

SOCIAL AND SOLIDARITY ECONOMY: THE NEW EFFICIENCY



Orientation document of the 8th Mont-Blanc Meetings

6 – 7 – 8 December 2017

Archamps, Great French Geneva

Acknowledgements

This orientation document was produced by the Scientific Committee of SSE International Forum, chaired by Prof. Abdou Salam Fall under the coordination of Mariyana Amova, Secretary of the Committee.

This document is the result of a collaborative effort pursuing our commitment for sharing and common construction that are the essence of the social and solidarity economy. We would like to express our thanks to all the contributors who provided valuable insights, expertise and good practices about the new efficiency of the SSE:

Nicole Alix, President of the Board, La Coop des Communs, Secretary of the Board, SSE International Forum, France

Mariyana Amova, PhD candidate Paris 7, Secretary of the Scientific Committee, SSE International Forum, Bulgaria

Michel Bauwens, Founder, P2P Foundation, Belgium

Luis-Emilio Cuenca Botey, Vice-Minister in charge of the SSE, Ministry of Labor, Costa Rica

Claude Dorion, Director General, MCE Conseils, Co-treasurer, SSE International Forum, Canada

Omar El Jid, Head of SSE Unit, Migrations and Development, Morocco

Jean Fabre, former Communications Director, Program of the United Nations for the Development (UNDP), Switzerland

Abdou Salam Fall, President of the Scientific Committee and board member, SSE International Forum, Director, Laboratory of Research on the Economic and Social Transformations (LARTES), Senegal

Michel Griffon, Scientific advisor, National Agency for Research, France

Cheikh Gueye, Coordinator, Environnement an Développement du Tiers Monde (ENDA), Senegal

Thierry Jeantet, President of the Board, SSE International Forum, France

Paul Anthony Jones, Reader in the Social Economy, University John Moores, Liverpool, United Kingdom

Gérald Larose, President of the Board, Caisse d'économie solidaire Desjardins, Vice-President of the Board, SSE International Forum, Canada

Mélanie Luchtens, Communication and Project Manager, SSE International Forum, France

Myriam Matray, teacher – researcher, University Lyon 3, France

Laura Ortiz Rouzé, Partnership Development Manager, Fraveillance, France

Marc Picard, Director General, Caisse d'économie solidaire Desjardins, Canada

Anne-France Piteau, General Manager, SSE Forum International, France

Jean Philippe Poulnot, Head of political partnerships, Up Group, President - Up Foundation, Vice-President of the Board, SSE International Forum, France

Dennis Ramírez, in charge of Studies and International Relations, SSE International Forum, Mexico

Sudha Reddy, Director, EcoFoundation for Sustainable Alternatives, India

Peter Uffing, former Director, United Nations Research Institute for Social Development (UNRISD), Australia



TABLE OF CONTENTS

INTRODUCTION	4
AXIS 1: SSE: FOSTERING ENTREPRENEURSHIP AND INNOVATION FOR SUSTAINABLE DEVELOPMENT	6
Axis 1.1: Social and solidarity financing at the heart of sustainable development	6
Axis 1.2: An inclusive, innovative and plural economy.....	8
AXIS 2: SSE: DEMOCRATIC AND PARTNERSHIP GOVERNANCE AT THE SERVICE OF EFFICIENCY.....	10
Axis 2.1: The democratic governance as a vehicle of plural efficiency.....	10
Axis 2.2: Acting together: innovations, synergies and partnerships.....	12
AXIS 3: SSE: EFFICIENT AND SUSTAINABLE RESPONSES TO THE NEEDS OF THE POPULATIONS	14
Axis 3.1: From efficient responses to sustainable impacts: social cohesion, solidarity and inclusion	14
Axis 3.2: The impact measurement: evaluating differently?.....	16
SYNTHESIS.....	19
BIBLIOGRAPHY	20

INTRODUCTION

Subprime crisis in 2008, sovereign debt crisis in 2010 and, more recently, crises of confidence in institutions and rising populism are symptomatic, far beyond the sole economic realm, of **the crisis of a model**. Today, a **collective awareness must take place**: the short time and the time of speculation cannot, on their own, dictate the economy. Only "**economic biodiversity**" will allow to relativize and question the dominant model.

The social and solidarity economy, by virtue of its **principles of patience and temperance**, through its **participatory governance**, which bases its model on co-construction and collaboration, through **its object and its social utility**, is a response to the current crises. Resilient, the social and solidarity economy is in fact an instrument of **re-appropriation of the economic field by the citizens**, the only actors able to make "the living together" even today.

An increased demand for pluralism in the economic field has thus emerged with a **social and humanist vision** placing economic activity at the service of the human being. Indeed, since the work of Polyani K. (1983) and the relay taken by the thinkers of the new social economy¹, the need to restore meaning, to reaffirm the social in the economy, the territory in the globalization, is being reasserted.

These issues have been progressively integrated into the international agendas, first and foremost the **sustainable development goals (SDGs)** adopted by the international community in 2015. More recently, the **New Urban Agenda** has brought international recognition to the Social and Solidarity Economy² (Habitat III Conference³, Quito 2016).

On all five continents, social and solidarity initiatives are gaining ground against the excesses of global finance and its repercussions on the real economy and the degradation of the environment combined with the increase of inequalities⁴. While traditionally, the mutualist, associative and cooperative tradition shows that entrepreneurship is a **collective and citizen construct vector of plural efficiency** through the creation and sharing of more sustainable wealth, more recently, social and collective enterprises tends to develop initiatives in new sectors with a strong innovative and alternative potential⁵.

