

Social economy & business

Social economy is about achieving social goals through economic activities. Therefore partnership between social economy initiatives and business actors makes a lot of sense. There are a number of advantages for both sides. No wonder there are also many examples of successful cooperation between these two sectors. Let's see how it works...

We can find different models of cooperation between social economy initiatives and business actors. Probably the most common one is support for social economy provided by commercial companies, as a part of their Corporate Social Responsibility (CSR) strategies. The first thing that usually comes to mind in this context is financial support provided by companies to social economy initiatives. It is an important aspect as financial support from business partners allows social economy actors to diversify their financing sources and avoid financial dependency on public funds. Similar model of cooperation can be implemented by sharing business expertise with social economy actors and improving their skills in business management. But, of course, this is not the only way of cooperation between the two sectors.

The more the social economy sector is developed, the more developed also are the relations and partnerships between social economy and commercial business. These more developed models go beyond the cooperation within companies' CSR activities. Many social economy enterprises become business partners for commercial companies. They become important providers of services, often those which are not offered by public or commercial actors.

For instance, Green-Works – a social economy enterprise from UK –successfully provides services involving the collection of unwanted used office furniture and its re-utilization. The clients and partners of this enterprise are companies and public institutions. What allowed Green-Works to develop its offer and model of cooperation with business was a partnership with HSBC Bank branch in London.

This cooperation started after GW announced its services through a wide mailing to companies – potential clients. HSBC was moving 13 of its offices to a new building and had 3000 tons of furniture which were no longer needed. At that time Green-Works did not have the necessary capacity, therefore taking up the job was a challenge for this enterprise. It had to risk and take the responsibility for providing a large scale service as well as dealing with the high administration costs. The lack of experience and limited capacity of Green Works was also a challenge for HSBC. The risk of subcontracting the service to an inexperienced provider required that the employees and management were persuaded that this was the right solution. Finally, thanks to a special contract that ensured advanced payment from the bank, Green Works was able make the necessary investments in employees and storage space and was able to provide the service.

After all, this cooperation was beneficial for both partners. Green-Works gained a new important client, which allowed the enterprise to build a model of cooperation with corporations. This led to the development of the enterprise. HSBC solved the problem of getting rid of unwanted, used furniture in a practical and cost effective manner. The service of Green-Works enabled an environmentally friendly way to utilize the furniture, which was an

alternative to the first idea of throwing it away. The cooperation with Green Works provided an opportunity to transform a logistical problem into a success for a responsible company, resulting in a positive impact on its image.

Another example of a social economy initiative involved in cooperation with commercial company may be a Polish enterprise – EKON. It employs over 800 people suffering from mental illness and operates 16 branches in 4 regions of Poland. EKON is collecting and sorting waste packaging received directly from households, institutions and companies. Sorted and compressed, waste is provided to companies using this material for recycling. In Warsaw alone, EKON receives waste from 60,000 apartments, which constitutes 31% of segregated waste in the capital of Poland. One of EKON's clients is the Polish office of an international corporation – Uniliver. The employees of EKON receive waste from the offices of Uniliver which employees sort in advance.

Thank to cooperation with EKON, the company is provided with ecological waste management, which contributes to the implementation of its CSR strategy, improves the company's image and increases awareness and sensitivity of employees. The main benefit for EKON is an important client which contributes to the development of the enterprise and its possibility to implement its social goals of providing 'green work places' for people with disabilities in danger of social exclusion as well as raising ecological awareness.

Cooperation between commercial business and social economy initiatives results in benefits for each sector. Both commercial companies and social economy initiatives gain opportunities to develop. Their cooperation may open new markets, opportunities for new orders and contracts, channels for the distribution of products, and can start cooperation with new suppliers. Both may also gain new knowledge. Thanks to social economy rooted in local communities, the commercial companies may gain knowledge about the needs of potential new clients. The social economy enterprises, on the other hand, gain access to knowledge and specialists in business development issues, improving skills through cooperation and consultancy from business experts. An important reason for cooperation between social economy initiatives and commercial companies is also access to contracts, funds and tenders which are available for partnership between social economy and business sectors. Finally, both social economy initiatives and commercial companies may improve their image thanks to their cooperation. Commercial companies implementing their CSR strategies also through cooperation with social economy initiatives are perceived as more socially responsible companies. They also increase the motivation of employees through the involvement in such partnership. Social economy initiatives developing their skills and business relations through cooperation with commercial companies are often seen as professional enterprises and business partner.

Based on:

Ekonomia Społeczna i biznes – partnerstwo sukcesu, red. Beata Juraszek-Kopacz i Dariusz Piekut; <http://www.ekonomiaspoleczna.pl/x/460670>

Atlas dobrych praktyk ekonomii społecznej, red. Jolanta Koral, Magdalena Dubrowska, Mateusz przywara, Teresa Zagrodzka, Jan Dzierzowski, Jan Luber; <http://atlas.ekonomiaspoleczna.pl/>