



Facultat de Ciències Jurídiques
i Econòmiques · FCJE

**THE SOCIAL ECONOMY: ANALYSIS OF THE
ECONOMIC AND FINANCIAL PROFITABILITY OF
INTEGRATION ENTERPRISES AND SPECIAL
EMPLOYMENT CENTERS**

STUDENT:

ALBERTO VILAR SAEZ

TUTOR:

JOSE MIGUEL TIRADO BELTRAN

FINANCE AND ACCOUNTING DEGREE

DISSERTATION

ACADEMIC YEAR 2017/2018

TABLE OF CONTENTS

ABSTRACT	3
INTRODUCTION	3
1. SOCIAL VALUE.....	4
1.1 INDIVIDUAL SOCIAL VALUE	5
1.2 COLLECTIVE SOCIAL VALUE	6
1.3 CHALLENGES OF THE SOCIAL VALUE DEFINITION	7
2. THE CONCEPT OF SOCIAL ECONOMY	9
3. THE CONTENT OF SOCIAL ECONOMY	10
4. THE SOCIAL ENTERPRISE.....	12
4.1 CRITERIAL SOCIAL ENTERPRISE	13
4.2 FEATURES.....	13
4.3 EXAMPLES SOCIAL ENTERPRISE	14
4.4 DIFFERENCES WITH RESPECT TO THE TRADITIONAL COMPANY	15
5. SOCIAL ENTERPRISES IN SPAIN.....	15
5.1 INSERTION ENTERPRISES (IE).....	16
5.2 SPECIAL EMPLOYMENT CENTERS (SEC)	17
5.3 COOPERATIVE OF SOCIAL INICIATIVE (CIS).....	19
6. THE MOST IMPORTANT COMPANIES OF THE SOCIAL ECONOMY	20
6.1 METHODOLOGY AND DATA	22
6.2 ROA AND ROE ANALYSIS OF INSERTION ENTERPRISES.....	24
6.3 ROA AND ROE ANALYSIS OF THE SPECIAL EMPLOYMENT CENTERS	29
6.4 COMPARATIVE IE AND SEC.....	35
7. A RESULT OF THE COMPARATIVE EI AND SEC	41
CONCLUSION	41
BIBLIOGRAPHY	44

ABSTRACT

If we carried out a number of surveys among the Spanish population about the meaning of the concept of 'social economy', or we asked about what the concept stands for, it would be considered as an alien term for most of them, as well as that of the real meaning of 'economy'.

The definition of 'economy' provided by dictionaries comes in these terms: 'Economy is the social science that deals with the satisfaction of human needs departing from scarce resources'.

We tend to consider it as a exact or formal science, closer to maths, since it contains a big number of operations and equations to deal with; consequently it sounds rather strange the fact that its basic goal be that of human needs satisfaction.

The goal of this Project is to describe the features and the situation of those organisations that can be considered as 'social enterprises' in the Spanish Nation. Further, an analysis of the financial and economical profitability of the most relevant groups of enterprises in the Spanish Social Economy, such as the Employment Specialised Center (SEC) and Insertion Enterprises (IE) will follow, as well as a comparative analysis of the results of our research.

INTRODUCTION

The economic growth is something necessary and beneficial for those who can enjoy its advantages, but we must not forget, that an economic growth implies a series of negative aftermaths, such as the inequality and environmental degradation that it brings about. On the contrary the lack of economic development results in poverty and disease for the affected populations.

Following Carlos Askunze¹: 'Today, more and more people realise that capitalism has transformed our life and our planet into a simple good. It is a completely unsustainable system from an environmental point of view, which is socially unfair and unable to guarantee happiness and a worthy life for all people, no matter where they live in the planet'.

Social economy begins in the first half of 19th century, although it has not achieved an important role in our society until more recent days. It can be defined as 'the set of economic and financial activities, carried out by a series of entities in the private realm,

¹ Spanish Business Confederation of Social Economy.

which following a number of principles, search for the common economical or social welfare.

According to CEPES² 2010, social economy represents 10 % of the European companies, generating 6% of the global employment, estimated in 11 million workers.

Social entrepreneurship can be defined as all kind of entrepreneurship created with a social aim, whose goal is to create a positive impact in the society by developing a specific economic activity.

Today, social enterprises are in a period of expansión. The last decade has seen the development of an organisational model aimed at solving specific social difficulties. In the same way, social entrepreneurship research has also increased considerably.

There are several principles that rule the Social Economy in Spain. These principles, to be explicated further on, are the main features of the entities that conform the group of companies of Social Economy, namely Cooperatives, Worker-owned companies, Mutual Benefit Society, Employment Specialised Centers, Fishermen Guilds.

The goal of this Project is to analyse the profitability, both economical and financial of two of the big groups of the Social Economy in Spain, namely ESC and IE, which despite the fact that they are intended as non-profit organisations, can still be profitable. After the individual analysis, a comparison of both groups will follow.

It is worth considering that social economy or solidary economy is not presented as a new developmental model, but as a tool to serve the world community in order to satisfy its needs in a more coherent, fulfilling way.

1. SOCIAL VALUE

Social values is the result achieved after resources, processes and policies are combined in order to improve people's lives or the society as a whole. On the contrary, we face a flawed society where most individuals find difficulties in order to satisfy their most basic, bare needs.

One of the problems that our society is facing is the lack of knowledge of the social value brought about by any of the social factors involved in the process. There is no doubt about the need and opportunity that generating social value implies in order to reach higher goals just as justice, equity, community development or welfare.

² Spanish Business Confederation of Social Economy.

Consequently, we need to create a system aimed at measuring the social value, which enables to identify how the value is generated, quantified and be able to provide ways for regeneration. This value, compared to *add value* in economical processes, must be identified both, in its origin and destination in order to trace its regeneration and further introduction in the process in a continuous way.

The concept of 'social value' is defined as the set of qualities, virtues or characteristics of an action, a person or an object which are considered as typically positive or relevant by a social group; however, this concept shows a number of difficulties when a more accurate definition is required as Mulgan (2010) states, since those values are variable, subjective and difficult to measure.

However we can define 'social value' from an economist perspective as 'the creation of benefits or cost reduction for the society (by means of efforts aimed at solving a problem or a social need) which go further than private profits' (Phills et al., 2008: 39).

The concept of social value can be divided into two components, individual social value and collective social value.

1.1 INDIVIDUAL SOCIAL VALUE

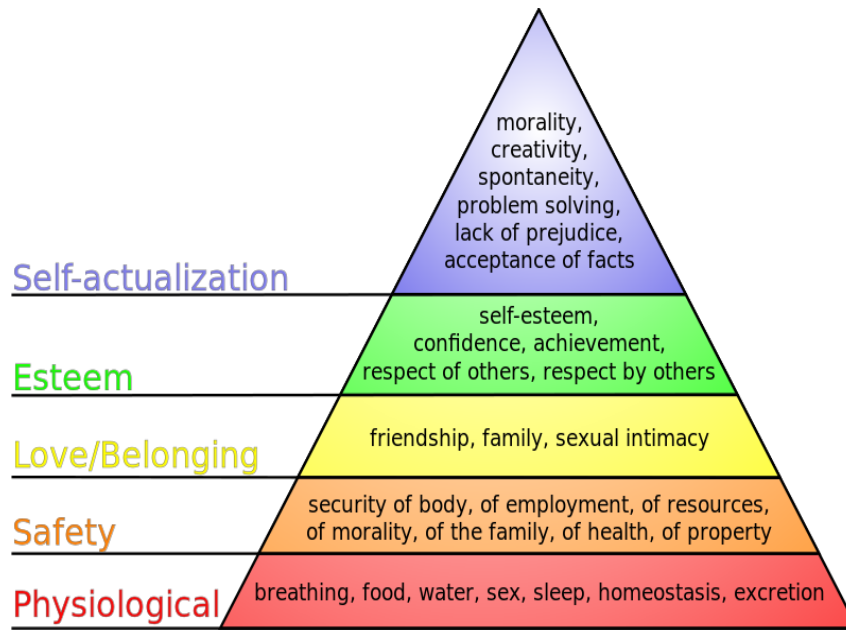
Social welfare is the estate of the person whose physical and mental conditions bring a feeling of satisfaction and tranquillity.

It involves the series of factors that take part in the quality of life of the members of a society which make their existence to have all those elements that bring about human or social satisfaction.

We are all aware of the psychological theory proposed by Maslow in his work: A theory about human motivation (1954), where a hierarchy of human needs is posed. He states that as the most basic human needs are fulfilled (lower part of the graph in Fig. 1) human beings tend to develop higher, more relevant wishes and needs.

Opportunities are considered as the means by which the individuals can increase their welfare, that is the opportunities that make the so called 'welfare freedom'.

Fig.1: Maslow's hierarchy of needs, represented as a pyramid.



Source: Maslow (1954).

1.2 COLLECTIVE SOCIAL VALUE

Collective values are those which promote the harmonic development of the society, for example: respect to people, environmental quality. The goal of these values is to promote human beings self-actualization and to make them aware of others' social needs not only their own needs. In this sense, these values are the result of social interaction. However, after they have been accepted, these values are fixed in a culture and do not change until a collective decides to change them.

Consequently, we find several social problems in our society: those situations in which the welfare of the members of a society is dwindled in the sense that it cannot satisfy their basic needs.

A social problema is characterised for being' *"un complejo mosaico de realidades que abarcan, más allá de la desigualdad económica, aspectos relacionados con la precariedad laboral, el déficit de formación, el difícil acceso a una vivienda digna, las frágiles condiciones de salud y la escasez de redes sociales y familiares, entre otros"* (Subirats, 2009: 5).

1.3 CHALLENGES OF THE SOCIAL VALUE DEFINITION

We face a number of challenges in trying to provide an accurate definition of social value. The following are the most common:

- A concept difficult to measure and quantify, dependent on assessment about what is considered to be and significant and necessary.
- A relative concept, depending on the different socio-economical and institutional contexts.
- Multidimensional concept involving interdependent components, which includes domains such as health, food, and which demands the existence of a minimum, simultaneous level for all the dimensions involved.
- A complex relationship with the creation of economical value. The creation of the social value can be represented as a continuum whose ends are the pure social value at one end and the economical value at the other one. (Dees, 1998).

Figure 2, shows how the financial yield and the social impact are zero sum, that is, the marginal increase of one of them implies the other's decrease.

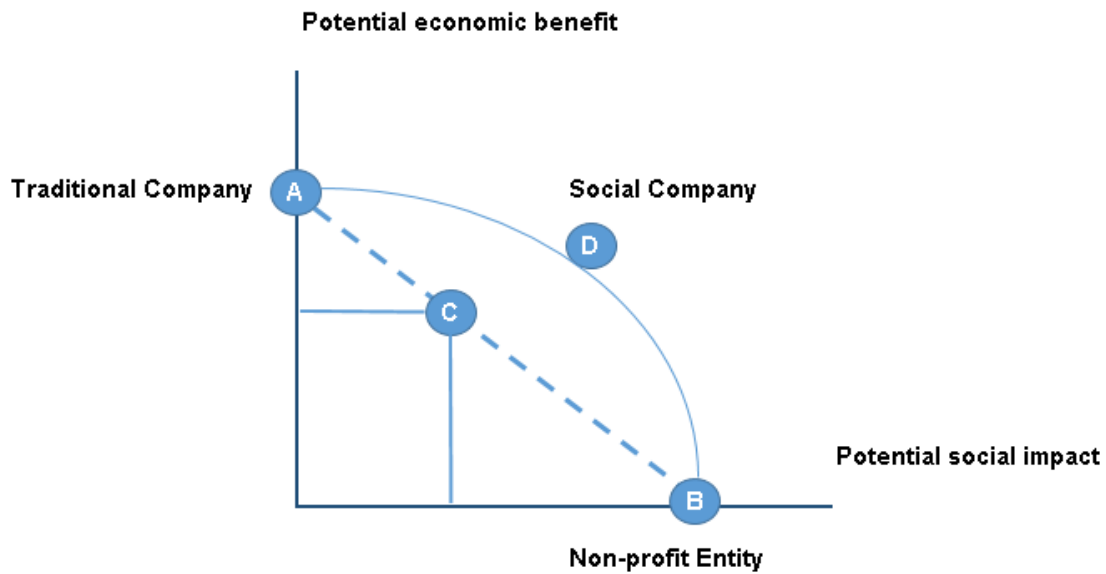
Fig. 2: Continuous spectrum of a social company value generation.



Source: Dees (1998)

The challenges for the social value creation-oriented organisations lie in the fact that markets prioritize the creation of economic value with regards to the social one. (Austin et al., 2006). This fact is particularly relevant for those social enterprises that compete in a market. However, recent literatura suggests that the creation of both values can be compatible and interdependent (Porter & Kramer, 2011). Figure 3 shows how the creation of economic and social value can occur simultaneously, since they both belong to distinct dimensions represented on different axis.

Fig. 3: Conceptualisation of the social and economic value.



Source: Wilson & Post (2013)

Traditional companies (A) and social welfare generating enterprises (B) are represented on figure 3. Both groups are linked by line C which means that any increase in any of both types with regards to social welfare or profit results in the decrease in the other type; that is, if a Company (B) wants to generate profit, as a consequence the value of the social impact of the entity will be reduced.

The social enterprise is represented by dot (D) which joins points (A) and (B) by means of a curved line, since they seek to create economic value and have a positive social impact simultaneously, thus improving social welfare.

(venkataraman, 1997) discusses whether the creation of economic value is a social value, since entrepreneurs that aim at generating that social wealth must use industries or technologies, create new markets as well as new jobs and increases in real productivity.

In the realm of companies and business administration, several well-known researchers have dealt with the creation of economic and social value (Porter & Kramer, 2011). They claim that the real challenge of today's enterprises is the simultaneous creation of social and economic value.

