INTRODUCTION

The Emergence of the Social Economy in Public Policies
An International Analysis

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Introduction

Over the last few years a wave of public actions addressing the whole field of the Social Economy has been rolled out by many and various supranational, national and regional public bodies all over the world.

At international level the European Parliament in 2009 approved the “Toia Report” on the Social Economy that challenges national governments and Community authorities and calls on them to deploy measures of support. In 2008 and 2011 the European Commission issued two Communications defining the support for social enterprises and the Social Economy as one of the priority lines of action for the coming years. Finally the ILO who, some years previously had approved a Recommendation to the national governments supporting the cooperatives, has opened a new line of work on the Social Economy, including the contribution of expertise to governments such as Bolivia, Morocco and South Africa.

At national level, Spain, Greece and Ecuador have recently adopted national laws on the social and solidarity economy that institutionalise the recognition of the Social Economy and its representative federations and its participation in public policies and that oblige the public authorities to implement support mechanisms. They may perhaps be followed
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by Portugal, Poland, Romania, Mexico and France. Other countries, such as Brazil and Argentina, have deployed ambitious new support programmes in this field.

Infra-national or regional governments such as Quebec in Canada and Andalusia and the Basque Country in Spain, the three Belgian regions (Wallonia, Flanders and Brussels) and several regions of France have integrated the Social Economy in their economic and social development policies while rolling out support programmes for the medium term, often working alongside other social partners, for instance the trade unions.

Platforms representing the Social Economy have been set up in many of these countries and regions, such as SOCIAL ECONOMY EUROPE at European level, CEPES in Spain, CEGES in France and ConcertES in Belgium. International networks have also been constructed, such as REVES – the Réseau européen des régions et villes pour l’économie sociale, ESMED – the Réseau Euroméditerranéen (European and African) for the social economy or FUNDIBES – the Fondation ibéro-américaine pour l’économie sociale, integrating the national governments and platforms of Portugal, Spain and most of the Latin American countries. Likewise, on the public sector side, public bodies specialised in the support of the Social Economy have been created, sometimes through conversion of old agencies, such as INAES in Argentina and Dansocial in Colombia, other through ex-nihilo creation, such as the Délégation Interministérielle à l’Économie sociale then the ministère de l’Économie sociale et solidaire in France, and others, such as in Portugal, through a public-interest cooperative, CASES, on the basis of a partnership between the public sector and the social economy movement.

This brief panorama reveals on the one hand the growing interest in the whole economic and social field of the Social Economy among the public authorities and, on the other, a certain consolidation of international recognition of the concept of the Social Economy, as a differentiated reality of the public economy and of the private capitalist economy. This intellectual element has been a prior condition to the construction of policies in the matter. Barely twenty years ago the Social Economy was a concept very little known and recognised outside France.

The integration of the Social Economy (or its enterprises) in public policies is not new. What is new is the emergence of its integration as an economic and social field in the wide sense, as a sector of private enterprises and organisations whose manner of taking decisions is participative and democratic, whose manner of sharing out profits favours activity, persons and work rather than the capitals and whose objective is to serve the group interest of the members and/or of the collectivity. This
vast field, as intellectual construction of a socio-economic reality, includes the cooperatives, the mutual insurers and the associations, but also other forms of organisations constructed by the civil society to meet its own needs and face the socio-economic problems that it encounters.

In fact, historically and particularly since the 1950s-1960s, in many countries (of Western and Eastern Europe, in Africa and America), the policies that have taken account of the Social Economy have been very numerous although fragmented between the sectors of economic activity and the large “families” of the Social Economy responding to the manifold priority demands of countries: the cooperatives have thus been integrated in the economic policies in order to structure certain sectors of activity badly split because based on strong professional autonomies (such as agriculture, traditional crafts, building); the work cooperatives, the social cooperatives and the insertion enterprises have formed part of the active employment policies of certain governments; other cooperative forms have also been supported to ease access for families to consumption, housing and credit. The mutual insurers have been integrated into providential and social security systems. Finally, the associations, foundations and other non-profit organisations have been called upon and financially supported to complete – if not even develop – the public services of the Welfare State.

Since the 1970s-1980s we have witnessed contradictory trends and developments: for one thing the waning of old forms of the social economy that have gradually been subjected to greater competition due to policies of liberalisation, for instance in agriculture, finance and commercial distribution or general-interest services and social protection; but also the rise of new collective economic forms pursuing a social object that are more given to internalising the social costs (social bond, guidance, insertion, education, sharing), enterprises/organisations integrated in new social policies within a framework of reorganisation of the Welfare State.

Historically the taking account of the Social Economy by the public authorities has largely depended on relations between the State and this “vast third social sector”. Thus, as a whole of intermediate groups between the “civil society” and the State, the Social Economy has long aroused more suspicion among the public authorities and in authoritarian regimes (rejecting intermediaries between individual and State) than in more liberal regimes (rejecting intermediaries between individual and market). Now, freedom of association is a precondition for the creation of groups of persons eager to take direct control of their conditions of employment and/or living, their access to consumption, to credit via the collective forms that are the associations with economic activity, the cooperatives and the mutual societies. The history of relations between
the Social Economy and the State is therefore relatively contradictory and variegated, spanning phases of prohibition and repression, suspicion and control, tolerance and then recognition, if not actual instrumentalisation.

The current financial, economic and social crisis – which does not spare the developed countries, while the developing countries are facing up to the new expectations of their populations – increases the urgency for new forms of responses to social needs. The purely liberal or Keynesian responses are not sufficient for restoring the conditions for real economic and social development. The Social Economy has regained the attention of the policy makers thanks to the major value-added that it may be able to contribute, more particularly as regards employment, economic development, credit and social services. That is why we are gradually coming to see the emergence of new public policies at national, infra-national and supranational level (in Europe particularly, but also in Northern America) while the international organisations (UNO, ILO, UNPD) are increasingly mindful of the rise of these new organisations in the countries of the South.

