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Social and Solidarity Economy as a Tool for Social Justice

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Introduction

As social justice becomes central to development, mainstreaming the ideals of human rights, equality, participation and fair and sustainable growth is vital. Although traditional aid-for-growth development models have been relatively successful over the past couple of decades, they have failed to prevent recurrent economic, social and environmental crises.

As poverty, socioeconomic problems and climate change persist, the quest for more socially just development has led specialists to acknowledge the need for all-encompassing tools that tackle economic, social and environmental issues. A social and solidarity economy (SSE) is an important means of ensuring that the principles of social justice are maintained and that development takes into account the welfare of those most afflicted. The concept started gaining ground in the 1990s and has been growing in popularity as a creative alternative to traditional aid-for-growth development.

The present policy brief aims to help build the capacity of member States of the Economic and Social Commission for Western Asia (ESCWA) to adopt social policies and institutional mechanisms for equitable and inclusive socioeconomic development. It defines the concept of SSE; displays the links between SSE and social justice; and provides international and regional examples of SSE as a social justice tool.

Social and Solidarity Economy: from the People to the People

Social economy, solidarity economy or popular economy all refer to the “economy of

the people” where the main goal of economic activity, i.e. the production of goods and services, is to serve the needs of the people rather than maximize profit. It differs from regular economic models in that it channels advancement and development (economic, technological, etc.) for the service of social development. It offers economic means to social ends, with the well-being and growth of the collective as its main objectives, rather than individual-centred profit-based gains inherent to traditional business models. SSE entails economic organizations that serve people rather than markets, and produce goods and services to guarantee social welfare rather than profit maximization.

The types of organizations that fall under the SSE umbrella include cooperatives, fair trade organizations, associations and foundations, mutual societies and social enterprises. It should be noted that SSE initiatives do engage in income-generating activities and are involved - to a certain extent - in market activities, which distinguishes them from charitable organizations. Such activities include health and social protection, microfinance and collective banking, and provision of various types of socioeconomic services (e.g. food provisioning). SSE aims to tackle deeply-rooted social and economic problems, such as poverty and vulnerable employment, by “facilitating access to finance, market information, inputs, technology, support services and markets” to reduce “power asymmetry within labour and product markets and enhance the level and regularity of incomes”.

SSE grassroots economic activities have four shared sets of values and core principles, as outlined in the table below.

Social and Solidarity Economy and Social Justice

Social justice incorporates elements of fair distribution of resources, goods and services, and solidarity with the most underprivileged. More charitable approaches to development, such as aid, might not be effective because of a sense of “obligation” to donors and the international community. By and large, external aid can hinder the creative emergence of social-based initiatives, entrepreneurship, responsibility and ownership of economic initiatives. This in turn impedes the attainment of social justice, centred on premises of equality, equity, rights and participation. When the neediest communities are perceived as passive recipients of development aid, they are less empowered and less prone to actively participate in strengthening their socioeconomic well-being.

Firstly, SSE provides an alternative enshrined in principles of social justice, which can address persistent challenges to development. It creates a medium that reduces vulnerable employment, where informal workers and producers can form associations and cooperatives to improve working

conditions, gain better access to markets and develop income-generating activities. For example, Brazil has over 22,000 solidarity economy enterprises, most of which are worker cooperatives and producer enterprises through which 1.7 million people are employed. SSE addresses inequalities in income distribution, asset distribution, work opportunities, remunerated employment and participation in the decision-making process, all of which are key to social justice. In sum, it ensures the redistribution of goods and services in a socially just manner.

Secondly, SSE contributes to equal access to environmental resources and plays an important role in sustainable development. Dependence on local trade, such as through local agricultural associations, is by nature more sustainable, given that they provide alternative solutions to environmental problems through recycling, renewable energy and organic production of goods. Through SSE, local communities gain greater access to environmental resources, function on a smaller-scale level thus reducing ecological hazards, and produce goods and services that in turn benefit communities, feeding into a socially just distribution process.