2. THE CONCEPT OF SOCIAL ECONOMY

The social economy is defined by the collection of different social objectives of the various organizations that make it up. It involves the economic activities of for-profit initiatives which aim at benefiting, not only those who start the activity, but the society as a whole. If we look for a more precise definition, here we have the one provided by the 5/2011 law of March 29 on Social economy: It is the collection of different economic and managerial activities carried out in the private domain by those entities which following a series of principles aim at looking for the general economic or social interest or both of them. They are usually guided by their social objectives rather than a need to make a return on capital. (Garcia, Via & Xirinacs, 2006).

The social economy is another 'way' of making Economy more social and more human. The social economy coexist with names such as third sector, alternative economy, solidarity economy, general interest economy. (Barea & Monzón, 2000).

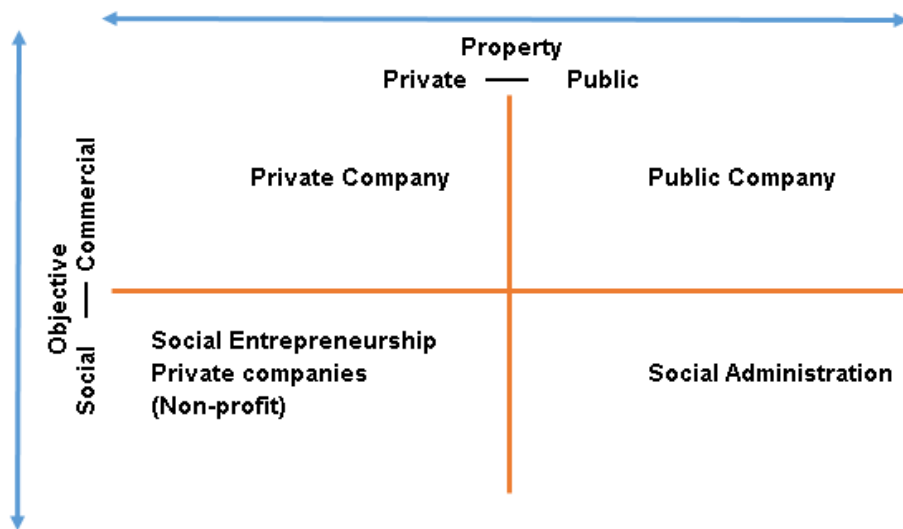
In the past two decades, the concept of "third sector" has extended. This term is based on the idea that the economic and social organization of the countries is set up around three sectors of the economy;

- A first sector that corresponds to the public sector of the economy.
- A second sector for private companies.
- And a third party, which usually have no profit and are based on the democratic management and in the generation of goods and services in the public interest.

Finally, it should be noted that another frequently used definition of is the "non-profit sector", where the emphasis is placed on the voluntary work of general interest, which is done in a spirit of solidarity. In recent years, this thinking has been enhanced with the development of initiatives related to the ethical management of companies and the different aspects of corporate social responsibility.

Figure 4, intends to assist in the understanding of the concept of social economy, grouping the productive organizations in four areas, assigning its objectives according to the type of property.

Fig. 4: Schematic Concept Social Economy.



Source: own elaboration.

The institutions belonging to the social economy, following the outline of the figure 5, have some degree of private property and do not have the sole purpose of profit, have a social purpose. It should be emphasized, that the limits are plotted in the chart are illustrative, not always are perfectly defined, can occur if there is a new development with the participation of both the state and the private sector, commercial and social goals at the same time.

3. THE CONTENT OF SOCIAL ECONOMY

Economy is a focus of economic activity that takes into account to the people, the environment and sustainable development, and sustainable, as a reference priority over other interests.

There is still no consensus on its name and its content, but if the acceptance of an economic sector differentiable, with common characteristics, called Social Economy.

Various are the theories outlined to identify the common traits of the companies and organizations that make up the so-called "third sector", in which it is worth mentioning:

- Focus of Social Economy, European continental in scope, is divided into three major families, cooperatives, mutual societies and associations.
- NPO (non-profit organizations), Anglo-Saxon root, considering as such to those private organizations with the capacity of self-government, participation of volunteers in their activities and that, by virtue of its rules, you may not distribute benefits to people that control them, having to be devoted to the realization of its

objectives or to the aid of people who do not exercise any control over the organization.

In our law, the legal concept of the social economy is more complex, its definition is given by a set of characteristics contained in several articles of the law itself, (Law 5/2011 of Social Economy); the general interest, it is the common good of society (art. 2), the interest will only be collective or general if it is based on the principles laid down by the law (art. 4), must belong to the group of entities listed by the law (art. 5), or to the catalog of social entities drawn up by the Ministry of Labor.

To date, the Ministry of Labor has not published any catalog, only part of the social economy³:

- The cooperatives and mutuals.
- Foundations and associations that carry out economic activity.
- Societies and labor insertion companies.
- The special employment centers.
- The confraternities of fishermen and agrarian societies of transformation.
- Unique entities created by specific rules that govern the principles set out in the previous article (11, Caritas, Red Cross).

The social function of these, its main activity should be based on the following principles⁴:

- Primacy of the people and the social purpose on the capital, that lead to self-management and transparent, democratic and participatory, that leads to prioritize decision-making based on people and their contributions of labor and services provided to the entity or on the basis of the social purpose, that in relation to their contributions to social capital.
- Application of the results of the economic activity, in particular, on the basis of the work and service or activity carried out by the partners or by its members and, where applicable, at the end of social object of the entity.
- Promotion of internal solidarity and with the society, which enhances the commitment to local development, equal opportunities between men and women, social cohesion, the insertion of staff at risk of social exclusion, the generation of stable and quality employment, the reconciliation of personal life, family and work.
- Independence with regard to the public authorities.

³ Art. 5 of the Act 5/2011 of 29 March of Social Economy.

⁴ Art. 4 of the Act 5/2011 of 29 March of Social Economy.

How remarkable features in social entrepreneurship, stand out:

- Participatory democracy and self-management. All must be checked on the equality of the decision-making of all its members.
- The practice of solidarity. Special emphasis on the most disadvantaged group, give priority to the associations of unemployed workers in the process of losing their jobs and what they have possibilities under find it.
- Local development problems when using endogenous resources, the common life of the group is what strengthens the cohesion of the community.
- Sustainability. Priority will be given to the principles of caring for the environment and commitment to social cohesion, being a pioneer in the practices of social responsibility.

4. THE SOCIAL ENTERPRISE

Social enterprise is a business created with the main objective of providing benefits environmental and/or social, contributes in a form determined to society and that, in turn, finds it profitable to generate business and entrepreneurial success.

However, social entrepreneurs, seek benefits and that your business will be profitable as any other company, this does not mean that you can achieve through social actions where the priority is not only to achieve greater sales figure. It is an innovative business model, through which it seeks the resolution of a social problem and at the same time, profit, generate employment and have a major impact on society.

A social enterprise improves the living conditions of the community, therefore, any surplus money obtained by the activity, will be reinvested in function of the needs of the community. One of the benefits is the competitive advantage gained from the social commitment of generating wealth and employment, contributes to social sustainability, differing from your competitors, faced with similar products or services, customers, decanted by the of social enterprise.

The term social enterprise⁵ makes no reference to a specific legal form in general, it is a phenomenon that has a double aspect: a business management and organization of the existence of a social order that is bound to the same. In general, although the social

⁵ The OCDE (2001) proposes the following definition: "The social enterprise refers to any private activity, of general interest, organized from a business management that does not have as its main objective the maximization of profit, but the satisfaction of certain economic and social objectives, as well as the ability to establish, through the production of goods or services, new solutions to the problems of exclusion and unemployment".

form does not define the social enterprise in Europe is dominated by various categories of company, among which are the social cooperatives and social enterprises.

4.1 CRITERIAL SOCIAL ENTERPRISE

On the basis of the EMES Approach of Social Enterprise⁶, lists three sets of criteria to encompass social enterprises (Defourny and Nyssens, 2008, p.5):

- Economic and business dimensions:
 - Progressive activity of production and/or sale of goods and services.
 - A significant level of economic risk.
 - A minimum amount of paid work.
- Social dimensions:
 - Explicit encouragement to favor the community.
 - An idea launched by a group of citizens.
 - A limited distribution of the benefit.
- Dimension in response to its internal structure:
 - High degree of autonomy.
 - A Faculty of decision is not based on the ownership of capital.
 - Participatory nature, involving different parties affected by the activity.

4.2 FEATURES

Social enterprise has some fundamental principles and common, one of the main objectives of any social enterprise is to achieve a social purpose, as it may be, for example, the construction of schools in poor villages. A new way of understanding the business field, where the company is far more collaborative, participatory, and solidarity.

Social enterprises should have a participatory nature, promoting and encouraging the participation of one or more groups of citizens. Benefit to the community as its main objective. The main priority of a social enterprise is not obtaining benefits and your own profit. His greatest interest passes by the satisfaction and obtaining a benefit but for a particular group of society.

Benefits should be distributed in a limited way. The benefits are not the main objective of social enterprises. Must ensure equality of opportunity, avoiding any type of discrimination, whether by sex, race, religion, etc. The social enterprise is based, above

⁶ Research Network formed by European research centers.

all, in the labor force, more than in the capital. Promote the economic and social innovation. They are based on joint financing, with the aim of self-financing and reduce, in that way, the economic dependency.

The reason for being and mission, is defined by the struggle against a social problem, poverty, inequality, lack of housing, environmental conservation or unemployment, among others.

Mission is pursued through the implementation of an economic activity in a competitive market, in pursuit of this, social enterprise generates positive social or environmental externalities.

4.3 EXAMPLES SOCIAL ENTERPRISE

Europe has made its position very clear in reports as of 4 October 2012 on the initiative in favor of social entrepreneurship with the aim of building an ecosystem to promote social enterprises in the center of the economy and the social innovation 2012/2004 (INI). Within this report outlines the need to reconcile on the one hand, social entrepreneurship, which includes terms such as the public utility, social, environmental and social factors, the reinvestment of profits or transparency, the basis of the prosperous development aimed at companies.

The European Union has cited some examples of social enterprises that have worked to perfection;

- In Romania, a company with five employees and five volunteers has provided since the year 1996 90,000 cultural services to the blind, through the adaptation of the means of communication to their needs.
- In France, a company created in 2004 a car wash without water, with biodegradable products, employing unskilled and unemployed to reintegrate them into the labor market.
- In Hungary, a foundation created a restaurant that employs people with disabilities, offered training and provides them with a child care service in order to facilitate the transition toward a stable employment.
- In the Netherlands, a company taught to read using innovative digital tools and a method based on the game. It is a method especially for hyperactive children or autistic, but also to illiterate people and immigrants.

José Manuel Barroso⁷, has said the following about the social entrepreneurship: "Social entrepreneurship can be without a doubt a program of change very valuable. Achieve better results for the common good. Demonstrate that it is possible to act more responsibly and equitably without fail to succeed in the market; and become is a true engine of growth in the EU. Europe must not only take in these changes, Europe must lead them."

4.4 DIFFERENCES WITH RESPECT TO THE TRADITIONAL COMPANY

The main difference from traditional enterprise lies in the importance of the economic and social objectives.

The main objective of a social enterprise focuses on the resolution of a social or environmental problema Its economic goal is reduced to a necessary function in order to make it sustainable.

The novelty that incorporates the social enterprise is that it seeks to generate a social impact through its activity in the market for goods and services. The proposed solution is cost-effective or sustainable and economically viable in the long-term. These companies are using the impact investment strategy, and the strategy of markets to fulfill their goals.

The impact investment strategy focuses on having a constant flow of investments, either in the form of grants, debt, investors, philanthropists, or impact investors, to achieve greater impact.

5. SOCIAL ENTERPRISES IN SPAIN

Social enterprises in Spain have followed a similar path to the rest of the countries in the European Union, there is a model linked to the social economy, they share the same thoughts and elements, such as the need to innovate new forms of action to meet people's needs.

You have started initiatives linked to the social entities to avoid cases of social exclusion, such as those produced by the whole of Europe in the decade of the 90, by creating new structures of employment creation in Spain are specified in Insertion Enterprises (IE) and Special Employment Centers (SEC). A big number of cooperatives of social initiative

⁷ President of the European Commission.

have also been created for the creation of value and the transformation of society, as it is the case of the network of Alternative and Solidarity Economy (REAS)⁸.

5.1 INSERTION ENTERPRISES (IE)

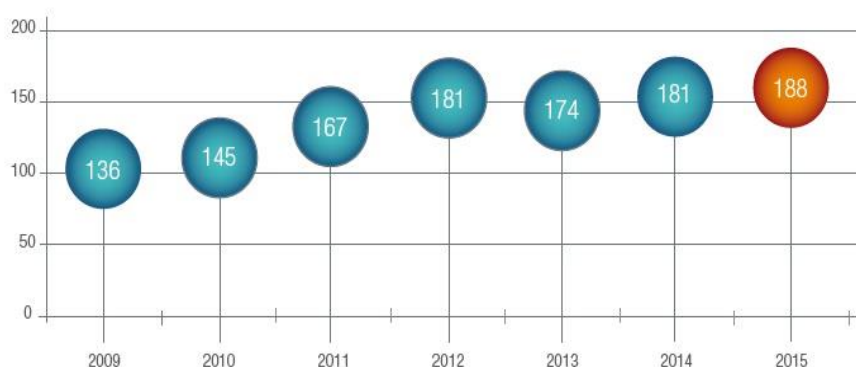
Insertion Enterprises, organizations dedicated to incorporate people with difficulties of access to employment in a standard job, to play independently and economically viable industrial, commercial activities or provide services according to their market sector.

