

OECD Global Action: Promoting Social and Solidarity
Economy Ecosystems

The Social and Solidarity Economy: From the Margins to the Mainstream

13-16 September 2021

HIGHLIGHTS

Summary

The first high-level conference of the **OECD Global Action: "Promoting Social and Solidarity Economy Ecosystems"**, funded by the EU, was organised by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities. It brought together over 700 participants from 65 countries including governments, international governmental organisations, social and solidarity economy (SSE) organisations, civil society, the private sector, academia and the media. Discussions focussed on how participants are moving the SSE from the margins to the mainstream by identifying policies that support the recognition and development of the SSE, improving the way we measure the SSE and its impact, and promoting its benefits globally.

Participants recognised strong political momentum around the social and solidarity economy at international, national and subnational levels. Panellists, including the EU commissioner, ministers, ambassadors, international organisations and SSE networks, called on the OECD to develop international guidance on the SSE to help countries around the world. The OECD will endeavour to deliver principles that can guide policy makers as they develop policies for the SSE, building on over 25 years of pioneering work in the field.



Challenges and opportunities for the social and solidarity economy

The SSE has expanded significantly over recent decades and acts as a driver of job creation and economic activity. Today, it accounts for around 6-8% of GDP in most European countries and nearly 10% of the labour force in France and Belgium. To reach its potential, we need to recognise its value, raise its visibility and establish its place within our economies (Mathias Cormann, Secretary-General, Organisation for Economic Co-operation and Development).

The COVID-19 pandemic strengthened the case to support the SSE now more than ever, and its employment figures demonstrate its job creation potential across the OECD and beyond. (Nicolas Schmit, Commissioner for Jobs and Social Rights, European Commission). As the recovery process continues, the SSE can play a crucial role in driving sustainable growth and ensuring a fair recovery process for all, particularly the most vulnerable (Hilde Hardeman, Director, Service for Foreign Policy Instruments, European Commission).

Countries around the world are increasingly recognising the potential of the SSE and are acting to promote it, including by adopting legal frameworks. In Spain, SSE principles and values are a guide for political action, a precise response to the challenges generated by the crisis (Yolanda Díaz Pérez, Minister of Labour and Social Economy, Second Vice President of the Government, Spain) while EUR 1.3 billion has been earmarked in France to support the SSE (Olivia Grégoire, Secretary of State for Social Economy and Responsible Economy, France). At the European Union level, the forthcoming Action Plan for the Social Economy will support its development by addressing critical policy areas such as access to finance and markets, social impact measurement and legal frameworks, among other areas.

Beyond the COVID-19 recovery process, the SSE represents a cutting-edge solution for many contemporary challenges to drive inclusive and sustainable economic development. In the context of an uneven recovery from the COVID-19 pandemic, SSE organisations will continue to play a central role in the recovery process. The SSE offers new solutions thanks to its principles of self-help, democracy, equity, social responsibility and openness. SSE organisations use innovative and inclusive

“ All of us have a stake in the social economy. This is why the OECD is proud to work with the EU to move the SSE agenda forward in all communities, by identifying policies and setting standards to enable social economy development and growth globally.

Mathias Cormann

Secretary-General

Organisation for Economic Co-operation and Development



“ With the social economy, we have a powerful tool to lead the just green and digital transitions from the bottom up. Our aim is to make it easier for social economy actors to operate, scale up and thrive.

Nicolas Schmit

European Commissioner for Jobs and Social Rights
European Commission

business models that provide human-centred job opportunities, including to vulnerable and marginalised people (Guy Ryder, Director-General, International Labour Organization). It is essential that we export the human-centred business model of the SSE to the wider economy. Doing this could help improve labour organisation and production across many sectors and organisational models (Patrizia Toia, Member of European Parliament).

SSE organisations still face considerable obstacles that constrain their economic viability and overall social impact. The SSE is a significant source of growth and employment, yet its potential remains untapped. Contradictory and outdated legal frameworks continue to constrain the development and expansion of the SSE. Mutual recognition of SSE organisations and principles is an important enabling factor for SSE organisations to internationalise, but remains limited in practice. Access to finance remains an obstacle, although innovative measures, such as social impact bonds, have helped to address this problem in certain countries.

COVID-19 and the SSE: navigating the crisis and building back better

The SSE played an important role in mitigating the short- and medium-term impacts of the COVID-19 crisis. It has been at the forefront, supporting governments in providing a range of crucial health and social services, while also providing concrete bottom-up solutions, often in collaboration with governments, businesses and citizens.

