

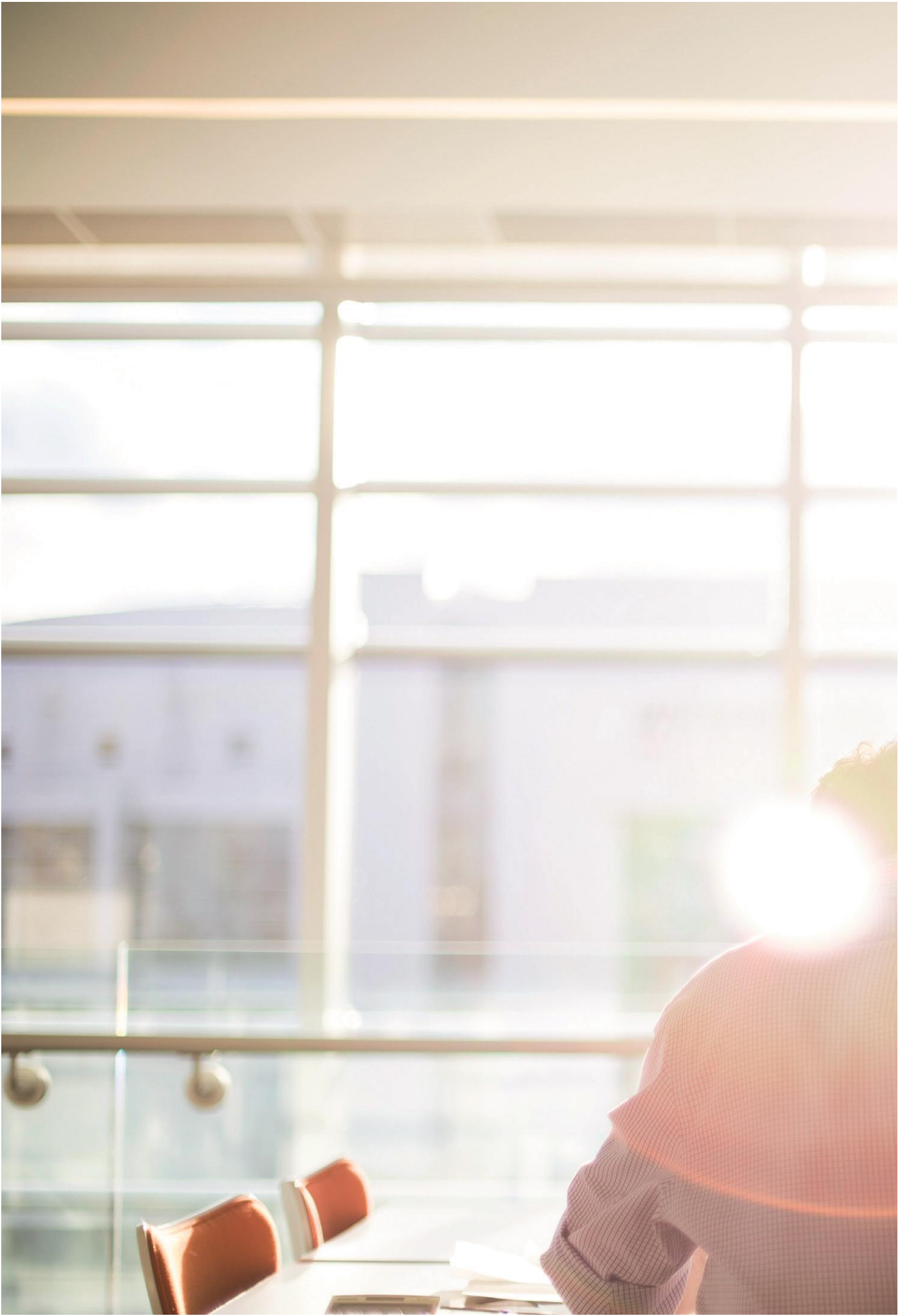


Working Paper

**The new generation of public policies for
the social economy, a new policy straddling social,
labour, industrial, and territorial policies. An overview**

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CIRIEC No. 2025/03



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Abstract

A new generation of public policies to promote the social economy has been promoted over the last fifteen years by governments on different continents. These policies have been deployed in a context of changes in the way government action is carried out towards more participatory models and a revaluation of the social economy as a sustainable and inclusive economic alternative. These policies are characterised by their cross-cutting approach, overcoming the traditional fragmentation of the social economy sector, by pursuing multiple objectives and systemic transition, by emphasising public-private collaboration both in the way policies are formulated and in their implementation, and by using specific instruments such as support strategies, spaces for concertation and legislative advances. This paper shows how numerous European countries have implemented multi-year plans to promote the social economy and have passed specific legislation for its development. However, these policies face challenges such as institutional rigidity and resistance, as well as the challenge of their survival, overcoming issues linked to political cycles and the stability of alliances.

