



International  
Labour  
Organization

# ► Decent work and the Social and Solidarity Economy (SSE): **focus on Europe and Central Asia**

Cooperatives Unit, Enterprises Department

April 15, 2022 version



## ► General Discussion on Decent Work and the SSE at the 2022 International Labour Conference

- Why a General Discussion on Decent Work and the SSE?
- What is the Office's proposed definition on the SSE for discussion?
- What is the state of the art of the SSE at the global and regional level?
- How can the SSE contribute to decent work and sustainable development?
- How is the SSE related to the work of the ILO constituents?
- What does the ILO do to advance the SSE?
- What are the next steps in the lead up to the general discussion?

# ► Why a General Discussion on Decent Work and the SSE?

## ► The decision

- Decision taken by the 341st Governing Body (GB) of the ILO in 2021 hold a General Discussion on “Decent Work and the Social and Solidarity Economy (SSE)”
- This is the first time that the International Labour Conference (ILC) will have a general discussion on the SSE



## ▶ The global context leading to this ILC General Discussion

- ▶ Growing attention from governments and social partners on **human-centred economic models**.
- ▶ Opportunity to shed light on the **growing diversity of enterprise models** that combine social, economic and environmental objectives.
- ▶ The SSE has gained further recognition for its role during the global financial crises and the recent COVID-19 pandemic.
- ▶ Relevance of the SSE in **building resilience** in the post-pandemic era.



## ▶ The expected outcomes of the ILC Committee on Decent work and the SSE

- ▶ Propose a **universal definition** of the term “social and solidarity economy”, including its associated principles and values
- ▶ **Assess the contribution of the SSE** to managing and promoting the overall support for people through the transitions they face in their working lives
- ▶ **Provide policy guidelines** for a conducive environment for the SSE
- ▶ **Provide guidance to the Office** on how to engage in promoting and advancing the SSE
- ▶ Encourage the Office to **establish and maintain partnerships** with SSE stakeholders



# **What is the Office's proposed definition on the SSE for discussion?**

## ▶ The SSE is an umbrella term that covers institutional units based on values and principles

Values and principles have featured prominently in recent legislation on the SSE, based on a review of selected legislation on the SSE. Most common **values** include:

- ▶ Care for people and the planet
- ▶ Egalitarianism
- ▶ Interdependence
- ▶ Integrity
- ▶ Self-governance



## ▶ A set of SSE **principles** operationalizes the set of SSE values

- ▶ Voluntary cooperation
- ▶ Social or public purpose
- ▶ Autonomy and independence
- ▶ Prohibition or limitation of profit distribution
- ▶ Democratic and participatory governance



► **The SSE includes **organizational forms** operating in accordance with values and principles**

They include:

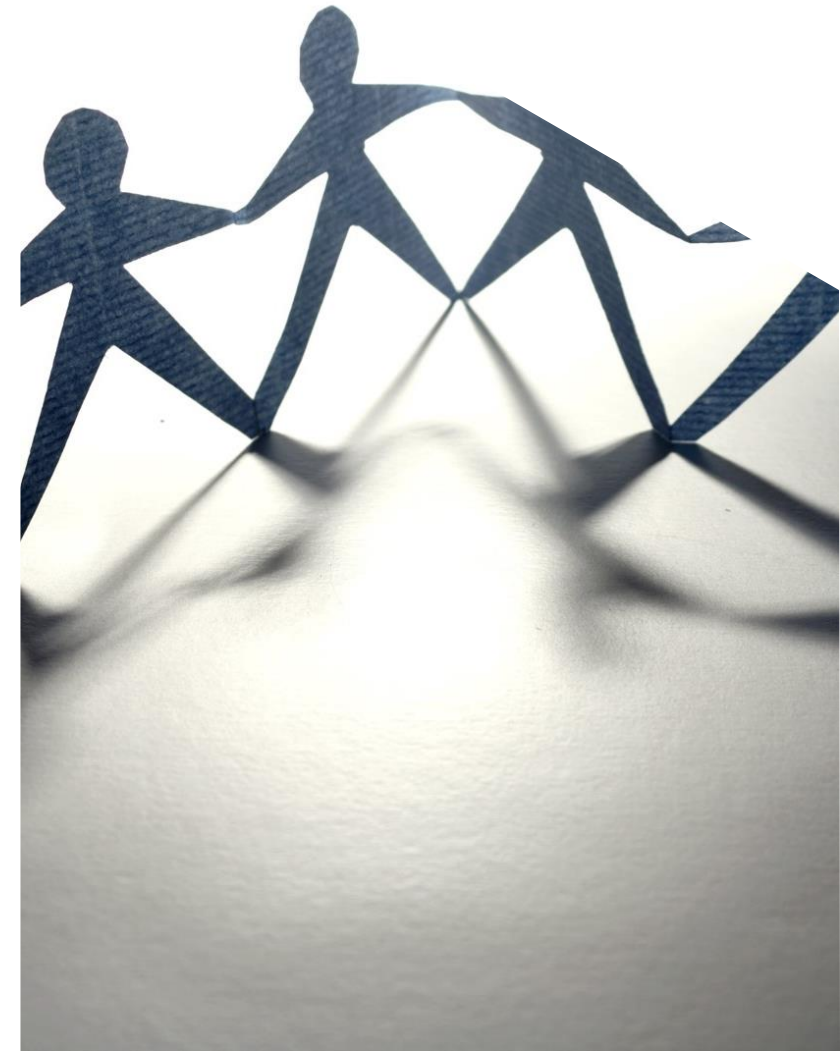
- Cooperatives
- Mutual societies
- Associations
- Foundations
- Self-help groups
- Social enterprises



