



Short Guidebook on Social Solidarity Economy (SSE)

MedTOWN project

**Co-production of social policies with
social & solidarity economy actors to fight poverty,
inequality and social exclusion.**

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Developed by Red de Transición

Authors: Juan del Río, Ana Huertas, Jorge Sánchez-Cruzado y Cécile Pinot.

Layout & design: CKL Comunicaciones Coop.

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About the project

MedTOWN is a transnational initiative to support the role and the capacities of the Social Solidarity Economy actors in fighting poverty, inequality, social exclusion and environmental unsustainability in close cooperation with the local public authorities, the local communities and the local economic operators.

MedTOWN is a social innovation project based on the research and experimentation of a SSE based co-production model with the use of electronic public currencies for the provision of social services and financial aid to the most vulnerable groups in order to increase the socio-economic impacts and effectiveness of public policies and expenditures at local level. The overall aim is to promote a sustainable inclusive growth model that will transform public services from unilateral providers to facilitators of more democratic participatory communities.

MedTOWN is a project implemented by 9 partners from 6 EU and non-EU Mediterranean countries (Spain, Greece, Portugal, Palestine, Tunisia and Jordan) and 9 strategic associate partners. The project has a budget of 3.4 million euros, financed by the EU by 86,5% through the European Neighbourhood Instrument within the Cross Border Cooperation Programme "Mediterranean Basin" – ENI CBC MED 2014-2020 and by 13,5% by own contributions of the project partners.

The 2014-2020 ENI CBC Mediterranean Sea Basin Programme is a multilateral Cross-Border Cooperation (CBC) initiative funded by the European Neighbourhood Instrument (ENI). The Programme objective is to foster fair, equitable and sustainable economic, social and territorial development, which may advance cross-border integration and valorise participating countries' territories and values. The following 13 countries participate in the Programme: Cyprus, Egypt, France, Greece, Israel, Italy, Jordan, Lebanon, Malta, Palestine, Portugal, Spain, and Tunisia. The Managing Authority (MA) is the Autonomous Region of Sardinia (Italy). Official Programme languages are Arabic, English and French. For more information, please visit: www.enicbcmmed.eu.

The European Union is made up of 27 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders.

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Introduction:

Impacts of the current economic system and alternatives

The prevailing economic model currently dominated by the free market, that sets the rules of the game and that is favoured by the policies of most governments, for a few decades has achieved some positive effects but, on a global balance, it has generated a large amount of negative social and environmental impacts. Its main indicator is economic growth, represented by GDP (Gross Domestic Product). This indicator shows the economic balance generated by countries and regions but hides many aspects that may reflect that country or region is not as prosperous as it seems: inequality, pollution and destruction of the environment, lack of education, security, well-being, etc. For this reason, it is necessary to reinforce the use of other alternative indicators that more reliably reflect the prosperity of a country.

"From a GDP perspective, nuclear warheads do just as well as hospital beds or apple pie."

(David Pilling, Author of The Growth Delusion)

This shortened version of the film "The Economics of happiness" offers a review of the consequences of the dominant economic model which focuses on GDP on the main indicator for international policies and market regulations:

Watch [The Economics of Happiness](#)

Within economic geography there is an overarching belief that the formal neo-liberal market is the predominant form of economy and that even those countries that do not operate such a system are moving towards it. However, there is a battery of economic models and practices, of a formal and informal nature, that propose alternatives to the dominant economic model and that put people and planet care above the economic balance.

In this course we place special emphasis on the social and solidarity economy as a very appropriate economic model for co-production processes, but we also want to summarize other alternative models that can serve as inspiration:

- The Wellbeing Economy
- Circular Economy
- Economy for the Common Good
- Popular Economy and Informal Economy
- Organic / Green / Fair Trade
- Consumer practices
- Sharing Economy

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- Gift Economy

THE WELLBEING ECONOMY

The economic system that dominates the world has lost the capacity to effectively organise and **distribute** resources and to care for the natural world. Economics and business practices need to be reoriented to what an economy should actually deliver: an equitable distribution of wealth, health and wellbeing, while protecting the planet's resources for future generation and other species.

Read [The Happy Planet Index vs. GDP: Measuring the Welfare of Nations](#)

How will a wellbeing economy differ from the current economy? Some examples ([see full list here](#)):

Issue area	OLD WAY: Current system response(s)	NEW WAY: Indicative Wellbeing Economy response(s)
Climate crisis & communities	<ul style="list-style-type: none"> • Carbon capture and storage and emergency responses to 'natural' weather-related disasters • Low income communities most affected by climate crisis and bear most of the costs • Communities expected to increase their resilience 	<ul style="list-style-type: none"> • Circular economy principles in manufacturing and resource use • Community-based renewable energy generation • Climate crisis mitigated • Climate justice to ensure the burden of adaptation and mitigation is shouldered by those most responsible
Purpose of the Economy	Increasing per capitaGDP	<ul style="list-style-type: none"> • Holistic measures of progress that encompass human and ecological wellbeing, including of future generations • Co-creation of these measures through wide public consultation
Mindsets	The dominant mindset is that there is no alternative to neoliberal capitalism and business as usual	<ul style="list-style-type: none"> • The dominant mindset is that thousands of alternatives for designing economies exist – it is in our power to design economies differently. Economies should have human and environmental wellbeing as their focus • Innovation is the norm

Source: [WEAll Ideas: Little Summaries of Big Issues \(2019\)](#)

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CIRCULAR ECONOMY

A Circular Economy can be defined as: *“a regenerative system in which resource input and waste, emission, and energy leakage are minimised by slowing, closing, and narrowing material and energy loops”* (Geissdoerfer et al., 2017, p. 766). CE is not bound by a specific socio-technical system, but entails a transformation of all production and consumption processes.

Watch [Circular Economy: definition & examples](#) (6 mins)

In the business world, Circular Economy has mostly shaped practices in waste management and recycling, while practices of reusing or remanufacturing materials and systematically reducing material consumption are still rare. Nevertheless, some companies are increasingly working towards extending their products' life cycle by offering maintenance and repair services.

