

From corporativism to soft-governance models, the role of Internationalisation and Innovation. Andalusian Case Study.

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Abstract

Our goal is to provide an explanation of a successful case (the Andalusian Social Economy) with a view to develop a model of SE development. This has been done by analysing two key issue areas where CEPES-Andalucía (the umbrella organisation) has provided a structured strategy and which pose probably the major challenges to SE in these days: Internationalisation and Innovation. These two issue areas have become part of the new mantra where policy makers and SE representatives meet when it comes to policy development and therefore provide the best elements to analyse both the policy processes and the organisational development of SE organisations. The main hypothesis is that the origin of CEPES-A can be best explained through a hard advocacy coalition model reflecting a highly neo-corporatist political context, but its current evolution is increasingly better understood through a Sociological Policy Network model reflecting a political context where other, “softer”, processes are in place.

El objeto del presente trabajo es proporcionar una explicación de un caso de éxito (la Economía Social Andaluza) con vistas a desarrollar un modelo de desarrollo de la Economía Social. Esto se ha llevado a cabo analizando dos áreas temáticas clave donde CEPES-Andalucía (la organización paraguas) ha desarrollado una estrategia estructurada y que presentan probablemente los mayores retos para la ES en estos días: Internacionalización e Innovación. Estas dos áreas temáticas han pasado a ser parte del nuevo mantra en el que políticos y representantes de ES se encuentran cuando se trata del desarrollo de políticas y por lo tanto proporciona los mejores elementos para analizar tanto los procesos de creación de políticas como el desarrollo organizacional de las organizaciones de Economía Social.

La hipótesis principal es que la mejor explicación del origen de CEPES-A es a través de un modelo duro de coalición promotora que refleje un contexto político de marcado carácter neo-corporativista, pero su evolución actual se puede entender mejor a través de un modelo de Red de Políticas Públicas Sociológico que refleje un contexto político en el que otros procesos políticos “menos duros” están en marcha.

Notre but est de fournir une explication d'un cas réussi (l'économie sociale andalouse) qui puisse être utilisé comme modèle du développement de ES. Ceci a été fait en analysant deux thèmes clés où CEPES-Andalucía (l'organisation représentative de l'ES) a fourni une stratégie structurée et qui pose probablement les défis principaux pour l'ES dedans de nos jours : Internationalisation et innovation. Ces deux thèmes ont devenue le nouvel mantra où les politiques et les représentants de l'ES rencontrent quand il s'agit du développement de politiques et fournissent donc les meilleurs éléments pour analyser les processus de création de politiques et le développement organisationnel des organisation de l'ES.

L'hypothèse principale est que l'origine de CEPES-A peut mieux être expliquée par un modèle dur d'Advocacy Coalition reflétant un contexte politique fort néo--corporativiste, mais son évolution courante est de plus en plus mieux comprise par un modèle sociologique de Policy Networks reflétant un contexte politique où autres, « plus doux », processus sont en place.

1. Introduction

The purpose of this paper is to provide an explanation of a successful case (the Andalusian Social Economy) with a view to providing elements for a model of SE development. This will be done by analysing two key issue areas where CEPES-Andalusia (the umbrella organisation representing Social Economy in Andalusia, Spain) has provided a structured strategy and which poses probably the major challenges to SE in these days: Internationalisation and Innovation. These two issue areas have become part of the new mantra where policy makers and social economy representatives meet when it comes to policy development and therefore provide the best elements to analyse policy processes and organisational development of SE organisations.

Continuing with Internationalisation and Innovation, it can be argued that these two issues pose the two major challenges for SE companies when facing the current rapid changes in our societies. These are clearly related since both challenges need a strategic approach in order to provide a positive answer to uncertainty.

The main hypothesis is that the origin of CEPES-A can be best explained through a hard advocacy coalition model reflecting a highly neo-corporatist political context, but its current evolution is increasingly better understood through a Policy Network model reflecting a political context where other, “softer”, processes are in place.

In the paper, some qualitative and quantitative data will be provided in order to demonstrate the Andalusian best-practice. Then, an analysis of the birth and development of CEPES-Andalucía will follow and then the last stages of this development (since the setting-up of Innovation and Internationalisation Departments) will be carried out. We will conclude by highlighting the differences between the two issue areas and the consequences to be extracted for the future evolution.