Keywords: Public policies, Social Economy, Cooperatives, Public-Private partnership, Government action

JEL Codes: J54, P43, O13, R58, L31, L33, J18, I38, H76, H53, E61, B55, A13

1. Introduction

Since the beginning of the 21st century, a new generation of public policies to promote the social economy has emerged in different countries around the world¹. These new social economy policies, also known as "transformative social and solidarity economy policies", are a successor to, and differ greatly from, the first generation of policies to support cooperatives and other social economy families that have been in place for decades.

The integration of the social economy into government policies at different levels has not been alien to the process of articulating alliances and developing strategies for joint action by social economy actors. Since then, social economy policies, both in their practices and their scientific focus, have multiplied.

These transformative SSE policies are essentially characterised by conceiving the social economy as a key sphere of action for achieving social transformation objectives and by deploying a new transformative vision of public policy-making, based on deepening the participation of civil society actors in the political process and introducing powerful innovations in the *modus operandi* of governments. Its main distinctive elements are (1) the adoption of a transversal perspective of the social economy, conceiving it as a unitary reality, overcoming the traditional sectorialised vision of its families (cooperatives, third sector, etc.), (2) adopting a multi-purpose perspective of the SSE as part of the generation of inclusive prosperity, which is conceived as the performance of multiple systemic functions, including its great potential to generate transformative social innovation and to face the challenges of the socio-ecological transition, accordingly, social economy policies need to adopt an integrated cross-sectoral (*mainstreaming*) perspective, (3) establish public-SSE partnership links throughout the public policy process and (4) deploy new instruments for fostering the social economy, such as social economy ecosystems (Chaves & Gallego, 2020; Utting, 2022; Catala et al., 2024).

The scope of this new generation of policies has, however, been limited. Multiple limiting factors and obstacles that it has faced have contributed to reducing both its own potential to be deployed or reproduced over time, and its capacity and effectiveness in meeting the objectives it set out to achieve. On the other hand,

¹ This emerging socio-political reality has already been highlighted in the study "The emergence of the social economy in public policies. An international analysis", published in 2013 (Chaves & Demoustier, 2013) and sponsored by CIRIEC's International Scientific Commission on "Social and Cooperative Economy".

these policies have created risks for the social economy itself, such as the emergence of institutional isomorphism.

This paper, focusing on the actions of governments in their relationship with and support for the social economy, takes a first stock, based on theoretical and empirical work, of the variety of policies deployed around the world by local, regional, state and international governments, with the following research questions:

- 1) In what context of major socio-political trends and mutations and of the restructuring of public action have these policies emerged? What elements have been key to the opening of the political window of social economy policies?
- 2) What factors have been catalysts and/or drivers for the activation of such policies? From a socio-political perspective, which actors and networks of actors, which alliances have acted as policy entrepreneurs? Which actors have supported or promoted these types of policies and which have questioned or even hindered them? What forms of advocacy have been developed and have been most effective? In what specific contexts have these policies been approved, were there ad hoc factors? Have the actors promoting these policies maintained this leadership and conditioned the continuity and sustainability of these policies, revealing the ephemeral or structural nature of these policies?
- 3) What visions regarding the internal architecture of these policies have been used? Which public policies have been effectively developed in terms of objectives, instruments, evaluation mechanisms? Which public policy instruments have been key and which constitute innovations in public policies? What has been the importance of multi-annual plans and strategies, social economy laws and instruments of visibility and socialisation?
- 4) What organisational changes within the public administration have been necessary to implement these policies, and in some cases have they occurred or not? What resistance to these changes has arisen within the administration itself? How important have interdepartmental coordination with management centres, pedagogy towards the civil service with regard to this policy and departmentalised work routines been? What new forms of implementation of these policies have been deployed and have been successful? What public - SSE partnerships have been deployed? What examples of institutionalisation of bodies for dialogue and work between administrations and the SSE can be highlighted?

- 5) What main limitations have these policies presented in their deployment? Why have they not been developed in certain territories and socio-political contexts? What conditions must be in place for these social economy policies to last over time? Have these policies withstood political alternations and changes as well as changes in policy entrepreneurs? Has the implementation of these policies generated tensions and irreversible changes in the social economy sector itself?
- 6) Has the SSE, through these policies, been able to respond to the expectations raised by these policies and, if so, what have been the limiting factors? Have these policies been able to have a decisive impact on the major purposes and expectations that were raised?
- 7) What new forms of evaluation of these new policies have appeared and what are their main characteristics? How important is it to establish indicators of the effectiveness and efficiency of these policies linked to the multifunctionality of the social economy, conceived as inclusive prosperity?

2. Early policies towards co-operatives and other forms of social economy: a retrospective view²

The public administrations considered the various forms of the social economy in a sectoralised manner, according to the nature of the problems to be addressed, such as employment problems, those linked to the agricultural world and care services for vulnerable people, with the forms of social economy best adapted to each of them, respectively worker cooperatives, agricultural cooperatives and third social sector entities. In some countries, they have even contributed to the creation of ad hoc forms for this purpose, such as worker cooperatives, agricultural processing companies and singular entities such as certain public law corporations. Their approach to involving the social economy was to tackle these crises by instrumentalising social services.