ECONOMY FOR THE COMMON GOOD

According to Aristotle, the prevalence of common good over profitability is the expression of a true *“oikonomia”* (Economy), whereas the prevalence of profit over the common good as its opposite: *“chrematistiké”* (Chrematistics).

The Economy for the Common Good places human beings and all living entities at the center of economic activity. It translates standards for human relationships as well as constitutional values into an economic context and rewards economic stakeholders for behaving and organizing themselves in a humane, cooperative, ecological and democratic way. Christian Felber coined the term in his book *Die Gemeinwohl-Ökonomie - Das Wirtschaftsmodell der Zukunft*, published in 2010.

Watch [What is the ECG?](#) (2 mins)

The basic functioning is as follows ([ECG website](#)):

1. Businesses produce a Common Good Balance Sheet
Using the Common Good Matrix, results show a company's contribution to the Common Good. It becomes clear how fair, sustainable and transparent they are.
2. Products receive an ECG label with the Common Good score
This allows customers to make truly informed decisions about the products and services they buy and consume.
3. Economic policies provide ECG businesses with advantages
Through taxation and incentives, ECG businesses become price competitive and are more successful in the market.

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The key instrument for this behavioural guidance is the Common Good Balance Sheet. According to Felber, it makes much more sense for companies to create a so-called "common good balance sheet" than a financial balance sheet. The common good balance sheet shows the extent to which a company abides by values like human dignity, solidarity and economic sustainability. The Common Good Balance guides the behaviour of companies without creating the need for additional regulation requirements.

COMMON GOOD MATRIX 5.0

STAKEHOLDER	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
A: SUPPLIERS	A1 Human dignity in the supply chain	A2 Solidarity and social justice in the supply chain	A3 Environmental sustainability in the supply chain	A4 Transparency and co-determination in the supply chain
B: OWNERS, EQUITY- AND FINANCIAL SERVICE PROVIDERS	B1 Ethical position in relation to financial resources	B2 Social position in relation to financial resources	B3 Use of funds in relation to social and environmental impacts	B4 Ownership and co-determination
C: EMPLOYEES, INCLUDING CO-WORKING EMPLOYERS	C1 Human dignity in the workplace and working environment	C2 Self-determined working arrangements	C3 Environmentally-friendly behaviour of staff	C4 Co-determination and transparency within the organisation
D: CUSTOMERS AND OTHER COMPANIES	D1 Ethical customer relations	D2 Cooperation and solidarity with other companies	D3 Impact on the environment of the use and disposal of products and services	D4 Customer participation and product transparency
E: SOCIAL ENVIRONMENT	E1 Purpose of products and services and their effects on society	E2 Contribution to the community	E3 Reduction of environmental impact	E4 Social co-determination and transparency

POPULAR ECONOMY AND INFORMAL ECONOMY

The popular or informal sector of the economy is very important given that many people, particularly in the global South, depend on it for their livelihoods. For example, three-quarters of the population in Mali are involved in the informal economy. The popular economy consists of economic activities that are not covered by formal arrangements such as taxation, labour protections, minimum wage regulations, unemployment benefits, or documentation. Many self-employed workers, micro-enterprises, traders, and mutual aid practices are part of the popular economy. The popular economy is not the same as the solidarity economy, but is aligned in many ways because the actors often find collective ways to provide for social and economic needs, such as lending circles, community kitchens, mutual aid, mutual insurance systems and so forth.

ORGANIC, GREEN, FAIR TRADE

There are many trends and movements that reflect solidarity values and yet may or may not be included in the solidarity economy. An example of the latter would be Wal-Mart, which has its own brand of Rainforest Certified Fair Trade Coffee but at the same time engages in union busting and uses its massive market share to depress prices and wages. Yet there are certainly practitioners in these sectors that are valuable allies and others that are already part of the social solidarity economy.

CONSUMER PRACTICES

Consumer practices are an important tool to transform the system of production. These include forms of collectively organized consumption such as consumer co-operatives, Community Supported

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Agriculture (CSA), solidarity purchasing groups, collective kitchens and some forms of the sharing economy as well as ethical consumption and voluntary simplicity.

Watch [Community Supported Agriculture](#) (2 mins)

Watch [Be part of CSA! - Community Supported Agriculture](#) (5 mins)

SHARING ECONOMY

The sharing economy is an economic model defined as a peer-to-peer (P2P) based activity of acquiring, providing, or sharing access to goods and services that is often facilitated by a community-based on-line platform.

Communities of people have shared the use of assets for thousands of years, but the advent of the Internet has made it easier for asset owners and those seeking to use those assets to find each other. This sort of dynamic can also be referred to as the shareconomy, collaborative consumption, collaborative economy, or peer economy. (Source: [investopedia](#))

GIFT ECONOMY

The gift economy refers to economic activity characterised by offering services and goods to other members of the community without the expectation of monetary reward. Giving things to other people may be based on pure altruism, a wish to gain status in society, the hope of reciprocal gifts in the future or out of a sense of mutual obligation. A gift economy challenges conventional economics which assumes individuals are utility maximisers based on observable monetary gain. (Sources: [Economics Help](#))

The gift economy recognises that in the real world, this is only a partial understanding of what motivates individuals and communities. The gift economy places greater value on qualitative relationships between dependent people. The commodity economy places greater value on quantitative trade of goods.