## ► Proposed **definition** based on values, principles and organizational types

The Social and Solidarity Economy (SSE) encompasses institutional units with a **social or public purpose**, engaged in economic activities based on **voluntary cooperation, democratic and participatory governance, autonomy and independence**, whose rules prohibit or limit the distribution of profit.

SSE units may include **cooperatives, associations, mutual societies, foundations, social enterprises, self-help groups** and other units operating in accordance with SSE values and principles in the formal and the informal economies.



► **What is the state of art on the SSE  
at the global and in the region?**

## ► A global overview of the SSE

### Traditional and new forms:

- Terminology rooted in different traditions (e.g. social economy, third sector, non-profit sector)
- Traditional forms (e.g. associations, cooperatives, mutuals) and new forms (e.g. social enterprises) and sectors

### Institutional support:

- Growing support from regional institutions (e.g. African Union, European Union, Organization of American States, Association of Southeast Asian Nations)

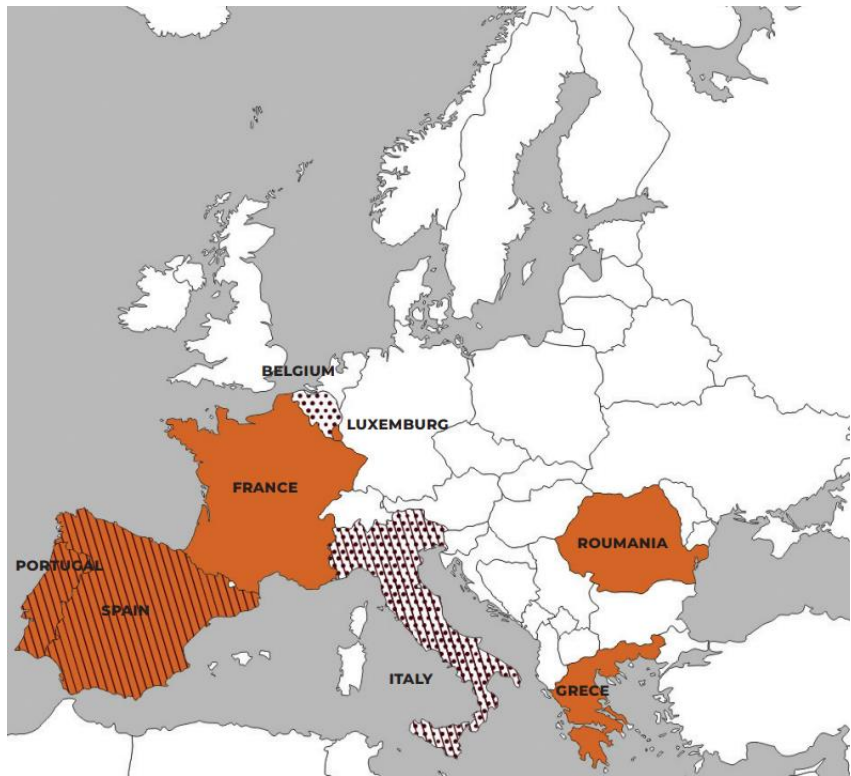
### Policy and legislation:


- Emerging policies and laws on the SSE
- Update of existing policies and laws of organizational forms under the SSE

### Statistics:


- Lack of internationally agreed guidelines on SSE statistics
- Few regions, countries with statistical initiatives, including by their SSE organizations (e.g. Quebec, Portugal)
- International federations (e.g. International Cooperative and Mutual Insurance Federation, International Cooperative Alliance) gather data on the organizational forms under the SSE

## ► Overview of the SSE in Europe and Central Asia (1)



 COUNTRIES WITH A NATIONAL CONSTITUTION THAT REFERS INDIRECTLY TO THE SOCIAL AND SOLIDARITY ECONOMY (NON-EXHAUSTIVE LIST)

 COUNTRIES WITH A NATIONAL LAW ON THE SOCIAL AND SOLIDARITY ECONOMY

 COUNTRIES WITH REGIONAL, FEDERAL OR PROVINCIAL LAWS ON THE SOCIAL AND SOLIDARITY ECONOMY

- The historical roots of the SSE in Europe can be traced back to the **industrial revolution**
- The term SSE is used in some countries while **social economy** and **social enterprise** are more prominently used in others
- Following the fall of the Soviet Union, new types and forms of cooperatives emerged in the Commonwealth of Independent States. The term “social entrepreneurship” is becoming familiar in **Central Asia**
- Some countries have developed policies and programmes to support **social entrepreneurship** and foster **social enterprise development** (16 EU Member States have adopted new legislation on social enterprises)
- **SSE framework laws** are available in some countries (e.g. France, Spain, Portugal, Romania, Greece)

