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SOCIAL COOPERATIVES AS AN ELEMENT OF SOLIDARITY ECONOMY

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Abstract: Global economic and political instability has highlighted the shortcomings of the current global economic system and reaffirmed the need for an alternative or complementary development paradigm. The Social and Solidarity Economy (SSE) is a sustainable solution to rebalance economic, social, and environmental goals. The analysis of scientific literature demonstrates the actualization in the world academic discourse of the problem related to the social solidarity economy, part of which is the cooperative form of socio-economic organization.

The article deals with an interdisciplinary study of the place and role of cooperatives in the structure of SSE (Social and Solidarity Economy), international experience of the functioning of cooperation as an organizational form that consistently implements the principles of a socially-oriented economy, its legal regulation, and the mechanism of updates in the socio-economic process. The differences between social cooperatives and other types of social enterprises in countries with successful economies are considered. The SSE essential features and their correlation with cooperative principles of activity are shown. Based on an analysis of world experience, various ways of providing and accessing financial resources to support the SSE organizations and their ecosystems growth have been defined.

Keywords: solidarity economy, cooperatives, social enterprises, sustainable development, social inequality.

Introduction

The social economy is understood as the “third sector” of the economy, supplementing the “first sector” (private / profit-oriented) and “second sector” (state / planned) (Mertens, 1999, p. 510). The third sector includes cooperatives, organizations, associations, and foundations, collectively organized and targeted on social goals, taking

priority over profit or return for shareholders. The purpose of social enterprises is not profit maximization but social goal achievement (however, it does not exclude profit gain necessary for reinvestment). Others consider equally that the social economy is the third branch of capitalism, in addition to the public and private sectors. Social economy proponents insist that it should be considered as an independent form of organiza-

tion based on a special type of relationship, like a public or private, with an appropriate level of support in public resources and politics. Some other intellectuals, representing the more radical opinions spectrum pole, review the social economy as a stepping stone toward the current economic system's fundamental transformation (Defourny, Develtere, Fonteneau, & Nyssen, 2009, p. 23).

The solidarity economy, according to the apologists, is called upon to change the entire social and economic system and produce a different social development paradigm based on the solidarity economy principles. Despite the criticism of the views essence of the solidarity economy supporters, the very problem statement in the light of the prospects search for the social development of global civilization deserves attention. The solidarity economy, focusing on the human community's well-being through achieving harmony with the surrounding nature and pursuing the objective of the neoliberal capitalist economic system transformation, aimed to profit maximization and "resource-blind growth", indicates a way that allows, if not to improve public order, then at least to "reduce" many shortcomings within the framework of Modernity. The Solidarity Economy comprises three sectors - the private and public, and the third - the social sectors. The movement for the solidarity economy differs from many other public initiatives and past ideas in a pluralistic manner that excludes "rigid schemes" and beliefs in a single correct "path" for social development. The solidarity economy values are based on concrete practices, which actually have proven their worth.

The solidarity economy supporters do not seek to revitalize the utopias of the past or create new ones but to undertake the selection of social practices that compose socio-economic order "seeds" based on democratic principles and the "real samples" interests with their problems and life strategies.

In short, practices that change the public perspective for the effective development of natural resources in order to maximize profits for a socio-economic organization (at least partially) are actualized as the main tool for building future society architecture. Aimed at harmony with the outside world and public interests, placing people's needs and their communication at the centre of the system, all these practices result in sol-

idity.

The solidarity economy idea produced by social practice, however, is not limited to Modernity but has a systemic, post-capitalist transformation agenda that equally excludes the "individual benefit" apologia and revolutionary egalitarianism.

The authors studying solidarity economy specific forms point out the advantages over commodity production capitalism, producing market relations:

- overcoming poverty and marginalization - the inevitable "satellite" of capitalist relations;
- unemployment rate reduction due to the population's economic self-organization;
- the solidarity economy is a sustainable alternative that could take workers out of the informal sector of the public economy;
- transformation of negative social trends linked with crime, conflict, and corruption into a positive channel of social justice, humanization of living space;
- the solidarity economy is able to provide socio-economic activities for citizens (especially women, people with disabilities, and youth) who experience low needs in public and economic spheres in current social reality;
- the solidarity economy overcomes "the weakening of the spirit of cooperation" produced by capitalism and facilitates a traditional values return to the social space: a respectful, motivated attitude to work, a human, a team;
- the solidarity economy encourages man to have a responsible attitude towards the environment through regaining the place there as an integral element of the natural complex and "space" (Razeto, 2019).