Watch [What is Gift Economy?](#)

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Social Solidarity Economy

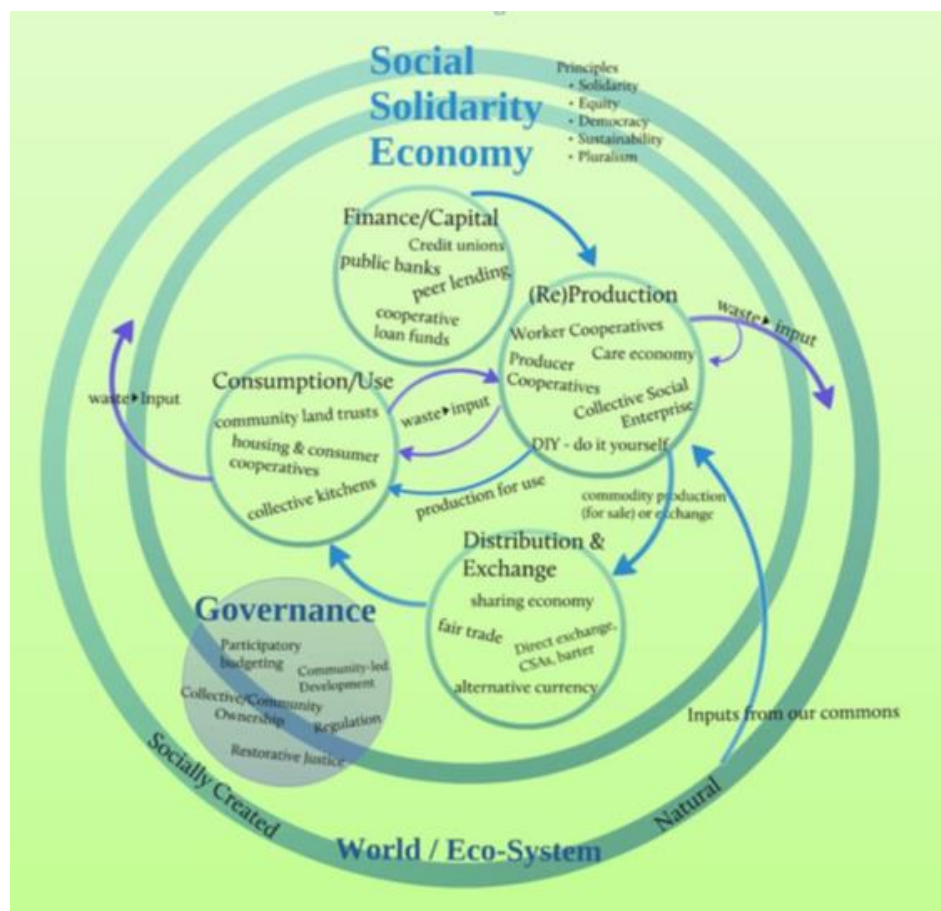
Economy (from Greek οίκος – "household" and νέμομαι – "manage") is the management of the resources of a community, country, etc. A given economy is the result of a set of processes that involves its culture, values, education, technological evolution, history, social organization, political structure and legal systems, as well as its geography, natural resource endowment, and ecology, as main factors. These factors give context, content, and set the conditions and parameters in which an economy functions. In other words, the economic domain is a social domain of human practices and transactions. It does not stand alone.

"Today, perhaps as never before, more people are becoming aware that capitalism has turned our lives and our planet into a commodity. A system that is environmentally unsustainable and socially unjust, and that it is not able to guarantee the happiness and dignified life conditions of all persons in any place on the planet."

Carlos Askunze, REAS Spanish network of solidarity economy.

WHAT IS SOCIAL SOLIDARITY ECONOMY?

The Social Solidarity Economy is an alternative to capitalism and other authoritarian, state-dominated economic systems. In SSE ordinary people play an active role in shaping all of the dimensions of human life: economic, social, cultural, political, and environmental. SSE exists in all sectors of the economy production, finance, distribution, exchange, consumption and governance. It also aims to transform the social and economic system that includes public,



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private and third sectors. SSE is not only about the poor, but strives to overcome inequalities, which includes all classes of society. SSE has the ability to take the best practices that exist in our present system (such as efficiency, use of technology and knowledge) and transform them to serve the welfare of the community based on different values and goals (RIPESS 2015).

The International Labour Organization (ILO) [Regional Conference on Social Economy \(October 2009\)](#) defined the Social and Solidarity Economy (SSE) as a “concept designating enterprises and organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of **producing goods, services and knowledge** while pursuing both **economic and social aims and fostering solidarity**”.

Source: U.S. Solidarity Economy Network / Centre for Popular Economics

As SSE actors, we should not romanticize ourselves as "being good". We should actively re-create our aspirations, and learn to prevent the reproduction of sexism, racism, homophobia, classism and other sources of discrimination and oppression. SSE seeks **systemic transformation** that goes beyond superficial change in which the root oppressive structures and fundamental issues remain intact.

Watch [What is the social economy?](#) (3 mins)

Watch [Public Policies for SSE](#), UNRISD 2017 (3 min)

The social economy is mitigating impacts of COVID-19 crisis and complementing government responses ([OECD](#), 2020)

Historically, during periods of crises, there is a rise in the value placed on co-operation and solidarity. In recent public health epidemics including the current one, financial crises including the 2007-2008 financial crisis, and natural disasters such as the 2004 tsunami, co-operatives and wider social economy organisations were key in helping to **reconstruct their community**. Social economy organisations are particularly successful in reaching out to the vulnerable groups and re-integrating them into the society, thus filling some of the voids left by the state and the market. This is because they are **locally anchored** and their core purpose is **socially driven**.

The social economy is also seen as favouring preventive approaches to save future costs or explicitly reduce the negative externalities of economic activities. Such cost savings often concern public expenses, for example in healthcare (by preventing disease or injury) or unemployment benefits (through the action of work integration social enterprises). The social economy allows a better allocation of resources in the provision of some services and goods. This is one of the reasons why regional development approaches and strategies are increasingly leveraging the potential of the social economy. Because of the specific features of social economy business models, the social economy produces additional positive effects on public expenses (e.g. savings of costs), on individuals (e.g. empowerment), on territories (e.g. co-operation in local ecosystems) and on society

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(e.g. social cohesion). **These mitigating and prevention functions make the social economy a natural and trusted partner of government and civil society more generally. They collaborate to complement public action in specific areas (health, social services, education, fight against poverty, work integration).** This partnership is especially appreciated during times of crisis, wars or epidemics, because the social economy can act rapidly, develop partnerships in an effective manner through their networks, and act as a trusted partner.

