



BACHELOR'S THESIS

STUDY OF THE SOCIAL ECONOMY SECTOR

BACHELOR'S DEGREE IN FINANCE AND ACCOUNTING

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Abstract

The objective of this bachelor's thesis is to awareness about the benefits of the Social Economy for the society and how it has evolved over the decades. Firstly, the reader is introduced into the historical context of this term because is important to understand what were the needs that people tried to cover with the creation of this new sector. After that, is presented the legislation that affects the sector and finally analyses the variables such as: the number of companies, number of employees, or the effect that has on Spanish GDP in different economic situations. In the end, it compares the obtained results with the traditional economy. The conclusions are very positive and demonstrate that this sector is increasingly important for job creation and economic wealth and is more beneficial and efficient than the traditional capitalist economy.

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1. INTRODUCTION

The objective of this work is the study of the Social Economy sector, also called Solidarity Economy and even Third Sector.

Along the four academic years in the Bachelor's Degree in Finance and Accounting, we have learned to analyse the accounts of companies, maximize benefits, calculate costs, increase the value of the shares and attract investors and we have had the opportunity to delve into the interesting world of the stock market. There is no doubt that these skills are essential to be able to take the business reins and without them, we would have not reached the the current economic development. But we have also received training on another way of doing business, a responsibly one with the environment and society, transparent and very cost-effective. The academic training received helped us to take away the "blindfold" and observe the limitations of the traditional economy and its most catastrophic outcome: globalization.

The result of the last decade of globalization is disastrous for people who only have their work to pay for their vital expenses because relocation occurred in series which have resulted in the destruction of jobs and the decrease in wages due to the pressure on small entrepreneurs selling at very low prices that sometimes do not cover even the costs.

The economic crisis that we are experiencing in Europe since 2007 has not come to an end, at least in Spain, While the macroeconomic data point to a recovery due to increased exports and an apparent stabilization in the destruction of employment, the results of all of the reforms carried out by Governments only have been a momentary patch because the created employment is insufficient, precarious and only produces inequality, so therefore is important to seek alternatives to the traditional economy.

The Social Economy is one of the alternatives that can give solution to the shortcomings experienced by our society in terms of economy, unemployment and inequality of opportunity. In Spain, France, Portugal, Belgium, Ireland and Greece, the concept of Social Economy enjoys greater recognition by the public authorities and the academic and scientific world as well as in the sector of the Social Economy. They are

the first two countries: France, birthplace of this concept, and Spain, where the first European national law of social economy was approved in 2011¹.

The non-profit character, surplus allocation rules and the double condition of members do that companies belonging to this sector can not be bought as a traditional capitalist company for which there is a market of shares. Thanks to the fact that are related to the training of the people, they are difficult to relocate and also they can better resist the financial and economic crisis because they have financial reserves that do not can be redistributed among the shareholders. Another reason why the Social Economy is a good alternative is the mode of governance, democratic and flexible, of their companies that facilitate the search for solutions and a greater acceptance of the goals to mitigate the effects of recessions on the market.

The Social Economy has a great potential to activate the endogenous development in rural areas, regenerate declining industrial areas and rehabilitate and revitalize degraded urban areas; In short, to contribute to endogenous economic development, return competitiveness to the large areas, facilitate their integration at the national and international levels and correct significant territorial imbalances. (Comeau et al, 2001, Demoustier, 2005).

This work will be structured in two parts, a theoretical part in which we will introduce key aspects as the definition, of the analysis of the concept, the origins and the historical evolution of the Social Economy, and its main actors and a second part with a more practice nature.

For the second part, I decided to analyse aspects such as the number of active enterprises, new enterprises creations, number of employees and gross value added-GVA of the companies in the Social Economy by comparing numeric values with the rest of the Spanish economy to demonstrate in a tangibly way, the exposed claims at the beginning of this introduction. The practical part is divided into three periods: 1999-2007 pre-crisis period, 2007-2015 crisis, 2015-2017 period today. In this way we observe better which were the businesses that survived, which maintain stable levels of employability and if GVA was kept at different periods.

¹ Monzón J.L.; Chaves R. *La Economía Social en la Unión Europea*

2. WHAT IS THE SOCIAL ECONOMY?

Can be said that the birthplace of the current Social Economy can be found in the France of the 20th century with the creation of *Comité national de liaison des activités coopératives, mutuelles et associatives (CNLAMCA)*. The Social Economy had suffered a turning point from the end of the Second World War but reappeared with force between 1977 and 1979 thanks to the conferences of the European Social and Economic Committee. The document that defined the Social Economy as a set of entities not belonging to the public sector, with management and democratic functioning and equality of rights and duties of partners, practitioners of a special regime of ownership and distribution of profits using the surplus for the year to the growth of the organization and the improvement of services to partners and society (Économie Sociale, 1981; Monzón, 1987)² it was called the *Charte de l'économie sociale* and was released in June 1980, coinciding with the tenth anniversary of the CNLAMCA.

Belgium is another country that through its *Conseil Wallon de l'Économie Sociale (1990)*³ decided to define the sector of the Social Economy as a sector of the economy formed by private organizations that share the following characteristics: the purpose of giving service to members or to society instead of seeking profit, the existence of autonomy in management and the democratic management of its activity and also the importance of people and work over capital.

Through the *Charter of Principles of the Social Economy*, created by the European standing Conference of Cooperatives, Mutual Societies, Associations and Foundations (CEP-CMAF)⁴, the principles of the Social Economy have been published:

1. The primacy of the individual and the social objective over capital
2. Voluntary and open membership
3. Democratic control by the membership

2 "La Economía Social en España" CIRIEC-España, nº0, 1987, p. 19-29.

3 Conseil Wallon de l'Économie Sociale (1990): Rapport à l'Exécutif Régional Wallon sur le secteur de l'Économie Sociale, Liège.

4 Déclaration finale commune des organisations européennes de l'Économie Sociale, CEP-CMAF, 20 juin 2002.

4. The combination of the interests of members/users and/or the general interest
5. The defence and application of the principle of solidarity and responsibility
6. Autonomous management and independence from public authorities
7. The essential surplus is used to carry out sustainable development objectives, services of interest to members or of general interest.

To get into the analysis of the issue, the most important thing is draw the theoretical framework and defining the concept of Social Economy as is known at present.

“The Social Economy in the European Union” report defines the Social Economy such as:

The set of private, formally-organised enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote. The Social Economy also includes private, formally-organised organisations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them.

From this definition, we can identify two sub-sectors of this branch of the economy: the sub-sector of market and non-market sub-sector.

Although the two sub-sectors are differentiated, the companies of the Social Economy have in common the private character, independent of the public sector and his influences, are formally organized and have the freedom of decision in terms of internal governance. Another common feature is the freedom of affiliation, there isn't an obligation of membership. The possible distribution of benefits is correlated with the activity of the partners within the entity and not with their contributions of capital and other characteristic of this sector is the fact that business activity is focused on the needs of the people and not the capital, although the last one is used for the creation of value. To finish the characterize of the companies in this sub-sector, will discuss its democratic character, where the principle says each partner has the right to a single vote indiscriminately from his material contribution.

Although there are other non-profit entities without a democratic organisation, they will be included within the Social Economy as a Third Sector of social action, social assets of great social value producers.

To better understand the subsectors, I will analyse them separately.

Sub-sector market is constituted by mutual societies, cooperatives and business groups controlled by it, similar companies or some non-profit institution that work for Social Economy companies.

The scope of their creation, is the satisfaction of the needs of the members, who work and also use the activity, as a kind of self-help.

Can be given different examples of cooperative activities: the workers' cooperatives have as activity members employment, the housing cooperative's objective is providing houses for the members, the farming ones seek to sell the production carried out by the cooperative partners and another useful activity is the insurance, provided by the mutual societies.

Although the member is the main benefited from this kind of entities activity, the activity must be in collaboration with the general market or transient members in the social enterprises case.

The other sub-sector of the Social Economy, the **non-market sub-sector**, it is mainly composed of associations and foundations although within the group fit all entities that provide their production for free or at insignificant prices. This type of entities does not distribute profits. In the Spanish accounting, they appear with this name: "*Instituciones sin fines de lucro al servicio de los hogares*" (Non-profit institutions serving households).

To better understand the identified entities of this sub-sector, the following examples will be given: the charitable associations, associations of welfare assistance, trade unions, professional associations or scientific, consumer associations, political parties, churches or religious associations, social, cultural, recreational or sporting clubs.

Although all these have legal personality, are also part of the Social Economy the entities without legal personality, included the SEC-1995 in the Homes Sector (S14).

2.1 THE SOCIAL ECONOMY IN SPAIN

According to the *Confederación Empresarial Española de la Economía Social*, the Law 5/2011, march 29, of Social Economy, and the subsequent Law 31/2015, september 9, are responsible to define this sector like *“El conjunto de actividades económicas y empresariales, que en el ámbito privado llevan a cabo aquellas entidades que, de conformidad con los siguientes principios, persiguen el interés general económico o social, o ambos”* (The set of activities and business, that carry out those entities which, in the private sector, in accordance with the following principles, they pursue the general social or economic interest, or both).

The principles that guide the Social Economy in Spain are⁵:

- *Persons and the social objective take precedence over capital. This is reflected in an autonomous and transparent, democratic and participatory business management, where decision-making prioritizes people and their contribution to the work and services offered by the institution or the social objective over their contribution to equity capital.*
- *Profits obtained from economic activity are mainly distributed based on the work contributed or the service or activity carried out by the partners or members in regard to the social objective of the institution.*
- *Fostering internal and social solidarity, promoting a commitment with local development, equal opportunities for men and women, social cohesion, the integration of persons at risk of exclusion, generating stable and quality employment, work-life balance and sustainability.*
- *Independence from the public authorities.*

In the case of Spain, the State and the autonomous communities were in charge of drafting public policies regarding the Social Economy, through the Ministry of Labour and Immigration and the Autonomous Organisms of Labour and Social Welfare.

