptual issues for cooperatives: how to take into account quality improvement? This general issue could have a specific dimension if we assume a better average quality of services and goods provided by cooperatives.

What about the mix of market and non-market activities within a cooperative? And the way the prices of the transactions between the coop and its members are fixed has a great impact on the value added of the cooperative, without having much interest when considering the whole set composed by the cooperative and its members.

Alternative measurement methods will be analyzed in the COPAC report.

Recent evolutions of the SE in the European Union

6) BAREA J. and MONZÓN J. L., *Manual for drawing up the satellite accounts of companies in the Social Economy: Co-operatives and mutual societies on behalf of the European Commission, Enterprise and Industry DG, CIRIEC, 2006.*

7) SALAMON L. M. and ANHEIER H. K., *Defining the Non-Profit Sector: A Cross-National Analysis, Manchester and New York, Manchester University Press, 1997.*

On basis of all this work and of many other researches carried out by members of CIRIEC's scientific network, CIRIEC was chosen one year ago by the European Economic and Social Committee to study the recent evolutions of the Social economy (SE) in the 28 Member States of the European Union.

This very recent report ⁸ realized under the direction of J. L. MONZÓN and R. CHAVES focuses on three areas: firstly the research presents an overview of competing or emergent concepts (non-profit sector, third sector, solidary economy, civil society, voluntary sector, corporate social responsibility, social enterprises, social innovation, circular economy, collaborative economy), comparing them with the EU established concept of the SE.

Secondly the research focuses on the policies deployed by governments and public authorities at the EU level, at the national and regional level towards cooperatives and other SE organizations.

These policies can facilitate the development of SE organizations or can present external barrier to them.

Thirdly the report provides quantitative data on the SE in the 28 Member States advocating for the establishment by national statistical offices of satellite accounts of SE companies.

Too often because the policymakers are not fully aware of the real weight of the SE organizations, they do not pay enough attention to these and to how they are impacted by policies.

According to this report, the SE organizations provide and represent in the European Union:

- *over 13.6 million paid jobs, equivalent to about 6.3% of the working population*

8) CIRIEC, Recent evolutions of the Social Economy in the European Union, EESC, CES/ CSS/12/2016/23406, 2017.

- *more than 232 million members of cooperatives, mutual and similar entities*
- *over 2.8 million entities and enterprises.*

The panorama varies much among countries.

While employment in the SE accounts for between 9% and 10% of the working population in countries such as Belgium, France, Italy, Luxembourg, and the Netherlands, in the new EU Member States such as Croatia, Cyprus, Lithuania, Malta, Romania, Slovakia and Slovenia the SE remains a small, emergent sector employing under 2% of the working population.

These figures are mostly based on secondary data supplied by the scientific correspondents in each EU country involved in the research project.

They cover not only cooperatives and other SE companies but also the very large spectrum of non-profit organizations (associations, foundations, ...).

These organizations account for about two thirds of the employment of the SE sector.

These figures include also what is now known as “social enterprise”. The definition given by the European Commission is as follows:

A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders.

It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives.

It is managed in an open and responsible manner and, in particular,

involve employees, consumers and stakeholders.⁹

Some social enterprises can take a cooperative statute but many of them take a more standard statute (capital-based statute, association, ...).

A new concept that is now firmly established is that of “collaborative economy”.

In its Communication called “A European agenda for the collaborative economy” the European Commission defines the collaborative economy as “business models where activities are facilitated by collaborative platforms that create an open marketplace for the temporary usage of goods and services often provided by private individuals”¹⁰.

The Communication identifies three categories of actors involved in the collaborative economy: i) service providers – private individuals or professionals; ii) the users of these services, and iii) intermediaries that connect – via an online platform – providers with users and that facilitate transactions between them (“collaborative platforms”).

As pointed out by J. L. MONZÓN and R. CHAVES, the collaborative platforms play a very important role by providing the platform connecting the supply and demand; by creating the mechanism allowing economic transactions to be made electronically and by supplying verification mechanisms that minimize the transaction risks and costs associated with dealing with strangers.

They use information technology to reduce information asymmetries and transaction costs for the exchange or the sharing of goods and services.

9) Communication of the European Commission, Social Business Initiative, COM/2011/final of 25/10/2011.

10) Communication of the European Commission, A European agenda for the collaborative economy, CM/2016/0356 final of 02/06/2016.

Cooperatives and other SE companies are not as such part of, or examples of the collaborative economy, but the latter does provide an excellent opportunity for expanding the social economy.