Its main goal is to train and employ people with difficult placement to the world of work, are private entities that do not share benefits between owners, its purposes are of general interest, fulfill an educational function, for the achievement of social skills, labor, basic Formation, job skills and knowledge of the market, serve as a bridge for people to make the leap to the usual system of access to employment.

As cites the Art.4 of the Law 44/2007, of 13 December, only can reach the level of insertion enterprise organizations with legal personality of commercial companies and, in particular, those related to the social economy: cooperatives and labor societies, legally constituted and with the object on the integration and training partner.

The evolution of these companies, has been remarkably successful, since the year 2009 have increased the number of companies approximately 6 per cent per annum. Figure 5 shows the evolution of the number of insertion companies participants between the years 2009-2015.

Fig. 5: Evolution of IE participants in the Social Balance, years 2009-2015.



Source: 2015 FAEDI Memory.

With regard to the territorial presence of integration companies, the most powerful regions are Catalonia and the Basque Country, in a second level would be in

⁸ REAS: Network of Alternative and Solidarity Economy.

communities such as Andalusia, Cantabria and Extremadura, the presence of these companies is very limited. The Figure 6 shows the geographical distribution of insertion companies.

Fig. 6: Geographical Distribution IE.



Source: 2015 FAEDI Memory.

More qualitative level, between the existing insertion companies, it should be noted in the Engrunes Foundation (Catalunya) and the Fundación Deixalles (Balearic Islands), which were pioneers in this field. Began its activity in the field of gardening and the environment, cleaning, waste recovery and recycling, and have gradually expanded to other areas such as construction, direct sale or the care of older people.

The 80% of the IE belong to the services sector, while 10% belong to the Industry, 7% to the construction and only a 3% belongs to the agricultural sector.

5.2 SPECIAL EMPLOYMENT CENTERS (SEC)

Special Employment Centers (SEC) are companies that are intended to ensure gainful employment and the provision of personal and social adjustment to their workers with disabilities, also constitute a means of integration of the greater number of these workers to work normal. Born as a formula of employment for people with disabilities in the Law on the Social Integration of Persons with Disabilities (LISMI) of 1982. Therefore, as a minimum, the 70% of your template must be constituted by people with a disability equal to or greater than 33%.

One of the basic characteristics that define these centers is that they can be created by both public and private institutions, always with a view to make a book of employment for disabled people.

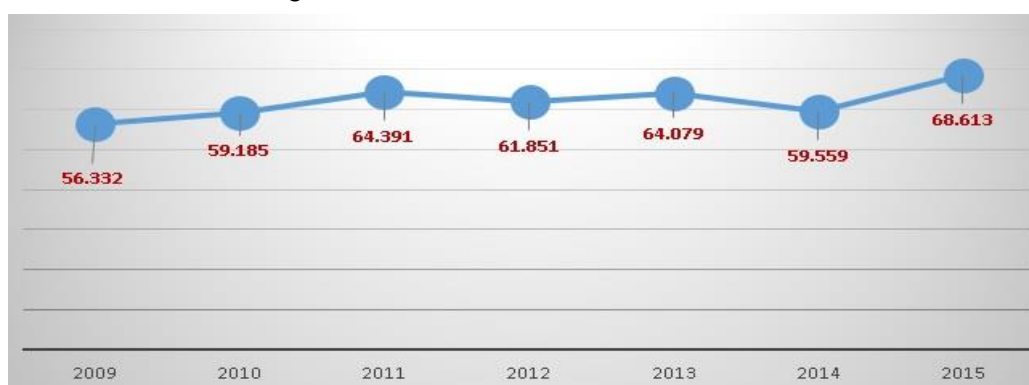
SEC have two priority tasks, ensure training and ongoing support to the disabled for your day-to-day tasks and to provide them with a quality and decent employment, compete in the market like any other company and have become a very important source of employment for this group, in addition to having a fundamental role of social integration through one 's own labor insertion, get a stable job and unpaid work facilitates the economic independence and has very favorably in the possibilities of social integration and on the self-esteem of the person.

For the creation of a Special Employment Center is needed an economic study prior to confirm the feasibility of the project, but must also make sure certain requirements:

- Workers who can show a degree of disability equal to or greater than 33% or to provide employment services on behalf of the center and within your organization or make a statement that you can count with those workers.
- To prove the personality of the owner of the entrepreneur.
- Take the expressed commitment to train disabled workers.
- Register the center in the Register of the Directorate General for Employment and Labor Relations.

Currently, there are 450 Special Employment Centers, framed in the social economy. Figure 7 shows the number of disabled workers hired, from 2009 until 2015.

Fig. 7: Number of disabled workers hired



Source: Feacem.

Among the existing Special Employment Centers, linked with the National Organization for the Blind (ONCE), which appear as the SEC with the greatest volume of billing in Spain.

Aid to promote the occupational integration of people with disabilities in the Special Employment Centers include aid to cover both the wage cost corresponding to the posts occupied by this type of workers how to adapt the jobs, provide protective equipment or remove barriers and obstacles.

5.3 COOPERATIVE OF SOCIAL INICIATIVE (CIS)

Cooperatives of social initiative are associated work cooperatives that offer social welfare services, companies that are formed by workers who are at the same time the owners of their cooperatives, who carry out their business management in a democratic manner, giving priority to the people.

The worker cooperatives form part of the previously mentioned, the third sector. This concept amalgam very different types of entities, whose link is that it does not belong exclusively to either the capitalist business sector or the public sector.

That is to say, do not participate in the logic of capital because they are animated by substantive social objectives (to create jobs for its partners, offer necessary services or protect their partners against certain risks), and are not part of the state sector of the economy because they are not subject to the statewide initiative; includes from associations and ngos, to foundations, mutual societies, voluntary labor societies, and of course co-operatives.

It is characterized by a combination of three objectives: Not-for-profit, create jobs for its partners, and provide social welfare services to the people. Social welfare services include a wide range of activities; the main ones are the social, cultural, support to the daily life of leisure and free time, and of social and labor market integration of disadvantaged groups.

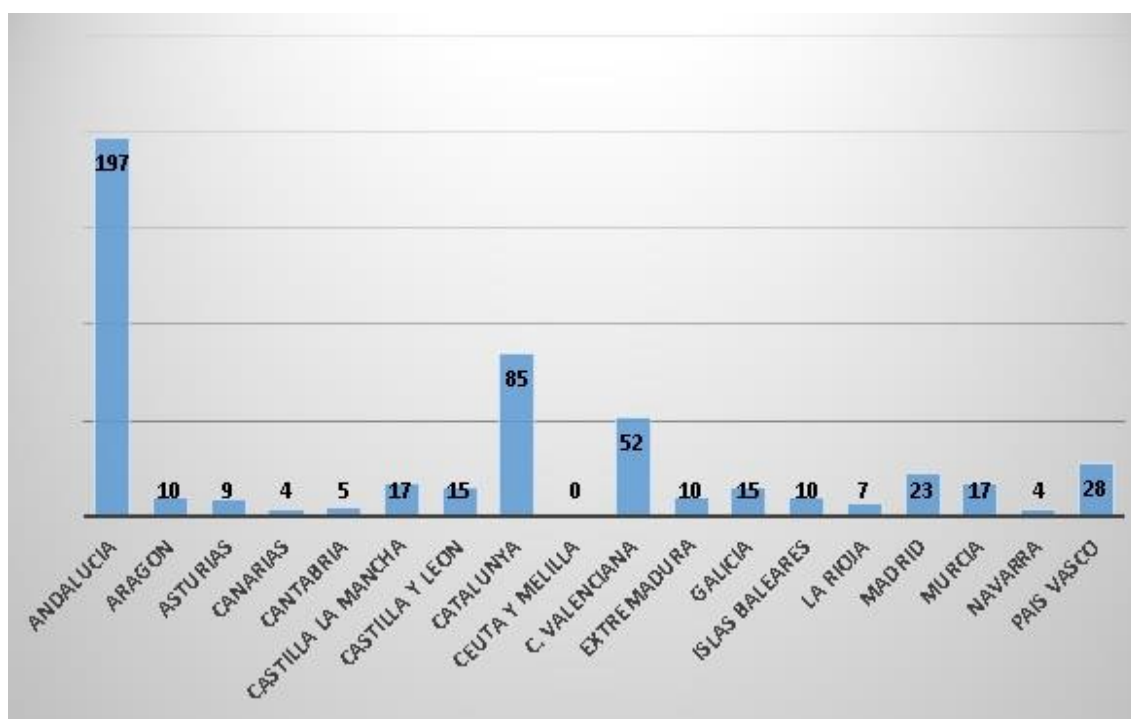
These activities form part of the "new sources of employment", which are sectors of activity potentially generators of employment in the near future; they are, in addition, sectors whose development leads to a substantial improvement in the quality of life of people, as initially meet needs not covered, as a result of changes in the forms of life and the emergence of new economic and social issues.

Article 106 of Law 27/1999 of 16 July, on Cooperative notes that will be qualified social initiative, those co-operatives which have as their object the provision of services through the implementation of health, educational, cultural and other social in nature, or the development of any economic activity which has the purpose of the occupational

integration of people who suffer from any kind of social exclusion and, in general, the satisfaction of social needs are not understood by the market.

The geographical distribution of these organizations is shown in figure 8, the region with the highest number of Cooperatives of Social Initiative is Andalusia, far above the others as you can appreciate.

Fig. 8: Geographical Distribution Cooperatives of Social Initiative.



Source: COCETA (2011).

6. THE MOST IMPORTANT COMPANIES OF THE SOCIAL ECONOMY

CEPES⁹, established in 1992, is a business organization at the state level representative and leader of the social economy in Spain, inclusive and spokesman of their concerns and proposals. A partner for the construction of social and public policies for the promotion of the business model of social economy, focusing on the people.

CEPES, such as umbrella organization for the various existing economic performances under the concept of the social economy, it integrates 26 organizations. All of them are state or regional confederations and specific business groups, which represent the interests of labor societies, Cooperatives, Mutual Societies, insertion companies, special

⁹ Spanish Business Confederation of Social Economy.

employment centers, fishermen's guilds and associations in the disability sector, with more than 200 support structures at regional level.

These social enterprises, represent 10% of GDP¹⁰, in addition to:

1. To promote the social economy and the movements and sectors.
2. Impact and influence in the elaboration of public policies in the legislation at both the state and international.
3. Contribute to the economic development of the country as a means to achieve stability and pluralism in economic markets.
4. Move to the society and the business sector one way to make a socially responsible company, and with specific values.
5. To promote the visibility of the Social Economy to all instances, in economic, cultural, social or political rights of the State and the European Union.
6. Facilitate the modernisation of Social Economy enterprises and their response to the business challenges they face.

Because of that, CEPES, produces a report of the most important companies of the social economy. This report is a list of some of the companies that make up the business fabric of the Social Economy, and which have been selected by the partners of CEPES. There are more companies than those described, but those that appear in the listing are a clear example of the plurality and diversity of our productive fabric ¹¹.

CEPES, as the highest entity representative of the Spanish Social Economy, represents the interests of more than 43.000 other companies whose turnover represents the 10% of GDP and 2.230.781 generates direct and indirect jobs. All of these entities within the framework of Law 5/2011 a business model for the structuring of an economic model, where people take precedence over the capital, where the benefits are redistributed among the people or for the fulfilment of its social purpose, or are reinvested to continue growing and creating jobs.

In the report, are detailed 848 social economy companies legally classified and sorted from highest to lowest billing.

However, in this work, we will focus on the analysis of the financial and economic return, of the most important companies that have undertaken initiatives to avoid cases of social

¹⁰ Gross Domestic Product.

¹¹ CEPES: Ranking of companies <https://www.cep.es/social/ranking>

exclusion, and they have new structures of formation of employment, these are the SEC and IE.

Currently, in Spain there are 188 insertion companies, with approximately 2600 employees, in addition to assessing its economic profitability, it is very important to highlight the profitability in the social aspects, since the beneficiaries cease to be passive and dependent and contribute to society everything that had been denied.

Special Employment Centers, have as their priority to promote the employment of workers with disabilities, there are now two possibilities of occupational integration of people with disabilities. On the one hand, the direct integration in the open market regular work and other integration in the protected market through special employment centers.

There are 450 special employment center¹² framed in the social economy, with around 106,000 workers with disabilities.

6.1 METHODOLOGY AND DATA

For the purpose of this work, it has been obtained from the database SABI¹³, the necessary data, of the two groups of the most relevant companies of the social economy in Spain explained above, obtaining in this way, the data needed for the calculation and collection of the different types of ratios and analytical expressions, studied in the degree of finance and accounting, which will lead to the analysis of the profitability of these two groups of entities.

In the first place, will examine the two groups (IE and SEC) separately, analysing and detailing their corresponding payoffs.

One of the most appropriate ways to measure the economic profitability of a company, is the use of a ratio that relates to the result of the exploitation with the total assets of the same, that is to say, the set of investments which the company owns, including both fixed or fixed assets, such as the circulating in nature. The ratio is expressed as follows:

$$ROA = \frac{\text{Benefit} + \text{Net Financial Expenses}}{\text{Operating income}} \times \frac{\text{Operating income}}{\text{Total Assets}}$$

¹² Should be noted that all of the SEC more relevant in the social economy and with greater billing explained, belong to the group or parent company Fundosa: ONCE Foundation for the Cooperation and Social Inclusion of People with Disabilities.

¹³ SABI: System of Balance Sheet Analysis Iberian, tool that contains information about the balances submitted by more than 1.2 million Spanish companies and 400,000 Portuguese companies.

For testing, the result of the product of the Margin (Profit before to repay his or another person's capital on farm income) and Rotation (operating income on assets), must be the same as the ROA ratio obtained in the above formula.

