



# **Co-building / co-designing public policy: a perspective for European SSE stakeholders**

*Concept Note*

*Working Group on Public Policies and SSE*

*September 2017*

## **Abstract (EN)**

The European Union is at a historical moment, confronted by social and political challenges that European members need to overcome to build a common future. Notions such as economic progress, inclusive society and social justice need to be discussed in the perspective of the coming phases for the European development, with greater specification on the cross-cutting mechanisms for the implementation of the UN Sustainable Development Goals (SDGs) in the 2020-2030 plan for European development.

**The challenge is to redefine economic activity as embedded it in a model that serves a human right approach.** RIPESS Europe advocates for the development of a European economy and society based on a **model of social innovation combining two registers of democratic participatory solidarity: one based on egalitarian reciprocity and the other on public redistribution.** There is an urgent need to provide far more active support for SSE initiatives as a political project of social transformation at European level. **SSE networks must be identified and invited to join the conversation in all aspects of public policy and regulation, given the important needs for adjusted mechanisms of support required to reinforce local and regional initiatives in their capability to develop resilient opportunities for truly sustainable development.**

**We advocate for the consolidation of representative, participatory and deliberative democracies based on the expression of collective needs and a human rights-based approach, plural democracy being linked to a plural economy.** All forms of social innovation need to be mobilized to preserve social inclusion, integration and cohesion in Europe. **A cross-cutting approach for SSE is required for all existing economic sectors,** in order to include specific regulations that promote non-profit, civil society-based initiatives and collective entrepreneurship. Internal dialogue and negotiation for sectoral regulation should aim and help to implement fairer redistribution and reciprocity mechanisms in the sectors in question, as well as innovative modes of democratic and citizen regulation of economic activities.

**Some specific public policies need to be developed for SSE initiatives, understood as a field of action and overall concept:** the development of SSE education, Initial and Vocational Education and Adult Training is a major aspect, as well as supporting local initiatives developing specific governance mechanisms, the support for coordination, and the investment in R&D. **European Structural and Investment Funds should be strongly engaged in financing programmes and projects that implement the SDGs** to achieve social justice and equity, equality at territorial level and fair redistribution of all means and wealth, and by promoting more specifically **necessary public services, local citizen initiatives, and supporting cooperation processes and mechanisms.**

Innovative modes of democratic and citizen regulation of economic activities should be **implemented through a co-construction process between public authorities and organised citizens,** as well as through public policies that enable self-managed economic and collaborative organisation.

## **Abstract (FR)**

L'Union Européenne traverse aujourd'hui un moment historique : aux prises avec des défis sociaux et politiques majeurs, ses pays membres doivent surmonter ces épreuves pour construire un avenir commun. Des notions telles que le progrès économique, la dimension inclusive d'une société, ainsi que la justice sociale doivent être discutées dans la perspective des prochaines étapes du développement européen, afin de caractériser et développer plus énergiquement les mécanismes transversaux dans le cadre de la mise en œuvre des Objectifs de développement durable des Nations Unies (SDG) Plan 2020-2030 pour le développement européen.

**Le défi consiste à redéfinir l'activité économique en l'intégrant dans un modèle qui réponde à une approche fondée sur les droits de l'homme.** Le RIPESS Europe préconise le développement d'une économie et d'une société européennes basées sur un modèle d'innovation sociale combinant deux registres de solidarité participative démocratique: l'une basée sur la réciprocité égalitaire, et l'autre sur la redistribution publique. Il est urgent de fournir un soutien beaucoup plus actif aux initiatives de l'ESS en tant que projet politique de transformation sociale au niveau européen. **Les réseaux ESS doivent être identifiés et invités à participer aux espaces de discussion à tous les niveaux de la politique publique et de la réglementation, compte tenu des besoins importants en matière de mécanismes de soutien adaptés, qui sont nécessaires pour renforcer les initiatives locales et régionales dans leur capacité à développer des initiatives résilientes, pour un développement véritablement durable.**

