Workshop Highlights
9 December 2021 and 22-23 March 2022 | Paris | Virtual

OECD Social Economy and Innovation Unit
Centre for Centre for Entrepreneurship, SMEs, Regions and Cities

Social Protection and Tackling Informality: Building on the social and solidarity economy in Colombia
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For more information about the Informality and Social Economy work stream, please contact: socialeconomyandinnovation@oecd.org

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As part of the OECD/Colombia Co-operation Project ‘Social protection and tackling informality: building on the social and solidarity economy in Colombia’, three workshops were organised between December 2021 and March 2022. These events gathered 152 stakeholders from ministries and government agencies, relevant social and solidarity economy stakeholders, academics, and international experts. They highlighted the challenges faced by social and solidarity economy organisations and entities in Colombia and explored possible avenues for further contribution of the field to tackling high informality levels. They also provided an opportunity for peer exchange on social economy information systems. International experiences from Brazil, Canada, El Salvador, France, Ireland, Italy, Mexico, Portugal, Spain, and the United States were shared.

These highlights provide a snapshot of the discussions as well as policy orientations that have emerged from the exchanges in the three workshops.

- **The first workshop was held on 9 December 2021.** Results of twenty five fully completed Better Entrepreneurship Policy Tool (BEPT)\(^1\) self-assessments from various stakeholders in Colombia were presented (see Figure 1). The tool allows to assess whether current policies and programmes in different areas, such as legal frameworks, access to finance, access to markets, etc., enable and support social enterprises to emerge and expand. The results are based on the perceptions of various stakeholders. The legal and regulatory framework dimension ranked as the most developed in the assessment. Access to finance and impact dimensions scored the lowest levels of development. Disparity among respondents was the highest for the skills and business development support dimension.

- **The second workshop took place on 22 March 2022.** Marta Lucía Ramírez, Vice-president of Colombia, and Lamia Kamal-Chaoui, Director of the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE), gave opening remarks. During her address, the Vice-president of Colombia highlighted the importance of this workshop in fostering peer learning and exchange on the contribution of the social economy to tackle informality and support the transition to formal work in various economic sectors. Experts from France, Italy, Spain, the United States, shared valuable lessons from their countries.

- **The third workshop was held on 23 March 2022.** This workshop explored the importance of data collection and the challenges around producing statistics, as well as the objectives and options to establish SSE information systems. Rafael González, Director of the Special Administrative Unit of Solidarity Organisations, and international speakers from Canada, the European Commission, France, Ireland, Mexico and Portugal participated in the event.

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\(^1\) The [Better Entrepreneurship Policy Tool](#), developed by the OECD and the European Commission, is an online tool designed for policy-makers and other interested parties at local, regional and national level who wish to explore how public policy can support the development of social enterprises.
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Colombia faces high levels of informality, albeit important economic growth. Colombia has a population of 51 million (OECD, 2022[1]), with approximately 81% of its population living in cities (OECD, 2022[2]). Despite government efforts, over 60% of workers have informal jobs and no access to social security benefits except health (OECD, 2022[3]). Addressing these levels of informality requires innovative and multidimensional strategies that integrate a range of policies.

The social and solidarity economy (SSE)² has been identified as a viable vehicle to tackle informality, given its ability to reach out to disadvantaged individuals and facilitate access to training, formal work, property, information, and equitable distribution of profit to its members. The SSE currently represents around 4% of Colombia’s GDP, and nearly 7 million Colombians are affiliated to SSE organisations such as cooperatives, mutual associations, and employee funds³ (Superintendence of the Solidarity Economy, 2017[4]). Table 1 presents the institutions around SSE development in Colombia.

Cooperatives play a significant role in the SSE ecosystem in Colombia. According to the last Performance Report of Confecoop⁴, there are 3 205 operating cooperatives that generate 140 000 direct jobs and gather almost 6.3 million Colombians as members. Cooperatives provide goods and services in almost all of the 32 departments of the country. They undertake a variety of economic activities such as financial, savings, and credit activities; agriculture, livestock, and food industries; retail commerce; insurance; transport; social services and health activities (Confecoop, 2019[5]).

Table 1. Institutions in charge of the SSE development

<table>
<thead>
<tr>
<th>Entity</th>
<th>Sector</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice-presidency</td>
<td>Public</td>
<td>• Leads the Inter-sectoral Commission for the Solidarity Economy (CIES)</td>
</tr>
<tr>
<td>Ministry of Labour</td>
<td>Public</td>
<td>• CIES technical secretariat</td>
</tr>
<tr>
<td>Ministry of Treasury and Public Credit</td>
<td>Public</td>
<td>• CIES member</td>
</tr>
<tr>
<td>Ministry of Agriculture and Rural Development</td>
<td>Public</td>
<td>• CIES member</td>
</tr>
<tr>
<td>Ministry of Health and Social Protection</td>
<td>Public</td>
<td>• CIES member</td>
</tr>
<tr>
<td>Ministry of Commerce, Industry and Tourism</td>
<td>Public</td>
<td>• CIES member</td>
</tr>
<tr>
<td>National Department of Planning</td>
<td>Public</td>
<td>• CIES member</td>
</tr>
<tr>
<td>National Administrative Department of Statistics (DANE)</td>
<td>Public</td>
<td>• Supports the design and monitoring of public policies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Designs the Satellite Account of Non-profit</td>
</tr>
</tbody>
</table>

² In Colombia, the social economy is referred to as “solidarity economy”.
³ As per decree 1481 of 1989, employee funds are non-profit associative companies composed by employees of a company. They provide savings and credit services exclusively to their associates, who in turn are obliged to make permanent contributions.
⁴ The Confederation of Colombian Cooperatives.
Strengths and challenges of the social and solidarity economy in Colombia

Multiple sources of information were used to identify the strengths and challenges of the social economy in Colombia, including the results of the BEPT self-assessment. This tool consists of questionnaires around seven policy areas and aim to help policy makers and other stakeholders reflect on their policy environment for inclusive and social entrepreneurship and promote better policy making. Although the results are based on the perceptions of a limited sample of respondents and cannot be generalised to reflect the views of all the stakeholders in a given country, they provide preliminary orientations to address the challenges and strengthen the SSE ecosystem. Figure 1 summarises the results obtained in each dimension assessed.