In the case of the evaluation of the performance or profitability of the shareholder or owner of a company, we talk about the financial profitability. This ratio measures the profitability that obtain the owners of a company, for which compares the result for the financial year (net profit) with own funds, that is to say, with the sum of contributions made by the owners who do not have the consideration of liabilities (capital) More results accumulated by the company which have not been distributed (reservations) and the outcome of the exercise), is expressed in the following way:

$$ROE = \frac{\textit{Benefit}}{\textit{Equity}}$$

This financial profitability, can be broken down into a number of ratios, first getting the financial cost of the entity, then finding the degree and scope of leverage, which shall give rise to the financial leverage, and already, it performs a check of the ROE calculated, which should be equal to the sum of the ROA and financial leverage.

$$\textit{Testing ROE} = \textit{ROA} + \textit{AF}$$

Use the liquidity and solvency ratios, where liquidity will inform us of the ability to withdraw cash at a given time to pay the obligations, and the solvency, to figure out which one is the financial capacity to meet its payment obligations in the long term.

$$\textit{Current Ratio} = \frac{\textit{Current Assets}}{\textit{Liquid Liabilities}}$$

$$\textit{Solvency Ratio} = \frac{\textit{Total Assets}}{\textit{Total Liabilities}}$$

Then and through the individual results obtained, a comparison shall be made by specifying which of the two groups, has better qualities, according to the previous ratios.

6.2 ROA AND ROE ANALYSIS OF INSERTION ENTERPRISES

In order to carry out the joint analysis of this group of companies we have taken the 20 most relevant enterprises of the social economy in Spain according to the ranking of CEPES, from the database SABI obtaining the following template with the average data required for the subsequent analysis of the ratios, with regards to the time interval between 2014-2016:

AVERAGE INSERTION GROUP ENTERPRISES			
	2016	2015	2014
Analysis of ROA			
Benefit	16.000	4.000	5.000
Financial Expenses	150	400	175
Net financial expenses	105	280	123
Assets	330.000	304.000	366.000
ROA	4,88%	1,41%	1,40%
Decomposition of ROA in margin and rotation			
Operating income	881.000	653.000	535.000
Margin	1,83%	0,66%	0,96%
Rotation	2,67	2,15	1,46
Check ROA = Margin x rotation	4,88%	1,41%	1,40%
Variation in ROA	3,47%	0,01%	
Variation in Margin	1,17%	-0,30%	
Variation in rotation	52,17%	68,63%	
Effect Margin EM	2,52%	-0,44%	
ER rotation effect	0,34%	0,66%	
Joint EC Effect	0,61%	-0,21%	
Variation in ROA = EM+ER+EC	3,47%	0,01%	
Analysis of ROE			
Benefit	16.000	4.000	5.000
Equity	105.000	78.000	57.000
Liabilities	225.000	226.000	309.000
ROE	15,24%	5,13%	8,77%
Decomposition of ROA and ROE in Financial Leverage			
CF	0,047%	0,124%	0,040%
Degree of leverage	2,14	2,90	5,42
Margin of leverage	4,83%	1,28%	1,36%
Financial leverage AF	10,36%	3,72%	7,37%
Verification: ROE = ROA+ AF	15,24%	5,13%	8,77%
Analysis of the liquidity			
Current Assets	263.000	232.000	306.000
Liquid Liabilities	140.000	153.000	142.000
Current Ratio	1,88	1,52	2,15
Analysis of solvency			
Solvency Ratio	1,47	1,35	1,18

Return of Assets ROA

As the table shows, the average of the economic profitability of integration companies has remained constant (1,40%) during the periods 2014 and 2015 however; in 2016 it has increased by more than 3%, reaching a ROA of 4,88%.

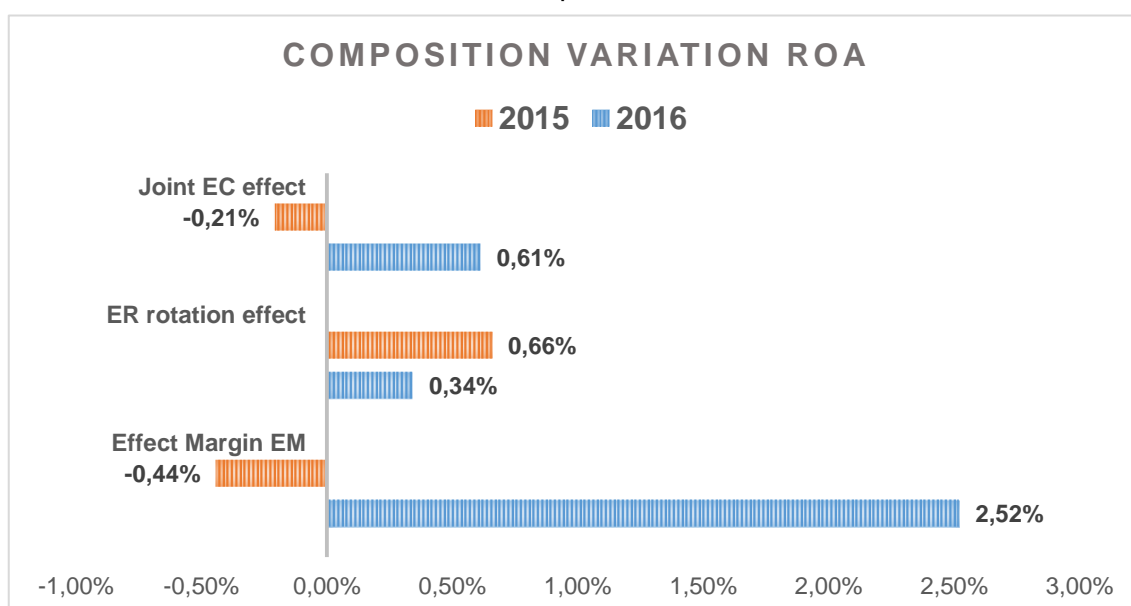
	2014	2015	2016
Margin	0.96%	0.66%	1.83%
Rotation	1.46	2.15	2.67
ROA	1.40%	1.41%	4.88%

The increase in the economic profitability in the year 2016, has been produced by the combined effect of the increase in the margin and asset turnover, this means that the integration companies with virtually the same average total value of assets compared to the year 2015, have generated a greater volume of operating revenues and have achieved a higher margin of the benefits obtained.

In 2016, the rotation of the insertion companies indicates that sales of the period are equivalent to selling 2,67 times the value of the asset.

The analysis of the variation of the ROA (Graphic 1. Composition Variation ROA), shows how the bulk of the increase in the economic profitability, has been produced by the effect on the profit margin.

Graphic 1.

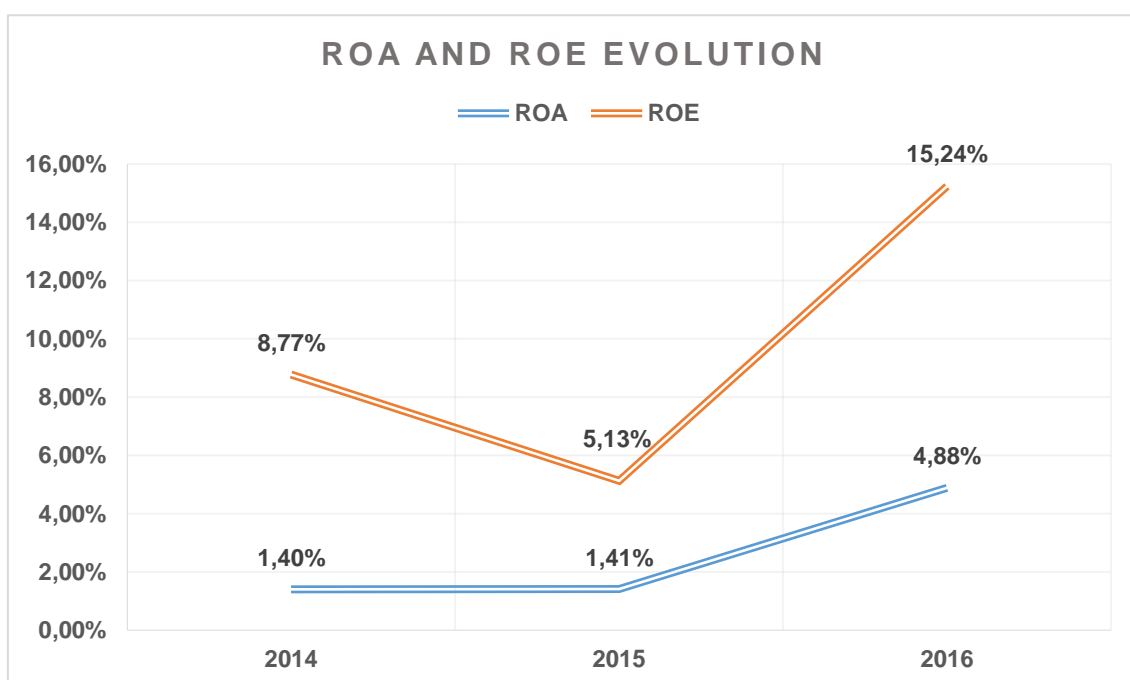


In general, it is considered that for an enterprise to be valued positively in terms of profitability, the figure obtained from your ROA must overcome approximately 5%, it can be concluded that the insertion companies in the year 2016, reach this ratio (4,88%).

Financial Profitability

As it can be seen in graphic 2, the return of equity in insertion companies throughout the period analyzed underwent a small fall in the year 2015, but increased sharply in the following year, reaching 15,24% ROE.

Graphic 2.



It is noted that the ROE (Graphic 2. Evolution ROA and ROE) is always higher than the ROA, due to the fact that the average cost of debt in insertion enterprise is less than the economic profitability, this means that the shareholder has an incentive to borrow, because the profitability of assets is higher than the cost that should be assumed to finance its acquisition.

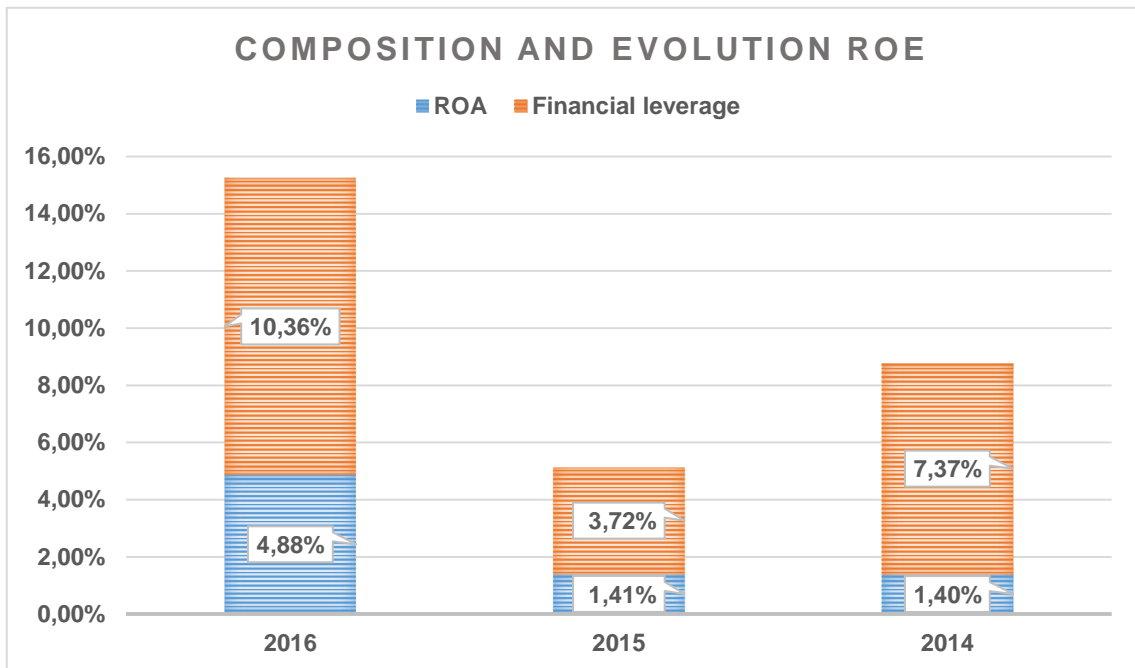
The analysis of the Components of ROE and its evolution, revealed the following data:

Following the graphic evolution and composition ROE (Graphic 3), the weight of the financial leverage in the three years seen, is always more than half of the value of ROA, although the degree of leverage has been reduced considerably, from 5,42 in 2014 to 2,14 in 2016 (Graphic 4. Developer Leverage), the sharp rise of ROA, has meant

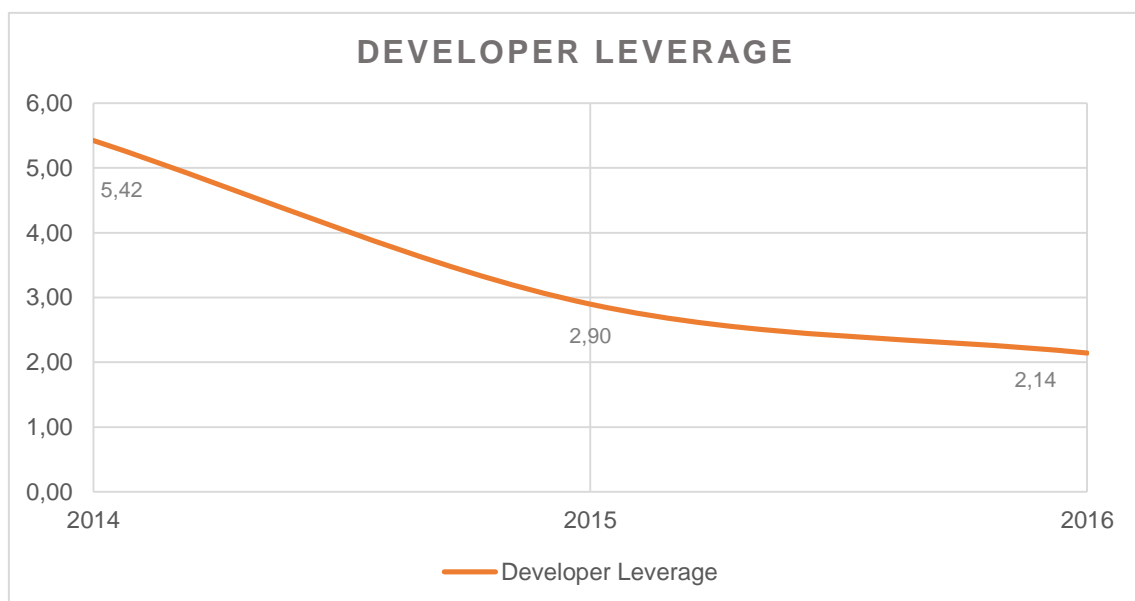
that the leverage increases up to 10,36%, allowing an ROE of 15,24% in 2016, the largest in the period under analysis.