**Nous préconisons la consolidation de démocraties représentatives, participatives et délibératives fondées sur l'expression de besoins collectifs et sur une approche basée sur les droits de l'homme, la démocratie plurielle étant liée à une économie plurielle.** Toutes les formes d'innovation sociale doivent être mobilisées pour préserver l'inclusion sociale, l'intégration et la cohésion en Europe. **Une approche transversale de l'ESS est nécessaire, qui prenne en compte tous les secteurs économiques existants, afin d'inclure des règlements spécifiques qui favorisent les initiatives à but non lucratif, à base de société civile et l'entrepreneuriat collectif.** Le dialogue et la négociation qui ont trait à la réglementation sectorielle devraient ainsi avoir pour objectif et aider la mise en place de mécanismes de redistribution et de réciprocité plus équitables dans les secteurs concernés, ainsi que des modes innovants de régulation démocratique et citoyenne des activités économiques.

Certaines politiques publiques doivent être développées plus spécifiquement en direction des initiatives de l'ESS, entendues comme un champ d'action et un concept global: le développement d'un curriculum pour l'éducation initiale, professionnelle et la formation des adultes adapté au parcours professionnel de l'ESS est un aspect majeur à prendre en compte, ainsi que le soutien au développement de mécanismes de gouvernance spécifiques propres aux initiatives locales, le soutien à la coordination et l'investissement en R & D. Les Fonds Structurels et d'Investissement pourraient ainsi se concentrer plus particulièrement sur le financement de programmes et de projets qui mettent en œuvre les

ODD afin de promouvoir activement la justice sociale et l'équité, l'égalité au niveau territorial et la redistribution équitable de tous les moyens d'action et de la richesse, ainsi qu'en favorisant les services publics nécessaires, et en soutenant les processus et les mécanismes de coopération.

Des modes innovants de régulation citoyenne des activités économiques devraient être organisés grâce à un processus de co-construction entre les autorités publiques et les organisations de la société civile, ainsi que par des dispositifs légaux qui facilitent l'autonomie d'organismes économiques collaboratifs.

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## **1. Social Solidarity Economy as a political project of social transformation at European level**

The European Union is at a historical moment, confronted by social and political challenges that European members need to overcome to build a common future. Notions such as economic progress, inclusive society and social justice need to be discussed in the perspective of the coming phases for the European development, with greater specification on the cross-cutting mechanisms for the implementation of the UN Sustainable Development Goals (SDGs) in the 2020-2030 plan for European development.

Many European countries have also developed dedicated SSE framework legislations and public policies in recent years. This ranges from local to regional and national level of regulation, including some constitutional recognition. There is a wide range of definitions for this field of action, from the classical « third sector » to a more political definition for SSE stakeholders, including a variety of legally recognised entities – such as cooperatives, mutual societies, associations, etc. This is valid from both a micro and macro economic point of view and includes such concepts as non-profit economic activities, Commons and commoning, local development, etc. These many and varied approaches encompass a rich array of theoretical approaches, reflecting the current and contemporary civil society, social movements and mobilisations as well as country specific historical trajectories and social definitions of active solidarity and alternative approaches to neo-liberalism.

In this context, it is both tempting and dangerous at European level to confine SSE to a floating but reductive perimeter such as « the third sector » limiting SSE to mere social inclusion from an economic point of view. This would reduce SSE to a lobbying actor from an institutional and political point of view. SSE must be recognised as a genuine and full alternative to capitalism in its redistributive and inclusive reality that can cover all economic sectors and provide far-reaching change.