Values and Core Principles of Social and Solidarity Economy

Participation	<ul style="list-style-type: none"> • Democratic governance as a core value of SSE • Members, users and beneficiaries participate in decision-making • Creates shared responsibility • Empowers beneficiaries through participative operating methods • Each person has an equal say and vote
Solidarity and innovation	<ul style="list-style-type: none"> • A “creative” alternative to traditional economic models • An inclusive type of economy that benefits the least privileged, most marginalized and poorest groups in ways not possible under mainstream and neoliberal economic schemes or traditional aid and development programmes • The need for flexibility and innovation to channel resources and benefits to beneficiaries and contributors
Voluntary involvement and autonomy	<ul style="list-style-type: none"> • Involvement in SSE organizations is on a voluntary basis • Bottom-up approach: formation of organizations based on social needs • Autonomous in nature • Offers societies room for economic ventures, skills, resources and employment and benefits otherwise inaccessible market economies.
Collective good	<ul style="list-style-type: none"> • SSE fosters a culture of community founded on cooperation and mutual support • Mutual and shared responsibilities • Main goal is collective growth and well-being; also attends to individual well-being within collective

At the heart of sustainable development is the issue of intergenerational justice. The focus of SSEs is on local trade, the preservation of non-renewable resources and the creative use of renewable resources ensures environmental sustainability. By creating a trade medium conducive to the fair distribution of natural resources and wealth for current and future generations alike (e.g. intergenerational farmers' cooperatives, sustainable community businesses and community banks), SSE serves as a vehicle for intergenerational equity and justice.

Thirdly, as mentioned earlier, SSE can reach out and empower non-traditional economic actors. A prime example is women who often are the largest contributors to SSE initiatives, such as savings groups, agricultural initiatives and social enterprises. A solidarity economy thus addresses gender inequality and empowers women who are often at the bottom of the social ladder and are socioeconomically excluded, especially in marginalized communities. In Venezuela, for example, the Government offers micro-finance programmes that enable impoverished families or individuals to start small enterprises through zero-interest or low-interest loans provided by micro-credit banks. One of these banks, the Women's Development Bank, offers both financial and non-financial support to small groups of women to empower them socially, economically and politically, thus upholding values of solidarity,

social justice and participation. The social and solidarity economy is therefore increasingly perceived as a medium where women can ensure their survival and financial security.

SSE is mobilizing a multitude of workers and producers from around the globe into agricultural cooperatives, especially among rural communities, in ways that diversify and improve the quality of production and provide jobs to many workers, thus promoting food security and equitable growth. Additionally, SSE organizations are well-placed to play a complementary role in health service delivery, given their proximity to either their members or communities they serve. This role is primarily achieved through health cooperatives and social enterprises responding to community health needs and influencing public health policies by demanding equitable social and health services. SSE provides an "health for all" approach that falls in line with a socially just approach to development. A case in point is India, where 34 non-governmental organizations provide community health insurance and handle the provision of health services to the poor, especially those working in the informal sector, which make up almost 90 per cent of the Indian workforce (i.e. small farmers, landless workers, self-employed individuals, women's groups, etc.).

Lastly, SSE has encouraged the development of new, innovative and alternative means of

Economics of fairness: Africa's fair trade movement

Fair trade is a practice that aspires to achieve greater equity in international trade and contributes to sustainable development through better trading conditions, while guaranteeing the rights of marginalized workers and producers. It creates security and economic self-sufficiency for marginalized and vulnerable workers, while improving trading conditions. In turn, producers receive greater prices for their products than they would in a regular market setting.

An example of fair trade is cocoa production in West Africa. African cocoa producers are usually small-scale farmers who grow crops for sustenance and cocoa for income, which feeds into schooling, health and household needs. Farmers were receiving a very small portion of the international price of cocoa with high governmental taxing on income, reflecting unjust distribution of revenue as compared to labour and productivity levels. As such, fair trade was adopted to support the development of a sustainable cocoa sector where farmers are able to build better livelihoods through a reliable and sustainable cocoa supply and mutually beneficial long-term trading relationships. Fair trade presents unique opportunities for economic, social and environmental development and guarantees sustainability and stability in fluctuating and volatile markets by ensuring farmers are adequately reimbursed for their efforts. In Ghana, for example, surplus of fair trade cocoa sales assist multiple communities in funding water supplies, public toilets, day-care centres and health-care programmes, among other social benefits that were lacking under regular trade circumstances and prevalent poverty.

finance, connecting microfinance with solidarity principles to fund community-led economic initiatives. This is achieved through financial cooperatives and community banking, and by encouraging participatory budgeting, in line with social justice values that guarantee equal access to opportunities and financial resources necessary for growth and proliferation. One example is Brazil's experimentation with community banks.