The financial cost of the debt has remained stable in the period analyzed (Graphic 5. Composition and Evolution Margin Leverage). Consequently, it has not contributed to the increase in ROE.

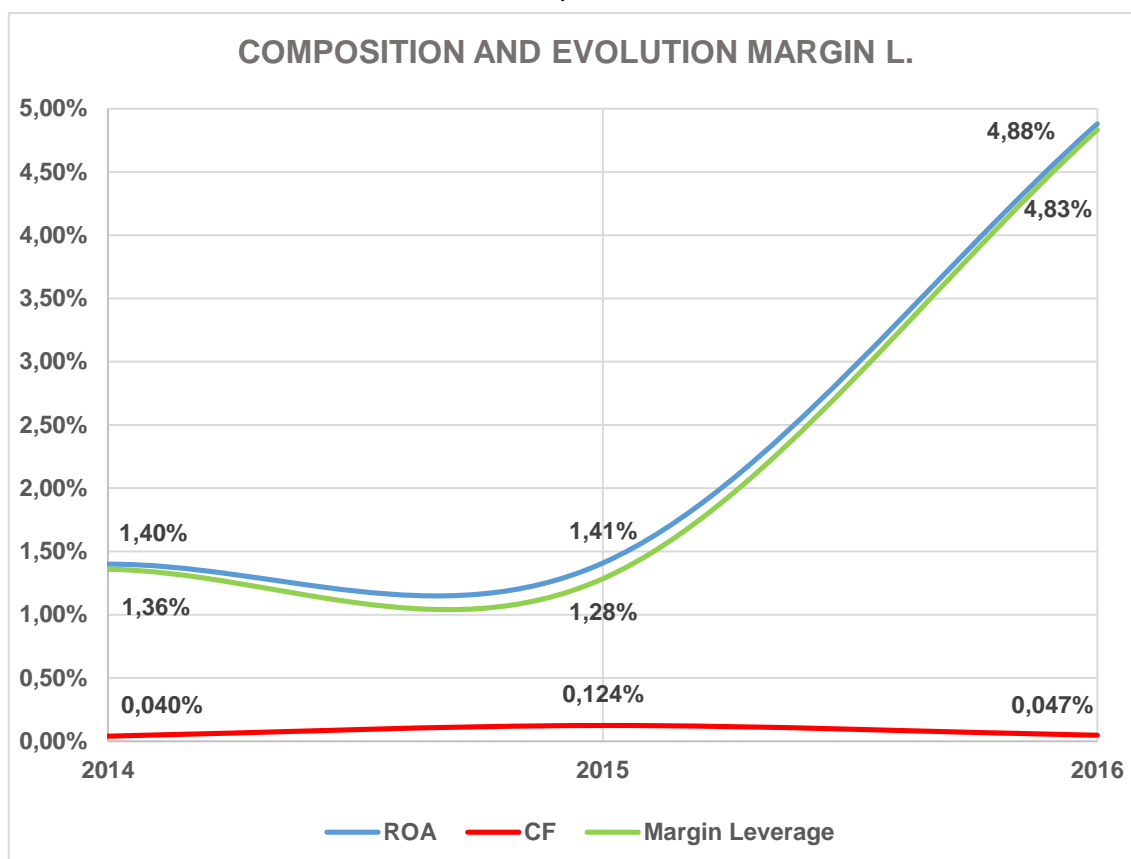
Graphic 3.



Graphic 4.



Graphic 5.



The sharp increase in financial leverage from 2015 to 2016, is due to an increase in the margin of leverage, which came to be at the same level of ROA in 2016 (Graphic 5. Composition and Evolution Margin Leverage). This margin benefits from the increase of the economic efficiency and the reduction of the degree of indebtedness (Graphic 4. Developer of leverage), which, in turn, is favored by the increase of own funds in 2016.

Liquidity

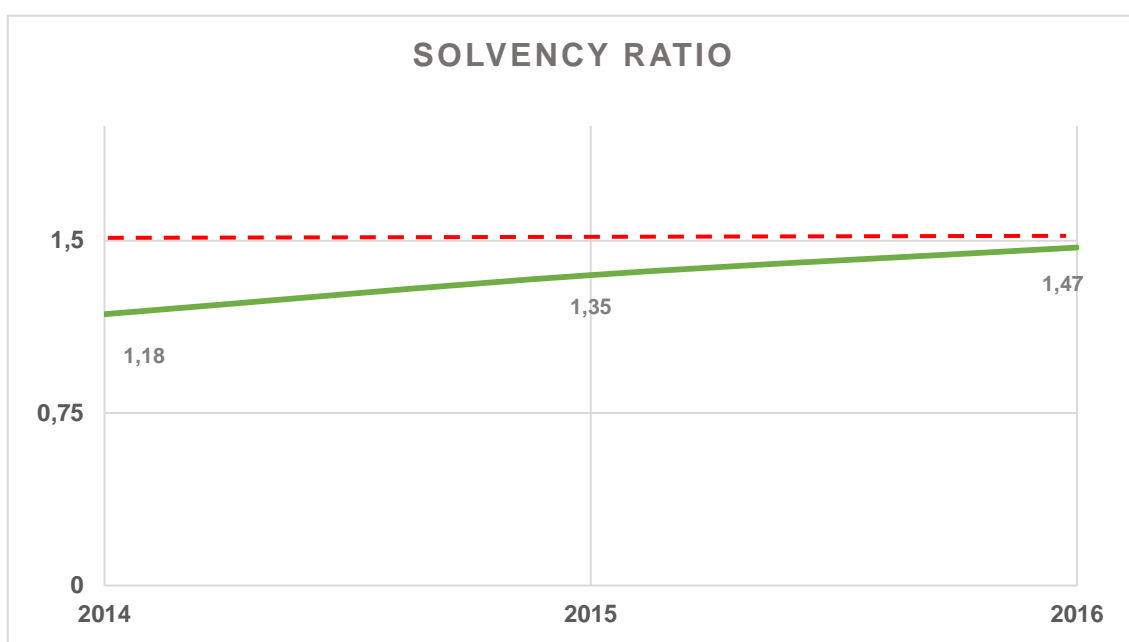
With regards to the liquidity analysis of integration companies, the current ratio has been used. This ratio takes into account all the assets, which in 2016 stood at 266.000€, and the liquid liabilities, valued up to 140.000€, to check if the company at any given time would be able to meet its obligations, the value of this ratio should be greater than 1.5 and close to 2.

In 2016 the insertion companies get a current ratio of 1,88; its current assets are greater than the liabilities. Therefore, these companies have sufficient capacity to be able to meet their payments in the short term.

Solvency

In 2016, these companies have an average of the total value of its assets of 330.000€, and a total value of liabilities of 225.000€, which means that they wouldn't have solvency problems in the long term. The Solvency Ratio (Graphic 6), shows its evolution in the stretch of time from 2014 to 2016.

Graphic 6.



An optimal value at around 1,50 (red line in the Graph 6) is set for the solvency ratio. We can see that the insertion companies do not reach this optimal value; therefore, a value less than 1,5 indicates that the level of solvency of the institution is not enough: the lower the ratio the higher distrust can be generated in creditors or potential creditors.

6.3 ROA AND ROE ANALYSIS OF THE SPECIAL EMPLOYMENT CENTERS

In order to obtain the data we have proceeded in the same way as detailed above. We have obtained the necessary data from the 20 special employment centers of the social economy in Spain, according to the ranking CEPES, from the database SABI, resulting in the following template with the average data required for the subsequent analysis of the ratios, with respect to the time interval between 2014-20116:

AVERAGE OF THE SPECIAL EMPLOYMENT CENTERS			
	2016	2015	2014
Analysis of ROA			
Benefit	328.000	129.000	149.000
Financial Expenses	46.000	66.000	61.000
Net financial expenses	32.200	46.200	42.700
Assets	12.195.000	10.884.000	12.281.000
ROA	2,95%	1,61%	1,56%
Decomposition of ROA in margin and rotation			
Operating income	11.046.000	11.084.000	11.683.000
Margin	3,26%	1,58%	1,64%
Rotation	0,91	1,02	0,95
Check ROA = Margin x rotation	2,95%	1,61%	1,56%
Variation in ROA	1,34%	0,05%	
Variation in Margin	1,68%	-0,06%	
Variation in rotation	-11,26%	6,71%	
Effect Margin EM	1,71%	-0,06%	
ER rotation effect	-0,18%	0,11%	
Joint EC effect	-0,19%	-0,0040%	
Variation in ROA = EM+ER+EC	1,34%	0,05%	
Analysis of ROE			
Benefit	328.000	129.000	149.000
Equity	4.922.000	3.748.000	3.568.000
Passive	7.273.000	7.136.000	8.713.000
ROE	6,66%	3,44%	4,18%
Decomposition of ROA and ROE in Financial Leverage			
CF	0,443%	0,647%	0,490%
Degree of leverage	1,48	1,90	2,44
Margin of leverage	2,51%	0,96%	1,07%
Financial leverage AF	3,71%	1,83%	2,62%
Verification: ROE = ROA+ AF	6,66%	3,44%	4,18%
Analysis of the liquidity			
Current Assets	4.966.000	4.457.000	4.645.000
Liquid Liabilities	4.017.000	2.259.000	2.294.000
Current Ratio	1,24	1,97	2,02
Analysis of solvency			
Solvency Ratio	1,68	1,53	1,41

Return of Assets ROA

The table below shows how the ROA has been increasing gradually in the analyzed period, until it reached a ratio ROA of 3,26% in 2016.

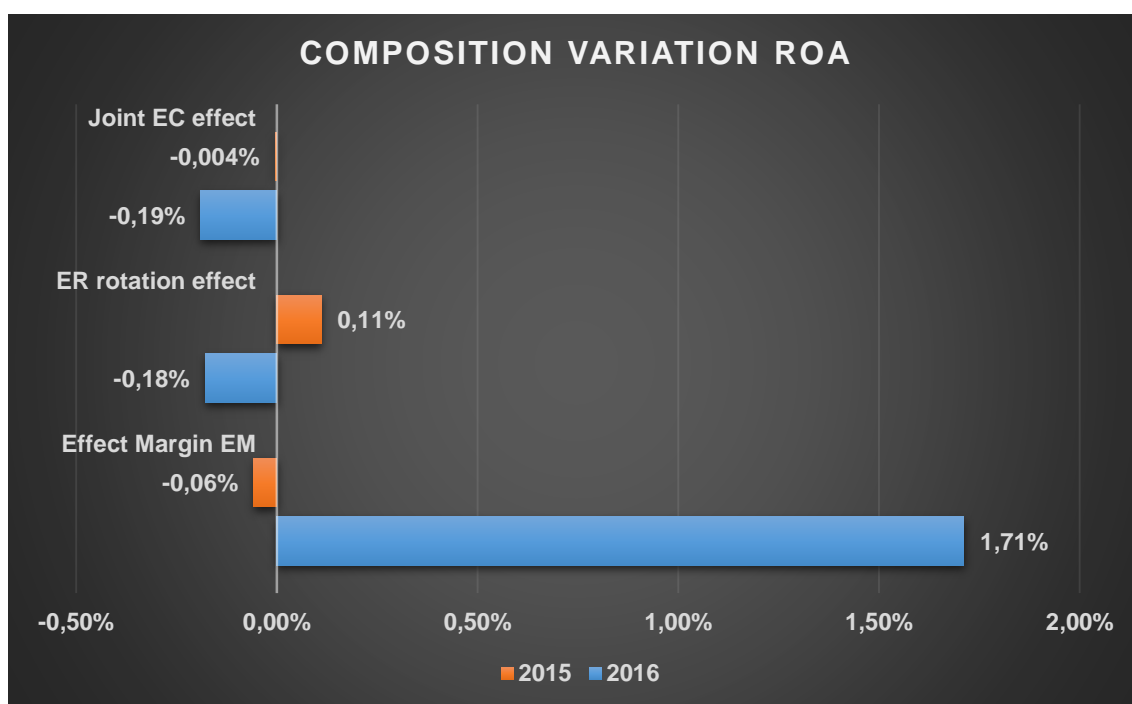
The rotation of SECs has remained still, even increasing the average value of the operating income compared to previous years, because the average value of their total assets has increased too.

The increase in ROA has been due to the fact that the SEC, have improved their profit margin, even so, their asset turnover is still quite low, the sales of the 2016 period, only amount to sell 0,90 times the value of the asset.

	2014	2015	2016
Margin	1.64%	1.58%	3.26%
Rotation	0.95	1.02	0.91
ROA	1.56%	1.61%	2.95%

The analysis of the variation of the ROA (See Graphic 7.), shows how the increase in the economic profitability, has been produced by the effect on the profit margin.

Graphic 7.