2. The Booming of Andalusian Social Economy.

First of all it should be said that Social Economy has always played a role in Andalusian Social, Economic and Political life. We can consider the fact that the Andalusian Cooperative movement can be found among the pioneer ones in Spain, back to 1868 in Jerez de la Frontera. It can also be noticed that Utopic socialism also played an important role in the second half of 19th Century and there were key figures from Andalusia in this movement for the whole 20th Century. But since this paper is not intended to analyse the historical development of Social Economy but only the modern development of it during the last two decades, we will try to focus in its quantitative and qualitative features.

But before looking into Social Economy, we will provide some data about Andalusia:

Andalusia

Andalusia is the second largest region in Spain with a surface of 87.597 km² and it covers most of the South quarter of the Spanish mainland. It is also the most populated region with 7.849.799 inhabitants (year 2005). In order to have a somewhat “visual” reference, it can be noticed that it is bigger than the Netherlands, Belgium and Luxembourg all together. The second region in this

category is Catalonia with almost one million inhabitants less (6.995.206). Andalusia also has a long coast and borders with Portugal and Morocco.

Furthermore we have to bear in mind that Spain has a highly decentralised political system where the region is the highest sub-national unit and the one with the highest level of competencies¹. From the point of view of its political features, Andalusia has been an Autonomous region since 1981, which means that it enjoys political competencies similar to German Länder (among these competencies we could signal the exclusive competencies in Health, Education and Active Employment policies). Furthermore, we should point out that, being the most populated region, it also provides the highest number of seats in the Spanish parliament in the general elections (61 out of a total 350 seats). It also has some political significance in the balance between nationalistic and not nationalistic regions in Spain (being part of the latter).

In economic terms it can be signalled that, according to the Budget Law just passed in the Andalusian Parliament, its GDP is foreseen to achieve 77% EU GDP by 2007 and its budget for next year will be 29.187,7 M EUROS. Nevertheless, Andalusia is still one of the poorest regions in Spain in macroeconomic terms. Thus, it is still an Objective 1 region, in EU jargon, and its unemployment rate is one of the highest in the EU-15 regions: 12,52%². However, its weight in the Spanish economy has always been much smaller than what these data would suggest. Thus the national unemployment rate is 8,15% and its GDP only represents 13,8% of national GDP (when in terms of population it represents 17,80%).

Nevertheless things have been changing during the last two decades. Since the entrance into the EU, (1986), Andalusia has grown and produced employment at a higher pace than Spain. Thus the accumulated real GDP growth has been 50,2 percentage points higher than in EU-15 and 16,5 percentage points more than in Spain, and the nominal Growth in PPS per capita has been 71,4 points higher than in EU-15 and 17,4 points higher than in Spain. In terms of Employment it has grown 94,9%, which means 74.9 percentage points higher than the employment growth in EU-15 (only 20%) and 22,5 points higher than in Spain (72,4%). Furthermore, if we combine these figures with the social weight of Andalusia we can easily imagine that Andalusia is a “model” or at least an example of best practice in tackling unemployment and producing economic wealth.

Apart from these quantitative data we could also point out some qualitative ones. Andalusia plays a key role in the cultural image of Spain where many of the so-called Spanish cultural references are actually Andalusian ones. Along with the political weight due to the number of seats for the higher legislative chamber as we mentioned before, it should also be mentioned that they have always been mostly won by the Spanish Social Democrats (PSOE). Furthermore many key political figures in Spain have come from Andalusia (starting with the former Head of Government Felipe González). It has also had a bad economic image in Spain with a lot of ill-mannered stereotypes like the one of being a subsidized region with low entrepreneurial spirit³.