In Spain, this first generation of social economy policies, really towards different social economy families, has been active in Spain since the end of the 1970s, in the midst of the economic crisis (see Chaves, 2008; Chaves, 2009). These first policies have the following general characteristics:

1. These are policies that are activated with little prior preparation, systematisation or evaluation of their contents. They are policy innovations in themselves, as is the case of the measure to capitalise the lump-sum benefit to create cooperatives and worker-owned companies.

² For an overview of first generation policies, see Chaves (2002) and Fraisse (2005).

2. The central government is the promoter of these measures, it sets its central guidelines, and it is the regional governments that implement and manage these measures. In some cases, when the regional government has greater financial leeway and political commitment, it expands the scope of these measures with more funding or by opening new lines of support (Chaves et al., 2011);
3. The *policy makers*, i.e. the makers of these policies, are the political decision-makers in public administrations and their administrative apparatus. These policy makers, understood in a restricted sense, are the direct protagonists (*top down, mono-policy makers*) of the social economy policy (*direct approach*), both in its elaboration and implementation phases. The involvement of cooperative organisations and other social economy entities is limited, with a recurrent demand to participate in the social and civil dialogue;
4. The *instruments* or measures used are technically simple and highly dependent on budget availability. Examples are the annual subsidies from the Ministry of Labour to support the creation of corporate employment in cooperatives and worker-owned companies, for technical assistance and for investment;
5. These measures are *evaluated* on the basis of quantitative criteria of effectiveness (number of jobs and businesses created), efficiency and relevance (Chaves et al., 2011).
6. These measures appear marginalised and scarcely integrated into the general policies of the autonomous and regional governments, revealing their low *priority in the political agenda*.

While this was the general trend, some regional governments, such as the governments of Andalusia and, to a lesser extent, Murcia, sponsored by a dynamic and influential cooperative and social economy sector, innovatively promoted a new model of social economy policies, a pioneer and direct predecessor of the second generation policies that were to be extended in the following decade. In Andalusia, these are the successive I, II and III Andalusian Pacts for the social economy of the first decade of this century. They promote, with a new approach, social economy policies: they are articulated in the form of complex multi-annual pacts, they involve the social economy sector, the administration and even other social agents such as trade unions in their design and implementation, they have high budgets, they deploy a wide range of measures, many of them innovative, and they present a broad vision of the objectives to be achieved, which go beyond those linked to employment or agricultural problems.

3. Factors of change that have facilitated the deployment of second-generation policies

Governments have historically shown a varied interest in and support for the multiple families that make up the Social Economy. In turn, the space occupied by the Social Economy in the social and economic system depends significantly on public action. Thus, in the face of social demands and aspirations that are insufficiently addressed by the public sector, civil society has taken the initiative by developing innovative responses through new forms of social production that are characteristic of the Social Economy. These initiatives have acquired particular relevance in periods of economic crisis and transformation, moments in which profound changes in social, productive, institutional, cultural and environmental relations take place. Therefore, the progress of the Social Economy is conditioned both by the specific characteristics of each society - including its economic, social, political and cultural contexts - and by the role assigned to it by the public sector, the political orientation of governments and the public policies they implement.

Following Chaves et al. (2025), four major mutations in public policies are developing which have conditioned the change in government policies towards the Social Economy. These major transformations generate opportunities and open spaces for the involvement of the social economy in the new policies.

The process from sectoralisation to mainstreaming of public policies constitutes the first major mutation. It consists of moving from specific and sectoralised areas of public intervention to areas with broader objectives, which adopt the vision of "missions". They involve tackling major social challenges from an integral and holistic approach. This is the case of governmental public policies historically approached from a sectoralised or even fragmented vision, such as agricultural, social or labour policies, which have given way to "missions" with broader and multidimensional objectives such as environmental transition, depopulation and health. This change of vision has led to a shift in structures and policies from sectoral bodies and plans to inter-ministerial structures.

This great mutation from sectoral policies to transversal policies has had an impact on the way in which the Social Economy is addressed. The historical sectoral vision of policies favoured the atomised integration of the so-called "families" of the social economy (such as agricultural cooperatives, NGOs and worker cooperatives), in line with the functionality that was considered virtuous for that specific policy. The shift towards cross-cutting policies has contributed to a broad understanding of the social economy and its multi-functionality. This broader conception of the scope and functionality of the social economy

has fuelled the emergence of national social economy laws as cornerstones of subsequent social economy policies. This shift towards mainstreaming has, in turn, required institutional transformations in the governance that serves the Social Economy, such as the creation of inter-ministerial commissions dedicated to the Social Economy, overcoming departmentalised visions.

