

# Social and Solidarity Economy and the Challenge of Sustainable Development

## Executive Summary of a TFSSE Position Paper

The international development community recognizes the need to rethink development. Business-as-usual has not prevented financial and food crises, climate change, persistent poverty and rising inequality.

The UN Inter-Agency Task Force on Social and Solidarity Economy (TFSSE) was established to raise the visibility of the Social and Solidarity Economy (SSE) in international knowledge and policy circles. The members and observers of the TFSSE believe that SSE holds considerable promise for addressing the economic, social and environmental integrated approaches of sustainable development.

TFSSE brings together UN agencies and other intergovernmental organizations, as well as umbrella associations of SSE networks as observers. Our activities include organizing events at UN and other international conferences, dialoguing with policy makers, preparing and disseminating publications, and engaging in collaborative projects.

Members and observers of the United Nations Inter-Agency Task Force on Social and Solidarity Economy have prepared a position paper titled *Social and Solidarity Economy and the Challenge of Sustainable Development*. It responds to the concern that the process of crafting a post-2015 development agenda and a set of Sustainable Development Goals (SDGs) has paid insufficient attention to the role of SSE. The TFSSE position paper illustrates SSE's potential as an integrative approach to achieve sustainable development. It examines the role of SSE in eight selected issue areas which, the Task Force believes, are central to the challenge of socially sustainable development in the early 21st century. They include:

### i) The transition from informal economy to decent work

SSE is a complementary pathway to tackling the ongoing growth of precarious employment and acute decent work deficits connected with the informal economy. Within an enabling policy and institutional environment, cooperatives and other social enterprises can play a key role in realizing the goal of decent work. From an aggregate point of view, cooperatives are among the largest employers in many countries in both the global North and South.

#### TFSSE Members

**DESA** – United Nations Department of Economic and Social Affairs

**ECLAC** – Economic Commission for Latin America and the Caribbean

**ESCWA** – Economic and Social Commission for Western Asia

**FAO** – Food and Agriculture Organization

**ILO** – International Labour Organization

**OECD** – Organisation for Economic Co-operation and Development

**TDR** – Special Programme for Research and Training in Tropical Diseases

**UN Women** – United Nations Entity for Gender Equality and the Empowerment of Women

**UNAIDS** – Joint United Nations Programme on HIV/AIDS

**UNCTAD** – United Nations Conference on Trade and Development

**UNDP** – United Nations Development Programme

**UNECE** – United Nations Economic Commission for Europe

**UNEP** – United Nations Environment Programme

**UNESCO** – United Nations Organization for Education Science and Culture

**UNIDO** – United Nations Industrial Development Organization

**UN-NGLS** – United Nations Non-Governmental Liaison Service

**UNRISD** – United Nations Research Institute for Social Development

**WFP** – World Food Programme

**WHO** – World Health Organization

#### TFSSE Observers

**ICA** – International Co-operative Alliance

**MBM** – Mont-Blanc Meetings

**MedESS**

**RIPeSS** – Intercontinental Network for the Promotion of Social Solidarity Economy



**What is SSE?**

SSE refers to the production of goods and services by a broad range of organizations and enterprises that have explicit social and often environmental objectives. They are guided by principles and practices of cooperation, solidarity, ethics and democratic self-management. SSE includes cooperatives and other forms of social enterprise, self-help groups, community-based organizations, associations of informal economy workers, service-provisioning NGOs, solidarity finance schemes, among others.

SSE organizations can facilitate access to finance, inputs, technology, support services and markets, and enhance the capacity of producers to negotiate better prices and income. They can reduce power and information asymmetries within labour and product markets and enhance the level and regularity of incomes. The low capital requirements needed for forming certain types of cooperative can be beneficial for informal workers seeking to engage in enterprise activities.

**ii) Greening the economy and society**

From the perspective of environmental protection the challenge of decoupling growth and environmental impacts, and crafting economic transitions that are both green and fair, SSE organizations have a number of fundamental advantages over conventional business. There is little, if any, imperative to externalize environmental and social costs or fuel consumerism as part of profit maximization and competitive strategies. Such organizations also tend to have lower carbon footprints due not only to their environmental objectives but also to the nature of their systems of production and exchange. Furthermore, organizations such as forestry cooperatives and community forestry groups can play an important role in the sustainable management of natural resources, particularly in contexts where they constitute common-pool resources.

**iii) Local economic development**

SSE provides a vision of local development that proactively regenerates and develops local areas through employment generation, mobilizing local resources, community risk management and retaining and reinvesting

surplus. SSE can serve to widen the structure of a local economy and labour market and addressing unmet needs with various goods and services. It can build trust and social cohesion and play an important role in participatory local governance. SSE principles can introduce added value within the sectors in which they operate owing to SSE's compatibility with local interests and its capacity to pursue simultaneously several objectives.

**iv) Sustainable cities and human settlements**

Social enterprises and community-based organizations possess features with considerable potential for helping build sustainable cities. They can promote social and environmental goals through, for example, proximity services (including healthcare, education and training), promoting local culture, urban and peri-urban agriculture, community renewal, fair trade, access to affordable accommodation, renewable energy, waste management and recycling, low-carbon forms of production and consumption, and broader livelihood security. Their rootedness in local knowledge and their internal democratic structure offer some means of achieving integrated forms of socially and politically sustainable urban development.

**v) Women's well-being and empowerment**

Women often have a strong presence in SSE organizations and enterprises and have assumed leadership roles in national, regional and international associations. Employment in SSE organizations can be particularly important for poor women facing labour market discrimination and work-family conflict. SSE organizations and enterprises often facilitate flexibility in time management, providing opportunities for paid work that can be managed alongside responsibilities associated with unpaid care work. Moreover, much of the rise of social enterprise has centred on provision of care and other services. Gaining voice and networking and advocacy skills has also been key for women's emancipation and political empowerment, allowing them to renegotiate traditional gender relations and make demands on external institutions.