However, the Social Economy seems not yet ready to take its place in the agendas of the political decision-makers that the current challenges impose. In order to be able to enter into these political agendas with dignity and assert itself in a context of increased competition and inequalities, the enterprises of the social economy are asking the public authorities to recognise them and include them broadly in their policies, going beyond the level of experimentation. Mostly, however, they want to be recognised as a socio-economic sector in the wide sense and in full, going beyond their historical definition, fragmented if not splintered by the policies actually implemented.

This fragmentation of the Social Economy by activities and policies had its counterpart in its representative structures, highly atomised in multiple platforms and federations whose coherence sprang either from the sectors of activity, or from legal forms and often also socio-political movements in certain countries, such as Italy or Belgium (Christian, Socialist, Communist, etc.). No integration of the movement of the Social Economy in the wide sense existed until the late 1970s, since no intellectual representation had yet been constructed to formulate the sense of its togetherness. This intellectual and political construction was forged in the course of subsequent decades, in parallel with other concepts, for instance that of the non-profit sector.

Over the past twenty years CIRIEC, particularly through its International Scientific Commission “Social and Cooperative Economy” and its international research groups, has devoted substantial intellectual efforts to developing serious research the content of which has a high theory,
comparative and heuristic content at international level and in the field of the Social Economy. CIRIEC has explored the conceptual visions of the social economy, measuring them off against other concepts, for instance those of the non-profit organisations, the solidarity economy and the social enterprises; it has developed instruments for the quantitative measurement of this field; it has studied the challenges and transformations of enterprises and organisations in the social economy facing increasing competition on the markets; it has studied the emergence of new social economies resulting from crises of employment and the Welfare State; it has analysed the forms of democratic governance of enterprises of the Social Economy among other objects of study. This scientific luggage has been placed at the disposal of the public authorities and the social economy movement for a better knowledge, recognition and development of this field. CIRIEC has even been involved in the writing of official documents on the social economy for public institutions, such as the Spanish draft law on the social economy and the Opinions of the European Economic and Social Committee, and the Open Letter from European scholars so that measures of support for the social economy could be genuinely deployed on the part of governments (Appeal “From Words to Action: European Scholars in Support of Social Economy Enterprises”, October 2010).

More recently, in the context already mentioned of this new preoccupation with the Social Economy among the public authorities, a group of researchers from CIRIEC has shared its knowledge of quite diversified national realities to compare its analyses and draw conclusions on the relations between the players in the social economy and the public players in the setting of the emergence of public policies addressing the Social Economy in the more general sense. In this context, CIRIEC’s object of research has been to draw up a first balance-sheet of this public intervention towards the whole of the Social Economy, organisations that mobilise the civil society and structure the new activities, creating new employment while seeking to unite democracy and solidarity.

To take account of the diversity of realities the analyses have always remained open in terms of approaches and methodologies, but they have always had the common denominator of considering as object of study the field of the Social Economy in the wide sense, excluding analyses fragmented by “families of the social economy”, and the integration of this field in public policies.

The questions of research that have given direction to the analyses have included: why have policies emerged that integrate the whole of the Social Economy in certain countries and not in others? How has the Social Economy been integrated in these new policies? What is the
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The scope and limits of these policies? And, finally: which instruments have been used?

The first two chapters set out a general approach of public policies towards the Social Economy in their construction, procedures, objectives and evolutions.

Luc Bernier and Jean Turgeon show us the different factors determining a public policy and the new interests of governance between concerned parties, which complicates the formulation and implementation of policies. This evolution nonetheless creates opportunities for players of the civil society seeking to develop their economic action.

Rafael Chaves looks at the different phases of development of public policies to explain the justifications of public action in the field of the Social Economy. He then goes on to consider the different instruments intended, one, to adapt the environment to the demands of these enterprises and, two, to take direct action on supply or demand.

The three texts that follow are based on a supranational and international approach, on a European viewpoint (the policies of European authorities), on that of an international expert in the ILO and on a Latin American viewpoint.

Enzo Pezzini and Karine Pflüger explore the commitment of the European Union to the Social Economy. If the groups of players are still quite small compared with the big industrial and financial lobbies, the European Economic and Social Committee, like the European Parliament, have long supported the promotion of the Social Economy as a vector of development of employment and the regions, while the European Commission still hesitates between a dichotomic approach (between economy and the social) or an integrated approach (palliative or structuring).

However, the Social Economy is not a specifically Western reality. Leandro Pereira Morais presents a panorama of the main political principles in the countries of the South, stressing its role in the war on poverty, unemployment and exclusion, which is certainly the lowest common denominator in all the various national realities.

Maria Eugenia Castelao Caruana and Cynthia Srnec also present a comparative analysis of the new “wave” of policies of support for the social and solidarist economy rolled out in recent years by progressivist-type governments in several Latin American countries, in particular Argentina, Brazil, Ecuador, Venezuela and Uruguay.

The other chapters of this work present the national and regional realities. The texts by Coutiez et al., Chaves et al., Demoustier, Imamura, Spear, Richez-Battesti et al. and Bakaikoa et al. take account of the process of emergence of policies that integrate the Social Economy as
well as of the wealth and diversity of national and regional policies, which allows an approach to the historic and institutional specificities proper to each country and the convergent trends in configurations as different as Belgium, Spain, the United Kingdom, France or Japan and regions such as the Spanish Basque Country and Provence-Alpes-Côte-d’Azur in France.