Figure 1. Self-assessment of Colombia's SSE ecosystem

The legal and regulatory framework dimension ranked as the most developed in the assessment. Access to finance and impact dimensions scored the lowest levels of development. Disparity among respondents was the highest for the skills and business development support dimension. The tool is available online: https://betterentrepreneurship.eu/.

Note: The scale is from 0 to 10 (low to high score) on seven dimensions of the SSE ecosystem.
Source: Entrepreneurship Policy Tool's presentation of the self-assessment results from Colombia realised on 2 November and 7 December 2021.
Strengths

Multiple public initiatives aim to promote the social economy in the country. The 2018-2022 National Development Plan includes a provision (article 164) calling for the design and implementation of a comprehensive national policy for the SSE (Ministry of Justice, 2019[7]). The Inter-sectoral Commission for the Solidarity Economy designed the 2021-2025 ‘Public policy for the development of the solidarity economy’, known as CONPES 4051, which was approved by the National Council for Economic and Social Policy in September 2021. This policy aims to turn the SSE into a driver of social and economic growth through boosting its scope, promoting social economy educational programmes and strengthening supervisory mechanisms to enhance its impact (National Council for Economic and Social Policy, 2021[8]). Additional policy measures include:

- the National Plan for the Promotion of Solidarity Economy and Rural Cooperatives (Planfes), which promotes SSE models among small and medium-sized producers, and
- the 2020 Entrepreneurship Law (Law 2069) which includes several provisions that promote the growth of SSE organisations (Table 2).

Table 2. Policy initiatives to promote the social and solidarity economy ecosystem

<table>
<thead>
<tr>
<th>Year</th>
<th>Law/Policy</th>
<th>Overall objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>The Social Laboratory for Productive Inclusion</td>
<td>Promotes income generation among informal workers through pilot projects, including the use of SSE models</td>
</tr>
<tr>
<td>2021</td>
<td>Law 2143 of 2021</td>
<td>Provides mutual associations with a legal framework to guarantee their identity, autonomy, and involvement in the country's economy</td>
</tr>
<tr>
<td>2021</td>
<td>Public policy for the development of the solidarity economy</td>
<td>Improves the development of the SSE through institutional strengthening, solidarity education and the supervision model</td>
</tr>
<tr>
<td>2020</td>
<td>Entrepreneurship Law (Law 2069 of 2020)</td>
<td>Promotes the growth, consolidation and sustainability of SSE organisations</td>
</tr>
<tr>
<td>2020</td>
<td>Decree 1340 of 2020</td>
<td>Creates the Inter-sectoral Commission for the Solidarity Economy, in charge of co-ordinating the implementation of policies, plans, programmes and actions to fulfil the SSE public policy at the national level</td>
</tr>
<tr>
<td>2020</td>
<td>Law 2046 of 2020</td>
<td>Requires purchasing from small or community producers (through their SSE organisations) when public resources are used to buy food.</td>
</tr>
<tr>
<td>2017</td>
<td>The Integral Intervention Programme</td>
<td>Seeks to promote solidarity practices and the development of SSE organisations in the country’s most vulnerable communities</td>
</tr>
<tr>
<td>2017</td>
<td>The National Plan for the Promotion of Solidarity Economy and Rural Cooperatives (Planfes)</td>
<td>Promotes SSE models among small and medium-sized producers</td>
</tr>
<tr>
<td>2011</td>
<td>Decree 4122 of 2011</td>
<td>Transforms the National Administrative Department of Solidarity Economy, Dansocial, into the Special Administrative Unit of Solidarity Organisations (UAEOS), entity in charge of promoting, strengthening and developing solidarity organisations in the country</td>
</tr>
<tr>
<td>2006</td>
<td>Decree 4588 of 2006</td>
<td>Regulates the cooperative, specifies its nature and establishes the basic rules for its organisation and activities</td>
</tr>
<tr>
<td>1998</td>
<td>Law 454 of 1998</td>
<td>Determines the conceptual framework that regulates the solidarity economy, creates the Superintendence of the Solidarity Economy, the Guarantee Fund for Cooperatives, establishes rules on the financial activity of cooperative entities and issues other provisions</td>
</tr>
<tr>
<td>1989</td>
<td>Decree 1482 of 1989</td>
<td>Promotes cooperative public administrators, and determines their nature, characteristics, constitution, internal liability regimes and sanctions</td>
</tr>
<tr>
<td>1989</td>
<td>Decree 1481 of 1989</td>
<td>Fosters employee funds, and determines their nature, characteristics, constitution, internal liability regimes and sanctions</td>
</tr>
<tr>
<td>1989</td>
<td>Decree 1333 of 1989</td>
<td>Establishes the regime for the constitution, recognition and operation</td>
</tr>
</tbody>
</table>
Social and solidarity economy organisations can use a broad spectrum of legal forms and benefit from special tax regimes. The framework law on the solidarity economy (Law 454 of 1998) (Table 2) defines solidarity organisations as “any legal entity that carries out non-profit activities, operates using participatory governance, and serves its members and community”. Possible legal form options include: pre-cooperatives, cooperatives, cooperative auxiliary institutions, mutual associations and employee funds, among others (Ministry of Justice, 1998[8]). Other laws provide fiscal benefits to SSE organisations, such as the Law 1819 adopted in 2016. It states that cooperatives and mutual associations have a special tax regime and are taxed on their net or surplus profits at the special single rate of 20% (Ministry of Justice, 2016[9]). These strengths are consistent with the BEPT results, where the “Legal and Regulatory Frameworks” dimension scored the highest.