It is estimated that out of existing presently and having a significant history of the social solidarity economy, SSE forms development (according to authoritative international organizations: the International Labor Organization, the International Cooperative Alliance), the most prominent role rightfully belongs to cooperation.

In this connection, experience has shown that cooperative solidarity is not only antinomic to individual egoism but also goes far beyond group preferences. The cooperation's special essential qualities, immanent in the solidarity economy, are determined by the institutional features of the socio-economic organization form:

- the cooperative “voluntary and open membership” principle implies that anyone who meets the formal membership criteria could potentially be a cooperator “both today and in the future.”;
- the cooperative member’s participation principle in the establishment and cooperative property disposal, in the creation of common reserve funds that remain indivisible even after the activities termination of the cooperative associations;
- the cooperative principle of “providing care to the public”, manifested in the solidarity behaviour of members and their motivation coincidence with social strategies;
- the cooperatives immanent characteristic to cooperate with other cooperatives and to establish “cooperatives cooperation” (cooperative industries and a cooperative sector of the economy).

Lemma T., Birchall J., Bibby A., ILO Director-General Guy Ryder, as well as President of the International Cooperative Alliance Ariel Guarco present in their works cooperatives as a tool for achieving the UN Sustainable Development Goals (International cooperative alliance, 2020).

Cooperatives are well placed to contribute to the achievement of economic, social, and environmentally sustainable development goals that go beyond employment creation (Lemma, 2008; Birchall, 2004; Bibby, 2014). Cooperative associations are a fundamental instrument for ensuring food security at the household level (Veera-kumaran, 2005, p. 2). The USA, Australia, Canada, almost all European countries, and China have achieved food self-sufficiency through socially-oriented economic forms strengthening, including cooperatives (Gertler, 2001; Chambo, 2009, pp. 8-11). Cooperatives reduce inequality and provide a cost-fair distribution and benefits. Kumar, Wankhede, and Gena (2015, p. 1258) provided within the study frames of the cooperative’s role in improving the living conditions of farmers, “since the launch of the cooperatives in India in 1904, and they have played a role in the economy, in the agriculture development. The

cooperative efforts have increased the smallholder farmers’ productivity and strengthened the weak sectors of the agricultural economy”. The Indian government recognized cooperatives as the third economic sector immediately after independence “in order to serve as a balancing factor between the private and public sectors.” American researchers mark the rapid growth of social consumer cooperation. According to the data for 2018, the largest American consumer social cooperative HealthPartners Inc. turnover amounted to 7 billion dollars (ICA, World cooperative monitor, 2021, p. 77).

Materials and Methods

In the study, both general scientific and special research methods were used. The scientific literature analysis made it possible to consider in detail the social solidarity economy phenomenon and the cooperative form of socio-economic organization as its integral part. The institutional approach made it possible to identify the systemic cooperation qualities as a social phenomenon that produced solidarity in relations. Graphical and statistical methods provided a visual indication of the cooperative’s place in the solidarity economy in general, and the comparative approach provided a basis for comparing empirical data extracted from the International Cooperative Alliance, regional cooperative organizations, and other international institutions’ materials.

Results

The term “economía solidaria” was first implemented by the Chilean economist Luis Razeto Migliaro. The economist was inspired by Pope John Paul II’s phrase in a speech given during his 1982 trip to Latin America: “The solidarity economy is a great hope for South America” (Razeto, 2019, p. 8). The characteristics of the Solidarity Social Economy (SSE) system in the European Union documents are presented in Table 1.

Table 1.