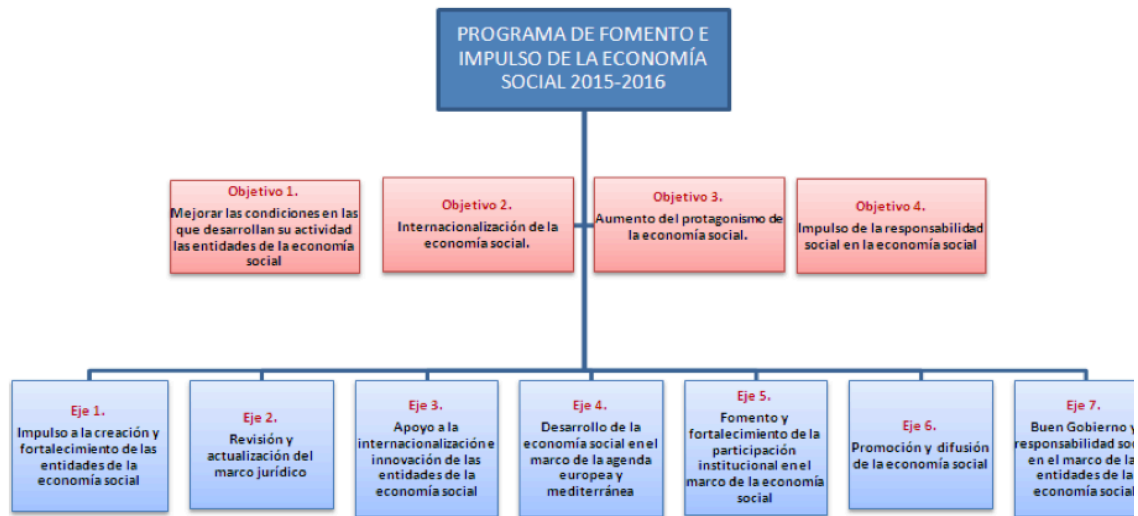
⁵ www.cepes.es

In comparison with other countries such as France or Belgium, in Spain we don't have a specific organ only for the Social Economy, although is certain the existence of General Directorates of Social Economy within some state public administrations or regional as the Valencian Community, the first autonomous region in reforming its regional *Carta Magna*, Castilla León, Catalonia and Andalusia.

Support policies enacted by the central administration are specified in the article 129.2 of the *Carta Magna* "*Los poderes públicos promoverán eficazmente las diversas formas de participación en las empresas y fomentarán mediante una legislación adecuada las sociedades cooperativas. También establecerán los medios que faciliten el acceso de los trabajadores a la propiedad de los medios de producción*" ("*Public authorities shall promote effectively the various forms of participation in enterprises and encourage cooperative societies through adequate legislation. They shall also provide media that facilitate the access of workers to ownership of the production resources*") and they are:

Pro specific fiscal policy allowing bonuses of 95% in some of the local taxes, reduced corporate tax that can reach 50% in the case of cooperatives because they are protected by the Law 20/1990, December 19, Fiscal Regime of Cooperatives. I will also highlight the tax benefits that promulgates the Law 19/1995, July 4, offering a bonus of 80% in their overall company tax bill to support the modernization of agricultural holdings. Another example would be the Law 4/1997 of Labour Societies that allows 99% subsidies or exemptions of 100% in the Tax on Property Transfers and the certified legal documents in some cases.

Specific budgetary policy: the "*Programa de Fomento e Impulso de la Economía Social 2015-2016*" ("*Development and Promotion of the Social Economy Program 2015-2016*") in response to the Law 5/2011 of Social Economy, developed in coordination with the State Plan of Associative Integration 2015-2016, developed by the Ministry of Agriculture, Food and Environment.



Source: Ministry of Agriculture, Food and Environment. “Programa de Fomento e Impulso de la Economía Social 2015-2016”

Special Employment Policy, inclusive of active employment policies and passive policy: the capitalization of the unemployment allowance in a single payment as well as the flat rate for the self-employed workers. The objectives were to facilitate entrepreneurship.

3. THE ACTORS AND GROUPS INCLUDED IN THE CONCEPT OF SOCIAL ECONOMY

Table 1. The Spanish Social Economy actors classified by institutional sectors.

Institutional sector	Micro-economic organizations of the Spanish Social Economy
-Nonfinancial corporations	<ul style="list-style-type: none"> -Cooperatives (worker, consumer, agricultural, education, sea, transport, housing, social, health, etc.) -Labour Company -Social enterprises (insertion, special employment centres) -Agricultural transformation companies -Fishermen's Guilds Capitalist companies controlled by the Social Economy -Other private market producers (some associations, foundations and commercial associations)
Financial corporations	<ul style="list-style-type: none"> -Credit Unions (Rural Banks, Cooperative savings banks) -Credit divisions of cooperatives -Savings Banks -Mutual Insurance Companies -Social benefit mutual societies
-Non-profit institutions serving Households (NPISH) (service production not for sale)	<ul style="list-style-type: none"> -Associations -Foundations -Other non-profit institutions serving households

Source: Prepared by author based on FUNDIBES, DL (2010): *Economía Social y su impacto en la generación de empleo*. Madrid

Cooperatives: The cooperative is a form of organization based on a democratic structure and functioning. Its activity develops according to cooperative principles, accepted and regulated at regional, national and international levels: voluntary and open membership, democratic governance, economic participation of members, education, training and information and the interest for the community.

Labour Companies: In this type of companies, the share capital belongs to the workers. The fact that workers are members, favours self-motivation when undertaking projects. It's required a minimum of three partners and the formalities of Constitution are similar to those of any other mercantile society.

Mutual Societies: What characterizes this type of companies is its structure and democratic management, they are non-profit companies, and its activity is insurance but is voluntary because complements Social's Security labour. They can be mutual life insurance, mutual property insurance and also mutual health insurance.

Special Employment Centres: The workforce of this type of societies is composed for the most part (more than 70%) by people with disabilities and they invest the benefits derived from their participation in the market to support the most unprivileged groups in society.

Insertion companies: are defined as "structures of learning, in commercial form, whose purpose is the enabling access to employment of disadvantaged groups, through the development of a productive activity, for which, a process of inclusion is designed, establishing a conventional employment relationship during the same". Although the conditions that they must respect this type of companies, are different in the different Autonomous Communities, they have to respect minimum percentages of insertion workers and reinvest 80 percent of the profit in the company.

Fishermen's Guilds⁶: they are non-profit sectorial public law corporations, and represent the economic interests of ship owners of fishing ships and workers in the extractive sector, and act as organ of consultation and co-operation of the competent administrations in the field of fisheries and management of the fisheries sector whose

⁶ http://www.cepes.es/social/entidades_cofradias_pescadores

management is developed to satisfy the needs and interests of its members, with the commitment to contribute to local development, social cohesion and sustainability.

The associations related to the disability movement and of the inclusion of people in Exclusion: they complement the lucrative sector activity coinciding with the sectors that work to meet the fundamental rights of the unprivileged groups. They are characterized with the capacity of innovation for the resolution of problems arising in the society, and the defence of the social, legal, administrative changes, defending the rights and freedoms of persons with disabilities, working to keep the respect for diversity, plurality and tolerance.

The Foundations⁷: A foundation is an non-profit organization, which has associated its heritage to the realization of general interest purposes for a long time. Social Economy Foundations must meet strictly the principles of the Social Economy cited, and collecting the Law 5/2011.

⁷ <http://www.fundaciones.org/sector-fundacional/preguntas-frecuentes>

4. THE EVOLUTION OF THE MAIN TYPES OF ENTITIES IN THE FIELD OF THE SOCIAL ECONOMY IN SPAIN.

To learn about the importance of the sector of the Social Economy in the society and the economy in general, we need to collect statistical data and observe its evolution over the years. It will be interesting to compare the number of business and number of employees and their respective characteristics, belonging to the sector of the Social Economy and the non-as well as the severity of the impact of the crisis or the subsequent recoveries. The variations that we observe will serve to become conscious of the importance of this sector and will help us to obtain a conclusion.

4.1 THE COOPERATIVES IN SPAIN AND ITS EVOLUTION.

The case of cooperatives is particularly interesting due to its great weight in the Social Economy so it will be then presented the summary of the evolution of this kind of entities throughout history pointing out the most important moments.

Cooperatives emerged as a need for assistance and protection between the guilds of merchants and artisans grouped into guilds for the best use of land, pastures and other common property.

The oldest data collected in the historic yearbooks of National Statistical Organization-INE, about cooperatives, they find that in Spain were created 592 cooperatives in 1932.⁸

Until 1936 the cooperatives in Spain were focused mainly in the agricultural field, due to the influence that had the Catholic co-operative movement in the development of agricultural cooperatives and cooperatives of credit in Spain as a response to the development of industrial cooperatives promoted in urban areas since the Socialist current. The growth of the agricultural cooperatives found in the law of 1906 agricultural unions an adequate legislative framework to encourage the development of the cooperatives. (Sancho, 2003)

⁸ Anuarios Históricos del INE. Año 1932-1933.
<http://www.ine.es/inebaseweb/treeNavigation.do?tn=93911&tns=94037#94037>

Pointing out the most important times for the creation of cooperatives, will remember the appearance of the Cooperative Group Mondragón which began to take shape in the 40s in a complicated social and economic context because of the dictatorship and civil war.

The architect of the Mondragón project, Mr Jose María Arizmendiarieta, founded for young people of the region the Professional School of Mondragón, managed democratically, where they were taught through studies and work to understand the work of cooperatives. The result was the creation of Ulgor Cooperative Industrial Society, its initial activity was dedicated to stoves and stove oil. At the end of the 1950's were created other cooperatives around the mentioned previously which gave rise to the creation of Caja Laboral Popular due to the arising economic needs.

At the same time, as a breath of fresh air "Stabilization Plan" was published in 1959 facing the future and development (Morales, 2003).

Many cooperatives were created in the 60's but were dominated by the agricultural, since industrial cooperatives were not considered useful for the development (Riaza Ballesteros, 1967). From 1961 until 1967, cooperatives number rose from 467 to 1224. Also associated work cooperatives increased their numbers, passing from 98 in 1961, to 273 in 1969.

According to Salinas, in his work "*Apuntes sobre la historia del cooperativismo en España y de las relaciones entre Universidad y cooperativismo en las Escuelas Sociales*", *En: Argudo*, stability for the sector came at the beginning of the Decade of the seventies. Since the emergence of the second "Cooperative Regulation" in 1971, until 1975 when Franco died, the number of cooperatives increased significantly although this increase of 681 cooperatives and 18,787 partners, it not resulted in a big increase in jobs.

The year 1973 is remembered by the economic crisis and its consequential level of unemployment that forced in general terms the workforce to take refuge through cooperative associations as the only solution to maintain employment.

The data collected from the Public, Social and Cooperative Economy Magazine, CIREC-Spain in its Edition No 0, January-may 1987, pp 19-29; claimed that the number of agricultural cooperatives for the year 1987 exceeded five thousand cooperatives and that the number of members exceeded the 1,500,000.

What we can highlight of the 1990s is the creation of the National Institute of Promotion of the Social Economy (INFES) the 28 of December 1990, responsible for the development of quarterly data on cooperatives and anonymous limited companies in active status in the files of the Contribution Account Codes and Self-Employed of the Social Security.