Unlike the capitalist model, which carries a dominant thought placing individual interest and the accumulation of profit as the ultimate goal of the economy and the unique motive of its efficiency, **the models of the Social and Solidarity Economy embody another process of creation and sharing of wealth**. Moreover, they extend the notion of wealth and efficiency to ecological, social and political dimensions. Indeed, the social actors associate, become aware of the social issues and develop entrepreneurial initiatives to make it more fair, equitable and inclusive on all the continents. All forms

¹ Granovetter M. (2000), Bartoli H. (1999) Laville J-L. (2000), Eme B. and Laville J-L. (2004), Demoustier D. (2001), Lévesque B. (2007), Favreau L. (2008), Fall A.S. and Favreau L. (2007), Jeantet T. and Poulnot J-P. (2007), Jeantet T. (2008)

² Paragraph 58. "[...] We are also committed to meeting the challenges faced by local entrepreneurial communities by supporting [...] the enterprises of the social and solidarity economy [...]"

³ SSE International Forum, on behalf of the International Leading Group on Social and Solidarity Economy, organized a side-event dedicated to the role of SSE in the implementation of the New Urban Agenda demonstrating that SSE constitutes a response to urban challenges and contributes to the transformation of cities.

⁴ According to the UNDP Human Development Report 2015, today, 80% of the world's population owns only 6% of the world's wealth. The share of the richest 1% will likely exceed 50% by 2016. These figures relate only to income inequalities, see in the same report the Human Development Index (HDI) adjusted to inequalities.

⁵ See the works of Social and Solidarity Economy thinkers like Granovetter M. (2000), Bartoli H. (1999), Laville J-L. (2000), Eme B. and Laville J.L. (2004), Demoustier D. (2001), Lévesque B. (2007), Favreau L. (2008), Fall A.S. and Favreau L. (2007), Corraggio (2011), Jeantet T. and Poulnot J-P. (2007), Jeantet T. (2008), See also Polyani K. which works inspired social economy, etc.

of citizen economic action -cooperative, mutualist, associative, collaborative and social enterprise- putting the human being at the heart of the economy are part of this approach.

The efficiency of the SSE is therefore based on another worldview where performance is also qualitative and not only quantitative and monetary. It is thus plural: social, environmental, civic but also economic. SSE efficiency is therefore based on a multi-faceted mobilization for socio-economic development. SSE is building and making visible all these initiatives, formal or informal, citizen, popular, community based, entrepreneurial, that are constructing or reconstructing the local production and consumption networks, and are including these practices in a territorial, economic, social, political and cultural development project.

Efficiency is defined as « anything that produces the expected outcome » (Le Petit Robert). It is therefore necessary to consider the definition of these expectations and those who carry them. **The SSE is a "new efficiency" because it offers the possibility of rethinking "expectations", deconstructing and re-envisioning agendas.** The democratic decision-making is a fundamental element of its efficiency, since it leads to the definition of common expectations on which the outcome is evaluated. The efficiency of the SSE thus refers to its ability to consolidate the conditions of entrepreneurship, to adapt to the needs of members, stakeholders, territories, citizens and create sustainable and inclusive wealth through participation, social cohesion and sharing. Each SSE initiative is a new possibility for communities and people, to define common aspirations and therefore what is efficient. Efficiency could be measured by the **ability to meet current needs without compromising the right of future generations to meet their own needs.**

We are therefore called upon to demonstrate together through the example of our initiatives that the SSE is effective because:

- it promotes the empowerment of individuals and communities and the democratization of society;
- its key drivers are human capital and local resources;
- it develops economic activities in all sectors: agricultural, industrial, social, commercial, financial, etc.;
- it animates cultural, community and social life;
- it creates partnerships for a global response to economic and social challenges.

These three main functions of SSE, namely **solidarity, democracy and economic development**⁶, are thus the mainsprings of a lasting transformation of economic and social models. Through its principles and values, the SSE demonstrates a triple performance:

1. SSE develops entrepreneurship and innovation for sustainable development
2. SSE puts democracy and participatory governance at the service of a plural efficiency
3. SSE provides effective and solidarity-based responses to the needs and aspirations of the populations

⁶ Enjolras, B, 2010, "The Public Policy Paradox. Normative Foundations of Social Economy and Public Policies: Which Consequences for Evaluation Strategies?" in *The Worth of the Social Economy*, CIRIEC, Ed. Peter Lang 2010

Axis 1: SSE: FOSTERING ENTREPRENEURSHIP AND INNOVATION FOR SUSTAINABLE DEVELOPMENT

The social and solidarity economy gathers together **modes of entrepreneurship and collective action** in which economic performance becomes a means to serve the collective interest and where social utility combines service delivery, ethics, democratic governance and the public dimension of citizen organizations. To demonstrate its efficiency, both at the level of its organizations and its ecosystems, it is necessary to discuss the means to achieve it and to scale it up, both financially and in terms of its plural modes of innovation.

Axis 1.1: Social and solidarity financing at the heart of sustainable development

The SSE enterprises aim at **satisfying the social, economic, cultural and environmental needs** of the communities through a **collective model of ownership** while taking care of their financial balance guaranteeing their sustainability. Unlike conventional companies, which may favor short-term profitability, they are very often oriented towards "patient capital" on the one hand, and the reinvestment of all or part of their profits on the other⁷. SSE enterprises thus commit themselves to their own development, reinvesting a part of their profits in the service of sustainability.

These specific characteristics of SSE enterprises question the means needed to improve its efficiency:

- Is its efficiency sufficiently demonstrated by its sustainability?
- How to respond to criticism on dependency and fragility?
- Should the social economy compare its productivity with that of the private sector?
- What are the links between efficiency and generation of surpluses? Between economic efficiency and social purpose; efficiency and protection of the environment; efficiency and social conditions of work; efficiency and territorial development, etc.?
- How to better account of the efficiency of funding for the SSE provided by other public and private actors? To what extent do they meet the needs of the SSE; are they likely to transform the strategies of SSE organizations?
- To what extent can the SSE be able to cope with both the restriction of the sources of public and private funding and the growing demand of society for ethical financing that corresponds to the needs of the real economy?