Social and solidarity economy organisations have proven their relevance as economic actors in the country. Five financial cooperatives grant around 55% of commercial loans to the private sector, while 70% of the financial cooperatives portfolio is linked to household consumption (ILO, 2019[10]). The cooperative banking sector is also the primary source of financing for the SSE in the country. This has sparked the interest of social impact investment entities. A recent study conducted by the Aspen Network of Development shows that the impact investing sector in Colombia started developing in the early 2000s and has been growing in the last decade (2009-2019), with almost four times as many new entrants as in the previous decade (ANDE, 2020[11]).

Private and public institutions offer SSE education programmes, thus showing a growing interest in the field. SSE federations such as the Colombian Association of Cooperatives (Ascoop) and the National Association of Employee Funds (Analfe) provide capacity-building opportunities to SSE organisations (Ascoop, n.d.[12]; Analfe, n.d.[13]). Higher education institutions, such as the Pontifical Xavierian University and the Cooperative University of Colombia, offer degrees to develop skills for the management of SSE organisations (Pontifical Xavierian University, n.d.[14]; UCC, n.d.[15]). In 2021, the Special Administrative Unit of Solidarity Organisations (UAEOS), launched a free virtual certification programme on Local Public Procurement and Solidarity Economy, primarily for SSE organisations and public servants (Colombia Cooperativa, 2021[16]).

Challenges

SSE related regulations are dispersed, making compliance difficult for organisations. For example, although cooperatives are mainly monitored, supervised, and controlled by the Superintendence of the Solidarity Economy, cooperatives that pursue specific economic activities (e.g. transport cooperatives) are also supervised by the specific superintendence overseeing their activity5. Other regulatory obstacles include the lack of alignment of the regulatory framework with social economy organisations’ needs, in particular competitiveness and access to markets (National Council for Economic and Social Policy, 2021[6]).

The multiplicity of initiatives and bodies hampers effective co-ordination. The several initiatives and institutions at the national, regional, and local level hinders co-ordination of the different policies (ILO, 2019[10]; National Council for Economic and Social Policy, 2021[6]). Participants from the focus groups

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5 This includes the Superintendence of Finance, Superintendence of Ports and Transport, Superintendence of Health, Superintendence of Surveillance and Private Security and Superintendence of Domiciliary Public Services.
confirmed that Colombia does not need to create more institutions but strengthen and improve existing ones. They also highlighted that current policy measures have not eased activities of SSE organisations wishing to be more active in tackling inequality and informality in the country.

**SSE organisations still lack appropriate and tailored financial services.** Access to finance is limited, as SSE organisations struggle to comply with requirements imposed by financial institutions, such as providing guarantees. The amounts of financing and the number of loans granted to SSE organisations are relatively low compared to their capital needs. Despite a few rediscount lines provided by the Agricultural Sector Financing Fund (Finagro) and the Colombian Bank of Foreign Trade (Bancoldex), most credit lines are tailored for commercial companies or SMEs rather than SSE organisations (National Council for Economic and Social Policy, 2021[6]).

**Educational opportunities for SSE organisations and policy makers are still scarce and academic research is limited.** Few universities offer programmes on the SSE, and when available, they are mainly directed at the postgraduate level and targeted towards managers, leaving behind the grassroots members of SSE organisations. These programmes, mostly private and costly, remain inaccessible for smaller organisations. The production of academic research on the SSE is also limited. There are few research groups in SSE recognised by the Ministry of Science, Technology, and Innovation (National Council for Economic and Social Policy, 2021[6]).

**Policy orientations**

**Raise awareness of the advantages offered by SSE organisations**

SSE organisations are deeply rooted in local communities, especially in the most remote areas, and can therefore help to promote local development and reduce poverty. As raised during the focus group discussion, for the past 30 years SSE organisations have provided public health services by guaranteeing access to health care for the most vulnerable groups. A greater understanding of benefits offered by SSE organisations would allow local governments to build and develop appropriate policies to partner with them, and for financial institutions to develop tailored financial tools.

**Promote collaboration between SSE organisations and public entities**

Creating spaces for permanent dialogue between SSE actors, public authorities, and academics is crucial. For instance, in the Province of Quebec (Canada), the Chantier de l’Économie Sociale brings together SSE actors and partners to imagine and reflect on new policies and tools for the SSE. Since 2013, the Government of Quebec recognised them as the “Government’s primary interlocutor where the social economy is concerned” (Government of Quebec, 2013[17]). Having this platform for dialogue has allowed the Government of Quebec to develop legal frameworks and policies that are adapted to the needs of SSE organisations, and thus achieve more systemic changes.

**Promote microfinance, including microcredit, for the development of the SSE**

SSE actors can themselves play an active role in improving access to finance and expanding the financial offer for the social and solidarity economy. For example, through microfinance and cooperative banking. Successful initiatives in this field include the Law on the promotion of microcredit to develop the social economy in Argentina (Law 26.117/2006). This law establishes “the promotion and regulation of microcredit to stimulate the development of people, low-income groups and the institutional strengthening of non-profit civil society organisations that collaborate for the fulfilment of social policies” (Government of Argentina, 2006[18]). More recently, Brazil has been actively working on promoting credit
cooperatives, as they tend to better target and reach low-income individuals and associations than conventional financial institutions.