The Solidarity Social Economy (SSE) system in the European Union
(Table has been made by authors)

Solidarity Social Economy (SSE)			
Subjects	Cooperatives of all kinds and forms	Mutual Aid Organizations (Chambers of Commerce, Trade Unions, Business Leagues, Teacher Associations, Home Learning Support Groups, Community Clubs, Veteran Groups);	Social enterprises
Functions	Meeting the member's needs	Service provision to the members	providing goods and services in a business and innovative way
Membership	Individuals		
Way of management	One person - one voice	One person - one voice	Decision-making authority is not based on ownership of capital
Financing	Membership fees	Membership fees	The result of economic relations with the market and the state
Profit distribution	Profit distribution is partially shared between members, used as a reserve fund, or invested in cooperative development.	The profit gained is usually reinvested in a mutual fund for the benefit of the members	The distribution of surplus and profit is limited
European Practices	EURTOCOOP, CECODHAS, CECOP, COGECA, GEBC, Cooperatives Europe	AIM, AMICE	CEDAG, EFC, CEFEC
Sectors	Primary sectors: organic agriculture and food sovereignty, fair trade, sustainable lifestyles, reuse, recycling and redistribution, provision of green goods and services, recreation and sports, international cooperation, sustainable tourism, health and social assistance, ethical finance and banking, energy conservation, maintenance and repair, non-monetary systems, renewable and green technologies, IT services.		
Characteristics, values	<p>It is clear from the comparison between the definitions of social enterprise used by social enterprise associations in the UK, USA, Europe, and Canada that they have the following common features:</p> <ol style="list-style-type: none"> 1. voluntary and open membership, 2. priority of individual and social goals over the capital, 3. protection and the solidarity and responsibility principles implementation, 4. common interests of members, 5. democratic governance (the application of the principle of "one person, one vote" in decision-making, regardless of capital or shares contributed by members); 6. autonomous management (for private enterprises); 7. entrepreneurial character; 8. decision-making autonomy system that means having the ability to elect and dismiss the governing bodies, as well as control and organize the activities; 9. profit distribution or surpluses among members, if any, not in proportion to the capital or shares contributed by the members, but in proportion to their activities or transactions with the organization; 		

	10. surplus reinvestment to achieve sustainable development goals and provide services of interest to their members and society.
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The breadth of the functional cooperation space in the social solidarity economy (SSE) and its special relevance to achieving the interests and harmony of the individual, collective, and society directly stem from the SSE's essential qualities. Harmonization of labour and property determines the cooperator's motivation to participate in an enterprise and emphasizes a unique, essential feature of this form of socio-economic organization that determines its place in the social solidarity economy. The cooperation exclusivity and its unique social qualities arise from the complementarity of collective cooperation and a market economy adjustment. The first quality is produced by the effect of the systemic cooperative "arrangement" of insufficiently wealthy individual resources (intellectual, organizational, material). The consumption socialization, sales, or production generates an effect that is much greater than the resources and properties addition of cooperative organizations members. In this regard, cooperative partnership is not an alternative to individual interests and certainly not their antinomy.

The second quality - market-based cooperation is determined by the natural social conditions. Although the cooperative "just" society model has always aroused the interest of the progressive elite, the birth of a cooperative socio-economic organization is as natural as the emergence of the first forms of industrial capitalism (manufactory) in a market economy. The cooperation emerged in an evolutionary way - from the depths of "pre-Modernity", and therefore organically integrated the features of Tradition and Modernity. Commodity-money relations and the market are the natural "cradle" of cooperation (Egorov, 2003, p. 151).

As a rule, enthusiasts of cooperation attempts to impose "for the benefit of the disadvantaged" did not have any significant results.

It is obvious that traditional cooperatives, having a visual similarity with the joint-stock form of "people's capitalism", represent a qualitatively different form of economic organization.

The authorship of the theoretical concept of the Employee stock ownership plan (ESOP) as a type of capitalist organization belongs to the American political economist Louis O. Kelso

(Kelso & Kelso, 1986).

First, the participation of employees in the share capital does not create conditions for the complete harmonization of labour and property relations. Secondly, there only within certain limits delegates limited powers in the management of the enterprise.