⁷ Matray M., Poulnot J-P., 2016, « From a small worker's co-operative to a leading international co-operative group: the Up group Experience», In Gernet H., Jungmeister A., Taisch F., *Genossenschaftlichkeit und Wachstum*

Financing the SSE ecosystem: examples of cooperative and community banks

One of the specific features of SSE organizations is that they combine social and economic objectives, operating in socially significant sectors, with limited profits, while aiming at their own economic and financial viability. They therefore need funding corresponding to their specific operating procedures. The financial institutions of the SSE thus play a major role in encouraging the development of solidarity initiatives and real SSE ecosystems.

For example, the [Cooperative Loan Fund](#) in the United Kingdom was created to strengthen the cooperative sector by providing ethical and accessible loans. Initiated and managed by cooperatives with the specific goal of supporting other cooperatives, this is a practical implementation of the principle of cooperation between cooperators.

To illustrate the importance of **co-operative banks' involvement in SSE initiatives**, we can cite, for example, the case of [Charity Bank](#) and [Eva Women's Aid](#), in Redcar, United Kingdom. This is a women's refuge. They identified the need for a property for older women. They raised funding for the deposit and then went to Charity Bank for the balance. They found their property, renovated and opened it in June 2015. Within 4 days, they were full and have been 100% occupied ever since. Owning three properties has made the organization financially stronger and more resilient, while improving their services⁸.

Another example of **strengthening the ecosystem of the social economy** through the role of financing and the case of Banco Palmas. Born in 1998 to combat the extreme precariousness of their living conditions, [Banco Palmas](#) is a community development bank, launched at the initiative of inhabitants of a peripheral neighborhood of Fortaleza in Brazil. Based on an unprecedented alliance between microcredit (for production and consumption) and a social and complementary currency specific to the territory, "the Palmas", the bank organizes and federates the mobilization of all local players (public administrations, traders, inhabitants, associations, schools) around the economic, social and solidarity development of the neighborhood. It has oriented the 5.65 million reais spent per month by the inhabitants towards the local production and commerce favoring an increase of the local trade by 30%. The Institut Palmas created in 2003 to disseminate the "eco-social" methodology of Banco Palmas across the country now runs a network of 63 community banks with their own currency and achieving the performance of having operated nearly 40 million euros since 2005 as correspondent bank of the Banco do Brasil and the Caixa Economica Federal.

⁸ For a mapping of the impact of Charity Bank's loan, see: <https://charitybank.org/social-impact>

To this end, social and solidarity financing is a key theme to discuss the **productive efficiency of the SSE** and its contribution to a human-centered economic development. It is in this sense that SSE should be given the means to finance its development, particularly its own funds, which are often insufficient. The issue of financing and that of the repayment capacity of social economy enterprises should be asked differently than in the capitalist sector. Thus, beyond the very organizations of the SSE, an **effective ecosystem of financing the social economy** is a fundamental condition for its development and contribution. Funding provided by the SSE movements (cooperative and mutual banks, development funds, foundations, etc.) associated with financing from the territories (support from local authorities, states and supranational funding organizations, etc.) and with citizen initiatives (such as local saving schemes, crowdfunding, micro-credit, micro insurance, tontine, etc.) participate in this dynamic. This makes it possible to change its scale, linking the production of the SSE to public, urban, and even national demand, and by fostering the inter-cooperation of networks.

Axis 1. 2: An inclusive, innovative and plural economy

The ESS is a sustainable, resilient but also innovative model. Cooperative banks resisted the financial crisis of 2008, and the establishment of innovative cooperative enterprises was maintained in the ensuing recession period⁹. The SSE model thus inspires the creation of different forms of business combining economic, social and environmental value.

The economic, social and technological environment is changing and it is necessary to discuss how the SSE responds to it, including through dialogue with other models that aim at responsibility, innovation and the construction of new paradigms of sharing such as: the commons' economy, **the functionality economy, the circular economy, the platforms' economy**. SSE and these new economies have many points in common: the existence of communities with shared values, especially social and environmental values, institutions more or less connected to the market, rules of governance. Thus, one of the central issues to discuss in order to examine these convergences when it comes to the question of effectiveness, is the value that these economies generate (see box).

It is necessary to question and dialogue with the models of hybrid and non-conventional organizations that emerge:

- Are their principles and modalities new for the SSE?
- What are the opportunities they present, new markets, new tools?
- How can the social economy make them more inclusive and thus more effective?
- Are all models of social and innovation responsibility efficient regarding collective impacts and in terms of opportunities created for young people, women and communities?

⁹ CECOP, 2012, *The resilience of the cooperative model*, online <http://www.cecop.coop/The-resilience-of-the-cooperative-model>

**Commons, co-creation and co-evaluation of value:
« endogenize » value to serve people and communities**

The issue of value in the economy of the Commons has recently been studied¹⁰, pointing out that the **question of value goes far beyond the "price"** used by conventional economy. The question is posed of the real value generated in the economy of care, domestic labor, digital communities or the Commons, as these are considered as exogenous to the market economy. And yet the market benefits from them in an "extractive" way, because without the education of children, social co-operation, ethical standards, etc., it simply cannot exist. It is about finding mechanisms to endogenize value to serve people and communities. These issues were discussed by the epistemology of the South, concerning social activities considered "invisible" by the present system, and yet producing real social value and utility.

The question is therefore to know how a **new approach of value can generate a new economic system**. A first approach concerns "reverse co-optation", which aims at integrating new values into the capitalist system. The second approach focuses on "sovereignty of value", enabling economic transition. Some examples of initiatives highlight these two approaches of value.

The first case, [Enspiral Network of New Zealand](#), illustrates "reverse co-optation". Enspiral is a network of professionals, motivated by common values and a desire to produce social impact. They gather several companies in different fields: design, education, marketing, organization of events, web development, etc. Enspiral Foundation is a non-profit organization founded by the members to facilitate the links between individuals and the network, provide support to members, and develop the social missions of the network. Governance is dynamic and participative, mobilizing different open source tools of co-decision, participatory budgeting, information sharing. The return on investment from outside is capped, thus preserving the societal values of the members. "Reverse co-optation" is thus based on the transfer of market value from "outside" to the social values on which members oversee their activities.