**Encourage the setting up of SSE umbrella organisations to serve as points of contact**

Umbrella organisations could bring great benefits to SSE actors. A notable example of such organisations is CEPES, the Spanish Business Confederation of the Social Economy. Its mission includes bringing together SSE organisations to voice their proposals, disseminate their research and information, provide training for them, and co-construct public policies with them. CEPES supports SSE policy-making by participating in several national councils, committees, and commissions, and the European Economic and Social Committee at the international level. CEPES also keeps permanent relationships and dialogue with institutions such as the European Parliament and the European Commission, representing the interests of more than 43 000 organisations and 21 million people benefiting from or working with SSE actors in Spain (CEPES, n.d.[19]).

**Offer training opportunities to SSE organisations and policy makers**

Training programmes on the SSE would enhance policy makers’ capacity to design tailored policies and SSE actors to develop better skills and improve their organisations. These training opportunities could be developed through public-private collaboration. The School of Social Economy in Andalusia, Spain, is an example of how collaboration among SSE actors and public entities can help establish training centres and programmes on SSE, both for social economy organisations and policy makers (Escuela de Economía Social, 2019[20]; FAECTA, 2021[21]). In the medium-long term, the Government of Colombia could also incorporate solidarity education at all levels and promote educational schemes at the regional level.
The level of informal employment in Colombia is among the highest in Latin America. Informal employment occurs when an employment relationship is not subject to national labour legislation, income taxation, social protection, or entitlement to certain employment benefits (OECD/ ILO, 2019[22]). In the case of Colombia, informality disproportionately affects rural areas. In 2018, 30% of informal workers were living in an urban area, while 70% lived in a rural area (OECD, 2021[23]). Informal workers were more exposed to the impacts of the COVID-19 pandemic, being the first to lose their jobs (OECD, 2022[3]).

Informality has significant economic and social consequences for Colombia. A high level of informality significantly reduces tax collection and affects the capacity of the public sector to provide public services. It also weakens social protection systems, and negatively impacts the competitiveness and productivity of the country, the latter being considerably lower in the informal sector compared to the formal sector. Moreover, it increases underemployment and the vulnerability of labour rights and discourages firm growth as informal firms keep a low profile to avoid enforcement agencies (OECD, 2022[3]; OECD et al., 2021[24]; Ministry of Treasury and Public Credit, 2011[25]). The transition to formalisation would bring a wide range of benefits and opportunities for individuals and communities. Formalisation could help enhancing access to decent work, reducing labour instability, strengthening sustainability of enterprises, and enabling a robust business environment for the growth of the economy (OECD, 2022[3]; ILO, 2021[26]).

Several challenges perpetuate informality in Colombia. The high cost of formal labour due to high non-wage costs and a high minimum wage close to the median wage, pose substantial impediments to formalisation. Business informality leads to employment informality as small firms try to avoid high labour costs, taxation and regulation to remain competitive (OECD, 2022[3]). Another element is the strong connection between informality and low-skilled population with sectors such as agriculture, retail, hotels, restaurants, and construction having a percentage of informal workers over the national average (OECD, 2022[3]). All these challenges were highlighted and confirmed by multiple participants during the focus group discussions.

The capacity of the social economy to tackle informality is acknowledged in Colombia

The Government of Colombia has addressed the issue of informality through a variety of policies, including policies related to the SSE:

- The “Pact for Entrepreneurship, Formalisation and Productivity” of the National Development Plan 2018-2022 explicitly aims at promoting entrepreneurship and reducing informality. Its main objectives include improving the business environment, reducing the costs of formalisation, and strengthening control to promote business formality. Article 164 of the Pact refers to strengthening social and solidarity economy organisations through a comprehensive
public policy for their promotion, protection and development (National Department of Planning, 2019[27]; Ministry of Justice, 2019[7]).

- **The Social Laboratory for Productive Inclusion**, under the leadership of the vice-presidency, implements a pilot project to promote the productive inclusion of informal workers and support street vendors in 11 cities. Through this initiative, the Colombian Government expects to support the creation of 55 social and solidarity economy organisations by August 2022. During her intervention in March 2022, Marta Lucía Ramírez, Vice-president of Colombia, reported that ten cooperatives were created and formally registered as of February 2022. By May 2022 five additional cooperatives were created. She also reported that an awareness-raising campaign and training were on-going with another twenty two cooperatives.

- **The Integral Intervention Programme** seeks to promote solidarity practices and the development of social and solidarity economy organisations in the most vulnerable communities. This initiative involves a territorial, community and entrepreneurial diagnosis to design activities and strategies that foster the practice of solidarity values and principles for the improvement of individual and collective well-being. The programme aims to foster new social and solidarity economy organisations, decent work, fair remuneration, and empowered communities (UAEOS, 2020[28]).

**Lessons learnt from international examples: Italy, Spain and the US**

**Italy, the Marcora Law: using financial support to promote formalisation of labour and businesses**

The Marcora Law, adopted in 1985, is an example of how cooperatives could help tackling informality through labour and business formalisation. The Marcora law allowed workers laid off due to the crisis in the industrial sector to use their unemployment benefits to form workers’ cooperatives. The law permitted the disbursement of two years of subsidies from each worker associated with the cooperative to be used as capital for their organisation, thus encouraging business formality.

The Marcora Law established two funds to finance cooperative development. The first, Fondo Foncooper, is a general fund aimed at promoting and developing all types of cooperatives. The second, the Cooperazione Finanza Impresa (CFI), is an institutional investor that helps transform conventional enterprises into cooperatives. It also supports existing cooperatives with their entrepreneurial projects (Government of Italy, 1985[29]). By 2015, the Marcora Law had supported the creation of 257 new employee-owned firms, saving or creating 9 300 jobs (ICA, 2015[30]).