Unlike a joint-stock company, cooperation is the only form of socio-economic organization where the democratic principle of functioning is fundamental. In case of its deprivation, cooperation ceases to exist. The allocation of shares to workers does not lose the capitalist goal-setting for-profit, and the main beneficiary becomes the holder of a controlling stake, but the satisfaction of needs organically related to the increase in the individual property of workers in this mechanism remains "outside" of the system.

Profit is divided not as in cooperation - in proportion to participation in a common business, but in proportion to the invested capital. The management functions are fully concentrated with the owners of significant shares in the share capital. Minority shareholders remain hired workers, not motivated to work.

Thus, share capital becomes a mechanism for the democratization of capitalism but not an instrument for the formation of a social solidarity economy.

Cooperatives of all types and forms could be attributed to SSE. Conformance with the principles of activity recognized by the International Cooperative Alliance may be considered signs of cooperative identity.

Cooperatives take various forms:

1. The purpose of workers' cooperatives is to create jobs for workers and provide the opportunity to work freely - for example, the cooperative of doctors Asisa and Assistència Sanitària in Spain. Enterprises of such type exist in Argentina and Australia.
2. Production cooperatives: Pharmaceutical companies account for 20% of the pharmaceutical market in Belgium, 70% in Spain, and 10.5% in Italy (ICA, World cooperative monitor, 2018).
3. Consumer cooperatives in providing services. Such cooperatives are widespread in Japan, Singapore, Canada, and the world as a whole.

4. There are integrative or hybrid cooperatives that include a range of services. For example, cooperatives for the care of persons with disabilities that are provided with patronage services simultaneously expand their activities up to the social adaptation of a member of such associations. At the same time, cooperatives may cooperate with non-profit organizations or foundations. The Italian cooperative Scias, for example, which runs the Barcelona hospital in Spain, has partnerships with a range of charities.

Although cooperatives have been in existence for a long time in such sectors as financial services, housing, retail, and agriculture, researchers

argue that cooperatives in the social services sector in general and in particular health care are experiencing strong growth, especially in Italy, Canada, France (Fisher, Rayner, & Baines, 2011, p. 8; Birchall, 2014, p. 71).

Cooperatives have been developing in the most exclusive ways, such as serving as foster families for children and the elderly, providing mental and physical health care, housing for the elderly, caring for children and helping with daily needs - bathing, toileting, cooking (Conaty, 2014, p. 14; Girard, 2014, p. 46). The place of social cooperatives in the system of economic relations is schematic as follows.

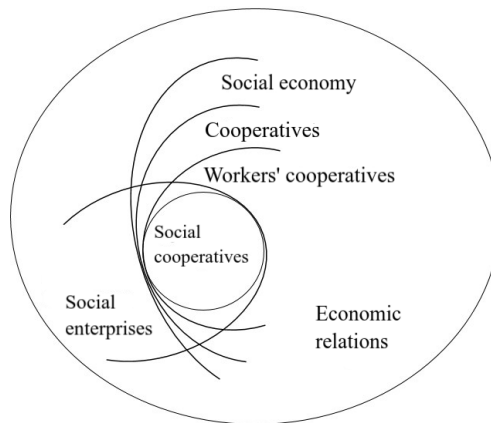


Figure 1. The Place of Social Cooperatives in the System of Economic Relations.

Despite the similarity of the democratic grounds of workers, consumers, and production cooperatives, there are fundamental differences in the essential quality. Workers' and consumers' cooperatives do not socialize individual property. On the one hand, it limits the motivation of the shareholders for the commercial result of the en-

terprises. On the other hand, it generates a significant advantage - functionality in areas of activity that are not focused on profit and the absence of a required material basis in the form of wealthy commodity production.

The survey results of members of workers' and consumer cooperatives are illustrative.