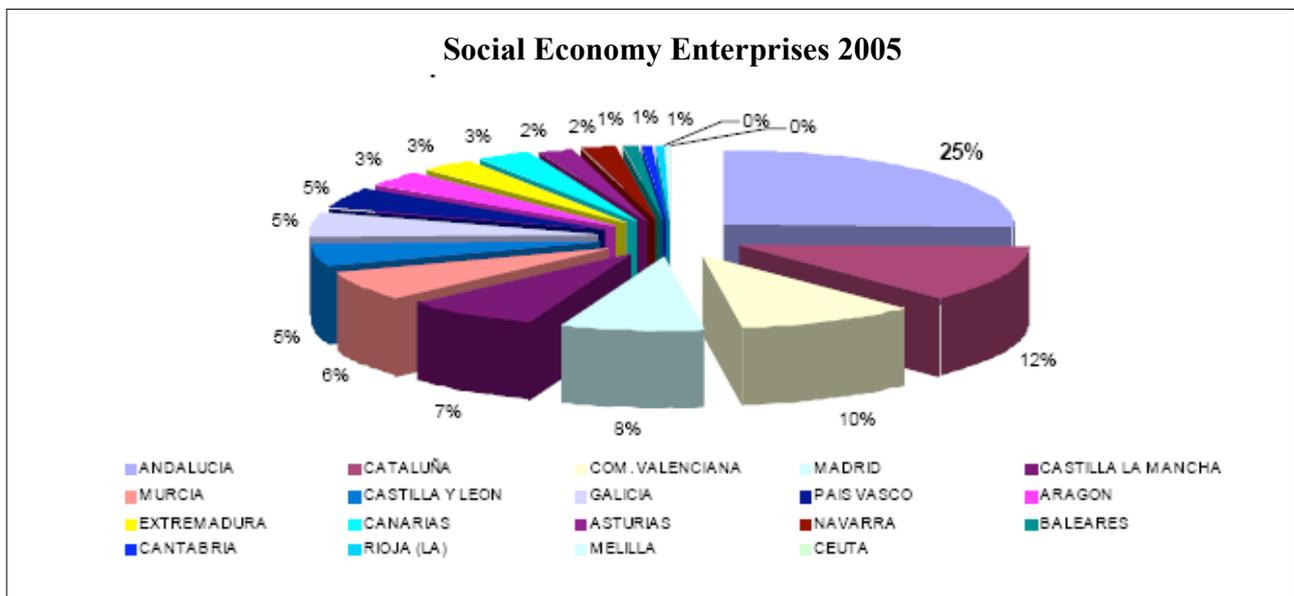
But, what about the Social Economy? The Andalusian record is quite impressive from that point of view. In the following figure you can have a part of the picture of how the Social Economy is today in this southern region.

Figure 1: Social Economy Enterprises in Andalusia 2005.

1 More or less more than 50% of public spending is regional, 30% national and 20% local.

2 Third trimester 2006. There are two main methods used in Spain for the calculation of unemployment, the one mentioned here (beginning 2006) is the survey of the active population, but there exist also the registered unemployment whose figures are much smaller.

3 And some hard data seem to give reason to these arguments, though these are usually de-contextualised data.



Source: CEPES-A Statistics Annual 2005.

Thus, Andalusian Social Economy companies (SECs) represent 25% of all Spanish ones, followed by Catalonia (12%) and Valencia (10%). But we should remember that only 5 years before, i.e. 2000, Andalusia represented only 18,6% of all Spanish Social Economy companies⁴.

These figures take into consideration just Cooperatives and *Sociedades Laborales*⁵, though Andalusian Social Economy claims that a big share of self-employment is part of Social Economy too⁶.

Along with these data, it is important to mention that there are no umbrella organisations representing various or all families of Social Economy in all regions. In fact there exist only two *regional CEPES*⁷: in Andalusia and Extremadura. And the Andalusian one has been used as a model to create the one in Extremadura. Furthermore, CEPES-Andalucía is also considered one of the most important regional organisations in European Social Economy.

3. CEPES-Andalucía

In our explanation of the birth of this institutional creature we will follow a Neo-institutionalism approach. As noticed by Peters (2000)⁸, this metatheory, has a many different strands: Rational Choice, Normative, etc. In this case may be very useful since our hypothesis is that the first stages of our explanation can be best explained through a Rational Choice approach (to explain the above mentioned birth, where Neo-corporatism could be included????) and the final stages are better understood using the lenses of a Sociological one. In this case, the origin of CEPES-Andalucía it is the result of the encounter of the private interest of a group of actors (or policy entrepreneurs), along with the appropriate political (structural) context. We could point out some features:

4 I should also be noticed that this pace in SECs creation has suffered a drastic slowdown following changes within the Regional Ministry with competencies on Social Economy policies.

5 It is a type of employee-owned company very similar to Cooperatives.

6 CEPES-Andalucía, the umbrella organisation representing Social Economy has always had among its members Self-employed associations, and according to their data a big share of the some 600.000 self-employed in Andalusia falls within this category. See www.cepes-andalucia.es

7 The national umbrella organisation's name is also CEPES, but that does not mean that CEPES-Andalucía are regional offices of the national institution although they are regional members of it.