### vi) Food security and smallholder empowerment

Around the world millions of rural workers and producers are organizing in self-help groups and cooperatives in ways that bode well for smallholder empowerment, food security and the more transformative notion of food sovereignty. By organizing economically in agricultural cooperatives, and politically in associations that can engage in policy dialogue and advocacy, SSE organizations and enterprises can address both market failures and state failures (not least the neglect of agriculture in recent decades). Furthermore, their tendency to employ low-input, low-carbon production methods and respect the principles and practices of biodiversity and agro-ecology bodes well for sustainable agricultural intensification. Alternative food networks associated with fair trade, solidarity purchasing and collective provisioning highlight the role that solidarity can play in fostering more equitable agri-food systems.

### vii) Universal health coverage

The difficulties in realizing international goals related to universal health coverage has directed attention to alternative approaches that go beyond public, private or charitable provision. Such a context has opened the space for SSE organizations to emerge as important partners in both health service delivery and health insurance. Various types of SSE organization are playing a significant role in developing and providing locally accessible and affordable routes to improved healthcare in areas such as ageing, disability, HIV/AIDS, reproductive rights, mental health, post-trauma care, rehabilitation and prevention. While SSE should not be perceived as a substitute for state provision of healthcare, it is well placed to play a complementary role in health service delivery, given the proximity of SSE organizations to their members and the communities they serve.

### viii) Transformative finance

Financial crises, limited access to affordable credit on the part of SSE organizations and the commercialization of microcredit all point to the need to transform financial systems. SSE has a significant role to play in this regard. Large financial cooperatives have become important sources of funding in several regions

of the world, and have proven to be resilient in times of financial crisis. SSE promotes responsible financing or investment through strengthening the investor's accountability for social, cultural and environmental impacts. A variety of alternative finance schemes such as community-based savings schemes and complementary currencies are playing an important role in community risk management and local development. While they often operate best at local level and on a small scale, these and other SSE initiatives point to the potential for crafting a more stable and people-centred monetary eco-system embodying a far greater plurality of currencies and financial institutions.

### Enabling SSE

The integrated, people-centred and planet sensitive approach inherent in SSE resonates with the post-2015 development

#### About the Task Force

The founding meeting of the TFSSE took place on 30 September 2013 in Geneva. The meeting was convened by ILO, UNDP, UN-NGLS and UNRISD, and attended by 14 UN agencies. By the time of the third meeting in February 2014, the Task Force had 18 members and 3 observers from the civil society. The TFSSE is a concrete outcome of the UNRISD Conference on "Potential and Limits of Social and Solidarity Economy", held in May 2013, which was co-organized with the ILO and UN-NGLS.

The Task Force has taken up the following roles:

- to enhance the recognition of the role of SSE enterprises and organizations in sustainable development;
- to promote knowledge of SSE and consolidate SSE networks;
- to support the establishment of an enabling institutional and policy environment for SSE;
- to ensure coordination of international efforts, and create and strengthen partnerships.

Concretely, members and observers organize and participate in UN and international events related to SSE, jointly draft position papers, and engage in partnerships and joint projects. In this way, the Task Force coordinates UN and civil society efforts.

The Task Force has a rotating secretariat. UNRISD hosted the secretariat for the first year of the existence of the Task Force. The secretariat is currently hosted by the ILO.

challenges identified in the SDG process. Numerous constraints and tensions, however, impede progress in realizing the potential of SSE. At the micro level, SSE organizations often start with a very weak asset base; core labour standards may not be upheld and the presence of women as members is often not reflected in leadership positions. Closer relations with market forces and state institutions may facilitate access to resources but also cause SSE organizations and enterprises to deviate from some of their core values and objectives.

Given these concerns and challenges, what should governments be doing? It is important that they recognize not only the potential of SSE but also that the organizations and initiatives involved often operate in a disabling policy and legal environment and on an unlevel playing field vis-à-vis private enterprise. Trends associated with solidarity and cooperation at the level of SSE organizations need to be matched by solidarity and redistribution through the state via social, fiscal, credit, investment, procurement, industrial, training and other policies at different levels of government. In recent years, several governments have adopted significant legal, policy and institutional reforms aimed at enabling SSE. Much can be gained from inter-governmental and multi-stakeholder learning and dialogue about such initiatives. Policy-makers can support the generation and

dissemination of knowledge about SSE that maps and assesses experiences in different regions.

An enabling policy environment must also reinforce the conditions for safeguarding the autonomy of SSE from states. This requires both respecting rights such as freedom of association and information, as well as channels and forums for effective participation of SSE actors in policy-making and implementation. Furthermore, policy-makers should reflect on current development priorities. These have tended to focus on enabling conventional enterprises, empowering individuals through entrepreneurship and targeting the poor. A focus on SSE suggests the need to also target or enable groups, communities and collectivities; as well as enterprises that give primacy to social objectives.

In the context of the post-2015 development agenda and the 2014 International Year of Family Farming, members and observers of the UN Inter-Agency Task Force on SSE emphasize the need to:

- recognize the role of SSE enterprises and organizations in sustainable development;
- promote knowledge of SSE and consolidate SSE networks; and
- establish an enabling institutional and policy environment for SSE.

The full position paper is available in English, Spanish, Portuguese and French at <http://unsse.org/>. Please also visit the website for more information about the Task Force and for relevant UN publications.

TFSSE Secretariat, c/o ILO, 4 route des Morillons, CH-1211 Genève 22, Switzerland, [info@unsse.org](mailto:info@unsse.org) or [coop@ilo.org](mailto:coop@ilo.org)

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