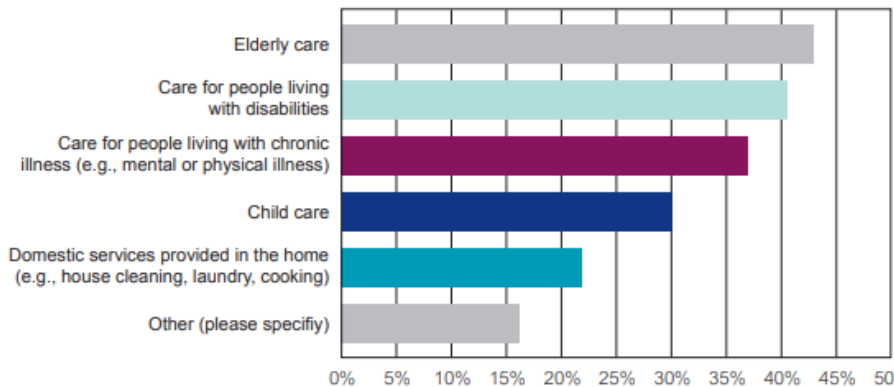


Figure 2. What Type of Care Does Your Cooperative Provide? (based on survey data from around the world) (Matthew, Esim, Maybud, & Horiuchi, 2016, p. 17).

Among all types of care services provided by cooperatives, eldercare was the most cited. As participants discussed, eldercare is provided in a variety of ways and through numerous types of services: eldercare facilities, elder “daycare”, and nursing cooperatives, among others. Survey data suggests that the potential to serve elders will only increase, as 64 per cent of survey respondents reported that the growing ageing population is an important care concern that will affect their community over the next 10 years (Matthew, Esim, Maybud, & Horiuchi, 2016, Fig. 2, p. 17).

In contrast to production cooperatives (e.g., agricultural ones), worker and consumer cooperatives do not require any other (material, financial) costs to establish, except for the desire of citizens to cooperate in jointly satisfying needs or creating employment conditions.

In addition to the general advantages of cooperatives over other types of organizations, researchers identify the following features:

Ensuring a competitive remuneration level and benefits. The topic of the advantage of the cooperative model in reference to remuneration and benefits of workers is actively discussed in the literature (Conaty, 2014; Sacchetto & Se-

menzin, 2015). Through meeting the needs of shareholders, the cooperative form of organization overcomes the contradiction that inevitably arises in capitalist enterprises - a decrease in the profit rate in proportion to the growth of wages. The research has demonstrated that cooperatives consistently and unanimously reinvest profits into wages and employee benefits. In addition, hired by cooperatives workers receive higher wages than those in other types of enterprises. Cooperative associations generally provide shareholders with health insurance, guaranteed work hours, and pension benefits – rarely occurring benefits in capitalist enterprises (Veera-kumaran, 2005, p. 7).

As a result of the citizens’ voluntary desire to cooperate, cooperatives are resistant to another disadvantage of entrepreneurship - employee turnover. Due to a voluntarily determined form of participation in cooperative enterprises, employment instability is not characteristic of cooperation (Colton & Roberts, 2007, pp. 133-142). The types of employment of workers in cooperatives providing medical services are indicated in the following chart.

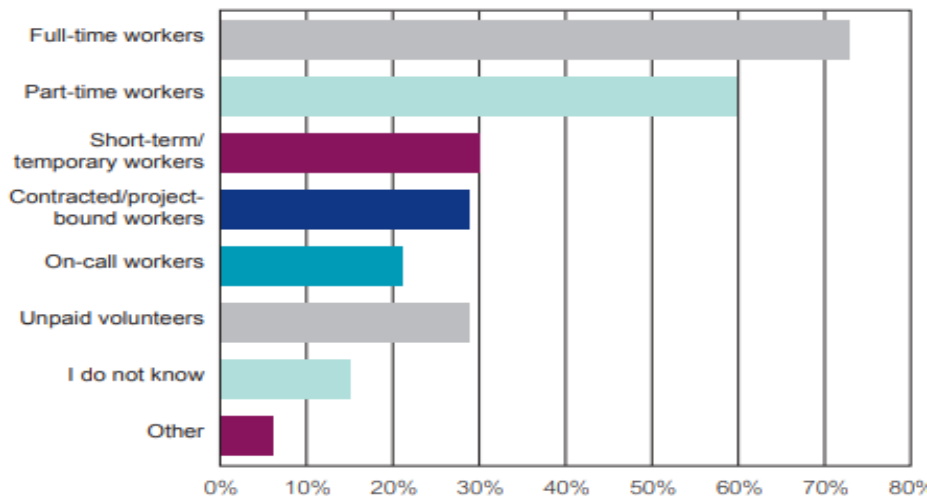


Figure 3. What are the Most Common Types of Employees Working in Cooperatives that Provide Care? (based on survey data from around the world) (Matthew, Esim, Maybud, & Horiuchi, 2016, p. 20).