SSE entities faced difficulties during the COVID-19 pandemic, but demonstrated great resilience and innovation in the face of adversity. These challenges were linked to drops in activity, limited cash reserves, or the need to take their business activity online, and

“ It is a critical time to explore transformative capacities and the potential of SSEs to lead a transitional process of our economy to be more sustainable and inclusive. For this to work, SSE stakeholders must be part of the discussions and negotiations.

Lawrence Kwark

Secretary-General
Global Social Economy Forum

the shortage of the skills and resources to do so. Despite these unprecedented challenges, SSE organisations collaborated to develop innovative ways to pivot their business models while addressing pressing societal challenges.

Following the COVID-19 crisis, SSE organisations are essential to build back better and improve the resilience of economies and societies. In many cases, the pandemic pushed public authorities to strengthen their collaboration with SSE organisations in order to respond to the challenges presented by the crisis. By reaching out to SSE actors, local and regional governments gained better insight into the challenges of the SSE in areas such as capacity building, market building, digitalisation or public recognition. They are using this insight to develop new support programs and tools to develop SSE actors. Enhanced

co-ordination between public authorities and SSE organisations will help to direct resources towards addressing social issues more effectively and promote social innovation.

Despite being a considerable source of economic growth and job creation, more needs to be done to mainstream the SSE during the recovery process. More education on the SSE is needed as well as stronger narratives highlighting the importance of the SSE. Developing SSE networks, guidance and education can contribute to mainstreaming by enabling social entrepreneurs to learn from each other and develop collaborative networks to drive systemic changes (Diana Wells, Ashoka President Emerita).



Legal frameworks and the SSE

Countries are increasingly adopting laws to recognise SSE organisations and encourage SSE development overall. Within Europe, the 2011 Social Business Initiative catalysed many new laws on social enterprise generating greater recognition of the SSE at country level, creating greater conceptual clarity and helping bridge the divide between traditional SSE organisations and social enterprises (Giulia Galera, Senior Researcher, EURICSE). Though largely driven at the national level, the adoption of legal frameworks for the SSE has also accelerated at the subnational level.

There are serious downsides to an absence of legislation for the SSE, including lack of recognition, lower profile and stifled access to finance and support opportunities. Legal frameworks also help to provide legal certainty and therefore reduce the risk of establishing SSE organisations, which promotes participation in the SSE and helps to drive the development of SSE ecosystems.

Laws should not be an end in itself, but rather a means to support the SSE. Legal frameworks need to reflect specific country, regional or city needs. Three recommendations for policy

makers working on legal frameworks for the SSE could include:

- i. developing a thorough understanding of why and when to regulate the SSE, namely by identifying the right moment to do so and ensuring such actions are supported by SSE organisations;
- ii. identifying how to include stakeholders in the process from an early stage and maintaining a clear idea of what the strategic objectives for the frameworks are; and
- iii. evaluating frameworks to be adaptive and adjustable to the needs of SSE organisations in the future.

A lack of mutual recognition across jurisdictions still remains a challenge for the SSE. SSE organisations can struggle to expand activity into new areas due to a lack of legal recognition. The OECD has an important role to play in providing clear policy guidelines on legal frameworks at the international level (Laurence Kwark, Secretary-General, Global Social Economy Forum).

An OECD-led international guide will provide a comprehensive roadmap for policy makers to help them navigate this complex process.

“ Social economy legislation is one of the strongest actions that a government can take to support this sector. This ensures that the development of social economy remains a priority over time.

Valérie Horth

Collective Entrepreneurship Counsellor
Ministry of Economy and Innovation, Quebec, Canada



Promoting the internationalisation of the social and solidarity economy

Internationalisation is a common strategy for SSE organisations to scale, and therefore increase their social impact. However, while internationalisation strategies differ, there are some common challenges preventing those SSE organisations who want to internationalise from doing so, including the lack of financing, limited management skills, and the lack of knowledge about modes of internationalisation, among others.

Internationalisation comes with unique challenges for SSE organisations. Success factors favouring internationalisation vary and depend on the specific characteristics of each SSE organisation as well as the country context. For example, it can be challenging to understand the needs and structure of communities abroad. SSE organisations cannot simply transfer from one country to another, and must first understand exactly what needs they will be serving as they expand into new countries.

Internationalisation is different for SSE organisations than for commercial enterprises. SSE organisations pursue internationalisation to increase their social impact rather than their profits. As such, SSE internationalisation is

An illustration of several hands of different colors (white, light blue, pink) reaching out from the top left towards the center, symbolizing collaboration and support.