## ► Overview of the SSE in Europe and Central Asia (2)

- At the EU level, statistics on the SSE include:
  - Satellites accounts on the SSE (e.g. Portugal)
  - Some national statistical offices' recent efforts (e.g. Italy)
  - Limited statistics in most of the other countries
- **The SSE features in the institutions across Europe:** European Parliament and its Social Economy Intergroup, Monitoring Committee of the Luxembourg Declaration, EU Commission, Expert Group on Social Economy and Social Enterprises (GECES)
- **Regional organizations and networks representing and supporting SSE development include:** European Economic and Social Committee, Social Economy Europe, RIPESS Europe, Euclid Network



## ▶ The SSE in the region in numbers (1)

### EUROPEAN UNION

- ▶ In 2016, the 28 countries that made up the European Union had over 2.8 million SSE units.
- ▶ In Europe as a whole, SSE units are significant employers, for instance in the agriculture, finance, energy and retail sectors. Including both paid and non-paid employment, they represent a workforce of over 19.1 million, with more than 82.8 million volunteers, equivalent to 5.5 million full-time workers.
- ▶ Cooperatives Europe has 84 member organizations from 33 European countries across sectors. Its members represent 141 million individual member cooperators, owning 176,000 cooperative enterprises and providing 4.7 million jobs.

## ► The SSE in the region in numbers (2)

### KYRGYZSTAN

2018 survey of 148 institutional units featured:

- profit organizations (37 per cent)
- social enterprises (32 per cent)
- private businesses (17 per cent),
- followed by self-help groups and traditional community groups known as jamaats (9 per cent) and cooperatives (4 per cent)

### RUSSIAN FEDERATION

- 1,500 agricultural credit cooperatives with 143,000 members;
- 183 credit unions with 431,000 members; 70 housing cooperatives with 20,000 members;
- 3,000 consumer cooperatives with 4.8 million members;
- 40,000 horticultural cooperatives with 27 million members.
- In 2020, there were more than 50,000 cooperatives

## ► The SSE in the region in numbers (3)

### SWITZERLAND

- 8,559 cooperatives, accounting for 5.3 per cent of employment and over 15 per cent of the Swiss GDP
- French-speaking Switzerland, the SSE employs 5,000 workers and involves more than 12,000 volunteers.
- In the Canton of Geneva, around 17,000 SSE units provide goods and services to more than 400,000 beneficiaries and clients

### TURKEY

- more than 53,000 cooperatives
- around 105,000 associations and close to 4,800 foundations, involving 16 million individual members
- 1,776 social enterprises, consisting of commercial enterprises run by community foundations, women's cooperatives and public-benefit associations

► **How can the SSE contribute to decent work and sustainable development?**

## ▶ Contributions of the SSE to decent work and sustainable development

- ▶ Employment and income generation
- ▶ Social protection and the provision of social services
- ▶ Rights at work
- ▶ Gender equality
- ▶ Social dialogue
- ▶ Transition to the formal economy
- ▶ Crisis prevention and recovery, and promotion of peace and resilience
- ▶ Just digital transition
- ▶ Just transition to environmental sustainability