Overall, employment data suggest that cooperatives are providing more stable and secure employment. However, high rates of part-time work warrant further investigation. Issues deserving particular attention include whether em-

ployees opt for part-time work by choice. Most respondents believed that care cooperatives provide opportunities in the labour market for women. About half of survey respondents directly affiliated with a care cooperative reported that

between 50 and 100 per cent of their cooperatives' employees are women, and almost six per cent stated that all of the cooperative employees are women. No respondents reported an all-male staff (Matthew, Esim, Maybud, & Horiuchi, 2016, Figure 3, p. 20).

Cooperatives eliminate conflicts between employees and management. Direct democracy, as a systemic feature of a cooperative organization, excludes any conflicts in management since all decisions are made by shareholders' consensus (Egorov, 2003, p. 121).

Cooperative associations invest in the professional development and training of employees (Borzaga & Santuari, 2004, pp. 166-181; Borzaga & Tortia, 2006, pp. 225-248; Carpita & Golia, 2012, pp. 1659-1685). Professional content training ranges from technical skills and professional training to marketing competencies. Cooperatives educate members including through methods such as group mentoring.

Research shows that service users prefer cooperative services when their quality is better compared to those in the state, private and other segments of the social sphere and economy (Vamsted, 2012, p. 15). The noted qualities enable cooperatives to be quite adaptable to areas of activity that do not promise high profits and are unattractive for business.

A characteristic feature of cooperatives de

veloping in the social sphere is their generation in directions that spread vertically and horizontally. It arises initially since the moment an organization has been focused on obtaining/providing exclusive services in areas that are not very attractive for a private capitalist initiative.

Cooperatives spread their activities to diverse social "niches" or broaden and increase the range of satisfying needs. The variety of types of social services provided by cooperatives is indicated in Table 2 (Chang-bok, 2012, pp. 33-39)

In Guatemala, for instance, the cooperative network UPAVIM for the care of people with disabilities, starting with the provision of services during the day, extended its activities to the night. The tendency towards self-reproduction of cooperation is manifested in the construction of "cooperation of cooperatives". For example, Sistema Imprese Sociali (SIS) is a consortium of 29 social cooperatives in Italy founded in 1995.

Among the objectives of the SIS consortium are:

1. Function as an incubator and networking hub for social cooperatives,
2. Provide consulting services in management, economics, finance,
3. Involve participants and other stakeholders in global social innovation projects,
4. Provide vocational education and training programs for social entrepreneurs.

Table 2.

Examples of Social Cooperatives

Name	Country	Founding year	Field of activity
Beyond Care Child-care Cooperative	USA	2008	Childcare
The Foster Care Cooperative	Great Britain	1999	Accommodation and foster child care services
Seongmisan Village	South Korea	1994	Kindergarten, preschool, additional non-care services
UPAVIM (Unidas para Vivir Mejor)	Guatemala	1994	Social, medical and educational programs for children
Y Owl's Maclure Cooperative Centre	Canada	1999	Personal care and support services for people living with developmental disabilities
Spazio Aperto Servizi	Italy	1993	Mental health and development services for different populations
Care and Share Associates (CASA)	Great Britain	1993	Home care services for the elderly, children and the disabled
Cooperative Homecare Associates (CHCA)	Great Britain	1985	Home care services for the elderly, people with disabilities, and chronic diseases

Cooperativa Caminos	Uruguay	2002	Nursing, physical therapy, and therapeutic nursing, with a focus on the elderly
Chamarel Association	France	2010	Cooperative housing for the elderly
Change Agents	Great Britain	2010	Social and mental well-being and care, employment opportunities for the elderly
Japan Older Person's Co-operative Union (Koreikyo Union)	Japan	2001	Care for the elderly at home and in the centre
Grove Seniors' Village	Canada	1992	Housing for the elderly
Service Workers Centre Cooperative Society Limited (SWCCS)	Trinidad & Tobago	2009	Household services, child care, home care

No one should understandably expect large-scale private investments and government transactions that could significantly affect the socialization and well-being of vulnerable groups of the population. On the contrary, the development of SSE in general and cooperation, in particular, may play an outstanding role in solving this problem.