In a nutshell, as has been shown by studies of the International Labor Organization (ILO), the social economy promotes values and principles focusing on people's needs and their community. In the spirit of voluntary participation, self-help and self-reliance, and through the means of enterprises and organizations, it seeks to balance economic success with fairness and social justice, from the local to the global level.

The Arab Region's Budding Social and Solidarity Economy

The rise of cooperatives

The cooperative movement is one of the largest forms of civil society organizations that provides numerous jobs around the globe, contributes to poverty reduction and serves a multitude of development ends. Formal cooperatives (*taawaniya*) were introduced to the Arab region in the 1900s. Cooperatives in the region are largely dominated by States and are usually community, family or tribe-based organizations, which limits their membership and impedes voluntary and open membership characteristic of cooperatives in social solidarity economies. Some are also divided along

political, religious and sectarian lines. In total, there are around 30,000 cooperatives in the Arab region, most of which are agricultural (59 per cent). Iraq and Lebanon are two points of illustration of the cooperative movements in the region.

In Iraq, the General Cooperative Union was formed in 1971 and became financially and administratively independent from the Government about a decade later. The country boasts 16 cooperative unions, 881 local cooperatives, 221 consumer cooperatives, 49 specialized cooperatives and three collective farms; the majority of these entities do not benefit from government support for agricultural input but occasionally receive support from the Government of the United States of America for functional purposes.

In Lebanon, cooperatives received heavy support from the State in the 1960s and 1970s, which was largely lost with the onset of the country's civil war (1975-1990). Post-war cooperatives were heavily influenced by political parties and donors, thus marring their reputation as true social economy cornerstones. In 2010, there were 1,400 cooperatives in Lebanon, 799 of which in the agricultural sector. Cooperatives in the south of Lebanon saw a significant expansion after the Israeli withdrawal in 2000, totalling up to 260 cooperatives in 2010. The north of the country and the Bekaa Valley have also seen cooperative expansion in recent years. In addition, women's cooperatives have emerged, particularly in rural areas, but they have faced many hurdles because of gender bias. Despite such impediments, women's cooperatives played an immense role in relief and

Innovative financing: Brazil's community banks

By definition, community banks offer community-based financial services aimed at creating jobs and generating income for the ultimate purpose of local development. In a country where a small number of banks control 80 per cent of the country's total liquidity, and selectively do business with more affluent and economically able communities, community banks emerged as an alternative micro-credit line for less privileged communities. The first Brazilian community bank, Banco Palmas, was created in 1998 and features community-based management, an integrated system of local development and local currency (Palmas currency), all of which create a solidarity economy between the families of Conjunto Palmeira, the target community. When surveyed for an impact evaluation study, 90 per cent of the community members believed the bank helped improve their quality of life, 98 per cent believed it contributed to community development, 26 per cent reported an increase in their household income directly due to the bank's activities and 22 per cent found jobs at the bank.

emergency efforts during the 2006 Israeli war on Lebanon. They have consistently engaged in advocacy and campaigning for women's economic, social, citizenship and political rights.

Key challenges to the cooperative movement in the region include the following: lack of coordination and cooperation between government entities and cooperatives; lack of autonomy at the grassroots level; limited number of cooperatives with exclusive memberships; donor-dependency and lack of access to credit and financing; low women participation rates and lack of women empowerment in the Arab cooperative movement; absence of an enabling environment and a lack of facilitative legislative frameworks; and weak partnerships between cooperatives and workers' unions in the region.