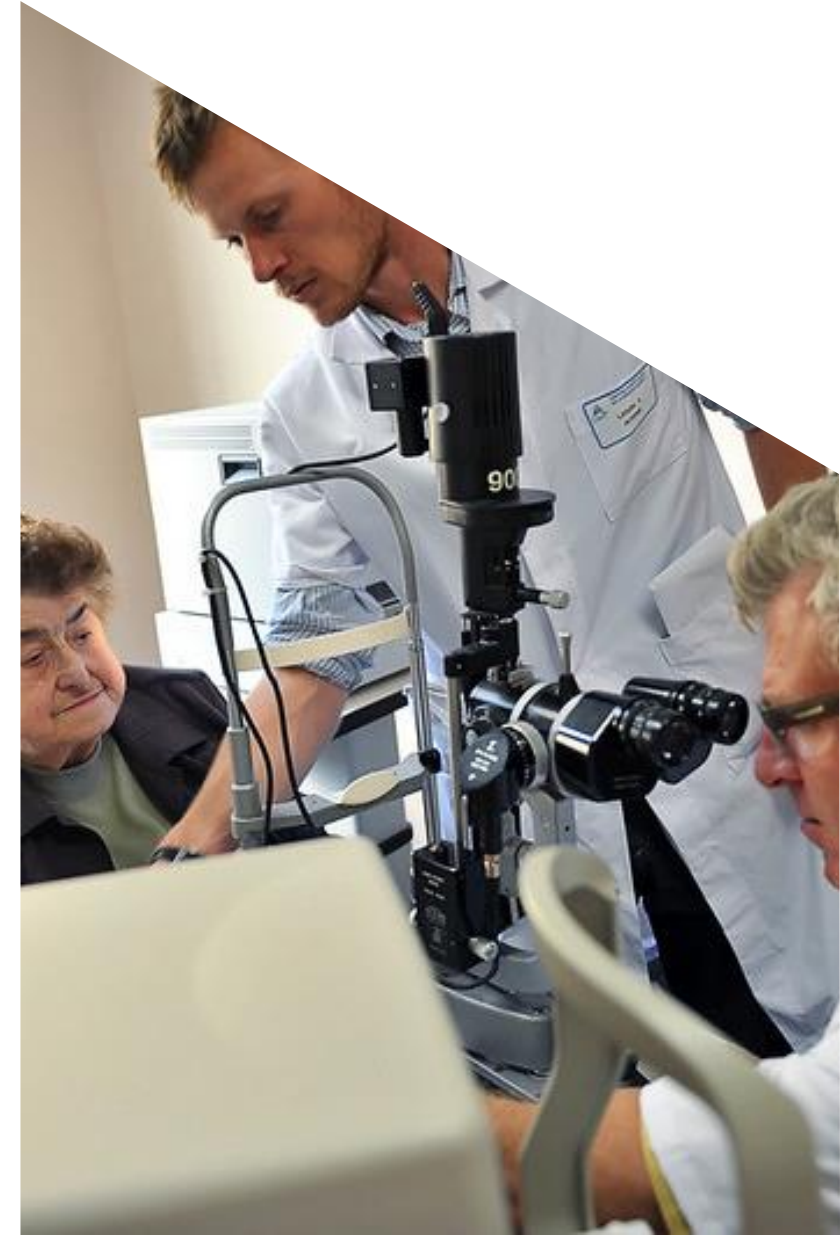
## ▶ The SSE and employment and income generation

- ▶ The SSE generates direct and indirect employment
- ▶ SSE units participate across various stages of supply chains (e.g. Danish consumer cooperative stores)
- ▶ SSE units provide a wide range of services to their members, and/or in their communities that improve incomes and livelihoods
- ▶ SSE units play a pivotal role in enhancing the productivity and competitiveness of enterprises by generating economies of scale (e.g. In Italy Copernico consortium of six social cooperatives)
- ▶ SSE units create jobs through worker-owned enterprises (e.g. transition to worker ownerships exist in Finland, France, Portugal, Spain, the United Kingdom)
- ▶ Access to finance remains a challenge for SSE units



## ► The SSE, social protection and provision of social services

- The SSE facilitates access to social protection for their members
- SSE units provide health and care services to their members
- SSE units can be further integrated into the social protection system (e.g. in Belgium, compulsory social health insurance is provided through mutuals; in France, the national health insurance agency delegates administrative functions to mutuals)
- SSE units are established to provide health care and other care services (e.g. pharmacy cooperatives, care cooperatives, community associations; in the United Kingdom, during the COVID-19 pandemic, over 30 per cent of all National Health Service community nursing and other services were provided by social enterprises)
- SSE units play a critical role for rural and informal economy workers who may face challenges accessing formal social protection system



## ► The SSE and rights at work

- SSE units are required to comply with international labour standards (ILS) and national labour legislation in respect of their employment relationships
- ILS refer to the SSE or organizational forms that fall under it (e.g. R. 193, R. 204, R. 205)
- The SSE promotes compliance with ILS among their members and undertake joint initiatives with other community actors to advance their rights (e.g. Co-op UK, a retail cooperative chain in the United Kingdom, has put policies in place that are enforced throughout its supply chains to ensure that the products it sells are free of forced labour)
- Labour laws must be applied to avoid the misuse of the organizational forms that fall under the SSE (e.g. pseudo cooperatives)



## ▶ The SSE and gender equality

- ▶ SSE units promote gender equality and advance SDG 5 by:
  - strengthening participation of women in the SSE, in membership and leadership positions
  - developing SSE units in economic sectors with higher participation of women (e.g. care economy)
  - providing affordable and accessible services for women
  - giving women the opportunity to engage in decision-making and power-sharing (e.g. in Spain, gender wage gaps are narrower in SSE units, which can be attributed to greater diversity at the management level in the SSE; in the United Kingdom, 47 per cent of social enterprises were led by women in 2021 and 83 per cent of the leadership teams of social enterprises included a woman)
- ▶ SSE units may be constrained by legal provisions, social norms and historical inequalities
- ▶ When established by and for women, SSE units can help overcome social and cultural constraints



## ► The SSE and social dialogue

- In some countries, SSE vertical structures take part in social dialogue institutions (e.g. work on collective bargaining agreements with unions, as is the case in Switzerland)
- Representatives of SSE units can take part in cross-border social dialogue mechanisms, notably in regional integration communities (e.g. European Association of Co-operative Banks)



