

Expanded abstract

Local government policies for promoting Social Economy: an assessment of its impact and results through the case of Castelló de la Plana

Objectives

In recent years, several regions in Spain have implemented public policies to promote social economy and cooperativism through a transversal and integrated approach, commonly known as second-generation social economy policies. In the Valencian region, one of Spain's leading areas for social and cooperative economic activity, these policies have been developed through multilevel collaboration among public administrations, sectoral organizations, and academic institutions (Catalá, 2020). This new generation of policies is distinguished by a multilevel framework that concurrently addresses sociocultural, institutional, and entrepreneurial dimensions, integrating institutional and cognitive dimensions with both supply-side and demand-side measures (Chaves, 2010).

This study evaluates the outcomes of social economy promotion policies implemented by the local government of Castelló de la Plana as part of its municipal employment strategy between 2016 and 2023. Specifically, it presents a qualitative assessment based on feedback from beneficiaries and participants in public programs aimed at stimulating economic activity in the domains of social economy, cooperativism, and social innovation. During the study period, the Castelló City Council allocated over €1.5 million to employment subsidies and social innovation initiatives, supporting 42 innovation projects, facilitating the creation of 20 cooperative enterprises, and contributing to the generation of approximately 100 new jobs (Ayuntamiento de Castelló, 2023).

The analysis focuses on two public support mechanisms: subsidies for hiring workers in social economy entities and for implementing innovative projects, as well as support actions for cooperative initiatives led by BETACOOOP, a cooperative of entrepreneurs managed by the Valencian Federation of Worker Cooperatives (FEVECTA). The theoretical framework underpinning this qualitative study integrates perspectives on cooperative entrepreneurship, social innovation, and local development, reflecting the holistic orientation of second-generation social economy policies (Catalá & Chaves, 2022; Bastida et al., 2023). The evaluation adopts a case study approach, analysing the impact of public policies through the participation of direct beneficiaries and users, using surveys and in-depth interviews to gather perceptions and assessments of the initiatives under review.

Methodology

The study employed a mixed-methods design, comprising a survey of 13 cooperative members and 8 in-depth interviews with cooperative representatives and technical staff from BETACOO. Although the sample size is limited, participants were purposively selected as key informants with substantial experience as recipients of BETACOO's financial aid and support services within the local social economy ecosystem.

The questionnaire and interview guide explored multiple evaluative dimensions, including entrepreneurial motivations and expectations, alignment with social economy values and principles, assessments of public programs and subsidies, and suggestions for improvement and identification of critical challenges.

Results

Overall, the evaluation of employment subsidies, innovation project support, and BETACOO services was highly favourable, especially regarding tangible outcomes such as job creation, project development, and entrepreneurial training and mentoring. Nonetheless, several limitations were identified in the design and implementation of these policies.

These include inadequate budget allocations, limited implementation periods for innovation projects, and a lack of specialized municipal technical staff trained in social economy promotion. Most respondents highlighted the absence of an integrated strategy within the municipal government's approach to promoting social economy. The prevailing focus appeared to emphasize supply-side stimulation, with limited attention to demand-side dynamics, institutional frameworks, and public awareness and education regarding social economy.

To address these gaps, the study recommends complementing existing policies with measures aimed at stimulating public demand, enhancing public awareness, involving sectoral organizations in policy design and evaluation, and increasing both technical and financial resources for program implementation.

Conclusions and Discussion

The study contends that the public policies examined do not constitute the holistic and cross-sectoral orientation characteristic of second-generation approaches (Chaves & Gallego, 2020). These policies are largely confined to isolated programs within the municipal strategic employment plan, focusing predominantly on supply-side interventions rather than comprehensive strategies for local development and social innovation.

The absence of "soft policies"—such as those aimed at demand stimulation, public awareness, and institutional recognition of the sector—is particularly evident (Chaves, 2010). While "hard policies" supporting business supply, project development, and job creation are regarded as good practices, they do not constitute a systemic or integrated approach. Feedback from participants underscored this structural deficiency in municipal public policy. There was a consistent call for greater emphasis on the transversal promotion of social economy, cooperative entrepreneurship, and social innovation (Bastida et al., 2023).

Specifically, the findings highlight the need for public policies that not only support enterprise creation and employment but also foster a conducive social and institutional ecosystem. This includes awareness-raising initiatives, demand-side stimulation, and collaborative governance involving public institutions and cooperative actors. Recommended actions include public awareness campaigns on the social economy, events and fairs to showcase cooperative initiatives, the development of public procurement mechanisms favouring social economy entities and facilitating cooperative access to public service delivery. Ultimately, the study advocates for a comprehensive strategic plan for social economy promotion, aligned with local development strategies and municipal employment policies.