8 Peters, B. Guy (2000): *Institutional theory in political science : the new institutionalism*. Londres, Continuum

- European (French) political influence.
- Regional dynamic:
 - Search for legitimation for Andalusian political actors.
 - Search for increasing political influence from the Cooperative movement.
 - Role of Neo-corporatist Governance both at national and regional levels.
 - Political struggle between the two main left parties to gain control over the Cooperative movement.

We will try to explain this a little bit further in the following pages.

At the end of the 80's and the beginning of the 90's the Socialist Party governed in Spain. This party had significant links with its French counterparts and that relation facilitated a context where policy learning was taking place. Thus, we should not be surprised at the manoeuvres of this party either at the national and regional (Andalusia) levels in order to build unitary platforms similar to those in France and the trend to include this economic reality in its microeconomic policies.

In this context two platforms were born: one at the national level and another one in Andalucía (and both were registered with the same name: CEPES). In the Andalusian case, CEPES-Andalucía was born in 1993⁹ and its origins can be best explained through a governance model based on neo-corporatism. Thus, the idea was to create an *instrument* to be used in a more complex governance context which could facilitate economic policies in relation to companies different from capital-oriented ones. Its “petit histoire” could be very similar to that of French Social Economy, as François Soulage puts it¹⁰, where individuals played a key role. To a certain extent, it is still working under that type of premise but it has evolved since the birth of the so called instrument into a more open and loosen policy network model where interaction with other actors such as trade unions, universities, other business confederations and different levels of public administration (or even the relation with the legislative power) must be increasingly taken into account.

Nevertheless we still have to bear in mind that individual actors had (and still have) played a key role in this process.

We have to take into account that Andalusia is a region following a process of self-legitimation. It had struggled to access an autonomous statute through article 151 in the Spanish Constitution, which meant that it can be considered a first level region from the point of view of its political competencies, at the same level of the so called historic nationalities (Vasque Country, Catalonia and Galicia). This, from the point of view of economic policies, meant a strong need to find policy niches that allow for differentiation from other levels (Firstly National and Local, European from 1986) and other political actors (conservative mainly, since from the point of view of economic policies this is the only cleavage worth mentioning). In this case this meant a need for a strongly connotated microeconomic policy.

This is in accordance with Moreno (1998):

⁹ Its national counterpart was born 6 months before.

¹⁰ This “little history” can be found at <http://esfin-ides.com/esfin-anciensite/pages/publications/histeconsoc011002.pdf> it was written by François Soulage, President of ESFIN-IDES, and one of the actors playing a role in the revival of Social Economy during the 70's.

“Mesogovernments have acquired an unparalleled leading role in Spain modern history. In order to consolidate their goal of institutional legitimacy, they have developed public policies aimed at maximizing their economic and political interventions”¹¹

Furthermore, we should also point out that some *hard* economic competencies took a lot of time to be decentralised (like Active employment policies), but other more soft ones were more easily decentralised (like some issues within Enterprise policy). Besides, when it comes to economic policies it has been increasingly difficult to find differences between political actors, differences which could pay in the political struggle.

Furthermore, accordingly to Schmitter (1982)¹² in a neo-corporatist system of governance both sides (political actors, namely PSOE-Andalucía, and private actors, namely Cooperatives and *Sociedades Laborales*) had a common interest in the creation of an Organisation representing Social Economy at the regional level. The policy creation system in Andalusia became highly neo-corporatist, with specially Trade Unions playing an important role in policy legitimation. In that context it is logical to set up an organisation which could convey all representation of this “third sector” which, it must be said, had a strong presence in political and economic life, specially in rural areas, in Andalusia. Furthermore, the birth of an alternative Employers organisation would be an interesting tool in Social Dialogue at regional level.