The second approach can be illustrated by the example of [Sensorica](#). It is a collaborative network based in Montreal developing sensors based on open source technology. It is an informal organization, enabling large-scale collaboration and coordination, legally organized as an "unregistered association". Intrinsically, members of the network have motivations that are not oriented towards market production. However, some products are traded on the market, including with the industry, and generate revenue. The network has developed a decentralized operating system and an "open value accounting" system, and resource planning mechanisms, which allow the evaluation of members' contributions and the distribution of value according to those, and not according to external criteria. Thus, there is a dissociation of the evaluation of the incomes generated by the market operations and the contributions of the members. This allows the distribution of resources to all and not only to those involved in market operations.

¹⁰ The case studies presented here are from a recent study of Bauwens and Niaros, 2017, *Value in the Commons Economy: Developments in Open and Contributory Value Accounting*; see also Bollier 2016.

This shows that there are new "endogenous" forms of co-creation and co-evaluation of value that allow for a more decentralized functioning of organizations, new protection mechanisms facing the market that captures value, reciprocity and redistribution of value that are strong links to the SSE model.

Many innovations of these new economies are being developed at the territorial level, establishing virtuous links with local communities. Thus, the approach of the circular economy, like the SSE's operating model, links production, consumption and sustainable use of resources to the well-being of human communities. New products or services are thus emerging and strengthening the ties with territories: community consumption and distribution networks, recycling, resource sharing, urban agriculture, etc.

Other paradigms require more research and implementation of new SSE solutions. One of these new forms of economics, called **collaborative economics**, is often a platform economy of a capitalist nature and capable of attaining high stock market valuations, engendering speculative bubbles that convey new forms of economic precariousness and unfair competition¹¹.

How can the social and solidarity economy face this major challenge? By creating different platforms, impregnated with its DNA, where the ownership of these platforms and their tools would be shared with all the stakeholders, where the decision-making and management would be democratic, and where the profits generated by the activity would be shared equitably, where users and employees would be protected? This is to what Rifkin J. invites us (2014)¹² in his latest book.

Axis 2: SSE: DEMOCRATIC AND PARTNERSHIP GOVERNANCE AT THE SERVICE OF EFFICIENCY

One of the main contributions of the SSE is civic and democratic governance. This theme can be tackled at two levels: the democratic life of the enterprise on the one hand, and the contribution of the SSE to the democratic life of the States, the territories and the economic and solidarity action of groups of citizens on the other hand.

The SSE, by creating a plural economy, makes it possible to surpass the public/private antagonism. It proposes an alternative model that not only contributes to the economic life of organizations and society, but also allows people and social and citizen movements who think otherwise to be able to express themselves and create alternatives.

Axis 2.1: The democratic governance as a vehicle of plural efficiency

The specific democratic and participative modes of governance of the SSE enterprises play a key role in the plural efficiency of the SSE, allowing to better balance all the social, environmental and technological issues to be taken into consideration. Thus, the specific nature of the governance of the SSE organizations involves both the principles of voting (1 person = 1 vote) and the processes of information and training to the understanding of the functioning of the SSE enterprise. In addition, there is the question of commitment and volunteering which makes it possible to multiply the action of the SSE organization on its territory. Finally, the governance structures of SSE enterprises must balance democratic processes with clear decision-making efficiency that allows efficient management of enterprises.

¹¹ Coriat B., 2015, *Le retour des communs: la crise de l'idéologie propriétaire*, Paris, Les Liens qui Libèrent. ; Benavent C., 2016, *Plateformes*, Ed. FYP

¹² Rifkin J, 2014, *The zero marginal costs society*, Palgrave Macmillan, New York.

- How the economic effects of democratic and participatory functioning within SSE organizations could be discussed and assessed (for example, regarding the strengthening of human capital and organizational know-how)?
- Which indicators help to understand the sharing of knowledge and skills, the continuous learning and the development of collective entrepreneurship?

Democracy, more than a value is a vector for economic efficiency:

The case of sugar mills in India

*"I think the first reason for the success of cooperatives is that democracy, just ordinary democracy, is a value in itself. We all talk about it, but democracy in the workplace is an important element of democracy itself. On the one hand, more socially-oriented enterprises are less inclined to exploit those with whom they interact: their workers, their customers, and their suppliers. This is especially important when competition is limited. Some studies, looking at for instance sugar mills in India, have highlighted that those parts of India where there have been cooperative sugar mills have done much better than those in which there have been for-profit sugar mills. The problems of exploitation are important, not only when competition is limited but also when there are information asymmetries, in which one party can exploit the other, or asymmetries in bargaining power. In market economies, these kinds of asymmetries are pervasive. **Greater internal democracy can foster not only a better workplace but also a more innovative workplace and a more innovative society**¹³".*

In the sugar mill movement, the democratic principle of the cooperative ensures in practice the equitable realization of the production of small and large farmers. This allows for the development of entrepreneurship, access to resources, training, development opportunities for all stakeholders. Conversely, when this principle is altered, this leads to a concentration of resources and a reduction in the overall efficiency due to the externalization of social and economic costs¹⁴.

The implementation of democratic principles is not always easy to achieve. Democratic governance is thus the subject of research in relation to the organizations of the SSE. A recent study is being conducted in the British credit union movement in the United Kingdom with researchers from the John Moores University. According to this, an effective participatory governance depends on a clear organization of the responsibilities of the members and mechanisms to strengthen participation. For example, it is possible to rely more on social networks. The study also shows the importance of democratic processes in the governing boards and the development of a standard governance framework for the sector.

¹³ Stiglitz, J. 2009, *Moving beyond market fundamentalism to a more balanced economy*, Annals of Public and Cooperative Economics, pp. 345–360.