## ► The SSE and the **transition to the formal economy**

- The impact of COVID-19 has been particularly severe on the world's two billion informal workers (IW)
- Their earnings remain far below pre-pandemic levels
- Women IW are disproportionately burdened with unpaid care work within households
- Informal own-account workers can organize into SSE units to transition to the formal economy
- Vertical SSE structures of IW provide them with voice and representation
- SSE units help scale up informal economy units via:
  - Enhancing their bargaining position
  - Scaling up their activities through collective forms of entrepreneurship
  - Facilitating workers' access to social protection



## ► The SSE and crisis prevention and recovery, promotion of peace and resilience

- The SSE plays a role in preventing and recovering from crises caused by conflict and disaster
- SSE units were agents in addressing adverse effects of COVID-19 crisis (e.g. the Mondragon Corporation in Spain, comprised of around 100 cooperatives with over 80,000 employees, used its solidarity reserve funds to support its members and temporarily redeployed workers between cooperatives to minimize the loss of jobs during the pandemic)
- SSE units support members and communities during economic downturns
- SSE units cooperate with governments and development partners seeking to address needs of refugees and host communities
- The SSE participates in rebuilding communities in post-conflict settings (e.g. Bosnia and Herzegovina, North Macedonia)



## ► The SSE and **just digital** transition

- SSE units contribute to making digital transitions fairer, by connecting businesses and customers to employees
- SSE units use digital work platforms to help transform business processes with implications for the future of work
- The SSE offers a range of alternatives for workers, producers and users of digital services, including online applications that they own and control (e.g. in Germany, DENIC, a shared-service platform cooperative maintains 16.7 million internet domain names (".de") and provides digital security services)



## ► The SSE and the **just transition to environmental sustainability**

- SSE units in agriculture, housing and energy are greening their operations and lowering their environmental footprint
- SSE units contribute to environmental sustainability by producing and selling products and services in green sectors (e.g. renewable energy, recycled materials, e-waste recycling; REScoop.eu, the European federation of citizen energy cooperatives, a non-profit association operating like a cooperative, represents 1,900 energy cooperatives with 1.25 million member-households)
- The SSE contributes to food networks associated with fair trade, solidarity purchasing and collective provisioning (e.g. in Portugal, Re-Food, an association with 7,500 volunteers, contributes to eliminating food waste and hunger in local communities)



► **How is the SSE related to the work of the ILO constituents?**

## ▶ ILO Constituents and the SSE

- ▶ The promotion of the SSE to advance decent work and sustainable development calls for **new forms of cooperation** between governments, employers, workers and societies at large
- ▶ Respecting SSE values and principles requires putting **workers' rights** and the needs, **aspirations and rights of all people** at the heart of policies and enterprise-level practices
- ▶ A **conducive environment** for the SSE can best be developed through tripartite participation and in consultation with other relevant and representative SSE organizations



## ▶ Governments

- ▶ Recognition of the SSE in **policy** and **legislation** (e.g. constitutional level, framework laws, strategies, decrees)
  - ▶ Enactment of SSE policy and legislation followed by the creation or strengthening of **government institutions** that regulate and support the SSE
  - ▶ Commitment to developing the SSE often generate **policy coherence** and **coordination mechanisms** across policy areas
  - ▶ An **environment conducive** to sustainable SSE enterprises applies to sustainable enterprises more generally
- ▶ It is important to ensure a **level playing field** for SSE units, on terms no less favourable than those accorded to other forms of enterprise and social organization



## Workers' organizations

- ▶ Workers' organizations and SSE units share common **values** and **principles, history**, and occasionally **intersecting institutions**
- ▶ Workers' organizations have **established SSE units** in retail, affordable housing, small-scale finance, mutual insurance, education and training, and employment preservation to benefit their members
- ▶ Workers' organizations and SSE units collaborate in the **informal economy**
- ▶ Workers' organizations occasionally build **alliances** with the SSE to pursue common goals

- ▶ Workers' organizations could **advise and assist workers in the SSE** to join workers' organizations, and assist their members to establish SSE units



## Employers' organizations

- ▶ SSE units and SSE vertical structures **may join existing employers' organizations**
  - ▶ Employers' organizations may **develop structures and extend services** to SSE units and their horizontal and vertical structures
  - ▶ SSE units may also **set up** their own employers' organizations
  - ▶ Vertical and horizontal structures of the SSE may be represented in **international private sector platforms** along with other employers' organizations
- ▶ Employers' organizations could consider, where appropriate, **the extension of membership** to SSE units and provide appropriate support services on the same terms and conditions applying to other members