Moreover, if we are using an agent based model¹³ it is important to have key figures with an *open mind* towards cooperative/social economy movement and, in this case, with close links with Trade Unions. Thus, we find Manuel Chaves, who became President of the Junta de Andalucía (Regional Government) on July 1990 and Fernando Toscano, General Director of Cooperatives since 1994 and General Director of Social Economy since 2000 until 2006. The former, prior to becoming President of the Andalusian Government, was Minister of Employment and Syndicalist. As Minister of Employment he passed the National Cooperative Law which revoked Franco's Law of 1974 on 1987. Fernando Toscano had been lawyer of UGT until he entered the Regional Government. In 1994 he became General Director in charge of Cooperative in that Government and in 2000 he was the first General Director in charge of Social Economy. These are some key examples, but there are other actors who played an important role in this rapid development; however the close relation to Employment issues in general and with Trade Unions in particular is a common feature.

We can argue, along with the Neo-corporatist approach, that to a certain extent most of the success of Andalusian Social Economy is due to the this institutionalised governance subsystem, specially in the Microeconomic Policy area and the acceptance, at least by two of the main actors (i.e. Trade Unions and Public Administration) of this subsystem of the pertinence of a role for Social Economy in it. This is also possible thanks to the favourable socioeconomic and political context and the fact that many actors in the Social Economy issue area have close relations to Trade Unions (most of the political actors were also former or event current trade unionist members of UGT).

Nevertheless, we should consider two main things: cooperatives have been clearly supported by the regional administration since its very beginning, and the response to that support has also been astonishing. Thus, as Morales (2002)¹⁴ points out:

11 Cfr Moreno, Luis: Local y global: la dimensión política de la identidad territorial”. (Instituto de Estudios Sociales Avanzados (CSIC)- Documento de Trabajo 98-02 . (Translation by the author).

12 Philippe Schmitter, 'Reflections on Where the Theory of Neo-Corporatism Has Gone and Where the Praxis of Neo-Corporatism May Be Going', in Schmitter & Lehmbruch, Patterns..., pp. 259-279.

13 Both Neo-corporativism and policy network approaches are agent based models.

14 Morales Gutiérrez, A.C.: “Las Empresas de Trabajo Asociado en Andalucía”. Dentro de Moyano Estrada,

“En 1986, el volumen de recursos gestionados por la Junta de Andalucía para la promoción y estímulo al cooperativismo fue de cerca de mil millones de pesetas (sin duda, superior al de cualquier otra Comunidad Autónoma)”

And the result in terms of creation and socioeconomic impact is:

- In 1981 30000 jobs were lost in Andalusia; meanwhile cooperatives generated 5000, half all the employment generated in the region;
- The employment level doubled from 1985 to 1999;
- Its depth of coverage went from 40% (1985) to 70% (1996) of all Andalusian Municipalities;
- At national level it represents almost 30% of all workers cooperatives and it is the first region in generation of cooperatives and employment.

Nevertheless, it cannot be argued that the birth of a Social Economy movement, and its representative organisation, was easy and accepted by all parties. Thus, CEPES-Andalucía was born before the process of internal reorganisation of the Co-operative sector¹⁵ but assumed more relevance once this process was achieved: it changed from a Committee into a Confederation in 1997. And during that process there was a great deal of political struggle to gain control over the different organisations (mainly CEPES-A, FAECTA, FAECA). This process was also a reflection of the two main left parties struggle in Andalusia. The Communist party had a stronger presence in this civil society movement and the reorganisation of Cooperative organisations (workers cooperatives, agricultural coops but also the multisectorial organisation) was also a struggle between PCE-IU and PSOE to gain influence over it. It is also significant to notice that CEPES-A started to gain importance (1997) only after the unitary multisectorial cooperative organisation (FECOAN) disappeared.

This is an explanation of the birth of CEPES-Andalucía. The proposed explanation is based on a hard-logic¹⁶ approach where Rational Choice Neoinstitutionalism¹⁷ may be the theoretical source where actors follow its search of materialistic extrinsic preferences with some constraints offered by the political context. Thus the need for legitimation of the enlarged political institution, the search for differentiation from the conservative party in a significant cleavage (economic policy), the neo-corporativism context and the struggle between the two left parties to gain control over a significant civil society movement, on the one hand, and the presence of key actors with some “mind synergy” in relation to Cooperatives and Social Economy, on the other, offer a powerful explanation of this birth of an important Institution. But once this institution is created, we need other theoretical instruments to fully understand some key issues in its evolution. Therefore, we propose to analyse the role of two issue areas which will help us understand these changes and the current situation.

