



International
Labour
Organization

ILO's work on Social and Solidarity Economy

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UN

Inter-Agency Task Force on **Social and Solidarity Economy**

The **UN Inter-Agency Task Force on Social and Solidarity Economy (TFSSE)** brings together UN agencies and inter-governmental organizations with a direct interest in SSE as well as umbrella associations of international SSE networks.

It aims to:

- enhance the recognition of Social and Solidarity Economy Enterprises and Organizations (SSEEOs) in sustainable development;
- promote knowledge on SSE;
- consolidate SSE networks;
- support the establishment of an enabling environment within and outside the UN system;
- ensure coordination of international efforts.



Members

UNRISD	UNESCO
ILO	UNEP
UNDP	UNIDO
UN-DESA	UN Women
FAO	WFP
WHO	OECD
UN-NGLS	TDR
UNAIDS	ECLAC
ESWCWA	UNECE
	UNCTAD



Observers

EESC
GSEF
MedESS
EMES
SSE International Forum (formerly Mont Blanc meetings)
International Co-operative Alliance (ICA)
RIPES

Defining Social and Solidarity Economy (SSE)

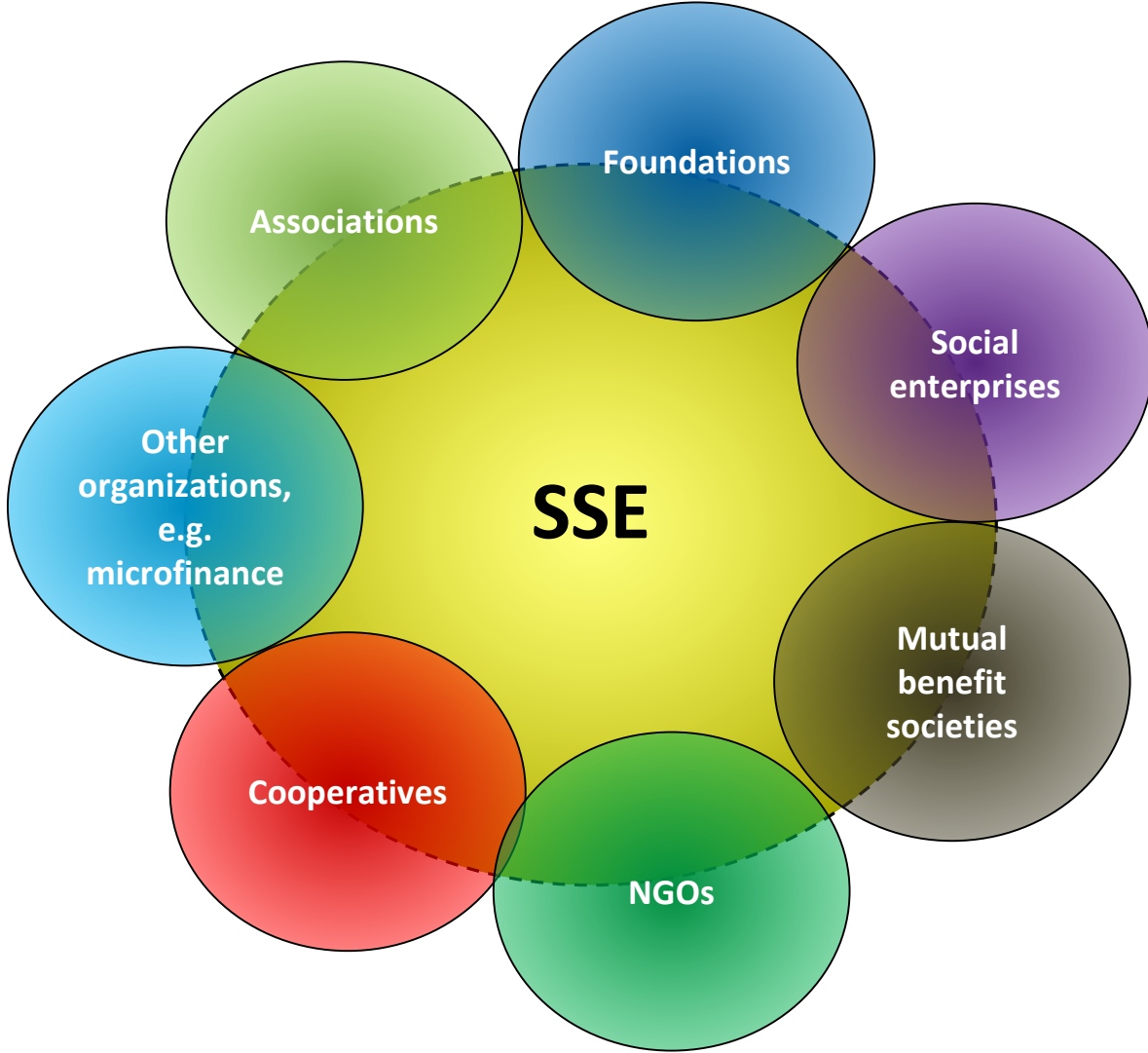


While there is no internationally agreed definition of SSE, the UNTFSSE considers it an **umbrella concept** and uses the following:

“Social and solidarity economy is defined as a concept designating enterprises and organizations, in particular cooperatives, mutual benefit societies, associations, foundations and social enterprises, which have the specific feature of producing goods, services and knowledge while pursuing both economic and social aims and fostering solidarity”

ILO Promotion of Cooperatives Recommendation, 2002 (No. 193) calls for measures to be adopted for “establishment and expansion of a viable and dynamic distinctive sector of the economy, which includes cooperatives, that responds to the social and economic needs of the community”