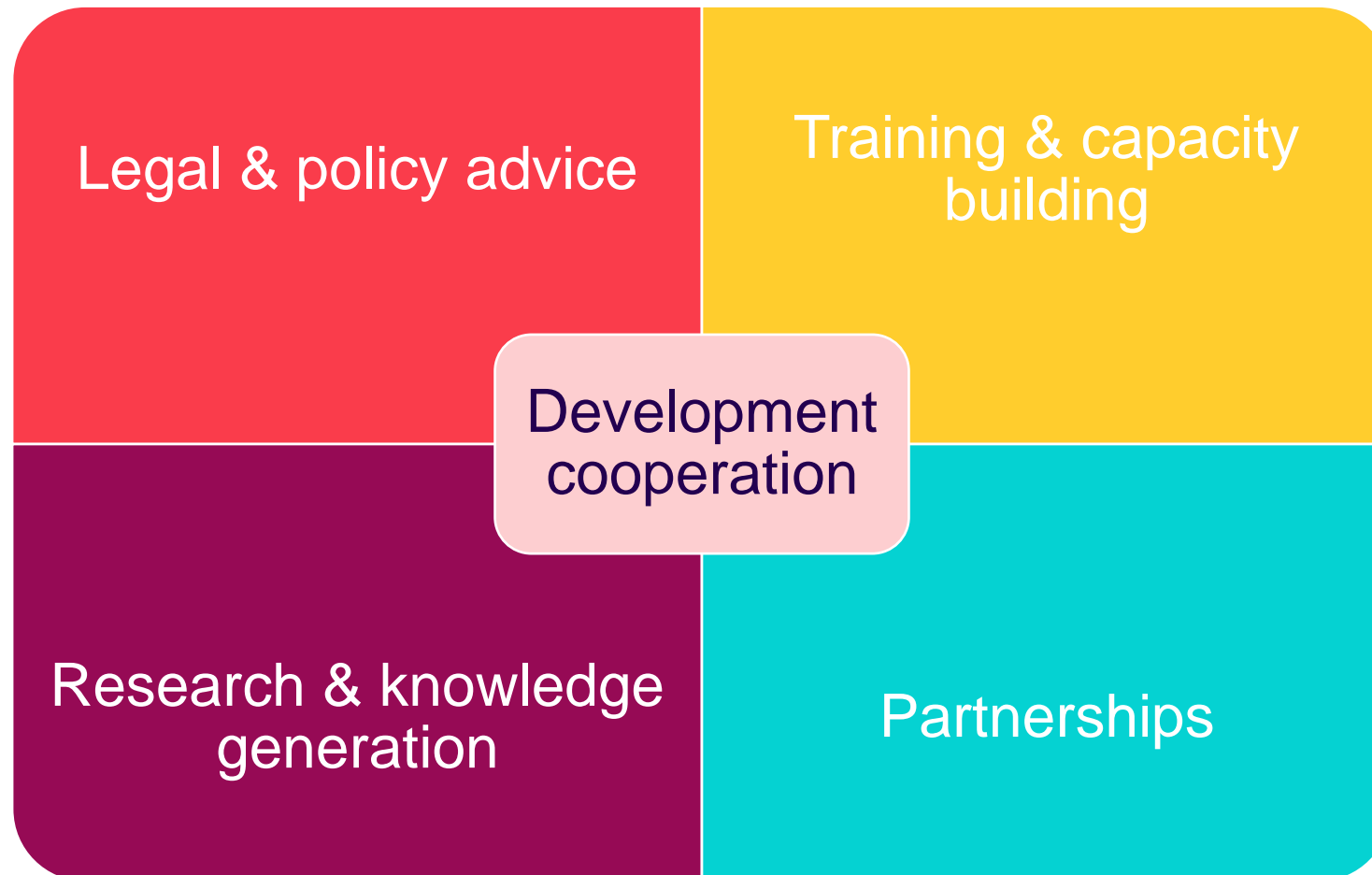
► **What does the ILO do to advance the SSE for decent work?**

## ILO's Cooperatives Unit (ILO COOP)

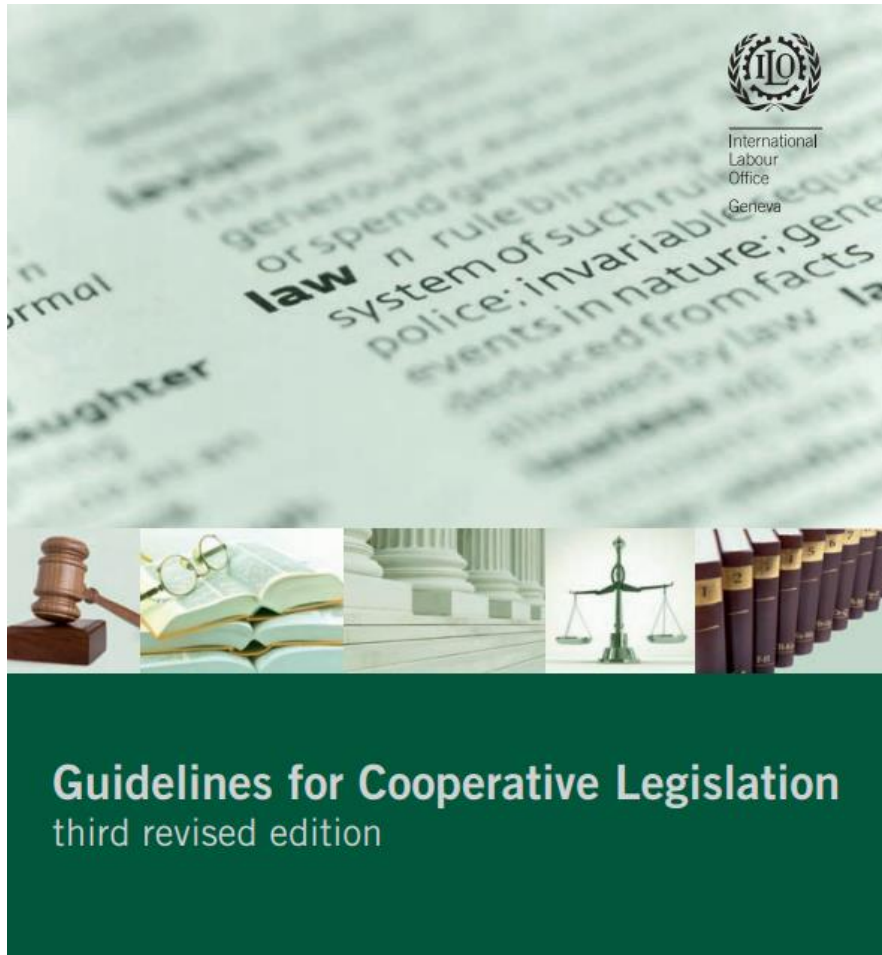
- ▶ ILO COOP was established in 1920 by a decision of its Third Governing Body
- ▶ It has worked on advancing cooperatives for over a century in responding to Constituents' requests in partnership with cooperative organizations
- ▶ In the past decade the ILO has been developing a portfolio of work on the wider SSE
- ▶ The Office uses a “one ILO” approach in incorporating SSE units into its programmes