Watch [SSE response to COVID-19](#)

Watch [A Story about Social and Solidarity Economy by Challenging the Crisis](#)

Read [How can the social economy help transform societies following the crisis?](#)

VALUES

RIPESSE (International Network for the Promotion of the Social Solidarity Economy) addresses in the [Charter of RIPESSE](#), that “economy must allow men and women to satisfy their needs and ambitions, while providing for future generations to satisfy their own needs.” and “the development of human capacities is fundamental to the transformation of the world, and that this is possible through the creation of solidarity networks on different scales that contribute to the production and exchange of resources and knowledge, as well as the coordination of collective actions within the framework of a common project.”

The Charter of RIPESSE establishes a series of values that frame Social Solidarity Economy:

Humanism

We put human beings, and their dignity, culture and full development at the center of our efforts. We are committed to the construction and promotion of projects aimed at building capacities for the individual and the collective development and well-being of people. For this reason, we promote the unrestricted respect, full exercise and interrelatedness of the civic, political, economic, social, cultural and environmental rights recognized by the various charters and international human rights instruments.

Democracy

We believe that the world, with its diverse societies, work and living environments, and organizations, should be built in a participatory manner, based on the respect for the right of individuals and peoples to decide on their own development. We understand politics as a framework for horizontal relations between persons and social collectives in their quest to satisfy their common needs. We promote participatory democracy based on the participation of citizens in political decision-making at all levels of the public space. We also advocate an economic democracy based on the capacity of people to make decisions about subjects which concern them as workers, consumers, producers and

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reproducers, as well as on the public character of decisions relating to what it is produced, how it is produced, why it is produced, and how profits are redistributed or invested.

Solidarity

We emphasize solidarity as an element that allows us to recognize ourselves in relation to others and to be concerned about their well-being. This implies mobilizing resources and establishing relations with other social collectives and movements in an effort to form an extensive network of people and organizations geared toward building a fairer, more democratic and egalitarian world.

Inclusiveness

We are a network open to the range of practices of solidarity in the economy, which emerge from different realities and sectors. In this perspective, we aim at establishing dialogue based on the respect for ideological differences and the quest for consensus.

Subsidiarity

We recognize and value the capacities and knowledge of individuals and groups to solve their problems and decide on their own projects. In our intervention, we seek to assert the grass-roots development, promoting organizations and associations to overcome common problems and openness to ever greater endeavours.

Diversity

We promote respect for ethnical and cultural diversity, and sexual identity. We also promote and respect the diverse expressions of entrepreneurship in responding as best as possible to existing reality. We encourage the diversity of social solidarity economy players of all sectors of society to be represented and able to defend their interests, particularly women and the social groups marginalized by the current system.

Creativity

We promote innovation and the originality of concepts and discourses with an eye to encouraging the construction of innovative and critical practices and experiences that contribute best to social change. We also promote the adoption of appropriate technologies that respond to the particularity of problems, with the resources available in different cultures and contexts.

Sustainable development

We affirm our will to promote sustainable development, while protecting the environment and biodiversity, and favouring more harmonious man-nature and spirit-body relations, in which the resources offered us by nature are rationally used to satisfy the needs of people, while respecting

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the balance of ecosystems. We therefore question the current neoliberal model of economic growth that threatens life on the planet.

Equality, equity and justice for all

We take our stand as part of the fight against all forms of discrimination and domination. Especially, discrimination and oppression against women, children, young people, elderly people, indigenous peoples, the poor and the disabled, must be eradicated.

Respecting the integration of countries and people

We oppose any type of economic, political and cultural domination of the North over countries of the South. We push for the alternative proposal of integration based on cooperation and complementarity among Northern and Southern countries, with an eye to the globalization of solidarity.

A plural and solidarity-based economy

Faced with a neoliberal economic model that excludes persons and peoples, and reduces the motivations of economic activity to the quest for profit and self-interest, and so postulates the uncontrolled market economy as the only creator of wealth and employment, we propose the validity and action in favour of a plural and solidarity-based economy. We propose and work for an economy that combines and balances logics of accumulation, redistribution and reciprocity, expressed in a democratically regulated market, the equitable reassignment of resources by a participating State, and the affirmation of practices of mutual benefit in the framework of a society and a culture of solidarity.

FRAMEWORK

Self-management and collective ownership

Self-management and collective ownership in the workplace and in the community is central to the solidarity economy. Different terms are used throughout the world to refer to collective ownership and management structures. In some parts of Africa, for example, the term “cooperatives” is avoided due to negative historical connotations. Instead, the term “collegial management” is preferred.

- There are many different expressions of self-management and collective ownership including: **cooperatives** (worker, producer, consumer, credit unions, housing, etc.), **collective social enterprises**, and **participatory governance of the commons** (for example, community management of water, fisheries, or forests).
- Legal recognition of these cooperative, collaborative and participatory practices is not a requirement for inclusion as part of the SSE.

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- **Worker ownership** is one approach to achieve workplace democracy, but other collective approaches should be further discussed and shared by the SSE movement.

Non-monetized work and exchanges

Non-monetized work and exchanges are important parts of SSE. Labour should be honoured and valued, whether it is paid or not, because it creates valuable output and provides the worker with satisfaction, happiness, and social recognition.

SSE should discuss and propose ways to measure and value non-monetized work, to give it visibility as an important part of the economy.

For example, as poverty and other pressures force people to migrate, work such as childcare that would have traditionally been provided by elderly relatives, must be paid for. This tends to undermine the ancient recognition of the social role of the elderly in the community.

Social movements

The solidarity economy has a focus on the empowerment of women and other marginalized groups, as well as anti-poverty and social inclusion work.

Given the above commitment, we recognize the importance of linking with social movements that are fighting for social and economic justice such as the women's, labour, land reform, small-scale farmers, homeless, poor people's, indigenous, and environmental movements.

The following statement on relations between SSE and social movements illustrates the vision of RIPESS on the relations between SSE, social movements and institutional actors:

- Relation of SSE with other social movements: there should be no "single platform" putting all of them together, but alliances depending on specific issues and commonalities.
- SSE should develop alliances with movements that share the objectives and values of SSE.
- SSE can make short-term provisory alliances with other actors for specific agendas, but:
- It should have a clear identity and strategy to be able to relate without co-optation.
- SSE should be able to influence through advocacy important spaces such as political parties and national governments without losing its identity.