Additionally, the Italian Cooperative Law (Basevi Law – No. 1577 of 1947) states that cooperatives must join a cooperative federation. Federations are well resourced and organised to meet their members’ needs by providing training and technical assistance in the areas of finance, accounting, taxation, and the legal area (Rowe et al., 2017[31]). As such, the Marcora law is an example of how Colombia could support innovative financing of cooperatives and formalise jobs and businesses. Additionally, the Marcora law highlights the importance of entities, such as funds and federations, to support the development and sustainability of cooperatives.

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6 Barranquilla, Popayán, Bucaramanga, Cúcuta, Pereira, Villavicencio, Ibagué, Neiva, Montería, Cartagena and Bogotá.
Spain: mobilising various SSE models to reduce unemployment and informality

Based on estimates, informality might affect up to one million jobs in Spain (Foundation of Financial Studies, 2013[32]). Spain promotes three SSE models for their role in the transition from informality to formality: worker cooperatives, Sociedades Laborales, and insertion companies.

- Worker cooperatives have shown resilience during previous crises and remarkable capacity to create high quality and stable employment.
- The Sociedades Laborales allow workers to become owners of the company. There are currently more than 8 500 worker-owned companies in Spain, generating more than 60 000 jobs (LABORPAR, n.d.[33]). These models guarantee the transition to quality employment, either through the creation of new entities or by supporting the transformation of entities in crisis or lacking generational replacement into SSE enterprises.
- Insertion companies are organisations owned by a non-profit entity with a share of 51% and are legally required to reinvest 80% of their income. They produce goods and services and facilitate the transition to formal employment of disadvantaged groups (CEPES, n.d.[34]).

While various SSE organisations can contribute to the transition from informality to formality, it is important to have specialised entities that provide training, and complementary services to support their creation and growth. For example, LABORPAR7 is an independent, non-profit business organisation that represents Sociedades Laborales. It promotes this model in Spain, and offers training and support to its associates (LABORPAR, n.d.[33]). FAEDEI8 aims to promote, strengthen and raise awareness of the insertion companies’ model as the best tool for social and labour inclusion through training, support, advice and visibility of these companies in Spain (FAEDEI, n.d.[35]).

US: Supporting workers’ buyouts to sustain high-quality formal jobs and enterprises

In the United States, over 50% of all small businesses are owned by people above 55 years old. Around 85% do not have a succession plan or an exit strategy while one third report having difficulties selling their businesses (Project Equity, 2021[36]). In this context, workers’ buyouts provide a suitable option to keep functioning enterprises in the market and sustain high-quality formal jobs while preventing unemployment and informality.

Workers’ buyouts are facilitated when an ecosystem supports them with education, outreach, technical assistance, and financing. Lessons can be learned from US local and state initiatives to support the conversion to worker-owned companies. For instance, in New York City, a hotline called ‘Owner to Owners’ provides free assistance to help business owners in their exit strategy, convert the business into an employee ownership model and preserve jobs (Owner to Owners, n.d.[37]). The state of Colorado provides grants and tax credits to cover conversion costs and offers free technical assistance, business development support, and peer networking (Office of Economic Development & International Trade of Colorado, n.d.[38]).

Social vouchers: formalising jobs and businesses

Social vouchers can be effective tools to formalise work by enabling access to particular goods and services and targeting specific groups thus promoting formal businesses. Implemented in 40 countries with 100 million users, social vouchers improve transparency in the whole ecosystem by allowing government to trace transactions through invoices. They also help collecting more tax (OECD, 2021[39]).

7 LABORPAR stands for Federación Empresarial de Sociedades Laborales y Empresas Participadas de España.
8 FAEDEI stands for Federación de Asociaciones Empresariales de Empresas de Inserción.
For example, in 2005, a major reform was launched to tackle informality in the personal and household services sector in France. Impact assessment studies showed that after five years of social vouchers use 500,000 informal jobs were formalised, thus leading to a 10% reduction in undeclared jobs (European Commission, 2012). In France, the implementation of the Titre Restaurant (a subsidised meal voucher provided by employers) allowed SMEs to comply with French law mandating employers to provide satisfactory meal conditions. Impact evaluation of the Titre Restaurant shows that in 2014 these vouchers created 74,000 jobs in the catering industry, contributing up to 13.9% to employment in this sector alone (OECD, 2021).
Statistics and systematic information are instrumental to building conducive SSE ecosystems. By providing quantitative and qualitative data of the SSE, its socio-economic weight and impact, its evolution, and its relative contribution to solving the main problems faced by a country, information systems help improve visibility, strengthen identity, and increase recognition of the social and solidarity economy. Most importantly, they serve as a basis for effective policy design, implementation, and evaluation. Over the past 15 years, Colombia has been collecting data on the social and solidarity economy, revealing both strengths and challenges for the country in this process.

Strengths and challenges of the SSE information system in Colombia

**Strengths**

The Government of Colombia is engaged in supporting the development of a robust information system for the social and solidarity economy. The Public Policy for the Development of the Solidarity Economy (CONPES 4051) clearly highlights the objective of "making available and allowing open access to complete, representative, standardised, updated and reliable statistical information" (National Council for Economic and Social Policy, 2021[6]). This would allow to monitor the SSE field and facilitate public and private decision-making, among other benefits. The public policy includes two specific lines of action to achieve such purpose, the first related to structuring an information system that unifies qualitative and quantitative data sources, and the second concerning the visibility of the SSE through the Satellite Account of Non-Profit Institutions.