The second major transformation concerns the reconfiguration of the public-private relationship, characterised by the emergence of hybrid forms of public-private collaboration and a move towards more democratic processes. The exhaustion of the privatising neoliberal model, unable to respond adequately to social demands and challenges, has favoured the development of hybrid and collaborative public-private approaches, better adapted to these broad objectives. At the same time, there is a trend towards greater democratisation, with an expansion of spaces for the active participation of new private actors in both the co-construction and implementation of policies. In this context of transformation, the Social Economy finds new opportunities to integrate and contribute significantly to these processes.

The process of policy decentralisation is the third major mutation. Regional and local governments are taking on a greater role in many of the new government policies, under the premise that it is more effective and efficient to address them from sub-central levels of government, closer to the territory. This process has led to the integration of the Social Economy in the policies of these local governments, and has even favoured the development of new specific policies aimed at this sector.

The development of better public policies, more effective, more efficient, more based on scientific evidence, more supported by legitimacy, better systematised and adapted to real problems, involving citizens and policy users without leaving anyone behind, broadening the radius of action of public action, constitutes the fourth great mutation of government policies. This major mutation implies a major transformation in the *modus operandi* of the governmental structure but also opens up opportunities for the involvement of private actors who contribute to this great systemic objective. Once again, the Social Economy has enormous potential in this area.

4. The new generation of social economy policies in practice

Over the past decade, the conditions for policy change have emerged, leading to the emergence and expansion of second-generation social economy policies, which we also refer to as transformative social economy policies (Chaves and Gallego, 2020).

The enabling conditions refer to having a recognition of the meaning and social utility of the social economy with a solid narrative and argumentation, think tanks and dissemination groups that contribute and disseminate this narrative in political forums and in society, and good experiences that can be replicated in other territories. The contributions of the academic sector and other networks, such as the CIRIEC network, the Global Social Economy Forum (GSEF) and the RIPESS network, the RILESS network, the OIBESCOOP network, the EMES network, the UNRISD network, the Social Economy Europe platform, as well as many other local and national networks that have promoted the entry of the social economy as an object of scientific study and attention on the socio-political agenda, have contributed significantly to the construction of the narrative and its recognition and dissemination. In Spain, for example, the expert committee that drafted the report on a law to promote the social economy included CIRIEC-Spain members. Similarly, the main reports and opinions on the social economy of the European Economic and Social Committee were produced by CIRIEC. At EU level, the "Social Economy Category" of the EESC, the European Committee of the Regions, the "Social Economy Intergroup" of the European Parliament and the Expert Groups on Social Economy and Social Entrepreneurship (GECES) of the European Commission have been institutions that have promoted the entry of the social economy in the political agenda. Particularly significant were the European Parliament's 2009 "Toia Report" and the EESC reports. At the global level, in 2013 the United Nations created the UN Inter-Agency Task Force on the Social and Solidarity Economy (UNTFSSSE) to promote the social economy on the political agenda of this institution. The OECD does the same by organising seminars and studies focusing on this area.

In the heat of this political change and a new sensitivity towards the social economy, since the middle of the last decade, after the financial crisis of 2008 and in a period of economic expansion, different social economy plans, strategies and laws have been approved in different countries. Spain is part of this new wave of policies as several governments are implementing this new wave of policies. The Government of Spain with its Programme for the Promotion and Promotion of the Social Economy (2015-2016) and its Spanish Strategy for the Social Economy (2018-2020) is already setting a path and other regional and local governments are taking an active role in this area, including Barcelona City Council with its Plan for the Promotion of the Social and Solidarity Economy in the City of Barcelona (2016-2019) (Chaves, Via and Garcia, 2020).

Two spearheads in this second generation of social economy policies are the approved social economy laws and the multi-annual plans and strategies for the promotion of the social economy, both of which are the scene of a qualitative change of scale in the policies aimed at the social economy.

The deep crisis of Covid19 is going to be a revulsive to give a new impulse to this second generation of social economy policies. International organisations and institutions approved unprecedented resolutions, recommendations and strategies: Firstly, the European Commission approves the *European Social Economy Action Plan of the European Commission* (9.12.2021) COM/2021/778 final, specific to the social economy, and secondly, the "*Action Plan of the European Pillar of Social Rights*", 4.3.2021 COM (2021) 102 final, which includes explicit references to the social economy. Secondly, the Commission updates its EU Industrial Strategy in May 2021, integrating the Social Economy as one of its 14 ecosystems/areas of action; it approves in November 2021 the *Transition Pathway on Social Economy and Proximity*, specific to the social economy, consisting of large-scale actions of the European Commission in the framework of its Industrial Policy. In November 2023 the Council of the European Union adopts a *Recommendation on the development of framework conditions for the social economy* (C/2023/1344) (27.11.2023). At the international level, the UN, the ILO and the OECD have adopted key resolutions and recommendations such as the UN General Assembly Resolution on "Promoting the social and solidarity economy for sustainable development" (18.4.2023) (A/77/L60), the International Labour Conference adopted on 16.6.2022 Resolution ILC.110 on 'Social and Solidarity Economy and Decent Work'. For its part, the OECD Council approved on 10.6.2022 a Recommendation on 'Social and Solidarity Economy and Social Innovation', aligned with a similar vision of promoting the social and solidarity economy.