BUEN VIVIR AND THE RIGHTS OF MOTHER EARTH

SSE embraces the concept of the Rights of Mother Earth which is embedded in the buen vivir (living well) paradigm and draws heavily on indigenous visions of humans living with respect for and in harmony with Mother Earth, as opposed to having simply a utilitarian relationship with it. It must be clear that buen vivir is not a "model" to be generalized. Its expression changes from community to

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community, culture to culture, nation to nation. Nonetheless, its different expressions tend to be firmly related to, and rooted in, key elements (both material and immaterial, measurable and unmeasurable), such as: **community bonds, culture, access to land, access to means of production and infrastructure, high levels of participation and effective involvement of the community** about their future, food sovereignty, peace, gender equity, biodiversity, healthy environment, etc.

GROWTH & DEGROWTH

SSE questions the assumption that economic growth is always good and states that it depends on the type and goals of the growth. For SSE, the concept of development is more useful than growth. For example, human beings stop growing when they hit adulthood, but never stop developing.

Watch [The impossible hamster](#) (1:10 min)

Watch [Our Addiction to Economic Growth is Killing Us](#) (2 mins)

SSE should engage in the advancement of indicators that shift the emphasis away from growth and towards development and buen vivir. SSE needs measures that can lift up the value of not only physical resources (e.g. land, water) but also non tangible assets such as happiness, mental, workplace and social wellness, indigenous knowledge, non-monetized work, and so forth.

Development must prioritize the environment, and the redistribution of power and wealth between rich and poor. SSE seeks to create economic development that is equitable in its own right, as opposed to economic development that generates great inequality even if it is subsequently lessened through re-distribution.

Rural development is of particular importance for the welfare of these communities, in addition to being critical to reducing forced migration. For example, the state should protect SSE initiatives such as community forest management in Nepal and India from big corporate domination.

In their concern for an approach and practices that go beyond growth as the dominant framework, SSE and the degrowth movement share some potential grounds for convergence. However, degrowth is a concept that warrants further discussion within the SSE movement in order to develop a clearer shared understanding.

Watch [Degrowth, explained](#) (4:30 mins)

COMMONS

Commons are resources, both natural and socially created that are collectively managed for the benefit of a community or the Earth. **Natural commons** include, for example, clean air and water, although these are increasingly being privatized or used for private gain.

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Socially-created commons include things such as language, folk tales and Wikipedia. Thus, the term “commons” does not refer only to the protection of the environment, but also to social resources that support basic rights to health, education, equity and diversity.

The commons should never be privatized. They must be managed by the State and/or the Community. A minority opinion in the Global Vision Workshop in Manila, argued that if the state and the community have no resources to protect and manage the commons, the private sector could be involved, under the strict control and with participation of the community, including the distribution of the economic gains resulting from its use.

Watch [The Commons](#) (4 mins)

Entrepreneurship in Social Solidarity Economy

The European Commission gives the term '**social enterprise**' the following meaning: *“an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities”* (Social Business Initiative, October 2011).

What distinguishes social enterprises from traditional associations or charities is the fact that social enterprises earn a substantial proportion of their income through **trading**, rather than being dependent on grants or donations.

An indicator of this social purpose is that the majority of any profits are **reinvested** or otherwise used to achieve the **social mission** of the enterprise.

Watch [What is Social Entrepreneurship?](#) (2 mins)

Watch [What Is Social Entrepreneurship?](#) (Oxford University) (3 mins)

The novelty introduced by social enterprises is their capacity to bring an entrepreneurial and commercial dimension to the provision of general interest services and to the solution of social issues. This ability enables these organisations to operate in a space that in many countries was previously thought of as solely purview of the public sector. Social enterprises have made it possible to provide social and general interest services in a way that is economically sustainable, and in many ways more effective and efficient than what could be done by the public sector alone.

Field of activity in Social Enterprises in Europe:

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75% of sample	Social services	16.70%
	Employment and training	14.88%
	Environment	14.52%
	Education	14.52%
	Economic, social and community development	14.34%
	Culture, the arts and recreation	7.08%
	Health	6.90%
	Housing	2.72%
	Business associations	2.00%
	Law, advocacy and politics	1.63%
	Other	4.72%
		100%

Source: SELUSI data including all observations across all countries (N=581)

SOCIAL ENTERPRISES

Various Definitions of Social Enterprises: (UNIDO, 2017)

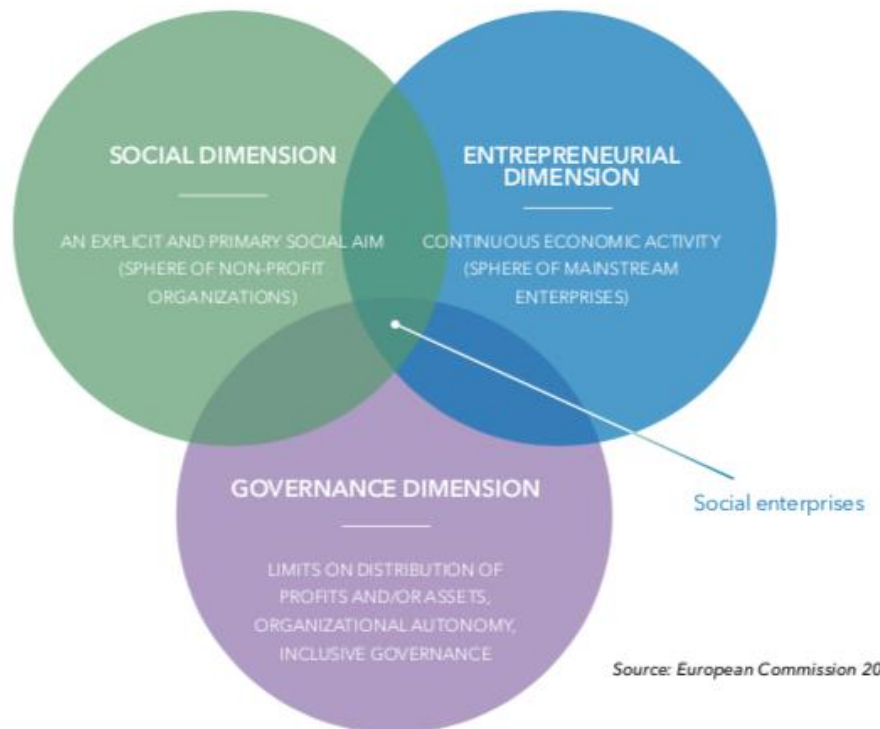
- European Commission:** A social enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner and, in particular, involves employees, consumers and stakeholders affected by its commercial activities.
- NESsT:** A social enterprise is a business created to further a social purpose in a financially sustainable way.
- Social Enterprise UK:** A social enterprise is a business that trades to tackle social problems, improve communities, people’s life chances, or the environment. They make and do things that earn money and make profits like any business. It is how they work and what they do with their profits that is different: working to make a bigger difference, reinvesting the profits they make to do more good.