4.2 THE LABOUR SOCIETIES IN SPAIN AND ITS EVOLUTION

Labour Societies in Spain are currently regulated by Law 4/1997, 24 March. The difference between this type of companies and public limited companies or limited liability capitalist is that the majority of the share capital It is owned by the workers who provide them services paid in personal and direct way whose employment relationship is for an indefinite time.

Labour Societies began to be part of the Spanish Social Economy as a response to a social need in the post-war Spain. The first, in 1964 the " Sociedad Anónima Laboral Transportes Urbanos de Valencia" was created so that employees could continue the concession and not lose their jobs. the following was founded in 1968 in Palma de Mallorca, under the name of "Sociedad Anónima Laboral de Autobuses Interurbanos" and other similar followed it in Almería (SALTUA with 122 shareholders), Canarias (SALCAI).

Law 45/1960 of 21 July was the origin of National Funds for the Social Application of Tax and Saving. In subparagraph (C)) of the article 13, one of the destinations of the Fund was the "spread the cooperative and grant loans to workers that allow them their affiliation to a cooperative". I want to highlight the introduction of the technical assistance in 1964 and loans to associative enterprises formed by the workers if they are engaged at the same productive activity.

The condition was that the minimum number of workers is three with similar conditions of grant of loan as the cooperatives.

The Administration boosted through this law the creation of this new form of company that had less formal requirements that the cooperatives.

The fiscal regime whereby the labour enterprises are currently governed has aspects similar to commercial companies but also important differences that support its choice as a business form and explain why their number increased. Labour Society seems to

the private limited company in terms of taxation in the Corporate Income Tax because it can't tribute by the Simplified Regime nor to the Equalization Tax Account of Value Added Tax.

The difference is given by the benefits in the Tax on Capital Transfer and Documented Legal Acts (Impuesto sobre Transmisiones patrimoniales y Actos Jurídicos Documentados) because the companies that allocate to the special reserve fund 25% of the liquid benefits shall enjoy the following benefits⁹: In the Tax on Capital Transfers and Documented Legal Acts a 99 percent bonus of the fees accrued for onerous capital transfer, by acquisition, by any means accepted in law, assets and rights from the company from which comes most of the worker-members of Labour Society.

Labour societies also have advantages in obtaining grants and subsidies so it may be subject of grant the following actions:

- a) Incorporation of worker-members or associates of cooperatives and labour societies work.
- b) Realization of investments that contribute to the creation, consolidation and improvement of the competitiveness of cooperatives and labour societies.
- c) Provision of technical assistance.
- d) Realization of training, dissemination and promotion of the social economy activities directly linked to the promotion of employment.¹⁰

⁹ Ministerio de Empleo y Seguridad Social; Sociedades Laborales http://www.empleo.gob.es/es/Guia/texto/guia_2/contenidos/guia_2_7_4.htm

¹⁰ *ORDEN TAS/3501/2005, de 7 de noviembre, por la que se establecen las bases reguladoras para la concesión de subvenciones para el fomento del empleo y mejora de la competitividad en las cooperativas y sociedades laborales*

5. THE COMPARISON BETWEEN THE SOCIAL ECONOMY SECTOR AND ALL SPANISH ECONOMY IN THREE PERIODS: BEFORE THE CRISIS, DURING THE CRISIS AND TODAY.

5.1 THE COMPARISON BETWEEN THE SOCIAL ECONOMY SECTOR DURING THE PRECEDING PERIOD OF THE ECONOMIC CRISIS 1999-2007 AND THE SPANISH ECONOMY.

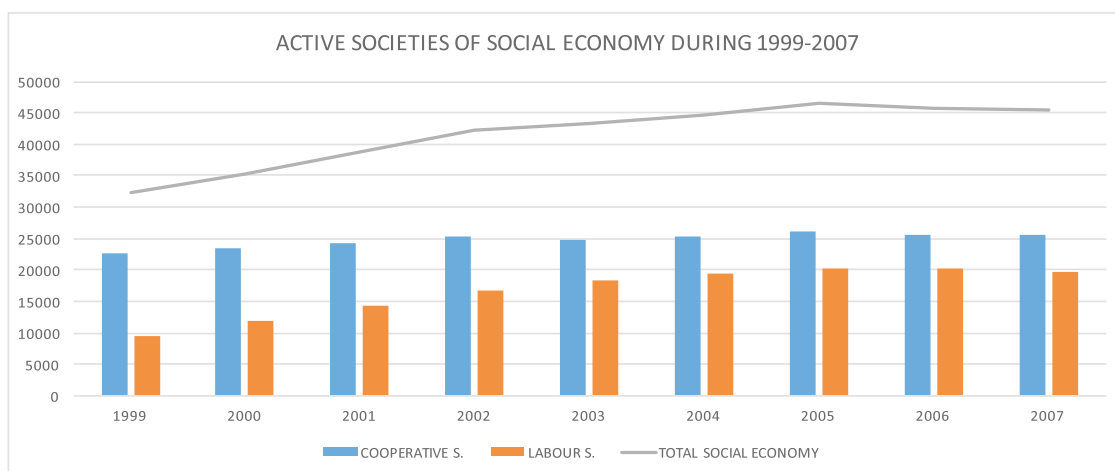
Active Societies

In Spain, the number of active cooperative societies during the analysed period of eight years, went from 22,155 in 1999 to 25,714 in 2007 so we see a slight growth. The high point of growth was reached in 2005 with 26.146 societies. Growth has stagnated since 2002, during the period of economic expansion in Spain. In 2007 we began to observe a 2.68% decrease in the number of cooperatives over the previous year.

In terms of active labour societies analysed in the same eight-year period, we see a big increase of their number since in 1999 had recorded 9,620 societies, while in 2007 the figure reached 19,737 registered societies in the Social Security. As in the case of cooperatives, the peak was reached in 2005 with 20,279 labour societies.

Altogether, we might remark that the companies considered part of the Social Economy increased during the period analysed from 32,184 to 45,451 societies, said otherwise, it increased by 29.2%.

Table 2. The evolution of the number of active societies during the period 1999-2007.



Source: Prepared by author based on Statistical data of Social Economy (Ministry of Employment and Social Security, 2017).

In general terms, if we compare the sector of the Social Economy with the set of active societies in Spain we get the following percentage results.

Table 3. The percentage weight of the SE companies in the Spanish economy.

YEARS	1999	2000	2001	2002	2003	2004	2005	2006	2007
TOTAL SPAIN CO.	2518801	2595392	2645317	2710400	2813159	2942583	3064129	3174393	3336657
TOTAL SOCIAL E. CO.	32184	35269	38669	42191	43314	44747	46425	45821	45451
PERCENTAGE WEIGHT	1,28%	1,36%	1,46%	1,56%	1,54%	1,52%	1,52%	1,44%	1,36%

Source: Prepared by author based on data collected from the Ministry of Employment and Social Security.

Table 4. Cooperatives, Labour Societies and Mercantile Societies constituted during 1999-2007.

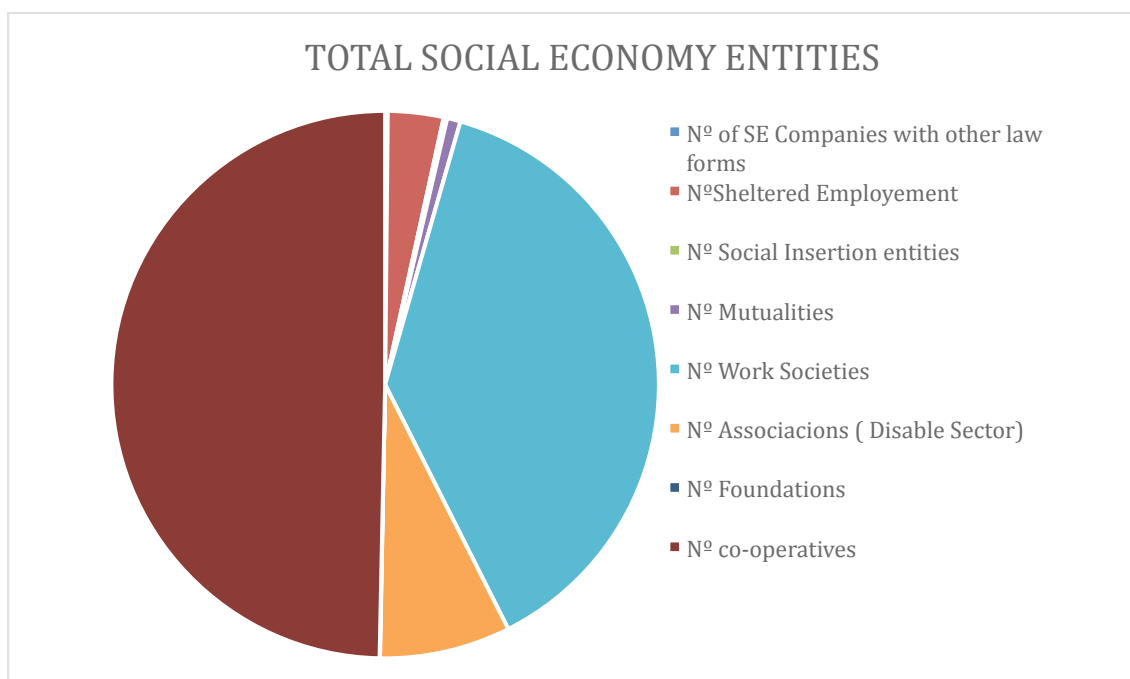
YEARS	1999	2000	2001	2002	2003	2004	2005	2006	2007
CONSTITUTED COOPERATIVES	1958	2506	2515	2294	2126	2042	1609	1304	1140
CONSTITUTED LABOUR S.	4522	4851	5454	6013	5353	4249	3466	2526	2341
CONSTITUTED MERCANTILE S.	105978	115493	110648	114738	123750	130992	138981	148964	142763

Source: Prepared by author based on data collected from the Ministry of Employment and Social Security.

It should be noted that the years 2000-2001 stand out as the years with the largest number of constitutions of cooperatives, while the year of greater number of constitutions of labour societies it was 2002. In the case of mercantile societies, we can say that the year 2006 was the year of highest number of constitutions of companies.

