

THE NEW GENERATION OF PUBLIC POLICIES FOR THE SOCIAL ECONOMY, A NEW POLICY STRADDLING SOCIAL, LABOUR, INDUSTRIAL, AND TERRITORIAL POLICIES

by Rafael CHAVES-AVILA



Highlights:

- Over the last fifteen years, many governments have institutionalised public policies to promote the social economy, a sector comprising cooperatives, associations and social enterprises.
- These second-generation policies, also known as transformative policies for the social economy, are characterised by their systemic approach and their transformative potential.
- Key factors such as shifts in government action paradigms, such as more participatory policy-making and decentralization, as well as global crises, have catalysed their development.
- These policies adopt a cross-cutting view of the social economy, overcoming the legal fragmentation of actors, and a multifunctional view of the systemic functions of this sector in economies.



Over the last fifteen years, numerous governments on all five continents have promoted public policies to foster the social economy, a socio-economic sphere made up of cooperatives, associations, foundations, mutual societies and social enterprises. For many countries, these are second-generation policies to promote the social economy because there was already a tradition of policies in this field.

Factors that have facilitated the deployment of these new policies

The emergence and deployment of this new wave of public policies, also known as 'transformative social and solidarity economy policies', has been marked by a set of systemic factors that have redefined the mode of public action and the role of the social economy, revaluing the latter.

Among the most relevant factors are:

- *A shift in the paradigm of public action*, in which, on the one hand, policy-making has evolved towards a more participatory model with greater space for civil society actors, and, on the other hand, changes are being introduced in the way the government acts, introducing innovations such as the objective-oriented policy approach, greater public-private collaboration and the increasing prominence of regional and local governments;
- *A change of vision regarding the social economy*, both in its conceptual scope and in its social utility. In terms of the concept, there has been a shift from an atomised vision of the social economy, divided mainly by legal families, and a palliative vision of specific problems, such as those related to employment, the rural world or care for the disadvantaged, being, therefore, a mechanism to correct market failures, to a broad and transversal vision of the social economy, in which it forms an economic model with a multi-purpose capacity to transform the system, making it more sustainable and inclusive.



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- *A new political, social and economic context marked by the rise of progressive governments with a sensitivity towards the social economy, greater support from international institutions for this economic model, the effective action of networks and alliances of social economy actors in political advocacy, a context of economic growth and expansionary budgetary policies, as well as the amplification of global crises, such as the climate crisis, the increase in inequalities and the proliferation of armed conflicts, which have highlighted the need for new economic models.*

What are second generation policies in the social economy?

Policies to promote the social economy are now consolidated and structured public policies with defined objectives, specific and systematised instruments, and evaluation and monitoring mechanisms. To date, many countries have implemented multi-year strategies and plans to promote the social economy and/or have passed specific legislation for its development.

The transformative policies of the social and solidarity economy are distinguished by their alignment with the new paradigms of public action and by a renewed vision of the role of the social economy.

Its main characteristics include:

1. The field of action of these policies is that of the social economy, conceived from a transversal and unitary approach. This is considered a plural but common reality, overcoming the traditional fragmented vision that separated cooperatives, associations, mutual societies and other actors in the sector.
2. The objectives of this policy are linked to the multi-purpose perspective of the social economy, generating inclusive prosperity. The social economy is seen as an agent of change with multiple systemic functions, capable of generating inclusion and social innovation while responding to the challenges of the socio-ecological transition.
3. The way this policy is implemented prioritises close collaboration between the public sector and the social economy, from the policy formulation phase to the implementation of measures.
4. This policy is operationalised with specific instruments for the promotion of the social economy, such as multi-annual promotion strategies, awareness-raising and training campaigns, spaces for concertation and dialogue between the government and the actors of the social economy ecosystem, and interdepartmental coordination bodies.

Limiting factors in the deployment of these policies

Despite the progress made, the development of transformative social and solidarity economy policies has faced various obstacles that have limited their deployment or reduced their effectiveness. One of the main obstacles has been the difficulty governments have had in adapting their departmental structures and their way of operating to this new public policy. The cross-cutting nature of the social economy requires interdepartmental approaches and new forms of institutional coordination, which has generated resistance and difficulties in its implementation.

Sustainability and survival of the policies to promote the social economy

Finally, a crucial aspect is the survival of these policies. This depends both on internal factors, such as the continuity of alliances between the actors who have promoted them, and on external factors, such as the change of political cycle that can lead to the rise of reactionary ideological and business currents, adverse to the social economy. In this context, it is essential to identify strategies that will enable us to overcome these vicissitudes and guarantee the continued existence of these policies over time.