Public initiatives are already in place to collect and diffuse data on the social and solidarity economy. The National Superintendence of the Solidarity Economy[^9] is one of the primary sources of information, collecting data periodically through official accountability forms on the entities under its supervision. In the case of specialised economic activities, supervision and data collection on SSE entities is carried out by other superintendencies (health, surveillance and private security, finance, public services and transportation) (ICA, 2020[41]). Chambers of commerce are the result of a private-public collaboration and, through the Network of Chambers of Commerce (Confecámaras), they are responsible for collecting

[^9]: The National Superintendence of the Solidarity Economy ([https://www.supersolidaria.gov.co/](https://www.supersolidaria.gov.co/)) was created in 1999 in accordance with the Law 454 of 1998. It is the state entity that controls, inspects and monitors social economy entities.
the information to keep updated the Statistical Registry of Non-Profit Entities\textsuperscript{10} (ESALES) and the Solidarity Economy Registry\textsuperscript{11} within the Unique Business and Social Registry (RUES). Both registries provide information on the legal incorporation of organisations, including the identification number, the city of incorporation, the type of organisation or whether the incorporation is active or was recently renewed.

Other public initiatives, such as a satellite account for non-profit institutions, are currently being developed to complement or improve the existing tools. The National Administrative Department of Statistics (DANE) is in the design stage of the Satellite Account of Non-profit Institutions, which covers a subset of social and solidarity economy organisations. The Special Administrative Unit of Solidarity Organisations\textsuperscript{12} (UAEOS) is developing the socio-economic information system for solidarity economy organisations (SSIOS) aiming to provide detailed and real-time information on SSE organisations.

Private initiatives also contribute to the SSE data collection in Colombia. The Confederation of Cooperatives of Colombia (Confecoop) collects information through an annual census that contains information on the number of cooperatives, and their characteristics, such as total assets, number of associates, and people employed, among other indicators (Confecoop, 2019\textsuperscript{[5]}). Confecoop also has a Cooperative Observatory, which produces quarterly financial information on cooperatives, macroeconomic reports and analysis relevant to the cooperative sector in Colombia. Another data collection initiative has been carried out by the International Alliance of Cooperatives (ICA), which conducted a mapping exercise on several countries, including Colombia. The purpose was to collect and make publicly available reliable and up-to-date data to understand what the cooperative movement represents in the targeted country and produce statistics on various indicators such as the number of cooperatives, memberships, and employees and their percentages per sector of economic activity (ICA, 2020\textsuperscript{[42]}). Table 3 provides an overview of the existing initiatives, including public and private ones.

Table 3. Public and private initiatives for data collection and the production of statistics on the social and solidarity economy

This table provides an overview of public and private initiatives that collect and publish information on the social and solidarity economy in Colombia.

<table>
<thead>
<tr>
<th>Name of the initiative</th>
<th>Organisation</th>
<th>Scope</th>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public initiatives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unnamed – General supervision reports/registry</td>
<td>National Superintendence of the Solidarity Economy</td>
<td>a) Cooperative sector, including basic or first-degree cooperatives, second and third level cooperative bodies, auxiliary institutions of cooperativism, pre-cooperatives, and service companies in the form of cooperative public administrations.</td>
<td>All these entities are under the supervision of the Superintendence of the Solidarity Economy as long as they are not subject to the specialised supervision of another state body.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b) Other forms of association, namely employee funds, mutual associations, auxiliary institutions of the solidarity economy, solidarity economy integration bodies, and other unnamed forms of solidarity associations that comply with the principles and characteristics of the solidarity</td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{10} https://www.rues.org.co/ESAL.

\textsuperscript{11} https://www.rues.org.co/EconomiaSolidaria.

\textsuperscript{12} The decree 4122 of 2011 transformed the National Administrative Department of Solidarity Economy (Dansocial), into the Special Administrative Unit of Solidarity Organisations. It is the state entity that promotes, protects, strengthens and develops social and solidarity economy organisations (https://www.uaeos.gov.co/).
<table>
<thead>
<tr>
<th>Public-private collaborations</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistical Registry of Non-profit Entities (EASELS)</td>
<td>Confecámaras – Network of Chambers of Commerce</td>
<td>Legal entities constituted by one or more persons (natural or legal) who associate to perform activities for the benefit of their members, third parties or the community in general. These organisations do not seek to distribute profits among their members.</td>
<td>These registries are within the Unique Business and Social Registry (RUES)</td>
</tr>
<tr>
<td>Solidarity Economy Registry</td>
<td>Confecámaras – Network of Chambers of Commerce</td>
<td>Entities of cooperative nature, employee funds, mutual associations, and auxiliary institutions of cooperativism.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Private initiatives</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombian Cooperative Sector Performance Report</td>
<td>Confederation of Cooperatives of Colombia (Confecoop)</td>
<td>Cooperatives</td>
<td>Contains information on the cooperative sector including number cooperatives, members, people employed, and total assets).</td>
</tr>
<tr>
<td>Cooperative Observatory</td>
<td></td>
<td>Cooperatives</td>
<td>Provides quarterly financial information on cooperatives. It also includes macroeconomic reports and analysis related to cooperatives and the impact of COVID-19.</td>
</tr>
<tr>
<td>Cooperative mapping: Statistical data. Country report: Colombia</td>
<td>The International Alliance of Cooperatives (ICA)</td>
<td>Cooperatives</td>
<td>This report is the result of a partnership between the European Commission and the International Co-operative Alliance and its Regional Offices. It is not expected to be published on a regular basis.</td>
</tr>
</tbody>
</table>

Note: This table presents selected examples for the purpose of this document.
Source: Authors’ elaboration (based on (Superintendence of the Solidarity Economy, n.d.[43]; RUES, n.d.[44]; RUES, n.d.[45]; UAEOs, n.d.[46]; Confecoop, 2019[5]; Confecoop, n.d.[47]; ICA, 2020[42])).