Table 5. The total Social Economy Entities in Spain (31/12/2007)

Nº of SE Companies with other law forms	80
Nº Sheltered Employment	1700
Nº Social Insertion entities	108
Nº Mutualities	410
Nº Work Societies	19737
Nº Asociacions (Disable Sector)	4001
Nº Foundations	12
Nº co-operatives	25714
TOTAL S.E. ENTITIES	51762



Source: Prepared by author based on data collected from Social Economy Annual Memory 2007-2008; Spanish Business Confederation of Social Economy-CEPES

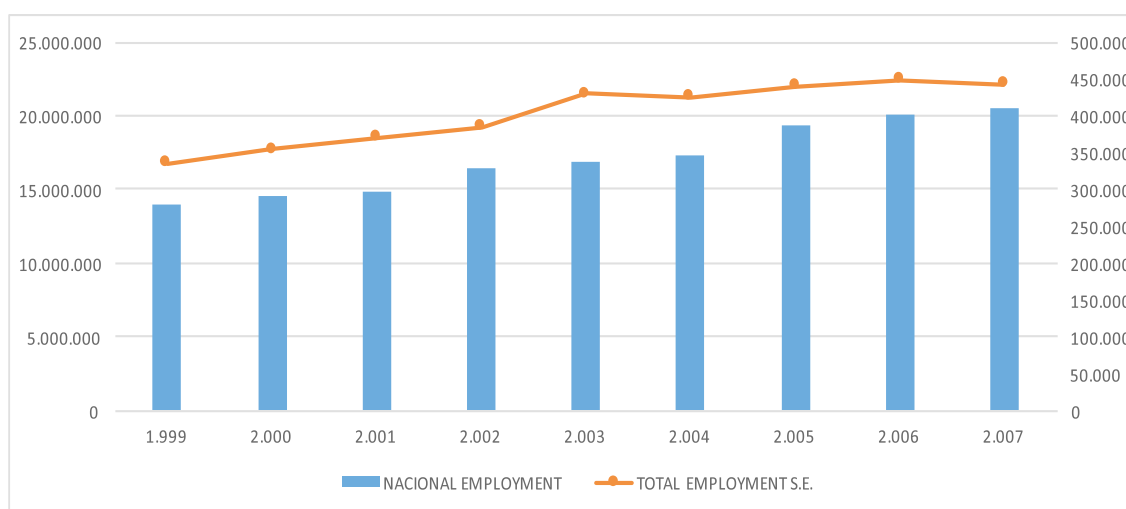
Employment

This section focuses on the analysis of the employment created by the Social Economy during the period 1999-2007 compared with national employment.

The data collected for the year 1999 suggest that population occupied in the Social Economy was 335,363 which supposed 2.39% of the total employed population. In the case of cooperatives, the number of employees increased in 57,785 for the designated period although the peak of employment was reached in 2003 with 319,755 employees. The year with highest creation of employment in the case of the labour enterprises was 2006 when the number of employees reached 130,240.

Table 6. The employment of the Social Economy societies and their weight in the national employment.

AÑO	1999	2000	2001	2002	2003	2004	2005	2006	2007
COOPERATIVE EMPLOYMENT	259757	269063	277385	284675	319755	308808	313972	317806	317542
LABOUR S. EMPLOYMENT	75606	84870	92979	100775	109596	116852	125646	130240	124784
TOTAL EMPLOYMENT S.E.	335363	353933	370364	385450	429351	425660	439618	448046	442326
NACIONAL EMPLOYMENT	14041600	14610800	14866900	16377300	16862000	17323300	19314300	20001800	20476900
% SOC.ECO./ NACIONAL EMP.	2,39%	2,42%	2,49%	2,35%	2,55%	2,46%	2,28%	2,24%	2,16%



Source: Prepared by author based on data collected from the Ministry of Employment and Social Security, National Statistics Institute-INE.

It is important to analyse the evolution of employment by sectors of activity to find out if the companies of the Social Economy followed the same trend as mercantile societies and observe the differences.

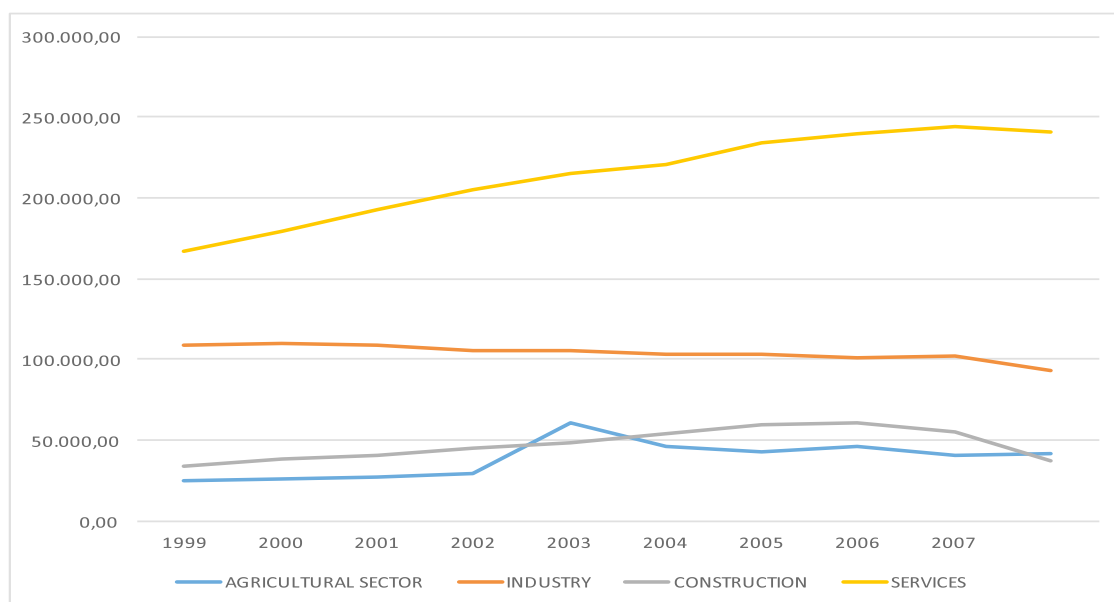
In the sectorial employment registered in 1999, services represented the 49.95% of the Social Economy, while in the year 2007 reached 55.24%. Employment in this sector therefore increased 31.45% in the designated period but during the years 2004 and 2006 the growth rate lost force.

The industry is also important for the the Social Economy because in 1999 employees in this sector were 32.50% of the total, while in 2007 it reached 23%, so we observe that decreased its weight in 41.33% being the greatest slump recorded during the period from among all the sectors.

The third place in 1999 was for the construction sector and employed the 10.03% of the total number of Social Economy employees but it was increasing strength and in 2007 worked in the sector 12.59% of the employees of the Social Economy.

In the case of the agricultural sector there has been a 37.81% employment increase in the analysed period but were observed significant fluctuations in 2003, when employment in the sector increased by 51.03% compared to the previous year and the year 2007 when employment in this sector dropped by 14.31% over the year 2006. . We highlight the year 2003 by the fact that the number of employed in the agricultural sector was bigger than the number of employees in the construction sector.

Table 7. Sectorial employment in Social Economy.



Source: Prepared by author based on Statistical data of Social Economy (Ministry of Employment and Social Security, 2017).

In terms of general dynamics of employment in Spain we observed that the employability during the year 1999 had similar factions with the Social Economy, I mean, the majority of workers are concentrated in the services sector, followed by the industrial sector and ending with the construction and the agricultural sector.

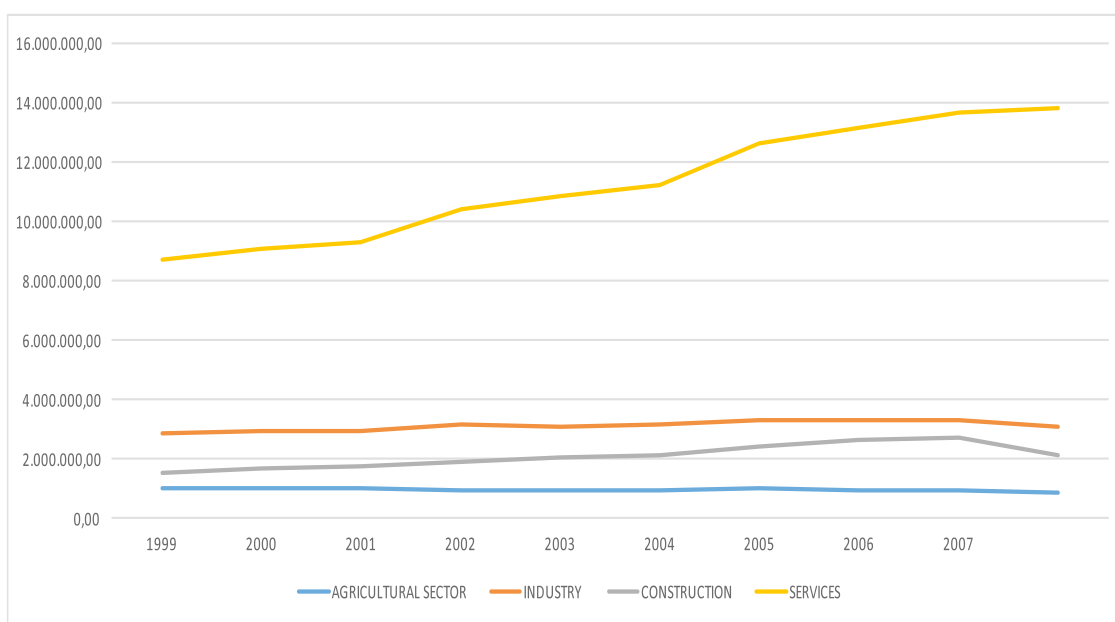
The services sector reached 61.86% of the total weighting and increased their weight by 6.85% over the analysed period.

The industry sector started with a 20.01% weighting and suffered a decrease of 24.98% in terms of weight of the total amount of employees. In numerical terms, employees in the sector went from 2,810,200 to 3,059,600.

The construction sector rose from 1.538.800 employees to 2.693.500 employees. This sector increased its weight in terms of registered workers in the period by 16.69%.

The largest observed drop is for the agricultural sector, which went to work 1.006.300 in 1999 to 863.400 employees in 2007. In terms of weight It went from 7.17% to 4.42%.

Table 8. The total national employed population by sectors of activity.



Source: Prepared by author based on data collected from the National Statistics Institute-INE

We have seen a slight relationship of substitution between total employment and the employment generated by the cooperative societies, because the slight upturn of total employment in 2002 coincided with a reduction in employment in Social Economy companies.

The percent distribution by different variables of workers in Social Economy companies.

At the end of the year 2007 data provided by the Ministry of Employment and Social Security showed us a fuller picture of the distribution of workers in the Social Economy companies.