Spain, both its state and regional governments, are aligned with this new wave. A Ministry of Labour and Social Economy is created for the first time in 2020. On 31 May 2022 the Council of Ministers approves the Strategic Project for Economic Recovery and Transformation PERTE for the Social and Care Economy, the first of its kind in Europe. A Commissioner for the Social Economy is created under the Ministry of Labour and Social Economy, an inter-ministerial institution involving 12 Ministries, and for the first time a Secretary of State for the Social Economy is created. A new Spanish Social Economy Strategy (2023-2027) was approved in April 2023.

The following summary tables give an account of the deployment of these new social economy policies in recent years both in Spain and in Europe.

Table 1. Social Economy Laws in Spain and Europe

Country / region	Law/DL	Name of the Law
<i>Spain (national and regional level)</i>		
Spain	Law	Law 5/2011, on the Social Economy (Law on the Social Economy)
Galicia	Law	Law 6/2016 on the Galician social economy
Canary Islands	Law	Law 3/2022, on the Social Economy of the Canary Islands
La Rioja	Law	Law 9/2022, on social and solidarity economy of La Rioja
Aragon	Law	Law 7/2022, on Social Economy of Aragon
<i>Other European countries</i>		
Bulgaria	Law	Act of Social and Solidarity-based Enterprises (2018)
Cyprus	Law	Law on social enterprises (2020)
Denmark	Law	Act. 711 on registration of social-economic enterprises (2014) ("Lov om registrerede socialøkonomiske virksomheder")
France	Law	Law n° 2014-856 (2014) National Law on Social and Solidarity Economy (Loi relative à l'économie sociale et solidaire)
Greece	Law	Law 4430/2016 on Social and Solidarity Economy (2016)
Italy	DL	Legislative Decree 117/2017 Code of the Third Sector DL on social enterprises (2006)
Latvia	Law	Social Enterprise Law (2018)
Luxembourg	Law	Law on companies with a social impact (2016)
Malta	Law	Act on social enterprises (2022)
The Netherlands	Law	Law on Social Enterprises (2012)
Poland	Law	Act of 5 August 2022 on the social economy
Portugal	Law	National Law nº 30 (2013) on the Social Economy (Lei de Bases da Economia Social e o Código Cooperativo)
Romania	Law	Law 219/15 on the Social Economy, modified and updated by GO. no. 33/2022
Slovakia	Law	Act 112/2018 on Social Economy and Social Enterprises
Slovenia	Law	Act on Social Entrepreneurship (2011), modified in 2018

Source: Own and based on the European Project EISMEA (European Commission et al., 2024).

Table 2. Social economy development strategies and plans in EU countries

Country	Strategies and plans for the development of the social economy
Bulgaria	Action plan for the social economy (2014-2015; 2016-2017)
Croatia	Strategy for development of social entrepreneurship (2020), not renewed
Cyprus	National plan for the development of the ecosystem of the social enterprises (2014)
Denmark	National strategy for the development of the social enterprises (2014)
Finland	Strategy for Social Enterprises (2022)
France	Growth pact for the social and solidarity economy (2018)
Germany	National Strategie für Soziale Innovationen und Gemeinwohlorientierte Unternehmen (2023)
Greece	National strategic plan for social enterprises development (2013)
Ireland	Ireland National Social Enterprise Policy (2019-22)
Luxembourg	Stratégie pour l'économie sociale et solidaire (2019-2023) National Reform Plan 2021 aims to make SSE a key player
Poland	KPRES National Programme for Social Economy Development 2022-2030. (previous KPRES, from 2014 and from 2019)
Portugal	National Agreement between the government and the social sector ("Compromissos de Cooperação para o Setor Social e Solidário")
Slovakia	Strategy of Civil Society Development in Slovakia for 2022-2030
Slovenia	Strategy for the development of social economy for the period 2022-2032 (draft)
Spain	Spanish Social Economy Strategy (2023-2027) Integral Plan for the Promotion of the Social Economy for the Generation of an Inclusive and Sustainable Economic Fabric, within the framework of the Recovery, Transformation and Resilience Plan (2024-2025), integrated in the Strategic Project for Economic Recovery and Transformation -PERTE- of the social and care economy.
Sweden	Strategy for the social enterprises and social innovation (2018)

Source: Own and based on the European Project EISMEA (European Commission et al., 2024).