**Challenges**

A significant amount of information is collected on SSE entities but this information is dispersed. Multiple public and private institutions collect information on SSE organisations, often with overlapping scopes, causing it to be dispersed among several entities, as shown in Table 3. Statistics production is not centralised, hampering information availability and decision-making in a timely manner. As raised during
the focus group discussion, Colombia has made important progress over the last 15 years in data collection but still lacks an entity that centralises all this information. National institutions, such as DANE, are expected to take a leading role in the centralisation of such data.

**Current data collection processes are not standardised, limiting compatibility between institutions.** A study carried out by UAEOS and CIRIEC-Colombia\(^{13}\) (2015\[48\]) underlines how primary information sources in the SSE field employ different methods, periods and presentation formats, preventing compatibility of data between institutions. Initiatives collecting and producing data for its own needs, only limited to their scope, contribute to this issue. The public policy for the development of the solidarity economy (CONPES 4051) mentions data standardisation and structuring as a challenge for the social and solidarity economy ecosystem, which can ultimately affect the production of useful statistics for decision-making to support the SSE development in Colombia (National Council for Economic and Social Policy, 2021\[6\]).

**In some cases, the collected information is incomplete and not fully reliable.** According to CONPES 4051, the information reported to the Unique Business and Social Registry (RUES) tends to be incomplete and outdated affecting SSE field analysis and monitoring. This document also stresses that over half of the enterprises included in databases of the Superintendence of the Solidarity Economy do not comply with the predetermined periodic or occasional reporting regime (National Council for Economic and Social Policy, 2021\[6\]). This resonates with the focus group discussion, which raised that, while there are over 2 000 incorporated employees’ mutual funds in Colombia, less than 1 400 report to the Superintendence of the Solidarity Economy.

**The diversity of SSE entities in Colombia poses challenges for information collection and the emphasis on financial indicators provides an incomplete overview of the SSE contributions.** Multiple focus group participants mentioned that the variety of SSE legal forms, size and number of organisations, and geographical factors make data collection difficult. Having several public and private entities collecting data with overlapping scopes relates to this challenge. Furthermore, an emphasis is put on collecting financial indicators, which is not sufficient to capture the full potential and impact of the social and solidarity economy, as raised during the focus group discussion.

**Policy orientations**

**Organise and harmonise existing data sources**

Organising and harmonising the data sources of existing organisations can be the first step to jointly build a robust ecosystem. The French experience shows the benefits to develop a robust system relying on the complementary expertise of various actors, while co-ordinating data collection efforts at the national level. France actively engaged in the last decades in this attempt to increase consistence among various sources of information. After the adoption of the SSE Charter in 1980, interest in SSE data started to grow and several organisations were created in the following years to fulfil, among others, this purpose (e.g. the Inter-ministerial Delegation for the Social Economy (DIES), the Association for the Development of Documentation on the Social Economy (ADDES), and the regional SSE observatories), complemented by efforts of the already existing National Institute of Public Statistics and Economic Studies (INSEE). In 2008, these organisations jointly defined a harmonised statistical scope of the SSE that led to the development of a permanent and consistent observation and measuring system of the SSE in France and its regions. Since then, the National SSE Observatory co-ordinates the regional observatories, producing

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\(^{13}\) The International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC) counts 14 national sections, among which one based in Colombia ([https://ciriec-colombia.org/](https://ciriec-colombia.org/)).
statistics through a standardised, scientific, and consistent methodology, using data from INSEE as a primary source and complementing it with other statistical products.

**Conduct a feasibility study to build a satellite account on the social and solidarity economy**

An SSE satellite account could improve visibility and recognition of SSE contribution to social progress and economic development. Satellite accounts can help capture the economic contribution of a precise field “by providing more detail, by rearranging concepts from the central framework or by providing supplementary information.” (Eurostat, n.d.[49]). Few countries, such as Mexico and Portugal, have implemented dedicated satellite accounts on the social and solidarity economy. Colombia is already aware of the benefits of satellite accounts, and is currently designing one on non-profit institutions that would collect data from some SSE entities. Nevertheless, a SSE satellite account in Colombia could contribute to strengthen and further develop the field.

Conducting a feasibility study is key to determine the viability of the satellite account before building it, avoiding wasting effort and resources unnecessarily. In Mexico, the National Institute of Statistics and Geography (INEGI) and the National Institute of Social Economy (INAES) conducted a feasibility study in 2017 to develop a Satellite Account of the Social Economy (INEGI, 2018[50]). The core objective of the satellite account is to make visible the importance of the SSE at the national level, through indicators such as GDP and employment contribution, as well as other indicators that help measure its social contribution to institutional planning. The study assessed if the existing data (i.e. census, registries and other surveys) could provide the desired indicators and measure the SSE contribution in the country. The study was favourable and Mexico initiated the development of the satellite account.

**Take into account national specificities while trying to tend to international comparability**

Adapting international guidance on data collection and the production of statistics to national specificities remains a challenge, which could be overcome through the adoption of a modular approach. Portugal’s National Institute of Statistics (INE), has been building its Social Economy Satellite Account (SESA) since 2013, using a unique modular approach, namely an approach consisting in “dividing and providing information for each sub-group of entities (such as cooperatives, associations, foundations, etc.). These sub-groups can then be combined, divided, rearranged in several different ways, based on the needs of the users of the information” (Bouchard and Salathé-Beaulieu, 2021[51]). The modular approach allows Portugal to have aggregated information on the SSE and specific statistics on each type of organisation, including some that are particular to the Portuguese context, such as the Holy Houses of Mercy. As a result, the scope, size and impact on the economy of each type of organisation are truly portrayed, providing better information for analysis and decision-making.

