Law on the Social and Solidarity Economy (France)

What?

The French Law on the Social and Solidarity Economy (SSE) was adopted in 2014. The Law primarily intends to respond to traditional SSE actors' aspirations, within the framework of the European Social Business Initiative, by recognising their contribution to economic and social cohesion. It intends to be the first “inclusive” law that sets a common framework encompassing multiple organisations with diverse legal forms.

Why?

Studies have demonstrated the resilience of social enterprises in the wake of the economic crisis and the potential of the SSE to respond to economic issues. To reverse policy-makers’ tendency to “underestimate” the SSE, an integrated and better enabling policy framework was needed in France.

Key Activities

Main measures adopted by the SSE Law include:

- Structure the network of, and grant legal recognition to, representative SSE institutions like the Higher Council for the Social and Solidarity Economy, the French Chamber of SSE and regional SSE chambers.
- Recognise SSE as a specific entrepreneurship model by: proposing a clear definition of the structures included in the SSE; setting precise criteria defining “social innovation” and introducing an accreditation for SSE enterprises that fulfil additional criteria set out in the law, and who may thus apply for an accreditation for “social and solidarity-based enterprises” (Entreprise Solidaire d’Utilité Sociale, ESUS), benefitting from fiscal incentives for investors.
- Facilitate access to financing and public procurement by: creating tailored financing tools (e.g. solidarity-based participatory loans and dedicated equity capital direct investment); clarifying the legal regime for subsidies to better differentiate it from public procurement; and including social clauses in public procurement.
- Strengthen local sustainable development policies and networks by: establishing regional SSE conferences; participation of regional SSE chambers in the design of the regional plans for sustainable development and territorial equality; allowing SSE enterprises to constitute their own regional network.
through a regional economic cooperation hub (called PTCE), in cooperation with all relevant economic and institutional stakeholders.

- Facilitate salaried employees to take over an enterprise as a seed co-operative and participative company (SCOP) and thus to preserve or re-establish jobs by: creating a transitional status for seed co-operative and participative companies; introducing mechanisms to inform employees of an upcoming ownership transfer.
- Modernise the status of co-operatives by authorising the creation of SCOP groups.

Impact

As of mid-2018, there was no available evidence regarding the impact of the Law.

*This case study was adapted from a longer piece that was published in the OECD/EC (2017), Boosting Social Enterprise Development: Good Practice Compendium. For additional information and details, please refer to the original publication* [1]

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