SSE Actors



Common characteristics of SSE organizations

Common features	Comments
Economic and Social Function	<ul style="list-style-type: none"> • Combined social and economic objectives • Produce goods and services on a permanent basis • Do not seek profit maximisation but some SSEOs can be for-profit or generate surpluses (e.g. cooperatives) <ul style="list-style-type: none"> ○ Legally-binding, strict rules on use of surpluses/redistribution of surpluses
Collective Dimension	<ul style="list-style-type: none"> • Based on the will of people/groups to join forces in order to meet their own needs or those of others • Collective dimension depends on the definition and type of organisation <ul style="list-style-type: none"> ○ Very strong in cooperatives (collective ownership); ○ Less strong in some social enterprises • Collective dimension is not in contradiction with a strong leadership
Solidarity	<p>Operating methods based on solidarity (either altruism or reciprocity)</p> <ul style="list-style-type: none"> • Goals not primarily oriented to accumulated capital or generating profits • Aims to include rather than to exclude
Autonomy	Autonomy of the organisation in management and in decision making processes
Voluntary involvement	No compulsory affiliation
Participation	<ul style="list-style-type: none"> • Members/users/beneficiaries have the opportunity to be the owners of the organisation and/or to actively take part in the decision making process • Participation can take various forms (from one person/one vote to more flexible ways) but should be defined and done on a systematic and explicit basis (as being mentioned in formal documents and/or clearly known and understood by all involved stakeholders) • Participation should ideally give the possibility to control and/of imposing sanction

SSE for social inclusion



- Social inclusion is the process by which societies combat *poverty and social exclusion* in a balanced manner, in order to create a “society for all”.

UNDESA 2010: *Analysing and measuring social inclusion in a global context.*

SSE provides an innovative approach through its *collective ownership and democratic governance*, as well as *multi-stakeholder decision-making processes*

- SSE can contribute to social inclusion through variety of means:
 - Services
 - Housing
 - Labour market integration
 - Legal counselling
 - Referral services
 - Providing voice and recognition etc.

The **Madrid Declaration, signed on 23 May, 2017** by 11 EU countries, states:
“[The] common values [of the social economy] also contribute to a future of economic and social progress and are key to achieving the objectives of the Europe 2020 strategy, **in particular with regard to the social and labour inclusion of the most disadvantaged and vulnerable groups [...]**”

SSE contributions to social inclusion – some examples



- A way into work: access to labour markets and employment
 - Formalization of the informal economy through SSE, e.g. cooperatives of waste pickers (who are often migrants or ethnic minorities, such as the Roma);
 - Disability inclusion: SSE organizations encourage active involvement of persons with disabilities in their management
 - Social cooperatives in Italy: at least 30% of employees belong to disadvantaged groups – 45,000 workers from disadvantaged groups work in social cooperatives
 - ILO's PROMESS Project in Tunisia works to create sustainable and decent jobs for youth through the promotion of SSE organizations
 - In South Africa, ILO's SETYSA project supported partners in promoting social enterprise models for youth

SSE contributions to social inclusion – some examples



- Service provision role of SSE organizations
 - Provide access to social protection and care services, e.g. for domestic workers
 - Support to transients, or persons with substance abuse issues in providing assistance and housing
 - Access to financial services including for those marginalized from the formal banking sector
- Providing voice and representation
 - Democratic decision-making structures
 - E.g. indigenous peoples strengthening participation & social dialogue through SSE organizations, while conserving cultural heritage (e.g. artisanal coops in Central America)
 - Supporting integration of migrants, refugees (e.g. social coops in Italy)
 - Disability associations for dignified, independent living (e.g. in Estonia)

Social and Solidarity Economy Enterprises and Organizations (SSEEOs) vs. Inclusive Businesses



- Inclusive businesses:
 - Provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people at the base of the pyramid (BOP) by making them part of the value chain of companies' core business as suppliers, distributors, retailers, or customers.

SSEEOs vs. inclusive businesses



SSEEOs	Inclusive business
<ul style="list-style-type: none">• Involves workers, owners and stakeholders in the enterprise's governance.	<ul style="list-style-type: none">• Provides employment, goods and/or services for individuals at the bottom of the pyramid (BOP).
<ul style="list-style-type: none">• Equal redistribution of profits between owners and stakeholders, if not reinvested directly into the enterprise.	<ul style="list-style-type: none">• Includes these individuals in the company's value chain: suppliers, distributors, retailers or customers.
<ul style="list-style-type: none">• Benefit from an asset lock if there is dissolution of the enterprise i.e. the monetary value of the enterprise upon its dissolution is invested in a fund or transferred to an enterprise with comparable social aims.	<ul style="list-style-type: none">• The monetary value of the enterprise is transferred to the owners of the enterprise at the time of its dissolution.
<ul style="list-style-type: none">• Solves a problem or addresses an issue within the community it serves, namely through social innovation.	<ul style="list-style-type: none">• Bridges the gap: Decreases economic disparity between top and bottom of the pyramid.

Traditional forms of SSE organizations vs. new innovative business models



- Traditional forms of SSE organizations, such as cooperatives & NGOs often arise when the public welfare system is absent or lacking.
 - Harness the strength and leverage of a **group** to meet a **collective need**.
 - Target vulnerable groups: youth, women, persons with disability, etc.
- New forms of SSE pursue social goals through their economic activities.
 - Play a transformative role by providing innovative solutions to a problem or issue faced by the community it serves.
 - Employ or provide goods and/or services to vulnerable groups.