Arab social entrepreneurship as a foundation for a social and solidarity economy

Social entrepreneurs combine business ventures with socially motivated goals and outcomes central to their mission, thus acting as agents of change in their society. They are concerned with sustainable social goals and not merely profit, as they continuously engage in a process of innovation, adaptation and learning, while maintaining accountability. According to Martin and Soberg, the social entrepreneur aims for value in the form of large-scale, transformational benefit that accrues either to a significant segment of society or to society at large. Social entrepreneurship therefore addresses the marginalization and exclusion of segments of society that lack the means (e.g. economic, financial) to achieve their desired ends, such as income-generation and growth.

In 2010, there were 78 internationally recognized social entrepreneurs in the Arab region, 73 of whom were in Egypt, Jordan, Lebanon, Morocco and Palestine. Unemployment is a major challenge in the region, especially among the youth population whose unemployment figures are double the global rate. This, paired with population growth and environmental challenges, present a pressing need to create new jobs and opportunities for underprivileged and marginalized youth, which can be aided by social entrepreneurship. The majority of social enterprises in the region focus on education, skill-building, health, community

development, income generation, civic engagement and socioeconomic development.

For example, *Injaz* – a social enterprise initiated in 1999 in Jordan – is a successful example of a public-civic partnership that provides social services and where private sector volunteers work in collaboration with the Ministry of Education. *Injaz* offers children life skills, training and strategies, such as teamwork and entrepreneurial thought, to better equip them with tackling the job market. Sustainability is guaranteed by preparing the next generation to tackle persistent social and economic challenges and equipping them with skills that would otherwise be inaccessible through traditional schooling.

Numerous examples of social enterprises also exist in Egypt, an interesting one being the *Alashanak Ya Balady Association for Sustainable Development* (AYB-SD). AYB-SD is a youth-led organization that has established multiple development strategies that target the poor, such as training, microcredit programmes, health initiatives and social awareness campaigns. The association strives to be self-sustainable by tailoring profit-generating ventures that cover the costs of running programmes. AYB-SD advocates labour rights and equal opportunities to shatter cultural stereotypes, open up the job market to the marginalized and bring about socially just change in the employment sector. To achieve its goals, the association has developed both training and formal employment programmes, mostly targeting women and youth – two marginalized groups in Egypt and the region in general. *Egypt@Work* is a project initiated by AYB-SD that provides jobs and loans to 2,000 underprivileged Egyptian youth in Cairo, El Beheira, Qena and Al Menya. The project equips youth with vocational skills, such as carpentry, sewing and iron welding, and maps the labour market to target gaps and opportunities where these skills can be employed.

Social entrepreneurship has been blooming in Tunisia in recent years, especially in the light of political transition following the Arab uprisings. It is currently being conceived as a viable socioeconomic alternative for the country that can guarantee social justice, equitable development, sustainability and stability. A project entitled "Promoting Social Entrepreneurship" (*La Dynamisation de*

l'Entrepreneuriat Social) is currently in place to advance SSE and principles of social justice in Tunisia. The project involves the following five stages: (1) conducting a literature and field review to determine the scope of and potential for social entrepreneurship in the country; (2) inserting social entrepreneurship modules into school and university curricula and creating professional and academic bodies to disseminate the knowledge and culture of the topic; (3) training and supporting members of associations in social entrepreneurship; (4) developing a knowledge and experience sharing platform between Lebanon and Tunisia - the former having successful experiences through similar projects; and (5) developing a collaborative platform among stakeholders to advance an environment of social entrepreneurship and to tailor favourable public policies for the progress of the field. Tunisia is recognizing the need for cementing social entrepreneurship and taking solid steps towards developing a social and solidarity economy.

Many challenges face social enterprises and entrepreneurs in the region. Firstly, because most social enterprises are registered as non-profit organizations, they face restrictive legislative and bureaucratic frameworks that can limit their expansion. Secondly, social entrepreneurs often lack funding and credit, which can prevent their growth. Over-reliance on international donors can limit enterprises' work plans, goals and direction. Lack of access to technology coupled with lack of financing can seriously impede the growth of social entrepreneurship. Lastly, the entire concept of social entrepreneurship is still not widely recognized in the Arab region. Both the lay public and policymakers need to distinguish between for-profit private businesses, philanthropic organizations and social enterprises to enable the growth and sustainability of social enterprises in the Arab region.