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Social enterprises may have some comparative advantages in provision of goods and services over both conventional private and public sector companies. They can provide manufactured goods and commercial services for the market, but also merit goods that markets may under-produce and consumers may under-demand because of a failure to perceive their long-term benefits, such as education, healthcare, work training programmes, community care, access to energy, clean water, sanitation and communication technology, and financial services.

THE THREE DIMENSIONS OF SOCIAL ENTERPRISES



Watch [Entrepreneurship and Principles of Social Solidarity Economy](#)

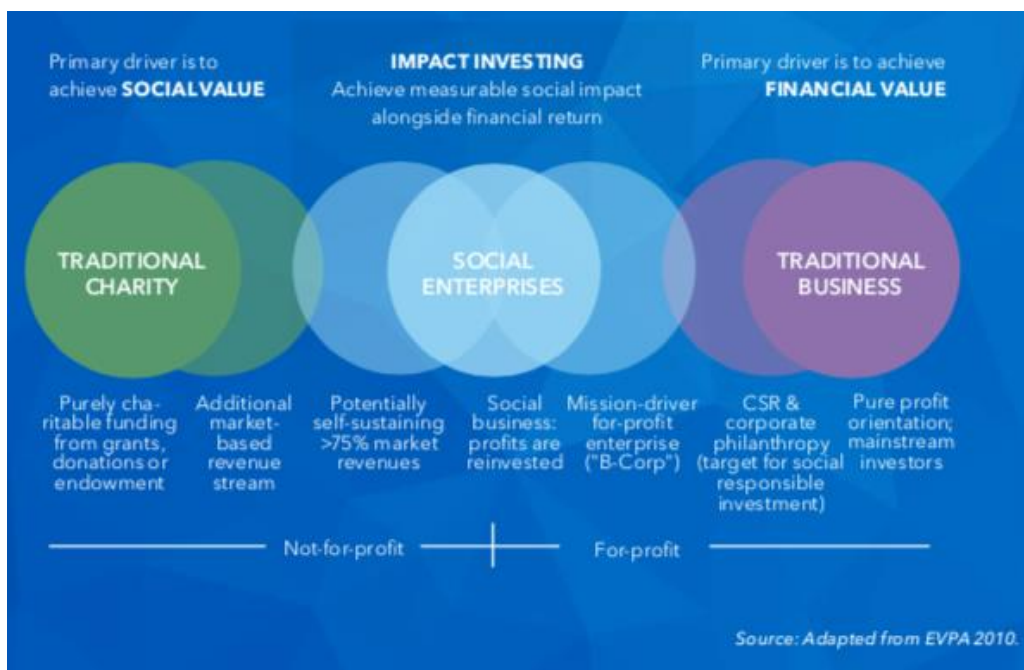
Governance Dimensions of Social Enterprises (UNIDO, 2017)

- Have a more complex organizational structure than foundations.
- Are privately driven.
- Profit is not distributed to individuals that exercise control over it.
- Owners cannot extract rents from asymmetric information and hence consumers can be protected.
- Any generated profits are used to improve workers' conditions or are reinvested.
- Key driving principle is based on reciprocity not self-interest so both parties gain mutual benefits from the provision of social goods or services.
- Representation and democratic decision-making: the opportunism problem is solved by the selection of key stakeholders to run organizations rather than by incentives.
- Employees are direct stakeholders (donors, consumers, public sector, volunteers), thus reducing opportunistic behaviour through a participatory and democratic governance system.

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- Directly involved in the production and delivery of goods and services (unlike non-profits).
- Use the market but are not profit-seeking; based on mutual benefits from reciprocity.
- Able to mobilize social and other capital from individuals and local community and to build trust.
- Improve social capital.
- Social capital decreases transaction and production costs.
- Develop cooperative behaviour for a collective project to deliver customized services and goods.
- Improve trust: foster the sense of belonging to a community with a common aim.
- Create jobs and includes most disadvantaged population (youth, women, disabled, ethnic minorities and migrants).
- Introduces social innovations: microcredit and fair trade. • Contributes to sustainable development at the local level.



The business model spectrum

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Source: Ericsson 2016.

STARTING A SOCIAL ENTERPRISE

Watch [Why a cooperative?](#)

Social entrepreneurship has the power to decrease unemployment, increase female participation across fields, and bring education. The steps outlined by the [World Economic Forum \(2018\)](#) that will lead to success are:

1. Find your passion

Social entrepreneurs believe and trust that a first step can lead to change. Ventures are started because people believe in something: making a change and having an impact, helping others, building something that was missing, conducting business in a manner they believe in. Impactful social entrepreneurs and change makers are those with a story to tell - and did you notice, that story always starts with a why?

To find your passion, ask yourself:

- What about the status quo are you not satisfied with?
- What bothers you?
- What is important to you?
- What lights you up more than anything else?
- What values guide you?

2. Build a team culture

Any movement starts with your first follower. Your first follower will show everyone else how to follow; your first follower will be in their own way a leader. Leadership is over-glorified, it is the first

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follower that turns the lone person into a leader. Embrace your first follower as an equal. Let them know that now it's not about them anymore, but about you as a team.