We highlight the fact that the female employability was declining from 40 years old, and that the contract tends to be predominantly temporary (42.8%), but they tend to occupy higher categories as for example engineers, technicians and experts, assistants administrative and subordinates. Even so, women accounted for two-thirds of the total number of workers. In terms of the presence in the cooperatives, women accounted 45% of workers, 27.3% in SA limited companies and 31.2% in SL limited companies. The sector that more women employed is the services sector, this being the only sector where the number of women exceeds the number of men.

Another group of interest is the young people who used to have a temporary employment relationship, representing the 65.1% of temporary contracted and part-time work.

Compared to the total active population nationwide data, at the end of 2007, the female activity rate reached 49,37% but we must keep in mind that 80,43% of the part-time jobs was occupied by women. As for the sector of activity employing more women remained the services sector equal as in the case of the Social Economy.

Young people suffer precarious conditions of temporary jobs and part-time work as in the case of Social Economy companies.

The weight of the Social Economy in the Gross Domestic Product of Spain.

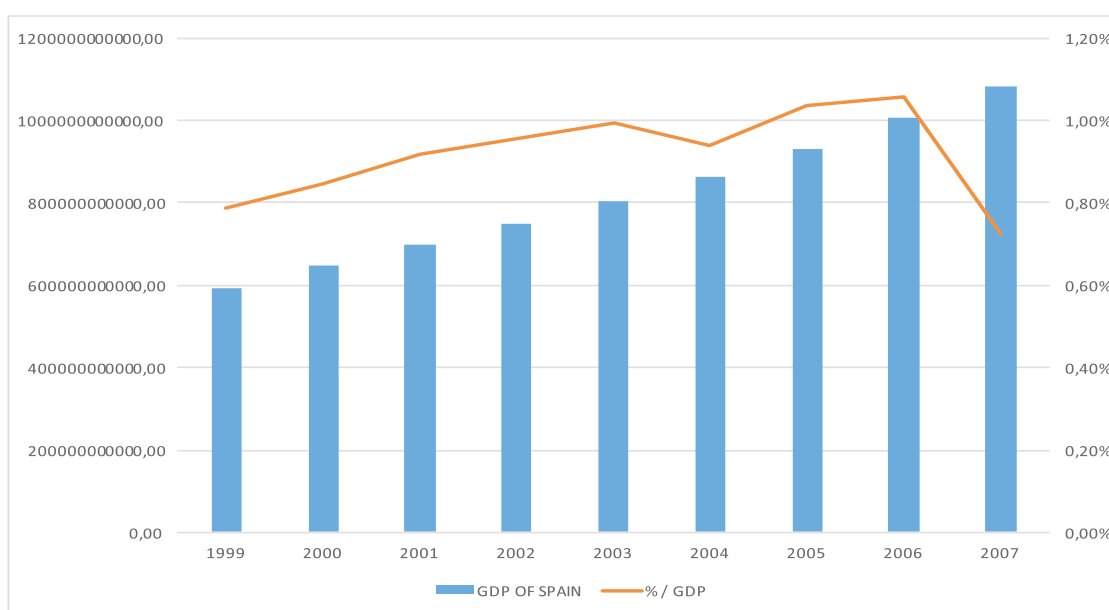
Added Value¹¹

The Social Economy not only contributes to job creation but that they also have an important role in relation to the economic accounts. The added value (GVA) generated by the companies in this sector were around €4,666,815,340 in 1999 €7,817,661,440 in 2007, which represents an increase of 67.5% in the period.

GVA growth was not a linear path, so we highlight different sections: between 1999 and 2003 is seen higher growths, the year 2004 had a negligible growth compared to the previous year, 2005 and 2006 also registered significant growth in terms of GVA but during 2007 (start of the crisis) figures fall down to levels of 2002 approximately.

The weight of the GVA on GDP in 1999 was 0.79% and in 2007 reached 0.72%, We see therefore a decrease in weight on GDP but we must specify that the evolution from 1999 to 2006 was positive.

Table 8. The weight of the GVA on GDP in SPAIN 1999-2007.



Source: Prepared by author based on Statistical data of Social Economy (2017); Ministry of Labour and Immigration.

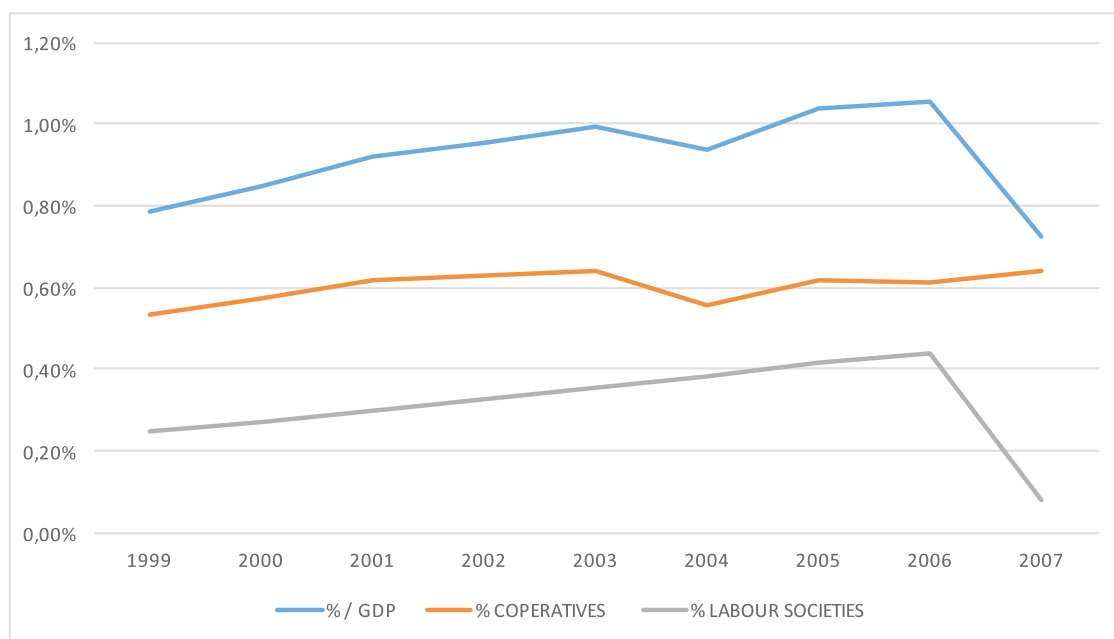
¹¹ The analysed data are offered by the Ministry of Labour and Immigration (General Directorate of the Social Economy, the Self-employed Work and the Social Responsibility of Enterprises) and they do not include the presented statements in the provincial territories of Navarra and the Basque country.

To obtain more concise results, the same figures were calculated for the cooperatives and labour societies separately.

The cooperative sector has greater importance than the labour societies and we can also state that it follows a similar path as the Social Economy, or rather, it is that sets the tone within sector. We can say that the cooperative sector was successful in the designated period.

In terms of total turnover of all Social Economy entities for the designated period, data provided by CEPES in their annual reports do not make more than reaffirm the positive evolution of the sector. In 2000 the turnover was 7.1% of GDP in Spain and remained constant until 2007 when it reached 10% of GDP.

Table 9. Comparison of the weights of different societies of the S.E. in the Spanish GDP.



Source: Prepared by author based on Statistical data of Social Economy (2017); Ministry of Labour and Immigration.

5.2 THE COMPARISON BETWEEN THE EVOLUTION OF THE SOCIAL ECONOMY SECTOR DURING THE ECONOMIC CRISIS 2008-2015 AND THE SPANISH ECONOMY.

Although economists are not in agreement regarding to the year of economic recovery in Spain, because some said that it was 2010, other 2013, 2015 or even claiming that we are in recession and that we will leave the crisis in 2018, I will choose the year of exiting the crisis as 2015 because it is aiming the Chamber of Commerce of Spain.

The variables that underpin the growth according to the Chamber of Commerce of Spain were, among others, the national demand, that he had contributed 4.1 percentage points because the public consumption had compensated the slight moderation experienced by household's consumption and the gross capital formation. Another variable was the external demand which had decreased their negative evolution because the increase in exports was much faster than imports, thanks to the commitment of Spanish companies with the internationalization and its good positioning against the foreign competition.

The third variable, the labour market, It was a reflection of the previous two and it also had a positive development in terms of job creation. According to the Chamber of Commerce you must also mention the increase in productivity per employee with an annual increase of 0.5%.

Following the same script used for the first part of chapter 5, we'll talk about the number of active companies, the employment generated and the added value of the Social economy sector compared to the economy in general.

Active Societies

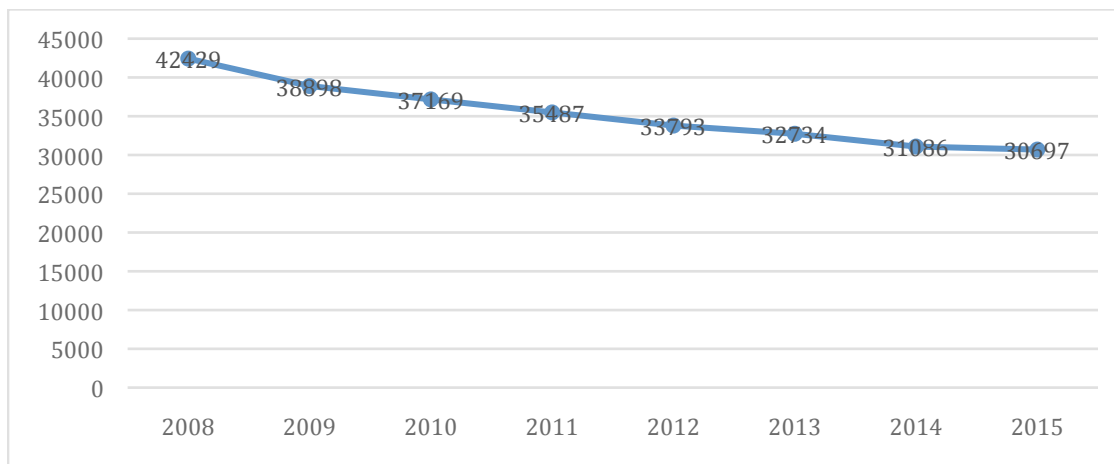
I analysed the impact of the crisis on the creation of new businesses and their number in general to observe its evolution during the crisis and thus explain the decline of employability in Spain.

In 2008, cooperatives, there were a total of 24,779, while in 2015 they reached 20,384 societies. We see therefore a decrease of 17.74%.

In the case of the labour societies we also note a decline of the active societies during the analysed period but in a larger scale, 41.57%.