¹⁴ For the adverse impact of this externalization see by analogy the notion of externality in environmental accounting, Breuil et al. 2011, *Le développement durable, enjeux économiques et réglementaires*, online <http://www.isige.mines-paristech.fr>

Beyond the internal organization, the impact of democratic governance can be seen externally, as it also makes it possible to consider the benefits for communities. Thus, the stakeholders of the SSE organizations often integrate, as in solidarity cooperatives, not only the users and workers' members, but also various actors who support the cooperative project¹⁵.

The efficiency of these democratic dynamics could also be demonstrated by the specific capacity of the SSE, as well as the capacity of the initiatives of the popular and community economy to bring autonomy, self-organization and social emancipation enabling civic, ecological and economic transitions. The methods of **popular education** based on peer training and co-accompaniment could offer new tools for the efficient development of organizations and collectives.

Similarly, the democratic and economic practices promoted by **the Commons movement** allow the creation of efficient models of democratic governance of natural resources, human resources, digital resources and community-based problem-solving.

- We need to work together to answer how the convergence between SSE and the Commons, around collective ownership, open and shared resources, the existence of concerned communities and governance rules, can generate a new efficiency?

For example, allowing the re-appropriation of digital resources, a new use of « Big Data », of the economy of platforms, etc., generating socio-territorial innovations and new forms of sharing.

Axis 2.2: Acting together: innovations, synergies and partnerships

The SSE promotes the creation of local and regional synergies and partnerships between networks. We have the opportunity here to discuss the different forms of associations and alliances and the reciprocal efficiencies they generate.

SSE models are specific economic models which purpose is not enrichment *per se*, but rather the valorization of resources that are shared/redistributed/reinvested in the human and the territories. However, these models remain too little known and supported to impede the scaling-up and transformative capacity-building of SSE practices. This is what *SSE International Forum* is all about, as well as many other SSE promotional networks, both at the national and supra-national levels. These include the Inter-Continental Network for the Promotion of the SSE (RIPESS), the International Center for Research on Public, Social and Cooperative Economy (CIRIEC international), the Inter-University Network of the SSE (RIUESS), the Global Social Economy Forum (GSEF), the International Co-operative Alliance (ICA), the International Association of Mutuality (IAM), sectoral networks such as the International Association of Investors in Social and Solidarity Economy (INAISE), or inter-organizations such as the Inter-Agencies Task-Force of the UN and the **International Leading Group on the Social and Solidarity Economy (ILGSSE)**. The latter includes States, UN agencies and major networks of the SSE and cities.

- How to promote inter-cooperation between these different networks and actors of the SSE, in accordance with their specific areas of expertise and intervention?
- What is the envisaged impact of these alliances, in terms of international visibility of the SSE, of the policies to scale it up, of the sharing of projects and entrepreneurial initiatives of citizens from all continents?

¹⁵ Tremblay I., 2007, *La bonne gouvernance dans les coopératives de solidarité*, Sherbrooke

The SSE carries out initiatives that start from the "base", based on the social needs identified through its proximity with the populations. These **bottom-up practices** allow the emergence of social and institutional innovations, especially at the territorial level as well as the development of multi-stakeholder partnerships. Thus, the dynamics of the **social clusters** that have begun in some countries, notably in France, make it possible to involve various stakeholders, such as local authorities, SSE companies, university researchers and even citizens¹⁶. More often, these initiatives include users, workers, local structures and collective enterprises. Major innovations have been made in France in the context of the SSE Act of 31 July 2014, allowing the setting up of the **Territorial Poles of Economic Cooperation (PTCE)** and revisiting the status of the Cooperative Society of Collective Interest (SCIC).

- How can we capitalize on these good practices, promote them and share them in other countries, on other continents?

Projects of public-SSE partnerships and development of local and social economic ecosystems: good practices of anchoring the SSE in South Korea and Cameroon

The City of Seoul has adopted a comprehensive support plan for the Social and Solidarity Economy. The Local Economic and Social Ecosystem Development Projects (LSEEDP) are an integral part of Seoul City's specific strategy to enhance the SSE in the territories. The goal of the LSEEDP is to strengthen internal cooperation and networking between local social economy actors so that they can develop, create resources to share and implement projects that correspond to local needs and constitute viable ecosystems based on inter-cooperation. The City of Seoul (SMG) supports the ideas of local economic and social ecosystems development projects for three years, using civil society partners to train the local ecosystem; Local social economy councils have been set up in 20 Seoul districts, enabling systematic partnerships between borough councils, civil society and SSE actors active in sectors such as care, urban renovation, sewing¹⁷.

Another relevant experience in **public-SSE partnerships** is that of **Cameroon**, where a partnership was signed in January 2016 between cities and local SSE networks.

The city of Ngomedzap, in central Cameroon, recently signed a contract with the Ngomedzap Local Network for Social and Solidarity Economy (RELESS-NGOM). This partnership is based on a strategic basis, taking into account the vision of Cameroon's development for 2035, the strategic framework for growth and employment, the government policy to deconcentrate the resources allocations to local governments (Cities); the Government's willingness to promote collective entrepreneurship as a strategy to combat poverty and promote economic growth; the reforms of the legal frameworks in Cameroon; the creation of RELESS-NGOM within a partnership between the Agricultural and Local Development Ministry (MINADRE) and an international French NGO (PFAC)¹⁸.

¹⁶ Matray M., 2017, « Les pôles territoriaux de coopération économiques : perspectives publiques », 9^e Geopolitics Festival, Grenoble, France, 8-11 March

¹⁷ GSEF 2016, *Status of Social Economy Development in Seoul, A Case Study of Seoul*, online: <http://neweconomy.net/sites/default/files/status%20of%20social%20economy%20development%20in%20seoul.pdf>

¹⁸ Poulnot 2017, *Some examples of public / social and solidarity – SSE- partnerships*, presentation on the occasion of the side-level event Habitat III, Quito, 17 of October 2016.

Another fundamental alliance to consider is the one between the **SSE and academic research** and the one resulting from **citizen and popular education**. Research in both social sciences and natural sciences raises questions and solutions on the models of economic organizations.

