



Social and Solidarity Economy and Decent work

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Key questions

- How and in what ways can Social and Solidarity Economy contribute to the creation of decent work and inequality reduction?
- What are the challenges of SSE in contributing to the creation of decent work and reduction of inequality?
- What should be done to facilitate SSE to contribute to creating decent work and reducing inequality in public and private sectors?

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What is *Social and Solidarity Economy (SSE)*?

- *A new concept*

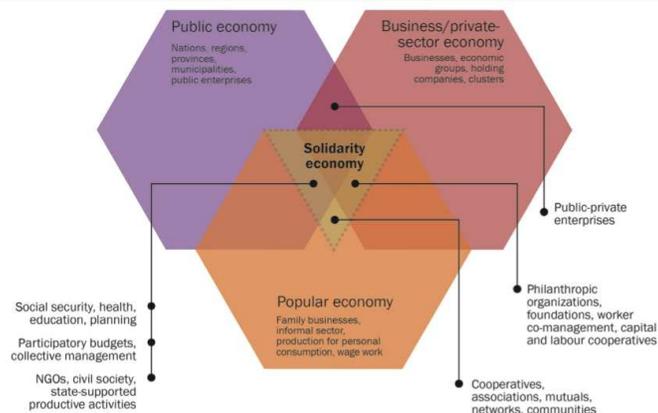
SSE definition: Economic activities and market relations prioritizing social (and often environmental) objectives over profit motives which are guided by principles and practices of cooperation, solidarity and democratic self-management (Utting, 2015).

- *Old practices*: Ujamaa in Tanzania, Susu in West Africa; the Universal Negro Improvement Association (UNIA) (1914); examples from the recent EU research on SSE in MENA regions; etc. (Moore, 2013)
- *Various forms of SSE organizations and enterprises*: Mutual associations, self-help groups, fair trade organizations, alternative food networks, community forest groups, cooperatives, various associations of informal workers etc. etc.

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Figure 4.1. Situating SSE in the broader economy



Note: The term "solidarity economy", used in this figure, is often used in Latin America and is synonymous with social and solidarity economy. Source: Coraggio 2015.

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SSE features (Utting, 2015, UNRISD, 2016)

- *Having comparative advantages in particular activities*, such as basic needs provisioning, broadening access to finance, management of common pool resources and the environmental retrofitting of economies,
- *Also being active in more capital-intensive forms* of manufacturing and processing,
- *Organizing and empowering people* to enhance bargaining power in accessing key resources and setting prices,
- *Being less hierarchical and more democratic* workplace,
- *Reconstructing the concept of work*
- *Promoting more equitable patterns of income* or profit distribution within their structures,
- *Reinvigorating the role of communities and citizens* in both the economy and polity (contesting public policies and corporate behaviour)

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How does SSE contribute to creating decent work and reducing inequalities? (Quantity)

- Size of SSE in the World (Global census on cooperatives (145 countries, 2013-4)
 - About 2.6 million cooperatives have over 1 billion memberships and clients.
 - About 12.6 million employees work in 770,000 cooperative offices and outlets in 2014. (12.6 million does not include data from the 982,400 agricultural cooperatives in China).

	770,000 cooperatives offices and outlets	the largest 100 publicly-traded companies in the world	Fortune Global 500 companies
Employees	12.6 million*	17.5 million	67 million

* Not including data from the 982,400 agricultural cooperatives in China

Source: (UN DESA, 2015, Hess and Serenbetz, 2014)

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- About US\$20 trillion of cooperative assets generate USD 3 trillion in annual revenue (Fortune 500 companies (2014) generate 12.4 trillion USD in annual revenue)

	770,000 cooperatives offices and outlets	Fortune Global 500 companies
Annual revenue	USD 3 trillion	USD 27.7 trillion*

*2016

Source: (UN DESA, 2015, Fortune, 2017)

- At a national level the cooperative economy comprises over 10% of the Gross Domestic Product in 4 countries in the world (New Zealand (20%), Netherlands (18%), France (18%) and Finland (14%)(Dave Grace and Associates, 2015).

