



Potential and Limits of Social and Solidarity Economy

Multiple global crises and heightened concerns about the social, environmental and developmental consequences of market- and corporate-led development have reignited interest in “alternative” production and consumption patterns, and ways of organizing enterprise activities. This new UNRISD inquiry seeks to explore the potential and limits of social and solidarity economy (SSE) as a distinctive approach to development and for promoting gender equality, decent work and food and livelihood security.

The Search for Alternatives

In a context of heightened human and environmental insecurity linked to multiple global crises and market pressures, and as the international development community considers a post-2015 development agenda, UNRISD research is focusing on “alternative” development policy and strategy. One strand concerns advocacy, policy and practice related to “social and solidarity economy”.

“Holistic” Development and the Potential of SSE

The attraction of SSE relates to its potential in terms of “holistic” or integrated development. The forms of production and exchange associated with SSE, in principle or in practice, carry benefits such as social and environmental protection, social cohesion, local employment generation and economic development, cultural diversity, democratic decision making and empowerment.

From the perspective of key contemporary development challenges—for example, food

Social and Solidarity Economy

Social and Solidarity Economy (SSE) is a term increasingly used to refer to forms of production and exchange that aim to satisfy human needs, build resilience and expand human capabilities through social relations based on cooperation, association and solidarity.

Other values and objectives such as democratic/participatory decision making, social and environmental justice, social cohesion and non-violence are also often prominent features of SSE.

SSE may interact with but is distinct from state-owned enterprises or public service provisioning and conventional for-profit private enterprise.

Aspects associated with collective organization and solidarity may also distinguish SSE organizations from individual, unorganized, own-account (“informal”) workers, or micro- or small enterprises.

security, rural development, gender equality, informal economy and decent work—the potential of SSE seems particularly pertinent. Social relations and other features of SSE are often held up as an alternative to particular relations and institutions of capitalism—exploitation, coercive competition and commodification—with high developmental, social and environmental costs, as well as with recurring and severe crises.

Expanding and Embedding Social and Solidarity Economy

Much is known, often anecdotally, about the myriad SSE organizations and practices that exist locally, and the ways they address multiple development objectives. Far less is known about the conditions that enable SSE initiatives to move beyond the micro-, project or community level, and to multiply and expand locally, nationally, regionally and globally.

As SSE expands, the organizations and networks involved become increasingly embedded in relations with state and market actors and institutions—local, state and federal governments; public policy and law; markets, corporations and global value chains—as well as civil society networks and social movements. But there is little analysis of the challenges and contradictions involved as SSE expands and interacts more intensively with market and state institutions, or with different types of civil society networks and social movements.

Limitations in Theory and Practice

Important limitations characterize much of the literature on SSE. Studies often have a regional focus limited to Europe, North America and South America. Knowledge is also fragmented due to both linguistic divides and academic specialization by discipline that can limit inquiry into the complex ways in which multiple conditions and contexts interact to produce scale effects, inclusiveness and sustainability. Furthermore, much writing is infused with idealistic optimism and advocacy-driven claims, which can downplay the challenges, limits and contradictions associated with SSE.

Expansion and Transformation of Social and Solidarity Economy

Various economic, institutional, political and cultural shifts currently appear to be favouring the expansion of SSE and promoting changes in organizational forms:

- market pressures and failures that are prompting individual workers or producers to associate in an attempt to secure jobs, increase bargaining power and reduce transaction costs;
- the increasing number of governments and regional and international organizations with laws, policies and programmes supporting forms of SSE;
- movements of workers, small farmers, women, consumers, environmentalists and others, as well as NGO and academic networks; and
- the diffusion of values and philosophical currents, such as those reflected in food sovereignty, *Buen Vivir*, *décroissance*, business responsibility and voluntary simplicity.

Notable contemporary developments:

- “new” forms of production and exchange, such as fair trade, community credit and complementary currencies, and the expansion of networked women’s self-help groups and social enterprise;
- the increasing engagement of grant-dependent service provisioning NGOs with income-generating activities, particularly in contexts where funding has become more constrained;
- the revival of “old” forms of production and exchange, such as cooperatives and barter, and the turn towards such forms by workers, producers, trade unions and others in contexts of economic crisis;
- the fact that some SSE organizations and networks have scaled up to include hundreds of thousands, if not millions, of participants, and generate significant revenues and market share; and
- the organization of informal or own-account workers/producers, or the shift from “individual popular economy” to “associative popular economy”.

Research Themes and Questions

One: Conceptualizing, measuring and appraising SSE

How can SSE be meaningfully defined? Can quite different forms of organization and enterprise be subsumed under one category or term (SSE)? Does it make sense to conceptualize SSE in terms of “non-capitalist” development? From the perspective of comparative political economy, does the space for SSE vary under different varieties of capitalism and types of welfare regime?

How might SSE and its expansion be measured? Is the potential often ascribed to SSE justified? Does this potential really exist in contexts where SSE expands because of the retreat of the state or coping strategies in contexts of market failure and crisis? How do these different economic, technological, organizational, institutional, cultural and political conditions interact to facilitate, constrain or otherwise affect both the scale and quality of organizations?