- How can the ESS give back all their meaning and social utility to the technological innovations resulting from the research and development? For example, by devising mechanisms to protect innovations that are different from the patent systems, or by considering partnerships with research promoting the transfer of knowledge and technologies between SSE and universities, such as the programs supporting the agricultural sector in the South, etc.
- How to strengthen dialogue between SSE practitioners and researchers to develop efficient advocacy tools for the dissemination of the SSE model?
- Moreover, how can the knowledge of communities and people for better living together could be better put into practice?

Axis 3: SSE: EFFICIENT AND SUSTAINABLE RESPONSES TO THE NEEDS OF THE POPULATIONS

The socio-economic crisis¹⁹, with the deterioration in employment and working conditions and the increase in inequality, along with a quasi-stationary world growth, the productivity decline despite technological innovations, are challenges of the global context in which SSE operates. It is important to discuss how it mobilizes populations in the North as well as in the South to find adequate and sustainable solutions. Constantly called to measure its efficiency, particularly regarding its social and solidarity value, the SSE must find new evaluation mechanisms to highlight its unique model.

Axis 3.1: From efficient responses to sustainable impacts: social cohesion, solidarity and inclusion

To take up these unprecedented challenges, linked to inequalities, exclusions, unfair access to resources and services, the SSE combines productive activities and societal expectations related to ecological, civic and social objectives. The SSE is a vehicle of **democratic solidarity** close to the territories and communities. It thus generates social cohesion and inclusion.

Today, it is not just about tackling extreme poverty, but also inequality and economic insecurity. Due to its local and regional roots, the SSE can contribute to a sustainable development that meets these needs. The SSE is mobilized for the implementation of the **Sustainable Development Goals** (SDGs), in particular regarding habitat, food security, environmental protection, local development, the promotion of women, education, health and energy transitions, the transformation of the financing mechanisms²⁰. In all these areas, the SSE offers quality services, whose efficiency is often highlighted through the notion of **trust, civic engagement and general interest**. Moreover, it offers solutions resulting from **the mobilization of mixed public, private and common resources**, making real proposals for solutions to these major public challenges.

¹⁹ OECD, *Global Economic Perspectives*, November 2016

²⁰ Cf. UN Interagency Task Force on SSE, *Social and Solidarity Economy and the Challenge of Sustainable Development*, Position Paper 2014

An international recognition of SSE in the New Urban Agenda and example of responses to housing needs: community land trusts

In 2016, the Social and Solidarity Economy was consecrated by the United Nations during the **Habitat III Conference**. Among the SSE's contributions in this field, we can cite the example of community land trusts that enables local communities to be a strong player in the housing sector. The **Community Land Trust** dissociates land ownership from market speculations by reinterpreting it as a patrimony of the community rather than as a commodity. The Community Land Trusts model, originated from the US civic movement, and has been successfully replicated in other countries.

In the **United Kingdom**, community lands trusts are the result of a partnership between a community cooperative, seeking to solve the housing problems of low and middle-income populations, and the local authority (Greater London Council), resulting from speculation and the ensuing housing crisis. The principle is that the local government cede land ownership to the land trust, with a clause prohibiting the placing on the market. The land is then leased for 99 years to a housing cooperative. The members of the cooperative pay their housing in consideration of their income, regardless of land price fluctuations.

The model adapts to other realities, such as in **Kenya** where land tenure is a priority, given the precolonial predominantly community-based forms of ownership. The [Bondeni Community Land Trust](#) is a response to land tenure issues, and it is thus supported and implemented by local communities.

In **France**, there are initiatives, such as endowment funds, such as [Fraveillance](#) and Cooperative Societies of Collective Interest, such as [Alliance Sens & Economie](#) which act on land and housing supply to sand up solutions for fragile publics, such as single-parent families.

Community Land Trusts exist elsewhere in the world with economic, financial, environmental, societal and even political impacts²¹. Furthermore, Community Land Trusts raise public policies awareness on issues related to the accessibility of housing.

The SSE acts for solidarity development through the **development of human capital** and economic opportunities created by the mobilization of local resources. The issue of the impact of SSE to achieve these objectives is concomitant with issues of **sustainability and human well-being**. Indeed, whether they are linked to education, health, adequate incomes, working conditions, participation in social and civic life, or to the creative and cultural development of individuals and collectives, they cannot be measured solely using the macroeconomic indicators of growth or those related to conventional firms.

²¹ For an example of measuring the economic, social, environmental impacts of these initiatives see Aldrich and Lévy, 2016, *Assessing and Planning Community Conservation Impact*, online, <https://s3.amazonaws.com/landtrustalliance.org/publication/files/AssessingPlanningCommunityConservationImpact.pdf>

Thus, for example:

- How can we measure the contribution of mutual health insurance that, in many countries, generates bases for universal social protection?
- What criteria enable us to evaluate the initiatives of the SSE in relation to the creation and safeguarding of employment, such as the numerous initiatives to take over companies in the form of employee cooperatives?
- How to highlight the contribution of the SSE in terms of provision of accessible proximity and quality social services?
- What allows us to grasp the multidimensional nature of initiatives in the field of preservation of the land, natural or intangible heritage of communities and people?
- Finally, should these types of mechanisms, arising from citizen engagement, be taken into account in order to facilitate the adaptation of the respective public policies in the field of employment, economy, health, work, environment?

Axis 3.2: The impact measurement: evaluating differently?

The question of the evaluation of SSE is a central issue. Indeed, although it is a means of legitimating the SSE, an adequate assessment remains rare. It is necessary to use other indicators, beyond the financial and management indicators, in order to take account of the multiple efficiency of the SSE: economic, ecological, social and civic. The need to integrate **new SSE evaluation criteria** with national statistical agencies, managers and researchers should be promoted to highlight the strengths of the SSE for the development of economic, social and sustainable development activity of countries. The various evaluation attempts and their effects for the recognition of SSE, whether at the level of organizations, sectors, or national and multilateral, could be presented, developed and clarified.

