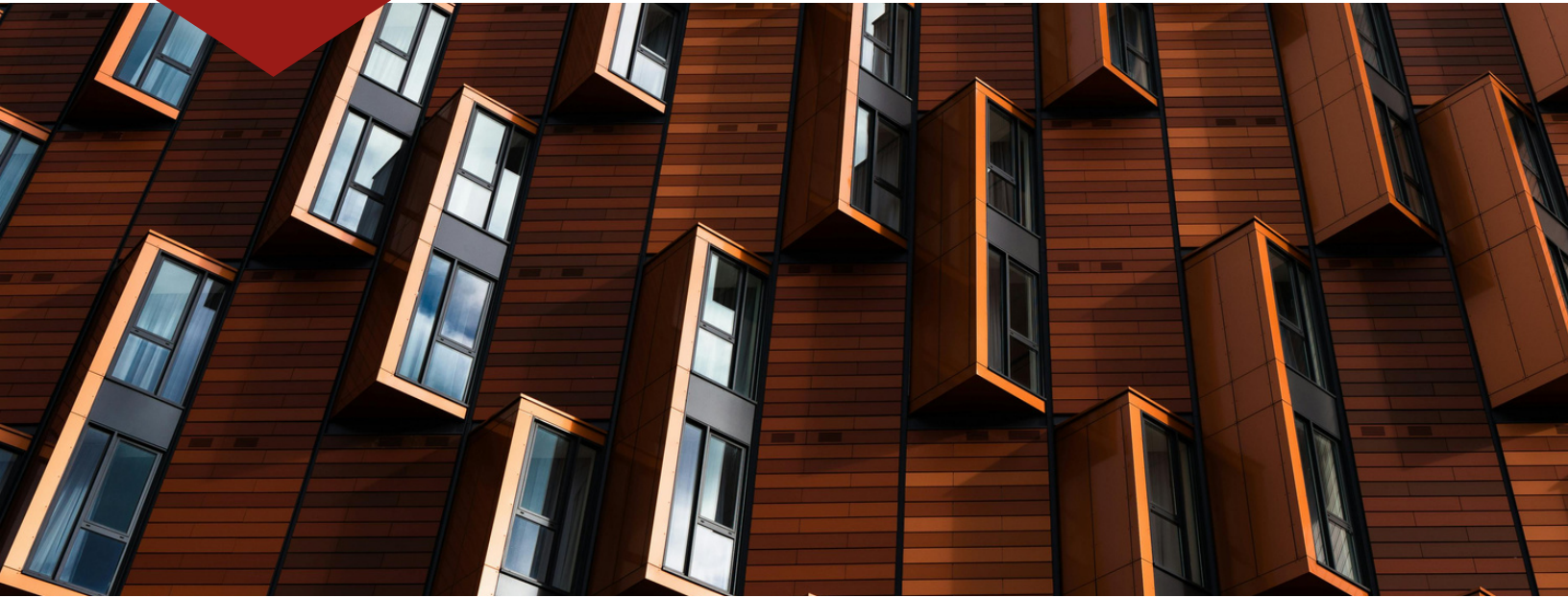




## THE SOCIAL ECONOMY MOMENTUM AND ITS FUTURE COLOURS



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The **social economy is experiencing a momentum** of acknowledgement and expansion at European and international level due to the recognition of its inherent capacity to create a more inclusive, sustainable, and innovative economic system. This capacity was highlighted during the Covid-19 pandemic, as social enterprises played an essential role in the healthcare, welfare services, distribution, and logistics sectors, demonstrating resilience and regeneration ability. **By coupling social objectives with economic value creation, social economy addresses social challenges in innovative ways**, contributing to boosting local development through **job creation** and by **integrating disadvantaged individuals** into the labour market, and supporting the digital and energetic transitions.

The international interest on the topic is signalled by a growth in policy initiatives recognising the importance of social enterprises and civil society organisations, confirming the paramount importance to **create a consensus on the legal forms, their defining characteristics, the organisational and financing mechanisms** that are included within the social economy, to ensure its development and unleash its potential.

The United Nations Inter-Agency Task Force on Social and Solidarity Economy (UNTFSSSE), gathering 18 UN agencies and 14 organisations – among which Diesis Network - remarks the need to consider **social economy as an important pathway to transforming the system that led to the recent financial and food crisis, climate change, persistent poverty, and rising inequality**. In this framework, social economy is a key actor in achieving the 2030 Agenda for Sustainable Development. Recently, the International Labour Organisation (ILO) and the Organisation for Economic Cooperation and Development (OECD) came forward with publications recognising the role of social economy in facing upcoming challenges, and their intrinsic capacity to prioritise human dignity, environmental sustainability, and decent work over the legitimate quest for profit. However, it also highlighted the need to concur on shared conceptual and legal definitions.

Finally, another historic moment for the social economy – At its 66th plenary meeting, April 2023, the UN General Assembly adopted the resolution “**Promoting the Social and Solidarity Economy for Sustainable Development**” The resolution provides an official definition for the social and solidarity economy and acknowledges that it can contribute to the achievement and localization of the Sustainable Development Goals.