The total number of active societies of the Social Economy were of 42,429 in 2008 to 30,697 in 2015. Shows the linear decrease without recoveries from a year to another.

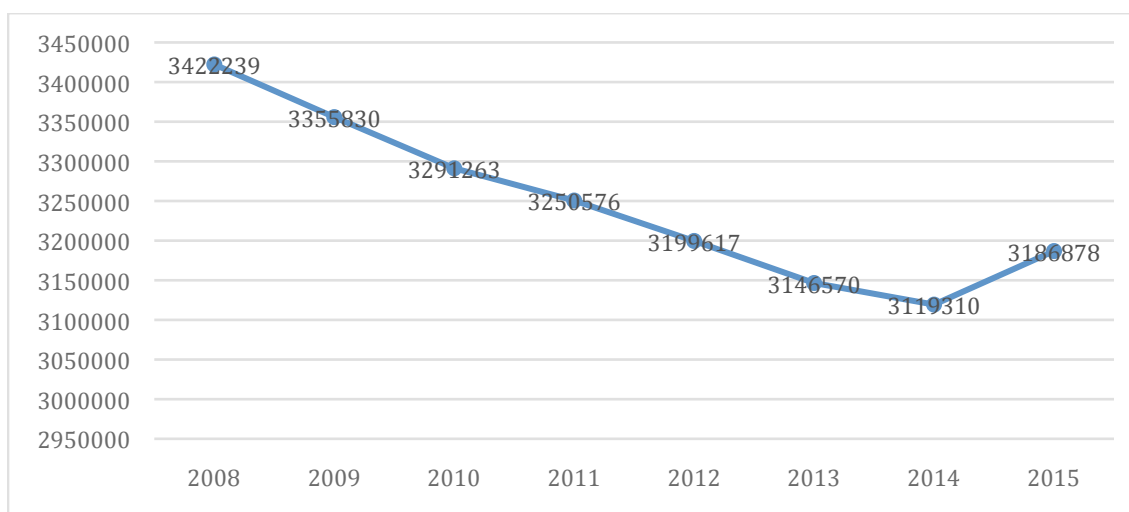
Table 10. Evolution of the number of the active societies of the Social Economy in the period 2008-2015.



Source: Prepared by author based on Statistical data of Social Economy (Ministry of Employment and Social Security, 2017).

In comparison with the total number of active companies of Spain, it can be observed that they also suffered decreases even though the negative difference from 2008 to 2015 was only 6.88%. The year with minor figures in terms of active societies was 2014, when it reached only 3,119,310 but recovered in 2015 and arrived to 3,186,878 societies (positive difference of 67,568 societies).

Table 11. The total number of active societies in Spain.



Source: Prepared by author based on statistical data of National Statistics Institute-INE

Another way to view the results of the crisis is to compare the number of new constitutions and see if there are differences. During the designated period is observed that cooperatives were the kind of society that experienced more increase of the constitutions. Although we cannot say that the growth was linear, because during 2011 there were a change of trend.

Table 12. New constitutions of Social Economy societies and total of Spain.

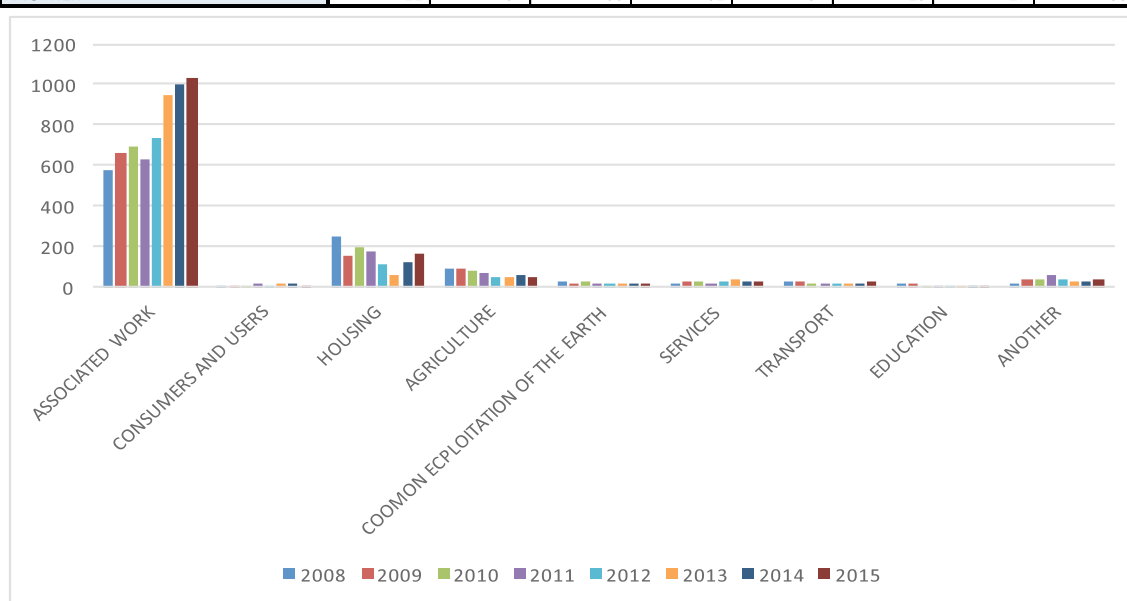
YEARS	2008	2009	2010	2011	2012	2013	2014	2015
COOPERATIVES	1032	1021	1088	974	1005	1166	1293	1350
LABOUR S.	1514	1225	1252	1145	1006	892	770	515
TOTAL SOCIAL ECONOMY	2546	2246	2340	2119	2011	2058	2063	1865
MERCANTILE S.	103565	78204	79994	84812	87182	93420	94158	94644
TOTAL NEW SOCIETIS IN SPAIN	287550	267546	285736	287780	287311	293466	347605	

Source: Prepared by author based on Statistical data of Social Economy (Ministry of Employment and Social Security, 2017) and National Statistics Institute-INE.

As the cooperative sector was the one that most increased, will post the total number of constitutions by type of cooperative. Associated work cooperatives were that more boom experienced and did so as a response to the loss of registered employment.

Table 13. The number of cooperatives constitution according to class and year.

YEARS	2008	2009	2010	2011	2012	2013	2014	2015
ASSOCIATED WORK	572	656	698	633	733	950	1004	1026
CONSUMERS AND USERS	7	5	6	15	8	13	20	8
HOUSING	250	157	193	174	107	59	119	161
AGRICULTURE	86	88	82	71	52	46	57	45
COOMON ECPLOITATION OF THE EARTH	23	17	23	16	16	13	19	17
SERVICES	22	27	31	20	31	39	32	30
TRANSPORT	27	25	16	15	19	15	12	24
EDUCATION	22	12	6	4	5	8	3	6
ANOTHER	21	34	33	62	34	23	27	33



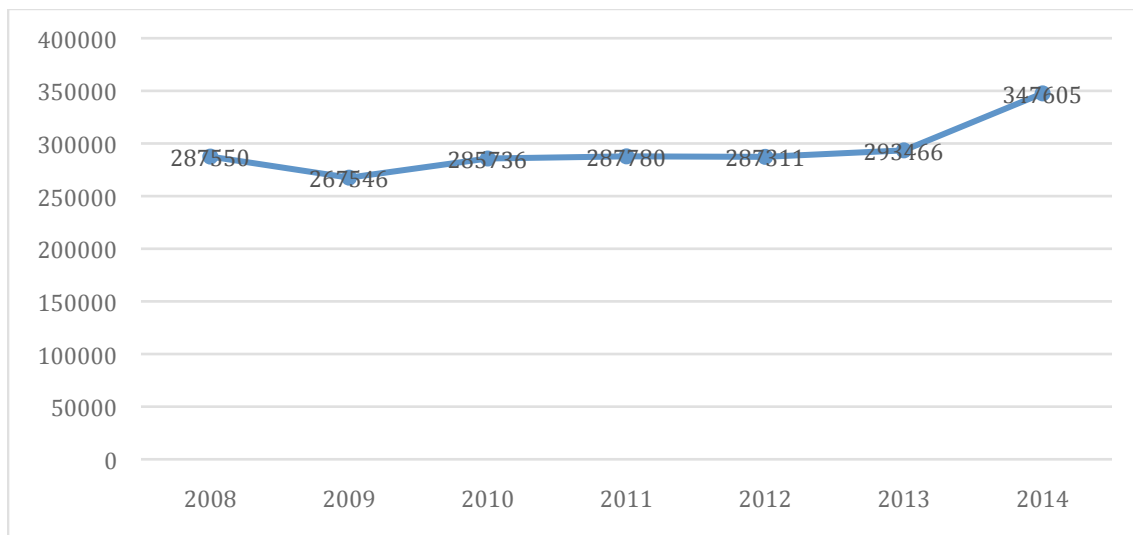
Source: Prepared by author based on Statistical data of Social Economy (Ministry of Employment and Social Security, 2017).

Back to the summary of total number of constitutions, in terms of the mercantile societies is observed a decrease of 24.49% of the new constitutions between 2008 and 2009, but from hence the figures have continued to be positive although the from the beginning of the period have not been achieved.

Labour societies were the hardest in terms of choice and suffered accumulated annual decreases.

At national level, in Spain the growing trend in terms of new constitutions of companies remained with small differences in 2009 and 2012.

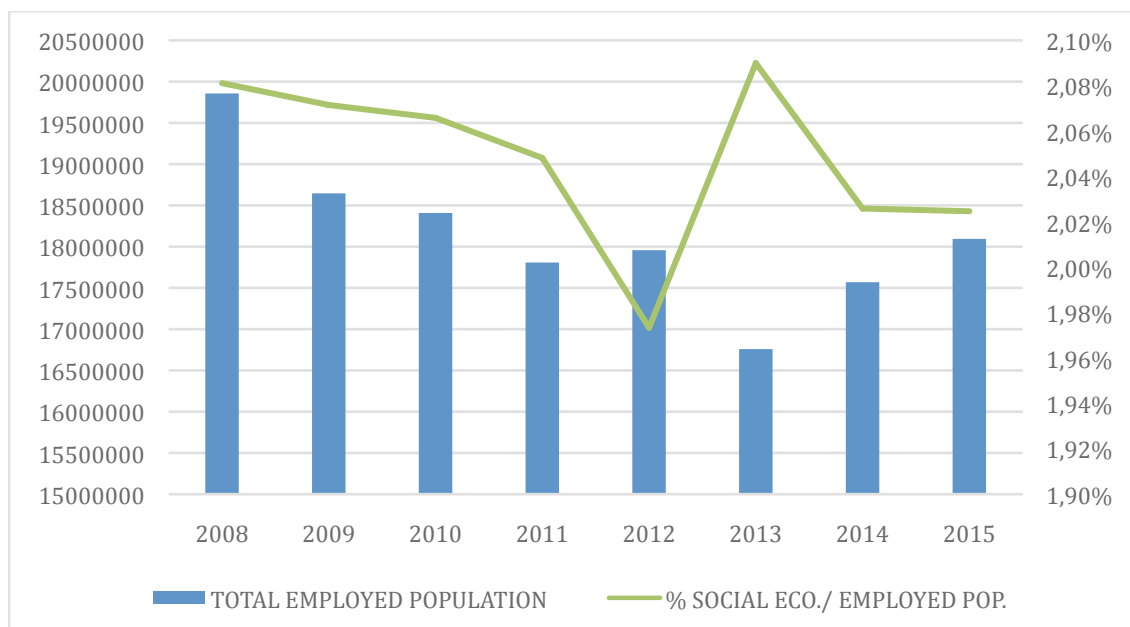
Table 14. Total constitution of new societies in Spain.