The European Economic and Social Committee pointed out in a quite assertive opinion that cooperatives can become “the main ally of collaborative or participatory consumption, because they combine and share principles and values”¹¹

. Although the collaborative economy is to a very large extent made up of platforms controlled by capitalist enterprises such as Amazon, Uber, Blablacar, Airbnb and so on, there are some cooperative platforms that are cooperatively-owned and democratically-governed.¹²

T. SCHOLZ has proposed to classify these cooperative platforms as follows: 1) labour brokerages (such as Loconomics¹³); 2) cooperatively owned online marketplaces (such as Fairmondo¹⁴); 3) city-owned platform cooperatives (such as MinuBnB or AllBnB); 4) cooperatives of “prosumer” communities (such as Stocksy¹⁵) and 5) labour platforms (such as Green Taxi Cooperative in Denver, USA).

Cooperative Europe has recently carried out with LAMA Agency an exploratory study on coop platforms in Europe¹⁶. After screening they have identified 38 coop platform cases (3 international initiatives and 35 cases in 11 European countries).

Quite common are the car sharing platforms (like the Belgian Partago or the Spanish Som Mobilitat).

11) Opinion of the European Economic and Social Committee, Collaborative or participatory consumption, a sustainability model for the 21st century, 2014/C 177/01.

12) SCHOLZ T., Platform cooperativism, New York, Rosa Luxemburg Stiftung, 2016.

13) Loconomics is a worker-owned, US-based, online and mobile marketplace that allows customers to find freelance labor to small, everyday tasks such as baby sitting or pet care.

14) Faimondo is an online marketplace for ethical goods and services, that originated from Germany and has expanded to the UK.

15) IStocksy United is a cooperative platform headquartered in Victoria, British Columbia. It is a collection of royalty-free stock photography and video footage.

16) COMO E., MATHIS A., TOGNETTI M. and RAPISARDI A., Cooperative platforms in a European landscape: an exploratory study, Glasgow, ISIRC Conference, September 2016.

There are also coop platforms that facilitate matching for peer-to-peer support and services (like Wehelpen in the Netherlands and La Spesa Social in Italy), that matches hosts and guests and promotes forms of experimental tourism (like Piacere Milano), that matches people who offer food in excess with people who may consume it (S-Cambia), ...

There are a few cases of coop crowdfunding platforms born to support the birth of new coops and promoted directly by cooperatives (like the French Jefinanceunprojetcooperatif or the UK Microgenius).

Around 20% of the cases mapped are not technological in their nature but are mainly co-working and collaborative spaces promoted by cooperatives in different contexts.

A significant number of platforms (32%) developed initiatives at the local level, 20% at the regional level, 24% at the national level and finally 24% aim to cover an international level.

Most of the initiatives are small compared to the capitalist platform giants: less than 100 people participate in 40% of the initiatives, between 100 and 1000 in 30% of the cases, between 1000 and 5000 in 9% of the cases and over 5000 in 9% of the cases.

Most cooperative platforms can be used by anyone and not just by coop members which means that in most of the cases there is no correspondence between users and owners (that is contrary to what it is usually supposed in cooperative models).

In their conclusions, the Cooperative Europe-Lama report points out both the new opportunities for expansion offered to cooperativism in this area and the obstacles and barriers facing it, which include funding problems and the small sizes of the initiatives.

Digital innovation and collaborative models are more easily incorporated by new cooperatives than by established cooperatives which have difficulties in converting their existing models.

New collaborative tools could be used by cooperatives to improve their internal governance models and to increase the participation and

empowerment of their members.

Cooperatives could also develop new models for managing the Commons as suggested by the “open cooperativism” movement. This latter wants to explore how open data, ecological stewardship and the active production of Commons could offer a revival to the cooperative traditions.

Future research topics on the CIRIEC agenda

All these topics will be further developed and analyzed by the members of CIRIEC’s scientific network in the near future.

That will be the case in Manaus (Brazil) in late November 2017 at the occasion of the 6th research conference that the Brazilian section of CIRIEC organizes with as general theme “Social and Solidarity Economy: Sustainability and Innovations.

Facing Former and New Social Issues”. That will also be the case in Liège (Belgium) in late May 2018 at the occasion of the 32th world congress of CIRIEC on the theme “the Public, Social and Cooperative Economy in the Digital Revolution”. We hope that many of you will attend this congress.

This will be a very great opportunity for exchange: more than 500 people from all around the world are expected to attend this congress.

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JEL Codes: *P13, M14, E01*