Relying on international data collection on the production of SSE statistics contributes to international comparability. International organisations such as the International Labour Organization (ILO) and the United Nations provide such frameworks by codifying practices through statistical definitions, indicators, guidelines, and handbooks. This international guidance has been developed in close collaboration with academics, practitioners and policy makers. Most commonly used frameworks include the UN Handbook on Non-Profit Institutions in the System of National Accounts (UN NPI Handbook), the UN Handbook on Satellite Account on Non-profit and Related Institutions and Volunteer Work (UN TSE Handbook), and the CIRIEC Manual and ILO Guidelines on cooperatives. Various countries use these frameworks, and some even combine them. For example, Portugal used the approaches of the TSE

14 Holy houses of mercy, also known as casas santas de misericórdia, play an important role in the social care of citizens in Portugal.
Handbook and the CIRIEC Manual in its system to produce statistics of higher quality and international comparability (Ramos, 2019[50]). As methodological and conceptual frameworks continue to evolve, countries need to remain engaged in the conversation about data collection and the production of statistics on the SSE. For example, the seminar\(^{15}\) on satellite accounts for third sector and social economy organised by the OECD in 2017, promoted an open and constructive discussion on the challenges and opportunities of developing national satellite accounts for the third sector and the social economy.

**Integrate satellite accounts with other statistical products to complement and validate the data collected**

An extended set of indicators and data collection tools could better measure and capture the full added value of the social and solidarity economy. Satellite accounts have high value, promote knowledge visibility and self-recognition of the SSE field, and support the public policy-making process. Nevertheless, it is essential to design complementary mechanisms to complement and validate the collected data. Information from national institutes, surveys, regional observatories, and SSE organisations could serve both purposes. For example, in Mexico, two complementary initiatives are used, namely the national registry of SSE organisations, aiming to provide an additional record complementing the information from the satellite account, and a set of indicators related to the program for SSE promotion,\(^{16}\) which offer additional measurements on the evolution of the social and solidarity economy in the country. The produced information is thereby more robust and provides strong evidence for policy makers to design, implement, monitor, evaluate and adapt efficient public policies to support the SSE development.

**Co-produce data with SSE actors**

Co-producing data with other actors, especially SSE networks and researchers, can contribute to collect reliable information. Combining the knowledge and expertise of SSE actors, researchers and statistical offices allow to build better tools that capture relevant and reliable information to meet the needs of SSE actors. This participatory approach, including SSE stakeholders with ground experience, will facilitate data collection, and lead to higher quality information on the SSE. For instance, Portugal’s Satellite Account is the result of a collaboration with the António Sérgio Cooperative for the Social Economy (CASES), an entity that gathers and represents social and solidarity economy actors in Portugal.

\(^{15}\) [https://www.oecd.org/cfe/leed/working-seminar-on-satellite-accounts.htm](https://www.oecd.org/cfe/leed/working-seminar-on-satellite-accounts.htm).

\(^{16}\) [https://www.gob.mx/inaes/documentos/acuerdo-por-el-que-se-aprueba-el-programa-de-fomento-a-la-economia-social-2021-2024](https://www.gob.mx/inaes/documentos/acuerdo-por-el-que-se-aprueba-el-programa-de-fomento-a-la-economia-social-2021-2024).
Preliminary policy highlights

The workshops and focus groups conducted within the framework of the OECD-Colombia co-operation project allowed discussions on the contribution of social economy to tackling informality and SSE information systems. Policy orientations have been elaborated to build a conducive SSE ecosystem in Colombia based on the self-assessment results and the insights and lessons derived from the international experiences that have emerged from the exchanges. Table 4 provides a summary of policy orientations.

Further work, including an in depth policy review on social and solidarity economy, could be undertaken to thoroughly analyse these preliminary policy highlights and provide an action plan.

Table 4. Preliminary policy highlights

<table>
<thead>
<tr>
<th>To build a conducive SSE ecosystem</th>
<th>√ Raise awareness of the advantages offered by the SSE model</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>√ Promote collaboration between SSE organisations and public entities</td>
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<tr>
<td></td>
<td>√ Promote microfinance, including microcredit, for the development of the SSE</td>
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<tr>
<td></td>
<td>√ Encourage the setting up of SSE umbrella organisations to serve as points of contact</td>
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<tr>
<td></td>
<td>√ Offer training opportunities to SSE organisations and policy makers</td>
</tr>
<tr>
<td>To overcome the challenges around informality through SSE models</td>
<td>√ Use financial support to promote formalisation of labour and businesses</td>
</tr>
<tr>
<td></td>
<td>√ Promote specialised entities to support each type of SSE organisation to avoid unemployment and informality</td>
</tr>
<tr>
<td></td>
<td>√ Support workers’ buyouts to sustain high-quality formal jobs and enterprises</td>
</tr>
<tr>
<td></td>
<td>√ Use social vouchers to formalise jobs and promote formal businesses</td>
</tr>
<tr>
<td>To develop robust SSE information systems</td>
<td>√ Organise and harmonise existing data sources</td>
</tr>
<tr>
<td></td>
<td>√ Conduct a feasibility study before building a satellite account on the social and solidarity economy</td>
</tr>
<tr>
<td></td>
<td>√ Take into account national specificities while trying to tend to international comparability</td>
</tr>
<tr>
<td></td>
<td>√ Integrate satellite accounts with other statistical products to complement and validate the data collected</td>
</tr>
<tr>
<td></td>
<td>√ Co-produce data with SSE actors</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration
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About the OECD Social Economy and Innovation Unit

OECD began work on social entrepreneurship over 25 years ago. The OECD assists national, regional and local governments in designing and implementing strategies to support the SSE and social enterprises by providing them with tailored and evidence-based policy recommendations. The work supports the OECD’s Local Economic and Employment Development (LEED) Programme of the Centre for Entrepreneurship, SMEs, Regions and Cities.

For more information, visit our website: www.oecd.org/cfe/leed/social-economy/

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