- Is the concept of impact sufficient to evaluate all the economic, social and environmental parameters specific to the SSE models? We need to re-examine and put into question the accounting, reporting, and other business management tools which model organizations (especially over the long term).
- How to overcome the criteria and indicators with managerial and competitive ends that are used by the conventional enterprises, and even in public policies, and to put in place an evaluation resulting from the citizen (self)-evaluation of the SSE?
- How can we group actors together to account for collective impacts? Do we need to sand up centralized infrastructures with complex operating procedures that are not suited to all organizations, or do we need to further strengthen deliberative processes?

Some examples of evaluation methods developed by the SSE organizations

The plurality of SSE organizations, collective enterprises, social enterprises, collaborative or shared economy enterprises, etc. involves a variety of evaluation approaches and methods. Different methodologies are thus developed at the level of the organizations, or within the framework of regional or territorial projects, on the initiative of networks, institutes of studies or other actors. The examples and case studies are therefore very numerous. We will give here some examples and references concerning some of these approaches.

The [Co-operative Social Assessment](#)²² (BSCoop) is a socio-economic management tool that is both an instrument for measuring **the social impact of the co-operative in the community**, an assessment of the relationship between social benefits and business success, a strategic tool for systematic evaluation of the entity and a communication tool that helps to strengthen the image of the cooperative movement based on objective and reliable parameters. The evaluation is carried out by a team specialized in BSCoop, then a team is formed within the organization to follow up the process and ensures the training of the cooperative members. The BSCoop is thus a starting point, which then makes it possible to go further and to reach a cooperative process of organizational and strategic development.

Regarding the associative component of the SSE and social enterprises, it is possible to give examples of **local and regional evaluation initiatives**, as well as numerous examples of ad hoc methodologies **developed by the associations and networks** themselves. When looking at these examples, however, it is necessary to consider the sectors of activity of the organizations, and to ask the question of the possibility of transposing the developed methods. An interesting example of a cross-border regional initiative in the field of evaluation is the [VISES Project](#) (Social Impact Assessment of Social Entrepreneurship), which is currently underway between France and Belgium. It is a 4-year project bringing together 21 partners, researchers, representatives of SSE federations and social enterprises, to highlight what social and solidarity-based companies bring to the dynamism of territories and the well-being of their inhabitants. The aim of the project is to design, test and disseminate a system for valuing the social impact of social entrepreneurship.

Beyond the evaluation mechanisms for a better management of the SSE organizations and for the enhancement of the efficiency of the SSE at territorial level, it is also useful to have **tools for steering public policies** that make it possible to consider the role of the SSE for development from a more macroeconomic and comparative perspective.

GDP as an aggregate of economic data is not the only measure of progress. There are frameworks of multidimensional indicators such as the Social Progress Index, which specifically propose tools to measure the social development of a given territory. With several comparable sections, these frameworks show the need for social progress in the territory. Thus, the EU uses it to decide on the allocation of funds for the development of the regions. In **Costa Rica**, this allows decision-makers to begin to make visible the link between the presence of SSE organizations and social progress. Moreover, the possibility of **identifying the specific needs of territories** through the components of the index, in terms of, for example, health, sanitation infrastructure, education etc. **will help supporting the efforts of the SSE organizations in this direction.**

²² See ICA Americas, *Co-operative Social Assessment*, online: <http://www.aciamericas.coop/Balance-Social-Cooperativo-2394>. For an application of the methodology of the Co-operative Social Assessment, see the example of co-operatives in Argentina: Lacovino, 2016, *Responsabilidad Social Cooperativa. Balance Social Cooperativo. Similitudes y diferencias en la República Argentina*.

Another fundamental aspect of the evaluation is that of the **measure of the purpose and mission**. To measure efficiency solely by the social ends, understood in the strict sense, as the satisfaction of the needs of the bottom of the social pyramid is insufficient. It is necessary to discuss and implement modalities to truly put the social "in command". Thus, it will be possible to devise indicators linked, for example, to the capacities of appropriation and generation of knowledge; the development of social spaces through participatory and democratic practices; the fight against discrimination and inequality; the place given to women; the fight against poverty through the equitable sharing of gains and the common management of resources, etc.

SYNTHESIS

Global growth remains quasi-stationary, in view of a modest recovery in "advanced economies" and a slowdown in "emerging economies", according to the latest economic outlook of the Organization for Economic Co-operation and Development (OECD). Sluggish demand translates into inadequate growth in wages and employment. Paradoxically, wealth creation continues, but it is still concentrated on very few people, as evidenced by the rankings of the world's largest fortunes (Forbes Rankings, Fortune Magazine, etc.). The money supply devoted to trade between human beings remains terribly low (about 2%), compared to the trillion dollars that are moving at a dazzling rate in the digitalized and globalized financial markets (Bourguinat H., 2007) which create **volatility in the financial sector**. This situation is suffered by populations who, in fact, have difficulty in improving their living conditions.

It is therefore necessary to think about **new tools to restore the power to act to citizens**. "Governments need to strengthen their collective action by making greater use of fiscal policy and structural policies conducive to growth to boost economic expansion and reduce financial risks,"²³ says Mann C.L., Chief Economist of the OECD.

Of course, **the State** has a role to play in supporting the social economy, with a legal and regulatory framework, tax incentives, fair market access, public-SSE partnerships, non-reimbursable financial support providing a lever for capacity building, activity and employment. But the SSE must also have its own financing tools. They exist in some countries and deserve to be shared. It is one of the roles of *SSE International Forum* to make proposals on this subject.