When you build your team, give them room to breathe. Let them take responsibilities and trust them because you are aligned to the same vision. Your team will feel empowered and help you fulfil your mission. Your role is to set the structure to help your team culture thrive; to empower your team, to empower ideas, to show drive and inspire, to show that mission comes first.

3. Get started

Think about what you can do now - today. Don't worry about the big picture. Think small, then dream big. Your mentality should be about changing one person at a time. To find a solution for that small problem, explore what is available in the world to learn rather than reinventing the wheel. Tailor whatever you find to fit your culture. Develop, refine and reiterate the model or solution until you get the simplest most empirical formula.

In practice:

- Do your research to understand the root cause of the problem. Ask people what they think, make your own observations.
- Develop a simple solution that stems from the people themselves. Do more research. Ask your community how they would solve the problem. Take this information and develop a solution using human-centred design. Test your solution in the local context.
- Apply your solution to yourself and the people who helped you design it. Collect feedback and reflections. Ask yourself how you can make it better, more efficient. Keep doing this until you feel you have reached a level of satisfaction of success.
- Make sure you document everything you do for future reference.

4. Keep at it (how to stay motivated and persevere in difficult times)

Entrepreneurs know the statistics of start-up failure but are optimists and tend to believe in their own chances of success. To sustain this confidence, learn where your motivation comes from, reflect on failures and successes to draw conclusions.

Research shows that entrepreneurs interpret setbacks differently by phrasing them as only temporary. Individuals with a predisposition for optimism remain calmer and more optimistic in high-stress conditions, which leads to persistence. Learn from mistakes. Prepare for failure.

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5. Fund your venture and grow organically

Working with grassroots organisers means everyone is invested and ready to chip in. We know that the key is to think small and local. Focus your social enterprise on what's easy and doable, because if you can't make it work at this level, it won't work at the larger level.

Once you know that your solution works:

- Brainstorm with your community how to sustain your solution. This creates ownership and agency. Involve your community to first identify your objective and then what is needed to reach that objective.
- Have the people who came up with the strategy test it to see if it works and what can be learned from this particular approach.

Growth and funding take very strange forms. Look for signs of growth in unexpected places and remember growth takes time. Change takes time if it is real. Be patient and persistent and most importantly, you have to believe in your solution. You have to believe that your solution is the best. At the same time you must be open to critique and suggestions.

6. Scale up

Scaling will happen naturally, if you have built your social enterprise right from the start. The idea is to find solutions that are built on shared values among human beings. Those shared values will be the catalyst for scaling to become a social movement of change.

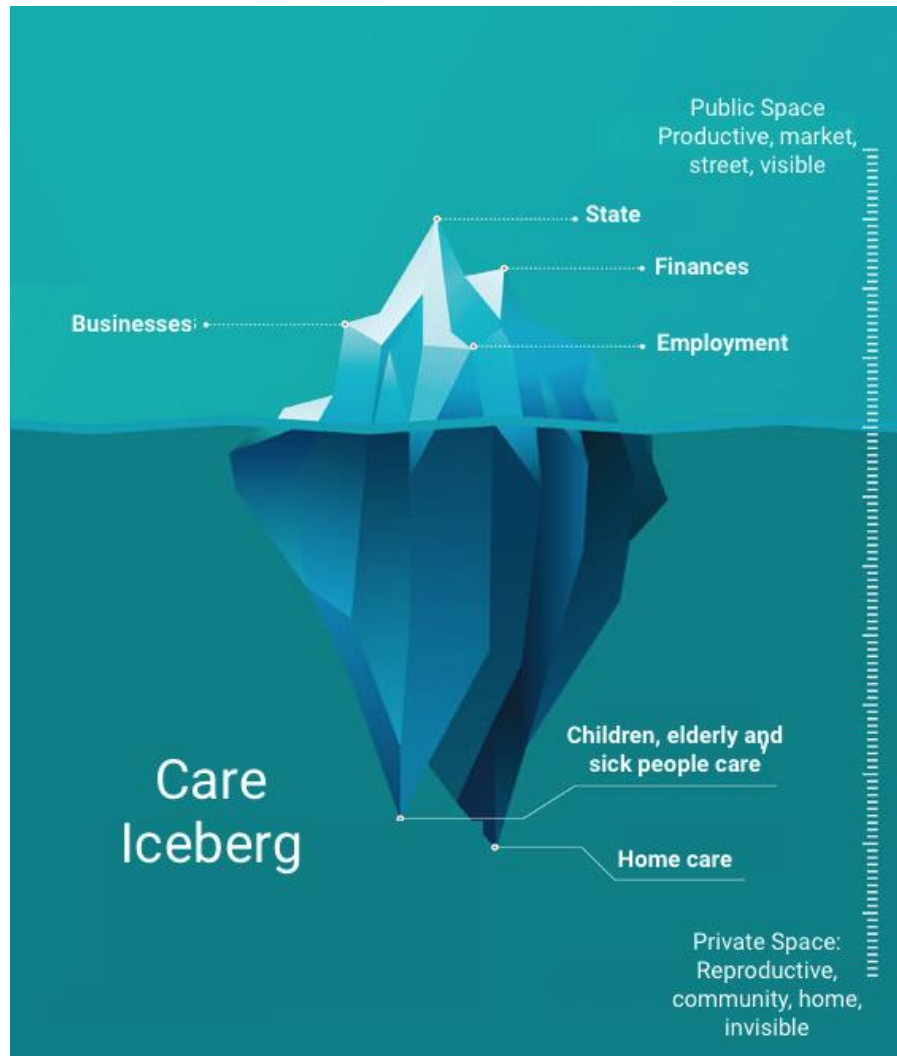
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Putting life in the centre: Care Economy

All human beings are dependent on care, as both recipients and providers. Care is necessary for the existence and reproduction of societies and the workforce and for the overall well-being of every individual. The very essence of having independent and autonomous citizens as well as productive workers relies on the provision of care.