Towards an Arab Social and Solidarity Economy

SSE initiatives are blossoming in the Arab region, mostly through cooperatives and, more recently, social enterprises. However, these movements are constantly faced with challenges, most importantly a lack of an enabling environment and a seeming lack of interest in innovative economic alternatives that are at the core SSE. There is a need for SSE

as a vehicle for social justice in Arab countries undergoing political transitions and struggling with socioeconomic problems. In this context, it is highly recommended that Governments of the Arab region undertake the following:

- Acknowledge the need for SSE given the socioeconomic challenges of the region and the pressing need for social justice. This can be done through the following:
 - Mainstreaming a culture of SSE within national economic strategies;
 - Initiating policy dialogues and discussions with possible partners and the public around SSE.
- Create an enabling environment for the growth and proliferation of SSE initiatives that can be achieved through the following:
 - Creating and enforcing a legislative framework that can encourage and ease the procedural start-up and registration of community-based initiatives, cooperatives and social enterprises;
 - Ensuring and nurturing the SSE "community" feel by minimizing monopolization or centralization of associations and organizations.
- Build solid partnerships with civil society and communities and ease legal and administrative restrictions that hamper the development of innovative economic solutions to serve social needs. Similar partnerships exist in countries where SSE is thriving, such as Brazil and Venezuela.
- Adopt best practices from developing countries that have successfully implemented SSE, notably Latin American countries, which have created a conducive political environment. Venezuela, for example, witnessed a sharp increase in the number of cooperatives since the enactment of the 2001 Special Law of Cooperative Associations that facilitates the creation of new associations and certifies the State's obligations to protect cooperatives;
- Actively fund SSE projects and organizations until they achieve the economic sustainability for which they aspire, without demanding control or monopoly over these groups, so as to achieve the following:
 - Strengthen community trust in government institutions;
 - Create a solidarity relationship between government and people;

- Decrease reliance on foreign aid for start-up and maintenance of SSE projects, which implies greater ownership and independence.
- Create a cultural change by integrating SSE and its components into school and university curricula, textbooks, and academic coursework. Tunisia is a prime example where social entrepreneurship is being mainstreamed into the educational system and a special master's programme in SE is being tailored.

Since SSE stems straight from the community, and since civil society is the driving force of SSE initiatives built upon the principle of participation, it is recommended that Arab civil society actors undertake the following:

- Campaign for social justice, socioeconomic transformation and solidarity with the poor, disadvantaged and marginalized; and move beyond economic profit to address social problems through the following:
 - Spreading the values and core components of SSE through multiple media platforms;
 - Utilizing online platforms and social media to spread SSE awareness among the public and press Governments to take progressive action to create an environment conducive to SSE;
 - Urging Governments to fund the creation of SSE as a response to the increasing need and demand for social justice in the region.
 - Signing petitions and producing manifestos advancing SSE as a vehicle for social justice;
- Share knowledge and expertise on SSE with communities and societies in the Arab region,

ensuring that SSE messages reach the public and that citizens, especially the marginalized and disadvantaged, realize that there are available options for growth and sustainability, which can be done through the following:

- Ensuring that educational curricula contain information on SSE and social justice;
- Developing manuals, training workshops and dialogues with potential beneficiaries, communities and other users who can be involved in SSE;
- Conducting and disseminating research on global experiences with SSE and how it has advanced social justice across the globe.
- Encourage social entrepreneurship and help start-up social enterprises, as they are an innovative means of economic sustainability for disadvantaged groups in the region such as youth and women. Social enterprises can develop creative business ventures that have the potential to transform Arab societies and economies in the wake of recent political changes and the region's search for an alternative economic approach;
- Seek to build, support and advocate a social and solidarity economy that can cross country boundaries and transform the Arab region into a more socially just one through the following:
 - Creating cross-cutting civil society SSE networks across the region;
 - Encouraging local and regional trade among SSE organizations in Arab countries;
 - Promoting a regional platform for Arab SSE in partnership with Governments.

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