There is an urgent need to provide far more active support for SSE initiatives as a political project of social transformation at European level. SSE networks must be identified and invited to join the conversation in all aspects of public policy and regulation, given the important needs for adjusted mechanisms of support required to reinforce local and regional initiatives in their capability to develop resilient opportunities for truly sustainable development. As a European Network comprising 38 networks in more than fifteen countries, RIPESS Europe advocates for the increasingly important number of initiatives covering all European territories that bring resilient, collective and emancipatory opportunities through the development of solidarity economy: cooperatives, associations, mutual aid societies, credit unions, solidarity funds and solidarity finance mechanisms, unions, popular education and academies, solidarity-based cultural structures, solidarity markets, community supported agriculture and food sovereignty etc. They develop resilience and capacities that are rooted in organizational methods that promote freedom, reciprocity, collective solutions to citizens' needs and aspiration of all kinds, solidarity and equal opportunities, as well as human rights through specific and adapted approaches from local to global levels.

## **2. Social innovation and inclusive solidarity: a transformative scenario for a common European Future**

### ***2.1. Social innovation based on egalitarian reciprocity and public redistribution: a general perspective for European public policy (1)***

RIPES Europe advocates for the development of a European economy and society based on a model in which social innovation no longer merely maintains the status quo. It is also transformational, and highly complex. It does not merely respond to peoples' needs, but also to aspires towards a new paradigm of social change; it includes a reflection on the various levels of institutions, as well as on the institutional and political mediation that is required to enable social innovation to transform the institutional framework.

This conception of social innovation combines two registers of democratic, participatory solidarity: one based on egalitarian reciprocity and the other on public redistribution. This leads us to conclude that social innovation implies the reconfiguration of public issues, the public nature of citizens' initiatives. This is determined in a form of solidarity economy that advocates for the consolidation of representative, participatory and deliberative democracies based on the expression of collective needs and a human rights-based approach.

Furthermore, plural democracy must be linked to a plural economy. We thus return to the fundamental contribution of Karl Polanyi to which we can add that of Eleonor Ostrom on the issue of the Commons. **The challenge is to redefine economic activity, embedding it in a model that serves the majority, rather than the minority interests.**

What is therefore fundamentally different in this second scenario (2) of social innovation that leads to social transformation, thanks to its inclusive solidarity, is that it considers, links and builds the relationship between the institutional framework and civil society's expressed needs and aspirations, thus determining collective actions. It is therefore no longer a question of prioritising actions that privilege the private sector, but rather about approaches that enrich public action to renew and redemocratize democracy.

#### ***The challenges of a policy of social innovation***

All forms of social innovation need to be mobilized to preserve social inclusion, integration and cohesion in Europe. Some emerging trends however focus institutional support on those aspects that can be related to token solidarity. In relation to this, it is necessary to mention the importance of what the inclusive form of solidarity represents, as expressed in the solidarity economy.

European Union policies urgently need to be redirected towards a cohesion-building policy that takes into account the diversity of initiatives and economies at work in the countries, and the capacity of everyone to contribute to the public and common good. In particular, civil society initiatives that express the aspiration of people to have real democratic and

economic freedom should be encouraged and supported. This implies reaching beyond the current approach based on silos, and building truly cross-cutting policy.

## **2.2. Public policies adjusted to SSE specificities and to economic citizenship**

A shared vision for European development can be built by placing the willingness and ability of SSE to participate in the public, democratic life of the EU, and jointly build a European framework and body of public policy. In terms of such public policy, several perspectives should be taken into consideration:

- **A cross-cutting approach for SSE is required for all existing economic sectors**, in order to include specific regulations that promote non-profit, civil society-based initiatives and collective entrepreneurship. Internal dialogue and negotiation for sectoral regulation should aim and help to implement fairer redistribution and reciprocity mechanisms in the sectors in question, as well as innovative modes of democratic and citizen regulation of economic activities. The United Nations Inter-agency Task Force on Social and Solidarity Economy provides some interesting institutional answers, addressing the need for flexible and reactive inter-institutional action.
- **Some specific public policies need to be developed for SSE initiatives. SSE should not be considered as a sector, but as a vector for change, a field of action and overall concept:** the development of SSE education, Initial and Vocational Education and Adult Training is a major aspect. Local initiatives that also work towards including new forms of citizenship in the economic space should be supported by developing specific governance mechanisms. This is because they are actively creating a new public space of proximity relations that combine political and economic development. The need for coordination, the investment in life-long training in social aspects of R&D should be supported per se.
- **Some legal adjustments are also required when it comes to the collective dimension of SSE:** stakeholders frequently face difficulties in meeting institutional legal standards, that are still required in the traditional economy, but are not always relevant in SSE. For instance the regulation of social dialogue in cooperatives and workers cooperatives of workers, health and safety standards for small-scale food producers that are aimed at industrial agriculture, and ill adapted to their needs; social standards and tenders need to be adjusted to provide access to institutional mechanisms without endangering the legal notion of social standards, etc.
- **The development of solidarity initiatives also depends on the recognition of their economic specificities, in particular the non-profit and non-competitive dimensions, as well as their integration in a general interest and common good perspective.** Their recognition at European level as economic and 'non-economic' services of general interest - whether non-profit or profit-limited and as



such considered as not competitive – is of major importance. Their development also depends on the close connection with their environment and the Services of General Interests, as SSE initiatives carry out activities of social utility that participate in a democratic and equitable economy. Working on a more solid bundle of indicators that define non-profit and non-competitive initiatives, as well as the legal recognition of those two dimensions not as an economic exception but as fully legally framed categories is crucial.

- **European Structural and Investment Funds should be strongly engaged in financing programmes and projects that implement the SDGs to achieve social justice and equity, equality at territorial level and fair redistribution of all means and wealth**, by promoting and more specifically financing :
  - **necessary public services**, guaranteeing local social and institutional development, according principles of universal and unconditional access
  - **local citizen initiatives**, non-profit and rooted in general interest perspectives, involving civil society in co-designing and co-building local public policies for general interest
  - **supporting cooperation processes and mechanisms**, helping building sectoral and trans-sectoral networks and civil society organisations and spaces for civil dialogue, integrating territories equity as a major goal.
- **Determine specific indicators for selected SDGs and develop multiple projects that demonstrate the relevance of SSE in achieving measurable progress.** In a society in transition, SDG 12 ("Responsible production and consumption") is particularly relevant to developing such progress. Most SSE initiatives are local, and therefore this can help demonstrate the relevance and importance of participatory implementation of the SDGs. Likewise SDG 11 ("Sustainable cities and communities") provides an opportunity for the implementation of innovative SSE approaches to the delivery of services and affordable collective approaches to housing and local land management. SDG 2 ("End Hunger") is inevitably linked to the right to food and food sovereignty, and SSE provides many different entry points to achieve this. Finally, SDG 13 ("Climate action") is implicit in all SSE work, given the massive re-localisation and low-carbon production / consumption provided by SSE.
- **Diversified territorial approach:** it is necessary to articulate European policies to integrate in a comprehensive and inclusive way local and community based approaches, needs and aspirations.

- **Enhance solidarity economy specific dynamics:** cooperations and civil society support mechanisms – which can include self-limitation, variation on spin-off. Those dynamics are to be distinguished from development models such as exclusive scaling-up dynamics.

### 3. Next steps regarding the European Union agenda

Here are some suggestions to move forward in the co-construction of public policies:

- **Join major conversations for SSE stakeholders, such as 2020 / 2030 European Union perspective of development,** including the SDG's and the platform: what kind of possible contribution? Some members of RIPESS are already engaged in the dialogue to establish a Common Food Policy led by IPES-Food. This includes reference to SSE solutions that increase the approach to building sustainable food systems, access to land, water and seeds.
- **Development of participative and shared data collection on SSE practices and development.** Better cooperation with academics and policy research centers. A common SSE public policy mapping, especially at the local, municipal level, should be implemented with the participation of many different SSE networks and actors.
- **European Social Pillar:** The basis of fundamental social rights must be placed at the heart of this horizon, and in support of this solidarity-based economy to ensure a universal social security for workers, as well as education and culture. These three human dimensions, inherently competitive and non-commodified, must form the emancipatory and democratic pillar necessary to feed our ability to create humanity as a whole.
- **Evaluation methodologies:** there is the need of ethics of relationship and long-term assessment / continuity of dialogue between the different stakeholders, including public actors. Long lasting spaces gathering the stakeholders for debating the implementation of public policies should help public decide of adjustments at a local and regional level, as a method of improving public policy.
- **Public procurements** should include criteria recognising and enhancing responsible, non-profit and locally based initiatives, consistent with socially responsible means of production. Collective entrepreneurship could also be considered as a criteria. A bundle of those specific criteria could be discussed with the citizen in order to identify the general interest goals at stake in public procurements.
- **Free trade agreements:** CETA, TTIP, EPAs and all the trade agreements which are being negotiated without the EU citizens' participation, need to be stopped and a

solidarity and fair trade agreements European strategy has to be developed, involving all the relevant stakeholders.

- **The future of labour – ILO report on SSE 2017:** it is important to take into consideration the main perspectives identified by ILO as a promoter of Labor rights as human rights, and the centrality of those right in the international peace process.

*“As stakeholder (rather than shareholder)-oriented enterprises, they tend to cater more to the needs of their workers and other constituents; as enterprises rooted in their local communities, they are less likely to move in search of cheaper labour and more likely to identify emerging needs at the local level to which address their activities; as not-for-profit enterprises, they can leverage fiduciary relations, volunteer work and donations that enable them to operate in low-profit sectors. Due to these characteristics, SSE organizations can help create and preserve employment in traditional sectors and advance the ILO’s decent work agenda by providing quality and stable jobs, facilitating women’s entry into the labour force, integrating disadvantaged workers and helping the transition from informal to formal employment. SSE organizations can also help channel jobs in emerging sectors like the silver economy, that are at risk of informal or non-standard forms of work, within entrepreneurial organizations that can provide more structure and security. This will be particularly important in the coming years, as a larger share of employment will come from the service sector (including in particular personal care and social services) and will be much less structured than in the past due to the rise of the gig economy.”*

- **Open and free Internet, and the digital labor issue:** from start, the potential of the Internet for cooperatives and new forms of solidarity-based economy (direct purchases from small producers, collective use of resources such as transportation, etc.) has emerged, as well as to facilitate forms of more flexible and remote working. However, Internet has also served to deepen the neoliberal models of job insecurity and fragmentation, facilitating the outsourcing and offshoring of services, with a per product instead of a salary payment) model. In addition, with the boom of the so-called "sharing economy" (better called gig economy), emerging new monopoly intermediaries (eg. Amazon, Uber, Airbnb) seeking to privatize the solidarity potential of the Internet. All this is affecting labour rights and the negotiation of contracts and collective rights, which were conquered after centuries of struggle.

## NOTES

(1) Extract from RIPESS Advisory Committee, « Social innovation in Europe: what relation with solidarity economy? », Brussels, January 28th 2016 (see: [ripestt.eu](http://ripestt.eu))

(2) Regarding the first scenario presented as « model of social innovation and weak solidarity », in which « social innovation stems from a new framing in the Market. That is to say, market competition is quite decisive in the recognition of the relevance of **social innovations that are evaluated on their effectiveness and considered on the basis of their degree of financial return and commercial ability to be self-financing**. There is now a penetration of the commercial model that impacts the issue of poverty as well as the environment. It depends on the privileged tools of partnerships with large private enterprises and the re-internalisation of externalities, such as the market's right to pollute. Obviously, social innovation in a perspective of weak solidarity, also follows the direction of a plea for the capacity of capitalism to reform itself as well as its moralization. There is a whole array of new institutions dedicated to such a conception of social innovation: corporate social and environmental responsibility, entrepreneurial citizenship, venture philanthropy, the bottom of the pyramid as a marketing adapted to the market for the poor, social impact bonds, or even social business. »