**Recognizing the role of the social and solidarity economy in promoting democracy and social justice, the resolution also encourages Member States to promote and implement national, local and regional strategies, policies and programmes for supporting and enhancing the social and solidarity economy as a possible model for sustainable economic and social development,**

by, “inter alia, developing specific legal frameworks, where appropriate, for the social and solidarity economy, making visible, when feasible, the contribution of the social and solidarity economy in the compilation of national statistics and providing fiscal and public procurement incentives, acknowledging the social and solidarity economy in education curricula and capacity-building and research initiatives and reinforcing entrepreneurship and business support, including by facilitating access for social and solidarity economy entities to financial services and funding, and encourages the participation of social and solidarity economy actors in the policymaking process”. The resolution also “encourages multilateral, international and regional financial institutions and development banks to support the social and solidarity economy, including through existing and new financial instruments and mechanisms adapted to all stages of development”

After that, in a significant move to promote social inclusion, drive sustainable economic development, and foster social innovation, the European Commission has adopted a **proposal for a Council recommendation on developing social economy framework conditions**. The draft Recommendation was adopted by the European Commission on 13 June 2023. Member States reached a political agreement on the proposed text on 9 October, and formally endorsed the Recommendation on 27 November 2023. The Act was published in the Official Journal on 29 November 2023. The document aims to support Member States in integrating the social economy into their policies, creating a favourable environment and implementing supportive measures for the sector.

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## Where do we go from here?

The future developments of the social and solidarity economy (SSE) are expected to be transformative and impactful. Here are some key areas of focus:

- **Promoting SSE Ecosystems:** The Action worked to raise visibility, benchmark and provide recommendations on key areas around the SSE, namely legal frameworks and social impact measurement while considering the entire policy ecosystem as a framework.
- **Policy Framework Improvement:** Policy makers can support social impact measurement for the SSE by improving the policy framework, delivering guidance, building evidence, and supporting capacity.
- **Legal Frameworks:** There is a need to assess why and when legal frameworks for the SSE are needed, select legal options and involve stakeholders, evaluate the performance of laws, and foster international peer learning on this topic.



- **Gender Equality:** There is a focus on analysing women's employment in the SSE, exploring challenges to gender equality in the SSE, and providing policy recommendations to recognise women's work and leadership in the SSE and in the wider economy.
- **Data Collection:** There is a need to expand the collection and production of reliable data on the social economy and measure the impact of the social economy.

### Looking Beyond: Unleashing the Tremendous Potential of the Social and Solidarity Economy in the Blue and Orange Economies

Expected developments are set to harness the **Social and Solidarity Economy (SSE) as a transformative force capable of driving systemic change**, enhancing the visibility of the SSE and its impact, and fostering a better understanding of how SSE and social innovation ecosystems can improve. Until now, the majority of attention has been centered on the role of SSE in traditional and established sectors or areas such as social inclusion, working conditions, social services, health care, and agriculture, or on its contribution to the Green and Digital Transition. However, Diesis Network, is not only maintaining its focus on existing topics but also venturing into new "colours". In this context, we are focusing particularly on two areas: the Orange and the Blue economies.

The Social and Solidarity Economy (SSE) has significant potential in the **Blue Economy**, which encompasses a **range of economic activities related to oceans, seas, and coastal areas**. Here are some ways the SSE can contribute.

The initiatives of the **Blue Economy:**

- **Sustainable Practices:** The SSE can promote sustainable practices in marine-related sectors, such as fishing and tourism, which not only preserve marine ecosystems but also support the livelihoods of local communities.
- **Community Empowerment:** By fostering local ownership and control, the SSE can ensure that the benefits derived from the Blue Economy are equitably distributed among all stakeholders, including coastal communities and small island developing states.
- **Environmental Stewardship:** The SSE can contribute to maintaining the health of the oceans by promoting activities that minimize pollution and protect marine biodiversity.
- **Sustainable Fishing:** The SSE can promote sustainable fishing practices that not only preserve marine ecosystems but also support the livelihoods of local communities.
- **Community-Based Tourism:** The SSE can support community-based tourism initiatives that not only generate income for local communities but also encourage the preservation of marine environments.
- **Equitable Distribution of Benefits:** The SSE can ensure that the benefits derived from the Blue Economy are equitably distributed among all stakeholders, including Small Island Developing States (SIDS) and Coastal Least Developed Countries (LDCs).





The social economy has significant potential also in the **Orange economy**, which refers to **cultural and creative industries**. Here are some key benefits:

- **Job Creation and Economic Growth:** Cultural and creative sectors are a significant source of jobs and income, and also generate important spillovers to the wider economy<sup>1</sup>. They are key drivers of the creative economy and represent important sources of employment, economic growth, and innovation<sup>2</sup>.
- **Innovation and Entrepreneurship:** These sectors are a driver of innovation, a source of creative skills with strong backward and forward linkages in the economy<sup>1</sup>. They can also promote behavior change to address social challenges.
- **Social Inclusion and Well-being:** Beyond their economic impacts, cultural and creative sectors also have significant social impacts, from supporting health and well-being, to promoting social inclusion and local social capital<sup>1</sup>. Cultural participation has numerous positive benefits that remain under-exploited, from social inclusion to boosting health and well-being, as well as cultivation of skills and entrepreneurship.

- **Resilience and Recovery:** As governments across the G20 reconsider growth models in the wake of COVID-19, cultural and creative sectors can be a driver in a resilient recovery.

It is now official that a completely new phase has begun for the sector. The advocacy phase has achieved its main objectives, such as the implementation of the Social Economy Action Plan and its subsequent actions at the European level. It has also garnered support on a global scale from the United Nations, the International Labour Organization (ILO), and the Organisation for Economic Co-operation and Development (OECD). Now, we are transitioning into a phase of implementation. In this phase, organizations like the Diesis Network are expected to play a significant role. They will demonstrate how social economy organizations are maintaining a strong focus on achieving the Sustainable Development Goals and contributing to a better world.