Unemployment reaches unprecedented rates. In the countries of the South, population growth remains strong, placing employment needs at the heart of development plans where they aim to be consistent to avoid to sacrifice present and future generations. But underemployment is widespread and remains the way to precariousness in the countries of Africa in the south of the Sahara. In many countries of the South, the **popular economy** mobilizes large segments of the population, which attests to the fact that entrepreneurship is a driving force behind local development carried out by communities. **Social entrepreneurship**, insofar as it complies with the SSE criteria, articulates production, services and consumption. Changes must therefore take this path of intrinsic links between producers and consumers who are facing a new world to be built: a world of equality and solidarity. The social and solidarity economy aims to free communities from social inequalities.

In the developed countries, active labor market development policies have led to the emergence of initiatives to create economic activities aimed at integration. Although the problems are different between the countries of the South and the developed countries, the social and solidarity economy, or **to associate to develop entrepreneurship differently**, is a natural way of promoting endogenous, democratic, solidarity and sustainable growth that has a real impact on development.

²³ OCDE 2016, *La croissance mondiale reste atone et exige une réaction urgente des pouvoirs publics*, online : <http://www.oecd.org/fr/economie/l-atonie-persistante-de-la-croissance-mondiale-exige-une-reaction-urgente-des-pouvoirs-publics.htm>

BIBLIOGRAPHY

- Aldrich and Lévy, 2016, *Assessing and Planning Community Conservation Impact*, online, <https://www.landtrustalliance.org/publication/assessing-and-planning-community-conservation-impact>.
- ACI Americas, *Balance Social Cooperativo*, online, <http://www.aciamericas.coop/Balance-Social-Cooperativo-2394>.
- Bartoli H., 1999, *Repenser le développement, en finir avec la pauvreté*, Paris, UNESCO/Economica.
- Benavent C., *Plateformes*, 2016, Editions FYP.
- Breuil et al. 2011 : « Le développement durable, enjeux économiques et réglementaires », online <http://www.isige.mines-paristech.fr/>.
- CECOP 2012, *The resilience of the cooperative model*, online <http://www.cecop.coop/The-resilience-of-the-cooperative-model>.
- Coraggio, J.L., *La Presencia De La Economia Social Y Solidaria (ess) Y Su Institucionalizacion En America Latina*. Contribution a les Etats généraux de l'ESS les 17, 18, et 19 juin, Paris.
- Coriat B. (dir.), 2015, *Le retour des communs : la crise de l'idéologie propriétaire*, Paris, Les Liens qui Libèrent.
- Demoustier D., 2001, *L'économie sociale et solidaire. S'associer pour entreprendre autrement*, Paris, Syros/Alternatives.
- Eme B., Laville J-L., 2004, *L'économie solidaire ou l'économie comme écologie sociale*, P.F.N.S.P.
- Enjolras B., 2010, « The Public Policy Paradox. Normative Foundations of Social Economy and Public Policies: Which Consequences for Evaluation Strategies? », in *The Worth of the Social Economy*, CIRIEC, Ed. Peter Lang 2010.
- Favreau L., 2008, *Entreprises collectives. Les enjeux sociopolitiques et territoriaux de la coopération et de l'économie sociale*, Presses de l'Université du Québec, pp. 332.
- Favreau L., Fall A.S., 2007, *L'Afrique qui se refait : initiatives socioéconomiques des communautés et développement en Afrique Noire*, Presses de l'Université du Québec.
- GSEF 2016, *Status of Social Economy Development in Seoul, A Case Study of Seoul*, online, <http://neweconomy.net/sites/default/files/status%20of%20social%20economy%20development%20in%20seoul.pdf>.
- Granovetter M., 2000, *Le marché autrement. Les réseaux dans l'économie*, Paris, Desclée de Brouwer, Coll. « Sociologie économique », pp. 238.
- Jeantet. T., Poulnot. J-P., 2007, *L'économie sociale et solidaire : une alternative planétaire*, Edition ECLM.
- Jeantet, T. 2008, *L'économie sociale : une alternative au capitalisme*, Ed. Economica, pp. 80.
- Laville J.L., 2000, *L'économie solidaire, une perspective internationale*, Paris, Desclée de Brouwer.
- Lacovino, 2016, *Responsabilidad Social Cooperativa. Balance Social Cooperativo. Similitudes y diferencias en la República Argentina*.

- Lévesque B. 2007, *Un siècle et demi d'économie sociale au Québec : plusieurs configurations en présence (1850-2007)*, Montréal, Cahiers du CRISE, UQAM, pp. 79.
 - Matray M., 2017, « Les pôles territoriaux de coopération économiques : perspectives publiques », 9^e Geopolitics Festival, Grenoble, France 8-11 March.
 - Matray M., Poulnot J-P., 2016, «From a small worker's co-operative to a leading international co-operative group: The Up Group Experience», In Gernet H., Jungmeister A., Taisch F., *Genossenschaftlichkeit und Wachstum*, ISBN N° 978-3-033-05782-1, pp. 655-662.
 - OCDE, *Perspectives économiques mondiales*, November 2016.
 - Polanyi K., 1983, *La grande transformation : aux origines politiques et économiques de notre temps*, Paris, Gallimard, pp. 419.
 - PNUD, *Rapport sur le Développement Humain 2015*.
- Poulnot 2017, *Some examples of public / social and solidarity – SSE- partnerships*, presentation on the occasion of the side-level event Habitat III, Quito, 17 of October 2016.
- Stiglitz J., 2009, "Moving beyond market fundamentalism to a more balanced economy", *Annals of Public and Cooperative Economics*, pp. 345–360.
 - Tremblay, I., 2007, *La bonne gouvernance dans les coopératives de solidarité*, Sherbrooke.
 - Rifkin J., 2014, *The Zero Marginal Cost Society*, Palgrave Macmillan, New York.
 - UN Interagency Task Force on SSE, *Social and Solidarity Economy and the Challenge of Sustainable Development*, Position Paper 2014.





CONTACT US

SSE International Forum

54, avenue de Clichy – 75 018 Paris – France

Tél. : +33 (0)9 67 13 00 56

contact@essfi.coop

www.essfi.coop/en

 @ESSForumInternational  @ESSForumIntl

With the support of our benefactor members:

