

Rethinking Development

The Role of Social & Solidarity Economy



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The 21st century development problem

- Growing inequalities: income, wealth, gender, regional
- Environmental costs of industrialization, high-input agriculture & consumption patterns; climate change
- Recurring crises (finance, food, fuel) & risk
- Informal economy, underemployment & indecent work



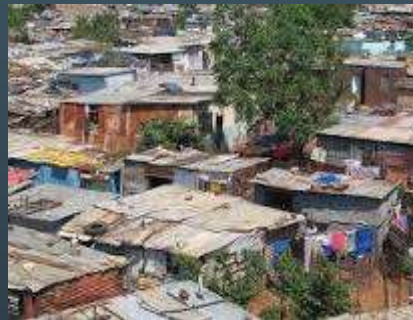
Vulnerable employment : salient facts (ILO 2013)

- Unemployed: 200 million & rising
- Regions that have halted the decline, have experienced
 - decline in job quality
- Vulnerable employment: 1.49 billion workers in developing countries (56%)
- Informal employment:
 - South Asia: 82% of (non-farm) employment
 - SSA: 66%; East & SE Asia: 65%; Latin America: 51%
- Impact of (high) growth in reducing IE is limited



What worked in the 20th century?

- Welfare states:
Europe
- Developmental
states: East Asia
- Decent work
enterprises



Strengths & Weaknesses of Past Models

- High growth, full (*male*) employment, high formal sector absorptive capacity of surplus labour
- Comprehensive social protection & welfare regimes, including social security through the workplace

But

1. Environmental consequences; gender inequality
2. Unravelling of this model with globalization & neoliberal policies



Contemporary policy & donor responses

- Macro-economic & fiscal policies favouring investors, traders & private sector
- High growth & trickle-down employment
- New growth poles, e.g. Green Economy
- Active labour market policies (training, skills)
- SME development & entrepreneurship
- Economic empowerment of women and small producers
- Integration of small producers in global value chains
- CSR, “Bottom of the pyramid” & new (social and environmental) standards

Social protection & safety nets



What' missing? SSE



NGO: From *Charity* to *Social Enterprise*



SSE: what is it?

The production of goods and services by organizations and enterprises with

- 1) explicit social (and often environmental) objectives (e.g. basic needs provisioning; care services, employing the unemployed, food security)
- 2) co-operative & associative relations among members and the community
- 3) democratic self-management
- 4) values of solidarity & *Buen Vivir*



An expanding economy

- 1 billion cooperative members
- revival of cooperatives in Africa and Latin America
- rise of social enterprise in Europe and Asia
- 2.5 million WSHGs in India
- growth of fair trade markets: \$ 6 billion
- big coop: Mondragon, Amul, Desjardins

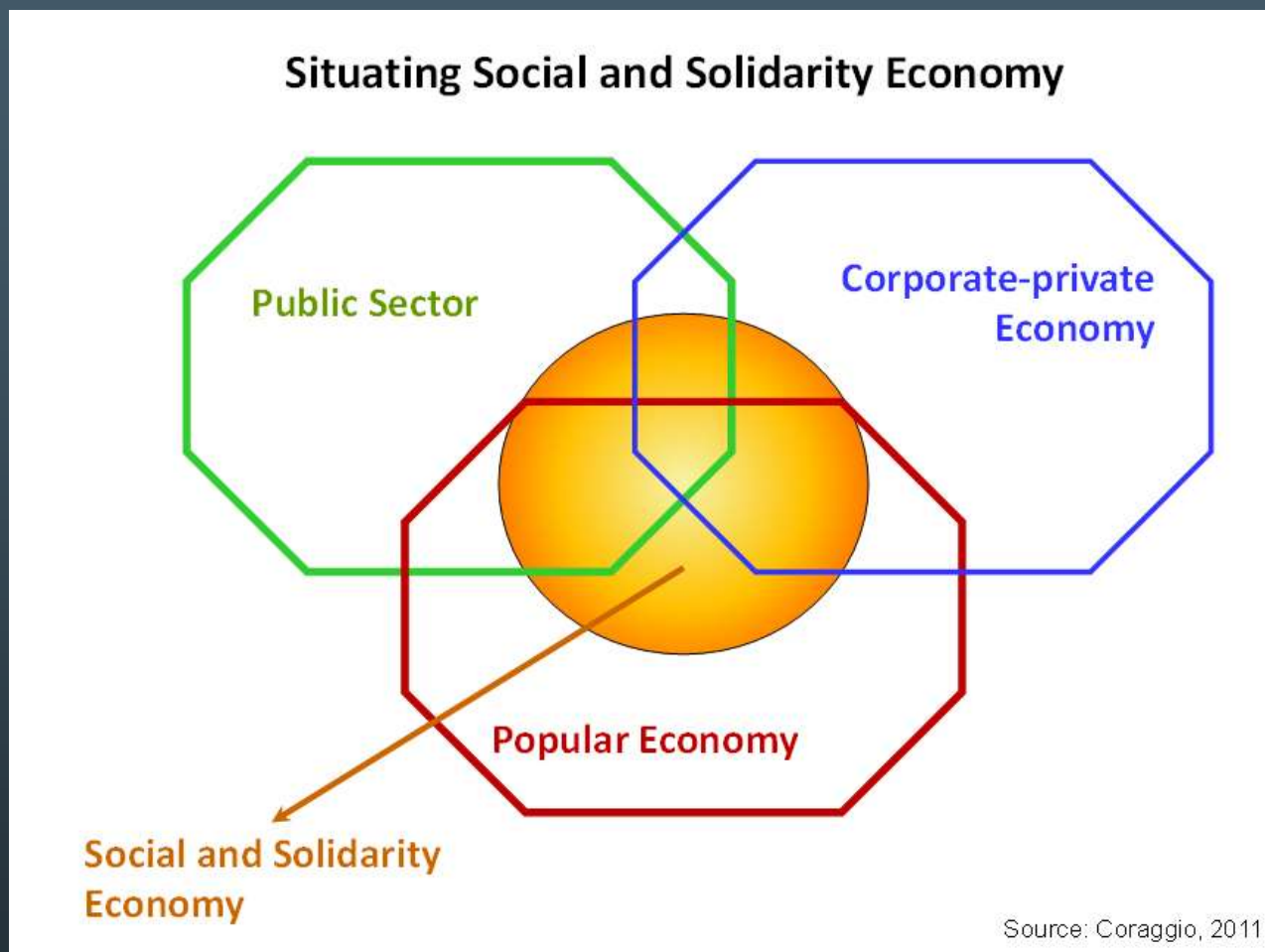


Benefits of cooperation & community development

- R ➤ Resilience
- I ➤ Integrated development
- P ➤ Political empowerment
- E ➤ Economic empowerment
- S ➤ Surplus redistribution
- S ➤ Solidarity



Can SSE consolidate and expand?



An enabling policy environment (1)

- SSE ministries & national secretariats:
e.g. Brazil, Colombia, France, Nicaragua and Luxembourg
- Programmes
 - Kerala, India: *Kudumbashree*
 - South Korea: Seoul Social Economy Supporting Project
 - Nicaragua: “*Hambre Cero*”
 - Argentina: *Manos a la Obra*
 - Brazil: *Brasil Sem Miseria*
 - Uganda: National Co-operative Development Plan



An enabling policy environment (2)

- Laws:
 - Ecuador: SSE in the Constitution
 - Portugal, Spain, Greece, Mexico, France, Quebec: framework laws
 - Philippines: the Social Enterprise Bill
- Policies
 - Brazil: participatory budgeting and integrated support
 - Decentralization & local economic development
 - Denmark energy policy: favours renewables and local and SSE providers
 - Others: credit/subsidies, trade fairs, fiscal, education, training, social policies



Enabling SSE through the UN

- COPAC (cooperative promotion)
- ILO: SSE Academy; informal economy transition
- UNRISD: SSE research programme
- Committee on World Food Security
- Post 2015 civil society consultation (UN-NGLS)
- UNDP: Local Economic Development
- UN Inter-agency task force on SSE



Challenges in SSE-State relations

- Only certain types of organizations are recognized & supported, e.g. coops, social enterprise
- Poverty reduction & social assistance *versus* infrastructure & redistributive policies
- Sub-contracting service provisioning
- Top-down policy design & implementation
- Party policy or state policy ?
- Weak decentralization (authority without resources; corruption)



Rethinking development in context of crisis & the post 2015 agenda

1. A premium on **integrative approaches** via alternative provisioning & enterprise models
2. Look beyond CSR, SME development & entrepreneurship to **enabling SSE & community development**
3. Look beyond safety nets and poverty reduction to **redistributive and transformative policies**