What is the role of gender dynamics in the expansion of SSE? How does SSE relate to other sectors such as the informal economy, for-profit enterprise and state provisioning? From the perspectives of inclusiveness, decent work, empowerment, gender equity and sustainability, how consistent or contradictory are the different organizational forms that are associated with SSE? Is there a tension between the expansion of SSE and its social/cooperative/solidaristic values and orientation?

Three: Enabling SSE through public policy and the state

There are increasing calls on governments and parliaments to support SSE via infrastructure, procurement, credit, education/training, social and labour market policy, land rights and greater scope for participation in the policy process. Under what conditions are politicians and policy makers supporting SSE? What types of public policies, laws and government programmes have facilitated or hindered scaling-up? Are the resources and institutional support provided by governments tokenistic or substantive?

Do governments have the institutional capacity and will to follow through on policy commitments? Does this capacity and will exist at the local level? Does decentralization make a difference? How sustainable are incentives and subsidies? Is public policy effectively leveling the playing field for SSE? How are macroeconomic, trade, investment and industrial policies facilitating or constraining SSE?

How important are health, education, labour market and other social policies as an enabler of SSE? Are the values and ethos of SSE reproduced and applied when state entities become actively involved in its promotion? What are the risks? Do donor policies that support private sector development, entrepreneurialism and micro-finance help or hinder the expansion of SSE?

Two: Expanding SSE through market relations

As SSE organizations and networks diversify and expand, they are increasingly immersed in market relations associated with finance, inputs, labour, trade and consumer demand, and must interact with global corporations and compete with for-profit enterprise. How do such relations affect the scaling-up and substance of SSE? How can the effects of market relations, which often disadvantage workers, small producers and the environment, be addressed?

How are scaled-up organizations and networks managing the balance between self-provisioning/reliance, solidarity and market exchange? As SSE organizations grow, how are they affected by issues of efficiency, productivity and managerial capacity? As SSE organizations interact with commercial enterprise or corporations, how do they fare in terms of bargaining power and fair or unfair competition? And as they penetrate retail markets and build market share, what is the scope for changing purchasing and consumption patterns in ways that are compatible with solidarity and distributive and environmental justice?

Four: Social movements, networks and the politics of change

Significant shifts in public policy and law require the backing of social and political actors and coalitions, yet calls for increased support for SSE often ignore the political economy of policy change.

To what extent are social movements, trade unions and networks of NGOs, social enterprises, self-help groups and other SSE organizations building “countervailing” power and coalitions, and accessing and influencing policy making? Are such movements and networks (re-)framing common sense understandings of appropriate development agendas and priorities? What happens in contexts where social movements are fragmented, relatively weak and lack policy influence?

Is collective organization at the local level being scaled up to national and regional levels? How do gender discrimination and inequality affect the participation of women in SSE advocacy and governance? What are the risks and implications of cooptation or of demobilization once partial gains have been achieved? How does the orientation of SSE vary depending on the nature of the networks or movements involved?

Activities and Outputs

- ▶ Call for papers (1 October - 15 November 2012).
- ▶ An International Symposium (provisionally planned for 6-8 May 2013) at the United Nations in Geneva, Switzerland.
- ▶ Selected papers will be published in the UNRISD research paper series, in an edited volume through a commercial publisher or as a special issue of an academic journal.
- ▶ Selected submissions from the Call for Papers will be published as think pieces.

Building on previous UNRISD research

- ▶ Social Dimensions of Green Economy and Sustainable Development:
www.unrisd.org/greeneconomy
- ▶ Markets, Business and Regulation
www.unrisd.org/research/mbr
- ▶ Civil Society and Social Movements
www.unrisd.org/cssm

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Project Objectives

From a research perspective:

- ▶ further an understanding of the conditions and contexts that enable SSE to expand;
- ▶ assess processes and interactions with external actors and institutions that enable SSE to expand as a distinctive approach to development; and
- ▶ explore whether SSE can significantly contribute to gender equality, decent work and food and livelihood security.

From a policy perspective:

- ▶ give more visibility to SSE in United Nations policy debates;
- ▶ highlight key findings and recommendations from researchers around the world on the potential and limits of SSE for use by policy makers; and
- ▶ identify the role that SSE might have in addressing contemporary development challenges, and its place in a post-2015 development agenda.

Research themes

- ▶ One: Conceptualizing, measuring and appraising SSE
- ▶ Two: Expanding SSE through market relations
- ▶ Three: Enabling SSE through public policy and the state
- ▶ Four: Social movements, networks and the politics of change

About this brief

UNRISD Project Briefs pose questions, flag ideas and contribute knowledge that can improve the quality of development debates, policy and practice. They provide a concise summary of an UNRISD research project, situating it within wider social development debates; outlining its focus, objectives and methodology; and highlighting interim findings.

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The United Nations Research Institute for Social Development (UNRISD) is an autonomous research institute within the UN system that undertakes multidisciplinary research and policy analysis on the social dimensions of contemporary development issues. Through our work, we aim to ensure that social equity, inclusion and justice are central to development thinking, policy and practice.

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