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How does SSE contribute to creating decent work and reducing inequalities? (Diversity)

Sectoral summary of coops in the world (Dave Grace and Associates, 2015)

Sector Totals	Cooperatives	Members/Clients	Employees	Offices/ Outlets	Assets	Annual Gross Revenue
Banking/Credit Unions	210,559	703,070,123	2,452,130	296,566	11,262,671,499,563	167,413,448,242
Insurance	3,644	248,864	961,409	1,361	7,500,074,558,634	1,219,472,098,520
Agriculture/Grocery	1,224,650	122,120,167	1,181,682	35,386	133,811,867,460	337,705,145,870
Utilities	1,714	19,858,921	94,882	1,015	141,544,317,085	41,944,022,702
Grocery/Consumer	81,437	97,869,940	875,181	100,396	243,888,763,326	154,573,071,133
Worker	84,799	4,369,600	1,218,751	0	1,393,874,620	124,821,200,417
Housing	15,247	16,383,048	102,823	173	52,405,481,487	20,709,518,041
Health	1,700	3,441,221	153,180	51	485,789,252	4,075,077,199
Education & Social	87,998	21,876,052	497,445	13,122	840,678,955	12,305,812,264
Purchasing or Marketing	41,865	26,256,054	3,402,008	320,599	239,000,352,255	736,631,647,399
Other or Undefined	760,985	56,296,177	1,671,257	3,319	31,310,913,789	143,245,072,152
WORLDWIDE TOTALS	2,514,598	1,071,790,167	12,610,748	771,988	19,607,428,096,426	2,962,896,113,938

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Principal trading activities of social enterprises in the UK (State of Social Enterprise Survey 2017)

1 Manufacturing	1
2 Childcare	2
3 Farming/agriculture/gardening	2
4 Transport	2
5 Workspace	3
6 Housing	6
7 Other	6
8 Culture and leisure	7
9 Environmental - recycling, re-use, awareness etc.	7
10 Financial support and services	7
11 Hospitality	7
12 Employment and skills	8
13 Health care	8
14 Social care	8
15 Creative industries: web design, print	9
16 Education	11
17 Business support/consultancy	13
18 Retail	16
Total	123

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How does SSE contribute to creating decent work and reducing inequalities? (Quality)
(An informed guess, needs empirical research)

DECENT WORK	Full and productive employment		Rights at work						Social protection	Social dialogue
	1) Employment opportunities (for those with difficulty in getting a job in formal labour market)	2) Adequate earnings and productive work	3) Decent working time	4) Combining work, family and personal life	5) Work that should be abolished	6) Stability and security of work	7) Equal opportunity and treatment in employment	8) Safe work environment	9) social security	10) Social dialogue, employers' and workers' representation
	1)	2)	3)	4)	5)	6)	7)	8)	9)	10)
SSE	V	V?	V	V	V	V	V	V	V	V
Public	V	V	V	V	V	V	V	V	V	V
Business/Private Economy		V							V	V?
Popular	V			V						

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What are the challenges of SSE in contributing to the creation of decent work and reduction of inequality?

- Challenges of scaling up: vertical, horizontal and transversal
- Tensions: ex. Vertical scaling up – co-optation,
Horizontal scaling up – isomorphism
Transversal scaling up – coordination problem

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What should be done to facilitate SSE to contribute to creating decent jobs and reducing inequality in public and private sectors? (UNRISD, 2016, Yi, 2017)

- *Enabling environment* involves a broad portfolio of instruments ranging from laws, conventional economic and social policies, programmes targeting specific groups and sectors, and institutions tailor-made to support SSE
- *Innovative sources of financing* are needed to scale up SSE (such as the innovative forms of ODA (the case of ALBA), local development banks, and various forms of solidarity financing schemes). Supportive mechanisms to ensure their sustainability are also crucial.
- *Co-construction* of policies is necessary to address co-optation by the government or market
- *Coherence of multi-level and multi-sectoral policies*

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- Examples

- Policy and legal reforms to acknowledge the role of SSE in creating decent jobs and reducing inequality (ex. Bolivia, Ecuador, Peru, South Korea, etc.)
- Policy and institutional reforms to empower SSE actors politically as well as economically (ex. Kerala, India, etc.)
- Understanding of public-private partnerships for development needs to include SSE and related community and civil society organizations (ex. Quebec etc.)

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