The social solidarity economy in general and cooperation, in particular, have shown their effectiveness in overcoming the COVID-19 pandemic. Espriu, a Spanish cooperative that provides medical services to 2 million people and employs 6,200 healthcare professionals (Kovaleva, 2021, p. 7), increased hospital capacity during the COVID-19 pandemic. In some cases, it was necessary to increase the number of beds available for critically ill patients. There were allocated additional resources and specialists to meet the increased demand for medical services for patients with COVID-19. Former employees who had retired before returned on a voluntary basis to support the fund (International cooperative alliance, 2021).

Assistència Sanitària, an organization of the Espriu medical cooperative, took action to defer payments to members affected by the economic crisis and offered financial assistance to doctors who had to close their practices. The Solidarity Fund was established to cover the costs of medical workers affected by COVID-19 and provide financial support to those hospitalized (International cooperative alliance, 2021).

The Federation of Health and Welfare Coop

eratives of Japan (Hew Coop Japan) has also responded quickly to the COVID-19 crisis. Clinics and hospitals of the Japanese cooperative Hew provide free medical care to poor people (International cooperative alliance, 2021).

Discussion

Due to the lack of the need for material foundations (in contrast to industrial cooperation), consumer associations and workers' cooperatives are increasing at a rate that exceeds the development of cooperation of other types.

Meanwhile, the development of the cooperative movement of consumers is significantly influenced by national legislation and state policy. According to the Organization for Economic Cooperation and Development (OECD), there are special legal acts regulating the SSE in Brazil, Canada, India, Korea, Mexico, and the United States. The legal support of the solidarity economy in Belgium, France, Italy, and Spain is carried out in the direction of adapting the existing legislation in the social sphere. National parliaments of the Netherlands and Sweden are actively developing legislation to pass in the near future.

Special government programs to support the social solidarity economy operate in Luxembourg, Brazil, and India. The European Union has adopted programs to support the SSE - the directions are indicated in the table below.

Table 3.

Overview of Government-Funded Programs in Europe Specifically Designed for
SSE Subjects (OECD, 2022)

Issue	France	Belgium	Austria	Finland	Italy	Germany	Poland	Romania	Spain	England
Cooperation and market access	+	+	-	-	+	+	-	-	+	+
Networking, knowledge sharing, peer learning initiatives	+	+	+	+	+	+	-	+	+	+
Pre-launch support (e.g. incubators)	+	+	-	-	+	+	+	-	+	+
Growing awareness (e.g. awards)	+	+	-	+	+	+	+	+	+	+
Education in the field of social entrepreneurship (e.g. schools for social entrepreneurs)	+	+	-	-	+	+	+	+	+	+
Grants and business support (e.g. business planning, management skills, marketing, etc.)	+	+	-	-	+	+	+	+	+	+
Training and coaching schemes	+	-	-	+	+	+	+	+	+	+
Investment support	+	-	-	-	+	-	-	+	+	+
Customized financial instruments	+	+	-	-	+	+	-	+	+	+
Physical infrastructure (such as a shared workspace)	+	+	-	-	+	+	-	-	+	+

In France, the Interministerial Commission has been responsible for promoting and coordinating policies related to the SSE since October 2017. The National Institute of Associations and Social Economy was established under the guidance of the Ministry of Social Development in 2000 in Argentina. In Senegal, SSE is regulated by special legal acts (“Sénégal Emergent”). Since 2017 the country has established a ministry that must be in charge of the social solidarity economy. In Belgium, regional authorities are responsible for the development of the SSE. Each regional body has been enshrined in competencies related to the SSE. There is no law on social enterprises and the solidarity economy in Hungary, but from 2006 to 2013, several acts were issued in various areas of social policy: civil society organizations, volunteer activities carried out by public organizations, cooperatives, and social cooperatives.