## ILO Services on the SSE



## Legal and policy advice



- ▶ The ILO provides legal and policy advice based on its Recommendation on the Promotion of Cooperatives, 2002 (No. 193)
- ▶ More than 117 countries have used the recommendation and the ILO's guidelines for cooperative legislation to support the review and development of cooperative policies and laws
- ▶ The Office has been receiving requests from the Constituents in Member States to support development of SSE policies and legislation
- ▶ Recent requests for support include technical assistance in implementing SSE policies

## Research and knowledge generation

- ▶ Improving the understanding of the role of cooperatives and the wider SSE in advancing decent work and sustainable development
- ▶ Advancing the international guidelines concerning statistics of cooperatives adopted at the 20th International Conference of Labour Statisticians for harmonized and comparable data on cooperatives
- ▶ Producing research papers and briefs (e.g. child labour, forced displacement, platform economy, renewable energy, and the creative economy)
- ▶ Dissemination of knowledge through the ILO topical pages on cooperatives and the wider SSE, monthly e-newsletters, videos on cooperatives and the wider SSE on, webinars, blogs, podcasts, interviews and conferences



Monthly newsletter >



Statistics on Cooperatives Countries in Focus series >



Transforming our world: A cooperative 2030 series >



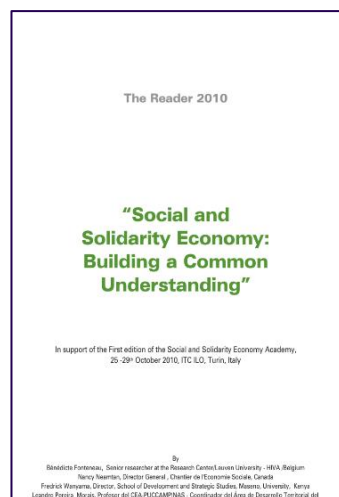
Cooperatives and the World of Work Series >



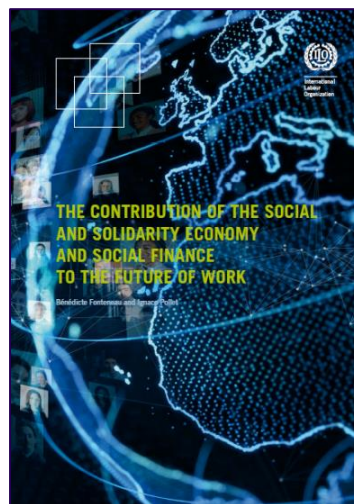
Cooperative legislation and policy >

## Select ILO Publications

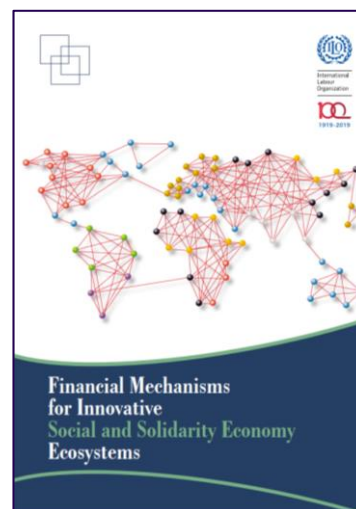
Social and Solidarity Economy: Building a common understanding



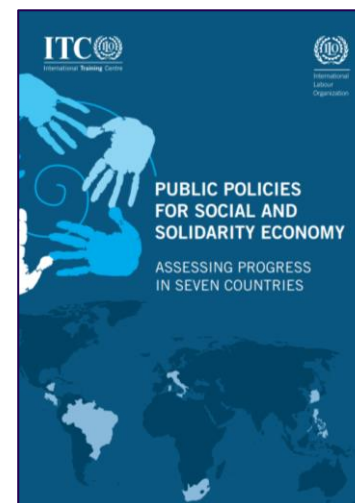
The contribution of ESS and social finance in the Future of Work