Table 3. Strategies and plans for the promotion of the social economy in regional and local governments in Spain

CCAA	Strategies and plans for the development of the social economy	Pp.
<i>Regional governments</i>		
Andalusia	Strategic plan for the promotion and modernisation of the social economy in Andalusia (2023-2026) (previous: III Andalusian Pact for the Social Economy, 2012-2015)	81
Aragon	Aragonese Plan for the Promotion of the Social Economy (2022-2025)	29
Asturias	Strategic Programme for the Social Economy of the Principality of Asturias (2022-2025)	60
Balearic Islands	2nd Master Plan for the Social Economy of the Balearic Islands (2024-2027)	68
Castilla La Mancha	Castilla-La Mancha Social Economy Strategy (2023-2026)	54
Castilla y León	Strategic plan for the promotion of the social economy in Castile and Leon (2023-2025)	69
Galicia	2nd Galician Social Economy Strategy (2023-2026)	62
Murcia	Vth Social Economy Pact of the Region of Murcia (2021-2024)	104
Navarre	2nd Integral Plan for the Social Economy of Navarre (2021-2024)	65
Basque Country	Interdepartmental Strategic Plan for the Social Economy of the Basque Country (2021-2024)	119
Valencian Community	Biennial Plan to Support and Promote Cooperativism: Fent Cooperatives (2021-2022)	108
<i>Local governments</i>		
Cordoba	II Provincial Pact for the Social Economy 2008-2011 of Cordoba (2008-2011)	
Gipuzkoa	Provincial Law 15/2014 on the promotion of the social economy of the Provincial Council of Gipuzkoa	
Grenada	Provincial Pact for the Social, Solidarity and Common Good Economy of the Provincial Council of Granada (2017-)	2
Barcelona	2nd Plan for the Promotion of the Social and Solidarity Economy in Barcelona (2021-2023) (within the framework of the Strategy for the Social and Solidarity Economy in Barcelona 2030).	37
Madrid	Social and Solidarity Economy Strategy of the city of Madrid (2017-2025)	60
Zaragoza	Strategy for the promotion of the social economy in the city of Zaragoza (2018-2022)	90

Source: Own elaboration.

5. Characterisation of second generation policies

The second generation of public policies that has been deployed since then is characterised by a new approach in their design, systematisation and implementation, a very different approach to that of the first generation of these social economy policies, which was deployed since the 1980s (Chaves, 2020). It is interesting to know the main features of this new and innovative conception of these policies.

Following Chaves (2020) and Chaves and Gallego (2020), the first differentiating feature of these new social economy policies lies in the need for the active participation of the social economy in the entire public policy process, in collaboration with the competent government and its administration, following an approach of co-construction of these policies. There is thus a shift in the approach to these policies, from the top-down (*dirigiste*) approach of the first generation policies, where the leading role was played by the policy makers in their restricted conception, to a broader approach of participation (*partnership approach*). The advantages derived from this relational approach are fundamentally a better adaptation of the objectives, strategies and measures to the real needs and problems on which to act, as well as a greater involvement of the target reality itself. In increasing the participation of actors in the policy-making process, two elements must be considered: which social actors are invited to participate and which participation mechanisms and spaces are used, whether institutionalised, newly created or not, or informal.

Table 4. Comparison of social economy policies first and second generation

Policy features	First generation policies	Second generation policies
Nature of the policy makers involved in policy development and implementation	A dirigiste approach. Policy makers in a narrow sense	Partnership approach. Policy makers in a broad sense, with wide citizen participation.
Degree of integration of the policy into general government policies	Sectoralised, little integration into broad policy areas	Mainstreaming approach. High integration in general policies, even centrality in general policies.
Degree of complexity and technical design of the policy	Simple and cost-effective devices	Complex and systematised policies. Holistic and strategic approach to policy.
Concrete policy instruments	First generation instruments: Single Payment Benefit, job creation, technical and investment subsidies; dissemination and structural subsidies.	Second generation instruments: athenaeums, social dynamisers, public procurement, coworking, specialised training.
Policy evaluation	Quantitative criteria of efficiency, effectiveness and relevance	Quantitative and qualitative criteria, including participation, coherence and sustainability.

The transversal approach of these new policies is their second characteristic feature. The transversality is understood both in terms of the conception of the field of action, the social economy in its broadest sense, including from cooperatives to third social sector entities, and in terms of the fields of governmental action, overcoming the compartmentalisation and sectorialisation of policies and with it the traditional 'ghettoisation' of social economy policies, marginalised with respect to general governmental policy. These new policies are intended to be integrated into the main general policies of governments, following a mainstreaming approach, affecting the various portfolios of competence. This qualitative leap in the policy approach has required a change in internal governmental organisational praxis, from being coherently integrated into government policy to being led by a specific body in the administration, e.g. a commissioner, proactive and catalyst of new policy initiatives and able to involve and mobilise agencies, services and other public sector bodies, generating an administrative multiplier effect.

The transversality in relation to the social economy has a double dimension: transversality in terms of the variety of forms of entities that make it up (co-operatives, mutual societies, associations, foundations and social enterprises), and transversality in relation to the social utility of the social economy. In relation to the latter, as already indicated above, the reductionist approach of recognising only one function per type of entity, for example, the creation and maintenance of employment for worker cooperatives, has been overcome in favour of a broad, holistic approach to the functionality of the social economy in the system, a multifunctional systemic role, which fits well with the concept of inclusive prosperity. In this sense, *the social economy generates inclusive prosperity*, which transcends the economic dimension of wealth generation and also includes other dimensions such as equity in distribution, attention to social welfare, vulnerable groups, the environment, and political and civil rights and values. This function is not compartmentalisable and presents new dimensions, such as its particular focus on equity, which goes beyond distribution in favour of poor and vulnerable groups, but extends to the whole population, ensuring that no one is left behind; and on the other hand, it involves all social groups in the process of generating prosperity (Chaves, 2023; Chaves et al., 2025).

In terms of the architecture of the new generation of policies, there is a high degree of sophistication and systematisation both technically and in the policy-making process. It moves from a policy model with a simple design and little systematisation and programming to a more complex model. It contemplates a longer time horizon than the annual one typical of grants. It innovates in the area

of policy design and instruments, making them more coherent with the new ecosystem and partnership approach. It generally starts with the approval of social economy laws and then uses techniques such as structured strategic plans with objectives, axes, measures, monitoring and evaluation criteria and procedures, executing agents, etc. Priority is given to the ecosystem approach, to activating the interaction between the agents of the environment (associations, universities, administrations, financial institutions, etc.) and to the emergence and structural development of the active participation of these agents and of civil society in general. Work-learning-reflection, training and dissemination spaces, networks of prescribers and socio-economic dynamising agents, partnership research with universities, cooperative coworking spaces, 'territorial economic cooperation poles', the new social and ethical banking, social markets, public-community collaboration and responsible public procurement are examples of these new instruments, which do not replace but rather add to the instruments of the first generation.

6. Critical factors for transformative social and solidarity economy policies

The deployment of this new generation of social economy policies is not without obstacles and challenges intrinsically linked to this innovative conception of public policy: partnership-based, transversal and complex. Following Chaves (2020), Chaves, Via and Garcia (2020) and Chaves and Gallego (2020), these limiting factors are detailed.

The first major obstacle lies in the recognition and acceptance of the concept of the social economy itself, of its idiosyncrasy in relation to private for-profit enterprises and of its social utility. Overcoming this first obstacle is a necessary precondition for the establishment of social economy policies. The next major challenge is to find a space within the already established public policies for this new policy.

A second critical factor for the implementation of these transformative policies derives from their *partnership approach and external and internal coalitions*, based on deepening the democratisation of public policy through the participation and involvement of proactive actors in the transformation of the territory both in the co-construction phase of the policy and in its implementation phase. In other words, it must involve coalitions of actors external to the government body responsible for the policy. In both processes, this democratising process requires, among other things, the development of various mechanisms such as spaces for meeting, dialogue and exchange, the generation of trust and meaning, as well as dynamic and interrelated agents

capable of mobilising, involving and generating a sense of commonality. It also requires the inclusion of other key actors who become allies of the strategy, involved in the political project of social transformation that constitutes the social economy policy. The lack of meeting spaces and of catalysts and promoters, on the one hand, and the inadequate integration, or even exclusion, of new social actors in the partnership network of co-construction of the social economy policy, on the other hand, can call into question the very continuity of the policy.

On the other hand, social economy policy must have a strong coalition of actors within the government body, in the government itself and at parliamentary level, with broad party support. This political support is strengthened if it is backed up by legislative programme documents. Leading the social economy policy project should be a specific body within the administration that plays the role of a 'policy entrepreneur', a proactive driver and catalyst of policy initiatives and a link to coalitions of external and internal actors. This body can take the form of a directorate general for the social economy, a commissioner or an inter-ministerial commission. This specific body must be able to involve and mobilise agencies, services and other public sector bodies, generating an administrative multiplier effect.

A third critical factor derives from the transversal and holistic approach of this policy (*mainstreaming approach*). Social economy policy is a new policy at governmental level and interdepartmental in nature. Its instruments are cross-cutting and affect various activities and areas of administrative competence. To be effective, it must be integrated and coherent with the policy of the government of reference and aligned with both its general and sectoral programmes. It must avoid the emergence of possible duplication, lack of coordination and disorientation of the multiple administrative bodies involved in this policy. It must avoid the emergence of possible inconsistencies between the different policies in which social economy policy is involved. On the other hand, given its novelty, it fully affects the traditional way of acting of public administrations, accustomed, for example, to a compartmentalisation by areas, to a pace and timetable of execution that sometimes verges on the so-called qualitative austerity policies, poorly adapted to the needs of social economy entities, as well as to the reluctance of part of the administration's employees to share the vision and sense of the social economy and of this new policy. It must also overcome the administrative institutional inertia of the bureaucracy of the different administrations that are going to intervene, an inertia that can reduce the effectiveness of this process of change or even paralyse it if this bureaucracy is opposed to this policy. No less important is the need for prudent

and adequate economic and financial management of this policy, avoiding the generation of possible perverse and unforeseen effects.