The SSE support campaign was launched in Bulgaria in October 2014. Its goal is formulated in the Declaration adopted by the national legislative assembly: socially-oriented enterprises play an important role in the sustainable development of the country. Also, in 2014 the Road Map “Promoting and developing social entrepreneurship in Bulgaria” was developed, and a survey is currently being carried out on all active

entities working in this field (Final analysis of the SSEDAS research, 2015, p. 36).

The Czech Republic implements state initiatives in the field of social economy. Types, forms, and activities of non-profit and social enterprises are various. Two ministries play a role in promoting and supporting the initiatives that are sponsored by some international banks. Czech universities have shown interest in the SSE sector and have been conducting research and monitoring its growth. Most social enterprises pursue the goal of integrating people with disabilities into employment. Social entrepreneurship is perceived in the Czech Republic as a tool for solving urgent problems in the country: employment, life-saving, old-age provision, etc. (Final analysis of the SSEDAS research, 2015, p. 36).

In Slovakia, the country’s social sector includes trade unions, cooperatives and other forms of social enterprises, support groups, local community organizations, associations of workers in the informal economy, NGOs providing services, implementing financial programs, and many other social activities ((Final analysis of the SSEDAS research, 2015, p. 36).

In Slovenia, the definition of “social economy” is not well known, while the general public has been more familiar with the concept of “so-

cial entrepreneurship” - it was regulated by the Ministry of Labour, Family, Social Affairs, and Equal Opportunities till January 2015. The fundamental strategy of the Ministry of Economic Development and Innovation, which currently provides support for social entrepreneurship, states that socially-oriented enterprises are “innovative forms of entrepreneurship with a responsibility to society and people”. For social entrepreneurship, business motives are aimed at solving social, economic, environmental and other problems of society in an innovative way. The purpose of these alternative forms of entrepreneurship is the functioning of the market, taking into account the principles of social entrepreneurship: employment creation for vulnerable groups of the population and implementation of socially useful activities. Social entrepreneurship is a connecting factor as it encourages people’s participation in volunteer work and strengthens social solidarity” (Final analysis of the SSEDAS research, 2015, p. 37).

An analysis of the world experience in the legal regulation of the SSE demonstrates the possibility of legal formalization of the enterprises’ activities, both in the form of commercial and non-commercial structures. Commercial activities are allowed only as non-core activities, the share of which is determined by the ratio in the total balance of turnover. In some countries, regulatory documents require the mandatory preparation of two separate balance sheets reflecting commercial and non-commercial activities. Non-profit social solidarity enterprises, as a rule, use different benefits, including tax exemptions and reduced tariffs for the use of resources offered by the state.

Conclusion

The conclusions of the study:

1. The tools for promoting SSE enterprises are: growing awareness of the SSE in society, improving the legal framework, effectively integrating the SSE into national social policy and public procurement, expanding the monitoring of the SSE;
2. Cooperation is the most dynamically developing sector of the SSE, consistently realizing the needs of the population for services that are unattractive for private initiatives;

3. It is apparent from experiences worldwide that consumer associations, including those from vulnerable groups of the population, do not require large-scale investments and large material costs and therefore become the dominant segment of the cooperative sector;
4. Consumer cooperation development is much more active if it is put forward as one of the priorities of the state social policy and is provided with a perfect legislative framework;
5. A significant positive impact on the growth of the global cooperative movement and the SSE as a whole is provided by the increasing information exchange that provides opportunities for transferring and mastering the best practices of social enterprises;
6. An important role in the dissemination of SSE could play the state’s constructive measures and public organizations in the training of enthusiasts and organizers of socially-oriented enterprises, including consumer cooperatives;
7. The democratic principles of building cooperatives and SSE, in general, make it possible to evaluate them as the most important segment of civil society, activating important components of the social process: local self-government, civic activity, and self-organization of the population in solving important problems of life.

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