Care is broadly defined as consisting of activities and relations involved in meeting the physical, psychological and emotional needs of adults and children, old and young, frail and able-bodied.



Care activities are comprised of two broad kinds (ILO, 2018):

- First, those that consist of direct, face-to-face, personal care activities (sometimes referred to as “nurturing” or “relational” care), such as feeding a baby, nursing a sick partner, helping an older person to take a bath, carrying out health check-ups or teaching young children.
- Second, those involving indirect care activities, which do not entail face-to-face personal care, such as cleaning, cooking, doing the laundry and other household maintenance tasks (sometimes referred to as “non-relational care” or “household work”), that provide the preconditions for personal caregiving.

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These two types of care activities cannot be separated from each other, and they frequently overlap in practice, both in households and in institutions.

Unpaid care work is caring for persons or undertaking housework without any explicit monetary compensation. The majority of unpaid care work in nearly all societies takes place within households, most often provided by women and girls.

Unpaid care and domestic work sustains families and communities on a day-to-day basis and from one generation to the next and makes a significant contribution to economic development by nurturing people who are fit, productive and capable of learning and creativity. Yet, it remains invisible, undervalued and neglected in economic and social policymaking, and its distribution is grossly imbalanced: Globally, women do three times as much unpaid care and domestic work as men (UNWOMEN, 2020).

Watch [Care Economy](#)

Rising demand for care in the context of the COVID-19 crisis and response will likely deepen already existing inequalities in the gender division of labour, placing a disproportionate burden on women and girls. So far, attention has rightly focused on the health system and women's over-representation among paid health-care workers. However, other less visible parts of the care economy are coming under increasing strain and are largely being neglected.

Paid care work is care work performed for profit or pay within a range of settings, such as private households (as in the case of domestic workers), and public or private hospitals, clinics, nursing homes, schools and other care establishments.

Policy action is crucial to achieving quality care work, setting out a virtuous cycle of recognition, reduction and redistribution of unpaid care work and promoting decent working conditions and representation for all care workers, thus paving the way to a high road to care work. The ways in which policies interact define a society's road to care work, i.e. who provides care, the quality of care provision and the working conditions of care workers.

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Care policies are public policies that allocate resources in the form of money (including income), services or time to caregivers or people who need care. As illustrated in Chapter 3, they include leave policies (e.g. parental leave), care services (e.g. early childhood development and care), care-related social transfers (e.g. childcare grants), family-friendly work arrangements (e.g. teleworking and flexitime) and infrastructure (e.g. sanitation and delivery of water to homes). Care policies ensure the well-being of societies and are a crucial factor in

addressing the issue of unpaid care work and mitigating inequalities faced by people with high levels of care needs and/or people typically providing care on an unpaid basis. (ILO, 2018)

Source: ILO, 2018

Watch [The crisis of caring in the global capitalism](#), Yayo Herrero (Spanish with English subtitles)

Watch [The future of care economy in the Arab states](#), ILO (Arabic) (3 mins)

Cooperatives are emerging as an innovative type of care provider, particularly in the absence of viable public or other private options. Cooperatives can also generate access to better terms and conditions of work in the care sector (e.g., access to benefits, more bargaining power, regularized hours)—especially for female employees.

Cooperatives foster interdependency in care by privileging equitable inclusion and democratic decision making across the care chain. As such, care workers, care beneficiaries and their families and other stakeholders have a voice in the nature of service provided and the operations of the care provision enterprise. The 'social co-operative' model turns the users of social care into partners, alongside the workforce, with both given an ownership stake in the business and a share in its financial success. It is an approach of services delivered 'with and for' care users and carers.

Read [Care work and care jobs for the future of decent work](#) - Chapter 1.2, pp. 13-16 (2018) ILO

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FURTHER READINGS AND VIDEOS

- [Text] [5 ways GDP gets it totally wrong as a measure of our success](#). World Economic Forum
- [Text] [Social and Solidarity Economy: Building a Common Understanding](#). International Labour Organization (ILO), 2010.
- [Text] Social Solidarity Economy and related concepts. Origins and Definitions: An International Perspective, Yvon Poirier, 2014. [LINK](#)
- [Web] [Athens Integral Cooperative](#)
- [Pour la Solidarité](#)
- [Text] Public Policies for Social and Solidarity Economy, Assessing progress in seven countries. ILO 2017. [LINK](#)
- [Island of flowers](#) - Film 13:05min
- [The Story of Stuff](#) - Film (21:26)
- [SSE Collective Brain](#)
- [Text] UNWOMAN (2020) [Covid-19 and the Care Economy: Immediate Action and Structural Transformation for a Gender-Responsive Recovery](#).
- [Web] [Happy Planet Index](#)
- [Video] [Money as a debt](#)
- [Text] [Las nuevas economías y la innovación social como herramienta de adaptación al cambio climático en ciudades y otros asentamientos urbanos](#)
- [Video] [Degrowth: A vocabulary for a new era](#)
- [Web-Text] [P2P Foundation Library](#)

QUESTIONS FOR REFLECTION

- Do you know if in your country there are any specific regulations, policies or public plans in relation to Social Solidarity Economy? If so, which ones?
- Are you familiar with any of the alternative economic models presented? Which one do you find most relevant to where you live and the work you are doing?
- How is the economy of care regarded in your culture? Do you know any mechanisms that can help bring this issue to the forefront?

SOURCES

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- Geissdoerfer, Savaget, Bocken and Hultink (2017) [The circular economy – a new sustainability paradigm?](#) J. Clean. Prod., 143, pp. 757-768

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- RIPESS 2008. [RIPESS Charter](#)
- RIPESS 2015. [Global Vision for a Social Solidarity Economy](#)
- UNIDO (United Nations Industrial Development Organization), 2017. [The Role of the Social and Solidarity Economy in Reducing Social Exclusion](#)
- University of Birmingham. [Alternative Economics](#)
- UNRISD (2016) [Promoting Social and Solidarity Economy through Public Policy](#)
- UNWOMEN (2020) [Covid-19 and the Care Economy: Immediate Action and Structural Transformation for a Gender-Responsive Recovery](#)

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