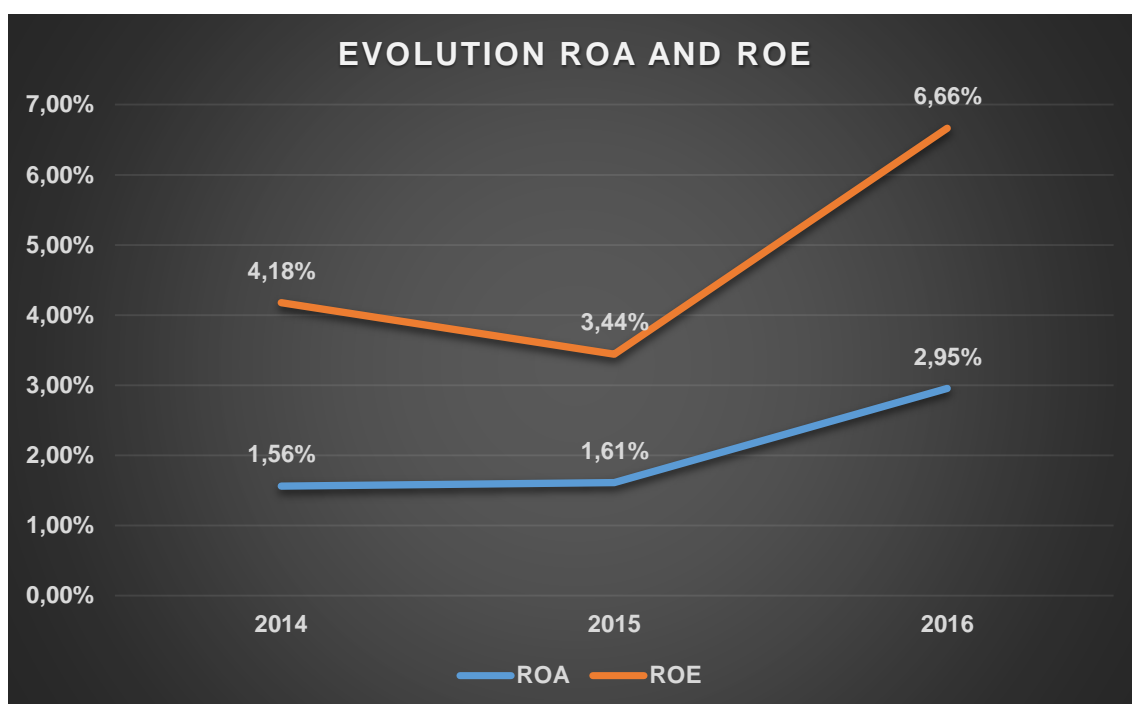


Even having improved the profit margin, the special employment centers get a small ROA ratio, in relation to the totality of assets they possess, since these are quite high.

Financial Profitability

In the period between the years 2014-2015 Special employment centers presented virtually the same proportion of reduction of the ROE and ROA ratio, however, in 2016, the ROE is triggered much more than the proportion of the increase of ROA, reaching the ratio of 6,66%. Graphic 8 shows this change at first sight.

Graphic 8.



The ratio is higher than the ROE ROA throughout the period analyzed, resulting in a positive leverage effect.

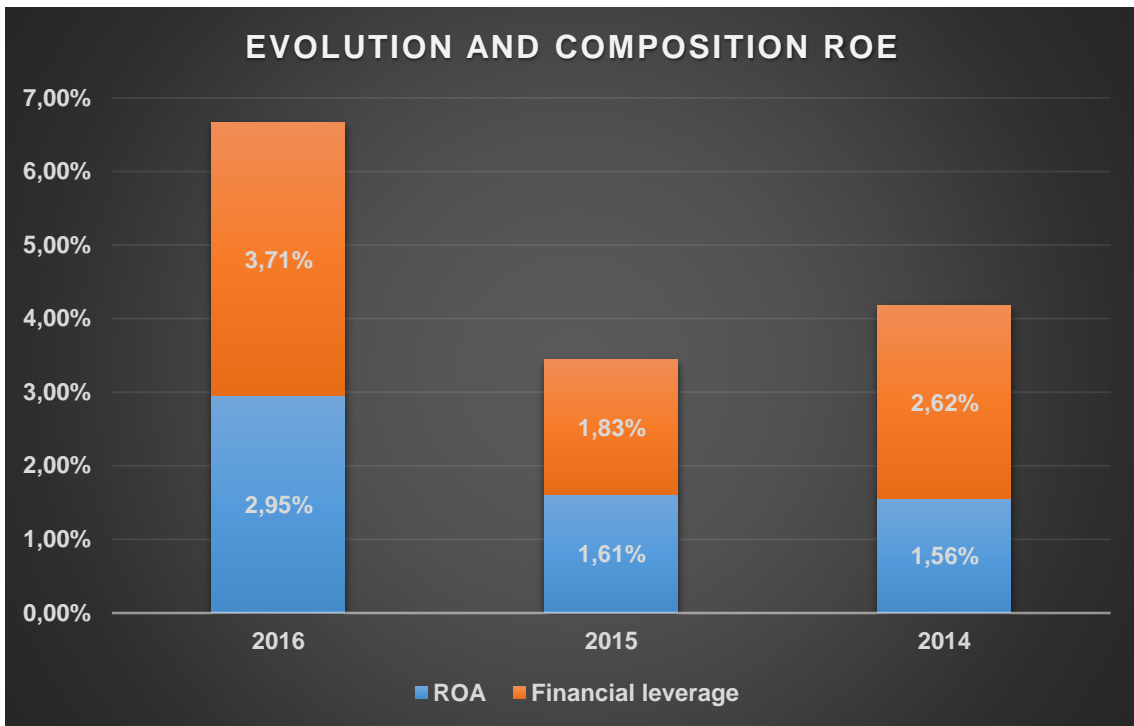
Analyzing the Components of ROE and its evolution, the following was observed:

In the period 2014-2015, financial leverage is slightly higher than the ROA ratio, between the years 2014 and 2015, it can be said that it remains constant. However, the ratio increases to 3,71% in 2016. This increase is due to the margin of leverage: from a close to 1% ratio in the previous years it amounts to 2,51% in 2016.

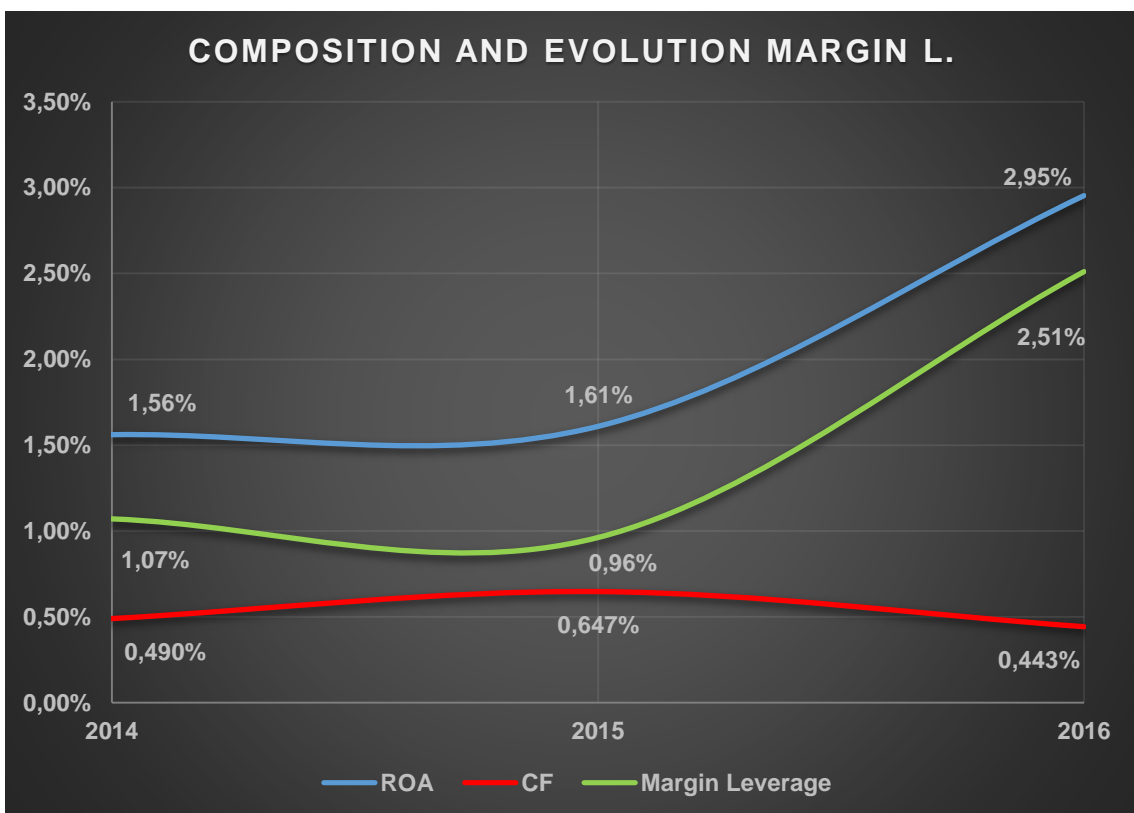
The cause of this increase of margin of leverage, is that the special employment centers, in 2016, reduce the financial cost as compared with the year 2015, (See Graphic 10).

The total value of liabilities, from 2015 to 2016 remains constant. However, the increase of equity, causes the developer of leverage to decrease, as shown in graphic 11.

Graphic 9.

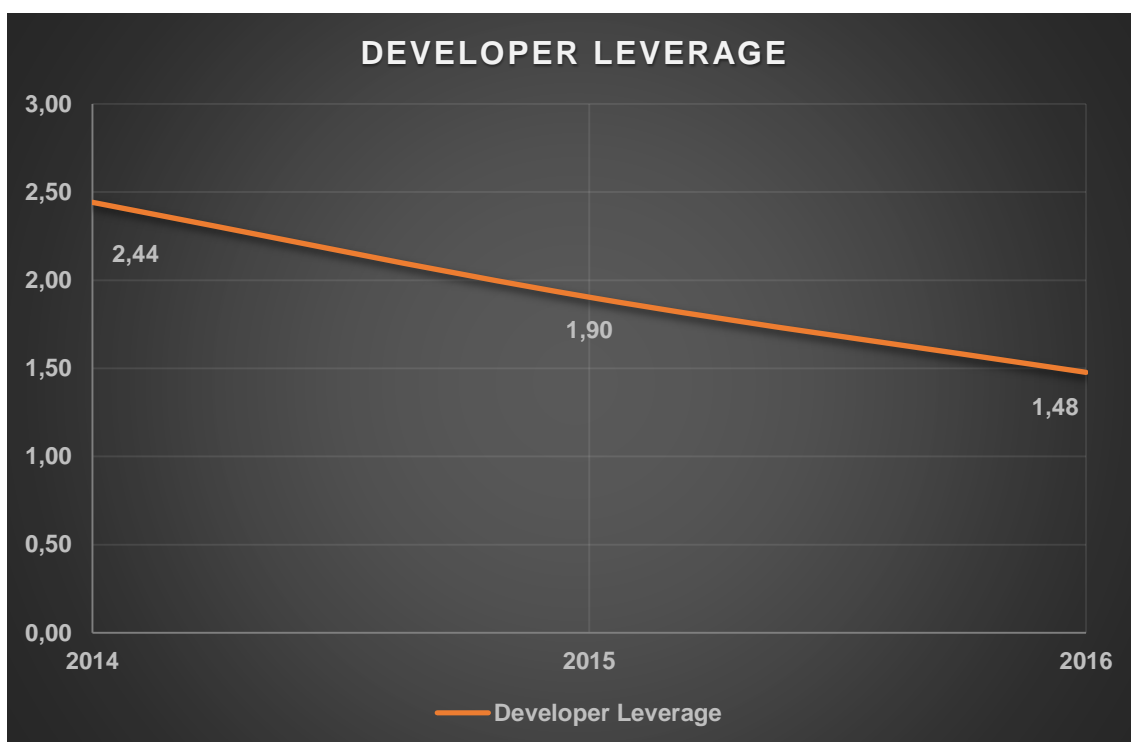


Graphic 10.



This effect of decrease in the degree of leverage would cause the financial leverage to decrease. Nevertheless, the rise of the ratio ROA in 2016, and the increase in the margin of leverage, as a result of the reduction of the financial cost for the year 2015, makes this leverage increase, to reach a steady ratio of 3,71% in 2016. (See Graphic 9).

Graphic 11.



Liquidity

The Special Employment Centers, obtained an average of assets in 2016 valued 4.966.000€, and a set of liquid liabilities, which amount to 4.017.000€.