4. Innovation and Internationalisation Issue Areas

The Institution (CEPES-Andalucía) has changed since its origins and so has the political context. In order to grasp some of the nuances of the current situation we believe that Policy Network approach should be used. This approach proposes a governance model based upon the network and opposed to others based upon hierarchy or market one. Since, within this approach is far from being unitary

Eduardo; Pérez Yruela, Manuel (Coords): Sociedad Andaluza [2000]. Córdoba Federación de Cajas de Ahorros de Andalucía e IESA-CSIC. 2002.

15 FAECTA, the Federation representing all Workers Coops, and FAECA, the one representing Agricultural Coop, were born after the merger of different organisation in the mid 90's.

16 Or logic of consequentiality.

17 See Peters (2000) for an extensive explanation of this.

and there are what can be called different “strands”¹⁸, I will follow a more constructivist and agent based approach, inserted into what can be defined as Sociological Neoinstitutionalism.

The best way to see the changes in place is to have a look at the internal reorganisation of CEPES-A since 1998. We have already said that it became a Confederation from a more loose organisational structure (Committee) and since then some other changes occurred. The most significant ones, from the point of view of this research, are the creation of new Departments as a response to new demands from members and political context.

The first Departments to be set up in the second half of the 90' were a General Assistant to the president with some administrative staff. Then came a Training Department, Press Office and, a little bit later, a Documentation Department. The former respond to a need to manage an increasing flow of funding under this chapter. This increase respond to a logic where *Training* played a key role: the traditional Neo-corporatist model of the 90's, with Trade Unions and Industrialist bargaining for an increase in funding mainly in this area. The second and the latter departments are common ones in advocacy organisations. But then, after year 2000, things changed. Political discourse too and the increasing significance of competitiveness produced a change in political priorities on both sides.

Which role plays in this process these two issue areas: internationalisation and innovation? A key role. In the origin of CEPES-A there is a goal in increasing advocacy capabilities from Social Economy organisations (mainly Cooperatives but also Labour Societies which were the parents of the creature) with a view to gaining a space in public policies that were being born at that moment (late 80's beginning of 90's). This political goal of Social Economy organisations met the need of Public Administrations to increase their legitimacy at the regional level (it has to fight national, local and provincial levels which had already that *legitimacy* thanks to its long standing existence) and its struggle to erode the presence of the Communist party in a key civil society movement (Cooperatives), as already mentioned.

The changes that occurred in the late 90's and the beginning of this century help to explain the organisational development of CEPES-A. These changes can be divided into two categories: changes in the actors and changes in the context and both are correlated. In the first case we argue that the change in the public administration led to a change in relations and expectations from these actors and Social Economy organisations. In the latter case we argue that change in economic and political context led to different political mantra: from employment to competitiveness and a different way of interest representation towards more pluralistic patterns.

In the 80's and the 90's, i.e. during the gestation of CEPES-A, the existence of a high unemployment rate eased the development of *hard* advocacy coalitions between social economy organisations and public administration agents, since Social Economy is widely recognised as a key instrument in employment policies. Nevertheless a change in political context and actors put somehow Social Economy advocacy power at risk.

Besides, we see also how public administration changed following New Public Management trends (increased control, competitive bidding, etc.) and a process called Europeisation¹⁹ where parts of the Political systems at National and Sub-national levels are influenced by EU trends to make significant changes. This influence is multifaceted in nature, i.e. It is not only due to the passing of EU legislation, but also due to symbolic influence and other type of intangible capitals. These changes produced a need for a “refining” of the interaction with the officials, not only in terms of improved management skills for the granted funds, but also in terms of analysis of policy and

18 See Börzel (1997) for an extensive explanation of this.

19 See Closa (2001) for an extensive explanation of this process in the Spanish context.

elaboration of proposals. This also reduces the room for hard advocacy coalition moves. We could also point out that we are viewing a change from a strong Neo-corporatist model to a mixed one, where some pluralistic features can be seen²⁰.

Therefore, in this phase, the increase in the areas aimed at by the advocacy activities, along with a change in political paradigm has made Innovation and Internationalisation issue areas play a key role in current and future relations between SE organisations and Public administration.

Furthermore, as we have seen, public political space is no longer occupied by unemployment (when it comes to economic sphere policies), despite its figures in Andalusia. Thus, we notice how Innovation, Technological development and competitiveness become the new main political questions. To the point of even separating employment from the new Ministry in charge of Economic development (called Regional Ministry of Innovation, Science and Enterprises²¹) In this context, there is a need for a *refining* of the advocacy discourse on behalf of Social Economy organisations and there is also a bargaining activity that looks for distilling the policy process (here is where we can see a policy network at work).