“ Building stronger ecosystems for social enterprise to thrive and helping inclusive economic actors join forces is critical for achieving change at a global level.

Miren Bengoa

Managing Director
SOS Group International Action

not only about SSE organisations expanding internationally, but it is also about raising international awareness and contributing to supporting the development of the SSE at the global level. This is a key feature of SSE organisations such as Mondragon, which operates to “export” the co-operative model to other countries where they are present.

Models of internationalisation cannot be simply transferred from one country to another. Organisations need to know who they are serving, what the specific needs are and if there is a certain infrastructure that can be leveraged. Social enterprises and organisations need to understand communities, markets and partnerships in foreign contexts. Practitioners may encounter policies and regulations that create barriers and need to consider this when setting up operations abroad. Since there is a strong dependence on public sector support for funding social enterprises, finding resources abroad can also be an issue. (Magdalena Winkler, Researcher, Vienna University of Economics and Business).

The OECD Global Action Peer-Learning Partnership, comprising over 130 organisations across topics has facilitated dialogue and collaboration among diverse global SSE networks and organisations. This initiative has created valuable knowledge and experience

sharing opportunities between different countries and stakeholders on different topics critical to SSE development.

Mainstreaming gender equality in the social and solidarity economy

Gender should be a priority for policy makers and should be mainstreamed systematically into policies related to the SSE. Women are among the main beneficiaries of SSE organisations but hold a minority of leadership positions across the SSE.

The SSE plays an important role in providing employment opportunities to women, in particular in vulnerable positions, and can be an entry point to transition from informal to formal employment. The SSE combines financial sustainability and social impact making the SSE a great field for implementing labour inclusion and financial empowerment initiatives that address the gender gap.

The SSE lacks diversity, equity and inclusivity (DEI) policy frameworks. Important strides can be made by mobilising major institutions and stakeholders to tackle these issues in a collaborative manner based on information

sharing, education and better data collection and measurement.

Policy makers can help remove the barriers for women to enter the SSE and leadership positions. Increasing access to finance, facilitating networking and raising visibility for women are three vital steps that can make the SSE more inclusive, innovative and dynamic. This change would benefit from forging strong partnerships with SSE actors themselves to help maximise the impact and benefit from stakeholder inclusion.

“ We need to ensure a people-centred approach in building forward better, and the SSE is ideally placed to do this. In order to do so, we need to create enabling environments for SSE ecosystems to flourish as part of more inclusive and sustainable societies.

Vic Van Vuren

Chair

United Nations Inter-Agency Task Force on Social and Solidarity Economy



A stylized illustration of several hands in various shades of teal and white, reaching out and overlapping each other, symbolizing support, community, and social impact.

Social impact measurement: friend or foe?

Social and solidarity economy entities are increasingly requested to demonstrate their social impact. There has been a strong push for standardisation at the international level over the last decade, from the public and private sector alike.

Several methodologies exist, but they are not necessarily coherent among themselves and adapted to the social and solidarity economy. Policy makers can help reconcile this tension by finding the right balance between harmonisation and flexibility.

New OECD evidence confirms that the lack of data, skills and resources are some of the main obstacles that social and solidarity economy entities face when undertaking social impact measurement. Policy makers can help tackle these, for example, via the preparation of open access guidance, the production of impact evidence and capacity building measures.

Measurement standards need to consider the diversity of social and solidarity economy organisations, to target resources to areas of desired impact. Co-designing and sharing ownership of the indices used to measure social impact with social economy organisations, their stakeholders and beneficiary communities can be an enabler for social impact. When these are designed correctly, they help not only to measure but also improve the quality of relationships between social and solidarity economy organisations and the communities in which they are located.

National frameworks that strive to harmonise social impact measurement practices should be co-developed with the community and allow sufficient differentiation to reflect the needs of social and solidarity economy organisations.

There needs to be balance between standardisation and flexibility when developing impact measurement practices, by limiting uniformity to the most basic aspects, aiming at commensurability while accepting some level of differentiation.

// Resource constraints are holding back many social economy organisations from producing better and more actionable impact data. International standard setters, like the OECD and EU, can help orient public initiatives to overcome this hurdle and show the true value of the SSE.

Lisa Hehenberger

Associate Professor

Esade



OECD
Global Action

Promoting
**Social & Solidarity
Economy** Ecosystems



This project is funded
by the European Union