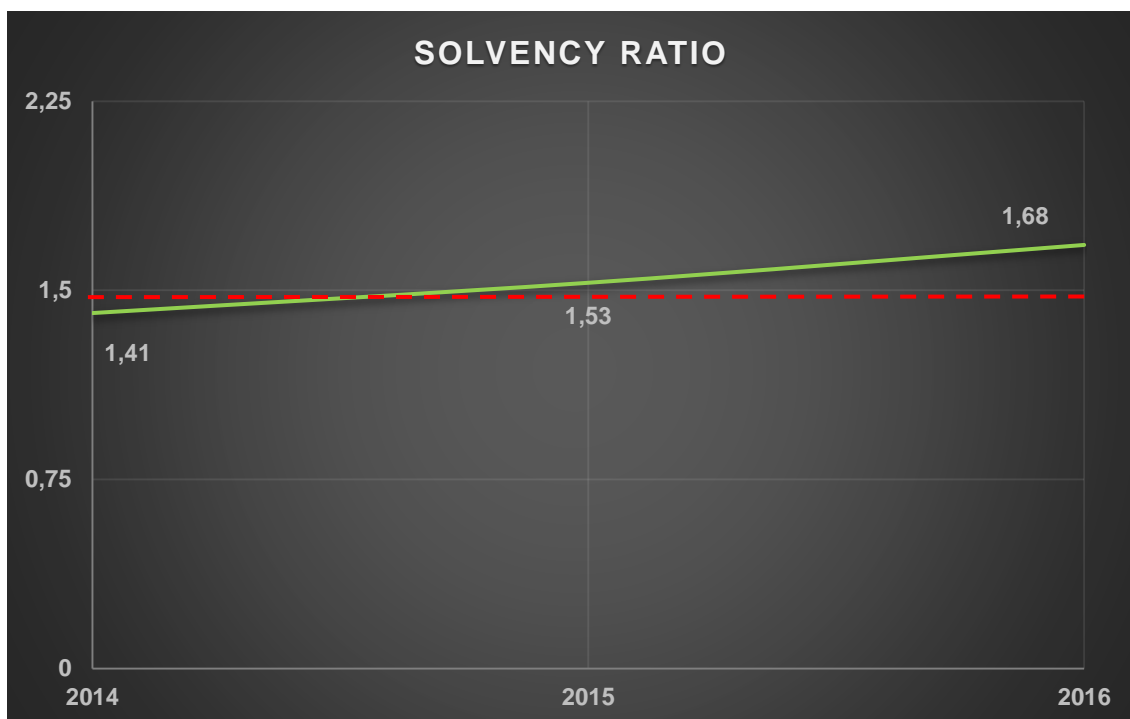
These data bring about a Current Ratio of 1.24, which indicates that the average of the current assets of the special employment centers is greater than the current liabilities, however, this ratio does not exceed 1.5; consequently, these companies could submit a liquidity problema in the long run.

Solvency

Graphic 12 shows how the solvency ratio of the special employment centers is larger than the optimal value of 1,5 reaching a 1,68 in 2016.

The position of creditors will be greatly strengthened; however, it may denote that there exists an excess of unproductive assets which is, in no way, advisable.

Graphic 12.



SECs lack of liquid assets. Therefore, they do not have a high liquidity, but they are very solvent for having high value fixed assets which allow them to guarantee an obligation reasonably.

6.4 COMPARATIVE IE AND SEC

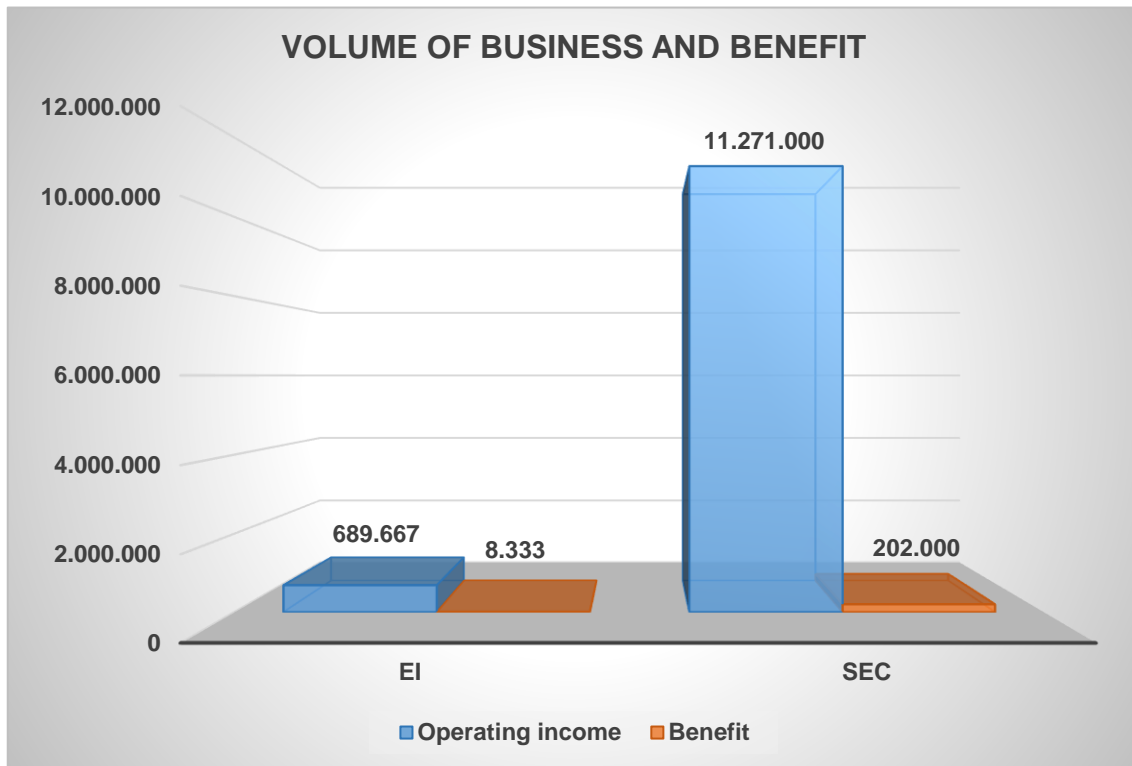
A comparison of these two groups of entities has been completed through the results of the individual analysis, by using the average of the three years observed.

Operating income

It is evident to the naked eye, how SEC are clearly the companies with higher turnovers, with an average of 11 million sales volume, not only with regard to the EIs studied in this work, (these 745,000€ on average), but also in the fact that Special

Employment Centers, are the group of social economy enterprises with higher operating income. (See Graphic 13).

Graphic 13.



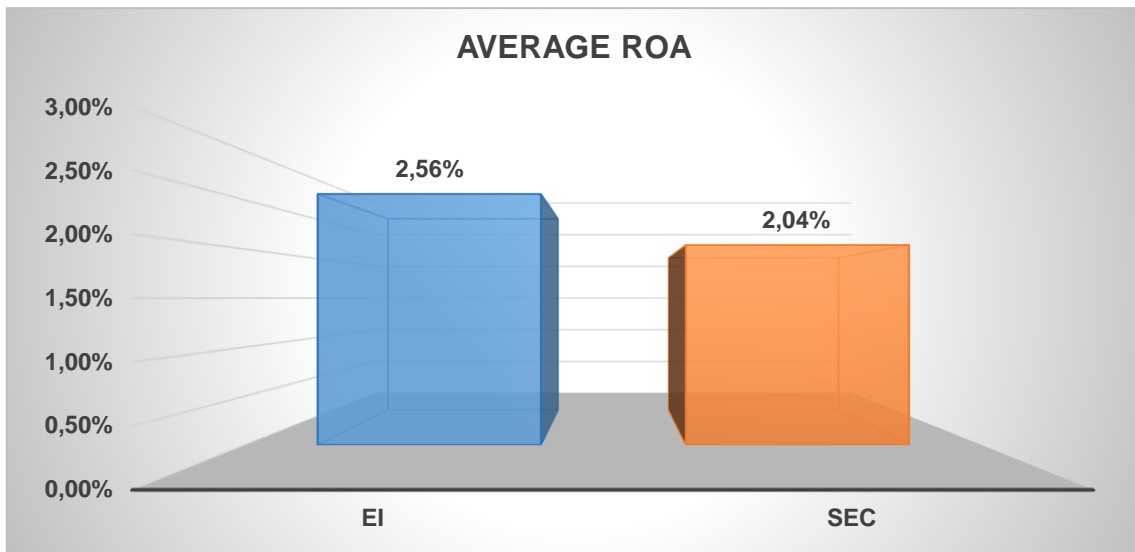
Apart from the average operating revenues, the chart also shows the average profit, for each of these groups, being the one of the SEC clearly superior to that of EI.

On the other hand, if this analysis were carried out through their relevant rotations of active, graph 15 shows how EIs have the greatest proportion of operating income, this relationship will be explained in the following section.

Economic Profitability

Insertion Companies acquire greater economic profitability (2,56%) with respect to the Special Employment Centers (2,04%), as can be seen with the naked eye in Graphic 14.

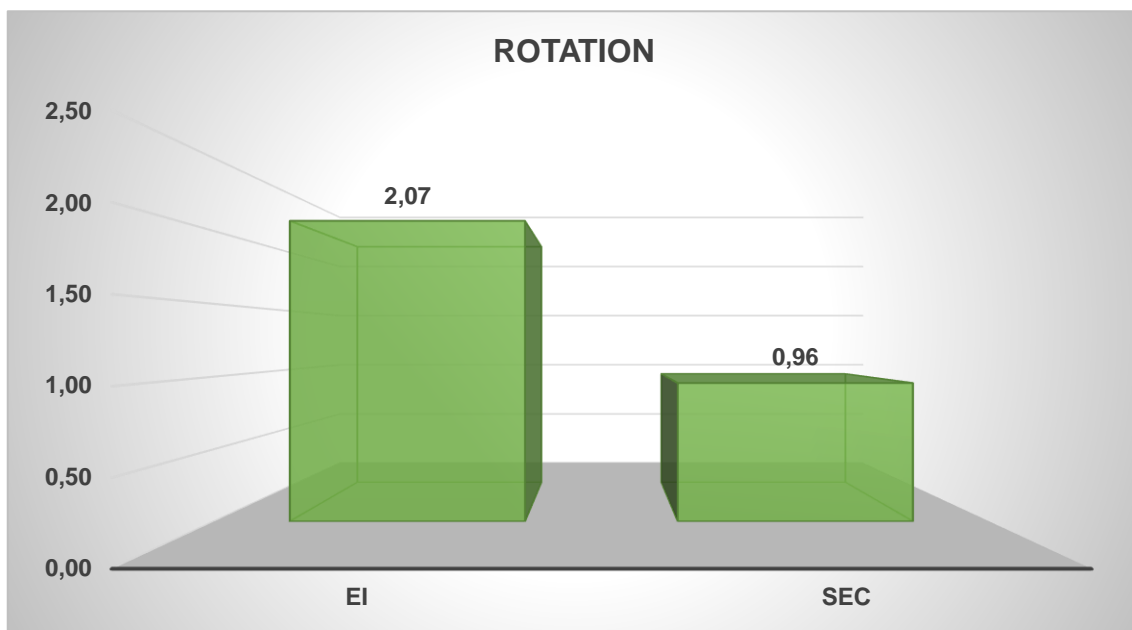
Graphic 14.



The fact that EIs have greater economic profitability is easy to explain: despite the fact that the SEC obtain higher operating income, they own an average of the total value of its assets of 12 million euros, while the EIs have only an average of 280.000 €, therefore, the EIs get better economic profitability, with regards to the total volume of assets and operating income obtained.

In the Graphic 15, we see how the EI are clearly superior to the SEC in this respect.

Graphic 15.



Another reason is that the SEC invest a large amount of capital in production. Their priority is spending. These companies that are capital intensive, will get low levels of ROA, which leads to the alteration of its debt in order to finance their assets.

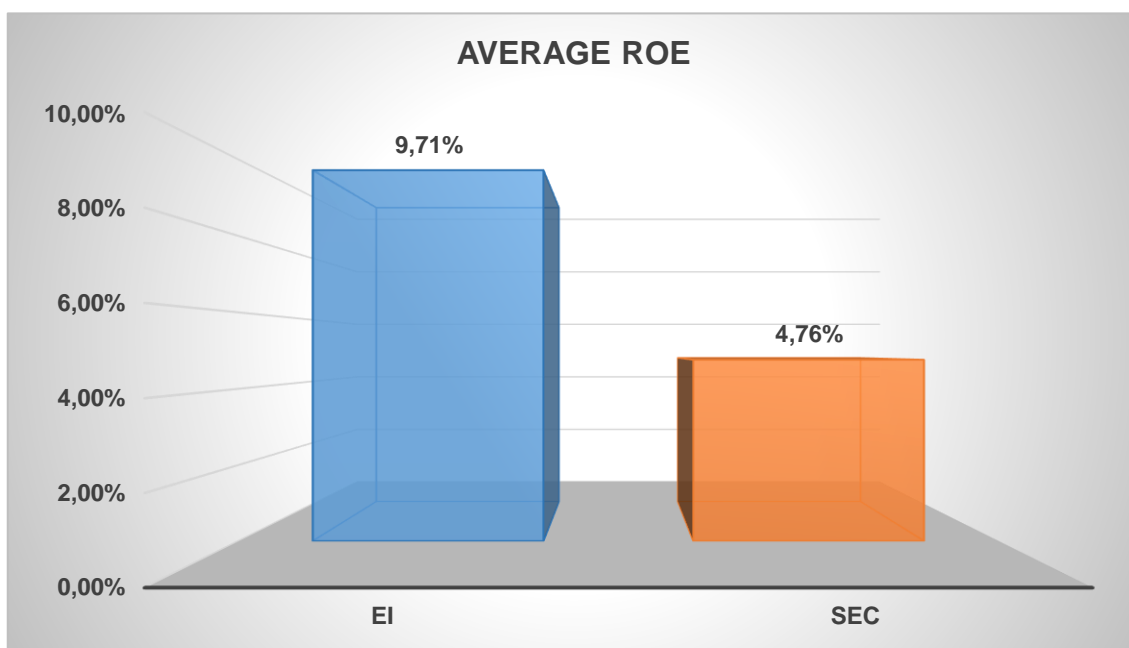
Financial Profitability

The average return of equity of integration companies, results greater than the special employment centers once more, but this time, the difference is more important than in the ROA ratio (See Graphic 16).

If an investor decides to bet on the EI, that is to say, if you invest one euro in the EI, there would be a return greater than if you invest in the SEC.

EIs have equity rather inferior to those of the SECs, therefore, the proportion of benefits in EIs is much higher for every euro invested with regard to the own resources used in the financing.

Graphic 16.