Source: Prepared by author based on statistical data of National Statistics Institute-INE (missing data from the year 2015).

Employment

Table 15. Percentage evolution of the number of employees in the S.E. of the total amount.



Source: Prepared by author based on Statistical data of Social Economy (Ministry of Employment and Social Security, 2017) and National Statistics Institute-INE.

The year 2008 began on the wrong foot in terms of job creation and figures show lower values than previous years, this year registered higher unemployment rates than the previous ones and one could argue that in broad terms the year 2008 was the year of the change in the trend in activity rate and unemployment.

The occupied population in the sector of the Social Economy, 2008 was 2.08% of the total and over the analysed period was in the same descending line. Although the year 2012 was that recorded the lowest rate, starting from there has been slightly recovered.

In terms of the employability by sectors of activity, we can say that the services sector was the main creator of work. From 2008 until 2015 the creation of employment in this sector remained an up line, reaching from 58.26% to 63.81% respectively.

The growing year was 2014 when it reached percentages of 64.03% at the expense of the construction sector that reached lowest figure of the period. Following the same trend of the period before the crisis, the second sector of activity, it is the industry.

Although it lost employees in favour of the services sector, remained around 22% with slight variations from one year to another.

The change in the case of the agricultural sectors and construction since they changed their positions. The agricultural sector gained presence and construction suffered a real crash from 8.91% in 2008 to 4.43% in 2015.

In terms of Spanish economy, the most negative impact of the crisis in recruitment occurred in 2008 and 2009, with falls of 10.85% and 15.54% respectively, in the number of contracts, while the number of people decreases accounted for 8.47% and 14.41%.

In 2008 occur large differences depending on the economic sector concerned, because while the agricultural sector remains in a 4.35%, services comes up to 69.49%. Industry reaches the 15.41% and the construction the 10.75%. While 2015 throws the following others: 4.31% agriculture sector, 76,23% service sector, 13,61% industry and finally 5.85% construction.

During the period 2008 to 2012, the largest declines in the number of occupied and the largest increases in number of unemployed are observed. And finally, from 2013 it seems to initiate a change of trend, the number of occupied decreases in average less than in previous years and even increased in the last year (with annual variations from - 1.21% in 2013 and 2.48% in 2014), and begins to lower the number of unemployed (- 0,21% in 2013 and -4,80% in 2014).

Will be displayed below the main characteristics of the workers of the Social Economy.

In 2008 women represented the 42.8% of total workforce, being more present in the cooperative societies (45.9%) than in the labour societies (28.9% in anonymous limited companies and 34.9% on limited companies).

Women appear in greater proportion between the temporary workers than between the indefinite workers, but we must keep in mind that your presence is directly proportional to the increase in size of the society, surpassing the number of males in some cases.

The 27.9% of the total number of workers kept a temporary working relationship with their company and 16.4% had a part-time work. The majority of employees with this situation are women and young people.

The stability of employment in the associated work cooperatives, stand out with 88.7% of permanent employees as well as a significant presence of women (33% of total employees).

The main characteristics of the employees for the 2015 are as follows:

- Women represent 45.5% of total workforce, being more present in the cooperative societies (47.6%) than in the labour societies (30.5% in anonymous limited companies and 37.6% on limited companies).
- There was a lower percentage of temporary employees 24.7%, but it increased to 19.8% the percentage of workers in part-time.
- The feature that remains unchanged since 1999 until 2015 is that the part-time contracts It is three times higher among women than among men, and is also higher among young people than in the elderly.

In respect of the characteristics of the rest of the occupied population in Spain for 2008, figures show us a similar scenario but way pointed.

In 2015, the rate of activity for the Spanish population shed us the following figures:

- among women the rate reached 53,79%,
- young people under 25-year-old only reach a rate of activity of 37.19%
- people with ages 55 or older just reach 24.76%.

A fact that attracted my attention was that during the period 2012-2014 the number of active cooperatives decreased but the number of workers increased.

The weight of the Social Economy in the GDP of Spain

Added Value¹²

With regard to the contribution to the added value of the different groups of actors of the Social Economy for 2008 highlights, first of all, cooperatives that provide nearly 61% of gross value added of the entire Social Economy (€11,596,057,370) with €7,041 989,340.

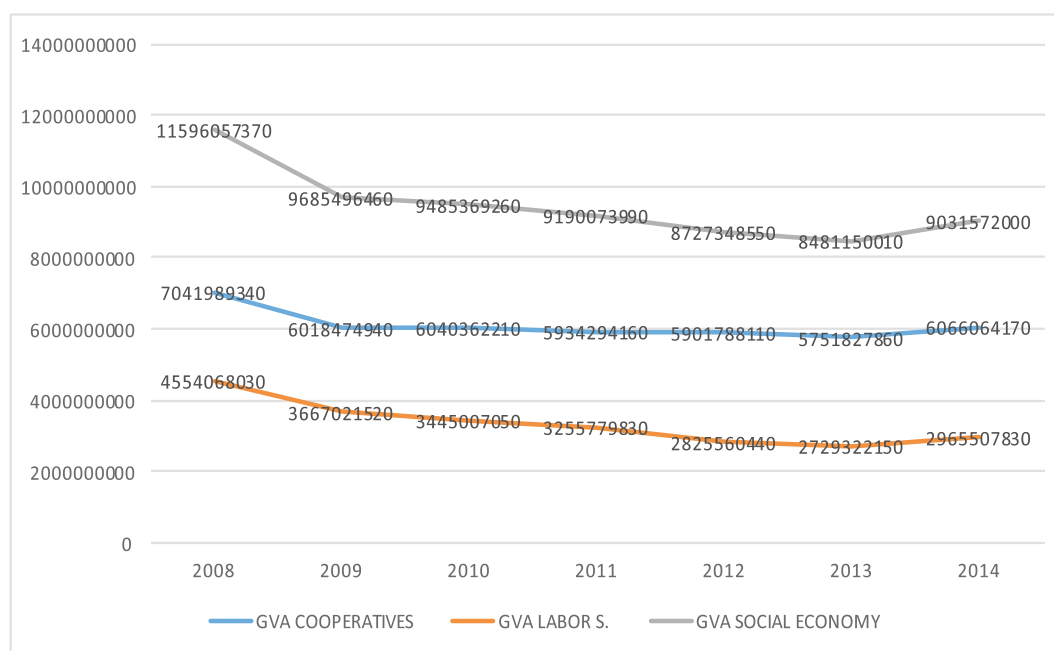
According to “*Las grandes cifras de la Economía Social en España*”¹³ the whole of the Social Economy market sector, represents 61% of the contribution of the Social Economy to GDP, no-market entities of social action contribute 23% and other foundations and associations serving households contribute only 6.7% % of the gross added value of the Spanish Social Economy. Finally, the gross added value of the entire Social Economy in relation to GDP was in 2008 of 2.47%.

The fiscal information of the most representative companies of the Social Economy (cooperatives and labour societies) by 2014 gives us the following results: the Social economy brought €9,031,572,000 in terms of added value, cooperatives represented 67.2% what is observed an increase in its power of influence. If we look at the evolution of the VAB in the designated period, we highlight the linear decrease of the total GVA of the Social Economy the period 2009-2013 and its partial recovery in 2014. GVA of cooperatives declined in 2009 by 14.5% but then has remained relatively constant until 2014 when it restarted its partial value recovery. Labour societies were the most injured but also resumed the path of recovery in 2014.

¹² The analysed data are offered by the Ministry of Labour and Immigration (General Directorate of the Social Economy, the Self-employed Work and the Social Responsibility of Enterprises) and they do not include the presented statements in the provincial territories of Navarra and the Basque country.

¹³ Monzón, J.L. (2008): *Las grandes cifras de la economía social en España*. CIRIEC-España.

Table 17. The evolution of the Social Economy GVA 2008-2015.

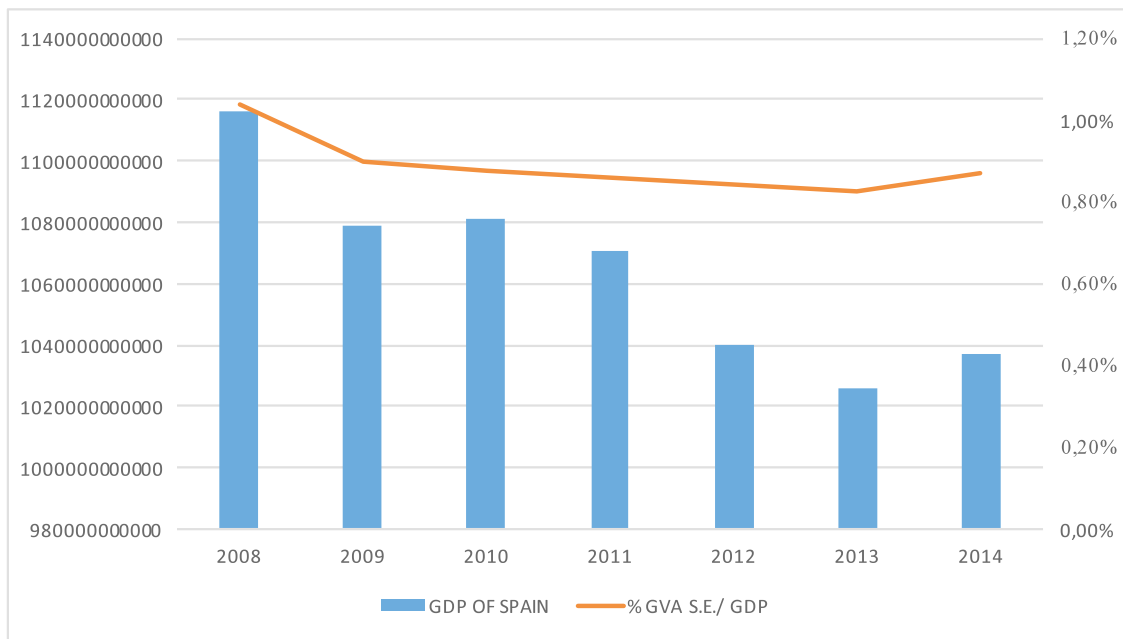


Source: Prepared by author based on Statistical data of Social Economy (2017); Ministry of Labour and Immigration.