In this new context two new departments are born in CEPES-A, and we will have a look at how they were created and the logic behind their births.

5. Innovation and International Departments

As previously said, this issue area is the result of the bargaining process between Social Economy organisations and public administration but it should not be considered an imposition from the latter. As a matter of fact it is easy to think that this issue area is one where bargaining should be less problematic in a policy network context. Thus, one of the key motivations for the Cooperative movement and the different economic units of it for “supporting” the birth of CEPES-A and a fully fledged Social Economy movement is the search for new resources to increase competitiveness in a economically depressed context²², and so, the reason for the birth of a Department to deal with Innovation issues follows the same original hard logic of increasing advocacy capabilities. New Social Economy companies are no longer the only way out of poverty and/or unemployment, and during the second half of the 90's there has been a growing effort in order to strengthen the entrepreneurial nature of Social Economy Enterprises.

Another important feature, as we have already mentioned, is external influence. We have already argued that French Socialist party played a role in influencing not only EU policy (specially through the Delors Commission) but also through their influence on the Socialist Spanish party. In the case of Innovation, it is important to analyse the influence of EU political discourse and EU policy. Thus, we should also pay attention to the wider European picture where technological innovation has been gaining space within political discourse in the last 10 years²³.

Thus, the creation of these somehow different departments shows a change in the context. Both of them have a double nature: when it comes to its advocacy functions, the Departments provide tools for the new political discourse, when it comes to its role as service provider for the Social

20 Del Campo García, Esther: “La emergencia de una pauta europeizada de agregación de intereses”, in C. Closa (ed.), *La europeización del sistema político español*, Ed. Istmo-Akal, Madrid, 2001, 68-82.

21 Consejería de Innovación, Ciencia y Empresa, created on 2005.

22 The beginning of the 90's saw a harsh economic crisis for Spain but also the previous decades posed a challenge for Coop since a highly capitalist profile of economic development was at the center of the Economic discourse.

23 The budget for RTDI within the EU budget is the one with higher relative increases for the last two programming periods.

Economy, they improve also the capabilities to address these challenges at sector level. But we have to bear in mind that at their origin the general logic is strongly Neo-corporatist, which means that the accent is put on advocacy capabilities. We could argue that the agent in this case is following changes in the context and in the Policy Network. Thus, the origin of the Departments follows a neo-corporatist pattern and the change in that pattern results in an organisational change: both Departments merge into a big Project department one, under the leading role of the Innovation issues.

Both departments of CEPES-A were born almost at the same time, though the IRs one went first²⁴ and the other went second²⁵. The organisational logic behind each one was somehow different. The Innovation Department was created with a view to gaining bargaining power with the Regional Public administration and to gain management capability to deal with the extremely positive results of that bargaining process.

In the case of the IRs Department, due precisely to its *international nature*, the logic behind its creation was also that of enlarging the scope of the advocacy capabilities from exclusively regional to include EU level.

In both cases there is a strategic decision behind the creation of the two Departments but the general Neo-corporatist context has produced some instabilities. This may be due to a gap between the hard nature of the objectives and the soft nature of the processes (innovation and internationalisation), along with the fact that the distance between the requirement of the issue area and the motivations behind the policy network is wider in the case of the IR department.

Thus, there have been some problems to be addressed in these 5 years that can be explained to a great extent in Epistemic Communities terms²⁶. In the case of the previously mentioned objectives all the elements necessary to accomplish the objectives of the Innovation Department or at least most of them remain within the hands of the policy network, and the epistemic community possesses (or has produced) enough knowledge to grasp most of the connotations of the process. Thus, 80% of the budget of the Department in the last 4 years has come from the budget of the Regional Ministry in charge of Social Economy and the rest comes from the national budget. Furthermore, there is much work in progress on Innovation and Technological Research for SMEs, or even for SE companies²⁷, while there is almost nothing going on in terms of internationalisation and SE companies. The achievement of the objectives requires an active participation of actors outside the policy network and there is not much knowledge produced at either the regional or national level about the internationalisation of SE organisations. Furthermore, when that knowledge exists it points out to a more partial, less holistic approach of the internationalisation process. Thus, 50% of the budget of the IR Department comes from EU funding with direct intervention from the Regional government, 25% comes from EU funding with no intervention of the Regional Government and the rest comes from the budget of the Regional Ministry in charge of Social Economy. In the case of the Epistemic community there is only one actor producing knowledge to have a better understanding of the internationalisation process: the IR Department itself.

