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## **CONTRIBUTION OF SOCIAL ECONOMY COMPANIES TO SOCIAL WELFARE**

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*Discussion paper*

Human populations settle in territories that are at the same time part of a national state and of a series of local communities, ranging from the region to the borough and parish via the province or county, the district or area and the city, town, village or neighbourhood in which each person lives, works and goes about his or her daily business.

A characteristic of local communities in a post-industrial society is that their powers have grown. This allows individuals to play a greater part in the problems of local life that affect them most directly.

Nowadays we are witnessing a widespread decentralisation or transfer of powers from the State to local bodies, as well as deconcentration or an increase in the powers of the regional and provincial offices of the organs of central government.

Alongside these phenomena of decentralisation and deconcentration we find increasing public participation, not only in the peripheral organs of central government and in regional, provincial or county and municipal government bodies but also in the active efforts made by civil society to solve the problems of daily coexistence.

This leads to setting up associations, companies and other types of organisation, of which social economy companies are a notable example.

The community and person-based nature of these companies provides a means and a channel through which civil society can take an active part in seeking solutions to problems that demand a response in its everyday human coexistence.

Social economy companies help to involve citizens in the problems of local life, transforming the mentality of the passive, governed subject and atomised consumer into that of an active person who takes part in seeking solutions to the problems of life in society and has a commitment to the active responses to the challenges that local life presents in each situation which the community as a whole seeks to find.

This interaction and communication between individuals and their local communities makes it increasingly possible for the mentality of those who make up civil society to become increasingly participative and solidary with the local surroundings in which they live their life, as it fosters empathy, tolerance and active involvement.

Equally, since social economy companies, particularly cooperative societies, are community and person-based organisations, they not only act as a vehicle for solidarity between their members and associates but also help to foster a set of attitudes that predispose people to act in a manner that the declarations of human rights consider the axiological ceiling of the individual, political, social and environmental rights and liberties that must be respected in any democratic coexistence.

Since 1998, the cooperative values explicitly accepted and formally expressed by the ICA have constituted the basis of the cooperative principles that have gradually been taking shape, in a process of doctrinal and practical trial and error, since the pioneering days of Rochdale.

Cooperative legislation and cooperative company statutes are based on these values and principles. The legal framework of these laws, regulations and company statutes provides the channel through which the basic ideals that are implicit on a more abstract level in the culture that incorporates these values and principles are put into practice in society. These eventually permeate the economic and business life of society insofar as the public accepts them as the grain of salt that gives social and economic bodies and social and economic life a particular flavour, appropriate to the demands of the times.

Lastly, in accordance with the principle of interest in the community, cooperative companies have a particular responsibility in the task of ensuring the sustainable development of their local communities from the economic, social and cultural point of view. They also have a responsibility to work for the protection of the physical, biotic and ecumenical environment since, in an increasingly inter-dependent and globalisation-dominated world, environmental deterioration does not affect particular areas alone but the whole of planet earth.