To conclude this section, we highlight the fact that although the GDP of Spain and the GVA of the Social Economy suffered very accentuated declines in the period 2008 to 2014, began its recovery in 2014.

Data provided by CEPES about the total turnover of the Spanish Social Economy entities claim that in 2008 this sector invoiced 10% of Spanish GDP and it remained constant until 2010, but it decreased to 7.5% for the year 2011. However, recovered and increased till reaching the 12% of GDP in 2013.

Table 18. The evolution of the weight of GVA on the Spanish GDP.



Source: Prepared by author based on Statistical data of Social Economy (Ministry of Employment and Social Security, 2017) and National Statistics Institute-INE.

It must take into account that the results provided by CIRIEC-Spain are complete and include the data of all the Social Economy companies while the results obtained by my only include data of cooperatives and labour societies since they are the only data provided by the Ministry of Labour and Immigration (General Directorate of the Social Economy, the Self-Employed Work and the Social Responsibility of Enterprises).

5.3 THE COMPARISON BETWEEN THE SOCIAL ECONOMY AND THE NACIONAL SPANISH ECONOMY AT THE PRESENT TIME 2016-2017 .

In Spain had a total of 43,059 entities belonging to the Social Economy in 2016. According to the Spanish Business Confederation of Social Economy -CEPES, in 2016 existed:

- 207 Social Insertion Entities
- 3 811 Social Economy Companies with other law forms
- 85 Foundations
- 196 Fishermen's Guilds
- 372 Mutuality
- 20 384 cooperatives
- 10 313 Labour Societies (Work societies)
- 7 134 Associations (Disable Sector)
- 557 Sheltered Employment

Cooperatives represent almost half of the total number of Social Economy entities so analysis start talking about it.

Active Societies

In 2016 the number of active cooperatives reaching 20,792 societies, so it had increased by 2% over the previous year. The number of cooperatives began to recover starting from 2014, after years of falls due to the economic crisis.

In the case of the labour enterprises, the number of active companies during the 2016 was 9,787, registering a decline of 5.1% compared to the previous year. The descending path began during the crisis and continues until the present day.

For 2017 we only have data for the first quarter so the results may vary until the end of the year.

The total number of active enterprises in the Social Economy in the first quarter of the year 2017 was 30,416 societies (-0.5% the previous quarter); 20,744 were cooperatives (descended 0.23% compared with the last quarter of 2016) and the rest were labour societies.

For the Spanish economy in general we have not complete data on the population of companies for the years 2016 and 2017, so the unique claims that we can make are the following: there was an increase of 1.6% of the number of active societies during the year 2015 reaching 3,236,582 entities 1 of January 2016.

The sectorial distribution kept the same ranking of 2015, so that the services sector led with 58% of the total, the trade sector also was significant with 23.4% of the total but registering a 0.8% decrease in its population of companies with respect to the year 2015. Finally, the construction sector representing 12.6% of the total increased by 0.2% and 6% industry fell by 1.2%.

Employment

The total number of workers in Social Economy, during the 2016, was 315,116 people.

The services sector led the ranking with 201,816 employees, industry employed 68,016 people, agriculture to 36,171 people and the construction to 9,113 people. The increase over the previous year was 4.4%.

The number of employees registered in the labour societies in 2016 was 63,935 people. Although it was noted a slight decline of 0.9% over the previous year, we could say that she has created more jobs than the year 2015 but we must bear in mind that business disappeared so the final conclusion would be that labour societies that managed to stay active during 2015-2016 increased its ratio of people employed by society.

In 2017 the employment also suffered losses compared to the last quarter of 2016 and the figures recorded a total of 373,134 employees, of whom 308,171 were working in cooperatives.

The change observed in terms of employability, is that during this first quarter of 2017, most acute employment loss was recorded in the case of cooperatives (- 2.2%), while in the case of anonymous limited companies only were - 1.6% and the most drastic change was the fact that in limited companies were registered increases of 2.6%.

As for the employees of cooperatives by sectors of activity, the service sector and the industry lost employees while the construction and agriculture sectors increased their ratio of employability.

In the case of the labour societies we saw increases in the number of employees for a 40.5% in the agriculture sector, for the construction of 8%, 2.3% in the Industry, while the service lost 0.8% of its employees.

The main results of the survey of the national active population for the fourth quarter of 2016 are positive. There were 2.29% increases in the number of occupied (413,900 of people 208,500 men and 205,400 women) reaching the total number of 18,508,100 of persons.

The sectors where increases were recorded are: 240,400 people for services, 37,000 people in agriculture, 115,700 people in industry and finally in construction 20,800 people.

Increases of 424,600 people were registered in full-time employment, while the number of part-time employed fell in 10,700 people comparing to the year 2015.

Changes also occurred in the temporality, so the indefinite-term employment increased by 169,900 people and the temporal contracts increased by 226,700 people.

Data for the 2017 are limited to the first quarter so I will compare it with the previous quarter.

I will emphasize the decline of 0.38% in the number of employed compared with the last quarter of 2016, staying in 18,438,300 persons.

Were recorded increases in the sector of 31,000 more people in agriculture and construction with 2,100 more. The services sector lost 94,700 occupied and industry lost to 8,200 employees.

By sex, employment fell in 23,400 men and 46,500 women. By age can be observed an increase in occupation between people of 50 years and elderly (44,700) and the Group of 20-24 year olds (14,800 people).

So far correlated with youth employment is the job instability and the temporary factor but changes can be observed in this aspect too.

Full-time employment fell during the quarter in 111,100 people and of part-time workers climbed in 41,300 people.

Overview of the actual situation of the Social Economy

To summarize in numbers, the greatest achievements of the Social Economy in Spain, I refer to the data provided by CEPES in 2016.

According to this entity, the companies of the Social Economy in Spain represent 10% of the GDP in terms of turnover, 12.5% of employment and 42.8% of the population is linked to the Social Economy.

The entities belonging to this sector generate stable and quality employment reaching 80% of permanent contracts. Another significant fact is the reference to the employment of young population, very hit by the economic crisis and unemployment in Spain, representing 47% of workers in the Social Economy.

To finish the paragraph above employment should not be forgotten this sector's companies employ 128,000 people with disabilities or in risk of exclusion.

Must be borne in mind that CEPES included in the calculation all entities belonging to this sector consequently the results differ from those obtained in this work that only contain data provided by the Ministry of labour and Social Security in terms of cooperatives and labour societies.

6. CONCLUSIONS

The main objectives of this study were to analyse the evolution of cooperatives and labour societies in Spain and show its contribution to economic development and job creation comparing the sector of the Social Economy with the rest of the Spanish economic unit.

There is an inverse relationship between periods of economic growth and the creation of Social Economy companies. In the last period of economic growth experienced in Spain (2000-2007) companies had a steady growth, reaching the peak in 2006, while the Social Economy companies suffered considerable decreases, in particular the work cooperatives.

What can we say about the following years, as of 2008, it is that although reductions are recorded both in the number of active mercantile societies and active Social Economy companies, the last ones do so but at lower levels and not so drastic.

Continuing with the conclusions, we will talk about the employability.

There can be seen two important periods for the creation of employment in the sector of the Social Economy: the period prior to 1999 and the period of the latest crisis. Though are recorded decreases in the number of workers, its weight increased on total employment. During the economic crisis, Spanish society suffered a great loss of jobs but the effect on the Social Economy employability has been smoother and the difference is seen even better for workers in cooperatives so the year 2010 was the year of recovery in the absolute number of workers in cooperatives, while the total number of workers has continued its decline.

There is no doubt that the influence of the whole of the Social Economy is much greater than that shown in this work, but because of the lack of information, data from other agents could not be included (mercantile societies controlled by Social Economy, non-profit entities, mutual associations etc.).

Beyond the figures, society should take into account is the contribution of the Social Economy in the resolution of the new social problems. This sector has been consolidated as an essential institution to maintain stability and sustain economic growth. It helped to maintain optimum adjustment between needs and the offered service, emphasizing to revalue the economic activity dedicated to social needs. The

equitable redistribution of wealth and the correction of the labour market imbalances they were other positive contribution of the third sector. Therefore, this sector offers a higher quality in employment because it is easier for it to maintain employment in recession periods and promotes better working conditions for workers.

Regarding the weight of this sector in the Spanish economy, although the evolution is not linear in time, we could say with complete certainty, what characterized this sector was the increase in weight. The improvement was observed in all aspects: number of companies, number of employees and gross added value with respect to the gross domestic product.

This study is limited by the scarcity of data provided by the Ministry of Employment and Social Security, so it can not be see the reality of the contribution made by the Social Economy that's why has been essential to find additional information to complete the section on the conclusion.

Although during the Spanish economic crisis we have seen that the destructive effects affected the Social Economy and the economy in general, we have to take into account the magnitude of these destructive effects, by which has sought the opinion of experts in the field.

One of these experts, is the teacher Rafael Calvo Ortega (Minister of Labour with the UCD from 1978 to 1980, Professor of financial law and currently President of Ibero-American Foundation of the Social Economy-Fundibes), and he said that the effects of the crisis were less incisors in the case of Social Economy companies by comparing them with the rest of the capitalist companies. Their reasons among others were the workers approach to decision-making in the Social Economy because having more responsibilities in the decision-making process, they provided more needed information about important issues and possible solutions as well as a greater acceptance of the decisions.

Another example offered by the professor Rafael Calvo Ortega, is the sense of belonging felt by workers in this sector to their business, they identify themselves with it, so they developed a certain affection.

As explained in the section on the historical evolution of the sector in this study, the moments of economic crisis were conducive to the creation of Social Economy entities. Either in the case of the capitalist companies extinguished, rescued by its employees

for the preservation of their jobs or new business creations to alleviate the existent unemployment.

The results obtained warrant the potential of the Social Economy to maintain employment and wealth, comparing to the traditional economy, in the current economic and social situation in which the characteristic note is the loss of jobs and the destruction of the Spanish factories and companies.

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