The sustainability of social economy policy in the sense of continuity over time is another critical factor. Several authors (Castelao & Srnec, 2013; Utting, 2017; Vega, 2016; Seo, 2024) have analysed experiences in non-European countries such as Ecuador, Venezuela or Korea. An important element lies in its financial sustainability to carry it forward. A second element lies in whether this policy has governmental sustainability, in the sense of whether it has political entrepreneurs to promote these policies and whether it is capable of maintaining the necessary alliances and coalitions of external and internal actors that have established it. In terms of the role of political entrepreneur, leadership and policy driver, it has to have adequate relays. This role has often been carried out by people from federations and cooperative and social economy organisations with strong soft skills. This is the case, for example, of J.A. Pedreño in the Spanish Confederation CEPES and also in the European Social Economy Europe, and at a more local level, Jordi Via, in the city of Barcelona. In some cases they 'walk through the door' and occupy positions of responsibility in government, however, internally in the administration, they have to be able to mobilise and involve two other types of actors, on the one hand the senior civil servants and on the other hand the bureaucracy, challenges that have been documented, e.g. by Mazzucato. Its sustainability must be guaranteed by reproducing the political pacts and alliances with actors that brought it into being. From another perspective, tensions can come from outside or from within the coalition of political actors that sustains this policy. From the outside, third actors with different visions and strategies can have an impact, such as social enterprises and B-corps, which, if included in the coalition, can create tensions and dilute the social economy policy project. Tensions between families of actors can emerge from within, e.g. cooperatives can disengage from the policy and provoke an internal explosion in the coalition of actors. The sustainability of the social economy policy requires the maintenance of the alliances that have created it and the neutralisation of the elements that can question, discredit or paralyse this policy. Adequate media management of this policy is another key element in this regard.

Another fundamental factor is the evaluation of these policies and their adequate communication, clearly showing the results. However, this evaluation is more complex, given that this second generation of policies has, in addition to the traditional quantitative objectives, new objectives with a more qualitative and holistic content, such as the achievement of greater inclusive prosperity, and a broader implementation horizon. The classic evaluation methodology based on criteria of effectiveness, efficiency and relevance falls short and needs

to be expanded, including, for example, as Utting (2017) points out, new qualitative evaluation criteria such as those based on the capacity of the administration to carry them out, policy coherence, participation, renewed sustainability, but also new indicators for measuring effectiveness that transcend the strictly economic classics.

7. Conclusions

Over the last fifteen years, many governments around the world, including Spain, have launched a new generation of social economy public policies. These new public policies have been deployed in a fourfold context of major systemic transformations, firstly, in the mutations of the modes of public action, secondly, in contexts of economic expansion linked to the stage following the austerity policies established to deal with the financial crisis of 2008 and, in this decade, with the reconstruction policies following the Covid crisis¹⁹, in both cases in contexts of budgetary expansion. These policies have been deployed, thirdly, in the context of the major crises of our time, such as the climate crisis, the growth of inequalities and the increase in armed conflicts, all of which have become more pressing in recent years. Fourthly, there has been an international social and political context favourable to this type of policy.

Within this framework, the social economy has undergone a change in the perception of its concept and its social utility by governments around the world, moving beyond a segmented vision of the social economy by families and a reparative vision of sectoral problems such as employment and social services, which was characteristic of first generation social economy policies, towards a transformative vision of the whole system, broadening the perception of the usefulness of the social economy.

The way in which these new social economy policies have found their way into existing public policies, as well as their implementation, has not been without difficulties. These new policies differ significantly from the first generation policies, which focused on types of cooperatives and third sector entities from a sectoralised perspective. These transformative policies take a cross-cutting and cross-sectoral approach, aiming to profoundly transform the relationship between governments and social economy actors by encouraging their active participation, developing ecosystems and establishing public-private partnerships. The objectives they pursue are broader, such as inclusive prosperity, which includes tackling major challenges such as the socio-ecological transition. The deployment of these policies is, however, not straightforward. They face significant constraints and risks of various kinds, such as the capacity

of governments to adapt organisational structures and overcome departmental resistance. It is difficult to assess whether these policies are already consolidated and structured, with their own objectives, instruments, systematisation and evaluation tools, concepts and indicators, as is the case with other mature policies such as employment, agricultural, industrial and other policies.

A relevant question concerns the sustainability and continuity of these social economy policies in the current context of a change of political cycle, a context marked by the rise of political and business currents that question the social economy as it has been conceived in recent years, or that do not consider giving it space. A possible scenario of this type may soon occur in Europe, breaking the positive trajectory that has been building up since the beginning of the last decade (Chaves, 2023). Indeed, the mission letters from the President of the European Commission Ursula Van der Leyen to the commissioners of the new European government, which outline the new European political agenda, are in line with the recent Draghi Report, lacking the slightest mention of the social economy.

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