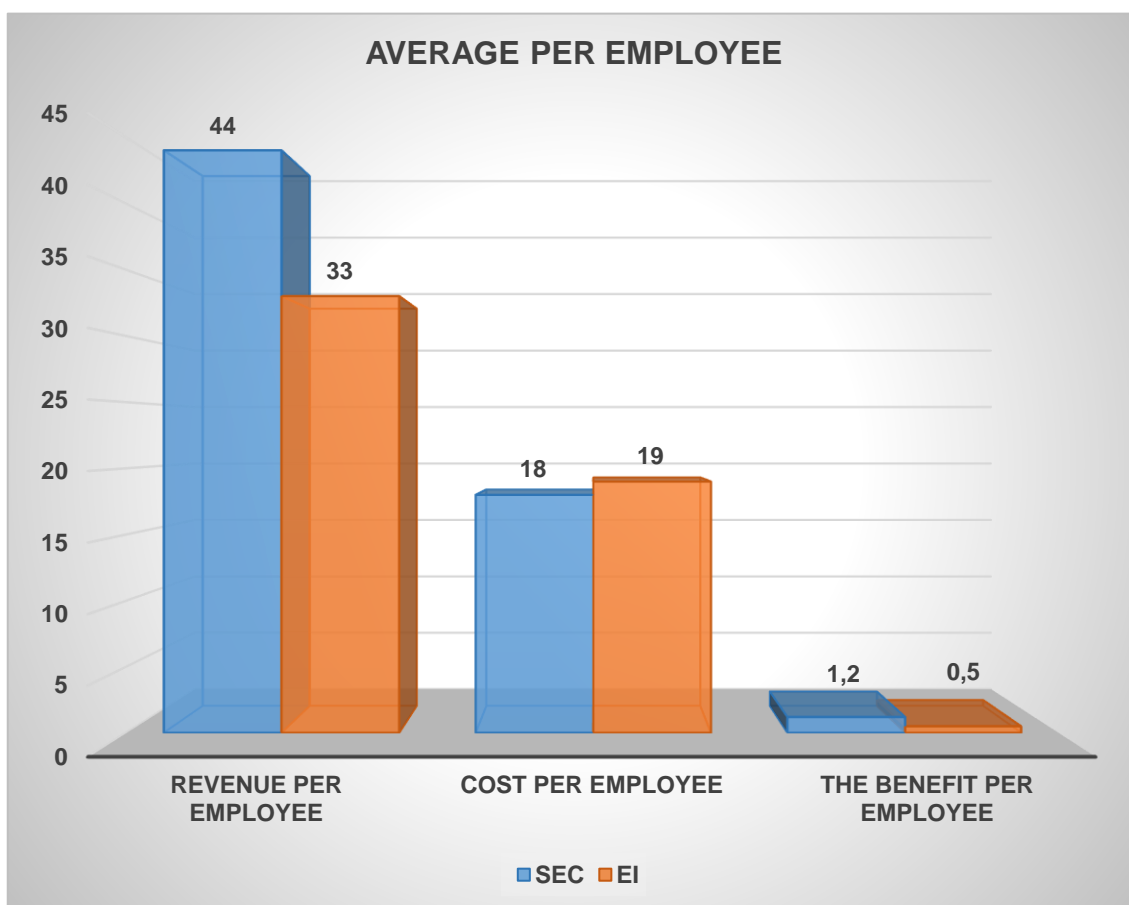
Both the EI and the SEC, obtained a positive multiple of indebtedness, that is to say, the ROE is greater than the ROA in the three years analyzed, this means that the fact of having financed part of the business asset with debt, has led to the growth of the financial profitability.

Employees

The latest available year of the Special Employment Centers and Enterprise of Insertion into the database SABI, shows that the average number of employees for these two groups of companies is that of 434 and 23 employees respectively.

Graphic 17 shows the comparison in thousands of € of revenue, costs and benefits obtained by employee from these two groups of companies.

Graphic 17.



The size difference in these two groups of companies, is quite high, however, the average revenue per employee, is not so disparate, 44.000€€ in the SEC compared to the 33.000€ per employee of the EI.

Despite having considerably fewer staff workers, insertion companies have a higher cost per employee, 19.000 compared to 18.000€ of SECs.

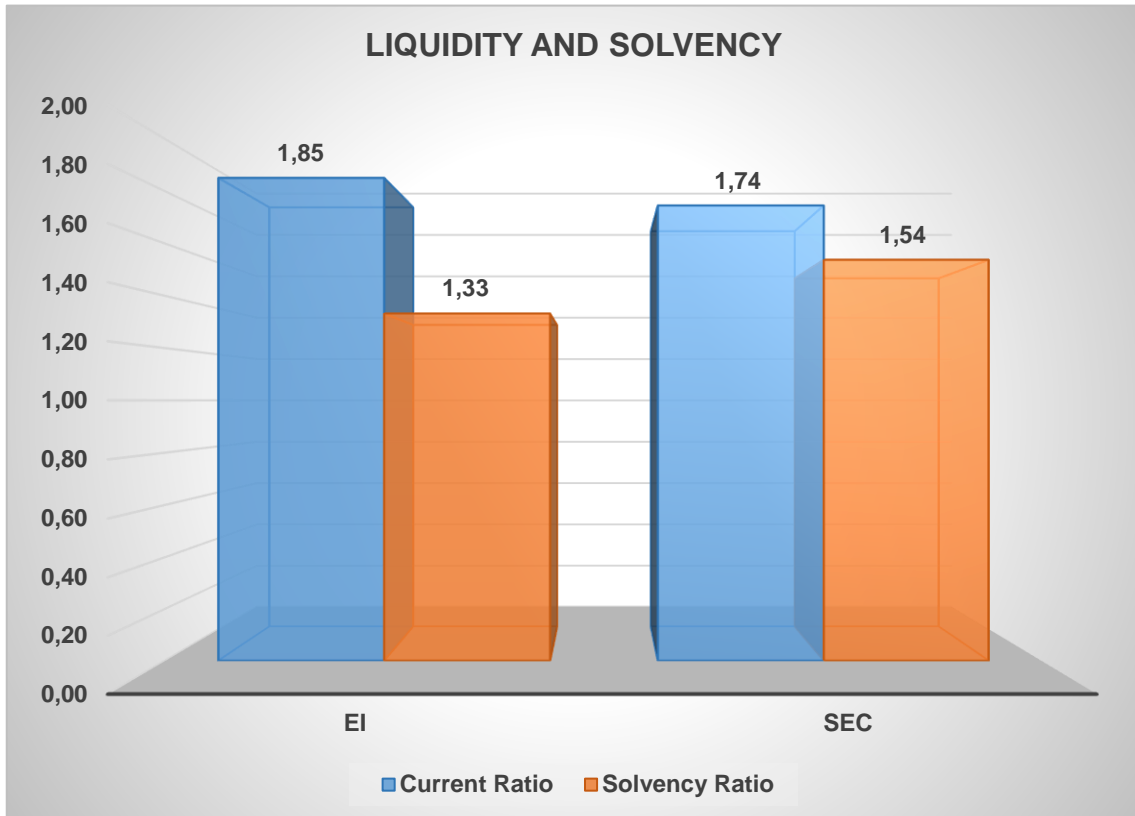
As for the the outcome of the tax year, the benefit obtained by SECs is only 700.000€ superior to the EI, per employee, as the insertion companies would represent only 19% of the total staff of SECs, this difference is not so significant.

Liquidity and solvency

Insertion companies show more liquidity in the short term, than the special employment centers. Instead, the latter obtain greater solvency if we consider it in the long run.

The following chart (Graphic 18), shows this comparison.

Graphic 18.



Although EIs have greater liquidity, SECs are more reliable in the long term, they offer a greater assurance because they possess a greater asset value.

Despite being very similar terms, liquidity is not the same as solvency, the economic solvency is the ability of the company to cover debts, does not necessarily implies liquidity, as security for a debt may be in an asset that is not considered liquid, therefore SECs are much more reliable in this regard.

7. A RESULT OF THE COMPARATIVE EI AND SEC

➤ **Insertion Enterprises:**

- ✓ More benefits with respect to all of its assets (Rotation)
- ✓ Greater economic profitability (ROA)
- ✓ Greater financial profitability (ROE)
- ✓ Higher Cost per employee
- ✓ Greater liquidity in the short term (Current Ratio)

➤ **Special Employment Centers:**

- ✓ Higher Operating Income
- ✓ Greater benefits in the result of the tax year
- ✓ Higher Revenue and Profit per employee
- ✓ Lower Costs per employee
- ✓ Greater solvency in the long term, greater security and reliability

CONCLUSION

The emergence of social enterprises can be understood as a response to the shortcomings of the traditional economic system. In spite of the spectacular development experienced in the world in the last decades, social exclusion in developed societies has been increased to the point of reaching their highest.

Hence, the importance of the economic analysis and the choice of the two most important groups of social economy, such as insertion enterprises and special employment centers.

According to data provided by AREI¹⁴, the 27.9% of the population is in danger or risk of social exclusion and, it is precisely, insertion companies that give work to these people and provide them with training to enable their inclusion in the regular labour market.

¹⁴ Aragonese Association of Insertion Enterprises.

The current economic crisis has led an increasingly larger number of people to rethink the functioning of economy, trying to find new ways of business that promote a fairer, more inclusive development.

The social enterprise is an economic opportunity and as such, the participation in the goods and services market, and the necessary economic sustainability it implies, are part of its nature. Benefits are considered a necessary element for the self-preservation of the company, but they are never its main objective. What it aims to do is to take advantage of a competitive advantage in the market, employing it in favor of the collective of people intended to help.

Social enterprises must be able to compete with traditional companies in the market with fewer resources. Therefore, the key is the way the company uses to get economic sustainability. Innovation and adaptability are the most important factors involved in the design of the value chain of the company.

The goal of this work has been to analyse the financial and economic profitability two of the most relevant groups of enterprises of the Spanish social economy. More specifically, the analysis of the ROA and ROE of Insertion Enterprises and Special Employment Centers. The results of this research can be summarised as follows:

1. Both IEs and SECs, obtained positive ROA and ROE ratios in the three periods analyzed.
2. Insertion Companies, are far below Special Employment Centers in terms of size and number of employees; however, they are able to generate greater economic profitability, partly thanks to its assets rotation, they can generate greater benefit compared to their assets.
3. Insertion Companies gain greater financial returns for shareholders, that is, if an investor decides to put money on a IE, a greater return will be generated than if he or she decides to invest on a SEC.
4. IEs obtained a greater liquidity than SECs. This is a short-term vision, since SECs are more solvent, provide greater security and reliability in the long term, by having a greater volume of assets.
5. Another important aspect would be that of the benefit and cost contributed by every employee, where Special Employment Centers provide better results in both directions, lower costs and increased profit per employee.

In conclusion, the results of this study allow us to conclude that a different type of non-profit economy is possible, profitable and at the same time, able to generate social welfare.

Emphasizing the importance of social economy worldwide, I think that the social enterprise has introduced a sense of social responsibility that will form the basis of future economic models. It has pulled down many social prejudices and has shown that it is possible to use resources and capacities, which have been so far undervalued, in a cost-effective and competitive way.

However, in my opinion, I do not think that social objectives will ever be the only leading force of the economy, since an intermediate position between social benefits and economic benefits is needed.

Therefore, companies with a considerable social sensitivity, which also offer financial incentives to their investors are a possible variant of organizational structure, which, in my view will represent the tendency of the current definition of social enterprise.

The result would be a business model that satisfies the economic aspirations of its investors but using a structure and a series of operational processes that create value for the society, turning general economy into an equal, fair mechanism.

BIBLIOGRAPHY

List of References:

Austin, J. (2006). Social and comercial entrepreneurship. *Entrepreneurship Theory and Practice*, 30: 1-22.

Barea, J. & Monzón, J. L. (2000). CIRIEC. *Informe de síntesis sobre la Economía Social en España en el año 2000*. Valencia: 1: 11.

Defourny, J. & Nyssens, M. (2012). Revista de Economía Pública, Social y Cooperativa CIRIEC. *El enfoque EMES de empresa social*. Valencia: 3: 13-16.

Garcia, J; Via, J; Xirinacs, L. M. (2006). Hacia otra economía. *La dimensión cooperativa*. Barcelona: 12: 216-217.

Maslow, A. (1954). *Motivation and Personality*.

Mulgan, G. (2010). Measuring social value. *Stanford Social Innovation Review*, Summer: 38-43.

Phills, J. (2008). Rediscovering social innovatio. *Stanford Social Innovation Review*, 6, Fall: 39.

Porter, M. & Kramer, M.R. (2011). Creating Shared Value. *Harvard Business Review*, 8 (January-February): 62-77.

Subirats, J. (2009). Pobreza y exclusión social. *Un análisis de la realidad española y europea*. Colección Estudios Sociales número 16. Barcelona: Fundación La Caixa.

Venkataraman, S. (1997) The Distinctive Domain of Entrepreneurship Research. *Advances in entrepreneurship, firm emergence, and growt*, 3: 119-138.

Wilson, F. & Post, J.E. (2013). Business models for people, planet and profits. *Small Business Economics*, 40: 715-737.

Online works:

Askunze, C. (2016). *“What is Social Solidarity Economy?”*. RIPESS [on line] available at <http://www.ripess.org>

Barroso, J. M. (2018). *“¿Qué es el emprendimiento social?”*. Deusto Formación [on line] available at <https://www.deustoformacion.com/blog/gestion-empresas/que-es-emprendimiento-social>

Dees, J.G. (1998). *“The Center for the Advancement of Social Entrepreneurship”*. Fuqua Business School [on line] available at <https://centers.fuqua.duke.edu/case/>

Online Figures:

<http://www.feacem.es> (2017, April 20)

<https://www.cepes.es> (2017, March 29)

<http://www.coceta.coop> (2017, April 23)

<http://ciriec.es> (2017, April 12)

<http://www.faedei.org> (2017, April 6)