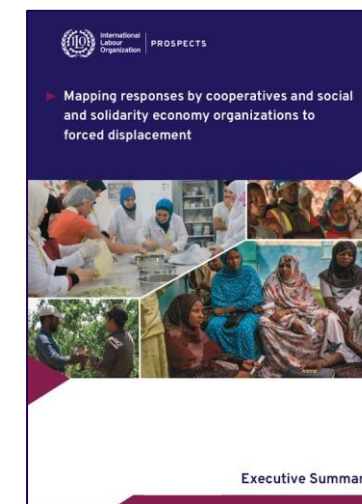
Financial Mechanisms for innovative ecosystems of SSE



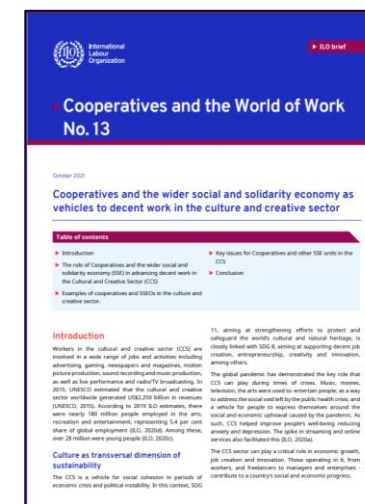
Series of studies on the public policies for SSE



Mapping the responses of cooperatives and SSEOs to forced displacement



Series of Cooperatives and wider SSE and the World of Work briefs



## Training and capacity building - **Key** ILO tools

Our.Coop  
Activity-based training tools for those who  
want to understand, create and manage  
cooperatives



## ► Policy dialogue & knowledge platforms

- **SSE Academy**: Brings together practitioners and policymakers from around the world to share experiences, good practices and lessons learned on the SSE
- **SSE Collective Brain**: Knowledge hub of the ILO SSE Academy to facilitate exchange and cooperation beyond the face-to-face interactions during the SSE Academy



## ► Development Cooperation (DC)

The ILO's DC projects support development of SSE units in advancing decent work and sustainable development.

- Formalization of the informal economy (e.g. Tunisia, Senegal)
- Promotion of universal health coverage (Côte d'Ivoire, Cameroon)
- Elimination of child labour and forced labour (Uganda, Burkina Faso, Nigeria, Malawi)
- Advancement of youth employment and women economic empowerment (Cameroon, Senegal, Tunisia)
- Creation of income-generation opportunities in conflict/disaster affected communities and promoting peace and social cohesion (South Sudan, Sudan, Sierra Leone, Yemen, Iraq, oPt, Jordan)
- Trade facilitation (Cameroon)

## Partnerships

### UN Task Force on the SSE (UNTFSSSE)

- ▶ The ILO co-founded and currently chairs the UNTFSSSE
- ▶ 18 UN Agencies and the OECD as members and 13 civil society organizations as observers

### SSE organizations and research centers

- ▶ SSE umbrella organizations at international (e.g. GSEF, RIPESS) and national level (e.g. JCCU, Legacoop)
- ▶ Research institutions, such as: CIRIEC international; EURICSE; HIVA, EMES International

### Cooperative focused partnerships

- ▶ The ICA has a General Consultative Status at the ILO since 1919 and has an MoU signed in 2019 using the Future of Work as a framework
- ▶ The ILO is member of COPAC, a multi-stakeholder partnership between representatives of the cooperative movement

### Regional focused partnerships

- ▶ European Commission (EC): The ILO participates in the Expert Group on Social Economy and Social Enterprise (GECES)



**What are the next steps in the lead up to the general discussion?**

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## Challenges and Recommendations

- ▶ Despite the growing momentum around the SSE, significant challenges remain regarding data, legislation, support institutions and services
- ▶ A conducive environment for the SSE should be developed through tripartite participation with representative organizations of employers and workers
- ▶ Based on the conclusions of the general discussion, the Office is expected to further fine-tune its services on the SSE in support of its Constituents and in partnership with SSE organizations



## How to engage with the general discussion on Decent Work and the SSE

**Download** and read the report (available including in Arabic, Chinese, English, French, German, Hindi, Indonesian Bahasa, Italian, Japanese, Portuguese, Russian and Spanish)

**Disseminate** the report and hold discussions around it in your countries

As ILO constituents or observers, **follow** the ILC general discussion in June 2022 at the ILC



# Thank you!

## For more information, see:

- ▶ [ILO topical page on \*\*cooperatives\*\*](#)
- ▶ [ILO topical page on \*\*the SSE\*\*](#)

## To stay connected:

- ▶ [Sign up for ILO's monthly enewsletter on cooperatives and the wider SSE](#)
- ▶ Follow twitter accounts on the ILO's work on cooperatives and the wider SSE ([@coopsemploy](#) and [@sseacb](#))