There are other elements playing their part in the different evolution of Innovation and International Relations Department, but these are internal issues which have little “generalisation” potential, being too “idiosyncratic”.

24 November 2002.

25 March 2003.

26 This is a somehow controversial concept and we will not follow the strict requirements of its “father” Haas (1992) in relation to the accent on the technical difficulty of the issue in question (Social Economy in this case).

27 The Social Economy Directorate General of the Junta de Andalucía funded a Research project on Technological Innovation within SE in Andalucía, the so called Technological Plans.

Another element is, as we have pointed out, the continuous change in the context. In this case there is a basic element: the prevalence of Innovation over Internationalisation in the political agenda (thought this is also somehow related to the different elements pointed above). Thus, we can analyse this by taking a look at the changes in the two Andalusian Pacts for Social Economy (the Programmatic documents of Social Economy Policies in Andalusia, the first signed in 2002 and the second in 2006).

Thus, we find the two Andalusian Pacts for Social Economy where both Internationalisation and Innovation play a key role. Though, there are some differences between these two issue areas which could also support the explanatory power of this hypothesis. Thus, Internationalisation is reducing its significance in this Second Pact and it can be due to some issues:

- The prevalence of the productivity issue in the core of economic policies discourse. It is not only that productivity is one of the key words in current political discourse, but its technological components are somehow the political mantra of the XXIth Century.
- This is somehow related to the fact that there has been in the last two legislative terms a Ministry dealing with Innovation. It has been so important in the political discourse they even had it in their names: Regional Ministry of Economic Development and Regional Ministry of Innovation, Science and Enterprise.
- The higher level of abstraction of internationalisation. Internationalisation, if considered not only as an increase in Foreign Trade, or in the flow of Good and Services, but, rather as an increase in all three flows (information, financial and goods/services), shows less appealing potential. Thus, the relation between productivity and internationalisation is less apparent than in the case of innovation.
- The lower interest from the SE companies themselves (this may be related to the previous one).
- The absence of an epistemic community in this issue area. If we look at the research on innovation or even the number of consulting firms specialising in innovation and or technological development²⁸, and compare it with the research or the number of firms working on internationalisation.

Last but not least, we should also bear in mind that the Regional Ministry in charge of Social Economy policies is also competent for Innovation; however, Internationalisation competencies lie mainly in a different Regional Ministry, and we all know the difficulties for different Ministries to collaborate.

Nowadays there is no IRs Department. We believe that this change can be (not totally) explained through the changes in the Policy Network (both in the context and in the actors) following a sociological institutionalism approach. Furthermore, many of the factors playing a role in this change are knowledge related (as pointed out when we made reference to the Epistemic community). Nevertheless there are some other (intraorganisational) factors which deserve further analysis. However, the changes in the department structure of CEPES-A was not the goal of this paper. We were providing an explanation for the development of the successful Social Economy subsystem in Andalusia following the evolution of its Policy Network, and the analysis of the intraorganisational changes was used to support the appropriateness of this explanation.

6. Conclusions

28 Which, by the way, are the current and previous names of the Regional Ministry in charge of Social Economy: Regional Ministry for Employment and Technological Development (2000-2004) and Regional Ministry of Innovation, Science and Enterprise (2004-).

This final issue provides us with almost all the elements to design a political context which is evolving from Neo-corporativism to a mixture of corporatism and pluralism. Furthermore, we see an evolution of Public Administration following international (New Public Management, Digital Era Governance) and European (*Europeisation*) trends. And we should not forget the general preferences of the Sector, which, as sociological neoinstitutionalism points out are not endogenous, but are exogenous and socially constructed. These preferences meet the preferences of the Public sector to create an informal institution, the Policy Network, which evolves and adapts to different circumstances. These circumstances have influenced the birth and organisational evolution of CEPES-A, and therefore we believe that the intersection of context analysis following this sociological approach can provide an insightful instrument to cast light onto Social Economy systems and subsystems throughout the world.

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